Module 1 Challenge Analysis

A multitude of factors can affect the success of a crowdfunding campaign. One such factor is the time of year the crowdfunding effort takes place. The line graph presenting the counts for each type of outcome relative to the starting month shows a rise in failed campaigns during the end of the year. The winter months could yield less successful campaigns due to the holiday season. There is less money to be donated as people prepare for the holidays. The outcome count based on category type was also examined. The success rate remained consistent across the categories except for journalism. Journalism had all successful outcomes, however there were only four crowdfunding campaigns within that category unlike the others that had forty plus. Therefore, the category type did not have a significant effect on the outcome. Lastly, an analysis was performed on the success rate by crowdfunding goal. 86% of the campaign goals fell into one of three categories: $1000-$4999, $5000-$9999, and $50k and over. The largest success rate came from $1000-$4999 at 83% and then took a steep decline to 52% between $5000-$9999. Further, the smallest success rate occurred at $50k and over, which experienced a huge drop to 37%. Therefore, we can generally conclude that as the campaign goal increases, the chance of a successful outcome is less likely.

One major limitation of the data is the lack of information regarding each campaign’s marketing strategies. Marketing plays a crucial role in the success of crowdfunding. Understanding where and how a campaign was marketed could bring in a lot of insights for identifying trends or “tricks” to a successful campaign. For instance, which of these campaigns used social media to promote their Kickstarter? Further, which social media platforms were utilized? Additionally, the data set only covers 1,000 crowdfunding campaigns in a 10-year span when thousands to millions of campaigns take place in a single year. Increasing the sample size of the study, may help to bring further clarity to trends in the data set or cause currently unseen patterns to emerge.

To take the analysis of the dataset further, the impact of the spotlight could be considered. A table could be created displaying the outcome in relation to whether the campaign received a spotlight on its crowdfunding platform. Thus, providing insight into what effect or lack thereof the spotlight has on the success rate of the campaign. Another way of analyzing the effectiveness of the spotlight is to create an additional table with the backers counts. Comparing the number of backers for campaigns with and without a spotlight indicates if the spotlight helps promote the campaign by bringing in more backers/funding.