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Crowdfunding Platform analysis

1. 3 Conclusions

Given only the provided data, it is immediately apparent that theater has the highest count of Kickstarter projects with a total of 344 out of 1000 total campaigns (Figure 1), with the next highest count of Kickstarter projects belonging to the film & video parent category with 178. This is even more impressive considering the theater category only has one sub-category: plays. However, most this high count of theater records does not make it the most successful. Theater projects had a success rate of 54.36% (Figure 1), making it the 3rd least successful out of the 9 parent categories. The prevalence of theater projects may be attributed to the higher demands of putting on a play, which may demand more resources and increased funding than the other parent categories, leading to more theater projects depending on Kickstarter. To make this assumption, however, requires additional research and analysis of the final cost of all Kickstarter projects.

When analyzing the outcomes of Kickstarter projects by date, it seems that there is an optimal start date for a Kickstarter project to optimize success rate. Projects created in July had the highest count of successful outcomes, with 58 successes out of the 93 total campaigns (a 63.95% success rate) (Figure 2). However, following July, we have a sharp decrease in success rate with August having lowest success rate of all months at 48.81% (Figure 2). The optimal start date depends on the category of Kickstarter campaign however, and it must be noted that different categories have differing optimal start dates based on the provided data.

When analyzing the outcomes of Kickstarter campaigns by goal, it is observed that all Kickstarter campaigns with a goal between 15,000 and 24,999 and campaigns with a goal between 30,000 and 34,000 all have a 100% success rate (Figure 3). With additional analysis (maybe a test of statistical significance), we may be able to conclude that a project’s goal may affect the outcome and that the above goal ranges are the most optimal. Additionally, a very large difference is observed when comparing the chances of success between projects that have a goal of less than 1,000 and projects that have a goal between 1,000 and 4,999; only 58.82% of projects with a goal of less than 1,000 were successful while 82.68% of projects with a goal between 1,000 to 4,999 were successful (Figure 3).

1. Limitations of the dataset

Some limitations to this data could be the sample size. One major observation, for example, is that we have 344 records for theater category projects and only 4 records for journalism category projects. This analysis would not be useful for someone looking to fund a journalism project as the data recorded is not nearly enough to for data-driven decision making. Additionally, it could be that the dataset is limited by how it defines “success”. Most businesses’ measure of success would be a measure similar to profitability or sales. Although most users of Kickstarter would not go back to update the profitability of their campaign after acquiring funding, a user of this analysis may find it helpful to know how profitable certain projects were before committing to a project.

1. Other possibilities

Due to the widely varying number of projects in each parent category, it is difficult to compare the outcomes by each parent category with a stacked bar. A more helpful chart would be the 100% stacked bar when we specifically want to compare the success, failure, and cancellation rates of each category while ignoring the total number of projects recorded in the dataset for each category.

Another helpful chart would be to measure the percentage of successes by parent category (Figure 5). This allows to dive deeper into our analysis of success rate by goal and makes the analysis more relevant to users who are deciding whether or not to commit to a certain crowdfunding campaign.

Lastly, I believe it would be helpful to see the projected cost of each project. This would help users of this analysis to gain a better understanding of what made certain projects successful, failed, and cancelled. For example, if a project only requires $10,000 of funding, what did those projects set as their goal? How many backers did the project have? How do the goals and success rates of a $10,000 project in animation differ from a $3,000,000 project in animation? These questions would not only provide the user of this analysis more of what makes a successful project, but also with an additional frame of reference to guide their project in comparison to projects of a similar category.

1. Statistical Analysis

The median of the backers per successful and unsuccessful project is a better summary of the data than the mean. Utilizing the mean may present an inaccurate portrayal of the number of backers as there are a large number of outliers in these datasets (Figure 6 and Figure 7). The distributions of the number of backers for each category are both heavily skewed right, so the outliers may present an unwanted increase in the average amount of backers which may impact informed decision-making.

References

Figure 1

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Figure 2

Chart, line chart

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Figure 3

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Figure 4

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Figure 5

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Figure 6

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Figure 7

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