

Future of Funding Series: Investor Acquisition Marketing for Crowdfunding Campaigns with Jason Fishman of Digital Niche Agency

This is the Investor Connect Crowdfunding Launch Program. I'm Hall T Martin, the host of the show, in which we take questions from startups and investors on crowdfunding topics.

I hope you enjoy this episode.

Thank you for joining us for the Investor Connect Crowdfunding Launch Program where we help startups prepare for a fundraiser.

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Hall Martin: want to thank Jason for joining us here today from Digital Niche Agency, they've a long experience in crowdfunding campaigns and social media work, and looking forward to his contributions here. And so, I want to thank the audience, if you have any questions, just post them in the chat box, and we'll answer them as we go along. A very interactive session here, I think you'll learn a lot, and I'm looking forward to it as well. So with that, let's go and kick into it. Jason, thank you for joining us.

Jason Fishman: Thanks Hall. Pleasure to be here with you guys. I'm a big TEN Capital's fan, and it is exciting to be participating in this Q&A.

Hall Martin: Great. Well, can you tell the audience a little bit more about yourself and your firm?

Jason Fishman: Absolutely. So I'm Jason Fishman, I have an agency here in Los Angeles called DNA, been in business since 2014, first got involved in Regulation D equity crowdfunding to accredited investors. We were awaiting the launch of Reg CF in May

2016, and had ads live day one campaigns on Reg A plus filings later that year as well. To date, we've worked on over 300 fundraising initiatives that have collectively produced nine figures of capital. Happy to go through the systems with you today on exactly how we perform investor acquisition via digital marketing, and to share more about our team case studies along the way here as well too, but that is our focus, and that's what I'm here to share insights about.

Hall Martin: Great. Well, I think after people get up on a crowdfunding platform with their fundraiser, I think the number one question I get is, how do I find more investors, how do I get more investors coming to my platform where my deal is listed, and tell me more about your process and how you go about that at a high level?

Jason Fishman: Yeah, absolutely. That's why I focus on marketing, am involved with startups for over 10 years now, had a deep history in ad tech as well too. And when I saw the power of ad tech marketing tech as a whole utilized towards bringing these investors into deals, it's become my primary focus, not just as a business, in life. And at that, we generally start with strategy, there's a system I've built called the eight-point plan, I've written articles about it _____ one Forbes, I've done workshops on it, various different types of accelerators and at conferences. We generally perform it over one month, and it is the roadmap to the capital goal. So the first week we'll work on two sections a week, and week one is industry overview, and competitor marketing audit. So we're always bringing new stats on the industry to founders there, more importantly, we're bringing our group, my team here in Los Angeles up to speed on that industry, on that space, on that vertical. We then start diving into section two, which is the competitor marketing audit. For me, it's one of the two most valuable sections that along with projections, where we do the research and understand how other campaigns, going after the same audiences are doing it, how they're bringing on investors, what social channels are they using, how often are they posting content, what advertising are they running, specific ads channels. I'll even look at case studies and get some spin levels and performance metrics at times. I want to know which publishers are talking about which influencers, which email newsletters, I'll sign up for that brand, that issuer's email and see how often they're sending out content. On social, you can tell the type of content is getting the most engagement. I want to be able to stand on their shoulders of success. And furthermore, as I was touching on a bit, that's what the target audiences are going to be seeing. So if they're scrolling through LinkedIn, and they see an advertisement for you, what's that next ad going to be, is it from one of these groups, how does that measure up, we want to be able to take those different learnings into the framework of the campaign. So we do that week one. Week two we come in and map out the target audiences, and based on those findings, I look at them at the persona level and want to have an understanding of where these individuals go online, so that I can hit all of those touch points when I get to the next channel with the marketing channels, and from there, can map out exactly what we're going to do across each of those – organically, through content marketing, paid via advertising, want to know how they're going to be utilized. The third week is when we get into creative, so the messaging, the visuals for each channel get physically put together and approved at that

point. Later that week, we're also working on strategic partnerships; we put together a prospective map and messaging sequence. And then, in the final week, comes projections and activation. The only way to measure is with numbers, so we put together algorithms consisting of three stages, impressions, clicks, and conversions for each channel. This way we can pinpoint the key drivers. We could also identify where in the algorithm any underperforming channels are falling off. We could focus optimizations at those stages. A big part of marketing is managing all these moving pieces to a point of effectiveness; not everything works right out of the gate; even when it does, it dips and rises at different points in the campaign, so have to have that type of pulse on the numbers. And the activations, more or less, an executive summary, a recap of everything that's talked about if everything was produced from that process. And in many cases, alongside the strategy, we'll be working on funnel development, we'll be building the offering page, landing pages, the video, and then during the live campaign – they don't throw a lot of info hear, maybe take a pause on the strategy – but on the live campaign, we focus on three things: content marketing, advertising and outreach. But should pause for a sec, Hall, is that pretty straightforward on the strategy, should we should we take any questions there, anything I can add to it, or should I hop right over to processes and fill in the blanks on some of the live action items for a campaign?

Hall MartinOne question I had before we jump to the next one is you do quite a bit of work with the investors before we even launch the campaign, perhaps warming up the investors or pre-campaign program. Can you talk a little bit about that?

Jason Fishman: Sure. I was actually just on a webinar about compliance this morning. So there are things that can be said to investors beforehand, and things that cannot, whether those are investors that are in your first three connections, or whether it's a test the waters campaign, and a registered part of the initiative, where you can actually target new audiences and bring them to the initiative. But I go back to crowdfunding, reward crowdfunding fundamentals, in the sense that, for a campaign on Kickstarter and Indiegogo, you want to bring a third of the crowd, you want to bring a third of the raise. They have this rule of thirds with second third you accomplish with marketing, and then maybe the final third comes from the portal itself in that site in Indiegogo, Kickstarter, what have you. But really looking at it in that order, don't just post a campaign and expect people to show up. Similar for equity crowdfunding, usually not too that high of a percentage, but what we see is groups going live on a platform, like Wefunder, StartEngine, Republic, once they're going to the public stages of it, they have over 100k raised, and generally, from 50 to a 100 investors or more. It's just from one investor to feel like less validation, but when we're talking rewards, we're talking equity crowdfunding, that social proof is important. The crowd essentially sells the validity of the deal. So if you get there, and there's 500k raised from 500 investors, or \$5000 raised from one investor, it says two completely different things. So being able to speak to those investors beforehand, being able to comply _____ prepare them for the campaign, and have them participate in those early stages, and then bring audiences once that checkmark is there, you want that line around the building, you do not want an empty restaurant sensation where individuals get to your page and say this looks

good, but something seems off, I don't know if I'm missing something here, but no one seems to be interested in this. The momentum is investable. As the campaign raises, the conversion rate goes up; as we see issuers hit the 250k, 500k, \$1 million, \$2 million increments, the conversion rate substantially gets higher. Also any organic marketing performs at a stronger level. Email publishers, influencers, media publishers, bloggers are all more interested in covering you at that point. So the stronger investor relations, a stronger IR process you have at the beginning, the quicker and more consistently, we would see an issuer in that situation hit their goals.

Hall Martin: What do you do for that first 250 or 500k of the raise, that seems to be the hardest part for people – of course, everybody's got their list, and we tend to go through it pretty quick, but how do you optimize that phase of it?

Jason Fishman: Great question. Those are the uphill portions of the campaign. It's a steeper slope there than anywhere else. So the portals have great recommendations, playbooks around this, and it's really about creating, nurturing, rallying your audience. So I've seen founding teams put together lists of 200 people or more per team member, who they're going to be reaching out to. It could be a sequence of emails, email one talking about why they're doing equity crowdfunding, and the impact that those recipients can have by participating early as well as the long term benefits that could be involved in the situation. Follow up to that email and asking if they want to get on a call to talk about it. And email, if it's a public-private setting, when going from public to private email _____ before an email, once they're finally live, but you get the concept for emails or more. If you're close enough, communication system with any of these prospects, text them, call them. If it's more of social media, yes, do posts, and once it's compliant to do so, but also message generally multiple channels is helpful. You want to get a decent percentage of the people that you know to invest. So whether we're talking about friends, family, former colleagues, former employers, peers, people you went to school with, even if it was decades back, this is a big deal on what you're working on as an issuer. You should share the opportunity with them. If your company hits the milestones that set out to do, and they didn't have a chance to invest, it's something. I've had friends and family ask, hey, why didn't you let us invest in the beginning of DNA, I can tell you, as you hit these different tiers, you're going to wish you went back to more people. So talk to everyone you know, bring them in early on; it's one thing to have those initial emails, have an ongoing content calendar. We like to do articles, webinars, various types of long form content pieces, invite them to it, post during, share the video recording or the written article after. Do whatever you can to bring those investors in. Then once you do, look to have a direct communication, direct conversation with them, look to get them on a call. We'll see investors who come in, 10 to 30% of them will participate multiple times on any given campaign we work on. Also, they can be your biggest marketers, they can be your biggest ambassadors towards the product, towards press opportunities, towards strategic partnerships, or bringing in their friends and family, their first group connections to invest in the deal. You want to be able to look at them as part of the team, and I've seen groups go from 100k to 250, just by reengaging the existing audience, so you really want to build off that initial crowd.

Hall Martin: Right. So I guess the first question is: how do you engage the existing investors, maybe people who have already funded it – you talked a little bit about it there to bring it back in, but how do you motivate them to spread the word or give some virality to the campaign through those existing investors?

Jason Fishman: Sure. Good question. So it's a mix of tactics, it's not any one thing that's going to resonate with every type of investor you've brought on. Some platforms provide contact information for these investors, others do not. So you won't be able to get in direct communication with them easily, unless and until they complete their investment and you get all of their profile. Now, in any of these situations, if you're live on a portal, you can do a portal update, if you have a tech stack, maybe you're working with DealMaker, Core Connects, there are other tools that you could use to get in contact with them directly. I would look at the messaging sequence, then fill in the blanks for the channels, the channels could include the portal, it could include social media, it could include email, it could include long form content channels, it could include advertising, and using some of the pixel data or depending on platform used originally, some of the engagement data to be able to go after audiences you've brought to the page or have had completed investment depending on what you're able to track. But I would use multiple channels, look to speak with them about why they invested. If you learn, you can replicate, you can lean into that with the creative messaging. If they have anybody that they know, that they can bring to the table, I gave some avenues for that, they're there even more, but towards the product, towards strategic partnerships, towards additional investors, I find by just that invitation to be a part of the company, the individuals look for other routes that they can support the growth – the growth of that initial equity crowdfunding campaign for the long term duration. So whether you're using email, social, long form content, direct communication channels, looking to speak with them, looking to talk with them about why they invested any type of value they could bring to the organization, and just having that personal connection to the company itself.

Hall Martin: Great. Well, tell us more about your process, you were going to get into that before we jumped on to questions, but give us more detail there if you can.

Jason Fishman: Yeah, absolutely. So we work on the strategy, we build out the campaign, the marketing funnel, the video, the offering page, and when it comes time to launch, I break it down into those three categories that I was describing content marketing, advertising, and direct outreach. Content marketing, you are designing a system, a marketing funnel to nurture those audiences. The marketing funnel concept, it's all about taking audiences down this process, the conversion rate will drop each time, but starting at the awareness level, moving to consideration, moving to intent underneath into conversion, investment; from there, there's multiple conversions and advocacy, peer to peer marketing. So we can design content for prospective investors, for investors at any stage of that journey, and when I speak to retail and accredited investors, ask why they participate in equity crowdfunding deals, when I ask how they evaluate deals, they

always point towards their due diligence, they want to know who else is talking about the company, who else is talking about the opportunity, they don't limit their perspective on the brand to the offering page, they search around, they want to do some digital due diligence. So if a retail investor is doing so, and nothing comes up on the brand, other than the website and the offering page, it can say something. If social pages come up, if those pages do not have regular content on it, if any part of the due diligence shows a business that does not reflect the valuation, and Reg CF average right now is around \$20 million valuation, then it immediately turns them off, where, if they search you, and they see news articles popping up, recent articles, if they get to your social pages and you have webinars coming up, you have regular posts talking about the investment opportunity, talking about new partnerships, talking about new press, if they sign up for your email, and now they're getting this content regularly, it shows something in a whole another fashion, and can definitely inspire action towards the completion of that investment.

Statistically, if we run advertising, paid traffic, very consistent, I'm going to get to that in a second, but if we're running advertising to a content marketing funnel, and there's active content marketing in place, we're going to see a higher conversion rate. It's rule of thumb, and the numbers are all there, so we encourage issuers or even offer to them to fulfill the following channels: social, email, long form content, social, multiple social posts per week on multiple social channels, email, a weekly email newsletter; we also set up two email drips, one for prospective investors, one for completed investors, again, 10 to 30% of those participate multiple times; and then long form content referring to perhaps a monthly webinar, a biweekly written article, a biweekly video article, you can actually have those produced from interviews, publisher outreach for all of this content, also splintering of this content. So the long form content, talk about it in your emails, break it down into smaller pieces, publish it on social media, look to get other third parties to talk about it and promote it to their existing audience pools. I mentioned portal updates there as well, make sure that is part of the mix. And across all of this, show social proof, show third party validation. It's something I emphasize, because it is a crucial element of digital marketing as a whole. People who do not believe what they see online, if you point out, if you showcase everyone that's talking about you, it can be the narrative that these prospective audiences latch onto. So we use content marketing to build out this funnel, we drive traffic into it with advertising.

Now, I'm an advertising guy, my history before this was in ad tech, and I've worked with many _____ companies on their ad campaigns. It's a powerful, powerful tool. Before Reg CF was live, I spent a lot of time in VC offices talking about why advertisements would be a tool here and fielding questions on why an investor would ever click on an advertisement, I could tell you, it works, and if you work with an agency, they likely have first party audience data of historical equity crowdfunding investors. I know we spend a lot of time and resources to build up these audiences and test them for client campaigns, gauge which ones are working best and use those for future campaigns in similar portals, industries. And we're not looking to get everyone to click on an ad, if we get a 1% click through rate on a social advertising campaign, that's

considered average, many of our campaigns are 2 to 5%, even at 5%, that means 95 out of 100 people are not clicking on the ad. We're only playing for that small percentage. Then once the traffic gets to your offering page, if we can get 2% to convert, we could get two out of every 100 people to invest, it is a very value driven model. We could be producing new investors at a \$50 to \$100 acquisition cost, \$50 to \$150 is still looked at as a good point to be at. If you're seeing a \$500 to \$1000 average investment value, transaction value on a Reg CF platform, you could be looking at 10x, 5x, even well above that with case studies that are in the 30-40x range return on these campaigns. There are some limitations on what can be tracked these days of some of the iOS changes. We have some workaround systems for that, you can get email addresses first, and then look to attach an email address to a completed investor later. There are other approaches towards attribution, but as a whole, that's what you're looking to do, you're looking to run advertisements to very large audience to produce a high volume of traffic, just looking at these average conversion rates, it's probably going to take you 50,000 visitors to get a 1000 investments, if everything is working, this is on a successful campaign. And if those are at an average of \$1000 each, that's a million dollar campaign. You could be looking at upwards of 200,000 or more visitors for a \$5 million Reg CF round.

So if you're able to produce that traffic from organic audiences, if you're able to do it from email newsletters or from press, fantastic. We've seen advertising to be the most consistent. We've seen it to be the most scalable, once it's working, I'm not trying to contact new publishers or get the same ones to repost it. I can systematically ramp up the advertising spend to the specific audiences, to the exact ads that are driving investment, and, in most cases, drive similar results, but at scale. So we prospect with the ads to get audiences there for the first time. We target with the ads to bring them back. It's usually somewhere around the seventh touch point where an investor converts one of these campaigns, so this is instrumental. We'll generally start with social advertising, there's something about scrolling through a social feed that leads to expiration in a different fashion than some other website and video ad placements. You're able to get an – reach an audience that doesn't know they're looking for something, and therefore social ads perform very well.

The next platform we'll look at is search advertising. We go from mid to low funnel keywords, very specific industry investment opportunity, as an example, on a keyword. So we're not going to run as much in terms of ad placements and media budget there. It can be hit or miss in terms of performance, but look at search next. And then, there are advertising exchanges where we could access banner ads, video ads, sponsored content ad placements, we could upload white lists of specific sites, we could do contextual targeting and have ads running around specific articles or specific video content. Generally, the click through rates are lower there, and therefore, the traffic could cost more, it could be at a lower performance level; sometimes you get the traffic for much cheaper, but the quality's not there. So we try to prove it with social first, and then implement additional channels, and that's been the type of thing where if a client says, hey, I have a minimum budget level, we'll point them towards ads, we'll give recommendations on what they could do internally; but on the advertisements, we

know, roughly, for every dollar we spend, we're getting quality visitor to their offering page. So performance channels, we point towards ads.

The last thing I'll mention is direct outreach, I recommend doing it on LinkedIn, you can send 25-30 invitations per day, per LinkedIn profile, anticipate a 20% acceptance rate of those invitations, which can go to high net worth investors. You can do some research on some of these platforms, they'll actually list who invest in which deals, you can find those individuals on LinkedIn and reach out to them. There are various search filters you can use to reach individuals with job titles as investors, various types of industry investors that that once you get that connection, you can message them. I definitely push towards a drip, you want to have three to five messages set up, but once you do, you can regularly receive a 20% or higher response rate. Many groups will have a scheduling link in there, in line with these investors. The direct outreach isn't just about higher conversion rate, but higher transactional value, this is where you may see 5, 10, 25k investments come through, even larger we've seen, much larger from Reg A plus campaigns and direct outreach around it. There are compliant ways to do it around email too, such as invitations to webinars. You would want to make sure you're operating with appropriate language, you could hit far more scale with email outreach. The response rates are much lower than what you'd see on LinkedIn, something about seeing someone's profile picture, mutual connections, background that just establishes more trust, which we've already talked about how important that is for digital. And that's how we've been able to do it, starting with strategy, building out the campaign, and then activating content marketing funnels, driving traffic into them with advertising and doing direct outreach.

Hall Martin: One of the questions I get a lot about is the website of the company raising funding, I've noticed many investors, that's the first place they go to when they see a campaign is to go look at their website to learn more about it. And sometimes the website is up to speed, it's professional, other times it was not so great, and that then detracts from it. What's your experience there with the websites, and what do you coach people to do with their website before they go live with the campaign?

Jason Fishman: That's a great question, as many groups overlook that. I was alluding earlier that if an audience gets to your website, and they don't see the work, they don't think, hey, this is actually a \$20 million company or 10, 5, whatever it may be, completely can turn them off in terms of whether they're going to move forward on that investment or not. So I like starting the discussion there and asking the client, _____ \$20 million valuation, is this a \$20 million company's website. And if they say no, let's address that – what changes, what additions should take place before you go live? And there's times where _____ absolutely, this is great, and we're not worried about that, we just want these investors, there's actually only so much we could do as an agency, as we're working on behalf of brands, and sometimes we're brought in for just ads. But it's exactly what you're saying, Hall, people are going to look at your site. It should represent everything that you're saying and doing on the offering page, it is your primary storefront, whether you're a B2B, B2C, going after more of accredited investors,

you want to make sure any audience that gets there is going to leave with the proper experience. I mean, that is part of your brand is how those individuals respond to your site.

Hall Martin: So a related question to that is I've seen a number of startups actually move from the standard portals Wefunder, StartEngine doing the campaign on their own website. And for consumer facing brands, I can see the benefit of that, you can turn them into a customer as well as into an investor. What are the pros and cons of running it on your own website that you've seen before?

Jason Fishman: Well, Hall, like you mentioned, I am a fan of, I'll tell you why, groups going through a portal, seeing success, then taking it to their own site, versus starting on their own site, for a couple reasons, and there are perfect entry points to start on your own site. We work with some of the companies that offer this _____ I'm going to talk about all the advantages there, so if you're hearing me and thinking, wait, why wouldn't _____ want to start on their own site. I'll explain it. It's appropriate to start on your own site, if you have a large engaged audience and/or a large marketing budget prepared to develop that audience and drive high volumes of individuals through and prospective investors through the site. The advantages that the portal, I'll talk about the cons as well, but the pros to why to use a portal is it is a proven system, their conversion optimization, the entire flow, it's already working, establishing more trust would be the second, someone gets there, they see, hey, this is a FINRA regulated portal, they have hundreds of campaigns live in many cases, they have raised hundreds of millions of dollars, in many cases. This is legitimate. I don't know if the campaign will work out, but I could trust what's happening here is some of the feedback we've got from investors.

And then the third is their existing audience, so you don't want to depend on their audience, however, when you hit different milestones, because they have to treat every issuer the same, they will promote you; they'll send an email blast, they'll post about you on social, they'll run advertising, all about your deal. And if they have hundreds of thousands, over a million investors, some of these portals now holding their database, you could receive a few investors, dozens of investors, hundreds of investors in an immediate window of time after that promotion occurs. So some of the platforms will promote you at a 100k, 250, 500, 750, and every time one of those activations occurs, you see more of those investments come through. Furthermore, any of their audience members who are checking the site regularly, and see the momentum that you have, every time they look a campaign, another 20k raised, 50k, 100k, that momentum is investable, and they'll be more inclined to participate. We see it happen with the ads, we will bring in 50 new ambassadors from the advertisements in a week. And then, another 50 will come from the platform, and if we shut ads off for the next week, not only will we not get that initial 50, we won't see the audiences that are coming in organically that are watching from the portal participate.

So cons to this, because I don't want to make it sound like the portal is the only way to go is you are losing your data, you bring in an investor, they sign up for that portal, that portal can now promote to them, and point any new investment opportunity at them, even if they can't invest in your deal yet. Let's say, they just signed up and didn't complete their investment, now they're shopping around all these other opportunities, just by the nature of them getting to your offering page on the portal, they can start seeing, hey, what else is available, I like AI, I like drones, I mean, let me see what else is going on here, I'm going to hold off on this one investment, I'll check back in a couple of weeks, but let me throw a few hundred dollars here, a few thousand dollars there. That cannot happen by driving your first three connections, by driving your prospective investor audiences to one of these portals. So what some of the tech companies that are creating these stacks are saying is own your data, drive them to your environment, be able to control the entire experience, don't worry about them hopping to the next platform, so there are pluses and minuses to each. I've seen different founders look to take advantage of the portal's audience and then move to their own page. I've seen founders stay four rounds or more, working with a group on their fifth round, and they'll be the fourth one on one specific portal, and they've done eight figures capitals. So I'm not saying you should change either, but those are some of the viewpoints that I hear from founders.

Jason Fishman: it is something we've heard from other founders as well too. It only gets more aggressive over time, is the obstacle with that. So there are pluses and minuses, on one hand, you're able to tap into a very large audience on Wefunder; on the other hand, your investors become that audience over time.

Hall Martin: Right. The next question I had was, and for those who are running extensive campaigns, the 250-500 kind of come and go pretty quick, but we have some that are raising \$5 million up to the limit, and that can be a bit of a slog from 1.5 to 5 million to find more investor groups out there, what do you tell those that have gone through their list, they've gone through the Wefunder list, and they've gone back to their list three times, and now we have to find new investors – of course, you got social and you got long form content, those type of things, but what other ideas do you have for these guys that are in that U-shape valley of death, so to speak, between the start and the finish of these crowdfunding campaigns, where should they be mining for more investor groups or names, any thoughts there?

Jason Fishman: We get involved with companies in an agency-client relationship at one of three stages – planning, plateaued, scaling. Planning their campaign's not live yet. Plateaued, it's a nice way to say their campaign's not working, they want to see more performance. And scaling, it's working, now they just want to throw more fuel in the fire. And whether you're in section two, or section three, whether you're a few \$100,000 raised in, and things have really slowed down, or you're maybe at a higher point and looking to ramp up, you want to really understand your target audience, who are they, why are they participating, so that you can find more people like that. So you can say, hey, here is who is interested in this deal, where do we get more guys like this, where do

we get more people, men, women like this to invest. Now, as mentioned, I am a big fan of advertising, you're able to put in specific audiences by these specific traffic, the go traffic amounts that day, that week, that you're going to need to hit those conversions. And in doing so, we've been able to see campaigns scale rapidly. You actually get a higher placement in Facebook or any of these ad platforms, bid system, the more you're spending, and as you increase. We've worked on Reg A plus campaigns that have started at entry level ad budgets and scaled to six-figure per month ad budget levels, and produce seven figures per month from those ad spends.

So we would definitely champion advertising for that part of the conversation, although it does not have to be limited to paid marketing, it could be organic marketing, there's just more variables. So scale, reach out to more publishers to get a small percentage, but at higher increments covering you; reach out to, I mentioned a few of these, you got top tier media, you got bloggers, you got podcasters, you have different email newsletters, reach out to all of them. You can look to ask your audiences who they can bring to the table, who they could share; you can look to bring your investors in and create content, have webinars with the lead investor, why did you invest, what were some of your concerns, what really stood out to you the most. You can have these discussions to allow your target audiences to carry that narrative. A new trick I've heard is reaching out to other founders on these portals, and do audience swaps. So you could promote their deal, they could promote your deal, it really works well if you have success. So if you've done a past round, it hit seven figures, you've reached out to another successful founder, they had a seven figure raise, that's a good transaction there. And if they invest, disclose the investment if it's a minimum amount, and tell their pool of a few thousand investors about it, you could see 100k in investments come fairly quick. So that's another tip, I say that so you can try it. I also say it to get the gears going. That is a big part of organic marketing is tapping into existing audience pools. In this case, with that founder audience swap, you're reaching an audience segment that has invested in equity crowdfunding deals. There are other segments out there, so you want to be creative about it, you could post to groups on any social platform, go to physical events, I've been doing a lot of physical events recently, and just spoken last week, I'm speaking at _____ recording, but in February 2022 at MoneyShow in Vegas. I have been putting together new relationships as a result. You could be doing the same thing as a founder, attend local meetups, talk to people what you're doing, ask them if this is something that would be interesting to them indirectly, and see feedback from there. You may get investors out of that, you may get introductions to meaningful relationships out of that strategic partnerships and/or additional investors. But always be asking yourself, who is my target audience, where can I find them, what is my messaging to bring them in, and how do I do follow-ups. So what we're doing, with digital with content marketing and advertising, there is a whole another set of ways to do it for offline communications, but always be asking where they are, and how you can bring them in.

Hall Martin: For audience swaps, do they need to be in the same sector, like consumer product good to consumer product good, or is it just successful campaign to successful campaign is really the driving factor?

Jason Fishman: So without naming any names, I've heard it done in both of those avenues. And a lot of the most successful equity crowdfunding campaigns are companies that are new, different, maybe they're community based, whether that's local or around a tech community, as an example. If there's something that stands out about your product, if there is something that stood out about one of these other company's products, it could potentially resonate. It's all about the story that's told there, and why that investor audience should care about this new opportunity. I have seen it done in both fashions, I won't say that'll work for every company, but it's worth an exploration, if you meet a group that had a successful equity crowdfunding campaign, they're launching a new one, and you think your audience would be interested in theirs, because you may have to make sure that value is there; and likely in that scenario, their audience would be of value to you.

Hall Martin: What else did you want to share with us about your process there, Jason, and tips on how to make a successful campaign go, what do you think are the biggest mistakes you see out there, for example?

Jason Fishman: Sure. So we've talked about strategy, we've talked about live marketing tactics, and different buckets to focus those into. My whole approach, I summarize in three words: test, optimize, scale; test, optimize, scale. Any of these different marketing strategies and tactics within are simply used for tests. We have assumptions going in. We have projections, but we need the numbers, we need the analytics to prove any of these models to be effective for any given campaign. It can likely take a good amount of optimizations from there, optimizing the channel, the audiences, the messaging, the funnel that they're going down, go through each of those steps before phasing out any channel. But you can begin reallocating the spends, reallocating efforts towards the channels that are working best. And as you're optimizing, it improves performance, as you're reallocating some of the pacing, if the results continue on the top driving channels, scale them. That's what our clients are looking for is opportunities to scale. And some of the mistakes I've seen, Hall, to your question, is a mindset that if I build it, they will come, and if I launch marketing, it's going to give me a return at 10% cost of capital or less within a few days, with no additional effort from me, which is simply not the case. You want to have this approach where you've thought out all the angles in the marketing plan. I can't tell you how many groups skip that step. You've built a good content marketing foundation, I'm on the phone with founders every day who say, hey, we just want to spend on ads, we just want traffic, we just want to see what we're getting the return. You're making shortcuts. It could work, but statistically, it will not work as strong as if you go down these best practices. With advertising, they launch ads, they want to see a 10x return the next day, the next week. It's not working, they want to shut it off. It's simply not the case. There's inherent obstacles with marketing, there's inherent obstacles with fundraising, a combination of those two make it even less consistent. A stat from 2020 was of all the campaigns, about 20% had reached a seven-figure goal or higher, so the majority of campaigns are not hitting their full goal, let alone seeing the return and cost of capital that they want. The ones that are, are

determined, and they're going to do it one way or the other, they're not turning off channels, they want to figure out how to make a channel work for them, versus whether a channel will work or not. So don't think that you're going to launch something that's just going to work, it may; we have many campaigns where that is the case, but it's still likely going to take a few weeks before the performance really gets to good peak, because it's multiple touchpoints over a given period of time, before investors convert. So it's just simply going to take a few weeks. If it's not working a few weeks in, perhaps you want to make heavier optimizations of – I got to restart my camera here – perhaps you have to make heavier optimizations, and it could take six weeks for the performance to really get there. So all things to take into account, when you're doing this. We've seen campaigns show little to no performance three weeks in, if they would have shut off after one month, they would have had a loss, they also would not have had those channels moving forward to ramp up; and some of those by week six, by week eight, were surpassing all of the performance goals. So you definitely want to manage it to a point of effectiveness versus assume just by running something that's going to work for you.

Hall Martin: Our next question is: how do we run a CF on our own website without the CF platform?

Jason Fishman: Sure. So CF is a bit more complicated and generally requires the use of a broker dealer. You're generally using a portal or a broker dealer. The broker dealer may build the offering page on your site and use various tech stacks to do so. There's a list of companies that do this. I mentioned Core Connects, I mentioned DealMaker, I _____ group, and uses direct CF to offer it, as well as FundAmerica, there are various other broker dealers that can set something like this up for you. I would recommend speaking to one of them to get all of the rules and regulations around it, they'll walk you through the process, they're very educational in their communications, it's not a sales environment that I know for any of those groups. I'm fans of all of them. So I would ask them, you're also going to want to get a legal perspective, speak with someone on the finance side or on the audits. So I can speak more to the marketing side of it. I could share some of the experiences we've had setting it up, but overall, you'd want to talk with them about how to get that built on your site, how to be accepting investments, and then, work with a marketing group on the planning and activation of that initiative.

Hall Martin: We'll follow up with all the attendees within the groups that do that for you guys, and you can put the events now but on your own website, and then you don't have anybody repurposing your investors. So we have other groups do that with good success, so happy to share that as well. We're near the end of our time, Jason. Any closing thoughts you want to share with the audience here, had some good questions today, and looking forward to wrapping it up. I thought the audience swap was a great idea, I could see more groups doing that, find a group that likes to invest in crowdfunding deals, well, let's share that around.

Jason Fishman: But just in terms of closing thoughts, these are our powerful tools that groups have been waiting for years to fully take live into the market, whether we're talking about these tech stacks to launch on your site, whether we're talking about the whole regulation, and I've seen them bring in far more than just capital, had talked about strategic partnerships, media, B2B relationships. There is a thought process in the industry of always be raising, and I'm a fan of that, as a marketer, and having the next rounds to follow, and looking at all of the value that the campaign brings well beyond the capital itself, I mean, founders have shared that, you could get a favorable valuation out of this that you can have more control of the company with all the investors one line item versus a few VCs. There are a lot of benefits from the equity structure, but beyond that, what it means for the marketing of your business, what it means for your growth milestones, and overall scaling as a company, I've only seen positive things to come out of campaigns that were given the right care and consideration. So I would look for ways to get this to work for you, and bring on investor users, it's B2B, we've got plenty of B2B companies who brought on clientele that invest in here. I would find out the ways to get it to work, once you do, it's only going to allow you to bring on more capital or audience, more ambassadors in the years to come. There are a lot of resources in the industry at this point. We're publishing content regularly, we welcome questions at any point, always happy to welcome a warm marketing chat. Again, big fans of the TEN Capital group here. Some of the companies that you mentioned there, Hall, as well, knock on their door, get information, the findings are there, we want to do whatever we can to see a higher success rate industry wide. We want to see that 20%, well above 50%, so I know it's a similar sentiment among other speakers in the vertical and look to team _____, look to do whatever you can to give your brand the best shot at hitting the full goal in the appropriate timelines.

Hall Martin: That's great. Well, I want to thank you for sharing your time and experience and wisdom with the audience today

Jason Fishman: My pleasure, Hall. It was a pleasure to be part of. Yes, please feel free to get in contact, and I'll be on the lookout for the next one as well. Thank you, everyone.