



"TDP Legacy Fund" volunteers work in Torres del Paine, Chile.

HANDBOOK 2

MODULE 8

Crowdfunding for Community Nonprofits

Peer-to-Peer fundraising for community nonprofits

Why should I use crowdfunding when I already have a website that accepts donations? One of the distinct advantages of crowdfunding is peer-to-peer fundraising. Peer-to-peer fundraising allows nonprofits to minimise their output on fundraising while capitalising on the donating power of their extended networks. When implemented correctly, peer-to-peer fundraising allows organisations to expand the size of their audience exponentially. This module provides an in-depth look at how peer-to-peer fundraising works and how you can use it to support your campaign.

The Holy Grail of Fundraising

Peer-to-peer fundraising works in a similar fashion to a for-profit pyramid scheme, except in this case all of the money goes to a good cause.



Peer-to-peer is considered one of the most effective tools for crowdfunding because:

1. It conserves valuable organisational time and resources by putting the ability to fundraise directly into the hands of your supporters.
2. It allows your organisation to monetise the viral ability of social media.
3. It incentivises your audience to donate by taking advantage of social pressure and legitimising your organisation through word-of-mouth.

Harnessing the power of your network's network

The key to understanding the power of peer-to-peer fundraising is recognising that people are more likely to support their friend's campaign than that of a stranger or an NGO that they have never heard of. Indeed, you could invest \$1000's of dollars into creating the most professional marketing campaign in the world, but nothing will compare to the power of a friend telling another friend that they think your organisation is doing a great job and they want to actively support it. If someone builds their own peer-to-peer campaign page to support your cause, then to their social network, your campaign is now their campaign. Their friends and family will now be supporting the individual, not your organisation. Whilst it might seem counter-intuitive, making the individual the centre of their campaign rather than your organisation is a far more efficient way to translate passive interest into a steady stream of donations. The ultimate aim of Peer-to-Peer fundraising is to have your organisation represented by an ambassador who, as they raise funds on your behalf, will reach out to their own social network with a unique form of legitimacy that you would never be able to achieve alone.



Helpful Hint

Whilst most international crowdfunding platforms will allow you to use peer-to-peer fundraising, some might not. Make sure the platform you've chosen supports this feature before you get too involved in planning your peer-to-peer strategy. However, even if your platform doesn't support this kind of fundraising, the principles in this module can still be applied when asking your heroes and influencers to share and promote your campaign and marketing content with their networks rather than building their own Peer-to-Peer fundraising page.

Encouraging engagement in two simple steps

In order to fully take advantage of peer-to-peer fundraising, you need to encourage people to engage with your campaign. This process has two distinct steps to getting your organisation's supporters involved and making sure they take full advantage of their networks to promote your campaign.

Step 1: Activate your heroes!

This step involves reaching out to your key supporters and encouraging them to build their own peer-to-peer campaign pages. When approaching potential heroes, try to make the process of getting involved in your campaign as easy as possible and always make sure that your language is upbeat and enthusiastic. You want to inspire these heroes that your cause is a worthwhile one and that you will give them all the support they need.

Where to find your Heroes

Again, the best place to start here is your email list. Send out a newsletter alerting your most loyal supporters that you are soon to begin a crowdfunding campaign and you need their help. Create a clear and succinct step-by-step 'How-to' guide to help them set up their own peer-to-peer page. You should be able to find instructions to help you do this on your crowdfunding platform's 'FAQ' page. Make sure you include the link to your crowdfunding page in the email so that your heroes can get started straight away.

Another great place to look for key supporters is on social media. If you've noticed that there are individuals who regularly engage with your content or posts, send them a message with the same details that were in your email. The key is identifying the people who already think your work is awesome and turning them into ambassadors for your cause.

A final important source of support for crowdfunding is influencers. We discussed influencers in detail in the previous module, but peer-to-peer fundraising is a great way to involve them in a more structured way. By building their own campaign page for your Crowdfunder, they can appeal to their own following easily and transparently. It also offers an opportunity for a little bit of 'reverse marketing', where you can advertise the fact that a specific influencer is advertising you. This will not only help promote your campaign, but will also let other people see that important, influential people believe in your work enough to partner with you.



Helpful Hint

As always, when working with influencers and key supporters, make sure you thank them publicly and regularly. They are doing you a huge favour by promoting your cause and are more likely to continue doing so if they feel valued and appreciated.

Step 2: Give them amazing content

Now that you have captured the interest of your hero's and helped them build their own Peer-to-Peer crowdfunding page, you need to support them in their mission to be part of your campaign. Everyone wants to support a great cause, but not everybody has the time or energy to devote to creating and driving a crowdfunding campaign. To make their job easier, you need to identify some clever ways to engage their networks, providing your heroes with content and fundraising ideas that they can share with the click of a button.

You should already have strategic written content on your organisation's fundraising page, clearly and concisely outlining who you are, what you are trying to do, how you will do it, how much money you need to do it, and why you are the best people for the job.

Now translate this information into a series of simple, one or two sentence social media posts that you can publish over the first week of your campaign.

It's also essential that you are:

- Adding beautiful and meaningful images and videos to this text, capturing the attention of your audience. Make sure that you never post text alone. Always accompany social media text with a visual.
- Updating both your social media and your organisation's crowdfunding page regularly with project updates and ways that people can get involved.
- Encouraging your supporters to share your content on their social media pages.

Consider using an activity

Another great method for engaging your audience is coming up with an activity that supporters can film themselves doing and post on social media. Keeping things personal really makes a difference here because people are much more likely to engage in content that features a person they know.



Example: ALS Ice Bucket Challenge

The ALS Ice Bucket challenge is a great example of a viral peer-to-peer campaign which was focused around an activity. The ALS Association raised over \$100 million to fight Lou Gehrig's disease by encouraging people to post videos of themselves dumping a bucket of ice water over their head or donate to the organisation if they refused to do so within 24 hours. Participants nominated other people in their network to do the same and the result was a hugely effective viral campaign.

Managing your network of active heroes

Now that you have activated your heroes and given them the best content you can produce, it's time to consider how to ensure that this support continues long into the future. It is vital to remember that the people your organisation comes in contact with during peer-to-peer fundraising campaigns have the potential to be the future stewards of your organisation if they are treated right.

- Make sure before you end your campaign to get the email addresses of every person who contributed to or fundraised for your organisation and add them to your mailing list.
- Encourage people to follow your organisation on social media. Provide regular updates to your supporters through both channels.
- If a particular influencer made a great effort to promote your cause, make sure that you give them credit publicly and reciprocate if you are asked to do the same for them.
- Provide all donors with access to information about financial transparency so that they can see how you spent their money. If any issues arise with your project, communicate them with honesty to your donors and fundraisers.
- Send out testimonials from those who benefitted from your work to build legitimacy and show that you delivered on your promises.

Finishing up

Peer-to-peer fundraising is one of the most compelling aspects of crowdfunding because it maximizes reach while minimizing effort. Strong peer-to-peer campaigns utilize skills and tools from a variety of different areas to build momentum and drive donations from a far broader network of potential donors than you had ever imagined. In our next module, we will explore ways to incorporate other fundraising mechanisms like galas, fun-runs and film festivals to help promote your crowdfunding campaign.

This resource was produced by Grassroots Collective.

This is module 8 of our 10-part handbook for nonprofit crowdfunding. Find the full handbook at: www.thegrassrootscollective.org/grassroots-hub

Have a question about crowdfunding for social causes or want to learn about how we can support your organisation on its mission? Contact us at: info@thegrassrootscollective.org

This information is a guide; the means by which it is applied is under your direction. Use of our website, and the information and materials within, is at the risk of the user, and Grassroots Collective will not accept responsibility for any damages which may arise from the use of this site. It is essential that you contextualise the use of this guidance and apply it within the legal limitations of your country. This is a living document and should not be treated as a stand-alone solution to all crowdfunding challenges. Concepts of best practice are constantly being reviewed and refined, as is the contents of this guide. We cannot guarantee the completeness, accuracy or suitability of this information for any particular purpose.



www.thegrassrootscollective.org