Crowdfunding Campaigns

Overall, crowdfunding is still a successful business decision in the marketplace to help inventors and entrepreneurs raise donations to create new products or services. For instance, successful campaigns had more backers (480,898) when compared to failed campaign backers (213,164).

The data suggest that backers were more likely to support certain categories over others. Successful crowdfunding was more likely to fall into one of these categories: Theater (Successful: 187, Failed: 132), Film & Video (Successful: 102, Failed: 60), Music (Successful: 99, Failed: 66), Technology (Successful: 64, Failed: 28), and Photography (Successful: 26, Failed: 11). Failed crowdfunding was more likely to fall into the Game (Successful: 23, Failed: 23) category.

The data also suggest a relationship between the time of year and the likelihood a backer would or would not support a crowdfunding campaign. For instance, successful projects were more likely to occur during the months of: July (58) and June (55). Unsuccessful projects were more likely to occur during the months of: January (36), May (35), and August (35).

In addition, the data shows a trend between success rate and donation goal. Successful projects fell into these goal donation categories: $15,000-$19,999 with a 100% success rate, $20,000-$24,999 with a 100% success rate, $30,000-$34,999 with a 100% success rate, and $1,000-$4,999 with an 83% success rate. Failed projects fell into these donation categories: $10,000-$14,999 with a 56% fail rate, $5,000-$9,999 with a 40% fail rate, and greater than or equal to 50,000 with a 53% fail rate.

Limitations in the Dataset

Some limitations in the dataset include missing data, outliers, and unexplored trends. In the dataset, some data showed empty cells, suggesting that some of the data may have been missing. In this case, missing data can skew the data analysis results and any conclusions made via data visualizations. In this case, missing data could cause a misrepresentation of the actual outcomes in the data.

This dataset showed the presence of outliers, where the data exhibited large variance in both the successful (Median=201; *SD=*1267*)* and failed (Median=115; *SD=*961*)* outcomes in relation to backers. To accurately represent data, the median should be used in summarizing the data, as outliers will skew the data right or left. As well, outliers may need to be removed from the dataset to accurately draw conclusions from the data.

Another limitation in the dataset could arise from unexplored data, that being, the live and canceled outcomes. For instance, if the crowdfunding projects in the live and canceled outcomes had the opportunity to complete, then these variables could have different outcome results. Alternatively resulting in either a success or failed outcome, instead of the live or canceled outcomes, and a more accurate representation of the data would emerge. Specifically, when looking at the parent category: Food and Games, and the sub-category: Food truck and videogames, their outcomes could change if their projects came to fruition.

Additional Data Visualization Tools

To find additional trends in the data, a scatter plot with a trendline could be added to explore if an any trends exist between the outcome type (i.e., success, failed, live, and canceled) and the parent category or subcategory variables. This chart could identify if two variables (e.g., success and food) are related and if categories are showing growth in their markets. Additionally, a Bell Curve could show the distribution of data by mean, variance, and standard deviation. A Bell Curve would also show if the data exhibited a normal bell curve or if data were skewed to the left or right. This chart type also shows how outliers skew the data, and if outliers should be removed for accurate data analysis. A Box/Whisker Plot could also serve useful, as it would show the distribution of data by mean, median, and outliers via the Max and Min values. The greatest importance in using this graph stems from a need visualize outliers in an illustrative form to stakeholders.