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Data Analytics

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An Analysis of Crowdfunding Platforms

In crowdfunding platforms like Kickstarter and Indiegogo, it is crucial to gather data on old projects to analyze any hidden trends that would help an organization succeed. This essay dives into a database of 1,000 unique projects so we can examine both successful and failed campaigns to gain insight. And through our journey, we found some interesting facts about these projects.

The topmost popular categories are Theater at 344 campaigns, Film/Video at 178, and Music at 175. However, popularity does not always mean great success. Despite Theater having the highest number of projects at 344, the number of successes is only 187, which is only about a 54% rate. Compared to other categories like technology with 96 campaigns but a 67% success rate or photography with 42 campaigns but a 62% success rate, we recognize that while a project category can most certainly have more backers, it will only succeed half of the time (film is 57% and music is 56%).

Also, outliers like Journalism were not considered because they only have four total projects with a 100% success rate while every other category is in its double digits. One other important piece of information found is that in between July and August, both summer dates, all categories reach peak popularity and success, starting in May where it slowly rises in popularity until after July.

However, in this dataset, there are a few limitations that could be useful if included. While we have information on which organizations failed or got canceled, it should be important to consider the reason for failure. That way, we can qualitatively understand the formula for success if we can determine the cause. Another limitation is specifying sub-categories further. While we have both parent categories like Film, Music, and Food, it would be extremely helpful to investors if we knew what genre of film, type of music, or what kind of food is most popular.

While on the topic of how we can improve the data set, an additional table that summarizes the average goal and amount pledged for each category would help to see how much investors are willing to fund for each category.

After analyzing a data set of 1,000 crowdfunding projects like Kickstarter and Indiegogo, we were able to discover factors that influence both success and failures of these projects. We have found that while certain categories may be more popular, it does not always mean they are successful. Also, we observed seasonal trends and found that in the summer, campaigns are popular but in July, they reach peak success. We also noted that these datasets have limitations. In order to understand the reason for these campaign failures, we could be more specific about the categories. For example, what type of food or what genre of music. This additional information could help both start-ups and investors make more informed decisions. Overall, understanding these insights are necessary for entrepreneurs to secure their funds and bring their ideas to life.