Assignment 1: Crowdfunding Analysis

Introduction:  
  
In the evolving landscape of crowdfunding, this assignment explores the market's rapid growth and categorization into four major types based on investor returns. Donation-based crowdfunding, encompassing projects like arts and humanitarian initiatives, involves investors providing financial support without expecting monetary returns. Debt-based crowdfunding functions as a lending system, where investors earn interest from borrowers seeking funds. Equity-based crowdfunding sees fundraisers offering equity to investors, commonly in startup scenarios.

# Observations/Conclusion

Reward-based crowdfunding involves backers contributing to projects, akin to pre-sales, and receiving various rewards such as early event access or product discounts. Despite these opportunities, the crowdfunding market grapples with persistent challenges. One such issue is information asymmetry, stemming from the two-sided nature of crowdfunding, where funders possess limited and often unverified information about fundraisers due to privacy regulations and the virtual nature of the Internet.

The analysis of project performance across categories reveals intriguing patterns. The "Theater" category stands out with both the highest number of successful and failed projects, indicating a landscape of substantial success alongside notable risks. The "Music" category, on the other hand, emerges as a popular and successful domain with a high number of successful projects, suggesting effective project management or a strong demand for music-related initiatives. Notably, both "Theater" and "Film & Video" exhibit significant numbers of canceled projects, emphasizing the importance of understanding the underlying reasons for cancellations in these categories. Unraveling the factors contributing to success and failure in theater, exploring the dynamics of successful music projects, and deciphering the patterns of project cancellations in theater and film & video could offer valuable insights for enhancing project planning and risk management strategies across various creative domains.

In this dataset, there are more Crowdfunding Campaign in later years compared to earlier ones. This could be because of the financial crisis and the fact that Crowdfunding Campaign is a relatively new company, founded in 2000s.

Despite music being the most successful parent category, with 77% of campaigns succeeding, it has the lowest average funding goal.

# Limitations/Challenges of the data

The information we have may not show the whole picture of all Crowdfunding Campaign. The instructions say that only about one-third of campaigns succeed, but our data suggests more than half are successful.

The sustained success of crowdfunding markets depends crucially on the collective ability of market stakeholders to develop, recognize, and leverage "signals" that can alleviate information asymmetry and accurately assess the quality of crowdfunding campaigns.

Another significant challenge is the limited comprehension of crowdfunding's broader impact, particularly beyond the online realm. While the impact of donation-based crowdfunding on disaster relief and combating third-world hunger is evident, the majority of contributions often support creative ventures such as films, arts, education, and music.

However, there remains a lack of comprehensive information regarding the influence of these contributions on the behavior of fundraisers, especially in offline contexts post-receiving funds.

Questions arise about whether fundraisers perceive crowdfunding solely as a financial resource or if the support from a community of compassionate strangers empowers them to use the funds more effectively. In other crowdfunding scenarios, although one can speculate on the impact to a certain extent, the overall ramifications remain ambiguous.  
  
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It would be helpful to have data on what people like and how much they trust Crowdfunding Campaign over time. Some categories might have done better in the early days due to more trust from people.

# Some additional ideas:

We can create various tables and graphs to present data effectively.

Graphs that cover all the metrics, both including and excluding "plays," which is the most popular category.

Tables comparing the success and failure of different categories/subcategories, providing detailed data on success levels. Metrics may include success rates, funding goal ranges, average donations, percent funded, and campaign timeline lengths.

Visuals illustrating the average timelines for completing Crowdfunding Campaign campaigns, comparing the most and least successful program types. This could help us see if more time leads to greater success in achieving funding targets.

Visuals and tables that don't consider significant outliers in funding goals.

Graphs and visuals breaking down each category into specific subcategories to explore what contributes to the success of various organizations. Since some categories are broad, examining subcategories might reveal significant differences in funding goals, average donations, campaign lengths, and timing (years and seasons). This breakdown will enhance our understanding of the data.