

## #3 - Unpredictable market factors

### Definition

Crowdfunding can be adopted in order to reach different aims, among which gathering feedback on the product, testing the market and proving a brand concept. Nonetheless, it is efficient only if anticipated and supported by a **careful market analysis and positioning**.

It is a practice also based on the crowd's emotional affection and attitude - which is not easy to predict. In the case of bad estimations concerning the demand, the appeal and the real value of the product to crowdfund, the campaign is a really missed chance!

In parallel, if the product lacks of brand or identity, it is more exposed to face high competition in the internet's broad and hidden market. Framing potential competitors is also key to better define the offer's success.

Furthermore, during the campaign, some unforeseen and situations can happen. Competing products might emerge, the economy freezes, a crisis occurs... "Murphy's law" and butterfly effects are difficult to predict and even less desired - still, unplanned events might strongly affect the campaign outcome.

### Mitigation strategy

Deeply analyzing the market and the surrounding economic context helps frame the competitors, the attractiveness and demand of a certain product. This includes an accurate mapping of the territorial chances and gets hand in hand with a complete outlining of the crowd in terms of affiliation and motivation towards the product/brand.

A careful screening of the firm's potential and internal competencies is also essential, in order to concretely frame the production abilities. It is to remember that

**"Intention to produce ≠ Ability to produce"!**

A solid internal structure and a confirmed collaborative attitude is also helpful in order to face contingent changes.

It is nonetheless suggested to not only rely on crowdfunding for the production or the fulfillment of an economic objective, envisaging other scenarios and funding options.