Christopher Lichliter

lichliter@ymail.com

kickstarting success

Qualities of Successful Kickstarter Campaigns

**Background**

In 2009, Kickstart launched a platform as an alternative means for securing business capital. Individuals and small companies post a business plan on Kickstarter, set a funding goal, and then ask individual backers to pledge money to their project. Backers only pay the project starter if that goal is met.

Because funding is only secured after meeting or exceeding one’s goal, it is important to appropriately set a goal. The following report will examine different factors that might lead to a project’s success, and strategies to help secure funding.

**Data**

To find different factors on whether a project will succeed, data was collected from 4,114 different Kickstarter campaigns. The data collected from each project include:

* **Fundraising Goal**
* **Funds Pledged**
* **Status of Project**
* **Country of Project**
* **Currency of Funds**
* **Project Deadline**
* **Project Launch Date**
* **Staff Pick**
* **Number of Backers**
* **Project Category and Subcategory**

From this data set, the percent of the funding a project received, and the average donation for each project were calculated.

**Analysis**

To discover what factors could determine a project’s success, we first looked at the number of projects in each state, and the rate of success. In the below charts tallies of each state was counted in each category and subcategory.

Here we can notice that the categories for film & video, music, theater, have substantially more successful projects than other categories. They have success rates of 57.7%, 77.1%, and 60.2% respectively. The next most successful categories are photography (46.8%), games (36.4%), and technology (34.8%).

When breaking things down further to subcategory, we can see that while film & video, music, and theater had higher success rates, those rates vary dramatically within each category. 100% of documentaries, TV and short film projects succeeded, while 0% of animation, drama, and Sci-Fi projects succeeded. Likewise, Rock and Indie Rock projects were the bulk of the music related projects, and had success rates of 100% and 87.5% respectively, whereas faith, jazz, and world music projects had a 0% success rate. Plays had far more successes, and a success rate of 65.1%, whereas musicals and theater space projects had far fewer totals, and success rates of 42.9% and 45.5% respectively.

When looking at the number of the backers of successful and failed projects, one can see both distributions are skewed to the right.

|  |  |  |
| --- | --- | --- |
|  | Successful | Failed |
| Mean | 194.4252 | 17.7098 |
| Median | 62 | 4 |
| Minimum | 1 | 0 |
| Maximum | 26457 | 1293 |
| Variance | 712841 | 3773.222 |
| St. Dev | 844.2991 | 61.42656 |

Looking at these distributions, it becomes clear that the number backers a project receives is a good indicator of success. 287 of the failed projects, 18.8% of all failed projects, had no backers at all. Half of all failed projects received 4 or fewer backers. Meanwhile, half of all successful projects had at least 62 backers. Only 6.1% of failed projects received more than 62 backers.

Another factor in the success rate is the scope of the fundraising. When grouping projects by the size of their fundraising goal, trends in their success and failure rates become evident.

There is a negative linear relationship between a project’s success rate and the its goal. Likewise, there is a positive linear relationship between a project’s failure rate and its goal.

Because most projects are 30 days long, it is important to look at the time of launch. The below chart displays the number of projects by state for each month they were launched.

This chart shows that the months with the greatest degree of separation between success and failure are February through May. There is a sharp plunge in the success rate from in December.

The last factor examined in this report is a project’s success if it was a staff pick or not. These projects get extra promotion on the website and included in a weekly email to subscribers.

When comparing the success rates of project’s picked by staff and those not picked, there is dramatic increase. A project that it picked by staff is almost twice as likely to succeed.

**Conclusions**

From the above analysis, there are several areas to focus on in order to secure funding. First, one should make sure the project has an appropriate goal. Projects above 10,000 in the home currency are more likely to fail than succeed. If the scale of one’s project is greater than this goal, it might be appropriate to settle on a lower goal and pursue other means of capital for the remaining portion of the project.

The second consideration one should make is when to launch a project. Most projects are 30 days long, and Kickstarter imposes a maximum of 60 days to secure funding.[[1]](#endnote-1) Because of this, the month a project is launched is important. Avoid the holiday season as more people spend their disposable income on retail and are more likely to give to charities.

However, the most important area to focus on is your audience. The difference in success rates between projects picked by staff and those that are not is tremendous. 48.4% of projects not picked by staff succeed vs 87.4% of projects picked by staff. The reason for this jump is likely due to the extra free advertising. Staff picks are listed on Kickstarter’s home page and are included in the weekly newsletter. When browsing projects, staff picks is the first filter listed.

Among Kickstarter’s 17,618,145 unique backers, 5,831,940 (33.1%) have backed multiple projects. This population of repeat backers account for 8.3 pledges apiece, or 80.5% of all pledges.[[2]](#endnote-2) By focusing marketing on obtaining a staff pick, a project should become more visible to this population of repeat backers.

**Limitations and Further Exploration**

While there are clear trends on which categories and subcategories are more likely to succeed, this is unlikely to help an individual determine which type of project to pursue. A classically trained cellist probably should not start a rock project just because those projects are more successful. Rather, these trends help determine whether Kickstarter is an appropriate means of securing funds.

While this data does include a projects goal, and lists the home currency of the project, no data was collected on the origin of the backers. If a project is launched in a developing country, few foreign donors with a stronger currency might be better than many local donors.

Lastly, the size of the sample is relatively small. The 4114 projects analyzed represents only 0.9% of the 481,322 total projects launched.[[3]](#endnote-3) A greater sample size is needed to more accurately represent the total population.

1. “What Is the Maximum Project Duration?” *Kickstarter Support*, help.kickstarter.com/hc/en-us/articles/115005128434-What-is-the-maximum-project-duration-. [↑](#endnote-ref-1)
2. “Stats.” *Kickstarter*, www.kickstarter.com/help/stats?ref=global-footer. [↑](#endnote-ref-2)
3. “Stats.” *Kickstarter*, www.kickstarter.com/help/stats?ref=global-footer. [↑](#endnote-ref-3)