

EXISTING METHODS OF FINANCING POSITIVE CONTENT AND SERVICES

The table of financing concepts gives an overview of the existing possibilities of financing, explains how they work, highlights advantages and disadvantages and gives advice on how to use them successfully.

It is meant to

+ help understand what these categories can do for all kinds of producers and providers, how they can support them, and

+ show that every concept has advantages and disadvantages which have to be balanced carefully.

FINANCING METHOD	EXPLANATION	EXAMPLES	PRO	CON	SPECIAL ADVICE
Public funding	<ul style="list-style-type: none"> Funded by public money: grants, project funding, public institutions are providers etc. 	<ul style="list-style-type: none"> Public broadcaster Government/ministries Public sector Public funding programme Subvention Scholarships 	<ul style="list-style-type: none"> Security in funding Positive reputation and trust Continuity Network and coordination Wide audience Non-commercial mission 	<ul style="list-style-type: none"> Limited funding Restrictions Often no overall funding (only parts funded) Public funding programmes with complicated procedures/barriers 	<ul style="list-style-type: none"> Public funding opportunities exist on multiple levels: European, nation-wide, federal states or regional governments, municipalities Search on all levels and maybe even combine different forms.
Advertising	<ul style="list-style-type: none"> Allow advertisement directly on content/services 	<ul style="list-style-type: none"> Ads in form of banners, rectangles, pop-ups, pre-rolls etc. In-game or -app advertising 	<ul style="list-style-type: none"> Can be effective way to earn money to invest in the project Simple online advertising can be easily produced Can reach large target audience 	<ul style="list-style-type: none"> Unreliable: potentially harmful external links/landing pages Complex to keep under control Negative reputation Some forms can be disruptive and irritating for users Not easy to match with other partners, especially public entities 	<ul style="list-style-type: none"> Advertising needs to be implemented carefully. Boundaries in using online advertisements on positive content and services and complex supervision have to be accepted. → Also refer to POSCON criteria on commercial elements of positive content and services (advertising, sponsoring, online shopping etc.)
Sponsoring	<ul style="list-style-type: none"> Similar to advertising Brand/company supporting and investing in a project, gain visibility 	<ul style="list-style-type: none"> Full content/service sponsoring or investment or only parts (certain project, event etc.) 	<ul style="list-style-type: none"> Chance to realize more within your project Opportunity to collaborate and network More publicity: broader dissemination and visibility through sponsor Incentives for brands (positive reputation, tax credits) 	<ul style="list-style-type: none"> Difficult to find Decision for sponsor can be complicated: history/reputation of brand, moral issues No long-term sustainability Possibility of influence by sponsor 	<ul style="list-style-type: none"> Also public institutions can be sponsors Many commercial companies have corporate social responsibility (CSR) programmes to refer to Sponsors do not necessarily have to work close to project's objectives More than one sponsor can be addressed at the same time → Also refer to POSCON criteria on commercial elements of positive content and services (advertising, sponsoring, online shopping etc.)
Company	<ul style="list-style-type: none"> Companies realize own positive content/service for children in their field of expertise 	<ul style="list-style-type: none"> Commercial companies Private broadcasters Publishing houses 	<ul style="list-style-type: none"> Focused on their area of expertise, experienced Have interest in producing content for their target group Supported by company's success (resources, publicity, reputation) 	<ul style="list-style-type: none"> Popular vs. positive: need to be commercially successful Surviving of project dependent on commercial success of company 	<ul style="list-style-type: none"> Be as transparent as possible about commercial background and who is realising the content/service. → Also refer to POSCON criteria on commercial elements of positive content and services (advertising, sponsoring, online shopping etc.)
Paid content	<ul style="list-style-type: none"> Costs/fees Membership/account fee Freemium models Online shop In-app purchase 	<ul style="list-style-type: none"> Paid apps (download fee) Complex platforms/online games Merchandising Free/lite versions with premium/upgrade possibility In-app purchases 	<ul style="list-style-type: none"> Earn the production costs and possibility of profit Sustainable and long-term funding possibility 	<ul style="list-style-type: none"> Anger and frustration by children and parents if costs occur unexpectedly or even secretly Negative reputation (aggressive tactics, non-transparent methods) has to be overcome 	<ul style="list-style-type: none"> Be as transparent as possible about costs/fees/purchase opportunities on your content/service. It can be very reasonable to ask for a fee for great content, but it should be communicated in a very transparent way. → Also refer to POSCON criteria on commercial elements of positive content and services (advertising, sponsoring, online shopping etc.)
Crowd-sourcing/-funding	<ul style="list-style-type: none"> Raising money from the online community/public through online donation platforms AND/OR Sharing of experiences and expertise (volunteering) for projects 	<ul style="list-style-type: none"> Fund projects or parts by donations from the public via designated platforms, e.g. kickstarter, betterplace, startnext, indiegogo etc. Realize projects through volunteer work of experts of certain areas: design, programming, teaching, public relations etc. 	<ul style="list-style-type: none"> Empower specific target groups such as parents No expenses until funding aim is reached Specific amount of money needed can be raised High motivation and interest of volunteers 	<ul style="list-style-type: none"> Success not projectable Not sustainable for long-term projects Difficult to manage various volunteers Needs of project cannot always be met 	<ul style="list-style-type: none"> Online crowd-funding platforms work with reward mechanisms: contributors and donors get something special in return (sneak preview, invitation to launch party, an active role during design process etc.). This also works for volunteers and experts investing with expertise and effort. Think about listing your contributors, writing letters of recommendations or giving out certificates (esp. for students).
Non-profit engagement	<ul style="list-style-type: none"> Non-profit initiatives, foundations 	<ul style="list-style-type: none"> Associations funded by members (e.g. companies) Projects financed by foundations Funded through donations 	<ul style="list-style-type: none"> Non-commercial aims Trustworthy, positive reputation High quality is main focus 	<ul style="list-style-type: none"> Dependent on keeping up external funding: by companies, grants, foundations No participation in profitable actions/financing methods of commercial partners 	<ul style="list-style-type: none"> Broad spectrum of possible financing partners: public as well as private sector, also sponsors and donations possible Many commercial companies have corporate social responsibility (CSR) programmes which can be addressed. Partners/members should work close to project's objectives.
Private engagement	<ul style="list-style-type: none"> Private person/entity realizing project on their own without external funding 	<ul style="list-style-type: none"> Blogs, apps, online games 	<ul style="list-style-type: none"> Very free in decision making, no attachment to partners Driven by passion High quality and positive results Allows for grass-root development 	<ul style="list-style-type: none"> Sustainability relying on personal motivation and engagement Management of time and resources Need of partners and resources if project grows 	<ul style="list-style-type: none"> An idea can be realized step-by-step with limited resources, in a learning-by-doing atmosphere with free software and tools. As the project grows partners can step in and bring in expertise or funding.