Building a Stronger Kickstarter Campaign

Lauren Bowden, Alon Brodie, Olivia Bumb, Mariah Lord, Jessica Law

Executive Summary

Several levers exist that improve the likelihood of Kickstarter success identified through data analysis

Category

- Dance, theatre, and art are likeliest campaigns to succeed

Campaign Timing

- 5-25 day campaigns yield the optimal chance for success

Social Media

- The number of Facebook friends for each Kickstarter campaign entrepreneur is strongly related to the success of that campaign (whether this is a causal relationship or not requires further analysis)

Frequency of Communication

- Campaigns with more updates tend to be more successful

Rewards tied to Campaign

- Campaigns with greater diversity in reward offering tend to be more successful

Recommendations:

- Entrepreneur Helen should utilize the above takeaways to foster better chances of success with her business

Agenda

- About Kickstarter & the Entrepreneur

- Exploring the Data & Initial Observations

- Methodology

- Insights

- Conclusion & Recommendations

- Appendix

Kickstarter Overview

Mission is to help bring creative projects to life

Kickstarter helps artists, musicians, filmmakers, designers, and other creators find the resources and support they need to make their ideas a reality. To date, tens of thousands of creative projects – big and small – have come to life with the support of the Kickstarter community

- Global crowdfunding platform
- Focus on creativity
- Two-sided platform where people who back Kickstarter are offered rewards for their pledges
- All or nothing approach to funding
- Kickstarter applies a 5% fee to funds collected + payment processing fees (3-5%)

Founders

Perry Chen
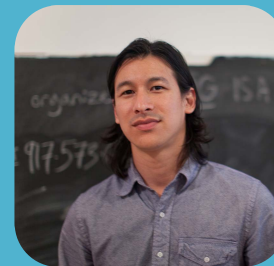
Yancey Strickler

Charles Adler

112,457 successfully funded projects | 12 million people have backed projects | $2.6 billion pledged to Kickstarter projects

Analyzing Kickstarter Data

How can a start-up company build a strong Kickstarter campaign based on insights from data?

Objectives:

1. Create a mental model of factors that will potentially impact success

2. Identify drivers of successful campaigns

3. Review trends over time

4. Make recommendations for our entrepreneur

Introduction: Entrepreneurs Considering Kickstarter

- **Company: Cara Market**
- **Founder: Helen Marks**
- **Category: Technology**
- **Company Facebook Page: NA**
- **Company Facebook Friends: NA**
- **Company Website: NA**

MARKETING ANALYTICS | BOWDEN, BRODIE, BUMB, LAW, LORD

Exploring the Data

We analyzed Kickstarter across 3 years…

71,304 — Campaigns

13 — Industries

18 — Attributes

MARKETING ANALYTICS | BOWDEN, BRODIE, BUMB, LAW, LORD
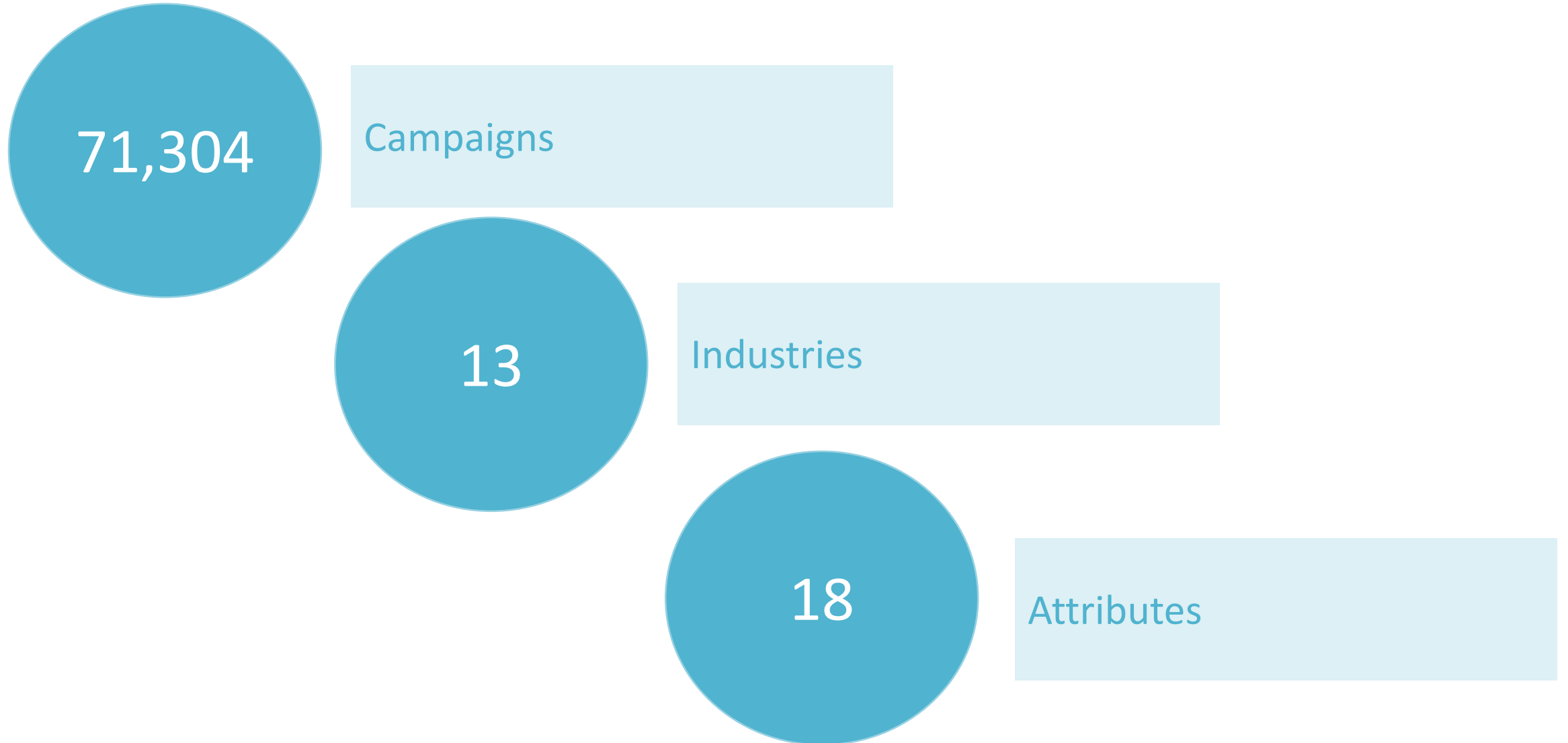
The total number of successful Kickstarter campaigns have increased over time

Total Successful Campaigns Each Year
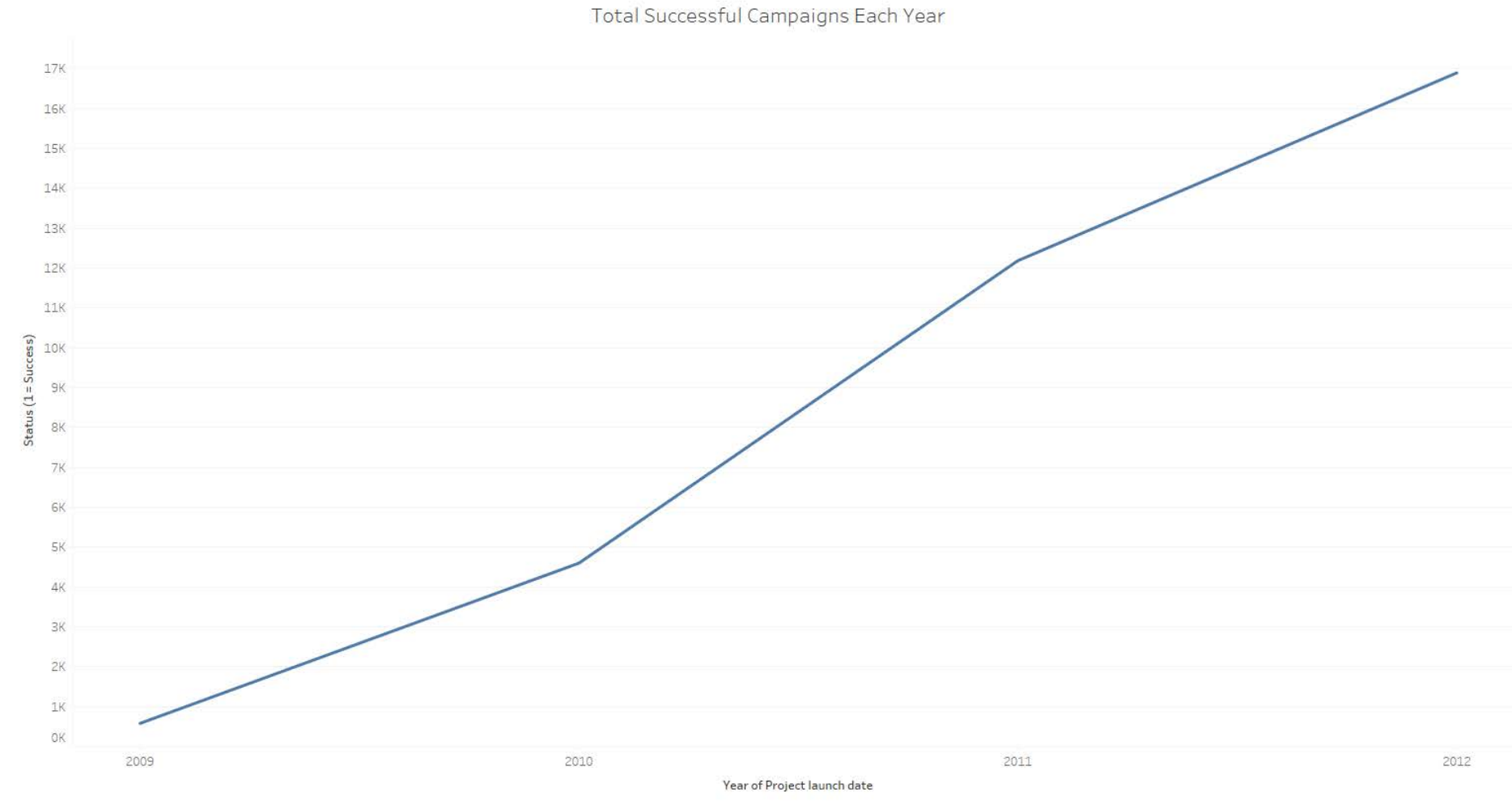
The portion of successful campaigns on Kickstarter have remained constant over time

Portion of Campaigns that Succeeded Each Year
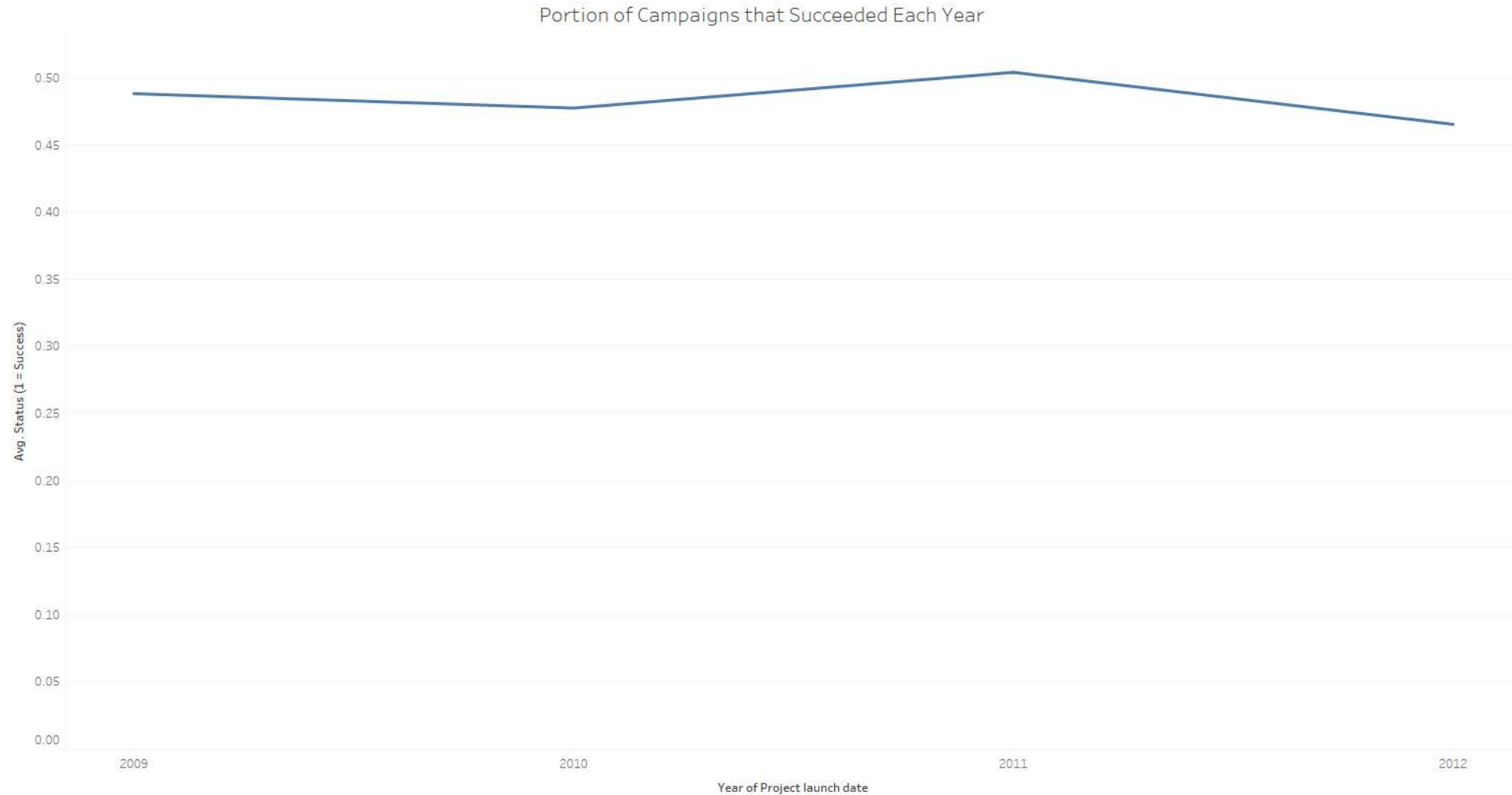
Music, Art, Theatre and Dance had more Successes than Failures

Industry by Success and Failure

Chart: "Industry by Success and Failure" — bar chart with Count of Successes and Failures (y-axis, 0 to 12,000) and industries on the x-axis: Film & Video, Music, Publishing, Art, Games, Fashion, Food, Photography, Design, Theater, Comic, Technology, Dance. Legend: 0 Failures (blue), 1 Successes (green).

Campaign goal size varied by industry

Average Goal by Industry by Success and Failure

Legend: ■ 0 Failures ■ 1 Successes

Y-axis: $40,000 / $30,000 / $20,000 / $10,000 / $-

X-axis categories: Games, Film & Video, Design, Technology, Food, Theater, Publishing, Dance, Music, Art, Fashion, Comic, Photography
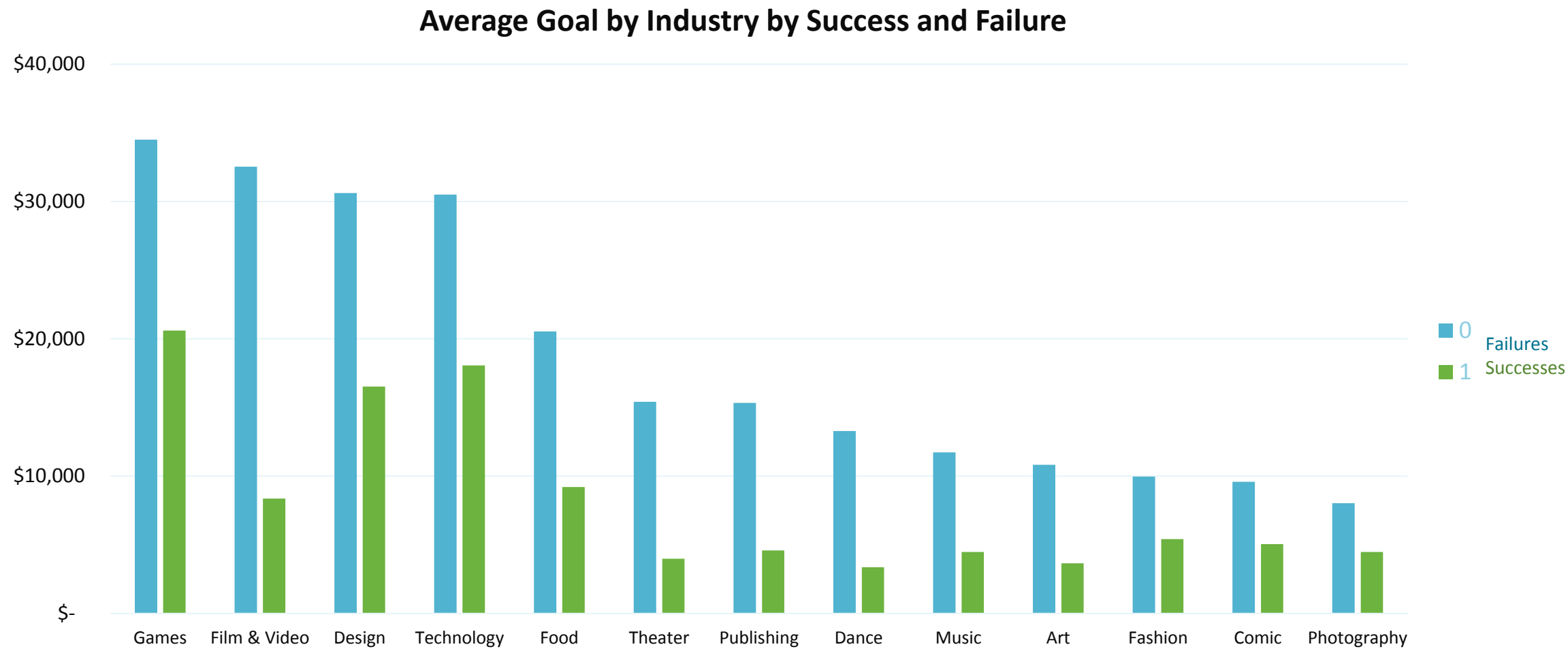
Across industries, the average goal size is higher with unsuccessful campaigns

Methodology

MARKETING ANALYTICS | BOWDEN, BRODIE, BUMB, LAW, LORD

Kickstarter : Mental Model

Sub-category

Location

# of comments

Year

Time of year

Category

Duration of campaign

Funding Success

Goal amount

# of pledges

Website

Social Media Presence

Rewards offered

Funding per person

Facebook Account

Twitter Account

# of followers on Facebook

# of rewards

Data Analytics

MARKETING ANALYTICS | BOWDEN, BRODIE, BUMB, LAW, LORD

Variable Consideration

Variable
Goal (USD)
Website (1 = Yes)
FB account (1= Yes)
log(friends)
Total # Rewards
Updates
Duration
Location indicated

Categories
Comic
Dance
Design
Fashion
Film & Video
Food
Games
Music
Photography
Publishing
Technology
Theater

Identified variables and decided relevancy for critical factor analysis

The Regression Output

Statistic	Independent	Full
Observations	9000	9000
Sum of weights	9000.000	9000.000
DF	8999	8979
-2 Log(Likelihood)	12467.432	7681.975
R²(McFadden)	0.000	0.384
R²(Cox and Snell)	0.000	0.412
R²(Nagelkerke)	0.000	0.550
AIC	12469.432	7723.975
SBC	12476.537	7873.180
Iterations	0	6

Prediction Versus Outcome (hit rate)				
	Failed	Succeeded	Total	% correct
Predict Fail	436	88	524	83%
Predict Success	84	392	476	82%
Total	520	480	1000	**83%**

Source	Value	Standard error	Wald Chi-Square	Pr > Chi²
Intercept	4.678	0.298	245.944	< 0.0001
Log(Goal)	-1.765	0.064	751.826	< 0.0001
Website (1 = Yes)	0.243	0.059	16.791	< 0.0001
FB account (1= Yes)	-2.717	0.280	94.304	< 0.0001
log(friends)	0.927	0.099	88.341	< 0.0001
Total # Rewards	0.053	0.008	47.614	< 0.0001
Updates	0.388	0.010	1422.318	< 0.0001
Duration	-0.017	0.002	85.906	< 0.0001
Location indicated	0.438	0.201	4.751	0.029
Comic	-1.234	0.234	27.852	< 0.0001
Dance	1.163	0.224	26.932	< 0.0001
Design	-0.471	0.209	5.102	0.024
Fashion	-0.583	0.182	10.254	0.001
Film & Video	0.060	0.105	0.322	0.570
Food	-0.046	0.188	0.061	0.806
Games	-1.896	0.208	83.266	< 0.0001
Music	0.403	0.105	14.657	0.000
Photography	-0.358	0.177	4.091	0.043
Publishing	-0.660	0.129	26.047	< 0.0001
Technology	-1.293	0.285	20.547	< 0.0001
Theater	0.964	0.144	44.546	< 0.0001

Weekly Average Success Rate – No Seasonality

Total Successes by Week
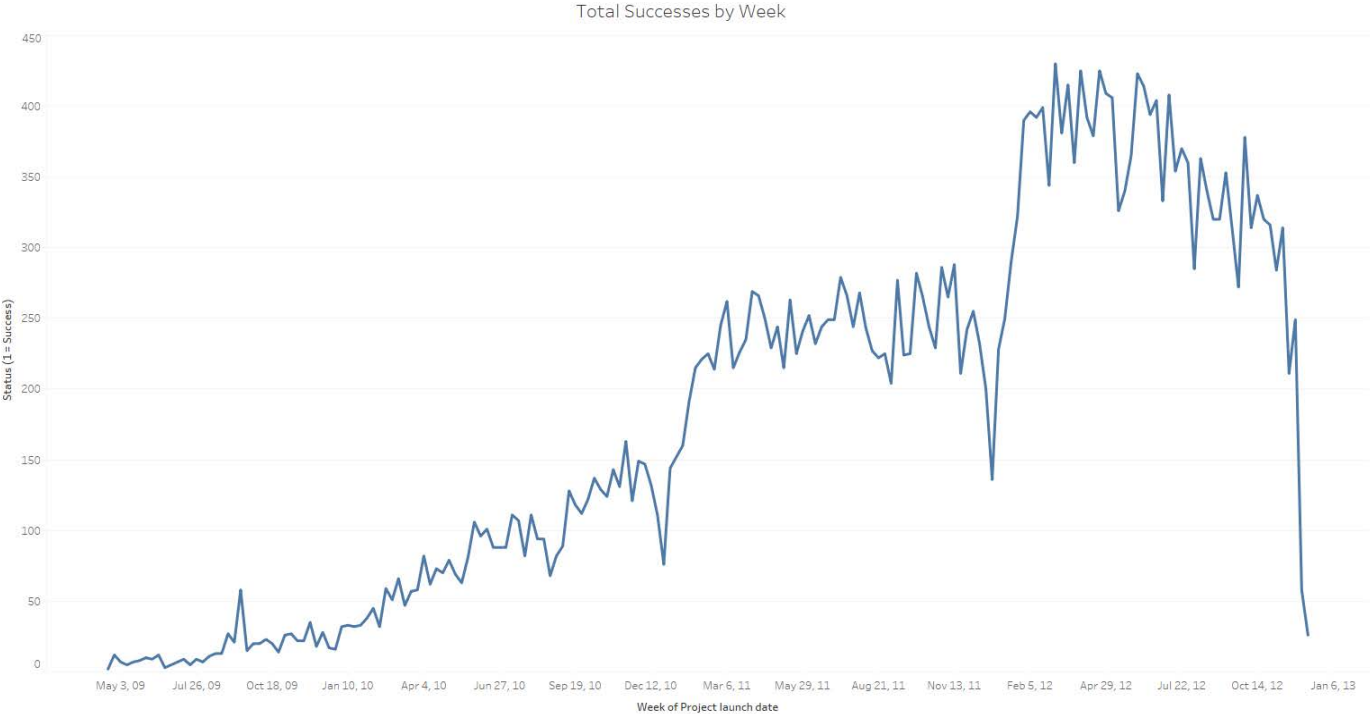
Options Used to Create Forecasts

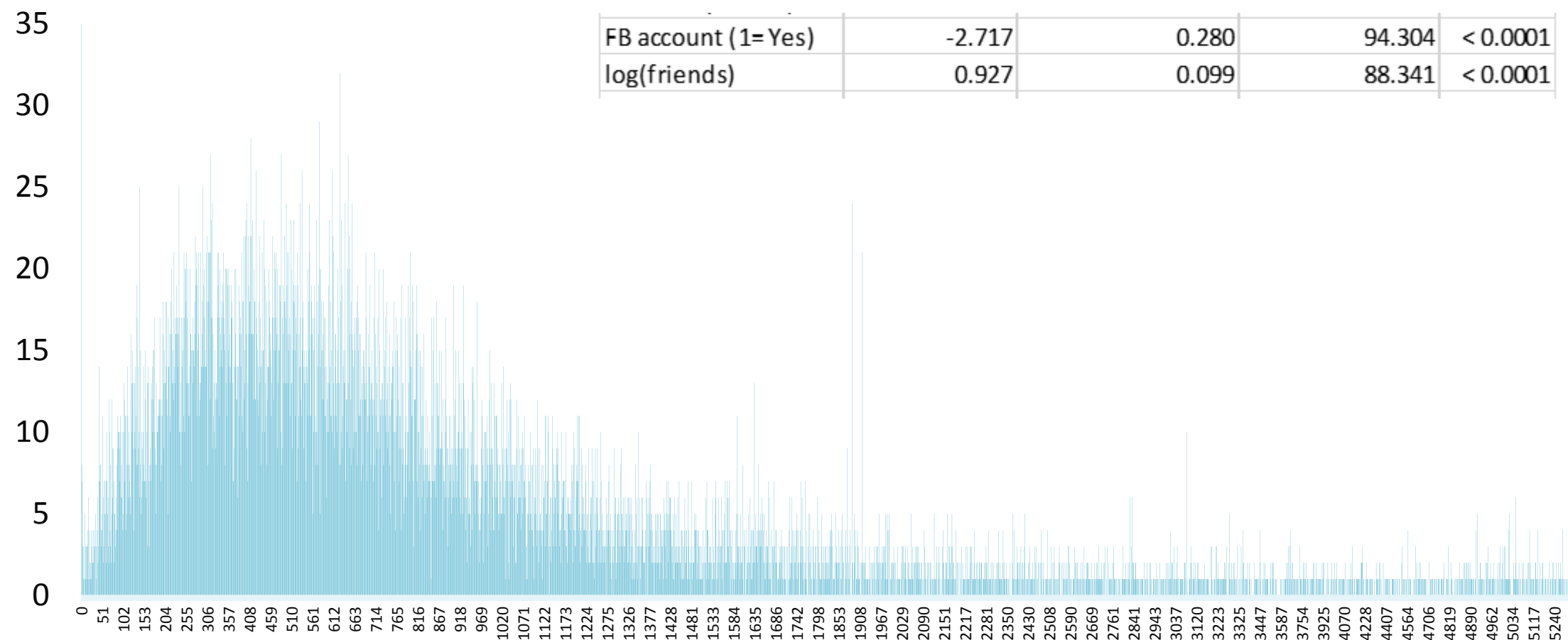|	
Time series:	Week of Project launch date
Measures:	Avg. Status (1 = Success)
Forecast forward:	17 weeks (Dec 9, 2012 – Mar 31, 2013)
Forecast based on:	Jun 28, 2009 – Dec 2, 2012
Ignore last:	1 week (Dec 9, 2012)
Seasonal pattern:	None (Searched for a seasonal pattern recurring every 13 Weeks)

Avg. Status (1 = Success)

Initial Dec 9, 2012	Change From Initial Dec 9, 2012 – Mar 31, 2013	Seasonal Effect		Contribution		Quality
		High	Low	Trend	Season	
0.4584 ± 0.0883	0.0000	None		0.0%	0.0%	Poor

Insights

MARKETING ANALYTICS | BOWDEN, BRODIE, BUMB, LAW, LORD

The number of Facebook friends is correlated to success

of Successes by Facebook Friends

FB account (1= Yes)	-2.717	0.280	94.304	< 0.0001
log(friends)	0.927	0.099	88.341	< 0.0001

Should Helen incentivize large pledges?

Pledge per funder versus pledge to goal ratio

- Most successful campaigns are driven by smaller pledges

- The ratio (x-axis) total $ pledge/goal improves significantly with modest reductions in pledge per funder (y-axis)

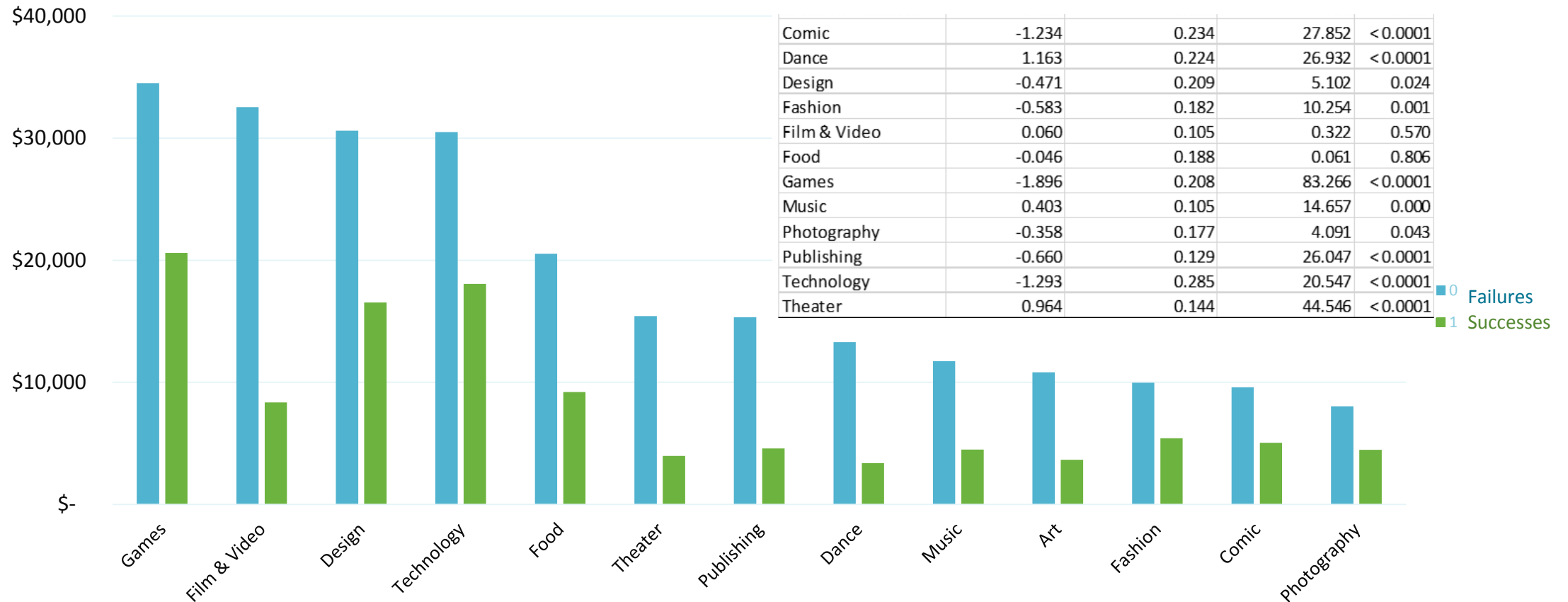# Duration of the Kickstarter campaign has a significant impact on success

Average Duration by Success and Failure
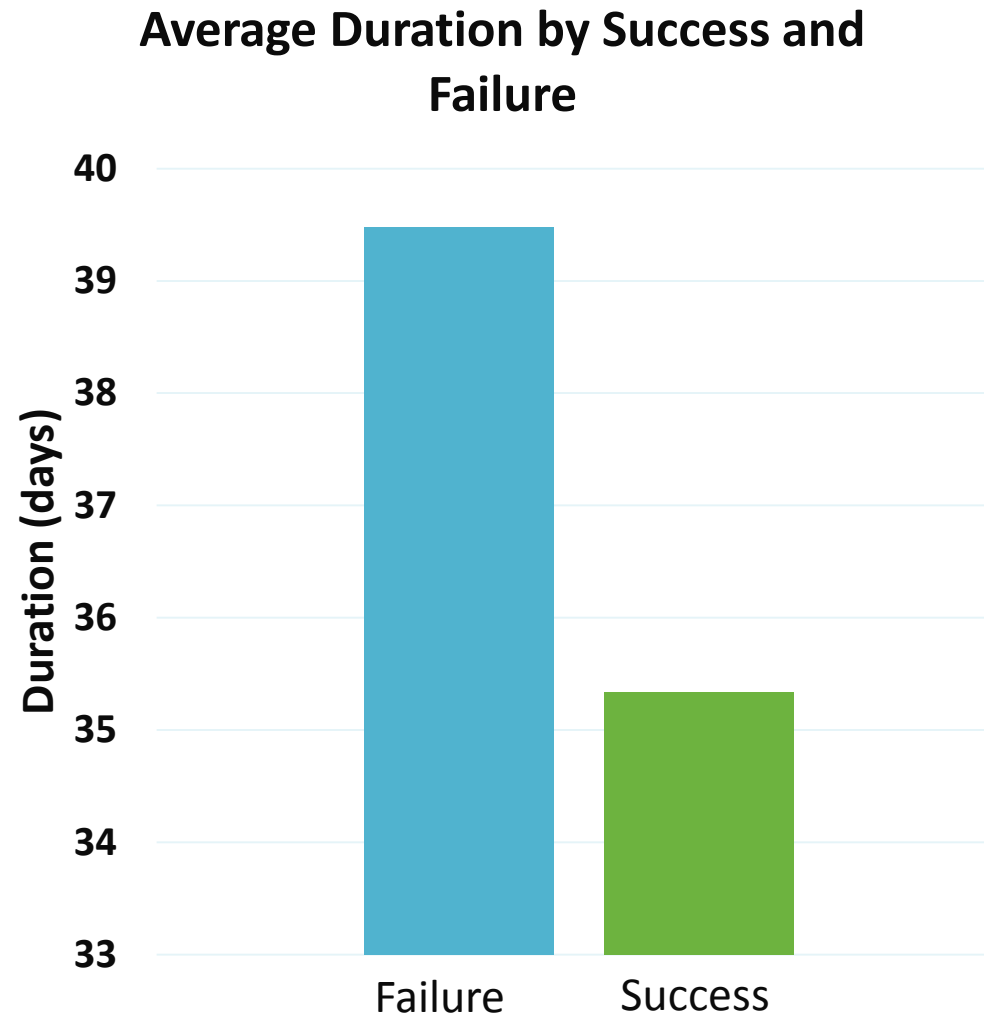
Campaigns with a shorter duration were, on average, more successful

More perks suggest a higher likelihood of success with diminishing returns
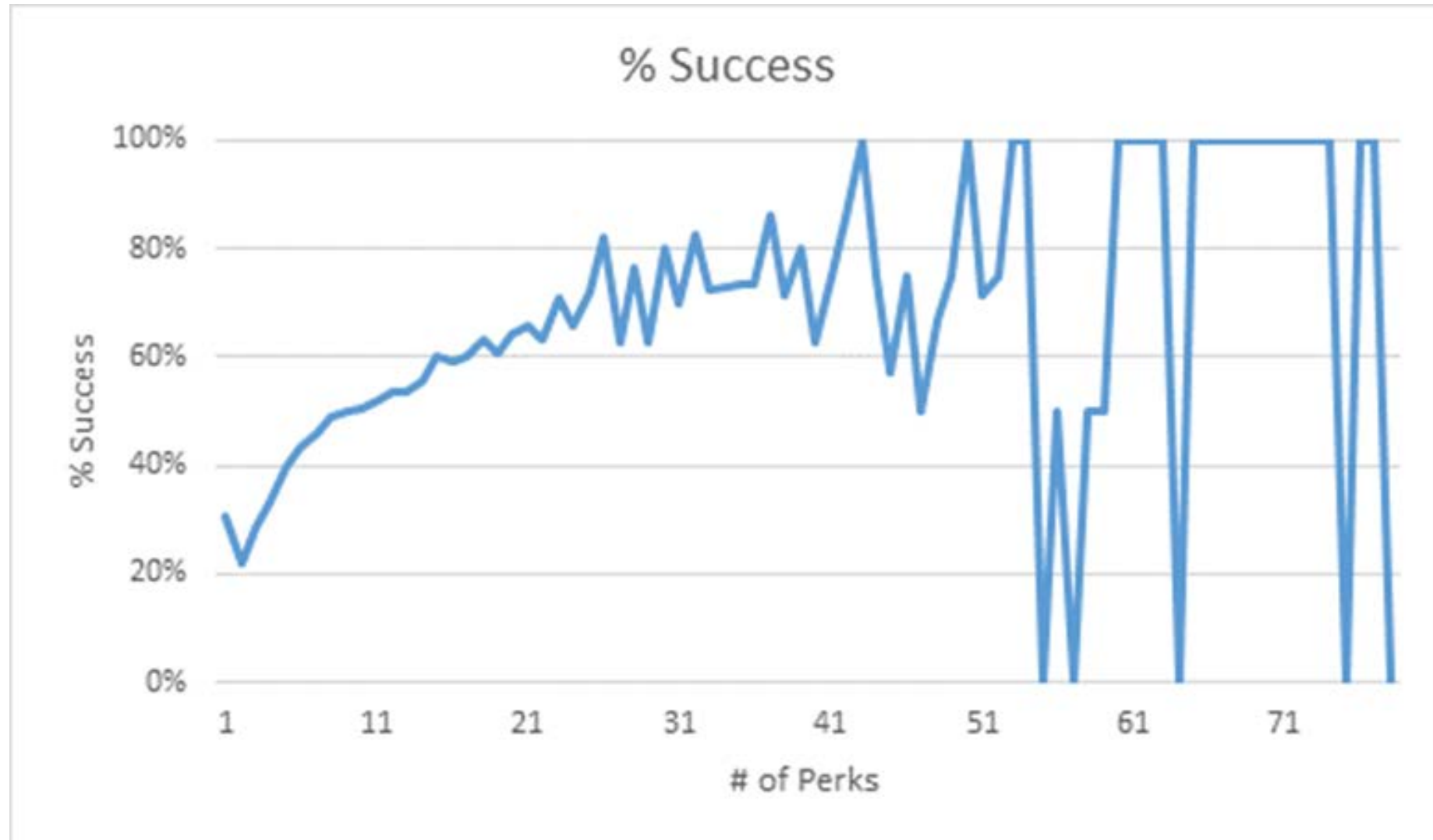
% Success

"Artistic" projects confirmed to have greater success

Average Goal by Industry by Success and Failure

Comic	-1.234	0.234	27.852	<0.0001
Dance	1.163	0.224	26.932	<0.0001
Design	-0.471	0.209	5.102	0.024
Fashion	-0.583	0.182	10.254	0.001
Film & Video	0.060	0.105	0.322	0.570
Food	-0.046	0.188	0.061	0.806
Games	-1.896	0.208	83.266	<0.0001
Music	0.403	0.105	14.657	0.000
Photography	-0.358	0.177	4.091	0.043
Publishing	-0.660	0.129	26.047	<0.0001
Technology	-1.293	0.285	20.547	<0.0001
Theater	0.964	0.144	44.546	<0.0001

0 Failures
1 Successes

Dance, Theatre, and music have the highest coefficients

Recommendations for Helen's Potential Kickstarter Campaign

1 Choose a campaign that runs 5-25 days

2 Incentivize and encourage lower pledge amounts from a large audience

3 Create a cost effective reward system with many tiers

4 Appeal to artistic communities

5 Leverage social media before launching a campaign; Build Facebook's friend network

**6** Send frequent updates to support network through duration of campaign

Appendix

MARKETING ANALYTICS | BOWDEN, BRODIE, BUMB, LAW, LORD

Appendix: Variable Consideration

Identified variables and decided relevancy for critical factor analysis

Variable	Critical?
Adoption period	No – Low Pvalue
Goal (USD)	Yes
Comments	No – Descriptive
Comments per funder	No – Descriptive
Website (1 = Yes)	Yes
FB account (1= Yes)	Yes
Face book Friends (#)	No – Better indicator available
log(friends)	Yes
Total # Rewards	Yes
Updates	Yes
Duration	Yes
Location indicated	Yes

Variable	Critical?
Comic	Yes
Dance	Yes
Design	Yes
Fashion	Yes
Film & Video	Yes
Food	Yes
Games	Yes
Music	Yes
Photography	Yes
Publishing	Yes
Technology	Yes
Theater	Yes

Appendix: Median Portion Pledged by Week

Median Portion Pledged by Week
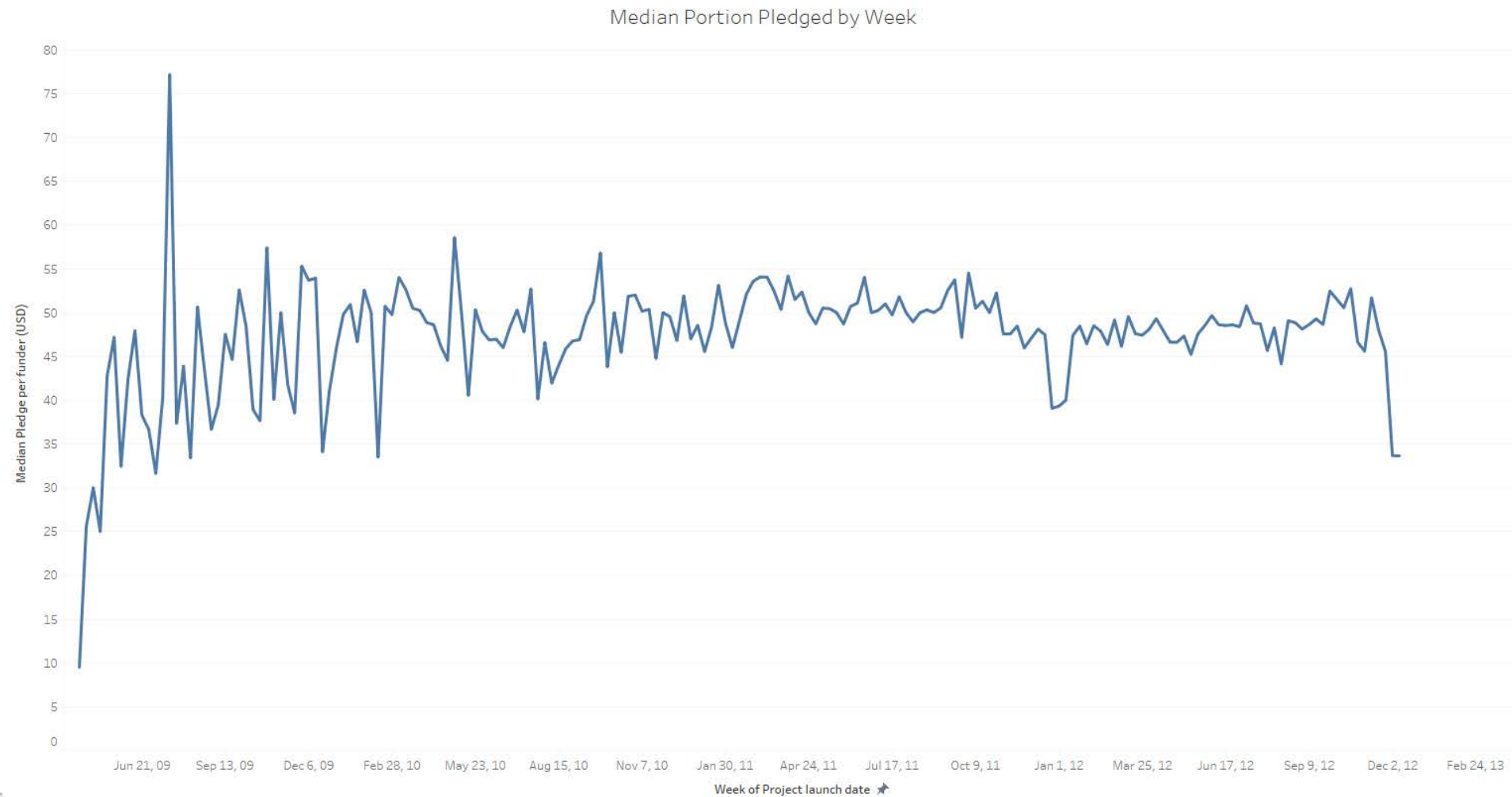
Appendix: Total Successes by Week

Weekly Average Success Rate
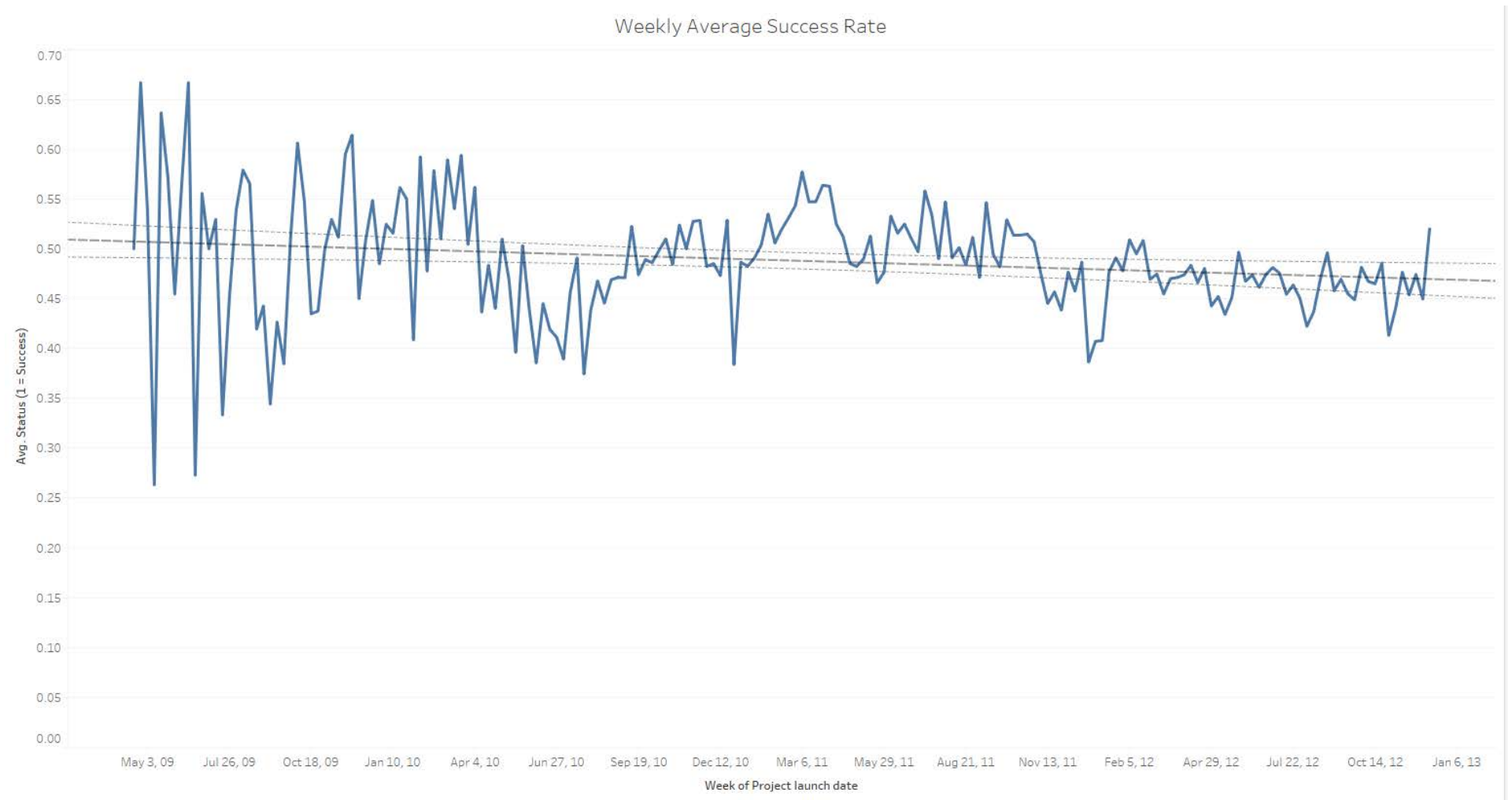
Appendix: Median and Mean Portion of Goal Pledged Each Year

Median and Mean Portion of Goal Pledged by Year

Monthly Average Success Rate
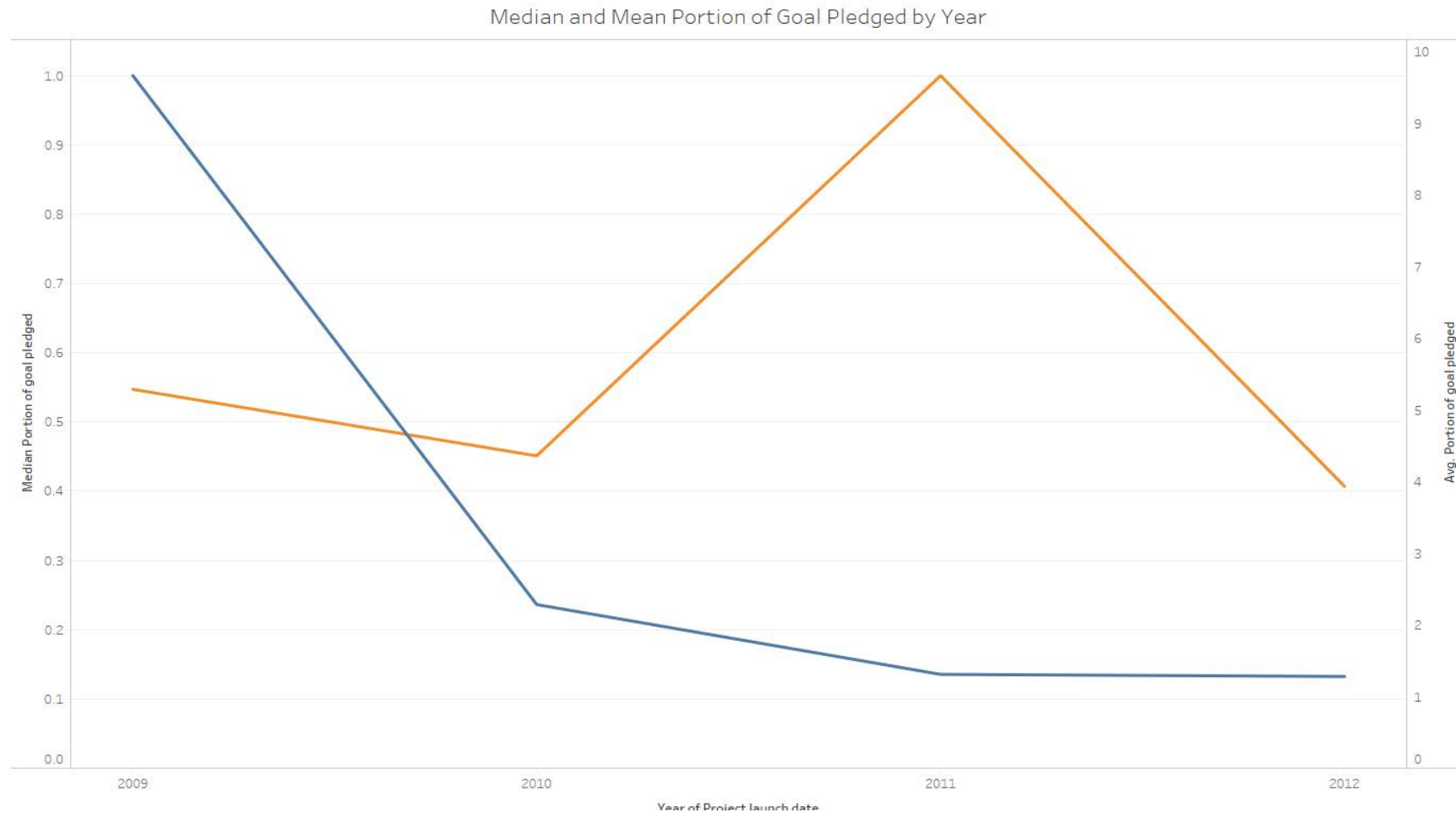
Monthly Average Success Rate
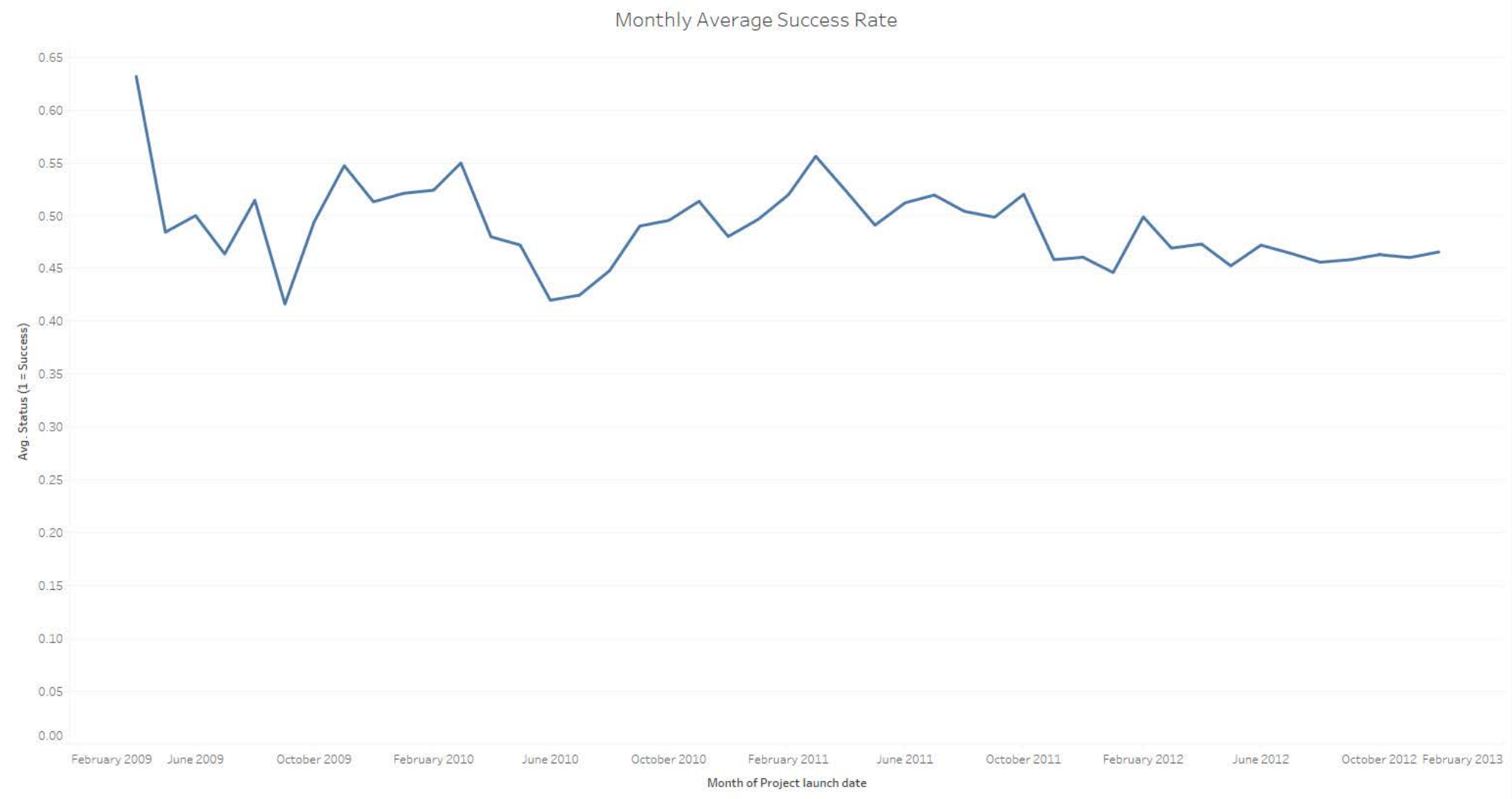
Takeaways

- 5-25 day campaigns yield the optimal chance for success
- Campaigns that encourage lower pledges per funder are more likely to be successful
  - Helen should appeal and market her product's accessibility to a wide audience
- Campaigns in "artsier" industries, such as dance, theatre, and art, are more likely to be successful than those in the other 10 industries
  - Even though Helen's project is in the tech space, we recommend that she should focus her marketing efforts towards the art community
- Helen needs to find a reward system that is cost-effective but allows for as many reward tiers as possible
- Campaigns with more updates tend to be more successful, so Helen should carefully monitor her project and keep her supporters updated
- The number of Facebook friends for each Kickstarter campaign entrepreneur is strongly related to the success of that campaign (whether this is a causal relationship or not requires further analysis)