Crowdfunding Analysis

The accompanying spreadsheet is based on a dataset provided by Trilogy Education Services, LLC. It is useful in illustrating some trends of crowdfunding campaigns initiated between January 2010 and January 2020. This report aims to guide the reader through some key takeaways that can be gleaned from the data. The conclusions made here are based solely on the data provided but are, nevertheless, intriguing.

With a small dive, one can start to see why most creators are raising money. The chart on the “Category Stats” sheet provides that many crowdfunding projects are created for music, and theater, film and video. More specifically, the next sheet, “Sub-Category Stats,” shows that theatrical plays account for most of the campaigns in this dataset. Performance arts are definitely leading most of these creators to start a crowdfunding campaign.

Obviously, not all campaigns meet the goal they’ve set. The sheet titled “Launch-Date Outcomes” seems to imply that there is seasonality involved in the success or failure of these projects. Over the course of 2010 to 2020, campaigns have historically seen increased success in the months of June and July followed by a sharp decline in August. Creators wishing to have the best chance would find this insight on timing invaluable.

The goal itself also seems to influence the outcome. The sheet “Launch-Date Outcomes,” paints a clear picture. Goals of 5,000 to 15,000 have a higher chance of failure than success at times, while goals reaching from 15,000 to 25,000 have no recorded failures in this dataset.

As for the summary statistics for the number of backers, the mean is a better indicator than the median in this dataset. There is more variability in the successful campaigns than the failed ones. This makes sense because larger amounts of backers would be a cause for greater success. As well, there is a hard lower limit of zero backers for failed campaigns; while a small number of large donations can cause one to succeed.

Here are some of the limits to this data. The sample is very small. Some sub-categories have fewer than ten appearances, which is not enough to tell a compelling story. The data also brings up some good questions for prospective starters: “What causes the seasonality?”, “Why do certain goals increase rate of failure?” Further research and data would need to be gathered to answer these questions. There are other graphs and tables that could give more information if created. For example, a chart that shows the relationship between the average percentage of funding versus the set goal. It could also be useful to see all the projects converted to the same currency.