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Crowdfunding Project Report

Conclusions

* Crowdfunding campaigns tend to succeed more than they fail. According to the data they were successful **57.3%** of the time which implies a failure rate of 42.7% (combined cancelled/failed campaigns) when excluding all live campaigns.
* The most popular category for crowdfunding overall, by far, is **Theater** which is made up entirely of the sub-category of **Plays.** 344 campaigns are for ‘plays’ which is more than a 1/3rd of all campaigns in the database. Their success rate is 54.7% which is in line with the average success rate (57.3%) of all campaigns.
* The number of campaigns each year (2010-2019) is surprisingly consistent given that business formation and the economy tends to be cyclical. Campaigns between 84(2012) and 108(2010) campaigns per year without a clear trend.
* With 51 campaigns, the **web** sub-category offers the best prospects for a successful crowdfunding campaign given the data. With 36 success’s and 14 failed or canceled campaigns, the success rate for ‘web’ crowdfunding projects is **72%** which is much higher than the average of 57.3%

Limitations

* Not enough data for some categories/sub-categories. For example, the category for ‘Journalism’ had only 4 instances. It was the only parent category with a 100% success rate. But, with too few instances nothing conclusive can be drawn from it other than it’s a seemingly less popular category than the rest. The same can be said of the sub-categories of ‘world music’(parent category: Music) and ‘audio’(parent category: Journalism). both of which also have 100% success rates, with 3 and 4 instances respectively.
* The data is weighted heavily towards US crowdfunding campaigns. 763 campaigns are US based despite the fact that 7 countries are represented in the data. This limits the conclusions we can make about the prospects of a successful campaign for specific countries in particular categories. Also, would limit the recommendations one could make regarding the differences between these countries for crowdfunding campaigns.

Additional Analysis Suggested

* Taking a deeper look at funding levels could be fruitful. If there is a lot of excess funding in particular categories that could suggest that there is more demand for it than is currently supplied by existing campaigns. This could be looked at by using the ‘percent funded’ data and histograms filtered by category looking for evidence of abnormal overfunding.
* Is there a difference between high capital campaigns with aggressive funding targets and other campaigns? How does the funding goal affect the success rates? We would need to break down the funding goals into a few categories => Low (<$10,000), medium ($10,000-$100,000), and high (>$100,000). Repeat the analysis using these new categories.