Module 1 Challenge | Crowdfunding Analysis

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Conclusions

Given the provided data, there are several conclusions that can be drawn about crowdfunding campaigns.

First, the three most common categories of projects are Film & Video, Music, and Theater. All three of these types of projects are more likely to be successful than unsuccessful. This could indicate that people who create projects within these categories know that crowdfunding is a good way to raise money for their types of projects, and that it has become a common tool in these various spaces due to success found by peers.

Second, June and July are the months with the highest rates of success for crowdfunding projects. This could be due to a variety of factors, including the fact that people are overall happier in the summer months, which could increase the likelihood that they get excited about a project and feel generous enough to donate.

Finally, projects in the Food and Games categories are most likely to fail, while projects in the Photography and Technology categories are most likely to succeed. Interestingly, despite the higher failure rate, successful projects within the Food and Games categories have higher average percent funded metrics than successful projects in other categories. This could indicate that projects in those categories have the potential to be extremely appealing to backers, even if they are not appealing across the board (high risk, high reward).

Limitations

There are several limitations of this dataset. For one, the dataset is relatively small; more data would help to draw more confident conclusions. Also, the data is mostly from projects in the United States, so any conclusions drawn from the full dataset may be biased, leading to possibly missing important conclusions about projects from other countries.

Some additional pieces of data that could be helpful in analysis would be length of time taken to reach funding goal, the different ways the campaigns were promoted (i.e. social media), metrics of traffic and user behavior for each project website, demographics of the people raising funds, and demographics of the backers. Each of these could provide some interesting insights into what predicts success or failure for a given project.

Further Analysis

There is further analysis that could be done on this dataset as it currently stands. Additional graphs examining average backers and average donations based on outcome could paint a clearer picture of what success looks like, as well as how best to determine different donation increment options for a campaign and how large of an audience should be reached during the process.

It may be helpful to convert the currency data to be a consistent unit for more accurate comparison in tables and charts that take the amount of money raised into consideration for analysis.

It would also be interesting to create a graph looking at whether staff picks or spotlights increase the chance of success for a project, to determine whether it’s worth trying to get those designations for a campaign.