MERLIN
OFF-THE-SHELF INSTRUMENT

Donation-based crowdfunding

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The MERLIN project (https://project-merlin.eu) has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101036337.

Connectology (2023). MERLIN Off-the-shelf instruments – Donation-based crowdfunding. MERLIN Project.

The OTSI benefited from comments and inputs from the following individuals: Ana Barjasic (CONN), Paulo Andrez (CONN), Yulia Demus (CONN), Vladyslav Saviak (CONN), Merijn Hougee (WWF Netherlands), Astrid Schmidt-Kloiber (BOKU), Sebastian Birk (University of Duisburg-Essen), Petra Schneemann (SAM) for design services.

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Executive summary

The development of technology has made it possible to use online resources for funding opportunities.

Crowdfunding is one of the most widespread methods to raise necessary funding for different goals and projects. In this report, we are focused on donation-based crowdfunding where online platforms are used to raise donations.

Backers (or donors as some people call them) have the desire to back the projects without expecting anything in return. We overview the **beneficiaries** involved, the **advantages** of this financial instrument and indicate potential setbacks in the crowdfunding campaign which is the focal point of this report. Costs, financial targets and other **key elements** in setting up a successful campaign are discussed and the **implementation process** as well. **Key performance indicators, good practices and examples** of crowdfunding campaigns for restoration projects are underlined.

Setting up a campaign is a project in itself and requires time, but once the campaign is launched and well-advertised, raising funds can happen quickly. It is essential to approach planning and implementing the campaign seriously to engage the target audience and raise the necessary funds. As presented in this report, donation-based crowdfunding showed that it is a suitable way to engage many stakeholders, raise awareness of the project and provide necessary funds for nature restoration projects.

Well-defined and thorough implementation of every aspect of a crowdfunding campaign is vital for its initial success. Potential campaign creators have to take into consideration a number of small but important actions during the entire process of running a campaign. Let's take a look at a **step-by-step implementation process** as it is shown during this report:

Preparation phase

During the pre-launch phase, the creator(s) should thoroughly analyze the campaign's idea in order to minimise potential risks. They should prepare a good marketing plan (using emails and Google/Facebook Ads), create a balanced team of professionals (maybe hiring a consulting company or expert), and generate a media pack (images, posts, etc.).

Crowdfunding platform phase

After the pre-launch phase is completed, the campaign creator(s) should choose among the many available crowdfunding platforms. Factors that might influence the decision: number of active users, costs of fees, rules/regulations, degree of complexity in using the platform, and jurisdcition.

Campaign's page creation

This step is especially valuable in guaranteeing potential backers' positive first impressions. On the project's webpage, add videos and photos of your initiative, and add memorable text that will fully express your idea and feelings towards your campaign.

Launch phase

The stage is set and now you can launch your campaign. In order to maximise the effectiveness of the campaign, you should always be in touch with backers, express gratitude for every donation, and constantly update the status of your campaign. Use your marketing tools and channels, check their success rate, and modify in case something is not working. Use friends, relatives, and forums to raise awareness about your campaign.

Post-launch phase

After you have achieved your fundraising goal, don't forget to thank all who donated. You should also post constant updates showing the implementation of your idea. By doing this, you will show backers that you have used their funds purposefully. Remain in touch with your potential backers for the next potential crowdfunding campaign.

Good luck with your crowdfunding campaign!

Introduction to donation-based crowdfunding

In today's world, more and more people have started to use modern technologies, like the internet and social media, to their favor.

Crowdfunding is a method to fund a project (which can be a nature restoration project) by asking many contributors to voluntarily donate a certain amount of money each through specifically chosen online platforms. In order to avoid confusion with other types of crowdfunding, here we list the **different types** that can be found on the market:

Donation-based crowdfunding	Type of crowdfunding campaign in which people who invest money do not expect any financial return
Reward-based crowdfunding	Type of crowdfunding campaign in which people who make donations receive an advertised reward (or surprise) which can be goods or services (e.g., a t-shirt or postcard, or their names may be mentioned in a document/post/video)
Equity-based crowdfunding	Type of crowdfunding campaign in which people who make investments to a company receive shares of equity in the company
Lending-based crowdfunding (including peer-to-peer lending)	Type of crowdfunding campaign in which people lend a certain amount of money to a borrower for a predefined time under an agreed interest

Donation-based crowdfunding is one of the most widespread methods of receiving money for a project, company, or institution. Generally speaking, its purpose is to raise contributions to social causes, such as non-governmental organizations' (NGO's) projects. **People who donate money in a donation-based crowdfunding campaign do not expect any financial return.** Their "return" comes from the backer's personal satisfaction from helping a worthwhile project. →

→ **The precondition for establishing a campaign is a solid restoration project.** For nature restoration project managers, donation-based crowdfunding should be seen as an alternative to public grants and a way to engage many more stakeholders. By potentially reaching thousands or millions of people, donation-based crowdfunding can help to raise awareness of the restoration project and even attract additional grants or governmental attention to the project.

Now, we will take a look at the **total sum raised by this method of crowdfunding in Europe and in the UK from 2015 to 2020.** Based on the data, we can see a sharp rise in recent years (2019 & 2020); however, more than 95% of the volume in 2019 & 2020 came from the UK.

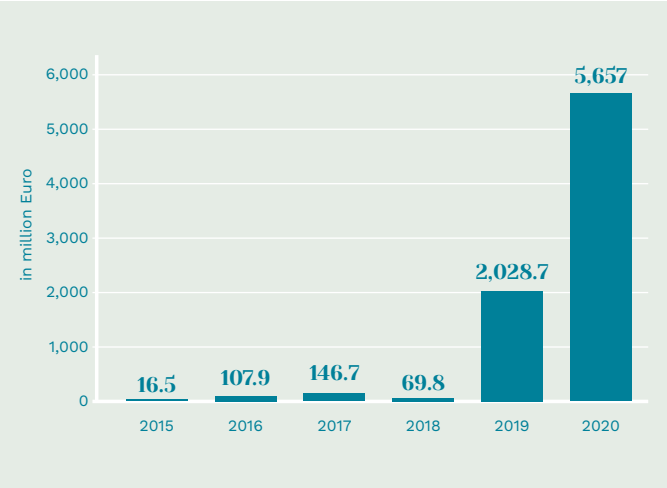


Figure 1 – Donation-based crowdfunding transaction value in Europe and the UK from 2015 to 2020 (in million Euro)[1].

A prominent example of a donation-based crowdfunding campaign that focused on implementing a nature-based project is the weir removal on the Baunach river in Germany, guided by WWF Germany on their platform in cooperation with Kronach Water Management Authority which was in charge of the weir removal. WWF Crowdfunding Netherlands was promoting the campaign on their website directly linking potential backers with WWF Germany's campaign page. This old and obsolete man-made structure was blocking the normal flow of water, imposing a negative effect on aquatic organisms that live in the river. The campaign was launched in July 2021 and reached the necessary amount of funds, € 35,000, in September 2021. Right after the goal was reached the weir was demolished.

Additionally, **two noteworthy instances of successful donation-based crowdfunding campaigns were launched in Slovakia and Ukraine.**

The focus of the first campaign was the removal of a weir on the Hučava River, which contains fish species, of EU significance, listed in the Habitats Directive. It was supported by the WWF Netherlands Crowdfunding team in partnership with WWF Slovakia. Another significant accomplishment was made in partnership with WWF Ukraine when funding was secured through a crowdfunding effort for the removal of three obsolete splash dams in the Cheremosh River basin (Dobryn', Hostovets, and Bayrivka).

These initiatives ensured the rivers to flow freely, opened up the paths used by aquatic organisms on their migrations, and provided food for species that depend on them for survival, contributing to an increase of freshwater biodiversity.

Donation-based crowdfunding is not only effective for raising low sums of money. **In the USA**, for instance, several **environmental campaigns** have reached over **10 million USD.** In **the UK, the "Plant a Tree" campaign** has an ambitious plan of planting 20 million trees by 2030, which corresponds to approximately **100 million GBP (approx. 120 million EUR).** Learn more about this campaign at https://www.nationaltrust.org.uk/features/plant-a-tree.

In this report we will emphasise the **key advantages** in using donation-based crowdfunding methods for nature-based restoration projects. Then we will take a look at approximate amounts for setting-up one campaign, analyze its operational costs, good practices and recommendations, and finally we will focus on identifying successful implementation cases of donation-based crowdfunding. In the end, we will analyse some key performance indicators that can help you track the success of your campaign.

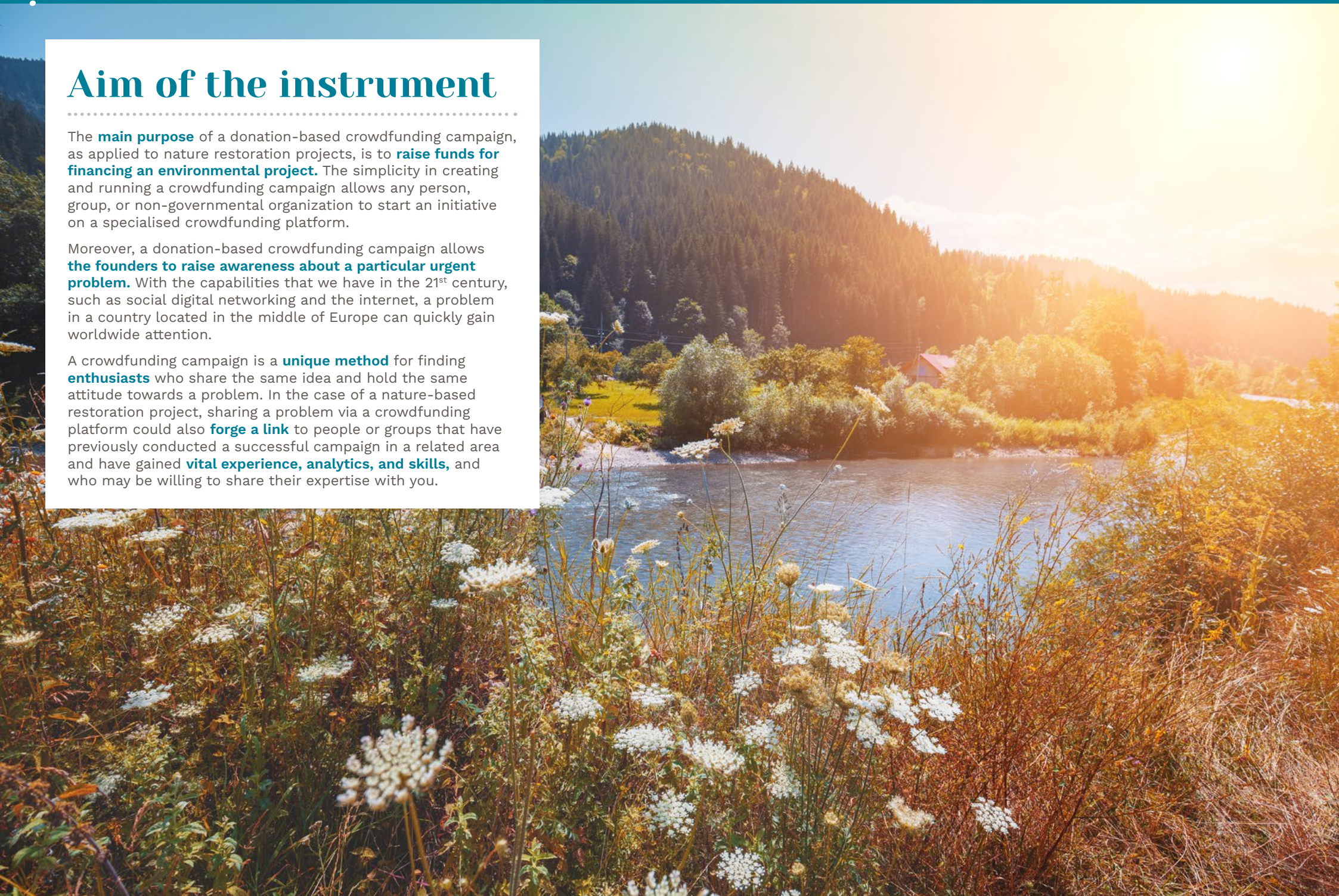
1 Sources: The 2nd Global Alternative Finance Market Benchmarking Report (p. 77) & https://www.statista.com/statistics/797717/donation-based-crowdfunding-uk/ & https://www.statista.com/statistics/412463/europe-alternative-finance-transaction-value-donation-crowdfunding/

Aim of the instrument

The **main purpose** of a donation-based crowdfunding campaign, as applied to nature restoration projects, is to **raise funds for financing an environmental project.** The simplicity in creating and running a crowdfunding campaign allows any person, group, or non-governmental organization to start an initiative on a specialised crowdfunding platform.

Moreover, a donation-based crowdfunding campaign allows **the founders to raise awareness about a particular urgent problem.** With the capabilities that we have in the 21st century, such as social digital networking and the internet, a problem in a country located in the middle of Europe can quickly gain worldwide attention.

A crowdfunding campaign is a **unique method** for finding **enthusiasts** who share the same idea and hold the same attitude towards a problem. In the case of a nature-based restoration project, sharing a problem via a crowdfunding platform could also **forge a link** to people or groups that have previously conducted a successful campaign in a related area and have gained **vital experience, analytics, and skills,** and who may be willing to share their expertise with you.



Potential beneficiaries

During the creation and running of a donation-based crowdfunding campaign, certain stakeholders can make an impact on the project. We can define those involved as:

- → **Restoration (or upscaling) project managers** – a person, group of people, or non-governmental organization (NGO) that has an idea and wants to implement it by using donations;
- → **Contextual stakeholders** – indirectly involved but benefit from project being implemented, including society, local, and national governments, and state's regulators
- → **Crowdfunding platforms** – platforms where campaign creators pitch their ideas and connect with backers;
- → **Project backers** – besides being a participant in the campaign, backers spread information about the campaign among fellow colleagues, friends, and other people, thus raising awareness about the project.

Stakeholders may receive certain benefits by participating in the campaign.
Such benefits may include:

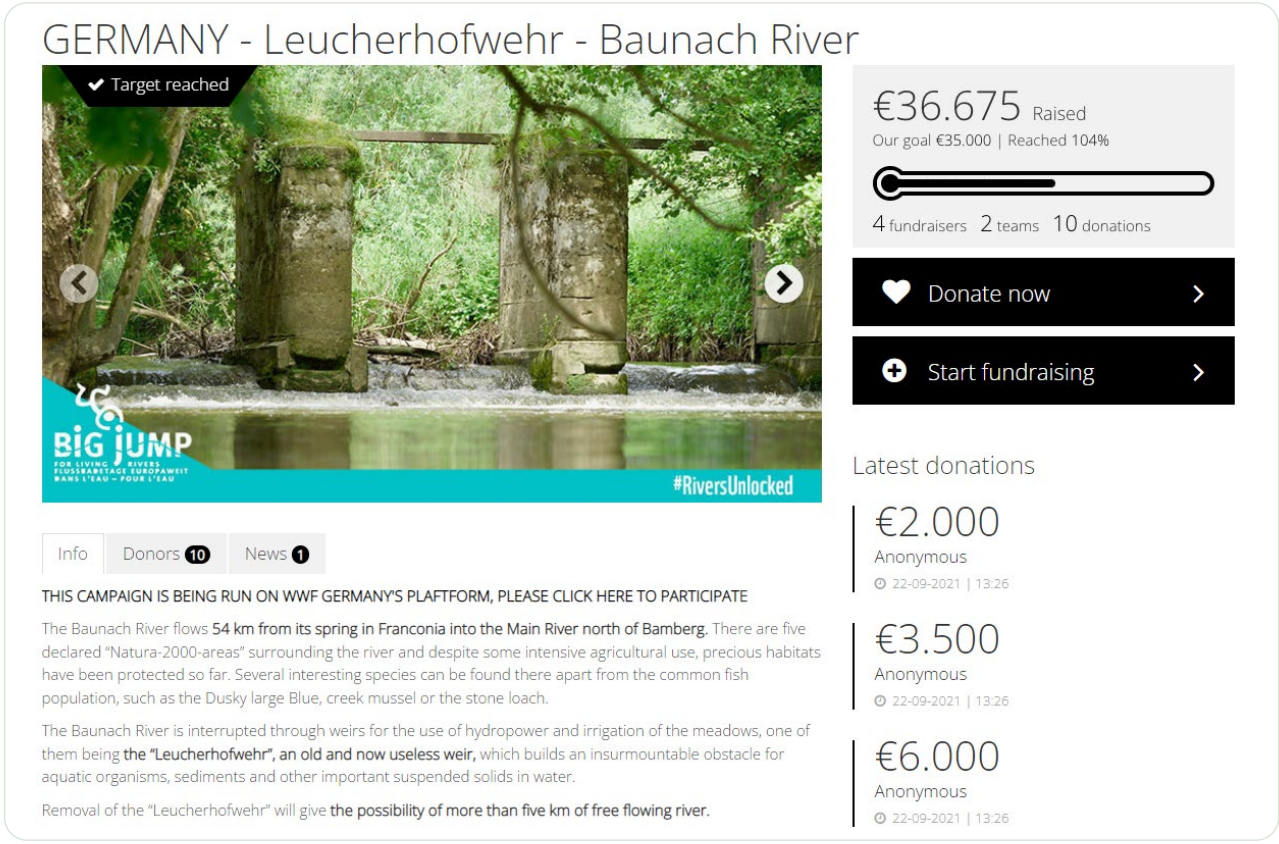
Stakeholder group	Benefits of the group
Restoration (or upscaling) project managers	Personal satisfaction from helping the environment and other people; increasing their reputation around the world (important for future projects). In some cases, they can receive salaries for working on the project.
Contextual stakeholders	Welfare increases after project's implementation; cash flow into country's economy; eventual tax revenues on funds raised or in products/services acquired; better environmental conditions for local communities to live in and for society in general.
Crowdfunding platforms	Fixed campaign set-up fees and a certain percentage derived from the donations (fees).
Project backers	Personal satisfaction from helping a worthwhile project. Enhanced personal image; marketing benefits through followers, media, etc. In some countries project backers can partially or totally deduct their contributions in their annual income (personal or corporate) tax bill.

How does it work?

After the restoration project is outlined and the goals that are to be met are defined, there is a base to create a crowdfunding campaign.

- The creation of a successful donation-based crowdfunding campaign starts with **the creation of the campaign title**. The title should be catchy and quite short, as it is the first thing potential backers might see when encountering the campaign over social networks. Browse top crowdfunding platforms for inspiration.
- The next step is writing **the story of the campaign**; a description that encourages people to be willing to donate. The description/story should answer the following questions:
  - **What is the main problem the campaign will solve?** (inform the potential backers about the obstacles that you or the entity that will receive the funds is facing)
  - **Who are the fundraisers/leaders?** (briefly describe the people or NGO responsible for the campaign)
  - **Who are the potential beneficiaries of the crowdfunding campaign?** (emphasise people/entity in need of those funds, and stakeholders that will have advantages as a result of the campaign)
  - **When are the funds needed?** (set an approximate deadline)
  - **How will the potential backers' money help solving the problem you are trying to solve?** (list the expenses on which donations will be used)
- **Keep potential backers informed about how much money has already been raised** (if a campaign has raised 75% of the target amount, potential backers will be more willing to invest than if only 1% was raised).
- **Prepare a short but complete explanation about the campaign's key elements.** Some platforms provide a special box for this purpose, so that potential backers see it right after the title of the campaign and make their first impressions based on it.
- Now it is the time to **add photos and videos to brighten the campaign**, ideally showing how the site (e.g. lake) is today and how it will be in the future after the project is implemented. The key to success in this part is the usage of high-quality and arresting main photos/images that will inspire viewers to donate to your campaign.

Below is the illustration of a WWF campaign for a weir removal on the Baunach river in Germany.

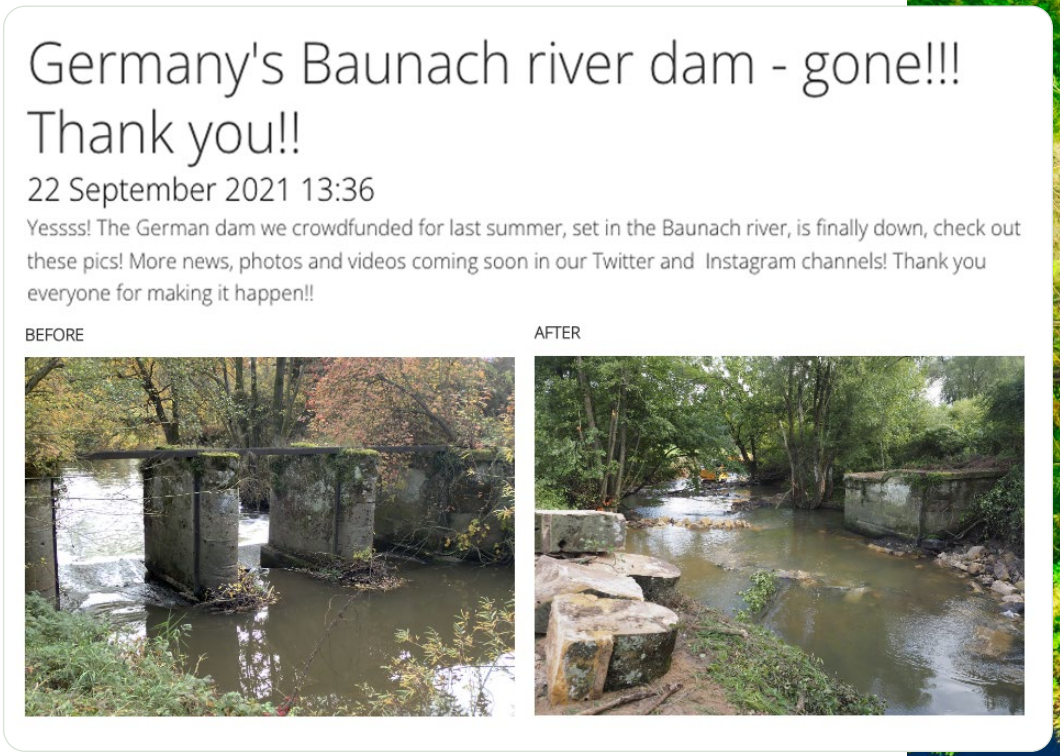


↖ The video featured on the WWF platform of the same campaign.

← Campaign page on the WWF crowdfunding platform.

- **Setting the financial goal** for the campaign is another necessary step in a donation-based crowdfunding campaign implementation process. It is necessary to take into account all costs of the project and add a little extra amount for the possible costs that were not anticipated or were abruptly increased.
- When a crowdfunding campaign is ready for implementation, the **best technique** is to have some **committed backers** (friends, colleagues, and people or groups who share your ideas) to **create buzz over how successful the campaign is.** This approach will make other prospective backers more willing to contribute as they will see several people have already invested money in the project. Of course, if you have contacts with social media influencers, this can boost the success of the campaign.
- A small hint that platforms do not share with project leaders is that platform **algorithms tend to choose successful campaigns** to showcase on the front page of the crowdfunding website. So, if you have backers ready to fund the project from the beginning, the initial traction will be outstanding. The algorithms of crowdfunding platforms will spot the project and elevate its profile, bringing it to the eyes of a vast new community, which will increase the chances that new backers jump into the project, which in turn will reinforce the algorithm analyses. Success feeds success.
- Another fundamental part of a successful donation-based crowdfunding campaign is to **share the campaign over social networks**, like Facebook, Instagram, LinkedIn, Twitter, etc. One more tip for you to build interest in your campaign: creation of a unique hashtag for the crowdfunding campaign that will lead potential backers directly to the posts about the campaign.
- Last but not least, there is a need to **post constant updates** on the crowdfunding campaign website. They may help the campaign to continue getting funds in case raising them is becoming slower than anticipated. Updates can be presented in the form of photos or a short paragraph that tells potential backers how the campaign is doing at a certain date.
- Even **after the campaign** is over and the funds are collected, it is important to **keep all stakeholders informed** about the implementation progress. Updating stakeholders regularly through social media, blog posts and direct emails will keep them up to date with the campaign they are involved in. Otherwise, some backers may become doubtful about the use of their funds and create a bad reputation for the project (and its leaders), jeopardizing future crowdfunding initiatives from the leaders of the project.

Example of a post on the platform after successful campaign can be seen below.



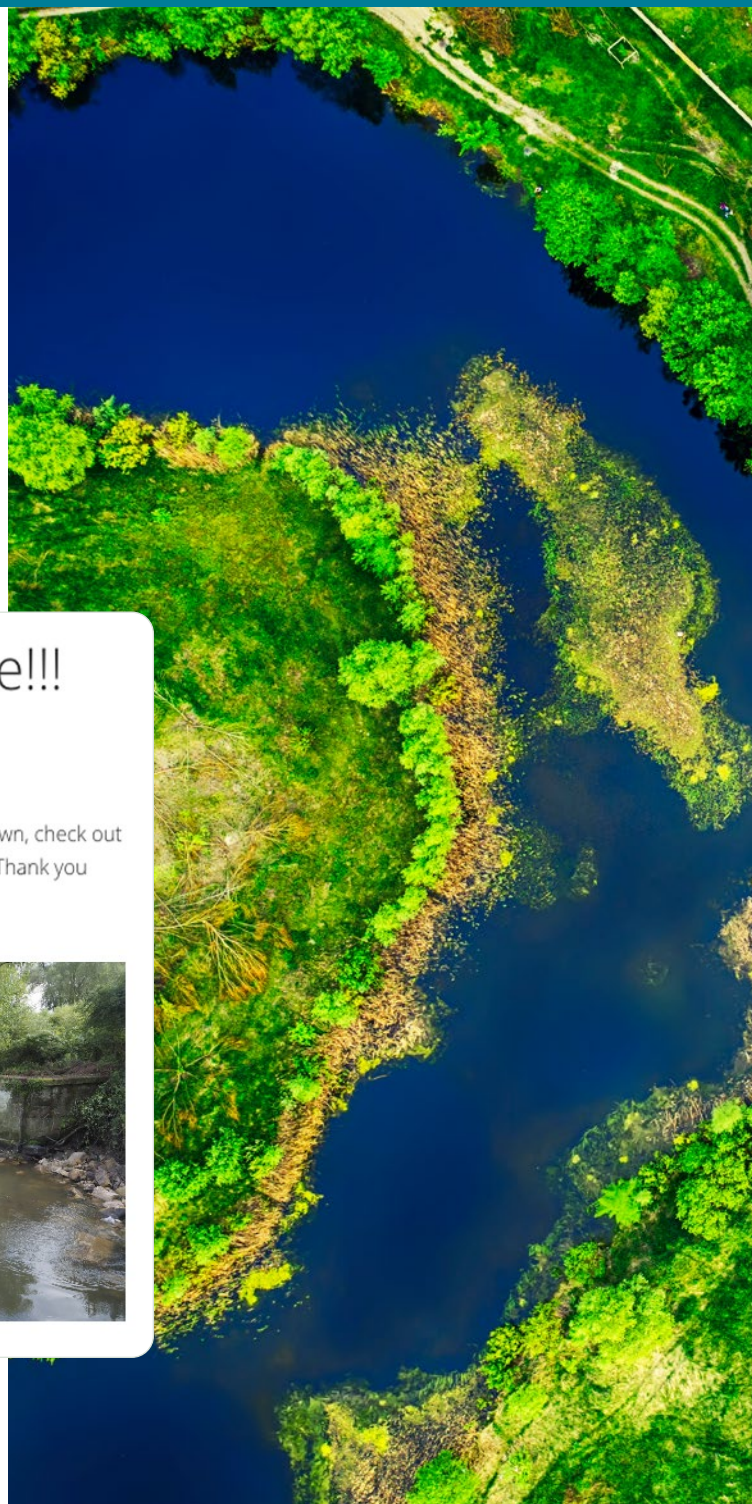
Germany's Baunach river dam - gone!!! Thank you!!

22 September 2021 13:36

Yessss! The German dam we crowdfunded for last summer, set in the Baunach river, is finally down, check out these pics! More news, photos and videos coming soon in our Twitter and Instagram channels! Thank you everyone for making it happen!!

BEFORE

Notification of stakeholders on the WWF platform that the funds raised through the campaign have been used for the removal of the dam.



Pros and cons of a donation-based crowdfunding campaign

A donation-based crowdfunding is a reliable way to receive additional funds for a specific purpose. Unsurprisingly, many organizations have incorporated this source of money into their funding strategies.

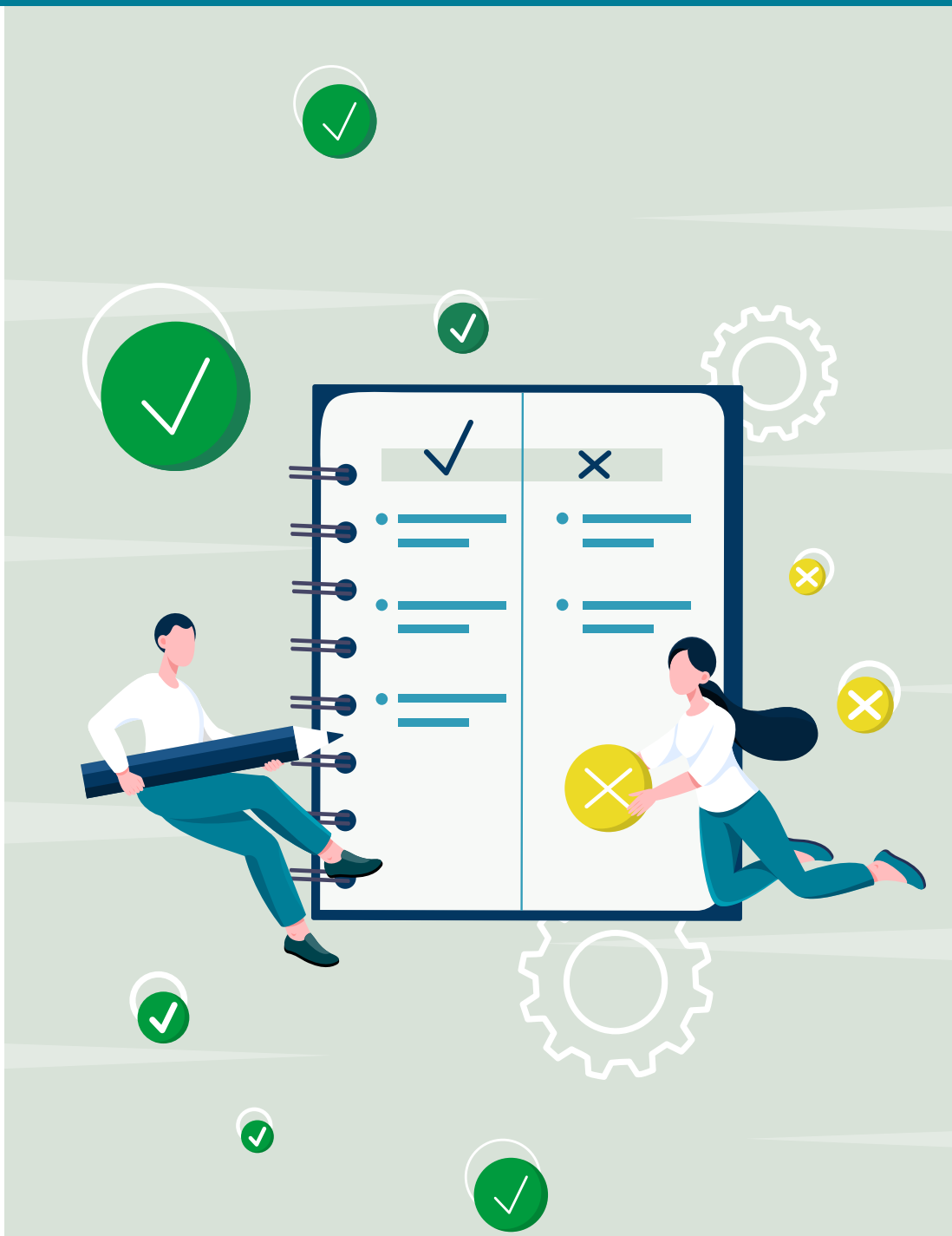
Let's look at some pros and cons for the projects:

Advantages of donation-based crowdfunding (Pros)

- Relatively short wait time to receive donated funds
- Some crowdfunding platforms do not charge fees for their services
- Ability to leverage financial help from a large number of people
- Builds a strong relationship with people who donated the money by communicating with them directly via email, a handwritten note, phone or even through a brief meeting
- Builds positive PR and credibility for future initiatives
- People who do not donate money but are passionate about the project, may still participate in the campaign by volunteering (outside of the crowdfunding platform) to support the leaders of the project with in-kind services (offering their skills in photography, video, accounting etc. free of charge)

Drawbacks of donation-based crowdfunding (Cons)

- Competition for funds is growing in intensity as many new projects are implementing crowdfunding strategies
- Certain crowdfunding platforms take a significant percentage of donations as a payment for their platform services
- Some platforms are goal-oriented and inability to reach a predefined amount may result in a return of all gathered funds
- People who are against the project may post bad things about it and create a bad reputation for the project (despite this is rare to happen)



Time for implementation

Although raising money through a donation-based crowdfunding campaign can be relatively fast, establishing the campaign itself might not be an easy and fast task. On average, it takes from 4 to 7 months from starting to plan a crowdfunding campaign to using the donations to fund a project. The duration may vary greatly depending on the complexity of the idea, its popularity, quality of the pitch, and many other factors.

On average, a **timeline of a donation-based crowdfunding campaign** is:

1. Preparation of the campaign (2–4 months)

- → **Idea adaptation and potential risk mitigation** (getting familiar with the crowdfunding concept and target audience, choosing the right time to launch the campaign, not to underestimate the time and cost of launching the campaign, missing the financial target, etc.)
- → **Identification of the implementing team** (including reliable suppliers, if possible) and its responsibilities
- → **Social media publicity and warming up the audience** (followers should be made aware of the campaign that is going to start soon)
- → **High-quality photo and video** content preparation
- → **Choosing the platform** from those available in the market. This choice must take into consideration where the most potential backers are present (based on previous campaigns that match your target audience profile) plus other important aspects for the decision, like fee structure/level, competition, and goal-orientation.
- → **Building a database** with email addresses or other contact methods of potential backers
- → **Campaign design** according to the standards of the crowdfunding platform
- → **Validation of the project** by the crowdfunding platform's administrator

2. Running the campaign (4–6 weeks)

- → **Launching the campaign** after its approval by the platform's administrator
- → **Constant updates** to the audience when certain milestones are hit (people who have donated and the potential future backers need to know how the campaign is going and that you, as a creator, are enthusiastic for this idea to be funded)
- → **Communication with the audience** (people who receive at least a message of gratitude from the campaign creator will be pleased and might share their excitement about the idea with fellow friends and colleagues)
- → **Active management of social networks** and forums; creating special hashtags (your campaign must receive as much attention as possible from a targeted audience in order to execute the plan and possibly even get overfunded)
- → **Contacting,** personally or through a call center, potential important **backers** (e.g. corporate backers)

3. Finishing the crowdfunding campaign (2 months)

- → **Informing the audience about the results** on the campaign's website and contacting them directly through email (backers will definitely be interested to know how their money is going to be or is being used)
- → **Preparing a special appreciation post** to all the participants (express gratitude to every backer, as they might help you again in future)
- → Collect money from the platform
- → **Keep the backers informed about the progress** of the project; e.g. for the restoration projects commonly the crowd-sourced funds are dedicated to perform individual restoration measures so communications must be organised on that basis
- → At the end of the project's implementation, send a **"certificate" to the backers** stating that they have contributed to the success of the project

Set-up costs

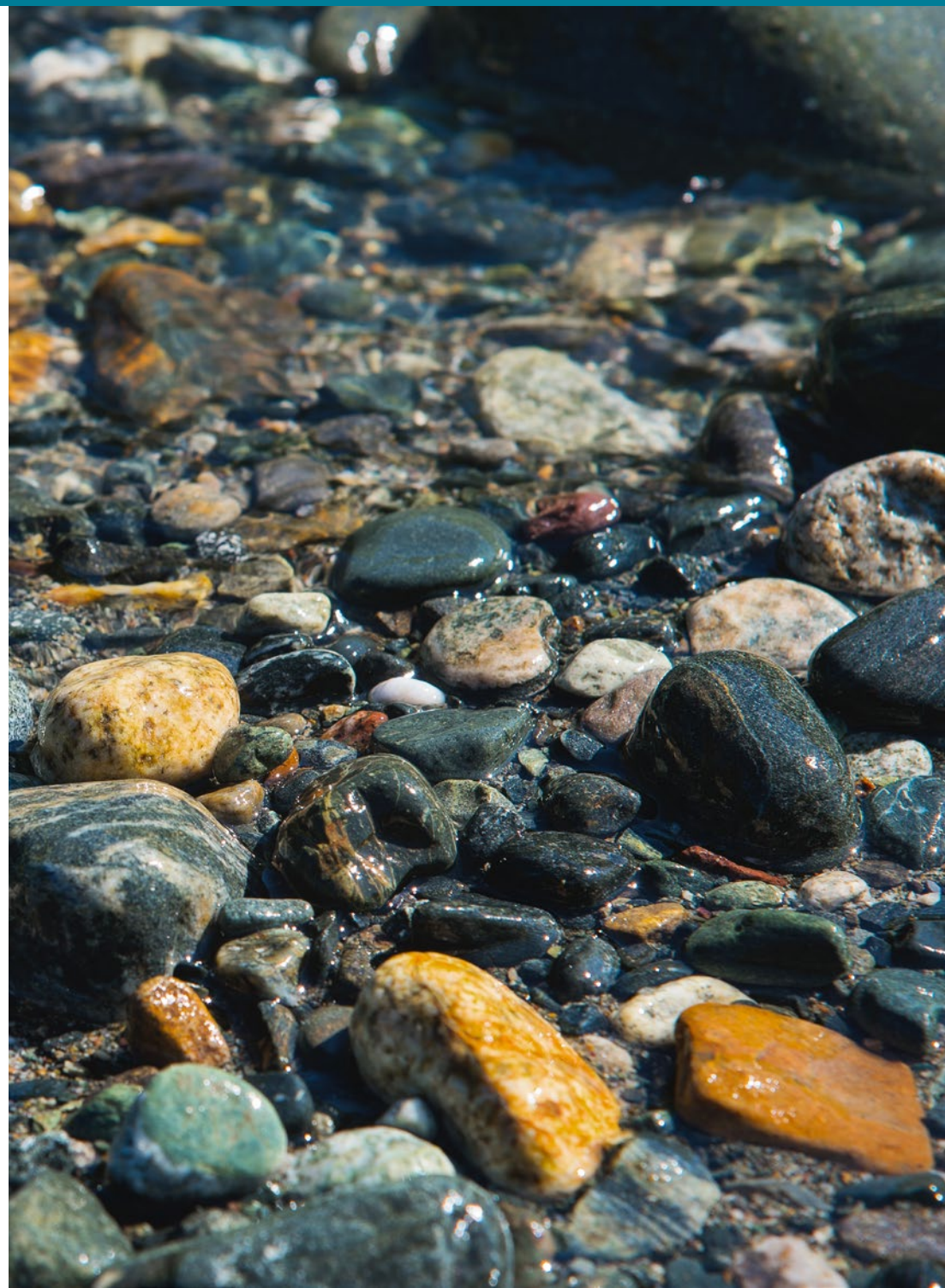
The set-up costs are the expenses involved in launching a donation-based crowd-funding campaign. They may vary depending on the size of the project, funding needs, and complexity. Generally speaking, **main costs' categories** are mentioned in the following table:

Transactions costs category	Elements of the category	Approximate costs
Media	Photo and video content of a project (varies on the project type and its size)	Varies from € 100 to € 5,000. In some cases, photogra-phers may voluntarily do it for free
Crowdfunding platform	Crowdfunding platform fees	An average on the market is 5% of the total funds raised. Some platforms charge a minimum set-up fee as well, dependent on the services required.
Administration	Salary for project team members (though they may work on a part-time basis. In some cases, the project team is paid by their employers)	5–7% of the total funds raised

Operational costs

Operational costs occur before and after the crowdfunding campaign has been launched and continue during the campaign is live. Like set-up costs, operational expenses will differ depending on the campaign's complexity and the level of funds that creators are willing to get. All in all, the **structure of these costs** split into the following **categories**:

Transactions costs category	Elements of the category	Approximate costs
Marketing costs	→ E-mail marketing campaigns → Promotion through landing pages and blogs → Advertising on social media	→ Depending on the number of subscribers, chosen platform, the complexity of the campaign and whether it is outsourced to marketing agency or managed internally → 5%–15% of the fundraising goal is very common to be spent in marketing costs
Conference/Exhibition participation (best to be used with a sufficient amount of capital)	→ Pitching the campaign in expos and shows	→ Varies per each exhibition/ conference (€ 0–€ 3,000+)
Crowdfunding platform	→ Payment fee	→ 2–4% of total funds raised, this is on top of the platform's commission mentioned in the set-up costs
Payments to the government	→ Taxes on raised funds	→ Varies dependent on the taxes regime in the campaign's country of origin
Suppliers that will implement the project	→ Payment to suppliers that will do the restoration project	→ Varies dependent on the project, but may be 50% to 100% of the funds raised, after deducting all costs and fees



Prerequisites to implement

In order to launch a successful crowdfunding campaign, a creator should be aware of several important prerequisites prior to the start.
These **preconditions will help** the founders of the campaign to **minimise chances of failure** and **soften the consequences** of unforeseen circumstances.
Some of the **most important prerequisites are:**

- **Choose the team and their roles in the campaign.** If there are some skills that are lacking, it is better to identify them before the campaign starts.
- **Identify similar campaigns that were launched before** (through www.google.com or crowdfunding platforms), both successful and unsuccessful. Try to understand the key factors in the outcomes. Ideally, talk with other project managers who launched previous campaigns.
- **If there is no expertise in-house to launch a campaign, pre-select consultancy companies** that will be ready to work on the project.
- **Establish a legal entity.** In some platforms, dependent on the amounts to be raised, it may be required to exist as a legal entity, which must be created before the campaign is launched. One tip to avoid the bureaucratic creation of a new entity is to identify an already established (and reliable) entity that could be the "face" of the campaign.
- **Set up a bank account.** On most crowdfunding platforms, it is required to have a legal bank account in an approved jurisdiction to launch a campaign.
- **Prepare "Plan B" and "Plan C" in advance** (when your campaign is in progress and some tools are not as effective as they should be (not gaining enough backers as planned and consequently not raising funds), you will have to act quickly and implement changes that will bring the situation back to a normal progression). A plan B can be to split the initial project in smaller projects so it will be easy to successfully fund smaller amounts.
- **Build familiarity with the platform** you want to work with (it is suggested to talk directly with representatives of the selected platform to confirm all the conditions and tips before moving on).
- **Know your project.** Backers might ask you specific things about your project, or be keen to know your next steps. Creating a FAQ (Frequently Asked Questions) section will be helpful for you and for potential backers to provide detailed answers. If you are unaware of key elements that you are required to know, your authority may come under serious question, and your campaign may fail. It is not expected that all members of your team are experts in all aspects of the project, but the managing team should be able to answer all potential questions.

Consulting companies that support the set-up and management of a campaign

If your organisation lacks internal expertise or resources for preparing and presenting requests, do not be disheartened. Many organisations have internal departments or knowledge in this area, but if yours does not, consider hiring consultants to assist you in your efforts. Some crowdfunding platforms, like the internationally well-known crowdfunding platform "Kickstarter" or WWF Crowdfunding platform, have a part of their website specifically devoted to promoting experts and consulting organizations that, for a fee, will help you in setting up successful crowdfunding campaigns.

Even if the experts are not specialised in nature restoration projects, they will be able to support you with great tips how campaigns work. Most of the consulting companies in this field support multiple sector projects.

The main activities of such experts and consulting companies include:

- → Assistance in developing a deliberate step-by-step launching plan for your crowdfunding campaign
- → Using experts' experience and connections in reaching out and engaging with the audience (this is especially valuable for the beginning of the project when you need to court first donations and use the first potential investors to spread information about your campaign)
- → Pointing out to the most suitable approaches on how to properly guide your campaign to success (an expert may easily identify weaknesses and potential risks of your campaign and give crucial advice on how to properly mitigate them)
- → Creating a working and understandable marketing campaign (consulting companies and experts are familiar with all marketing tools that are vital for raising awareness about your campaign)
- → Helping in construction of an eye-catching front page and procuring high-quality video and photos of your project

Here are some examples of consulting companies for donation-based crowdfunding projects that have been involved in environmental/societal crowdfunding campaigns and their contacts:

Name of the consulting firm	Address of the consulting firm	contact e-mail and telephone number	Website address
CrowdfundingHub	**Amsterdam,** The Netherlands	info@crowdfundinghub.eu +31 850 640 972	www.crowdfundinghub.eu
Blazon Agency	86-90 Paul St Shoreditch, **London**, EC2A 4NE	hello@blazonagency.com +44 20 3870 3280	www.blazonagency.com
Brakeley AB (also has subsidiaries in Germany and the UK)	c/o Convendum Vasagatan 16, **Stockholm, Sweden**	info@brakeley.se +46 70 444 23 49	brakeleynordic.com
	Subsidiary in Germany: Emil-Riedel-Str. 18, 80538 München, Germany	kontakt@brakeley.de +49 89 / 46 13 86 86	www.brakeley.de
	Subsidiary in the UK:	info@brakeley.uk	www.brakeleyltd.uk
CCS Fundraising	**Subsidiary in the UK:** 54 Hatton Garden, 5th Floor, London EC1N 8HN	ccsuk@ccsfundraising.com +44 (0) 207 240 3822	www.ccsfundraising.com/europe
	Subsidiary in Ireland: Harcourt Centre, Block 3, Harcourt Rd, Dublin 2	ccsireland@ccsfundraising.com +353 (0) 1 676 0041	

Besides the abovementioned consulting organizations there are many freelance experts that may guide your campaign along its way to success. Such experts publish their resumes on freelance sites, like www.fiverr.com and www.upwork.com. You can choose an expert based on your marketing budget, campaign's complexity, and urgency.

Players and platforms in the market

After an entity, a person, or a group of people decide to launch a donation-based crowdfunding campaign, they choose the **platform to host their project**. Each platform has its own unique features and characteristics, and differs in the amount of fees charged and the typical size and type of audience. Not all of those platforms promote environmental campaigns, so the evaluation of every possible website to set up a campaign should be done carefully.

Please bear in mind that this market is a very dynamic one, where many new players are coming in and many existing players are readapting their offer, so the information contained in this report may be not accurate at the time you read it. Anyway, at the time of the publication of this report, some of the most used/well known crowd-funding platforms that are based in Europe are:

Name of the platform	Countries in which the platform operates	Platform fee (%)	Transaction fee (%)	Website link
Adjukössze	Hungary	5% (set-up costs) + 2% of total amount raised	Annual and monthly fees for organizations that start fundraising by credit card or by telephone	www.adjukossze.hu
BuonaCausa	Italy	No platform fees	Transaction costs by bank	www.buonacausa.org
GoGetFunding	Multinational (based in the UK)	6.9% of total funds raised	2.9% for funds raised + € 0.3 per transaction	www.gogetfunding.com
Goteo	Multinational (based in Spain, may be used in other countries)	5% of total amount raised	0.8% per transaction (3.4% + € 0.35 per PayPal transaction)	www.en.goteo.org
Spacehive	The United Kingdom	5% + VAT	Included in the platform fees	www.spacehive.com
StartSomeGood	Multinational (a main office in the UK; can be used in the vast majority of EU countries, including Portugal, Austria, Germany, Italy, Belgium, etc.)	5% on all successful pledges	1.4% + € 0.25 per pledge (for European Economic Area cards); 2.9% + € 0.25 per pledge (for international cards)	www.startsomegood.com
Ulule	Multinational (based in France, can be used by person of any nationality)	4.17% – 6.67% of total amount raised by credit card (1.67% – 4.17% of total amount raised by check)	Included in the platform fees	www.ulule.com
WWF	Multinational, NGO	Varies	0.35 euros + 2.5% on average charged by external service providers	wwf.panda.org

As mentioned before, the market is developing rapidly and every year there are new platforms, so it is recommended to search the internet for updated lists of platforms. Besides the abovementioned European-based crowdfunding platforms, we can also mention some of the largest platforms that, despite being based abroad (in the US, Australia, etc.), allow fundraisers from Europe to launch environmental non-profit campaigns for donations. Such crowdfunding platforms include:

Name of the platform	Countries where the platform is operated	Platform fee (%)	Transaction fee (%)	Website link
Kickstarter	UK, Portugal, Italy, Spain, Sweden, etc.	5% of total funds raised	3% + € 0.2 per transaction	www.kickstarter.com
Indiegogo	More than 200 countries all over the world	5% of total funds raised	3% + € 0.2 per transaction	www.indiegogo.com

Note: The conditions of each platform are constantly changing due to competition and other aspects. For an updated set of conditions per each platform please visit their website or contact them directly.

Best practices

In order to launch a successful donation-based crowdfunding campaign, take into account **these important and valuable tips:**

Create a team that will be able to develop the full campaign, from A to Z.

Get acquainted with the crowdfunding platform you are working with (its benefits and drawbacks and all its capabilities).

Create a unique story and prepare superior content about your project in order to persuade people to donate their money.

Do not hesitate to **use help in establishing a campaign from other people** that might have a much better understanding of certain processes.

Prepare step-by-step social media posts regarding the campaign in advance.

Do not forget to **write an appreciation post** at the end of the campaign.

Communicate with the backers, make connections with them, and be thankful for every donation.

Use your friends, colleagues, and relatives as the first backers on a platform, and as a resource to share the campaign among other people.

Examine regulations in the country that hosts your project and the crowdfunding site, as crowdfunding money may be considered as income and may be subject to tax. We suggest you to always seek for experienced advice on legal and tax issues.

Case study and contacts

More and more enthusiastic people have started to create their own donation-based crowdfunding **campaigns** that focus on preserving and restoring our environment. One such campaign was launched on the **WWF's Crowdfunding site (World Wildlife Fund for Nature)** and was a part of **a Big Jump 2021 Simultaneous Crowdfunding Dam Removal Coalition in Europe** for preserving rivers.

The project's full name is UK – Rothley Weir – Rothley Brook, Leicestershire. The main idea of this campaign was to facilitate the restoration of Rothley Brook, a river that flows in Leicestershire, UK. The river had been seriously neglected in recent years, "featuring heavy modifications, having chemical status issues and barriers to fish passages" that were disastrous for many species that inhabited this river.

In order to solve at least some of the most urgent issues, WWF, in cooperation with Dam Removal Europe, launched a donation-based crowdfunding campaign to remove the Rothley Weir and so "ecologically reconnect 8 km of river whilst reinstating natural flow and sediment regimes."

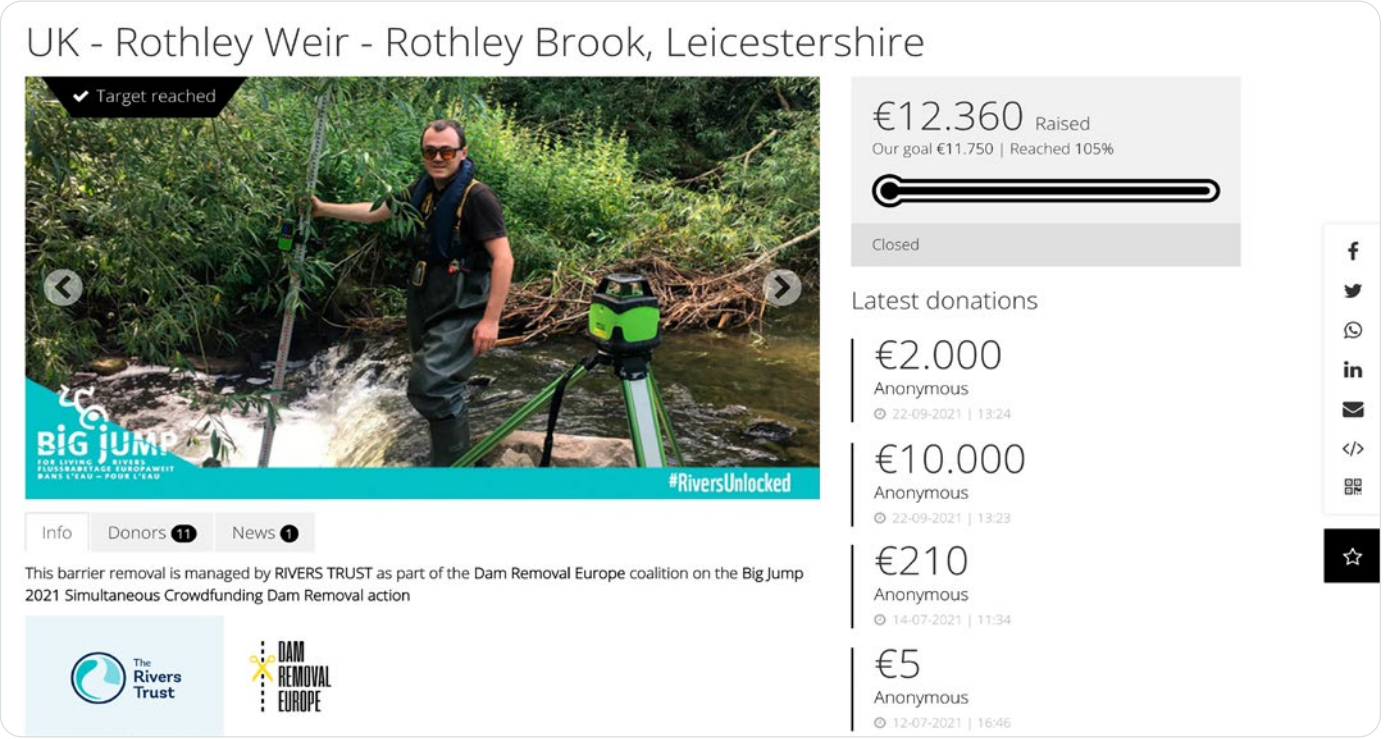
This campaign received its first donation on the 4th of July, 2021, and was completed in less than 3 months, on 22nd of September, 2021, when it received two donations worth € 12,000 in total. After the end of this campaign, creators posted a message which thanked all people who contributed to the initiative and mentioned that on the 27th of September, 2021, the dam removal process would start. On the 29th of September, 2021, campaign creators published a post on Instagram (Instagram: @wwfeuroperivers) announcing that the dam was completely removed and the river was flowing again.

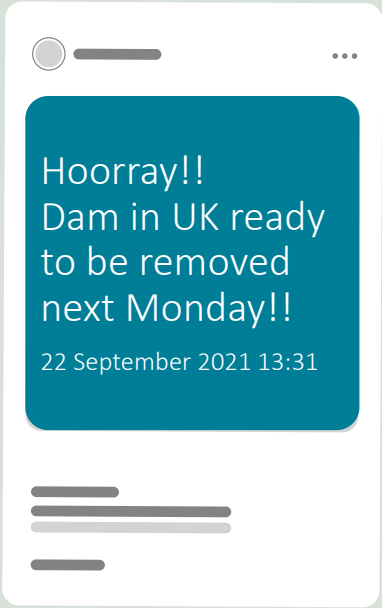
This campaign was managed by the The Rivers Trust.

The contacts of The Rivers Trust are:
Official website: www.theriverstrust.org
Email: info@theriverstrust.org

The contacts of WWF Crowdfunding are:
Official website: www.wwf.nl
Email: info@wwf.nl

The name of the campaign:
UK – Rothley Weir – Rothley Brook, Leicestershire





Instagram: @wwfeuroperivers, 29th of September, 2021

Suggested Key Performance Indicators (KPIs)

In order to run a successful donation-based crowdfunding campaign a person should know to define specific performance targets. This is where **Key Performance Indicators (KPI)** are used. Let's take a look at some useful metrics for a crowdfunding campaign:

1) Cost per euro raised (CPER).

Despite being a very simple metric, CPER is one of the most important **metrics to calculate**. It shows how well your campaign is doing and whether you have lost or raised a certain amount of money or you achieved break even.

In order to calculate this metric, you should **divide expenses for a campaign by the funds raised.** If the result is 1, that means you are at a break-even point (you neither lost nor raised money). If after dividing the numbers your received result is greater than 1, that means you have spent more on doing a campaign than you have gained in donations. However, if your result is less than 1 you have raised more than was spent. You should target for a ratio of 0.1 to 0.5.

2) Average donation size

This metric means the **average donation amount you have received from a backer or a group of backers.** This metric might be useful to analyse how willing people or groups of people are to donate a considerable amount of money to your campaign.

To calculate this figure, **divide the total amount raised by the total number of donations.** In case you plan to set up more donation-based crowdfunding campaigns in the future, you can use this metric to track which campaign drew the biggest average donation amount and make an analysis of what helped that project receive a more significant average amount than other campaigns.

3) Email open rate

If you are using marketing tools to promote your donation-based crowdfunding campaign, you might take advantage of sending promotional emails. However, a number of them will be directed to the "Spam" folder and the intended person will never them. That is where the use of **email open rate** will be particularly useful for your campaign.

To calculate this metric, **divide the number of emails opened by the total number of sent emails.** You will receive a percentage of people who got acquainted with your idea via email. The rate that is considered successful is around 20%, but usually the rates vary from 2% to 10%, dependent on how old is the database and how important is the entity sending the email.

Then, you can modify your marketing campaign to decrease the BOUNCE RATE: people who did not open your email. You can also modify the title of the email, text, and subject to see how the rate will change.

4) Fundraising speed

As an example, you should **target in the first week** of your campaign to reach **20% of your target**, after one month you should reach 50% of the target, and the campaign should be finished in three months' time. It is important you predefine these target dates so that during the campaign you can evaluate its success.

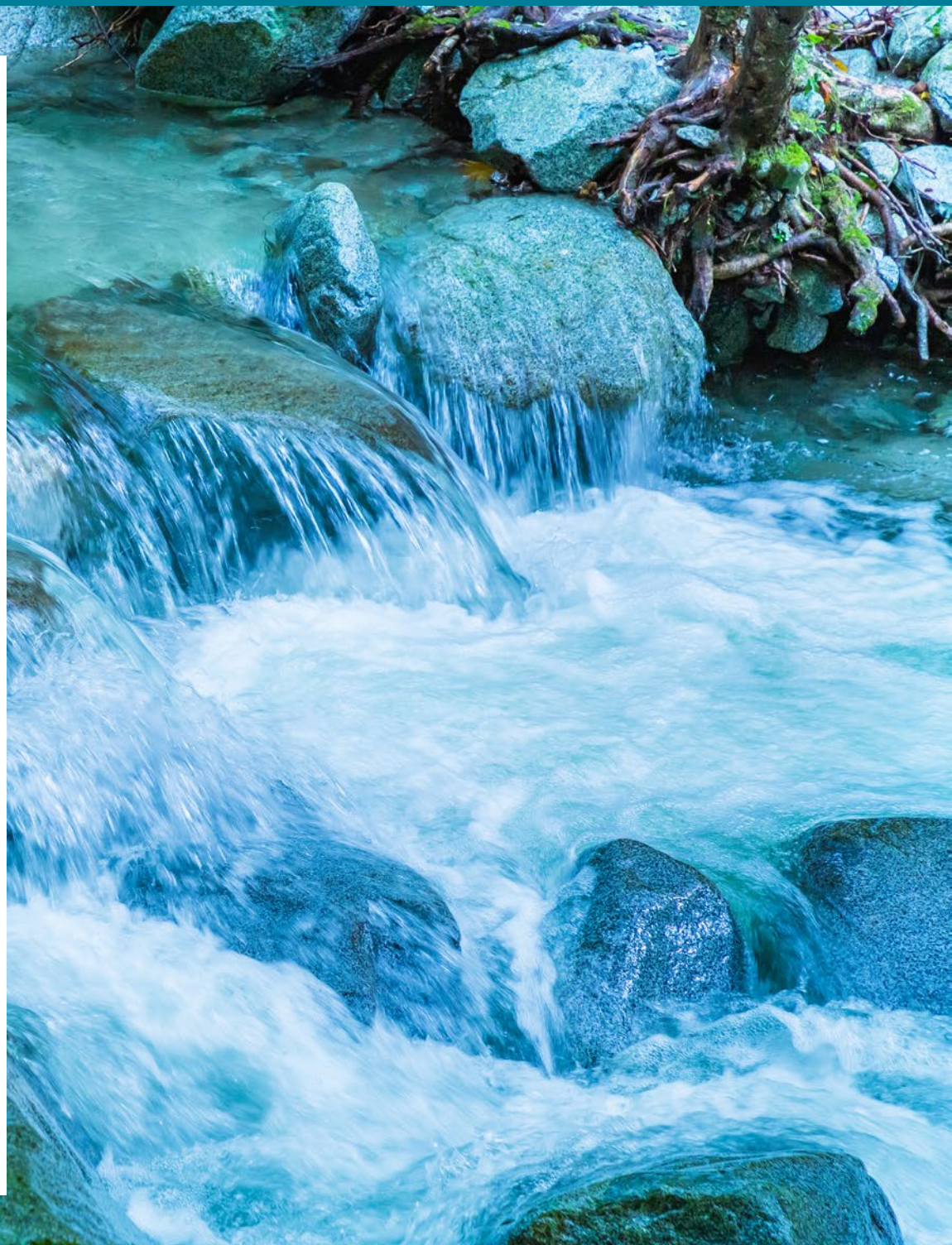
5) Amount of donations

Of course, the **amount of total donations** should be a KPI for your campaign. In many cases the target that is communicated on the project's website is lower than the ambitions of the project (see above section "Setting the financial goal for the campaign…") You should define both your official target and your "internal" target.

When you achieve **more than you asked** for, you need to communicate clearly where you will use this additional money, otherwise people will stop donating.

Glossary

Appreciation post	A message that is published on a social media platform to thank all backers and other interested people for their help in achieving a predefined goal
Audience	All people that may see or interact directly with a campaign
Backer	Someone who supports a project, organization, or person, often by giving money
Crowdfunding (donation)	A method to fund a project by asking a large number of contributors to voluntarily donate a certain amount of money through specifically designed platforms
Crowdfunding platform (donation)	A dedicated online place where a person, group of people, or non-governmental organization may post a campaign to raise money through interested people's donations for achieving the campaign's purpose
Donation	A certain amount of money that is contributed by an interested person, without the expectation of a financial return to a fundraiser in order to achieve a goal
Backer	A person/entity who contributes money for a particular project
Fee	A pre-defined amount of money that has to be paid by a person or a company for using goods or services (e.G. Crowdfunding platform services)
Fundraiser	A person who is acquiring (or raising) money in order to fund a certain purpose
Hashtag	A unique word or catchphrase, preceded by the hashtag symbol (#), that is used to gather posts about a similar topic together
Launch a campaign	The process of starting a pre-defined project or campaign
Non-profit campaign	A project in which almost the total amount of money (besides fees and other operational expenses) is used for a certain purpose. There is no distribution of profits by the founders
Risk mitigation	Actions that are used to decrease the possible consequences of risks at a particular stage of a project or for the whole project



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