



BUILD YOUR *Fashion* **BRAND**

Digital Series for Emerging Designers

StartUp
FASHION



PR COUTURE
FASHION FOR THE 21ST CENTURY

Part 2

How to (Crowd)Fund Your Fashion Business

79
backers

\$6
pledged

0
seconds

Funding p
Nov 17, 20



Welcome to Build Your Fashion Brand, Fall Series

2

- Part 1: How to Get 1.5 Million Pinterest Followers (and other stuff)
- Part 2: How to (Crowd)Fund Your Fashion Business
- Part 3: Build a Company Blog your Customers Care About (and Read!)

How to (Crowd)Fund Your Fashion Business

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- What is crowdfunding?
- Deciding if crowdfunding is right for your brand
- Choosing a platform
- Tips for a successful campaign
- Open Q&A

Build Your Fashion Brand Besties

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■ Nicole Giordano

StartUpFashion.com @startupfashion



■ Crosby Noricks

PRCouture.com @prcouture

Guest Expert: Crowdfunding Success Story Kristin Glenn

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Kristin Glenn co-founded {r}evolution apparel in 2011, and launched the [highest-funded fashion project](#) in Kickstarter's early history — raising over \$64,000 to produce a multi-functional garment called [the Versalette](#).

The campaign was featured in the New York Times, Forbes.com, and the Wall Street Journal.

Her latest project is [Seamly.co](#), an apparel company using deadstock fabric to produce limited edition apparel in the USA.

Connect with Kristin at [@seamlyco](#)



Crowdfunding Basics

Latest stats and basic information about crowdfunding

What's it all about, anyway?

- Crowdfunding enables entrepreneurs to raise money in relatively small amounts from large numbers of “regular people”
- Crowdfunding websites offer the opportunity to donate funds to interesting startup ventures in exchange certain rewards, like early access to the product, limited-edition items, or just being listed as a campaign contributor
- Average successful crowdfunding campaign is around \$7,000 and lasts around 9 weeks
- **Campaigns that can gain 30% of their goal within the first week are more likely to succeed**
- There is a direct correlation between the number of outside links to a crowdfund campaign and its success.
- **Social Media is a critical factor:** for every order of magnitude increase in Facebook friends (10, 100, 1000), the probability of success increases drastically (from 9%-, 20%, to 40%)
- Individuals ages 24-35 are much more likely to participate in crowdfunding campaigns; those over 45 are significantly less likely to back campaigns
- Funding skews male; those earning over \$100,000 per year are the most likely to invest in startups through crowdfunding

Crowdfunding Pros

- Helps limit the financial risk of starting a business, creating a project, or taking up an initiative
- Can really give a boost to your marketing efforts
- Feedback! Crowdfunding nurtures crowd sourcing about a product, service, or idea
- There is an opportunity to presell and create a following for your business or project before it even launches

Crowdfunding Cons

- Over promising and under delivering; some find it a challenge to meet deadlines and produce the project as stated in the campaign, which can result in a negative company image
- It's a huge investment of time and resources without a guarantee
- Requires strong brand story and voice as well as an incredible product
- Lack of mentorship available through more traditional angel investor-type channels
- Huge amount of pre-work and prep required



Is it Right for Your Brand?

Should you take the plunge and launch a crowdfunding campaign?

Biggest Considerations

- Financial Investment
 - Can you afford cost of developing campaign collateral
 - Remember you will need to pay taxes (10-30%) on your earnings
 - Don't forget about shipping/fulfillment of orders/rewards
- Time Investment
 - Do you (or your team) have the bandwidth to dedicate yourself full-time to campaign promotion for 30+ days?
- Production
 - How likely are you to be able to produce what you have promised? On time and on budget?
- Supports & Community
 - Do you have an established brand? A strong mailing list/social media presence or friends/family support network?



Choosing a platform

Some key information and statistics about different crowdfunding options

All About Kickstarter

- “All or Nothing” funding model.
- 5.2 million people have backed a project on Kickstarter
- Not easy to launch a campaign outside of the US.
- A verified Amazon Payments account is required for US-based project creators.
- Kickstarter collects a 5% fee from a project's funding total if a project is successfully funded. There are no fees if a project is not successfully funded. Plus a 3-5% processing fee from Amazon.
- To date, there are 4,564 fashion campaigns on Kickstarter. **Fashion campaigns have 29% success rate.**
- Of the **successful fashion campaigns, the average funding goal is approximately \$9500.**
- Must fund a “creative project”. You are not able to fund a business
- Kickstarter is very specific about acceptable projects and rewards. Be sure to read all of the [guidelines](#).
- **Three rules to note:** Projects cannot offer rewards in bulk quantities (more than 10). Kickstarter cannot be used to fund websites focused on e-commerce. No eyewear companies (including sunglasses).

All About Indiegogo

- Offers a “Flexible Funding” Option.
- International options: currently have campaigns and backers in 200 countries. They offer four currencies, and three languages.
- A verified PayPal account is needed.
- Indiegogo charges a 9.0% fee on the funds you raise. If you reach your goal, you get 5.0% back, for an overall fee of 4.0%. If not, you're charged the 9%.
- No published data on fashion-specific campaigns. But only 9.3% of the 142,301 projects launched on Indiegogo have reached 100% of funding goal or higher – well below Kickstarter's 44% success rate.
- You can raise money for anything, including for-profit ventures, creative ideas or personal needs.
- Flexible campaign [guidelines](#)

Rocket Hub

The World's Crowdfunding Machine.

RocketHub.com

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- Art, science, business, and social good projects are all welcome
- They have a strong global audience and a partnership with the TV network A&E.
- There is a chance your project could wind up on the show Project Startup.
- Not an “all or nothing” model; keep what you raise.
- If you reach your goal, there is a 4% commission fee + 4% credit card handling fee. If you don't reach your goal: 8% commission fee + 4% credit card handling fee.



Mimoona

Test the Demand for Your Garments Before Production

Mimoona.com

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- Show the garments you are considering producing on your own website, **accept pre-orders, and produce only the popular garments.**
- Embedded on your website, with your look & feel and branding. **You're driving traffic to your own site.**
- There is no limitation on the number of designs you can post.
- Set your minimum # for production and market your website to collect pre-orders.
- Backers only charged if minimum is reached.
- You can upload multiple images, multiple videos, display the colors in stock, show your size chart and give different discounts based on the quantity purchased.
- **Built in affiliate program.** You can incentivize your customers to market your products and become your ambassadors. You choose a discount to offer them for any sales they bring in.

The screenshot displays the Mimoona website interface for a product titled "BURNS REB CARDIGAN". The interface is divided into several sections:

- Navigation Bar:** Includes tabs for "BASIC INFO", "BUILD PROJECT", "PROMOTIONS", and "FINISH".
- Project Status:** Shows "PROJECT RATING" with a progress bar and a "25% Undersold why" indicator.
- Product Image:** A large image of the "BURNS REB CARDIGAN" is displayed.
- Countdown Timer:** A section titled "HOW IT WORKS - WE MAKE IF YOU TAKE" shows a timer at "026 : 00 : 00 : 00".
- Goal and Fledged:** Displays "GOAL: 100 items" and "FLEDGED: 0 items".
- Price Table:** A table showing pricing tiers:

PRICE	ITEMS	DISCOUNT
\$200	1	-
\$350	2	1 for \$275
\$450	3	1 for \$350
- Colors & Images:** A section for "COLORS & IMAGES" with options to "EDIT" and "ADD IMAGES".
- Size:** A section for "SIZE" with options to "EDIT" and "ADD SIZES".
- Details:** A section for "Details" with a description of the product and a list of "BURNS REB CARDIGAN" features.
- Share Button:** A "SHARE BUTTON" is located at the bottom of the page.
- Invite Friends & Earn Promotions:** A section for "INVITE FRIENDS & EARN PROMOTIONS" with a "Bring 10 sales and get 1 item(s) for free" offer.
- Share Button:** A "SHARE BUTTON" is located at the bottom of the page.

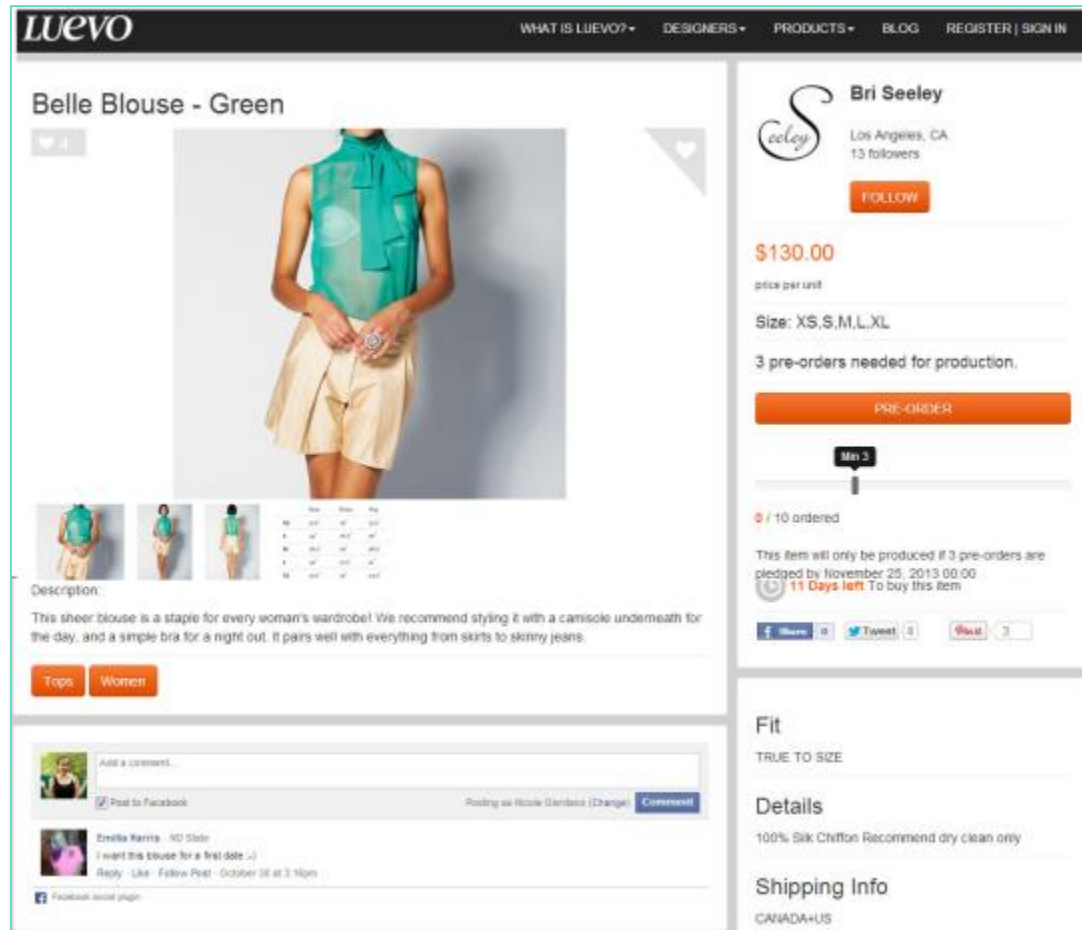
Luevo

Crowdfunding Independent Designers.

Luevo.com

- An ecommerce platform that allows consumers to **pre-order garments from independent designers**.
- Post your garment, collect pre-orders before going into production.
- Each garment has a required minimum and a maximum number of pre-orders.
- Designer screening: Every designer is interviewed before being accepted onto the platform. Designers must source ethically and have well developed relationships with suppliers.
- There's a social aspect to the platform. Consumers can follow, and connect with the designers that interest them.
- They do not publish information on their fees. So be sure to ask.
- They offer Free Shipping. Be sure to ask who is covering this.

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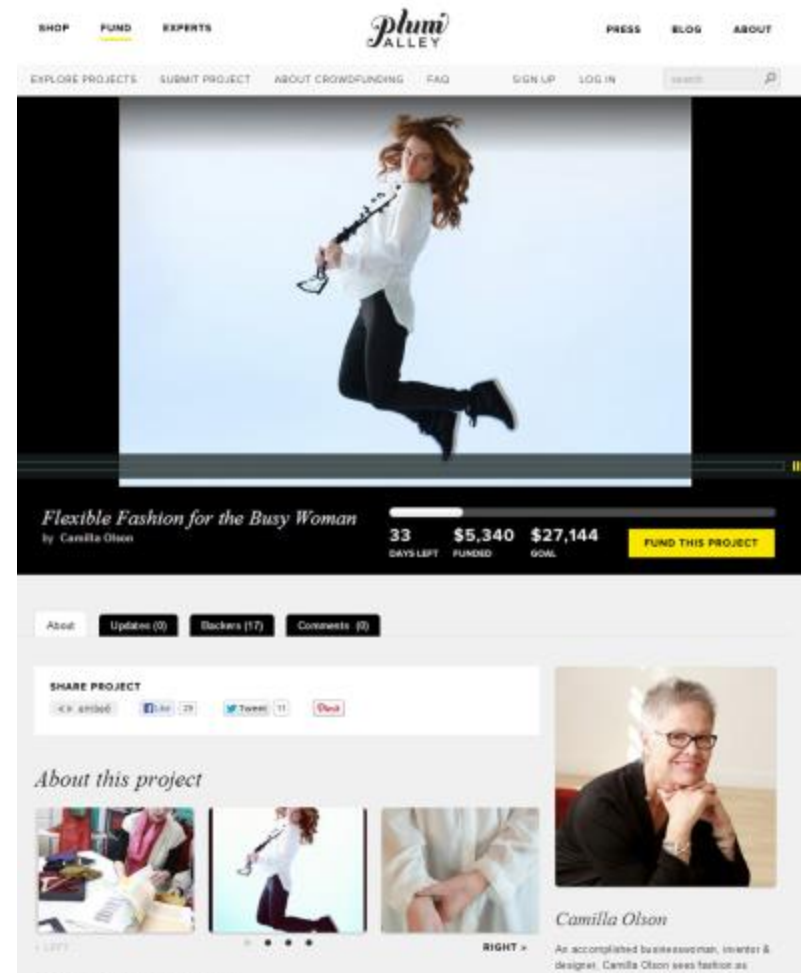
Plum Alley

Connecting women entrepreneurs to markets, capital, and advice.

Plumalley.co

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- **Specifically for women entrepreneurs.** But not fashion specific.
- You can fund a specific project, product, or company.
- All-or-nothing funding policy.
- If a project raises its funding goal, Plum Alley receives 5% of the total amount raised. And there is a separate credit card processing fee of 2.9%. If the funding goal is not met, no amount will be charged.
- Need a verified WePay account.
- Provides a ready-made sales channel for products and services through their e-commerce.
- They provide project creators with exclusive **access to experts** who offer their professional services for compensation. Can be paid for through the campaign.





Campaign Development

Everything you need to do to prepare before you even think about hitting that “publish” button.

Create Goals and a Budget

- Though the main goal of your crowdfunding campaign may be monetary, you may also want to focus on what you can learn from the experience with regard to:
 - Market research
 - Brand awareness
 - Concept feasibility
- When it comes to your monetary goals, have a solid number in mind.
- Create a budget for the campaign as well as the project itself.
 - First, find out how much money you need simply to fund the creation of the campaign.
 - Then, add that to your production cost to fund your project
 - Consider platform fees, taxes & fulfillment

Choose a Platform and Pitch

- Platform Considerations
 - Fully funded vs flexible funding
 - Percentage taken by platform
 - US vs International focus
 - Guidelines/Restrictions
 - Take the time to research the various platforms that are available to you.
- Pitch/Story Development
 - Identify problem
 - Introduce solution
 - Define target audience needs/wants
 - Choose persuasion technique (educate, impress, emotions, fantasy)
 - Add personal touch (honesty, humor, transparency)

“Always lead and center around a strong, well-articulated pitch that anyone can immediately grasp and get excited about.” – Fundable.com

Create Infrastructure and Templates

- Map out what you will do each day from the point of launch to the point of completion.
- Create templates for all the email communication that you will be doing prior, during, and after the campaign.
 - Outreach to press
 - Family and friends
 - Current customers
 - Industry influencers
- Template social media: Tweets, Facebook posts, Instagram, LinkedIn updates, Pinterest, etc. Schedule promotional tweets for duration of campaign
- Template campaign updates for backers: new images, video clips, milestones, etc.
- Have Thank you notes at the ready to all who supported you whether through funding or spreading the word

Develop Campaign Collateral

- Projects with video outperform by 125%
 - Work with a professional, use a script
 - Explore both the product and the
 - Keep it under 3 minutes
 - Change camera angle every 30-45 seconds
- Product/Reward Photography
 - Have professional photographs of your work; close ups of the fabric and trim, details of prints and patterns, on models, off models, front, side, back.
 - Show images of the rewards as well
- Promotional materials
 - Work with a graphic designer to create high quality graphics to promote via social media and email.
 - Consider a unique email template just for your crowdfunding campaign
- Project copy
 - Use headlines and short sentences
 - Speak directly to the backer and how this will benefit them
 - All of your text should lead up to one call to action – FUND!

Rewards

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- The majority of people will go for the cheapest item tangible item that is most relevant to your campaign
- A smaller number of people will spend more, but only if there is something of high value – emotional, experiential or monetary
- Leverage connections (celebrity, artists, entrepreneurs) to donate exclusive rewards in support of your campaign
- Increase rewards gradually (don't go from \$5 to \$75)
- Give backers a sense of ownership in the project (naming a dress after them, allowing them to choose a color)
- Offer limited and/or early bird rewards to encourage early backing



Marketing Your Campaign

How to market your crowdfunding campaign to keep interest alive.

Build Buzz Before Launch

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- Email personal and professional networks first
- Leverage your social networks and existing customer base to build excitement for your campaign before launch
- Create a website landing page with info about the upcoming campaign and a place to sign up to be notified about updates
- Throw a live or online launch party. Have some kind of incentive for attendance. Promote prior to launch.
- Encourage friends and family to back early to create a strong start and instant momentum

Launch, Daily Upkeep, and Promotion

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- Announce campaign launch to friends, family, mailing list, social media, LinkedIn
- Email Press & Bloggers
 - Note that some press refuse to cover crowdfunding campaigns due to popularity of these pitches
 - Relate campaign to news/seasonality/human interest
 - Offer to write a guest article with link to campaign in byline/bio
- Always include a call to action: "Please Share"
- Pay for targeted FB advertising
- Tweet and post content that focuses on rewards, to gain more interest
- Understand momentum:
 - Add new images
 - Post recent press
 - Share project updates
- The goal is to start off strong and then add little bits over the course of the campaign to keep interest and bring fresh eyeballs

Understand that while the campaign is running, you will work to promote it every single day.



Key Takeaways

Don't forget these do's and don't's as you develop your crowdfunding strategy.

Crowdfunding Tips

Don't choose the most popular platform for your campaign.

Do select the platform that makes the most sense for your business.

Don't jump in without spending at least six weeks preparing for your campaign.

Do put together a detailed budget and layout specific goals.

Don't think that all you need is a great video in order to succeed.

Do prepare all your promotional materials ahead of time with templates, scheduled tweets and planned outreach.

Don't expect to get a ton of press about your campaign

Do leverage existing networks, understanding that the bulk of funding will come from people you know

Don't make the mistake of being quiet before the launch.

Do build excitement and anticipation prior to launch.

Don't think that once it's up, the hard work is done.

Do spend every single day marketing your campaign and understand that it's your new job for the next 30 days.

Crowdfunding Essentials

- A great product
- An even better video
- High quality images
- Compelling copywriting
- Well-defined and value-rich reward tiers
- Clear budget
- Written timeline
- Huge marketing/PR push in first 7 days
- Consistent communication with backers
- Successful fulfillment of project & rewards

SPECIAL OFFERS

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■ PR Couture:

- **2 spots left** - Fashion PR/Marketing 45-minute consulting session for \$99 (reg. \$175)
- Email Martha@PRCouture.com to get on the list

■ StartUp FASHION Community:

- Access the resources, tools, and people you need to start, run, and grow your fashion business. [Community.startupfashion.com](https://community.startupfashion.com)
- **Sign up by Nov. 22nd** and save 20% on membership w/ code: BYFBLove

■ Mimoona:

- Free download: *Top 10 Crowdfunding Tips for Fashion Brands*
- Delivered with slides and recording tomorrow



Q&A



BUILD YOUR *Fashion* **BRAND**

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StartUp
FASHION



PR COUTURE
FASHION TO GO HAUTE DESIG

Thank You!

See you next month

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Nov 1

