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1 Executive Summary

NourishTech will serve as an online Crowdfunding platform for where green energy projects and businesses can raise money and receive contributions from anyone that wishes to pledge a certain amount. This platform will revolutionize the way in which Planet’s resources are utilized and create public awareness about the importance of using clean renewable energy sources. Renewable energy such as wind, solar, geothermal, and hydropower are not only safer for our planet but also allow us to be completely energy independent and have a sustainable source of energy for the long-term. It removes a lot of the financial startup barriers for eco-friendly projects and allows them to have an impact in the communities and in the world at large. Someone or an organizational entity looking to start a project with them can easily do so and fill out all the necessary project information through the process. Our staff will review each project submission before it goes live to ensure that all the necessary information is included and that the project follows our guidelines. The project owners would have the opportunity to receive support from our team if project owners have any questions or issues with their project or account with us.

In the long-term, the company would like to see 100% renewable energy in power, heating / cooling, and transport sectors globally. We want to promote investments in green energy through the projects that we aid on our site as we advocate for policies and programs geared toward sustainable, renewable resources. Our current standard energy system is detrimental to our planet's future, including climate change, air and water pollution, destruction of the oceans, the threat of mass extinction, water and food shortages, energy poverty, nuclear waste pile up, nuclear weapons proliferation, fuel depletion, and geopolitical tension. We would like to offer not only funding for these projects through Crowdfunding but also to generate exposure to raise awareness.
2 Vision

To provide an opportunity for eco-friendly, yet innovative businesses and projects to achieve the necessary capital needed to fund their projects while promoting public awareness to stimulate a debate about our planet's sustainable development.

3 Mission

Provide a platform for eco-focused projects to get funding

Promote the use of renewable energy resources to become a standard

Raise awareness in the communities about the importance of Green products

Eventually help shape some legislation in favor of renewable energy usage
4 Management Summary

Founder and CEO, NourishTech

IKE PETERS

NourishTech’s founder and CEO, Ike Peters will manage the company. Ike holds a bachelor’s degree with an academic background in business management and mechanical engineering from the University of Florida. Ike has an in-depth background in business ownership, running a software company, iDirect-Networks, in Gainesville, Florida where he has serviced and worked with hundreds of businesses. He has also led various marketing campaigns for community events in the area.

CFO, NourishTech

Micah Peters

Micah Peters will be the CFO of NourishTech and will be managing all the expenditures and transactions of the company. He’s currently wrapping up his masters in information systems at the University of Florida and has a strong leadership mindset. Until recent, he has held the position as the director of financial return at the Gainesville Chick fil a location and led the store with a ranking of being in the top 50 locations in the country. These combined skills not only make him well verse in the technology sector but also will an in-depth experience in managing the books.

Director of Administration, NourishTech

Jonathan Pollock

Jonathan Pollock will be a part of the management team, serving as the Director of Administration.
5 Market Research Summary

Crowdfunding is a process in which individuals pool money and other resources to fund projects initiated by other people or organizations. Crowdfunded projects may include creative works, products, nonprofit organizations, or donations for a specific purpose (e.g., to pay for a medical procedure). Crowdfunding usually takes place via online portal that handles the financial transactions involved, and may also provide services such as media hosting, social networking, and facilitating contact with contributors. Crowdfunding refers to donation based fundraising for businesses or creative projects, typically via online funding portal. Some but not all crowdfunding projects offer contributors rewards, which may differ based on the amount of money donated. Rewards can include copies of a creative work, products created with the funding, special or personalized incentives (such as autographed works or swag), or public recognition. In Equity Crowdfunding, a crowdfunding approach is used to raise investment capital and contributors receive equity in the resulting business. Contributors may act as investors and receive shares directly, or the crowdfunding service may act as a nominated agent.

Recent research estimates that there were 453 platforms operating worldwide by the end of 2011 and their numbers were growing at a rate of 63 per cent CAGR. The amount of funds committed through the model has enjoyed similar growth with $1.5 billion raised for projects and businesses in 2011. Over 80 per cent of this capital has been raised in the US with Europe having slower growth but leading in pioneering new applications of the model.
5.1 Categories

Crowdfunding facilitates the raising of capital for a variety of purposes, using numerous variations of the model. Below is a typology of how the operators in the market can potentially be segregated. The majority of platforms can be categorized under these four types, but there are several variations, such as hybrid models and those platforms that define themselves in a sectorial vertical rather than by the type of finance they provide.

<table>
<thead>
<tr>
<th>Form of Contribution</th>
<th>Form of return</th>
<th>Motivation of funder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donation Crowdfunding</td>
<td>Donation</td>
<td>Intangible benefits</td>
</tr>
<tr>
<td>Reward Crowdfunding</td>
<td>Donation/Pre-purchase</td>
<td>Rewards but also intangible benefits</td>
</tr>
<tr>
<td>Crowdfunded Lending</td>
<td>Loan</td>
<td>Repayment of loan with interest. Some socially motivated lending is interest free</td>
</tr>
<tr>
<td>Equity crowdfunding</td>
<td>Investment</td>
<td>Return on investment in time if the business does well. Rewards also</td>
</tr>
</tbody>
</table>
5.1.1 Donation Model

The donation model of crowdfunding is a means for charities, or those who raise money for social or charitable projects, to gather a community online and to enable them to donate to a project. While most established charities facilitate this through their own website, crowdfunding is popular for small organizations and people raising money for personal or specific charitable causes. Popular sites include Crowdrise and Causes.

5.1.2 Reward Model

The most popular form of crowdfunding to date has been the reward model which has grown significantly in the funding of creative, social and entrepreneurial projects. This model allows people to contribute to projects and receive non-financial rewards in return, usually operating a tiered system where the more you donate the better the reward you receive. The model often closely resembles philanthropy with the donation far exceeding the monetary value of the reward or the reward costing the fundraiser little, such as experience or recognition-related rewards. For some projects the model is similar to a presale agreement. In these cases entrepreneurs or artists crowdfund the production cost of their record, movie, game or product and allow the donors to be the first recipients once the production is complete. Popular platforms operating the reward model are Kickstarter and Indiegogo in the US and Peoplefund in the UK.
5.1.3 Lending Model

Crowdfunded lending is largely an evolution of the peer–to–peer model of lending, pioneered by firms such as Lending club and Zopa. Projects or businesses seeking debt apply through the platform uploading their pitch, with members of the crowd taking small chunks of the overall loan. Some platforms focused on social causes offer interest–free loans such as micro–lending site Kiva. Others operate more as an investment, where interest rates are decided either by those seeking the loan or using a market for loan parts, such as that used by UK platform Funding Circle.

5.1.4 Investment Model

The final type is the application of crowdfunding to investing for equity, or profit/revenue sharing in businesses or projects. This form of the model has been the slowest to grow due to regulatory restrictions that relate to this type of activity. Some European platforms have been pioneers of the equity crowdfunding model, allowing anyone to take a small stake in an unlisted or private business through crowdfunding. The most popular sites in offering this model are CrowdCube in the UK and Symbid in the Netherlands. Others such as Quirky offer a revenue or profit–sharing model allowing you to capitalize on the success of the projects you back. While most platforms fit relatively neatly within one of the categories above, many also do not. Examples of this are BuzzBnk a social venture focused platform that offers both the reward model and the lending model. BankToTheFuture aims to offer a stream of funding for businesses starting with reward–based and equity crowdfunding and then loans once they start generating revenue. Other sites target specific vertical niches such as Mobcaster for TV shows, 8bitfunding for video games and UnBound for book publishing.¹

¹ http://www.em-a.eu/fileadmin/content/REALISE_IT_2/REALISE_IT_3/IntroToCrowdfunding.pdf
5.2 Infographics with statistics pertaining to crowdfunding

**CROWDFUNDING STATISTICS**

**Estimated number of active crowdfunding platforms worldwide**

<table>
<thead>
<tr>
<th>Year</th>
<th>Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>536</td>
</tr>
<tr>
<td>2011</td>
<td>434</td>
</tr>
<tr>
<td>2010</td>
<td>283</td>
</tr>
</tbody>
</table>

**Estimated volume of funds raised by CFPs worldwide**

- 2011: $1.5B
- 2012: $2.7B
- 2013: $5.1B

- 59% in North America
- 35% in Europe

North America and Europe dominated the crowdfunding industry by raising 59% and 35% of worldwide capital in 2012.

More than 1 Million successful campaigns were run by CFPs in 2012.
CROWDFUNDING MARKET GROWTH AND INDUSTRY SHARE BY CATEGORY

REWARD BASED
Here's my money in exchange for an awesome reward
524% 43%

DONATION BASED
My money goes towards a cause that I believe in
43% 29%

EQUITY BASED
I'd love a stake in your growing company
114% 15%

LENDING BASED
I'll lend you my money for 10% interest
76% 13%

Funds Paid Out per Equity Based Projects
Equity based crowdfunding raised the most funds per project as compared to Donation-based and reward-based Crowdfunding.

6% 10% 16% 26%
**Most Active Crowdfunding Categories of 2012**

- **Social Causes**: 38%
- **Business & Entrepreneurship**: 16.9%
- **Films & Performing Arts**: 11.9%
- **Music & Recording Arts**: 7.5%
- **Energy & Environment**: 5.9%
- **Other**: 28%

**Funds Paid Out per Donation Based and Reward Based Projects**

- **Less than $2,500**: 35%
- **$2,501-$5,000**: 28%
- **$5,001-$7,500**: 18%
- **$7,501-$10,000**: 9%
- **$10,001-$15,000**: 16%

Over 40% of CFPS charges a transaction fee based on percentage commission of funds pay out.

45% of all CFPS require investors to deposit money in escrow accounts and 63% use PayPal as payment method.

Average successful crowdfunding campaign is around $7,000 and lasts around 9 weeks.

Source: Crowdsourcing.org
5.3 Pros and cons of Crowdfunding

Crowdsourcing comes in all shapes and sizes. Individuals and businesses alike solicit support for everything from developing the world’s best hoodie to restoring an historic movie theater.

But when crowdsourcing is big, it can be really big. The Pebble e-Paper smartwatch is one such example. On Kickstarter, one of the world’s biggest funding platforms, the goal was to raise $100,000. When all was said and done, it raked in more than $10 million. Clearly, the benefits of crowdsourcing are limitless.

Crowdsourcing, however, doesn’t always have to be so lofty. For those not in the business of creating society’s next big iGadget, crowdsourcing can serve as an effective way to tackle a marketing campaign or populate a website with content. But it’s important to remember that relying on the collective might not always be the best choice.

Benefits

Access to resources (skills and items)

Outsourcing to the crowd (or crowdsourcing) is often associated with menial tasks but there is a huge amount of work in the services marketplace which is more akin to skilled work such as photography, promotional staffing, office work or design. By re-creating important aspects of the services economy through an online platform via profiles, reviews and reputation credentials, crowdsourcing platforms can allow people to advertise and sell their unique “skills”. As everyone has a different set of skills, crowdsourcing allows more people to access a larger, universally shared set of resources.

Access to scale (size and location)

Imagine if one needed to hire people full-time or part-time for jobs that are commonly required but not ongoing - it doesn't make sense for each business to hire these people individually. For example, hiring a team to make phone calls for a day, promoting one’s brand at a conference or doing field research across a wide range of locations (like store-checking a chain of retail shops).
Crowdsourcing gives any business access to a large workforce for specific events or promotions but the flexibility to lower costs when required. This means that small companies and entrepreneurs can now do things that were genuinely never possible before, and redirecting their resources to achieving business objectives.

**Transparency (real world data)**

By conducting a large volume of crowdsourcing transactions through a single marketplace platform, real transaction data becomes more transparent. Thousands of verified interactions and user reviews means that highly rated people will be rewarded whilst "bad eggs" will be weeded out very quickly – a concept famously pioneered by eBay’s user review system. In fact, as “user-generated reputation” become more prevalent, other more traditional ways of building brand trust such as advertising, may soon become less relevant.

**The challenges of Crowdsourcing**

But crowdsourcing does bring along with it a number of challenges and can require certain compromises and as the concept matures it is important for businesses looking to use Crowdsourcing platforms to be aware of the issues and manage them accordingly:

**Cost of management** – crowdsourcing means outsourcers need to deal with workers directly, which can result in the buyer of services needing to spend time and money to manage their resources effectively.

**Creating a fair marketplace** – another challenge arising from users dealing directly with one another is that processes and rules need to be constantly re-defined to take into account unlimited possible user cases – now and in the future.

**Quality control** – again, by creating an online environment in which people can engage with each other directly, trust and safety as well as quality control can be highly challenging and given that this is a base expectation for most users, needs to be managed well from the outset.
5.4 Top 10 Crowdfunding sites

1. Kickstarter

Probably the hottest crowdfunding site on the Internet is Kickstarter. Thousands explore its listed projects every second waiting to give away their money to the project they think is most deserving! According to the guidelines, Kickstarter accepts all major kinds of creative projects but not for causes or awareness campaigns, charity or scholarships, and definitely not for vacations or a new digital camera. The 3 million people who backed a project came from 214 countries and territories and all seven continents (even Antarctica). 807,733 people backed more than one project 81,090 backed 10 or more projects and 975 people backed more than 100. 19,911 projects were successfully funded in 2013 and thousands more came to life.

*Special Feature*

Backer Reward: create a small reward with a certain price point, and if the backer pledges the price and claims the reward, he will get the reward but only if the funding is successful (which means we reach our funding goal).

*Fees*

Kickstarter charges 5% fee for every successful project. As Amazon Payment is used to receive the fund, Amazon will apply credit card processing fees, which are 3-5% of one’s raised project fund. And the biggest downside here is that one has to be a permanent U.S. resident with a Social Security number.

2. Indiegogo

Indie is the short form of ‘independence’, so from the name one already knows that this crowdfunding site is aimed to help people raise funds and make their personal project ‘go-go-go’ without any difficulty. The site’s layout is similar to Kickstarter so it’s easy to adapt to if one
has tried Kickstarter. Unlike Kickstarter though, one can kick-start any project including donations for charity. Its "Backer Rewards" feature is known as "Perks" here.

**Special Features**

Anyone, U.S. resident or not, can receive funding, using PayPal as the payment option. There is a funding plan called *Flexible Funding*, in which one could receive the fund even if the project has failed to reach the funding goal; Indiegogo charges one, a higher fee for that.

**Fees**

Indiegogo will get 4% from every raised fund, and 3% will be charged for credit card processing, plus $25 wire fee for non-U.S. campaigns. If one has applied for the Flexible Funding plan and the campaign failed to reach the goal, Indiegogo will charge 9% of the fund, but will still allow one to take the remaining funds away.

3. **RocketHub**

RocketHub is definitely a popular station to fuel one’s project for launch. The site boasts a 3-step simple process to upload your project. You can then track the progress and status of their project. If you are just interested in crowdfunding, they can go for FuelPad, but RocketHub’s winning feature is the Launchpad.

**Special Features**

LaunchPad: presents offers for RocketHub members to work with top-notch brands, companies and marketers to help them raise public interest and seek more potential opportunities for their projects. Prizes range from photography exhibition venues to 4-week media outreach campaigns with top marketers. This serves as a great plan for creatives such as artists, photographers and musicians who seek for rare opportunities and publicity.
Fees

Rocket Hub charges 4% of the fund for successful project, and 8% for project ended without reaching the financial goal. In addition, 4% of credit card processing charge will also be applied.

4. GoFundMe

If one’s looking to just raise money online, for a cause, or for them then, GoFundMe is the best fundraising option one can use. In here, one gets supporters to donate for their personal campaign, and it could be everything from a personal traveling fee to their pet’s medication fee. It’s truly about donation.

Special Features

Sharing is caring: Unleash the sharing power of widgets, a dashboard with social media integration, and even multiple donation pages to spread the message to every possible corner of the Internet for greater success.

Fees

GoFundMe take 5% from each donation (hence the total donation) one receives. Depending on one’s preference, one could either use WePay or PayPal to process your payment; they both charge fees ranging from 2.9+% to 3.5%.

5. Razoo

Claiming to have raised more than $97,000,000 for thousands of worthy causes, Razoo is the next crowdfunding behemoth that one, as a fundraiser should seek help from. The site focuses heavily on causes than profitable projects, but they do have a dedicated section for non-profit fundraising projects. Razoo divides fundraisers into 4 major categories: Nonprofits, Individuals, Corporations, and Foundations, and they each have their own benefits.
**Special Features**

What’s strong about Razoo is obviously its technological advantage that helps one to spread the word about projects effectively. With the old school yet incredibly useful Donation Widget and Facebook Widget, one is able to create any donation section in any part of a blog by embedding the widget into it. Razoo even has an iPhone app that enables them to manage their project and engage their donors. Talking about hi-tech social marketing!

**Fees**

Razoo charges a very low rate, just **2.9% of one's total fund**. Bear in mind that this an all-in flat rate as other crowdfunding site often charge higher than 4% not including credit card fees.

**6. Crowdrise**

Crowdrise specializes more on **dealing with real world issues** than fueling profitable creativity. They fund for animal welfare, arts, cultures, diseases, education, and even religion. It even labels itself as a platform that help raises money for Charity.

However, that doesn’t mean that one couldn’t raise money for personal causes. The fundraiser could still raise funds for their personal life activities like birthdays, weddings, or even college projects. That being said, charity and personal fundraising section are clearly separated into Fundraiser and Nonprofit categories.

**Special Features**

CrowdRise Points: the more people donate to a certain fundraiser, the more CrowdRise Points the fundraiser will gain. Based on the points, Crowdrise members will then know which fundraiser or organization has made more impact to the world; it helps the organization raise their popularity and improve their reputation.
**Fees**

This is pretty complicated. Generally, there’s a flat 4.95% charge for the profit fundraising event, but there’s a blurry transaction fee involved in extra charges. For non-profit organizations, one could choose from a range of account types from free, to one with a $199 monthly fee.

**7. PledgeMusic**

This one is a crowdfunding effort to bring in new talent into the music industry. The career of a music artist is an expensive one that requires major funding and publicity. PledgeMusic is one such crowdfunding site. Music-related sites are usually philosophical, with a hardcore user interface, but PledgeMusic is clearly an exception. Its interface *looks persuasive and intuitive* at the same time, just like the Kickstarter and Indiegogo!

**Special Feature**

Backers will *definitely get a reward even if they bear the lowest pledge*, which is usually that they are supporting a digital download of the artist-produced music album. And as usual, the more fund one pledges, the richer the rewards one reaps.

**Fees**

PledgeMusic charges 15% *out of the fund* one raised. One probably has to weigh the worthiness between one’s project, the site popularity and the fee before one goes all in.

**8. Sellaband**

Since its launch in 2006, Sellaband has coordinated recording sessions of more than 80 music artists, and, over $4,000,000 have been funded to music bands via the site. Different from its
earliest version, Sellaband offers 100% freedom for one’s music creation: one is free to make the deal with any label, management company, or publisher without any limitations.

Special Features

One could change the background design of one’s page to match one’s music genre and public image. It’s like MySpace with crowdfunding ability. Additionally, the artist could create a standalone web page as their blog page, biography page, and even photos and videos page. As a Sellaband artist, you are offered special prices for professional third-party solution services, such as promotion and CD printing.

Fees

Similar to Pledge Music, Sellaband charges 15% out of the budget in order to support their full-time working assistants.

9. Appbackr

It offers one a chance to let the backers fund the apps that are currently on sale or in the stage of development, but backers could earn back their money by backing the app!

Special Features

The concept sounds really complicated for anyone who isn’t into business but it’s basically something like this: buy the app listed on the Appbackr with a lower price, and the money one pays will be deposited to fund the app or its development. Once the app makes its earnings in the app store, Appbackr will pay the backers back with the sales price of the app. So if one bought the app during its developmental stages at $1 ten times but the app is eventually sold for $2 at the app store, one would have forked out $10 but gotten back $20! The app gets funded; one gets their return on investment. It’s a win-win! Appbackr will handle the entire trade process.
Fees

Generally Appbackr takes a certain amount out of one’s fund to run their crowdfunding business, but there is no fixed percentage here. The amount will depend on one’s app price, and it could even vary based on several factors. It’s recommended that one read the FAQ and contact them for clarification. This may sound complicated at first, but once one masters it, Appbackr could be the goldmine for future app development projects.

10. Crowdfunder

If one needs help in getting the attention of angel investors, Crowdfunder can help. Crowdfunder allows U.S. startup and small businesses to raise funds by selling equity, debt and revenue-based securities, while attracting Angel Investors and Venture Capital to one’s company. As the site is still in beta mode, one can’t start selling any of the above yet, but one could probably add one’s company details to the site while it ripens! The crowd can vote for their favorite company, so that they could invest in the company when the beta phase is over.

Special Features

To attract even more potential companies, Crowdfunder has organized a startup contest where one simply creates one’s company profile, then let the crowd vote for it. The Judges will pick 10 startups to pitch at the live event of the Vegas Tech Fund. The winner will get up to $500,000 in funding, not a bad deal to attract funding while test-firing one’s company ideas!

This site is really a brand new thought as it kind of breaks the fundamental concept of crowdfunding, in which the crowd should be the backer. However, Angel Investors are certainly beneficial and most importantly, professional in many aspects. So if you have full confidence on attracting the glorious Angels to kick-start your legendary company, go with this one.

http://www.hongkiat.com/blog/crowdfunding-sites/
5.5 Success factors of Crowdfunding websites

The key to success are successful advertising, marketing, and PR and media relations programs. It would be wise for every crowdfunding site, regardless of industry, to add a menu tab to their crowdfunding websites offer the following value-added crowdfunding support services:

- Social Media Campaigns
- PR/Media Relations Campaigns
- Press Room with News Story Building Blocks
- Crowdfunding Video Production
- Donor Email/Newsletter Marketing Campaigns
- Google Advertising Campaigns
- Google Analytics Conversion Tracking
- Event Marketing Campaigns
- Perks-Based Fulfillment Companies
- Affiliate Marketing Programs

It is very simple for every crowdfunding platform to build a directory of service providers for each category of value-added services. Providing a list of qualified service providers makes it easy for crowdfunding campaign managers to shop for the best deal on copy writing, video production, PR, perks fulfillment and other types of crowdfunding services they need to help them launch fundraising campaigns.

As platforms mature, the more sophisticated crowdfunding platforms will soon allow crowdfunding campaign managers to request bids for these types of services when they create their initial crowdfunding profile. This will enable crowdfunders to subscribe to important marketing services before the campaign begins versus half-way through the campaign when
they are in fear of failure. Creating professional profiles supported with well-thought out marketing campaigns, which will raise the visibility of both the crowdfunders as well crowdfunding websites and will ultimately lead to an overall crowdfunding success rate due to increased web site traffic and higher donation/investment conversion rates.

Building a rock solid database of potential donors/investors with a known-propensity to support various crowdfunding campaigns along with a high conversion rate for vertical financial marketing programs will be extremely valuable in the future of the booming crowdfunding industry.

A general rule of thumb is that crowdfunding platform founders/CEOs should dedicate a minimum 4% of their total budget to marketing programs. And should they decide to invest their marketing dollars in setting up co-operative marketing programs for their crowdfunding project owners it will allow them to double down and significantly increase the reach and frequency of every marketing dollar spent.

Even crowdfunding platforms on a shoe string budget should consider matching marketing funds for their most promising crowdfunding accounts. In most cases, investing wisely in marketing programs will lead to higher commissions received due to the higher amount of funds that will be raised. Collecting 4% of $50,000 is much more lucrative than 4% of $5,000 and the extra revenue should cover almost 100% of the initial marketing investment.
5.6 Growth and improvements of Crowdfunding websites

2012 was a year of acceleration for the Crowdfunding markets. It was the year where Crowdfunding platforms raised a total of $2.7bn compared with $1.5bn in 2011. In massolution’s 2012CF Industry Report, we predicted that the total funding volumes would reach $2.8bn; Their forecast was therefore correct within a very low margin of error (~5%), and we can thus confirm that the global crowdfunding markets have accelerated from an annual growth of 64% in 2011 to an 81% growth in 2012. They are forecasting $5.1bn in total global funding volumes in 2013.

5.6.1 Growth Rates by Region

Although crowdfunding offers a growing number of countries opportunities to access funds, North America and Europe raised much more capital than platforms in other regions.

- North America: crowdfunding volumes grew 105% to $1.6 billion
- Europe: crowdfunding volumes grew 65% to $945 million
- In total, all other markets grew close to 125%

5.6.2 Growth Rates by Models

The growth in funding volumes was primarily driven by lending- and donation-based crowdfunding, and by SME adoption of reward-based crowdfunding. The growth in lending volumes mainly stemmed from crowdfunded micro-loans and community-driven loans to local SMEs.

- Donation- and Reward-based crowdfunding grew 85% to $1.4 billion

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Lending-based crowdfunding grew 111% to $1.2 billion
Equity-based crowdfunding grew 30% to $116 million

5.6.3 Most Active Categories

Crowdfunding first gained popularity as a way to fund creative, philanthropic, and social endeavors. This popularity prevails, but crowdfunding's application for entrepreneurial ventures has also gained traction. Driven by models that offer financial return, the 'Business/Entrepreneurship' and 'Energy/Environment' categories are the next highest performing categories.

- Social Causes are most active, driving close to 30% of all crowdfunding activity
- Business & Entrepreneurship (16.9%) and the two major Art Categories follow: Films & Performing Arts (11.9%) and Music & Recording Arts (7.5%)
- Energy & Environment (5.9%) is the emerging category among the five most active

5.6.4 Market Growth and Composition

Market growth and composition by funds raised:

- Almost $1.5 billion was raised by CFPs world-wide in 2011
- North America was the largest market for fundraising
- Funds raised grew at a 63% CAGR over the last 3 years, primarily driven by donation-based and lending-based platforms. Reward-based platforms are growing at the fastest rate but from a smaller base.

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- While the CFPs formed some years ago are still growing in terms of fund raised, new market entrants are securing a larger relative percentage of new funds raised, consistent with a high growth, early stage industry.

- Funds pledged to funds paid-out in aggregate has declined slightly over time, donation-based CFPs pay-out a much higher percentage of funds pledged

**Market growth and composition by number of CFPs:**

- As of April 2012, 452 CFPs were operating globally.

- Market composition in each category varies significantly by region (e.g., reward-based and equity based platforms are higher in numbers in Europe than in North America.)

- Reward-based is the largest category in terms of overall number of CFPs, while equity-based is the fastest growing category by net year-on-year growth.

- North America leads other regions in terms of the total number of crowdfunding platforms, however Europe is gaining percentage share within the market in aggregate.

**Market growth and composition by number of campaigns:**

- More than 1 million successful campaigns were run by CFP’s in 2011

- The majority of these campaigns were in the donation-based category but equity-based campaigns were, on average, much larger in size in terms of funds raised.

Reward-Based is the largest crowdfunding category, while equity based is the fastest growing

- The reward-based category is the largest crowdfunding category in terms of number of CFPs, and also grew at the high rate of 79% CAGR.

- The lending-based category is the smallest in terms of the number of platforms.

- Donation-based and lending-based crowdfunding are growing at a similar pace, significantly lower than that of the reward-based category.
The equity-based category shows the fastest growth rate, at 11.4%, and is mostly driven by growth in the number of European platforms.

GROWTH IN NUMBER OF CFPS BY CATEGORY

Source: Masssolution
Only 6% of the funds raised on equity-based crowdfunding platforms were raised for projects that drew less than $10,000 of funding in total. Meanwhile, 2.1% of the funds raised by equity-based platforms were raised for projects that drew $250,000 or more in funding.

Large sums can be raised via equity-based crowdfunding platforms, crowdfunding shows to be a viable alternative for a capital to fund small businesses and start-ups.
Donation-Based and Reward-Based Crowdfunding draw lower levels of Funding per project than lending-Based and Equity-Based Projects.

Donation-Based and reward-based crowdfunding generally attract less funding per project than equity-based or lending-based crowdfunding.

Of the funds raised on donation-based and reward-based crowdfunding platforms, 63% are paid out to projects that draw less than $5,000 in funding. Only 10% are paid out to projects that draw more than $10,000 in funding. The remaining 27% of all funds raised by donation-based and reward-based crowdfunding platforms are paid out to projects that rise between $5,000 and $10,000.
5.7 **Scope for Crowdfunding Websites**

With reward-based campaigns on Kickstarter, Indiegogo, and elsewhere becoming more commonplace, and equity crowdfunding set to finally open to investors, observers are expecting 2014 as a big year for crowdfunding.

To capture the scope of crowdfunding this year, the reward- and equity-based platform Fundable created an infographic showing some of the numbers it thinks the industry will hit. The platform predicts that crowdfunding will add 270,000 jobs in the US, and will pour in $65 billion into the economy. In 2014, The Crowdfunding industry is set to grow 92% and the industry has grown 1000% in 5 years.

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5 [http://www.slideshare.net/guiskiguiski/crowd-funding-industry-report-2012-infocrowdfunding](http://www.slideshare.net/guiskiguiski/crowd-funding-industry-report-2012-infocrowdfunding)
5.8 Crowdfunding growth factors for 2014

If the current trend is likely to continue as it is, in 2020 The Crowdfunding will contribute more than $500BB in Funding per year. This Industry will Generate $3.2 Trillion plus in Economic value per year. It will also create more than 2MM new jobs by 2020.  

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5.9 Renewable energy

Green energy comes from natural sources such as sunlight, wind, rain, tides, plants, algae and geothermal heat. These energy resources are renewable, meaning they're naturally replenished. In contrast, fossil fuels are a finite resource that take millions of years to develop and will continue to diminish with use.

Renewable energy sources also have a much smaller impact on the environment than fossil fuels, which produce pollutants such as greenhouse gases as a by-product, contributing to climate change. Gaining access to fossil fuels typically requires either mining or drilling deep into the earth, often in ecologically sensitive locations.

Green energy, however, utilizes energy sources that are readily available all over the world, including in rural and remote areas that don't otherwise have access to electricity. Advances in renewable energy technologies have lowered the cost of solar panels, wind turbines and other sources of green energy, placing the ability to produce electricity in the hands of the people rather than those of oil, gas, coal and utility companies. Green energy can replace fossil fuels in all major areas of use including electricity, water and space heating and fuel for motor vehicles.

5.9.1 Types of green energy

Research into renewable, non-polluting energy sources is advancing at such a fast pace, it's hard to keep track of the many types of green energy that are now in development. Here are 6 of the most common types of green energy:

**Solar Power** - The most prevalent type of renewable energy, solar power is typically produced using photovoltaic cells, which capture sunlight and turn it into electricity. Solar energy is also used to heat buildings and water, provide natural lighting and cook food. Solar technologies have become inexpensive enough to power everything from small hand-held gadgets to entire neighborhoods.
**Wind Power** - Air flow on the earth's surface can be used to push turbines, with stronger winds producing more energy. High-altitude sites and areas just offshore tend to provide the best conditions for capturing the strongest winds. According to a 2009 study, a network of land-based, 2.5-megawatt wind turbines in rural areas operating at just 20% of their rated capacity could supply 40 times the current worldwide consumption of energy.

**Hydropower** - Also called hydroelectric power, hydropower is generated by the Earth's water cycle, including evaporation, rainfall, tides and the force of water running through a dam. Hydropower depends on high precipitation levels to produce significant amounts of energy.

**Geothermal Energy** - Just under the earth's crust are massive amounts of thermal energy, which originates from both the original formation of the planet and the radioactive decay of minerals. Geothermal energy in the form of hot springs has been used by humans for millennia for bathing, and now it's being used to generate electricity. In North America alone, there's enough energy stored underground to produce 10 times as much electricity as coal currently does.

**Biomass** - Recently-living natural materials like wood waste, sawdust and combustible agricultural wastes can be converted into energy with far fewer greenhouse gas emissions than petroleum-based fuel sources. That's because these materials, known as biomass, contain stored energy from the sun.

**Biofuels** - Rather than burning biomass to produce energy, sometimes these renewable organic materials are transformed into fuel. Notable examples include ethanol and biodiesel. Biofuels provided 2.7% of the world's fuels for road transport in 2010, and have the potential to meet more than 25% of world demand for transportation fuels by 2050.\(^7\)

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Renewable Energy consumption in US

EIA projects renewables used for electricity and heat generation will grow by about 3.7% in 2014. Hydropower is projected to increase by 3.6%, while nonhydropower renewables rise by 3.7%. In 2015, projected renewables consumption for electric power and heat generation increases by 3.0% from 2014, as a 1.0% decrease in hydropower is combined with a 5.2% increase in nonhydropower renewables. EIA estimates that wind power capacity will increase by 8.9% in 2014 and 15.5% in 2015, reaching about 66 gig watts (GW) at the end of 2014 and 76 GW at the end of 2015. Electricity generation from wind is projected to contribute 4.5% of total electricity generation in 2015.

EIA expects continued robust growth in solar electricity generation, although the amount of utility-scale generation remains a small share of total U.S. generation at about 0.5% in 2015. While solar growth has historically been concentrated in customer-sited distributed generation installations, utility-scale solar capacity doubled in 2013. EIA currently expects that utility-scale solar capacity will increase by approximately 56% between year-end 2013 and year-end 2015. Approximately 70% of this new capacity is being built in California. However, customer-sited photovoltaic capacity growth, which the STEO does not forecast, is expected to exceed utility-scale solar growth between 2013 and 2015, according to EIA's Annual Energy Outlook 2014.
The World's 10 Largest Renewable Energy Projects

- World's Biggest On-Shore Wind Farm: Horse Hollow Wind Energy Center in Taylor and Nolan Counties, Tex.
- World's Biggest Offshore Wind Farm: Lynn and Inner Dowsing Wind Farm Near Skegness, Lincolnshire, England
- World's Largest Tidal Power Barrage: Rance Tidal Barrage in Bretagne, France
- World's Largest Tidal Power Turbine: SeaGen Turbine in Strangford Lough, Ireland
- World's Largest Photovoltaic Power Plant: Olmedilla Photovoltaic Park in Olmedilla de Alarcón, Spain
- World's Largest Dry Biomass-Fired Power Plant: Oy Alholmens Kraft in Pietarsaari, Finland
- World's Largest Wave Power Plant: Aguçadoura Wave Farm near Póvoa de Varzim, Portugal
- World's Largest Hydroelectric Dam: China

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8 [http://www.scientificamerican.com/slideshow/10-largest-renewable-energy-projects/]
5.10 A peek at a few Green crowdfunding projects

Crowdfunding is a democratic form of financing that allows people to direct their money towards projects they consider important, innovative and socially useful. Below is a list of a few crowdfunding initiatives that focus on sustainability, the environment, education, society

1. **BNRG Gorse by Abundance Generation**

Renewable energy crowdfunding platform Abundance Generation has opened a new solar project in Kent for funding, offering a “win win” for investors.

The BNRG Gorse project requires up to £730,000 for the installation of an initial two 249 kilowatt (kW) sites, and £1.13m to build a possible third on the Isle of Wight. Investors can choose to contribute sums as small as £5.

2. **Aftermath – Philippines typhoon documentary**

Photographer Sean Delahay is seeking financial support to put together a documentary on the devastation caused by Typhoon Haiyan in the Philippines. All funds raised from the exhibition and print sales will go to affected people.

3. **Cambrian Wildwood Project**

This rewilding project, endorsed by George Monbiot, hopes to restore the native forest to parts of the Cambrian Mountains, making possible the return of lost species such as red squirrel, mountain hare, and wild boar.

4. **My Open Road app – Earn rewards for saving energy, just getting around!!**: This social energy conservation app aims to encourage efficiency, promoting the use of sustainable transportation by providing users with real-world rewards, such as specials and discounts from select retail merchants.
5. **Application for Saving the Forests**: The designers of this mobile and tablet app, working with a New York development company, aim to reduce the use of paper and prevent the destruction of forests.

6. **Solar Liberator**: This appliance, which comes complete with an inverter, smart battery and control electronics, allows you to go solar in minutes, coming in 500W, 100W and 25W for a range of uses.

7. **Helping Women Lead Sustainable Change in Rural India**: This project will train facilitators to teach self-help techniques in ecological business development methods in remote rural regions of India, providing women with a sustainable route out of poverty.

8. **Green Tourism Education in Yunnan**: A project that will educate villagers in Yunnan, China about ecotourism and refuse management, so they can encourage sustainability in their isolated region.

9. **United Planet Faith & Science Initiative**: This initiative unites religious leaders with leading scientists, to promote environmental sustainability, institutional and grassroots changes to decrease emissions.

10. **Holy BLEEP Mabel**: This political TV ad-campaign plans to highlight the issue of climate change through humor, with the ultimate aim of seeing climate change legislation passed at a federal level.⁹

Even before Crowdfund Investing goes live in 2013, we’ve seen social entrepreneurs leverage technology to launch project on Kickstarter to bring water to Africa or even platforms like Terracycle that aims to turn trash into profits here in the United States. The crowd gets it. If the governments or international banks can’t fund these projects, let’s let the communities do it. What might be a hurdle for a local government to cough up $250,000 in funds could easily be achieved with the right social outreach. And technology is the enabler.

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5.11 Potential of Renewable Energy Crowdfunding

Crowdfunding of renewable energy projects is growing fast in Europe. If this grassroots movement gets organized in time to access the big money available in the next round of cohesion funding, it could have far reaching effects on the European energy sector.

In recession era Europe, much talk is of ‘innovative’ or ‘alternative’ financing for sustainable energy – meaning money other than the public purse. Compared with the cost of transition to a low-carbon economy at €270 billion (or 1.5 % of its GDP) annually, crowdfunding at present is pretty insignificant – although growing exponentially. In 2012 crowdfunding in Europe saw an estimated 65 % growth compared to 2011 and reached €735 million. This figure is promising compared to the shrinking European venture capital market of €3 billion, although modest compared to the European initial public offering markets (in the range of €16.5 billion). Still, with industry insiders Massolution forecasting an 81 % increase in global crowdfunding volumes in 2013, it looks like crowdfunding might just get serious.

Crowdfunding has several things going for it compared to traditional funding, as was noted recently in a report published by the European Capacity Building Initiative. First, crowdfunding can provide finance to small business and community organizations otherwise excluded from formal finance. This support for entrepreneurship is also touted as a leading advantage by lobby group European Crowdfunding Network. Speed in mobilizing funding is a another characteristic of crowdfunding– as neatly demonstrated in the recent new world record where €1.3 million was raised in just 13 hours by selling shares in a wind turbine to 1700 Dutch households in a deal brokered by Windcentrale. Risk-taking, necessary for marketing novel renewable energy products which still need to be tested in large scale, can also be addressed by crowd sourced finance as it taps into a more risk-tolerant segment of lenders or investors.
5.11.1 Crowdfunding platform

Crowdfunding is where businesses and projects are directly funded by large numbers of people putting in relatively small amounts of money. It has been called ‘democratic finance’ because it lets people choose exactly where their money goes.

On one side, renewable projects can offer financial returns which are long-term, inflation-linked and relatively low-risk, in part due to Government backed mechanisms such as the feed-in-tariff. And on the other, crowdfunding resonates with a number of current social and political drivers. These include ordinary people demanding the chance to invest their money in something profitable and worthwhile; the Government’s desire to get more people financially involved in energy projects; and the fundamental challenge every nation faces in raising huge amounts of capital to upgrade their energy infrastructure over the next decade.

In the USA, Solar Mosaic crowdfunded their first project in January 2013 closing in less than 24 hours, raising over $313,000.

Abundance Generation launched in 2011 as a way for small investors to put money into UK renewable energy schemes and receive a share of the profits from the energy produced. Describing itself as a ‘community finance platform’, it represents a variant of the crowdfunding model, putting investors in touch with community groups and companies that want to build environmental projects. Abundance Generation collects the money and organizes the payouts in return for a 1.9% fee paid by the body that builds and operates the project. Individuals can invest as little as £5, or as much as £50,000, to buy debentures in a particular project. The platform has raised GBP 2.2 million ($3.3 million), according to its website.

Solar Schools is a UK project that seeks to “help schools overcome financial barriers to renewable energy and become cleaner, greener places for pupils to learn.” This has raised £275,000 so far for 45 schools.

San Francisco-based SunFunder focuses on solar energy partnerships around the world. Through its platform, the company allows businesses to provide affordable energy solutions to
underserved communities in developing nations in particular. Sun Funder has a minimum $10 investment and offers a return on the principal investment. Solar businesses can apply to fund projects in emerging economies and have had targeted loan agreements ranging from $50,000 to $500,000.

Village Power, a Palo Alto, California-based platform, allows community organizations to finance and manage solar power projects through investments from individuals in the local community. There is no minimum investment amount, but SEC rules regulate how many investors can participate in crowdfunded projects like these.¹⁰

5.11.2 Potential, scope and inclination of people towards crowdfunding

The German Energiewende is the world’s most ambitious programme to move rapidly to a low carbon energy system. Although not without its problems, this transformation has meant that Germany already gets 25% of its electricity from renewable sources. And the extent of citizen financial participation is striking. Almost half (46%) of the country’s renewable power capacity is currently owned by private citizens and farmers.

A variety of structures has been used to achieve this. For example most citizen wind farms (Burgerwindparks) are limited partnerships, whereas most citizen solar PV projects are either private household rooftop installations or larger cooperative schemes. Cooperatives have grown massively in Germany in the last few years, with over 80,000 Germans now involved in this way.\(^\text{11}\)

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5.12 Investment into the Renewable Energy sector

Global investments in renewable energy slumped 14 percent last year, with China pouring more money into the sector than Europe for the first time on record, the UN said Monday.

Investments in renewables apart from hydroelectricity dipped to $214.4 billion in 2013, down $35.1 billion from the previous year and 23 percent below the record set in 2011, according to a report from the UN Environment Programme (UNEP).

The fall was down to "political uncertainty in several markets," meaning the lack of clarity over government support for the sector, and the falling cost of solar systems, said the report.

"While some may point to the fact that overall investment in renewables fell in 2013, the drop masks the many positive signals of a dynamic market that is fast evolving and maturing," Achim Steiner, Executive Director of UNEP, said in a statement.

The figures come as a panel of UN climate change experts issued its starkest-ever warning about the perils of a ravaged climate system for future generations.

"The impacts of climate change will leave no part of the world untouched and unaffected," chairman of the UN's Intergovernmental Panel on Climate Change Rajendra Pachauri said Monday.

In Europe, which has been a global leader in supporting the development of renewable energy, investment plunged 44 percent to $48 billion (35 billion euros) last year, UNEP said.

That compares to a 6 percent fall in China, to $56 billion, and a reduction of a tenth in the United States, to $36 billion.
Investment in renewable energy by world region, 2011-2013, AFP

After nine years of growth, last year was the first time investments in renewables fell in emerging economies, the report found.

Still, the news wasn’t all bad for the renewable energy sector.

Overall, its share of world electricity generation rose to 8.5 percent, up from 7.8 percent in 2012. Excluding hydroelectricity, renewables accounted for 43.6 percent of newly installed generating capacity in 2013.

Solar energy still has the strongest backing from investors, even though the average price of installing a solar panel has dropped by 60 percent.

Renewable energy companies also got more backing from private investors, with equity raisings doubling to a record $11 billion over the year, the UN said.12

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Developing countries raised their share of global renewable energy investment to a record 46% in 2012, up from 34% in the previous year. The total invested by developing countries was $112 billion in 2012, up from $94 billion in 2011 and continuing an unbroken eight-year growth trend.

By contrast, outlays by developed economies fell sharply to $132 billion in 2012, from $186 billion in 2011, declining to the lowest figure since 2009.

The setback for the developed world owed much to lower investment in the US (down 36%) on the back of a fall-off in large solar financing, and in Germany (down 35%) in the face of wind market maturity and lower costs for PV.

China was the dominant performer among the developing economies, raising its investment by 22% to $64.7 billion, thanks to a take-off in its solar market.
- However there were also higher capital commitments in the Middle East and Africa region – especially South Africa and Morocco – and in relatively new Latin American clean energy markets such as Chile and Mexico.

- Key reasons for the shift southward in new investment included the squeeze on subsidies in Europe and the US, and increased activity in markets with rising power demand and strong renewable resources.¹³

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Project Owners

Project Profiles are created with all necessary project information including the set of goals to be achieved. The project owner will receive the necessary funding after the commission that will be been taken by NourishTech. The project owners will be introducing various benefits to attract the Pledgers.

NourishTech

Every Project will be reviewed by NourishTech staff before it goes live on the website. NourishTech will provide support to project owners if there are any further steps or information that are needed to setup a profile. NourishTech will be releasing all of funding minus 4-6% fee for administration costs plus a payment processing fee of 2.9%+0.30 cents.

Pledgers

Individuals, businesses, and investors will recognize and contribute money for funding those projects through NourishTech. Pledgers will receive rewards based on the money value of the projects.
7 Marketing Strategy

7.1 Online Marketing Strategy

A comprehensive online as well as an offline Marketing strategy will be implemented. This strategy will be implemented and re-evaluated at frequent intervals to strategically position “NourishTech” which will help to take the business to the next level.

Website Design

A professional, clean and easy to navigate website with all relevant contents will be designed for “NourishTech”. This would be customer friendly, secure website where businesses and project owners can choose crowdfunding platform related to their green energy projects.

Blog

Statistically, companies that blog attract 55% more visitors to their website than companies that don’t blog. As part of the Marketing Activity, regular write-ups related to Crowdfunding Industry will be updated in the integrated blog of the website.
Search Engine Optimization (SEO)

Many potential customers start at the search engines when they are looking for Crowdfunding providers. To be found among the existing players, “NourishTech” will be doing SEO activities to help the website, blog, social media accounts to rank high in the search engines. Each page of the website will be optimized by using key words.

Email Marketing

Email Marketing is an effective way to stay in touch with customers. Email Templates are designed with utmost care. Brand Consistency will be maintained throughout all the Marketing Activities. Providing useful & relevant information to the prospects help us to be ahead in the curve and convert potentials leads into customers.

Social Media Presence

Creating company pages in Social & Professional networks help to reach larger audience and aids “NourishTech” to stay connected with the target segment. Company pages will be created on Facebook, Twitter, LinkedIn, YouTube, and Google+ networks. Social Media presence provides an opportunity to create a community in Crowdfunding Industry through interaction with people who are interested using the service. It not only helps to reach exponential number of people at very minimal cost but also helps “NourishTech” to remain on the radar of customers through status updates, media, blog posts, and information about the company regularly.

Analytics

Measuring the results, trends of the website, blog, email campaigns, search engine ranking, and social media reach plays a crucial role in deciding the success of the Online Marketing Strategy of “NourishTech”. The metrics to measure include the following aspects of various on-line mediums:
**Website:** Site visitors, page views, pages per visit, average time on site, bounce rate, top landing and exit pages, top content, leads and conversions.

**Blog:** Subscribers, views / visitors, conversions, comments, clicks, rank, inbound links, social media shares.

**SEO:** Page rank, Number of indexed pages, Number of inbound links, Number of keywords sending traffic to your site, long-tail keyword rank & opportunities.

**Email Marketing:** Number or bounces sent, spam reports, opt-outs, opens, clicks, forwards.

**Social Media:** Number of likes, followers, connections, etc., growth, engagement, momentum, results.

### 7.2 Print Marketing

NourishTech will advertise on Crowdfunding focused magazines. Pamphlets and Flyers will be used to create the Brand awareness within targeted places (Gainesville, Florida)

### 7.3 Word Of Mouth

Word Of Mouth will be an important tool for ‘NourishTech’ to build a dedicated customer base. Featuring the testimonials of satisfied project owners on the website and providing the description about them on the company’s blogs or social media platform will help to increase the Brand image. Constant interaction with the project owners through various social media platforms and addressing their needs and concerns is essential to keep the grapevine buzzing about the brand at all times.
Marketing Mix

Product

NourishTech will be an online Crowdfunding platform for the green energy projects to get funded. The crowdfunding service will be used by both the project owners as well as by the pledgers. The project owners who are interested to enter into the green energy sector will create a project profile on NourishTech website. Immediately, the project details are reviewed by us before it goes live on the website. The pledgers will contribute money to get the project funded through the website.
Price

‘NourishTech’ will initially adopt ‘Competitive Pricing’ strategy. The amount of commission taken by NourishTech will be 4-6% fee for administration costs plus a payment processing fee of 2.9% + 0.30 cents of the funding which is received by project owners from pledgers through our website.

Place

The company will do services to its project owners and pledgers through Internet. It will have a dynamic and user friendly website.

Promotion

The promotion would be solely done through online. The major presence would be through its website though it would also focus on social media platforms such as Facebook, Twitter, Instagram, Magazines etc., in order to enhance the visibility. It also uses Word of Mouth, Direct Mailings etc., to promote the Business.
9 Business Strategy

The following matrix illustrates the business strategy that the company will adopt to complement its growth plans.

<table>
<thead>
<tr>
<th>Existing Products</th>
<th>New Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing Markets</strong></td>
<td>Market Penetration</td>
</tr>
<tr>
<td><strong>New Markets</strong></td>
<td>Market Development</td>
</tr>
</tbody>
</table>

**Market Penetration**

- NourishTech will initially focus on the Gainesville, Florida alone
- Intensive and focused branding activities will be undertaken in Gainesville, Florida to achieve greater market penetration and capture as much of the target market as possible
- Substantial market penetration will help ‘NourishTech’ to create barriers and stay ahead of fast followers who may try to imitate its Business Model.

**Product Development**

- NourishTech’s predominant product will be the site which will be used by the Project Owners as well as the Fund Donors.
- NourishTech will continuously work on this site to make it more robust and user friendly.

**Market Development**

- Once a sizeable market share has been obtained in Gainesville, Florida, the company will leverage that to expand its footprints to other major cities within the Florida.
10 Business Roll out Model

NourishTech will adopt a Business Model which is given below:

NourishTech website creation

Allow businesses and project owners in the green energy sector to create a project profile on their website and fill out all the necessary project information including a set of goals to be achieved.

Every project is reviewed by the staff before it goes live on the website. Ongoing support will be provided to project owners in setting up a profile.

The project owner will receive the funded amount except the commission (4-6% fee for administration costs plus a payment processing fee of 2.9% + 0.30 cents).

Project owners can give out a finite amount of rewards to their pledgers depending on the amount of money they contribute.
11 Financial Projection

11.1 Revenue

The financial projections are done based on the fact that the main stream of income is only through commission, which is calculated as 5% of sales.

The projections are done for 3 years and the details are given in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Yr1</th>
<th>Yr2</th>
<th>Yr3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Yr1</td>
<td>Yr2</td>
<td>Yr3</td>
</tr>
<tr>
<td>Q1</td>
<td>200,000</td>
<td>1,600,000</td>
<td>3,550,000</td>
</tr>
<tr>
<td>Q2</td>
<td>500,000</td>
<td>2,000,000</td>
<td>4,200,000</td>
</tr>
<tr>
<td>Q3</td>
<td>850,000</td>
<td>2,450,000</td>
<td>4,900,000</td>
</tr>
<tr>
<td>Q4</td>
<td>1,250,000</td>
<td>3,000,000</td>
<td>5,650,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commission</th>
<th>Yr1</th>
<th>Yr2</th>
<th>Yr3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>10,000</td>
<td>80,000</td>
<td>177,500</td>
</tr>
<tr>
<td>Q2</td>
<td>25,000</td>
<td>100,000</td>
<td>210,000</td>
</tr>
<tr>
<td>Q3</td>
<td>42,500</td>
<td>122,500</td>
<td>245,000</td>
</tr>
<tr>
<td>Q4</td>
<td>62,500</td>
<td>150,000</td>
<td>282,500</td>
</tr>
</tbody>
</table>

Cost Break-up

- Website Maintenance 35%
- Staff Salary 33%
- Website creating and hosting 10%
- SEO 10%
- Printing and Stationary 3%
- Telecom and internet 1%
- Electricity 2%
- Marketing 6%
The above pie-chart shows the split-up of the total cost incurred over the 3 years. Website Maintenance takes up prominent part of the total cost with 35% closely followed by Staff salary at 33%. Website creation and hosting is a distant third with just 10%.

11.2 Profit and Loss

<table>
<thead>
<tr>
<th></th>
<th>Yr1</th>
<th>Yr2</th>
<th>Yr3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>140,000</td>
<td>452,500</td>
<td>915,000</td>
</tr>
<tr>
<td><strong>Employee Cost</strong></td>
<td>260,000</td>
<td>260,000</td>
<td>260,000</td>
</tr>
<tr>
<td><strong>Non-Employee Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>3,600</td>
<td>3,600</td>
<td>3,600</td>
</tr>
<tr>
<td>Telecom and internet</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Printing and Stationary</td>
<td>3,300</td>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td>Website creating and hosting</td>
<td>40,000</td>
<td>12,500</td>
<td>6,000</td>
</tr>
<tr>
<td>Website Maintenance</td>
<td>50,000</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Marketing</td>
<td>7,200</td>
<td>7,500</td>
<td>21,000</td>
</tr>
<tr>
<td>SEO</td>
<td>18,000</td>
<td>24,000</td>
<td>17,500</td>
</tr>
<tr>
<td><strong>Non-employee Cost Total</strong></td>
<td>125,100</td>
<td>138,100</td>
<td>138,600</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>385,100</td>
<td>398,100</td>
<td>398,600</td>
</tr>
<tr>
<td><strong>Net Profit Margin</strong></td>
<td>-245,100</td>
<td>54,400</td>
<td>516,400</td>
</tr>
<tr>
<td><strong>Margin%</strong></td>
<td>-175.1%</td>
<td>12.0%</td>
<td>56.4%</td>
</tr>
<tr>
<td><strong>Cumulative</strong></td>
<td>-245,100</td>
<td>-190,700</td>
<td>325,700</td>
</tr>
</tbody>
</table>
The first year sees a huge negative profit percentage of 175. This is mainly due to the initial investment that goes into the company. But as the company starts to slowly evolve and develop, the margin improves. This can be seen clearly with the margin exceeding 50% by the end of third year.

**Year on Year Revenue with projection**

![Year on Year Revenue with projection](image)

**Break Even - Revenue vs Expense**

![Break Even - Revenue vs Expense](image)
As it can be seen from the graph and the table, the break even happens only at the beginning of 3rd quarter in year 3. This is a perfectly acceptable time period for breaking even considering the investments involved. Although the break even happens only in year 3, considering that the business makes profits of more than 50% by that time, and still on the rise, this surely would be a company with bright prospects and scope.

<table>
<thead>
<tr>
<th></th>
<th>Yr1</th>
<th>Yr2</th>
<th>Yr3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>Cumulative Revenue</td>
<td>10,000</td>
<td>35,000</td>
<td>77,500</td>
</tr>
<tr>
<td>Cumulative Expenses</td>
<td>101,350</td>
<td>201,300</td>
<td>295,450</td>
</tr>
</tbody>
</table>