

# BUSINESS PLAN 'Crowdfunding site' (with financial model)

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# **Abstracts**

The report is half ready. The updating and translating process takes 3-5 business days after the order confirmation.

# **Business Plan Description**

**Project idea.** The proposed site will be involved in the field of crowdfunding. The crowdfunding is fundraising in the form of small contributions from a large number of people for implementation of some project or idea. But crowdfunding is just one part of the concept. The project also will be implemented in such directions as traveling together to help people in need and building community with likeminded people.

**Business Model.** About 5% of raising money will be deducted for organizers of fundrising. But it's free to sign up, to ask for help, and to contribute to help.

**Market Analysis.** There are four types of segments in crowdfunding market. They are: charity, bonus, equity and debt. Proposed project will belong to charity model. It is important to notice that such type of crowdfunding collects the largest sums of money: 27% of sites are working on charity base and collect 49% of all funds.

There are more than 1 500 crowdfunding platforms in the world. The most of them – 82% – is based in North America, another 10% – in Europe and the rest – in other regions.

The average size of donation is about \$75. The total volume of all segments of crowdfunding market is more than \$5 bln. with the growth rate of 89% in 2013.

Marketing Plan. Such marketing tools as advertising in YouTube, Social Media



Marketing, Social Media Optimization, Search Engine Optimization and writing of articles for blogs will be used. The budget for marketing will be about \$10 800 per month.

Organizational Plan. It is planned to involve 5 employees except ?EO: financial director, web-programmer, web-designer, social media marketer, specialist in users relations. The payroll expenses will amount 13 000 per month.

## **Excerpts from Research**

The proposed site will have the following particularities:

Gathering money for people in need. It will contain pictures and the pages of all the people who have participated and helped will come up on the top).

Video response from the people who have received the help and their gratitude to everyone who have helped up on the page.

Everyone has his profile with his mission and vision he has for his life and how he wants to help the world.

Building of community of likeminded people.

Place for some positive news, inspiration, coming together and helping each other.

The «successful» money in such field of business means that the projects have reached their funding goals. The part of charity segment of crowdfunding market is one of the leaders by the percentage of «successful» money: it ammounts about \*\*% and is second only to debt segment (\*\*%).

But on the other hand, the growth rate of equity and bonus crowdfunding have increased by \*\*\*%, debt crowdfunding – by \*\*% and charity crowdfunding – by \*\*%.

The competitive advantages of proposed site are the following:

it will coverage the users from all the world. It means that people from any country could initiate the fundraising for solving their problems as well as make



donations for people in need;

it will combine fundraising both for solving personal problems (for example to collect money for treatment) and with commercial aims (to create a start-up);

greater number of allowed fields in which financing will be started.

the lower fee in comparison with competitors.

Crowdfunding sites in general are popular among Internet users and that's why they have high positions in Compete Rank and Alexa Rank. So it is particularly necessary to carry out SEO to increase the number of visitors gradually since the initial stage of project implementation and to become comparable in this way with main players in the market.

The most successful projects are those which have managed to touch people's feelings. That's why the social media marketing will be especially pertinent. This circumstance commits to create own groups in social networks and make post in thematic publics. The Internet-statistics show that the most of users visit the crowdfunding platforms immediately after the visiting of such sites as facebook.com and twitter.com. Because of it the particular attention must be given to the social networks with the same name.

The one's more recommend marketing tool is an advertising on YouTube. It is explained by such fact that video ads in You Tube will be available on the computer as well as on the tablet and smartphone, the advertising is super accurate targeted and aimed for thinking audience(55% – from 35 to 65 years, 42% – up to 35 years).



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