

Six crowdfunding myths debunked

By [Rochelle Ceira](#) 3 Jul 2015

Some say that this newfound opportunity called "crowdfunding" is more of a burden than a blessing. We say that these opinions have questionable sources.

After all, crowdfunding has [successfully funded over 88 projects](#) raising many millions. We can barely count the amount of projects that have exceeded their targets and have managed to raise thousands for even the simplest things such as [kitty calendars](#) and [potato salads](#).



Since this is a relatively new approach, it tends to gain skepticism and subsequent criticism. The truth, however, may be very different from what we know or hear. Let's take a look at the buzz created over the web about equity crowdfunding that should be given a second thought.

1. You must be an amateur to use crowdfunding: Agreed, many large organisations are likely to obtain loans and fund from financial institutions. However, this does not restrict the crowdfunding method to only those entrepreneurs who plan on completing a small-scale project. If this wasn't so, then large movies such as *Super Trooper 2* and *Wish I Was Here* would be worth the effort. In fact, according to [Times](#), "many accomplished directors, screen writers, and producers are turning towards crowdfunding and avoiding the hassle of dealing with overbearing studios". These are projects that have raised over a million in funds and are far from being labeled as "small scale" or amateur-ish projects.

2. My internal sources are enough: Sadly, personal connections are never "enough" if you want to raise a considerable amount. We won't argue with the fact that personal connections are extremely important and could be the main source of your funding. However, what you can achieve from online platforms is conclusively a lot more—simply by getting to know a "crowd" of strangers.

3. Raising online will de-fame your brand: Not every campaign that sparks up on crowdfunding websites is a brand-less product. It could even be a renowned brand willing to use any new strategy technology has brought into the playing field. It could be the [best dissertation company](#). You have no reason to feel "shamed" because you are raising funds online through public sources. There are countless companies and industries that are well-suited to this type of funding (video games, movies, technology, etc). If that wasn't the case, why would so many large companies with large brands resort to this fund mode? Where the potential fan-base is large, crowdfunding is an excellent option.

4. You have to launch to attract the masses: Not true. You have to go through "ready" and "set" before you "launch." Experts advise against the idea of launching first and then creating the hype. You don't have to "launch your campaign" to get started. It's better to establish a firm social media presence and generate a buzz with the help of bloggers and media several months before you launch your campaign. That way you know exactly where you will be headed with your campaign.

If you fail to generate a crowd that is enthusiastically following your plans and efforts, you might want to wait or modify your campaign.

5. Crowdfunding is cheap: Not necessarily. If you are serious about your project, it could take you several thousands of dollars to generate a large base of backers. Many initiators invest in professional social media specialists and public relations to really get people's attention. A large chunk of the money you are investing into your project will be your own—other than the chunk you have set aside for your prototypes.

6. My project's success will depend on the first few days: Many believe that what you are able to generate at the start of the project is most of what you get. But there are several other factors involved. What if you were unable to tap into PR to gain publicity at the start and were able to do so later on? What if your project is best suited to a certain time or season of the year? Some of the best campaigns have the quality of being highly resilient and constantly piecing together their cause into something authentic, credible, and note-worthy over a period of time.

ABOUT THE AUTHOR

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