Excel Challenge Report

Carlos Pazos
GTID: 903687273

CONSIDERATIONS

The Kickstarter dataset, while limited, can still give us some indications on which are the most successful and unsuccessful campaigns based on a few parameters such as number of backers per initiative, goal of the initiative, percentage pledged, and visibility within the Kickstarter platform.

The observations in this report are based on 4000+ observations within the provided dataset for initiatives conducted between 2009 and 2017. These observations are mostly representative of initiatives in United States, Great Britain, and Canada as they represent the bulk of the population. While other countries are part of the dataset, this shows the reach and adoption of the Kickstarter platform and how other incubators should be considered into account when considering investing in initiatives from other countries. Another consideration is that we are evaluating initiatives based on percentage founded to account for the different currencies used in the dataset.

OBSERVATIONS

This analysis is centered in the characteristics of successful and failed initiatives taking the available features in the dataset as reference. The number of initiatives per category (successful and failed), goal size of the initiative, and number of backers are used as the main metrics of the analysis. With this in mind, it can be observed that successful campaigns have more probability of happening when their goals are not greater than $20,000 (normalized as percentages for different currencies) as shown in *Figure 1*.
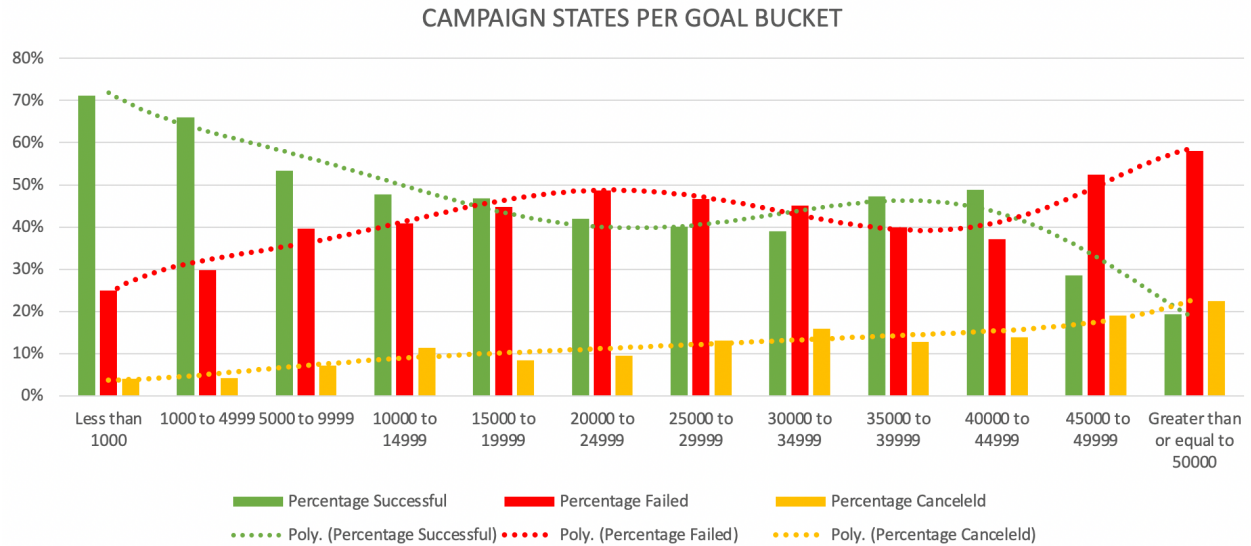
CAMPAIGN STATES PER GOAL BUCKET

Figure 1. Percentage of initiatives represented by state of initiative and bucketized into goal segments

As the goal of the initiatives increase, the probability of having a successful campaign decreases with the exception of some outliers that will be discussed in the upcoming sections. This can also be observed from the side of failed initiatives that increase their chance for happening as we increase the goal beyond the $20,000 mark. To further expand on the definition of what makes a campaign successful let's take a look at the categories and subcategories that Kickstarter uses to classify initiatives.
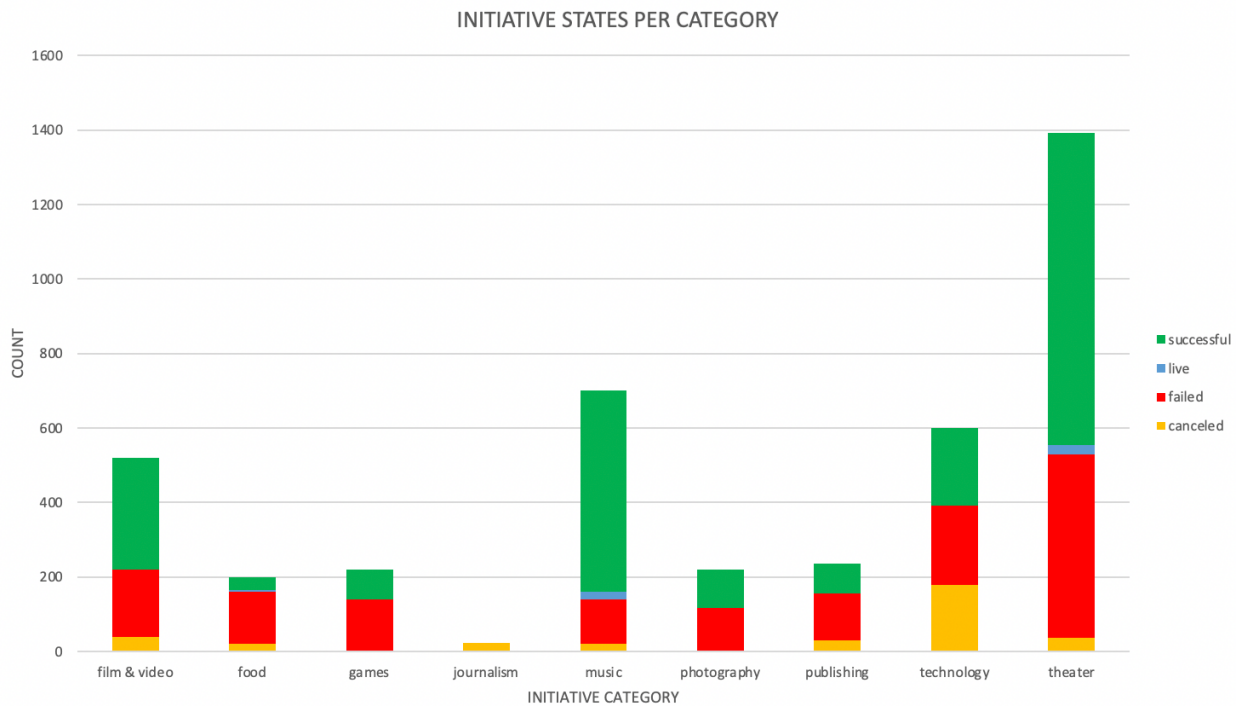
INITIATIVE STATES PER CATEGORY

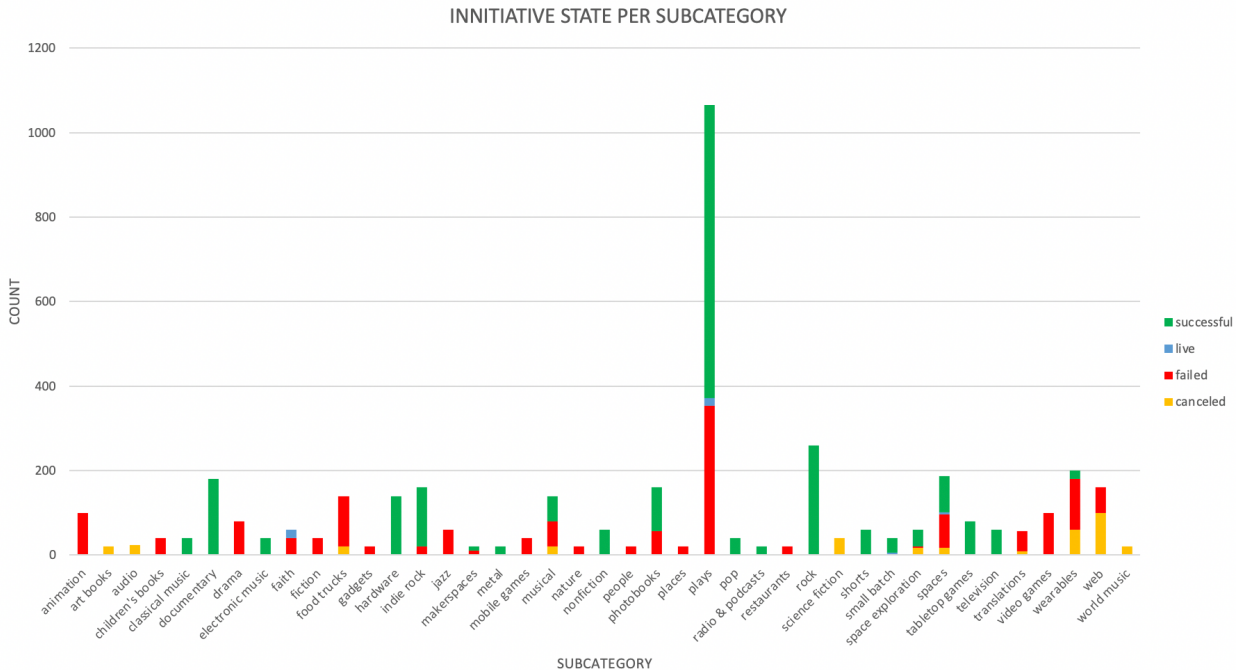Figure 2. Count of initiatives per parent category

Figure 3. Count of initiative per subcategory

From **Figure 3**, it can be observed that the top parent category for successful initiatives is "Theater" and "plays" the main subcategory within that bucket. Here is important to consider that roughly 33% of initiatives under that bucket actually fail. However, by further digging in the data it can observe that most initiatives for plays actually happen in 2 main countries Great Britain and United States as shown in **Table 1**. From this table, 60% of initiatives for plays that occur the United States fail while only 30% fail in Great Britain making it a better option for potential investments.

The next best option for investments is the parent category "music" and subcategory "rock" including "indie rock". This music genre has a very high rate of success close to 100% and most of the initiatives happen in the United states. Similarly, another good option mostly happening in the United States, is the parent category "film and video" with subcategory "documentary. However, here is important to consider that about 22% of successful initiatives in this category are actually outliers and would require careful examination to evaluate risk.

Using outliers to evaluate risk could be used as a metric to guide investments. For instance, investors could be tempted to support the parent category "technology" subcategory "hardware". The bucket has a considerable number of successful initiatives; however, about 56% of them are outliers that are potential unicorns with a good number of backers. This would require further examination of the proposed technology and state of the market to inform investments. This can be observed in **Table 2** which depicts the number of outliers for successful campaigns.

Category	theater	
SubCategory	plays	

Count of state	Column Labels			
Row Labels	failed	live	successful	Grand Total
AT	1			1
AU	10		5	15
CA	8		22	30
CH			1	1
DE	1		3	4
DK	1		1	2
ES			1	1
FR	1	1	1	3
GB	70	6	238	314
IE	3		4	7
IT	1		1	2
LU			1	1
MX	4	2		6
NL	2	1		3
NO			1	1
NZ	1		1	2
SE			1	1
SG			1	1
US	250	9	412	671
Grand Total	353	19	694	1066

Table 1. Number of initiatives per country for parent category "Theater", subcategory "Plays"

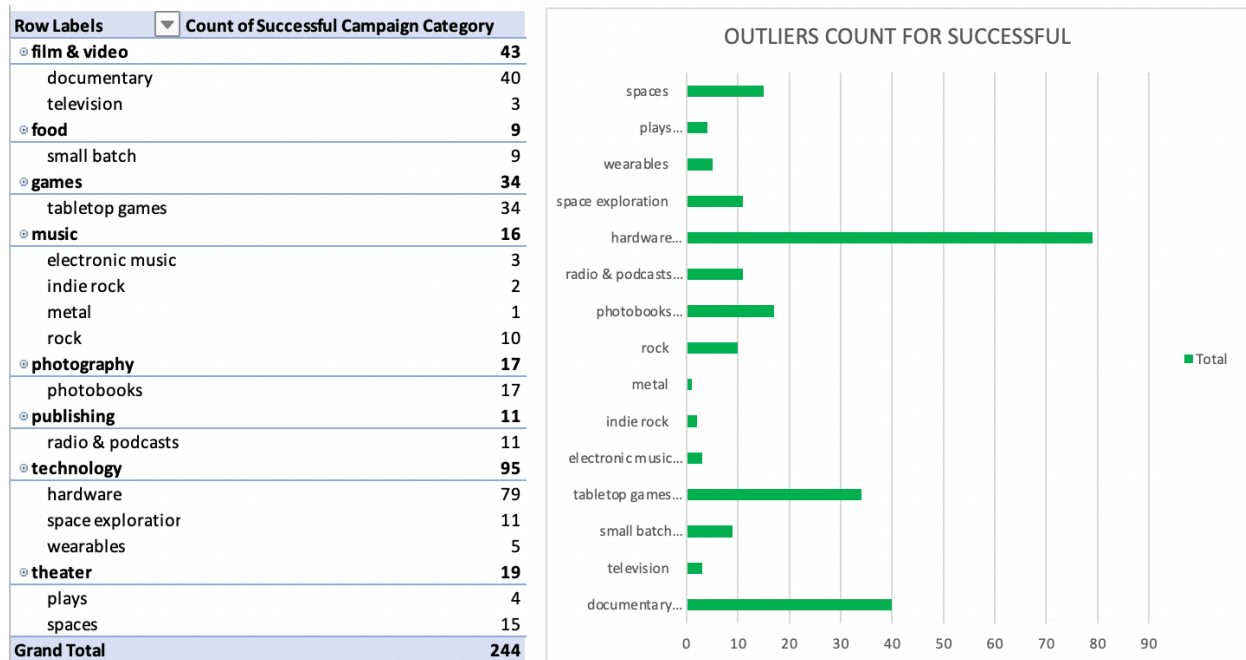| Row Labels	Count of Successful Campaign Category
⊞ film & video	43
documentary	40
television	3
⊞ food	9
small batch	9
⊞ games	34
tabletop games	34
⊞ music	16
electronic music	3
indie rock	2
metal	1
rock	10
⊞ photography	17
photobooks	17
⊞ publishing	11
radio & podcasts	11
⊞ technology	95
hardware	79
space exploration	11
wearables	5
⊞ theater	19
plays	4
spaces	15
Grand Total	**244**

Table 2. Number of outliers for backers per category and subcategory buckets

On the other hand, as mentioned before, failed initiatives tend to have goals superior to $20,000. We can highlight here some parent categories like "technology" for "wearables" and "web" which have a high rate of failure and/or cancelations as depicted in ***Figure 3***. Other subcategories with bad performance and/or perceived as risky are food trucks, animation, and videogames.

Something to consider when selecting an initiative is the level of visibility inside of the Kickstarter platform. Some initiatives are picked by the staff and featured in the Discover Projects section of the page. While this has some slight level of influence and matches the categories mentioned before as potential good investments, it can be observed that having a Spotlight page tends to drive better results as indicated in ***Figure 4***. That is, initiatives that invest time in fleshing out their Spotlight pages with videos and samples of what they do tend to have higher success. This corresponds to the previously discussed successful initiatives that require rich media to convey what they do such as plays, rock music, and documentaries.
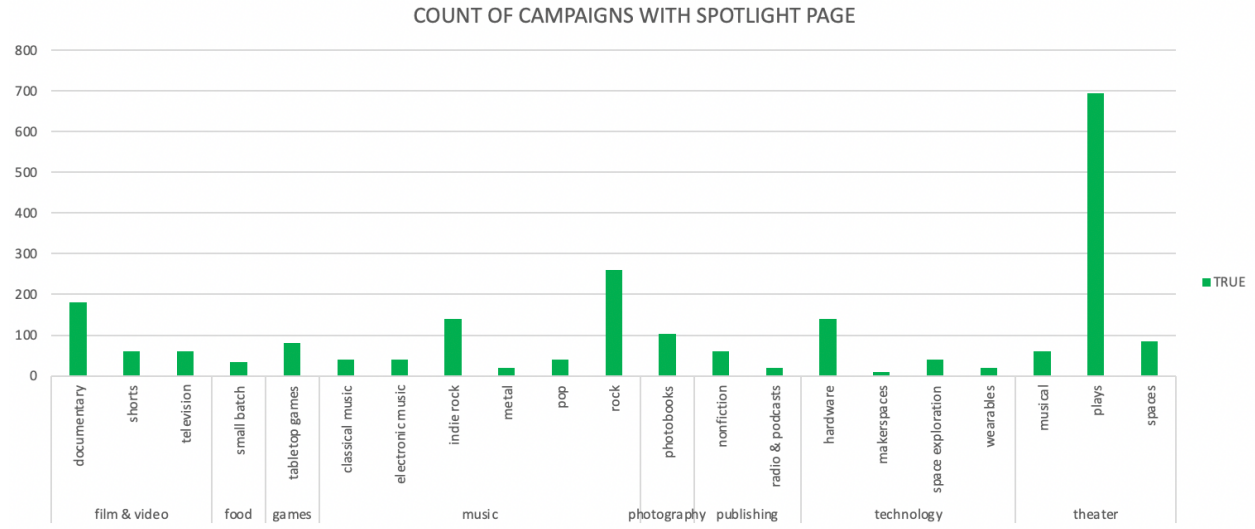
COUNT OF CAMPAIGNS WITH SPOTLIGHT PAGE

Figure 4. Number of successful campaigns with spotlight page

CONCLUSION

With the provided dataset it is possible to draw some initial observations on what makes a successful or unsuccessful campaign. This analysis could be expanded by visualizing the relative duration of each campaign, understand the demographics of each group proposing the initiative, the size of the work teams, rates and nature of investments, airtime when featured by Kickstarter, etc. The dataset is also limited in terms of the timeframe offered (size of sample) and there is no indication on how this sample was taken (randomized).