Crowd funding Analysis

Background

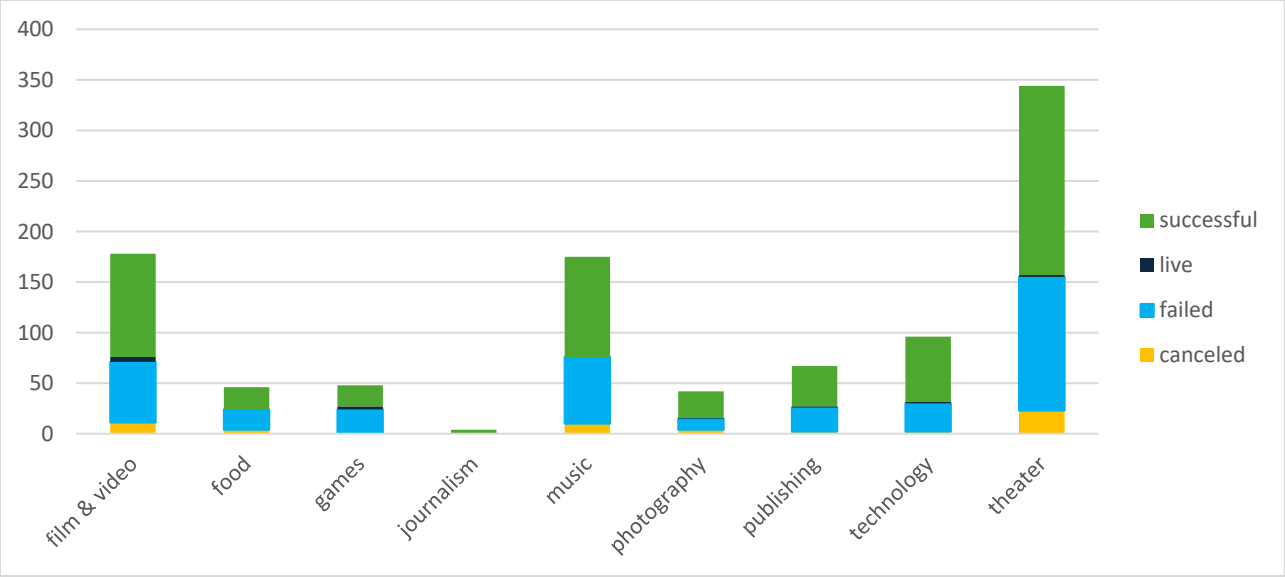
Billions of dollars have been raised through crowdfunding, with the global market expected to grow to $72.88 billion by 2032. To receive funding on these projects, the project must meet or exceed an initial goal, so many organizations dedicate considerable resources looking through old projects to discover “the trick” to finding success.

Objective

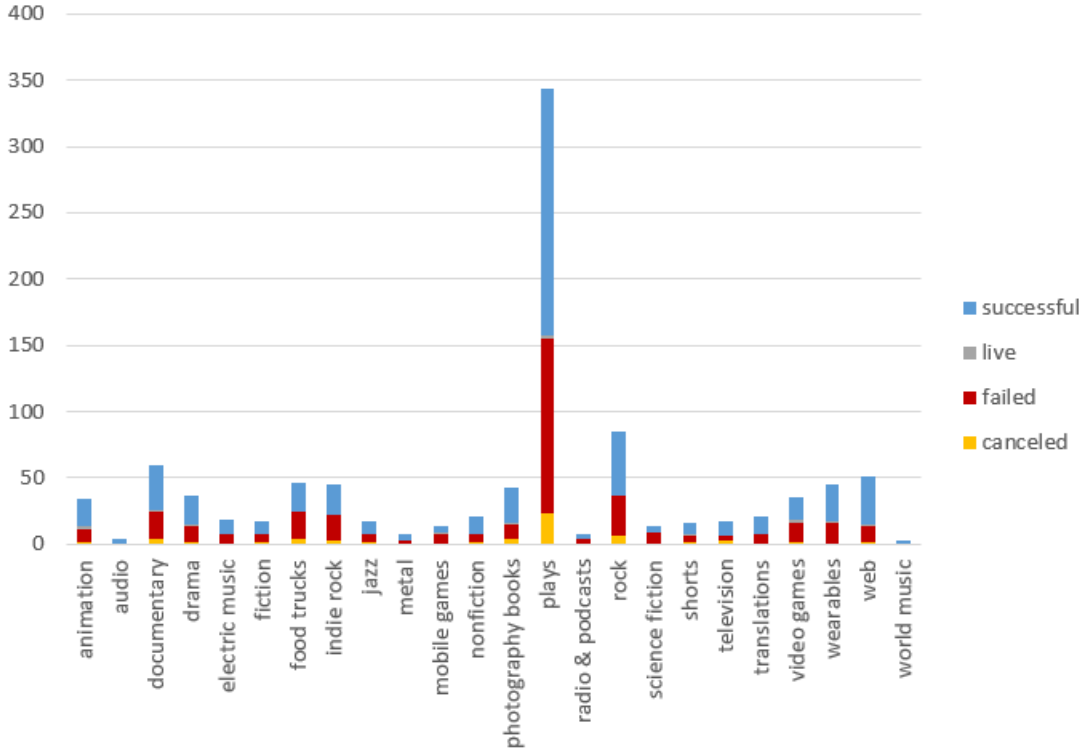
Here are the excel data analysis of 1000 sample projects to uncover hidden trends by examining different attributes and how they are affecting the growth or success of the project. Not every crowdfunding is successful. Of over 1000 projects, only half, i.e. 565 of the projects were successful.

Conclusion

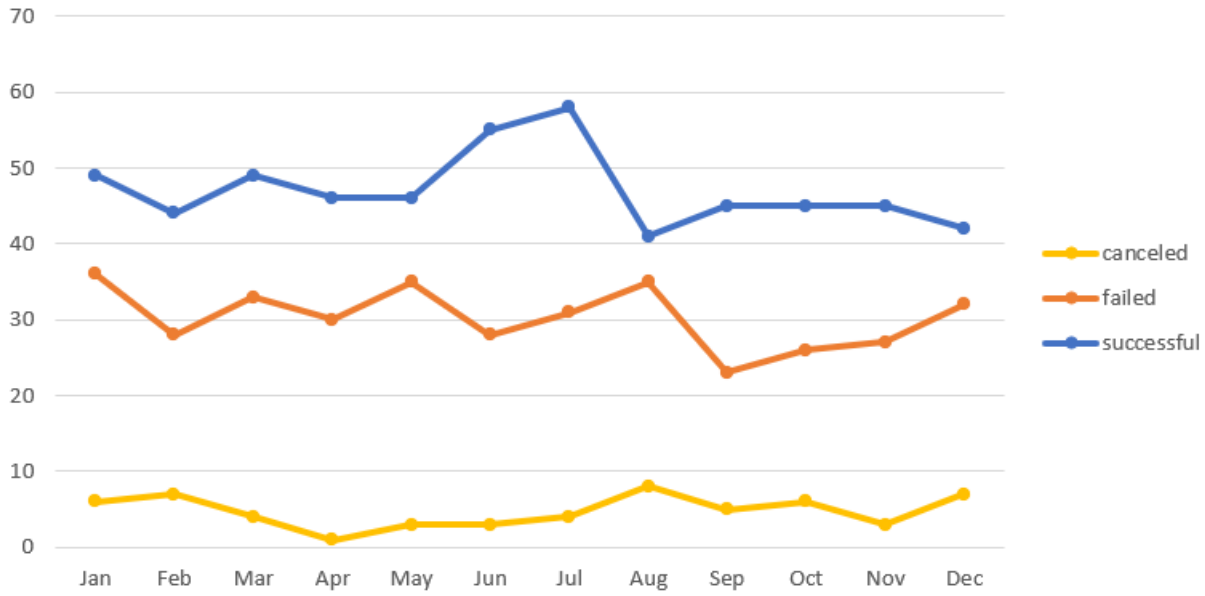
1. After analyzing the data, it is concluded that four important factors which play a significant role in predicting success of the project and those are- the category of the project, the number of backers, goal and percent funded. As per the data, out of 1000 projects, 565 projects (56.5%) are more likely to be successful than to fail (36.4%) or get canceled (5.7%). In all the categories of projects, the number of successful projects is higher than the number of unsuccessful projects. If we look at graph 1, theater projects have the highest count of successful projects, followed by music, and film & video, whereas journalism () has the lowest count of projects followed by games and food. If we compare the success rate based on goal vs funding, then journalism (100%) is the most successful followed by technology (66.66%) and photography (61.9%). Although the success rate is high, the data is so small that it is not significant.



2. If we look at the individual 24 subcategories in graph 2, we can see that plays projects are the most successful projects followed by rock, web and documentary. Also, most of the individual projects have very low success rate like mobile games, metals, radio and podcasts, shorts world music. Although we talked about the success rate, the sample data is so small that it is not very significant statistically. Also, plays project is the outlier here. 36% of total backers funded plays project which resulted in outlier.



3. If we look at graph 3, the success rate is highest in the months of June and July. The graph shows a growing trend till July but then it shows steep decline after the month of July and then the data became linear. However, not much can be predicted with this small set of data.

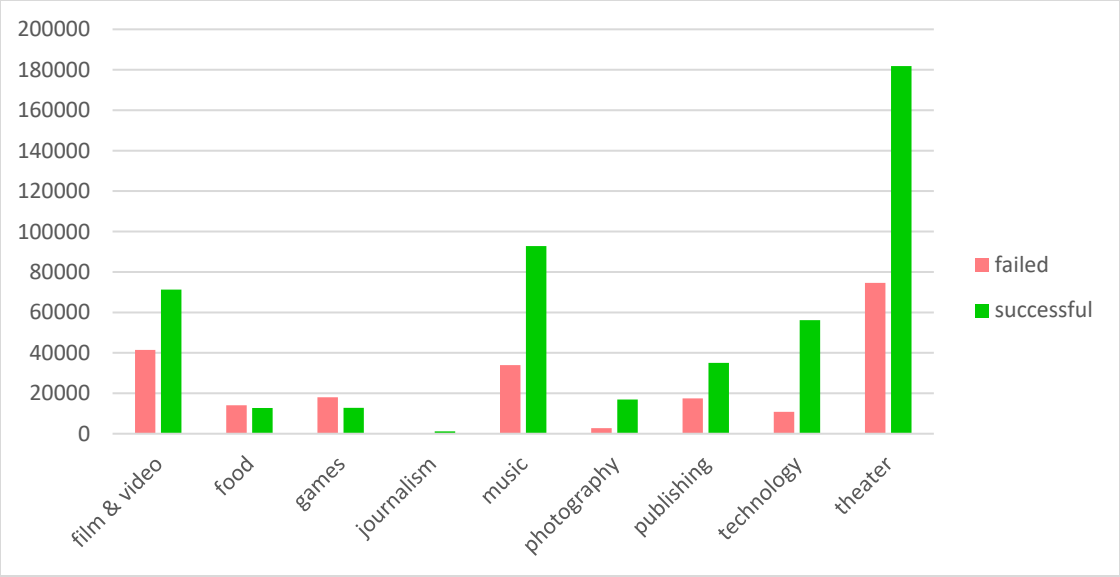


Limitations

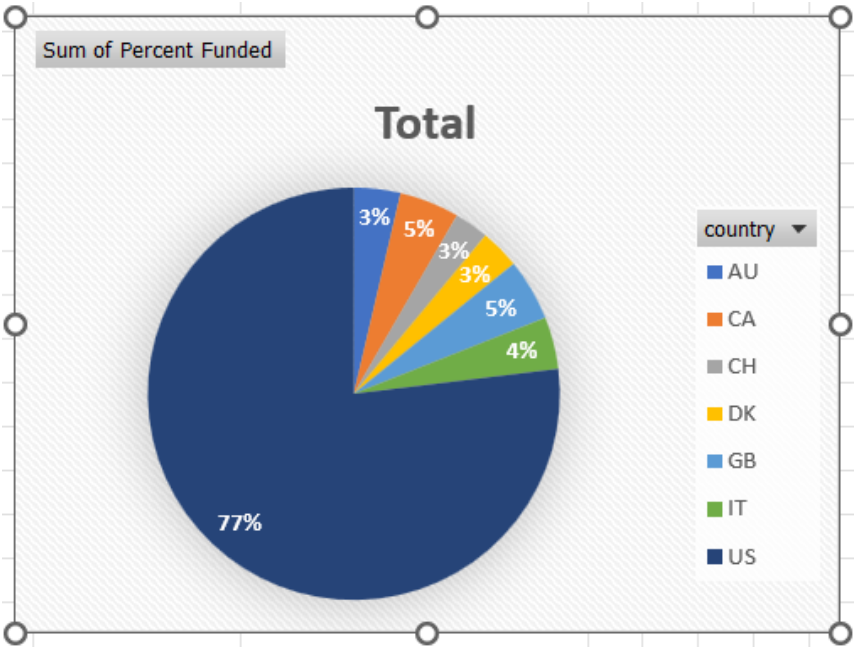
As the data is very little, it is hard to analyze and predict the outcome of the data. It is not significantly appropriate or correct to compare individual project data. For e.g. Journalism data shows only 4 projects and all 4 projects are successful, which means it has 100% success rate whereas theater data has 187 successful projects and 132 failed projects, so the success rate is 58.6%. We can't derive the outcome based on less sample data.

Considerations

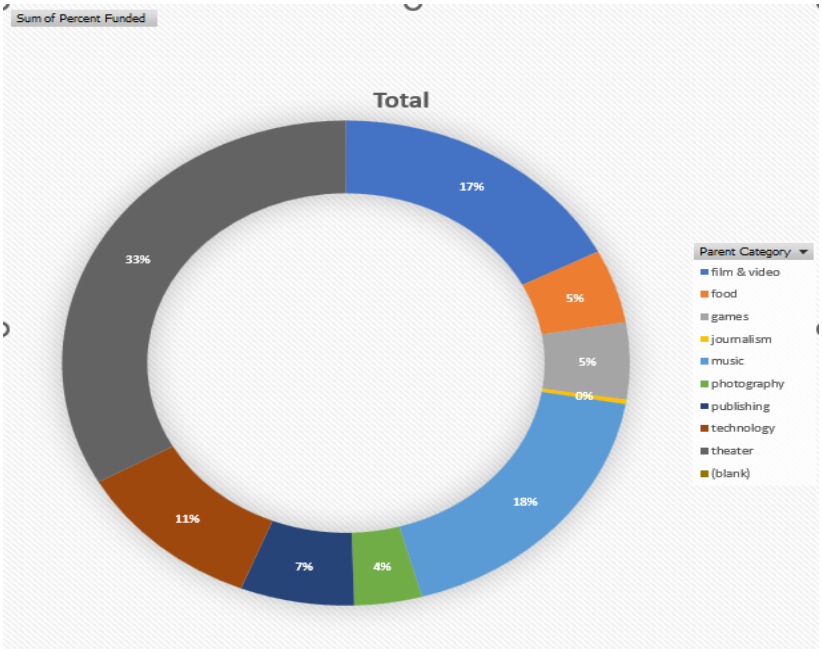
1. It would be interesting to analyze the projects by the backer's count. It would give a clearer picture of the outcome. The success of the project depends directly on the number of backers backing the project.

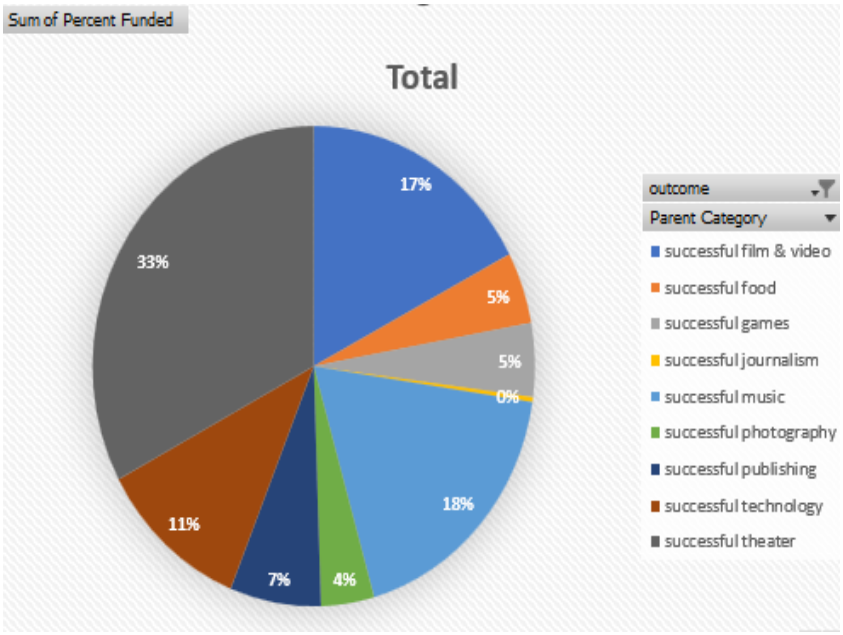


2. If we could analyze the data by region, we may see trends in countries where the Kickstarter campaign have a higher rate of success over the ones having lowest rate of success.



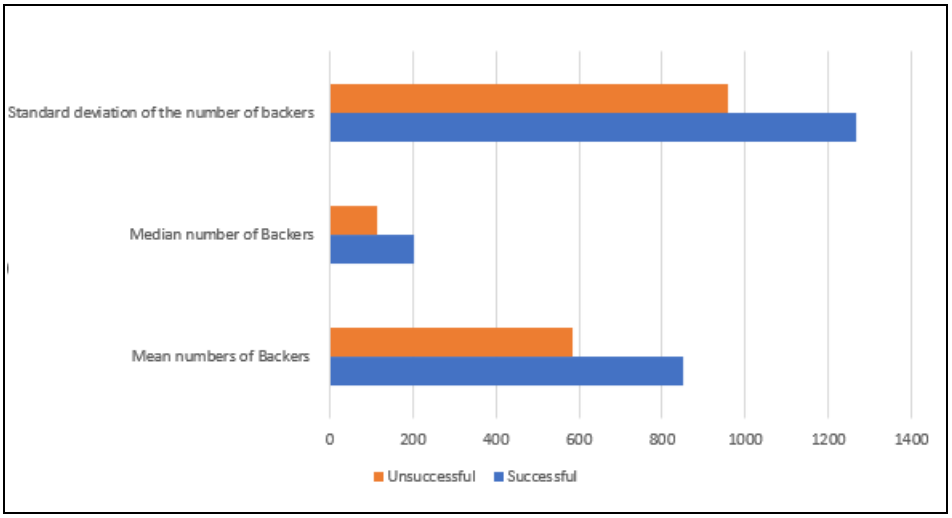
3. Also, we could analyze the percent funded with respect to parent category and outcome of the different categories, we can clearly predict that success rate is directly proportional to percent funded.





Statistical Analysis

Statistics	Successful	Unsuccessful
Mean numbers of Backers	851.1469027	585.6153846
Median number of Backers	201	114.5
Minimum number of backers	16	0
Maximum number of backers	7295	6080
Variance of the number of backers	1603373.732	921574.6817
Standard deviation of the number of	1266.243947	959.9868133



As we can see from the graph, the mean is much higher than the median in the number of backers. That means data is skewed, it has outliers and influenced by extremely large values. Some projects get thousands of backers, and some get only a few. Therefore, median better summarizes the data than the mean as it is not affected by outliers. Both the Mean and Median number of backers for successful projects are higher than the mean/median backers for failed projects. Conclusion is the more the number of backers funding the project, the more the success rate is.

There is a higher variance in successful campaigns. Some campaigns are hugely successful like theater and music projects raising far beyond their goal, while others barely meet their targets. So, the extremely successful campaign might have increased this variance. Therefore, predicting success is more difficult with the provided data.