

Short on grant money? Five tips for crowdfunding success

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With only one in five National Health and Medical Research Council (NHMRC) grant applications successful, and a similar rate for Australian Research Council (ARC) Discovery grants, it's little wonder researchers are looking to alternate forms of funding – one of which being crowdfunding.¹

Raising money via crowdfunding works by asking many people for a small amount of money and, in December 2012, *pozible.com* (the world's third largest crowdfunding platform) and Deakin University agreed to create an opportunity for the direct community funding of university-led research.

'Research My World' launched to the public in April 2013 with eight projects spanning a range of discipline areas and project types. Researchers campaigned for funding on an 'all or none' basis, meaning their projects had to meet or exceed their proposed funding target within a nominated time-frame or lose all the pledged money.

Although the model of appealing to voluntary public subscriptions to fund social undertakings dates back centuries (including notable examples such as the Statue of Liberty and more locally, the Queen Victoria Hospital in Melbourne), on-line crowdfunding platforms are a relatively new phenomenon. Kickstarter, currently the largest crowdfunding platform and one of the first, was launched as recently as 2009.

In the four years since, crowdfunding has proved to be a spectacular growth industry. In 2012 almost US\$2.7 billion was raised through more than one million crowdfunding initiatives from around 450 separate platforms around the world, with successful projects typically attracting US\$5,000 to US\$10,000.

For the most part, projects from the creative industries have dominated these micro-funding economies. For example, film and music projects constitute more than half of all Kickstarter undertakings and more than 35% of all *pozible* projects.

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Shaking the tail end

Several platforms catering for alternative funding categories have recently emerged including some designed specifically for crowdfunding research. With suggestive names like *Microryza*, *RocketHub* and *Fundageek*, these platforms for the most part focus on supporting ambitious scientific research.

These sites typically limit themselves to specific research projects rather than developing institutional or sectoral partnerships; they are also often limited to projects hosted in the US and Canada.

In contrast, Deakin's partnership with *pozible* was explicitly intended to boost the long, poorly-funded 'tail' of the research community; in particular to provide a funding avenue for early career researchers and/or for projects requiring only modest investment.

Our initial set of *pozible* projects aimed for total contributions between A\$5,000 and A\$20,000 and the researchers were supported by the University's marketing, public relations and social media divisions.

Based on the success of this pilot project, *pozible* will shortly open a 'research category' in their platform and are inviting universities to consider this approach to resourcing research. So what advice do we have for researchers interested in giving crowdfunding a go?

Five crowdfunding tips

1. **Scale your research design to suit different levels of funding.** One of the unique aspects of crowdfunded research is that it is entirely possible to receive more money than you set out to raise! Projects need to be scalable in order to encourage funding at higher levels. Instead of asking for more, in the expectation that your budget will be cut, think about the smallest amount you can feasibly begin working with and scaffold your research request upwards. Remember this is totally different than writing an NHMRC or ARC grant!
2. **Recognise the difference between public relations and marketing.** Many academics are very comfortable talking about their research – it's what we're often most passionate about. But looking someone in the eye and asking them for a contribution is another matter altogether. It's really important

¹ Basically there are two models of crowdfunding. The first is what's called donation-based funding. This was the original funding model where funders collaboratively donate to achieve a funding goal for a project in return for products or services.

The second model is investment crowdfunding, where businesses sell equity. Individual investors who fund projects through this model become shareholders with potential for financial return. Crowdfunding investors are able to spread their money across a number of funding projects, hence diversifying their portfolio and reducing risk.

In New Zealand, equity based crowdfunding is not presently permitted because it breaches current securities legislation. However, new laws to be introduced in April 2014 will relax such restrictions, paving the way for Kiwi entrepreneurs to raise money in this manner. <http://www.med.govt.nz/business/business-law/current-business-law-work/financial-markets-conduct-act/consultation-regulations>

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to be relaxed about directly asking someone for money (and the prospect of being knocked back).

3. **Be comfortable mixing the personal and the professional.** Successful crowdfunding means engaging with the people who have the biggest investment in seeing you succeed. And nine times out of ten this will be your friends and family, or even your colleagues down the corridor.
4. **Make your research matter to someone (other than yourself).** Peer review often means we tailor our messages about the importance of our research to appeal to people just like us. One of the most gratifying aspects of Research My World to participating researchers was the realisation that the public not only want to be more engaged with what we do as academics, they are fully prepared to help us do it. Let them see just how much your work means to you. Give them some insight into your passions and your personality. It's you, not your institution, they want to support.
5. **The journey is just as important as the destination.** Pozible projects have a success rate of around 55% (much higher than most grant schemes, although it's useful to remember these projects are generally requesting a lot less money). This still means that many projects won't reach their financial target. As we've outlined above, there are countless other criteria for success in this kind of initiative. Crowdfunding campaigns are all about making the most from the sorts of serendipities that occur when you deliberately take your work and yourself out of your office or lab and into the digital world. You can't always pinpoint exactly where you'll end up, or even how you'll get there, but you are guaranteed to be in good company when you arrive.

More than monetary gains

During our pilot project with pozible, researchers were expected to manage their campaigns on their own terms, using their own networks and 'communities of interest'. We were operating on the hunch that the direct connection between the researchers and the public would be critical to the project's success.

We were keen to ensure the researchers' personalities and passions were at the centre of their campaigns on Twitter, Facebook and the more traditional media outlets. Altogether Research My World generated more than 200 media stories (and still counting several months after the formal campaigns have ended).

Hunches like these required some imaginative adjustments to the traditional university research management frameworks. Campaigns required constant fine-tuning (almost daily) and certainly did not align with any defined timeframes and systems.

Not only did the researchers need to amplify their 'digital capacity' on the fly, embracing and honing new social media skills, but so too did the university. Conversely there were also challenges for potential donors in adapting to online crowdfunding processes. Many members of the public were keen to support research, but had difficulty accessing the web or making online payments.

As a university's experimental foray into crowdfunding, we – research participants, assistants and facilitators, analysts and administrators – learned a great deal — especially that successful project funding was only the icing on the cake.

There were huge unexpected gains in research visibility, connectivity and global interest.

Six of our eight projects were successful in meeting their contribution targets, but all the participants benefited from the increased visibility that Research My World afforded both their projects and their personal profiles.