



**Cutting Edge Capital
Marketing Guide for Investment Crowdfunding
(a.k.a. Direct Public Offerings or DPOs)**

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Introduction

Investment crowdfunding is a term that refers to a public offering of securities by a business or nonprofit to both accredited and non-accredited investors in one or more states. This is also referred to as “[do-it-yourself IPO’s](#),” “securities-based crowdfunding,” and “Direct Public Offerings” (or “DPOs”), and it allows companies to raise capital directly from everyone—their community, fans, customers, and supporters. Using a DPO, a company can market and advertise its offering publicly by any means it chooses—through advertising in newspapers and magazines; at public events and private meetings; on the internet; and through social media channels. DPOs can involve a variety of different compliance strategies and are legal under existing law.

Whether you’re just starting to think about doing a DPO or already in the midst of one, this guide can help you. In it, you will learn about marketing techniques, gaining practical ideas and proven strategies for investing your time, energy, and resources on marketing. This guide is not meant as a replacement for the value a company can obtain by using a professional marketing firm, such as [Mercury360](#); but for those with budgets that cannot yet afford that kind of expertise, this can serve as a roadmap of sorts to help think through how marketing a DPO might be accomplished.

The guide is composed of examples of “best practices” from our successful DPO clients. Each practice has been turned into a headline marketing strategy and includes a recommended implementation timeline, a handful of insider tips, and a link to additional resources for a deeper dive.

The strategies themselves are supported with links to our clients' content, as well as material drawn from other crowdfunding platforms, marketing blogs, and the articles and editorial of entrepreneurs, investors, and industry experts.

The way you market can make—or break—your DPO. But an effective DPO marketing strategy is within reach, only requiring the time, dedication, and ingenuity that has made you a successful entrepreneur in the first place.

Equipped with the tips and strategies below, you can succeed at reaching your goal.

To fundraising success!

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Strategy #1: Don't Re-invent the Wheel. Review Current DPO Campaigns and Case Studies.

Timeline: Before and during your campaign

Just as no two companies are the same, no two DPO marketing campaigns will be the same either. But knowing what has worked successfully in other campaigns will start you thinking about how you can market yours. At any one time there are a several open DPOs across the country that can be looked to for “live examples” of marketing materials and campaigns in action. The case studies of previous DPO campaigns provide a start-to-finish look at what’s worked in the past. Best practices from donation-based crowdfunding (Kickstarter, Indiegogo, etc.) can also be reviewed for ideas.

Insider Tips:

- Find open DPOs on [CuttingEdgeX](#).
- Go to live DPO websites for examples of landing pages and promotional materials.
- Sign up to receive emails from open DPOs.
- Follow open DPOs on social media.
- Become an investor in a DPO to understand the investor perspective.
- Create your own marketing plan with a timeline and benchmarks.
- Review the [case study](#) on a successful DPO by Massachusetts-based Real Pickles.
- Get tips and ideas from donation-based crowdfunding in the [Indiegogo Field Guide for Campaign Owners](#).
- If you are still in need of help, check out [Mercury360](#) for help from a marketing firm expert that understands DPOs.

Further Reading:

[How To Run a Successful Crowdfunding Campaign](#) (Shareable)

Strategy #2: Know YOUR Story.

Timeline: Before and during your campaign

The story of your DPO is less about the intricacies of your offering and more about the most compelling thing about your business or nonprofit. For most socially responsible clients, this will usually center on the change they seek to make—the target group they are helping, the problem they will solve, or the benefit they bring to a local community. A story that grips and involves the reader is more likely to appeal to potential investors. Remember that a good story has a hero (that could be those you are helping . . . or even you!), a plot (your company’s mission), and a solution (how your DPO funds will be used).

Insider Tips:

- Focus your energies on the inspiring work you do as a social enterprise or socially responsible business.
- Connect the investment opportunity with the broader mission of your project or organization.
- Adjust your messaging based on feedback from your communications (such as responses to emails or comments on social media).
- Ask others for their feedback about your messaging.
- Read news articles about other DPOs to understand how the “DPO story” is being told by others (see examples [here](#), [here](#), and [here](#)).
- Most investment in DPOs usually comes from within 50 miles of where the business is located. Involve your community in your mission and solution!

Further Reading:

[It’s Not Them, It’s You](#) (lunarmobiscuit.com)

Strategy #3: Use Social Media. Build Your List.

Timeline: Before and during your campaign

Once your offering is approved by the regulators, your personal and professional contacts will likely be the first people to invest in your DPO, helping you build critical momentum. Over the course of your campaign you will likely need to increase your reach to a wider audience. Social media can help build visibility and spread the word. Email is one of the most effective forms of reaching people directly. In the era of digital communications a little personalization goes a long way. Reach out to individuals personally and ask them for their help by investing or spreading the word. They want you to succeed!

Insider Tips:

- Regularly post updates to social media channels (see examples [here](#), [here](#), and [here](#)).
- Sign up for [Constant Contact](#) or [MailChimp](#).
- Send out a monthly e-newsletter with company news.
- Create a “Sign Up For Our Newsletter” call-to-action button on your website.
- Once your campaign is active, send out a DPO-related update every few weeks.
- Send personal emails to potential investors.
- Make personal phone calls and/or send personal handwritten notes.
- Follow up!

Further Reading:

[Hacking Kickstarter: How to Raise \\$100,000 in 10 Days \(Includes Successful Templates, E-mails, etc.\)](#) (fourhourworkweek.com)

Strategy #4: Be Visible. Get In Front of Your Investors and Tell Your story. Host or Attend In-Person Events.

Timeline: During your campaign

Asking people to potentially invest thousands of dollars in your company based on a handful of digital communications is a tall order. But investing can be most effective when done as part of tending to personal relationships. By holding face-to-face events you will give your network, your community, and even those you want as customers a chance to become more engaged with you and your work. Hosting events creates buzz, and you'll have a chance to grow your network and share what you're doing directly with potential investors and future users of what your company provides.

Insider Tips:

- Schedule several investment parties: happy hours, factory tours, investor briefings.
- Invite investor “testimonials” from thought leaders in your industry at your events.
- Invite members of local media to cover your events.
- Host events co-sponsored with supportive organizations in your community.
- Seek out industry events or trade shows that will allow you to meet and mingle with like-minded businesses and potential investors (in states where you are allowed to make your offering).
- Look for opportunities to be a keynote speaker at conferences or industry events.
- Ask for and get the investment at these events!

Further Reading:

[In-person Contact Still Important for Business](#) (Huffington Post)

Strategy #5: Get Early Support. Line Up a Matching Investor to Put You Over the Top.

Timeline: Before and during your campaign

The bandwagon effect is powerful in crowdfunding campaigns. Campaigns that start off 30% or more toward their goal can more easily attract additional supporters than a campaign that starts off at zero. Matching investors will let you leverage their investments to attract other investors. You can create an event around a matching investment to build urgency and close out your campaign.

Insider Tips:

- Let your personal and professional network know that you have begun the DPO filing process. Make people aware that they will be able to invest when, *but not before*, the DPO goes live (note: be careful not to make an “offer” until your DPO is approved).
- Research potential grant-making organizations, nonprofits, and non-traditional lenders that may be interested in making a matching investment. Begin making connections as soon as an organization is identified.
- Hold an investor party that features the matching investor, and is focused on raising a matching investment from other investors.
- Personally invite potential investors to your event with an email or, even better, a *handwritten* invitation.

Further Reading:

[Challenge Gift Drives and Corporate Matching Gifts](#) (Nonprofit Quarterly)

Strategy #6: Create Compelling Content.

Timeline: Before and during your campaign

Whether you plan to reach out to your network via email or social media, you'll want to have engaging content that drives traffic to your website. In addition, you'll want to cross-post and promote your content on websites that cater to your industry. If posting about your DPO, it is important to include links to the landing page on your website where investors can "take the next step."

Insider Tips:

- Regularly (multiple times a month) publish blog posts on important topics to your industry.
- Share milestones in your campaign on social media.
- Contribute guest posts to other websites or aligned organizations.
- Create a video highlighting your company's pitch for investors. You don't need to spend a lot on this. You can use your iPhone to capture a great video that shows off your storefront, products, and community in action.
- Feature testimonials from respected community members on your website.
- Create an attractive investor brochure, postcard-sized investor cards, and pitch deck.
- Think creatively about how to integrate your DPO raise with current marketing activities you are already engaged in. (For example: If a company sends out CSA boxes, include the DPO promotions with every delivery. Stores or restaurants can post approved advertising right at the counter or include an informational postcard with every receipt.)

Further Reading:

[Got Compelling Content? 4 Crucial Next Steps](#) (Content Marketing Institute)

Strategy #7: Get and Earn Press.

Timeline: Before and during your campaign

Chances are, most media outlets will have a much wider reach in terms of audience than your website. Press that you generate as a result of your own efforts or that you earn because of your own good work is extremely valuable for a DPO campaign. A single story in a top-flight national publication (e.g. New York Times, Forbes), or even your local news outlet, (e.g. Berkeleyside, SFGATE, SF Chronicle, East Bay Express, Contra Costa Times, etc.) can focus attention on your business, and lead to more investors taking an interest.

Insider Tips:

- Issue a strategically timed press release when you have reached a significant milestone in your campaign.
- Send your press release to individual reporters. Follow up!
- Contact your local newspaper and let them know about your investment opportunity and what it means to the community they serve.
- Contribute op-eds to relevant media outlets, online forums, blogs, and publications.
- “Letters to the Editor” are the most widely read sections of the newspaper. Consider having an investor or supporter write and share why they made their decision to invest in your DPO.

Further Reading:

[The Top 10 Reasons to Send a Press Release](#) (PR Newswire)

Strategy #8: Follow up. Follow up. Follow up.

Timeline: Before, during, and after your campaign

Of all the things you do during your campaign, we cannot overstate the importance of the “follow up.” Whether it is with new or potential investors or members of the media, this kind of customer service will build good will and support for your campaign and organization. At every step of strategy execution, think about following up as the way to drive results. After all, in sales it takes 7 to 13 or more touches to convert a lead into a customer!

And remember, your campaign should not end when you hit your fundraising target. Building and maintaining your support never ends, and these suggested practices will keep your support high, and will carry with you forever.

Insider Tips:

- Be diligent about following up with individuals who have expressed an interest in your campaign.
- Make sure to follow up with your media contacts after you send them a press release.
- Keep your investors in the loop with frequent updates.
- Use a professional investor tracking system, such as the one offered through our partner, [VertoTrack](#), to manage investor relations.
- Express sincere gratitude and appreciation!

Further Reading:

[Why It Takes 7-13+ Touches to Deliver a Qualified Sales Lead \(Part 1\)](#) (Online Marketing Institute)