



**MS Finance 2020/21**

# **Capstone Project Summary**

## **Lead Generation Strategy For Investors**

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## Introduction:

Tokeportal (hereinafter referred to as "the company") is a crowdfunding platform that helps Hungarian and CEE startups raise funds. Startups can raise funds on the platform by either Equity-Based or Donation-Based crowdfunding to scale up their growth. This research aims to identify potential channels that serve to be an effective approach to address investors to register on the company's platform. The goal is to build a sales funnel for the company. The first stage of the sales funnel will be increasing brand awareness by focusing on improving SEO. The second stage is nurturing leads and following up with them by providing them with educational content. The third stage is to entice them to register and invest through the company's platform and increase the donors' social value.

## Sales Funnel:

The sales funnel will contain three main stages. The first stage, which is the top of the funnel, will be generating leads for business growth. The company can generate leads by traditional methods, such as speaking engagements, industry events, current customer referrals, conventional advertising, and improving the SEO to increase brand awareness. The second stage will be attracting leads' interest by providing them practical, valuable, and exciting content to incentivize them to revisit the platform and improve the conversion rate by building up a database of all the investors and segmenting the leads based on their behavior in the platform. The last stage is to build up a relationship of trust with the investors to convince them to make a move and invest through the platform. This stage will focus on following up with the leads and improving the social value of the investors.

## SEO Strategy:

It is crucial to improve the organic keywords for the SEO to improve the website's traffic. I have analyzed some of the Hungarian words with a high search volume in Hungary related to crowdfunding. I found that *üzembe helyezés* search volume is 389, *adománygyűjtés* (Fundraising) search volume of this word is over 400 in Hungary, *Nyereséges beruházások* (profitable investment) search volume is almost 200. I have also analyzed the page loading speed and whether the platform is mobile-friendly. I found that the company loading speed was low compared to the major crowdfunding platforms in the world. The company can increase its page loading speed by almost two minutes by compressing images, deferring offscreen image by using plug-ins, reducing the impact of render-blocking resources using JS/CSS.

I also checked whether the company's platform has any broken links, and I found 70 links with issues within the first 1500 that need to be fixed. I have analyzed the best blog websites in Hungary with the most traffic so that the company can make some agreements with them for outbound links. For instance, I found that *Blog.hu* has more than 10 million visits, *Portfolio.hu* has more than 20 million visits while *Startlap* has more than 28 million visits. The company can also compose a comprehensive, well-written answer to someone's question on Quora or Yahoo! Answers and include the link of the article on the company's blog that answers that question to increase the website's traffic.

## Educational Content:

The best way to attract investors' attention is by providing them with relevant content that appeals to their interests. People nowadays are looking for greater value from companies.

Customers are constantly seeking ways to boost their skills and shape their knowledge; for instance, offering educational video content will help attract the leads' interests and improve the brand image.

The company's blog needs to be diversified regarding topics. The articles must be relevant to the current trend, such as crowdfunding, cryptocurrencies, and the best strategy to increase profits. It can also benefit from adding a short video to the articles because the easier the information provided for the audience, the more likely they will trust the platform and make it a resource for them later. The major crowdfunding platforms have been using educational content to attract leads' attention and increase the traffic to their websites. For instance, Indiegogo has an education center where leads can read articles, case studies, listen to podcasts, and watch webinars. Kickstarter has a magazine where they publish articles and entrepreneurs' success stories. It also has a research center where they ask visitors to participate in the research in exchange for a gift. Some platforms went a step further and created an academy on their platform, such as Seedinvest.com. This demonstrates how educational content is crucial for attracting leads for crowdfunding platforms.

### Collecting Investors' Information:

The most challenging part of this step is convincing the users to provide their email addresses and phone numbers as many people tend to shy away when they find that they must register for something. Therefore, the focus here is to analyze the best practices and techniques in approaching leads to collect their information. Conversion rate optimization (CRO) is the systematic process of increasing the percentage of website visitors who take the desired action, such as filling out a form or providing an email address by registering on the platform or even investing in one campaign. The CRO process involves understanding how users move through the platform, what actions they take, and what stops them from completing their goals. CRO testing can involve considerable changes to graphics or blocks or might focus on seemingly insignificant details. For instance, a headline or a word in a call-to-action phrase. As minor as these tests may seem, sometimes the right combination of graphics can increase conversion rates dramatically.

The registration button on the top of the home screen is very attractive, but the leads will be redirected to another page. Instead, the company can use the "be a part of the moment" motto and have an empty box to type down the email address. Providing a 'subscribe' button to the articles can significantly increase the conversion rate as leads can subscribe to receive the same type of articles. The company can understand which type of articles is more attractive for leads like Kickstarter and Indiegogo. The company can also add a couple of multiple-choice questions for visitors to test their information after reading the article. It can ask the visitors to register before accessing the quiz.

Including investors' testimonials can also improve the conversion rate because leads need to trust the platform before registering. Providing them with other investors' experience can do the trick.

### Segmenting Leads:

Email marketing is crucial for keeping up with the leads and suggesting campaigns based on their time spent on the platform. In the marketing strategy, it is essential to reach to the right person with the right message at the right time. The company should send specific emails reminding leads about the progress of the campaigns they have visited but not made an

investment into. For instance, a follow-up email one week before the campaign closes, especially if the campaign exceeded 70% of the target, can induce leads to invest. Dividing leads into three categories is also vital for the company. Firstly, the leads who spent 3-5 minutes on a specific campaign and watched the campaign's video can be categorized as "high-intent leads". Secondly, if the lead has spent 10 minutes checking different campaigns on the platform, an interactive form can be shown to them, asking them about their interests and what they are looking for. This can be categorized as "Potential Investor". Finally, the company also needs to turn cold leads that are not engaging with the platform into hot leads by understanding how they behave in the platform and suggest content based on their time spent on the platform.

### Increasing the Donors' Social Value:

Angel Investors are crucial for the company's platform; therefore, I tried to research the best practices to increase the investors' incentive to donate money and help others. The company needs to send a "Thank you" email to donors for their contribution, no matter how small the amount donated may be. GoFundMe is using the same technics by asking people, who start fundraiser campaign to write a "Thank you" letter for donors.

The company can also set a benchmark for how much the donors should donate to receive a certificate thanking them for their donation. For instance, anyone who donates 30+ euro will receive a certificate to his email that they can share on social media, and anyone who donates 50+ euro will receive a certificate delivered to their mailing address; the certificate is to be printed on 100% recycled paper by the company. The use of recycled paper will give them the feeling that they are helping more than just entrepreneurs and local startups; they will contribute to the cause of environmental protection.

Moreover, for investors who donate 100 euro and above, a tree will be planted somewhere in the CEE region based on their geographical location. This will give an image for donors that the company is environmental-friendly, and it will provide them with the sense that they are donating to the local startups and improving their region. Another way is by providing a list of the top 3 investors on the donation page with their names and amount of donation to incentivize other donors to donate more money and compete to be on that list, it is like a tournament-like incentive. Finally, based on my research, Indiegogo is also integrating humanitarian aid projects as those projects attract more donors to its platform and make them register. So, adding such projects on the company's platform will increase the number of donors as well.

### Conclusion:

Creating a sales funnel is time-consuming but will benefit all three parties that are part of the crowdfunding ecosystem, allowing backers to identify possible projects they are interested in while increasing funding amounts and improving the efficiency and profitability of the platform itself.

Finally, attracting investors attention will require effort and time, but it is worth it in the end. Once the company has a ground base of investors or backers, it will influence more people and drive more and more investors to the platform as time goes on.