Kickstarter or not Kickstarter

Presentation by Carla, Hassan and Sebastian

Stakeholder Description

- Stakeholder
  - Projects and startups looking for funds.

- Objective
  - Is Kickstarter the right platform to raise funds for the campaign?

- Hypotheses
  - Kickstarter favors projects in specific geographical regions.
  - Kickstarter favors projects in specific subject areas.
  - High goals might lead to decreasing success rates.
 - The right timing could lead to more success.

General Information about Kickstarter

- Well-established crowdfunding platform launched in 2009, focusing on creativity projects.
- Strong market position.
- Nearly 200,000 successful projects, pledges exceed 5.5 billion $.

Our data

- Comprising years 2009 - 2019.
- Various information given.
- About 60 per cent success rate for projects.
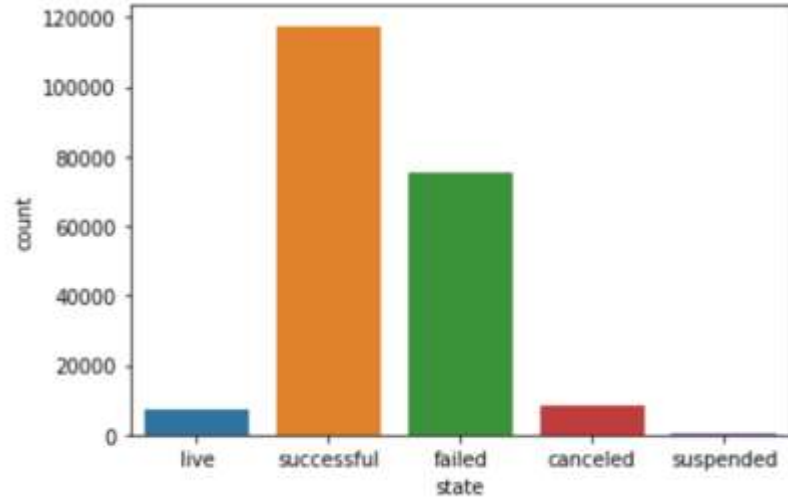
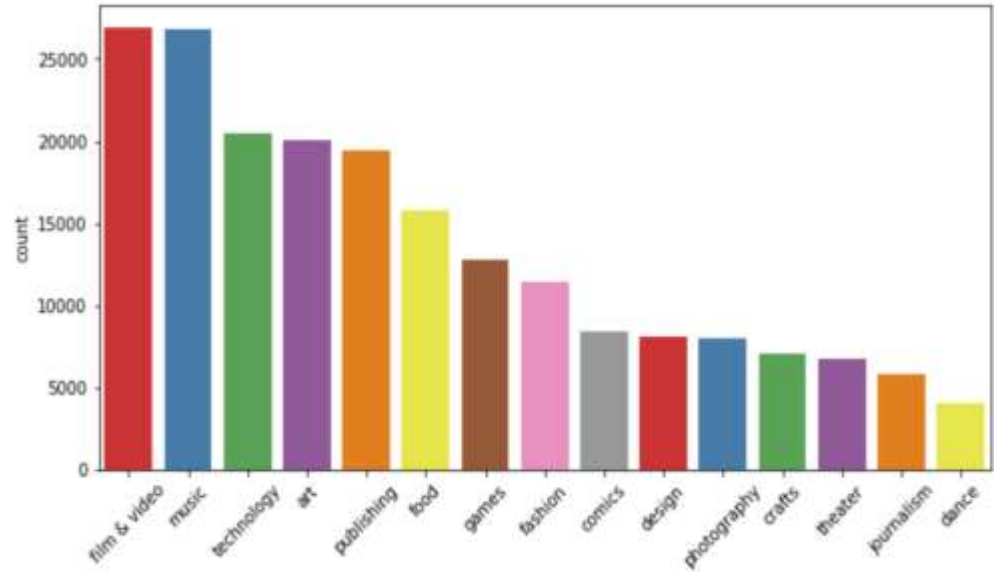# Kickstarter campaigns in US and their categories

... best suited for projects in specific categories?

- Films & video, music and technology are in the lead.
- Ranking of categories stable over the years.
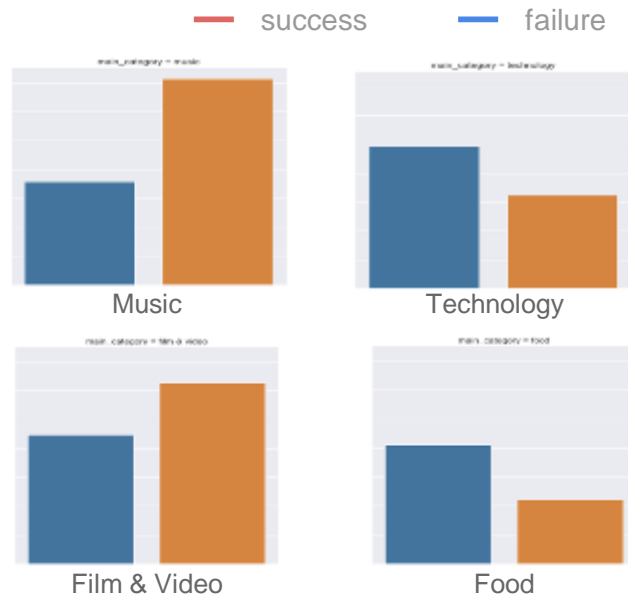- Success rate varying strongly across categories.

Popular categories can attract more backers, therefore funds. But success is not determined by the category alone.

... best suited for projects in specific categories?

- success — failure

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Popular categories can attract more backers, therefore funds. But success is not determined by the category alone.

… best suited for projects in specific countries?

- > 80% of startups in USA, Canada and GB
- Ø backers count **not** affected by country
- Ø amount pledged **not** affected by country
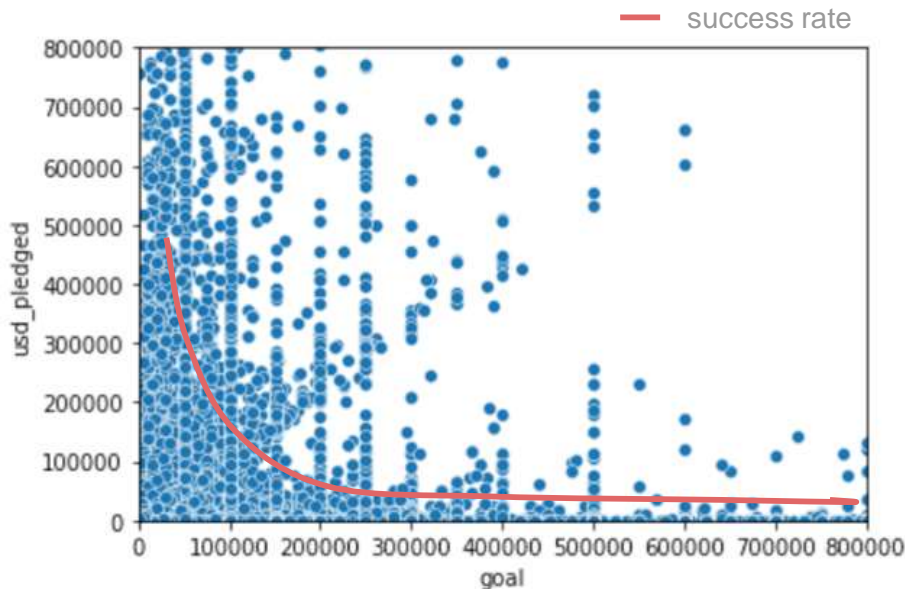- Ø success rate **not** affected by country
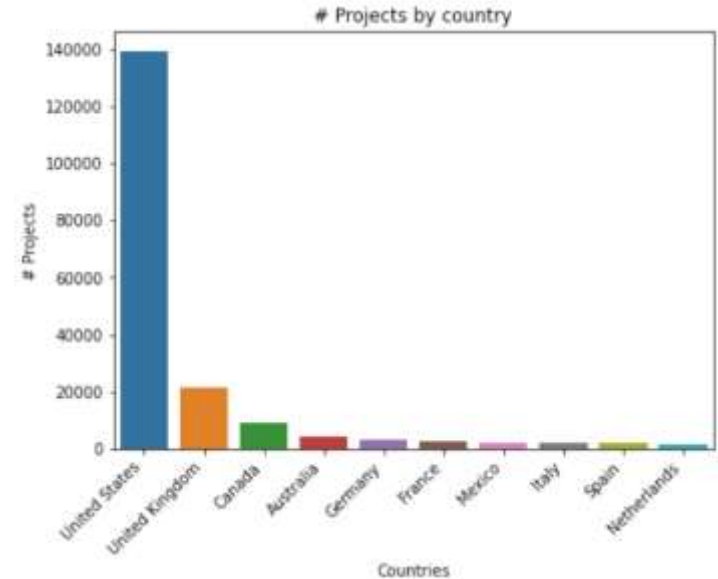
Kickstarter seems to be better known in some countries. However, not benefitting "domestic" projects. Instead creating opportunities to reach new markets.

... sensitive to the goal?

- Projects with smaller goals are more likely to succeed.
- Aim should be a goal of <150.000 USD.

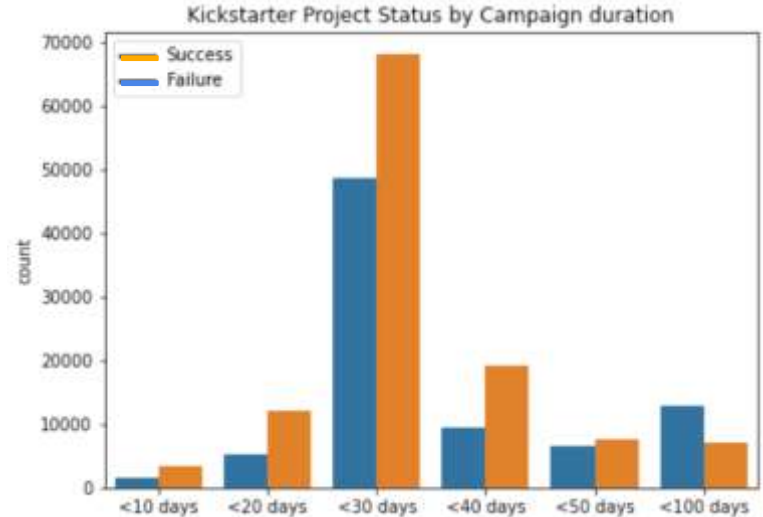Smaller goals are more likely to reach success. A possibility would be splitting the project into multiple stages.

… sensitive to the right timing?

- Declining success rate for longer project duration.
- Projects should not be started in December.

Timing is of high importance when determining whether a project is successful.

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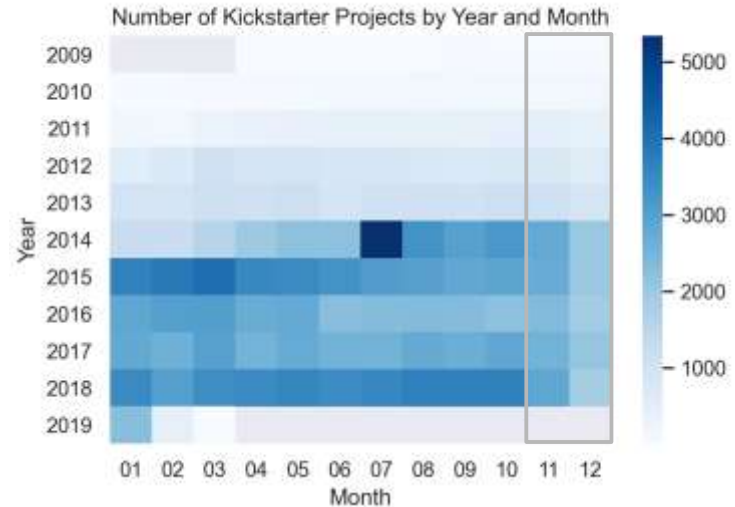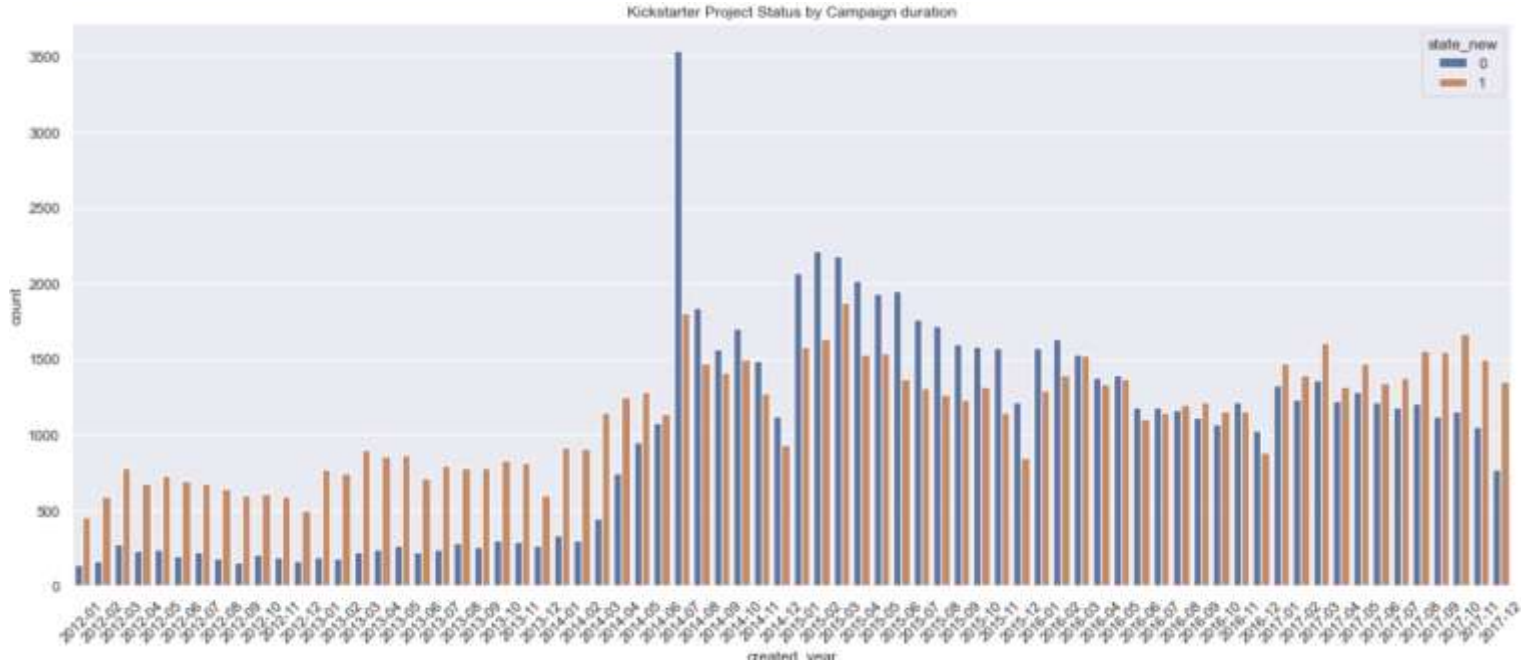Number of Kickstarter Projects by Year and Month

Timing is of high importance: Avoid the end of the year for project launch.

... sensitive to the right timing?

Kickstarter Project Status by Campaign duration

Timing is of high importance when determining whether a project is successful.

… sensitive to the project description?
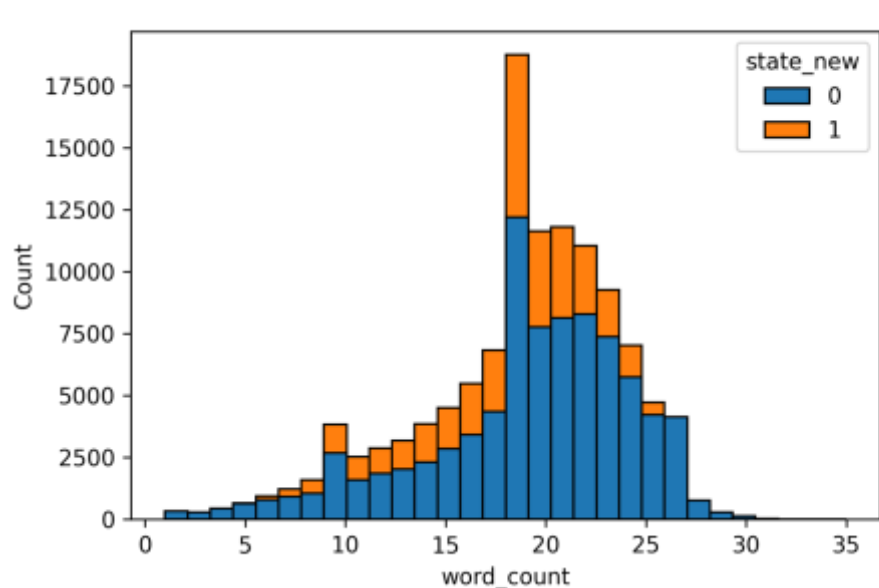
Less words does not guarantee success but don't be a poet either.

Features	Goal in USD	Campaign duration	Word Count	Categories

Target	Success or Failure

3 Machine Learning Algorithms Models

Decision Tree
XGBoost
SVM

for 200K+ Dataset

$\rightarrow$

Look into our

Results

Algorithm	Precision	Accuracy
Decision Tree	70%	67%
XGBoost	**71%**	**70%**
SVM	66%	61%

We choose XGBoost precision to minimize wrongly predicted successful projects.

Conclusion: Kickstarter or not Kickstarter

Kickstarter might be a **good shot** for many projects, as it is not sensitive to the country of origin. However there might be **better options** for specific subject areas. In order to **maximize the success-probability** a lot of things (e.g. goal and timing) have to be taken into account.