

Crowd Funding Data Analysis Report

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Crowd Funding platforms like Kickstarter, Indiegogo, and GoFundMe provide a unique opportunity to raise incremental capital through community support and contributions. This homework exercise had students analyze 1,000 such crowdfunding campaigns to determine the relationships between campaign attributes and campaign outcomes. Analysis of said dataset helped draw general and specific conclusions about crowdfunding efforts, which are summarized below.

Observations

Analysis of the dataset helped establish some general conclusions about crowdfunding campaigns. First, the data suggests crowdfunding campaigns with a higher total count of backers are generally more successful in achieving their funding goals. The data also indicates the percentage of campaigns with funding goals below \$50,000 are more successful than those goals higher than \$50,000. Finally, the data shows a demonstrated increase in the number of failed and canceled crowdfunding campaigns during the winter months (Northern Hemisphere). This suggests some degree of seasonality in the outcome of crowdfunding campaigns. As such, crowdfunding efforts may have more favorable outcomes if campaigns occur during the warmer months of the year.

Limitations

Some aspects of the data analyzed do have limitations, however. Most notably, sample sizes of some sub-sections are too small to draw definite conclusions. For example, by category and sub-category “Journalism” and “Audio,” respectively, have populations in the single digits. Comparatively, campaigns with funding goals in of \$10,000 or higher are much less common than campaigns under that dollar threshold. Additionally, the dataset has substantial outliers, as observed in the population variance and standard deviation, which introduces some substantial skew in the outcomes of the assessed

campaigns. This is most observed among successful campaigns, where the variance and standard deviation substantially outweigh the same figures for failed campaigns. As a result, the median figures for each sub-population are more reliable than averages, and the dataset is best used to assess corollary relationships rather than causal relationships.

Conclusions

While the data used in this analysis does have limitations, the outcomes of the assessment do provide some insight regarding what drives successful crowdfunding campaigns. The data suggests that campaigns with moderate fund raising goals and higher total backer counts are generally more successful. The data also shows that campaigns in certain categories and sub-categories may be more successful with the crowdfunding approach than others; however, it is my conclusion that further research and more refined data analysis would be needed to develop any actionable conclusions around crowdfunding strategy and success. This dataset does provide enough information to develop working theories for furthering this research, however.