HOW TO

CROWDFUNDING
A SUCCESS STORY

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01   What about kickstarter

- Kickstarter is a funding platform for creative projects - all-or-nothing model

- From films, games and music to art, design and technology

- As a creator you are responsible for setting your financial goal & fundraising deadline

01

What about kickstarter

*Crowdfunding is an incredibly powerful tool
to build communities and
raise funds.*

60.97% of all projects were successful
and only **39.03%** failed.

*Dataset from 2009 - 2019

Most important features & label

Data

02

Data

- Kickstarter Data from **2009 – 2019**

- **37** columns and **209.222** rows

- Features can be divided into **different groups**: projectinfos, amount / currency, datetime and campaign creation

- A project is successful if the pledged amount is bigger or equal your defined goal

03

Success before project launch

Be prepared

03 Timing - month

- Most of the **successful projects** were created in the month
  - January: 10.946
  - March: 10.639
  - October: 10.407

- Most of the **projects failed** in the month
  - December 4.672
  - February 5.935
 - November 6.004

03

Timing - weekday

- Most of the **successful projects** were created on **tuesday** (25.385), wednesday (20.836) or monday (20.719)
- **Most money** will be given on **tuesday** , wednesday or thursday

US $ pledged amount per weekday
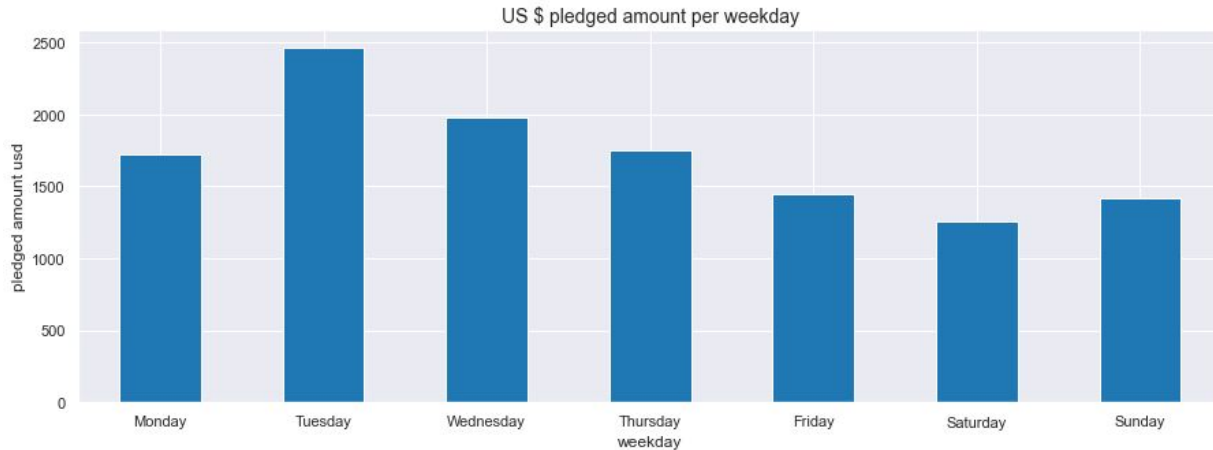
03   Timing - project duration

- In average the **project duration** from launch to end is **30 days** (median)
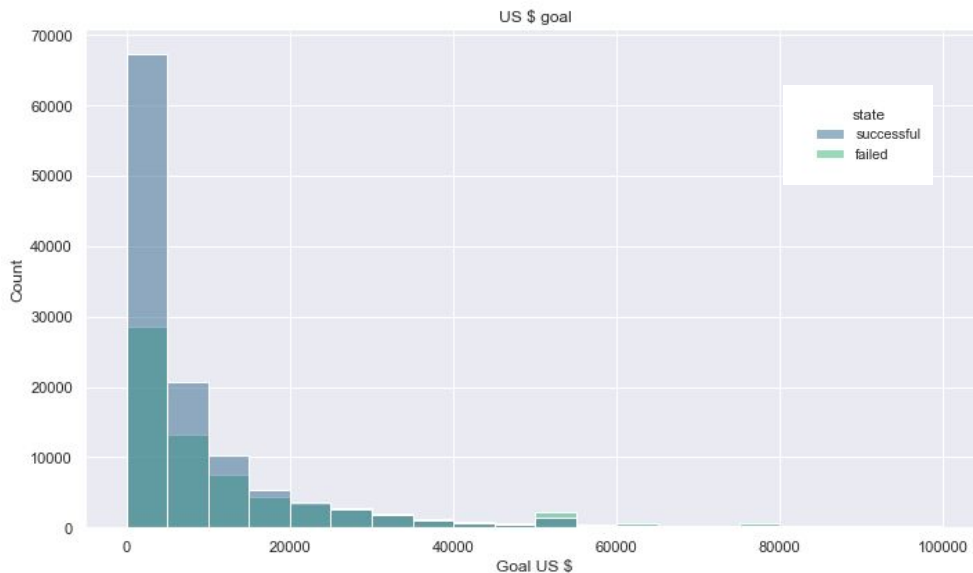- Most of the successful projects had a duration **between 20 and 30** days

project duration vs. successful or failed
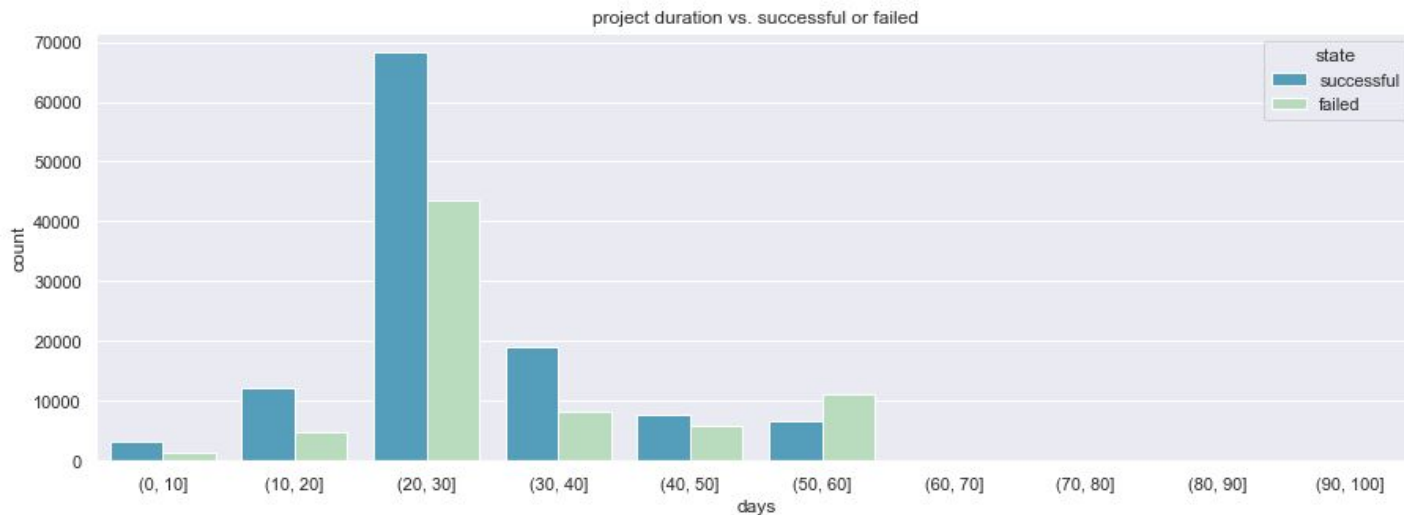
It's all about

Money

03

Money

- Don't be greedy - most of the successful projects do have **a goal up to 20.000 US $**
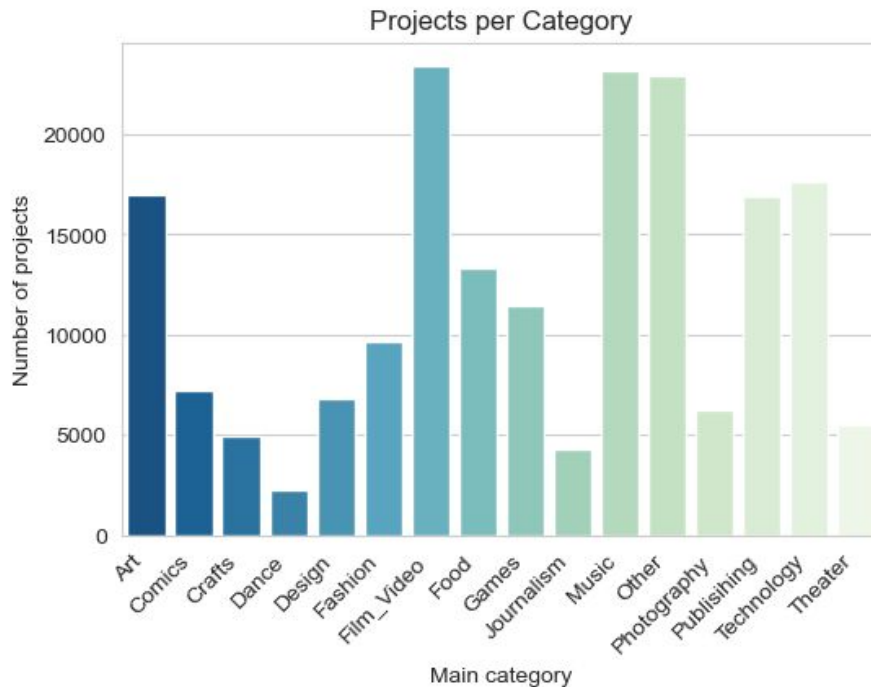
03

It's all about

# The Idea

03

Categories - Distribution

- There are **16** categories

- Some of the categories create **stronger interests** like film & video or music

- **Not a big difference** of success rate for each category

Projects per Category

03   Subcategories Top & Flop - Success rate

- There are almost **160** subcategories

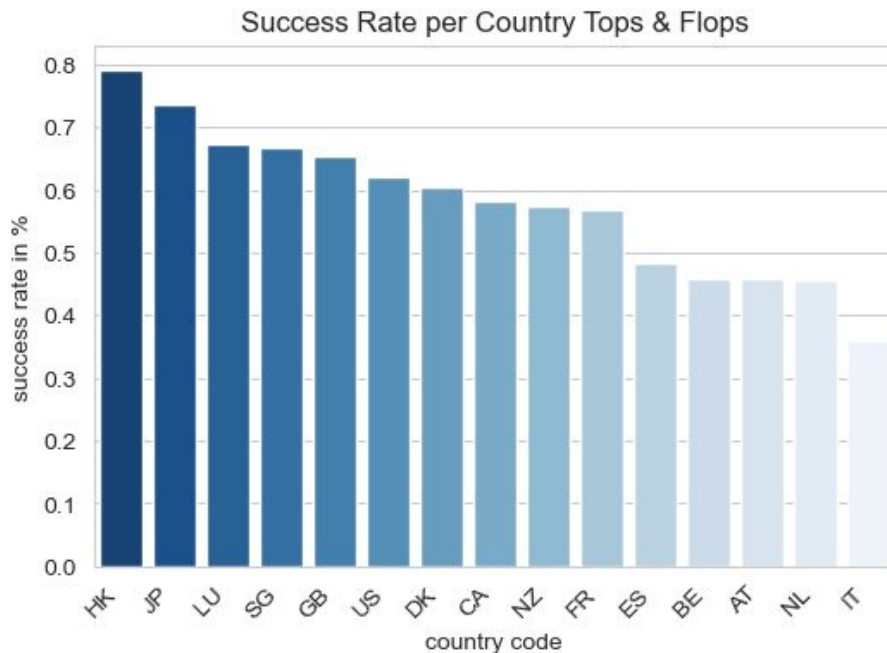- The success rate varies a lot - from **46 %** (taxidemy) to **72 %** (film&video)

Projects per Subcategory Tops & Flops
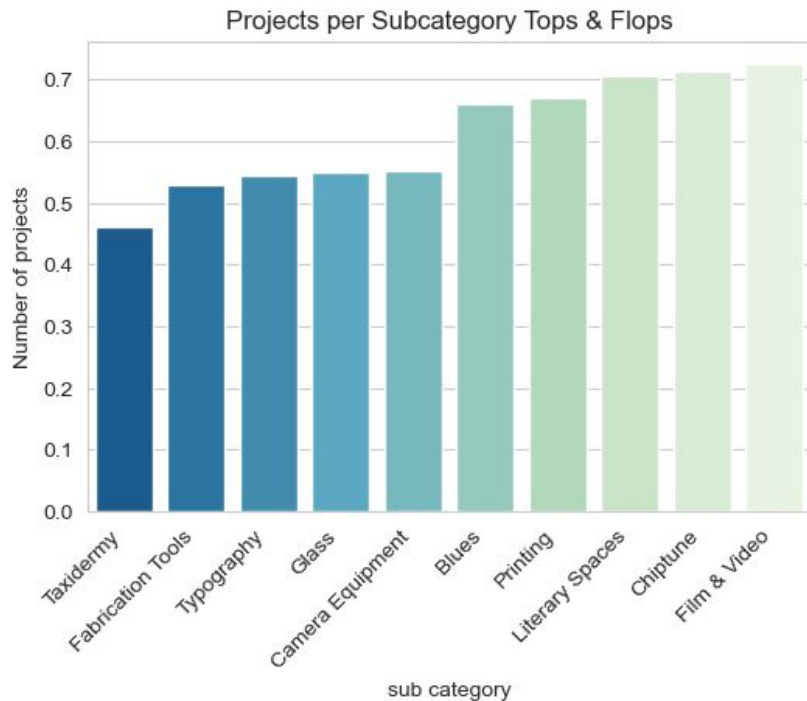
It's all about

The Country

03

Country

- The success rate varies between almost **80 %** (Hongkong) and **36 %** (Italy)

- Nevertheless **72 %** of all projects come from the **US**

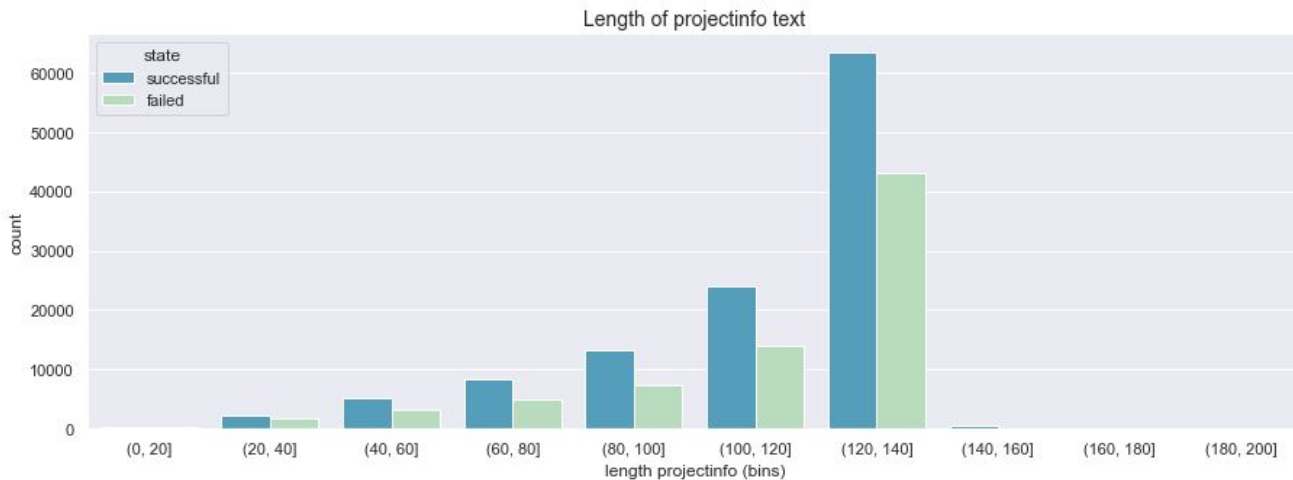Success Rate per Country Tops & Flops

03

It's all about

Being on point

03

Being on point

- The **length** of your **projectinfo text** is important
- In average the projectinfo does have **124** letters / symbols (median)
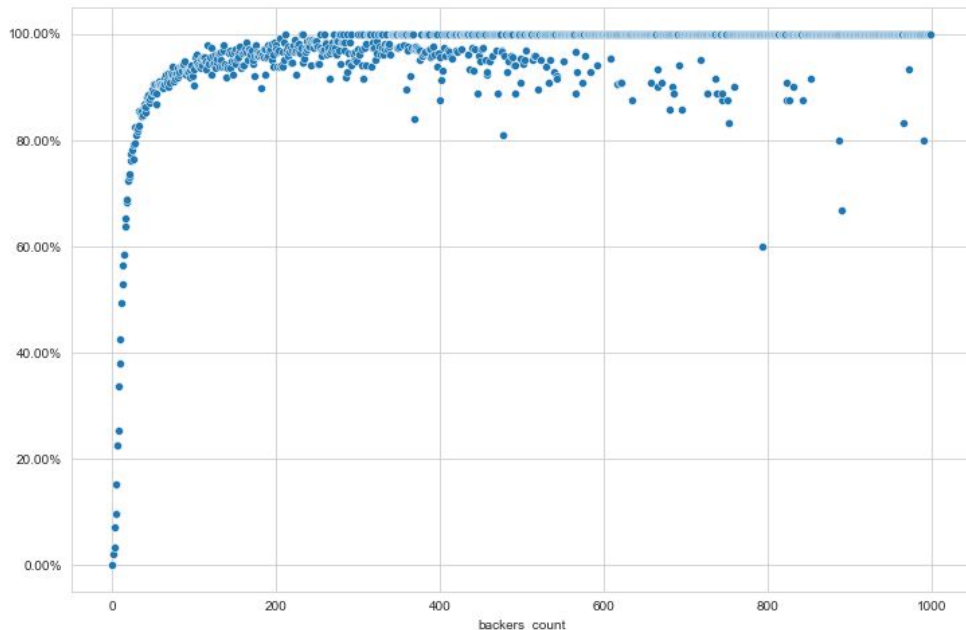- Most of the successful projects do have a length of **120-140** letters / symbols

Length of projectinfo text

Success factors during runtime

During runtime

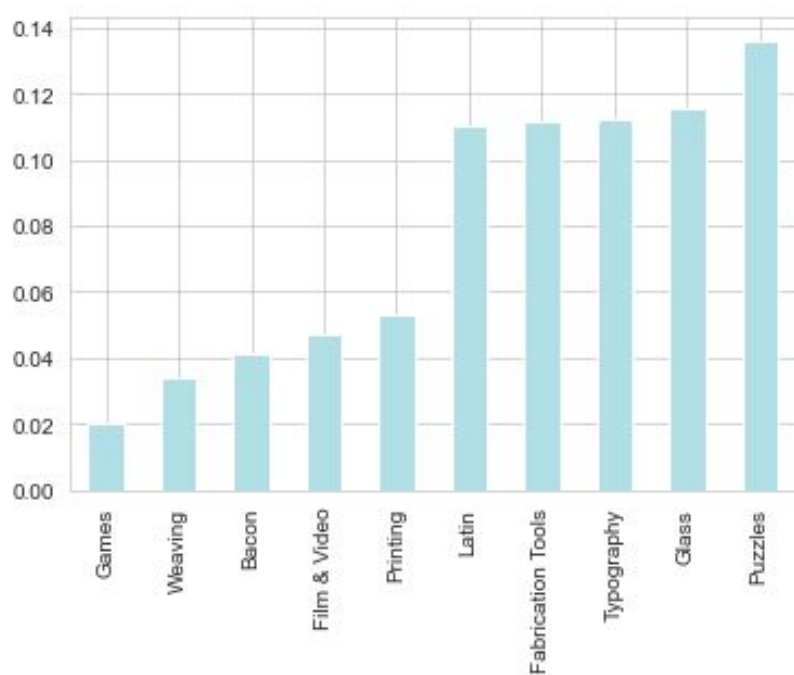# 03 More **Backers** are better!

- The success rate of a project highly depends on the number of backers

- Not very surprising, *but what can be done to increase the number of backers?*

03

Zerofollowers

- There are some projects without any backers

- The quote also depends highly on the **subcategory**

- The highest quote exists for **puzzles** (13,6 %), the lowest for **games** (2 %).

04   Staff Recommendation

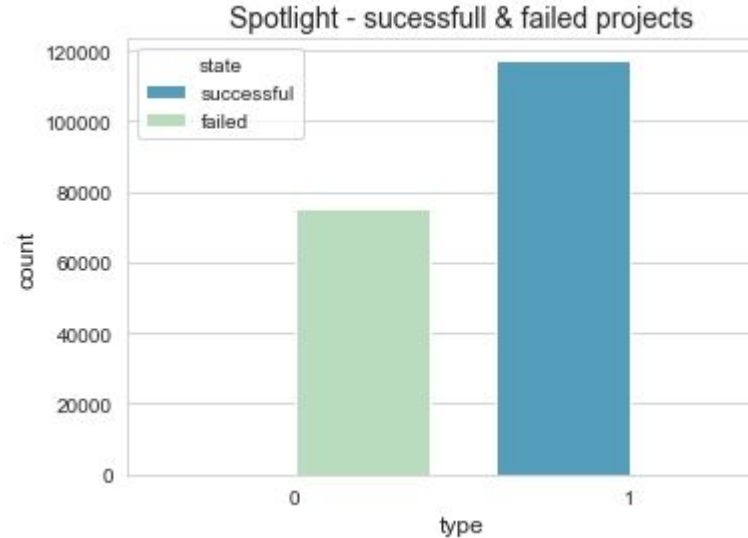- The fact if a project is recommended by the staff has a hugh impact to the success of a project

- Only **9 %** of the projects with staff recommendation failed compared to **44** % without

Staff Recommendation - sucessfull & failed projects
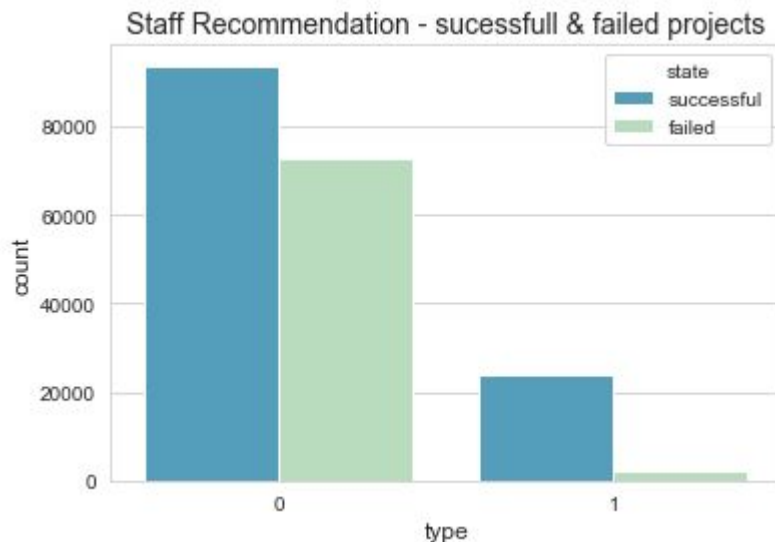
04

Spotlight

- Spotlight on - if a project is **highlighted** there is a

- 100 % chance of being successful

Spotlight - sucessfull & failed projects

To sum it up

Kickstarter campaigns looking to be successful should have a
low goal,
be film / video related,
have a short duration
be launched on a tuesday in january
the right text length.

A good signal during runtime is having
loads of backers, recommendations and a spotlight.

05

Success or failed

Prediction

Prediction

- We've created different models to predict if your project will be successful or not

- With a **accuracy of 70 %** and a **precision of 72%** we can tell you if you are going to be successful or not

06

What to come?

Future work

06   Future Work

- Check the **city**

- Check the **length and typo** of the projectinfo text (blurb), slug and project name

- Check **medium**

- **Hyperparameter** tuning

THANK YOU

Do you have any questions?

Appendix

Basismodel

After features selection we've choosen the following features for both models:

- main_Fashion, month_launched, static_usd_rate, day_launched_cat, year_launched, currency_cat, usd_type, staff_pick, goal_usd_log, backers_count

From beginning the **logistic regression model** had very good accuracy and f1-score of. After hyperparameter tuning, the model's accuracy score could be improved slightly up to 0.90531 and the f1-score could be improved up to 0.92311. Also the precision got better from 0.991286 up to 0.91298.

The **random forest model** also had a an even better accuracy and f1-score. After hyperparameter tuning, the model's accuracy score got wores to 0.93943 and the f1-score got worse as well to 0.95096. Maybe we need to check that. But still very good values.

In this case we used for example the feature *backers_count* and *staff_pick*. In case of the very good results we came up with the result that both of these features can't be known before launching a project. Obviously an easy way to know that we have data leakage is if we are achieving performance that seems a little too good to be true. So we decided to make a new model in the following notebook.

Model

From beginning all models had a quiet good accuracy and a f1-score. After hyperparameter tuning, mostly all the model's accuracy and f1-score could be improved slighty.

AdaBoost

Before:

- Accuracy Score : 0.68868
- Precision Score : 0.70569
- Recall Score : 0.84087
- F1 Score : 0.76737

After

- Accuracy Score : 0.69178
- Precision Score : 0.70675
- Recall Score : 0.84652
- F1 Score : 0.77034

XGBoost

Before:

- Accuracy Score : 0.69827
- Precision Score : 0.70991
- Recall Score : 0.85547
- F1 Score : 0.77592

After

- Accuracy Score : 0.70627
- Precision Score : 0.72649
- Recall Score : 0.83237
- F1 Score : 0.7758

Random Forest

Before:

- Accuracy Score : 0.66067
- Precision Score : 0.67825
- Recall Score : 0.74802
- F1 Score : 0.71142

After

- Accuracy Score : 0.664408
- Precision Score : 0.66777
- Recall Score : 0.795746
- F1 Score : 0.72616

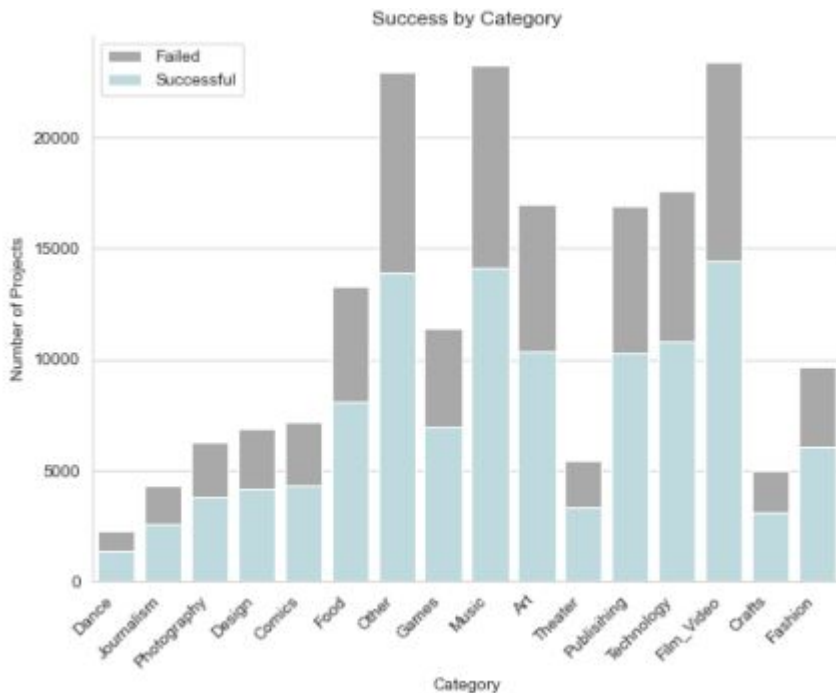# 03 Backersquote Subcategories **TOPS & Flops!**

- The number of backers per project depends on the subcategory!
- The hightest values exists for **Music** and **Art** with more than 250 Backers per Project, the lowest value is 60 Backers (**Letterpress**).
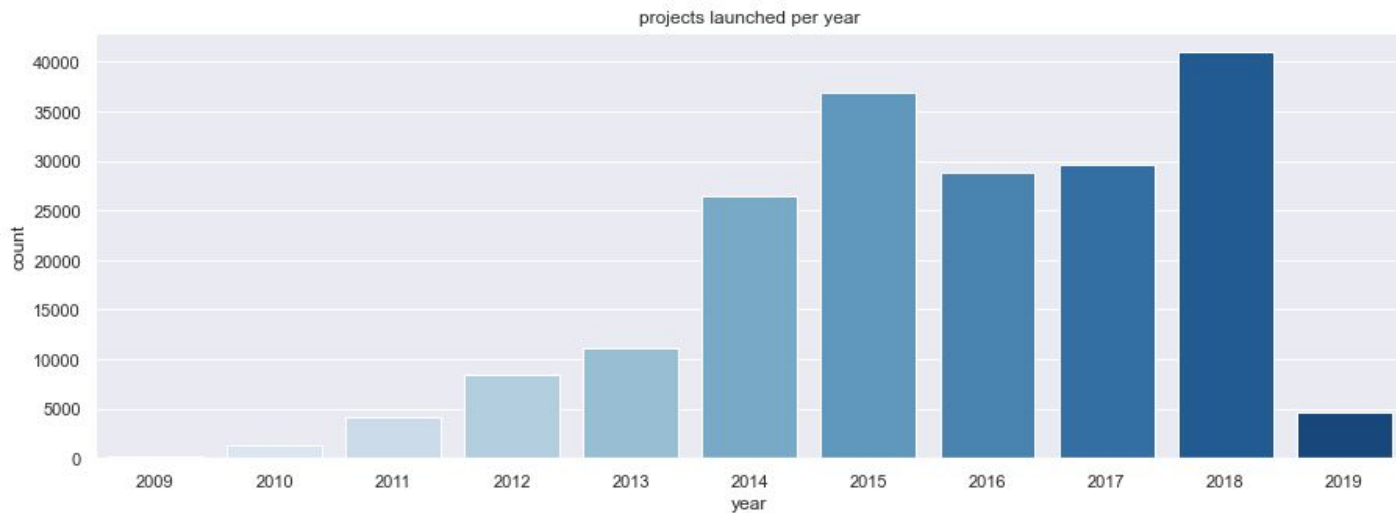

Backers by Subcategory
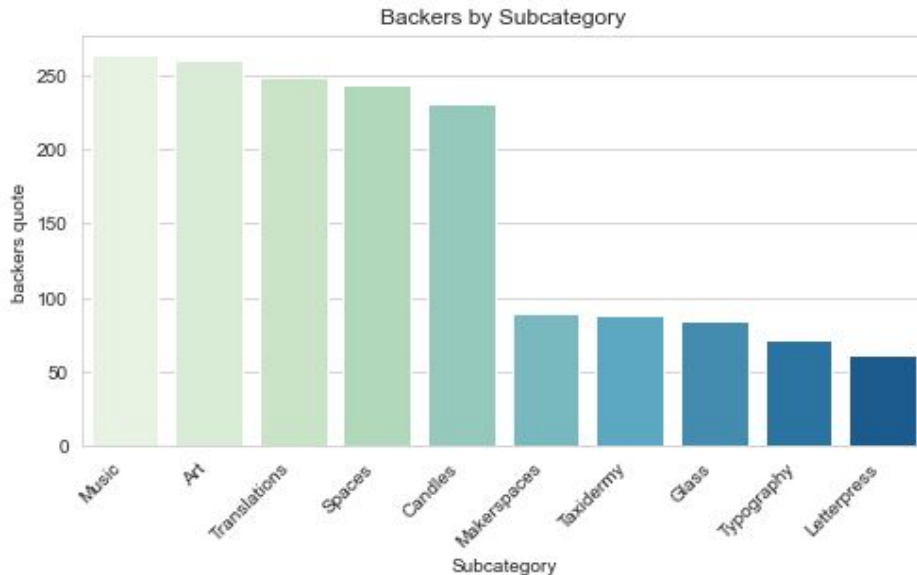
03

Categories - sorted by success rate

- The most successful category is **Fashion**.

Success by Category

03

Timing - year

- In 2018 in total 40.942 projects have been launched

projects launched per year

01

What about kickstarter

*If you have a great idea,
going on a platform
like Kickstarter can give you the
necessary push.*

03

Slug length

- Most of the slugs are around 50 letters/symbols
- Which leads also to the most successful projects

Length of projectinfo text