Crowdfunding Analysis

Analysis of the data reveals three strong trends:

* The vast majority of the 1000 projects included in the analysis were based in the United States, with over 70% (763 total projects) being initiated from the U.S. The greatest number of successful projects were also initiated in the U.S.
* Entertainment, and specifically the subcategory of plays, were by far the largest category of crowdfunding projects, with 344 total projects, 259 more than then next highest subcategory, rock. Unsurprisingly, plays also had the greatest number of both successful and failed, 187 and 132 projects respectively.
* Proportionally, web projects had the highest success rate of any subcategories, with a three to one ratio of successes to failures.

Unfortunately, this dataset doesn’t provide information on the crowdfunding platforms used to host the programs, which would allow a determination of whether certain platforms were more effective at achieving successful project outcomes than others. The dataset also lacks data specific to number of outreaches or advertising campaigns for each project, which would allow analysis of whether advertising influenced the success of given projects.

Additional review could be performed on the data to determine if certain range of donations or certain number of pledges hit a “sweet spot” which led to more successful campaigns, as well as if specific goal ranges also contributed to the proportion of successful crowdfunding campaigns. An examination of the length of crowdfunding campaigns from kickoff to end date, relative to the percentage of success or failure of the projects, could also yield useful information for future crowdfunding projects.

Further review did include comparison of the number of backers on successful vs. failed crowdfunding projects. The data makes it clear that while backers for successful projects trended higher than those for failed projects in every area, there is a far greater degree of variability in the successful projects than in the failed projects. It should not be altogether surprising that successful projects would have the greatest number of backers, since one would expect failed projects to have less support than successful projects. However, the greater degree of variability in the backers of the successful projects may come as something of a revelation. Although one might expect to find that projects required a much higher minimum number of backers in order to be successful (and therefore might expect to find less variability in the successful projects), it’s clear from the data that projects do not require hundreds or thousands of backers to achieve their goals – it can be done with only a few supporters. Although the comparative variability between successful and failed campaign backers may seem unexpected at first glance, it does make sense upon further review.

It is important to note as well that for this dataset, the median is the best representation of the center of both successful and failed campaigns, as the greater part of the data falls within a much closer range to the median than to the mean, indicating that a few much higher samples are skewing the mean upward of the true center.