Crowdfunding – How Successful is it Really?

Unit #1 Assignment – KickStart my Chart

Data Analytics and Visualization - Homework #2

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**Background**

Online capabilities have increased within the early 21st century allowing once previous arduous activities, such as fundraising, to be conducted in a way that reaches out to a large viewership quickly, known as crowdfunding. Kickstarter is such a company, founded in April of 2009 and based in Brooklyn, New York. This public-benefit corporation, provides a web interface that aims to enable a support base for various projects and, as stated “help bring creative projects to life.”

Since the companies start, over two billion dollars have been generated and considered massively successful. However, not every project finds success. Of the over 300,000 projects, only one-third have progressed through funding finding a positive outcome. Since funding requires meeting or exceeding a project’s initial goal, many organizations spend months looking through past projects to find a recipe for success.

**Analysis**

To help understand a degree of project success, a small sampling of four thousand past projects were analyzed to investigate potential hidden trends. Presented below is an initial overview of what was found. **Figure 1** shows, based on select categories, for 21 countries, the number of funding campaigns which had the most success where theatre, followed by music with film and video being the least. The most failed campaigns also reside with theatre type of activities in addition to journalism having the fewest attempts, seemingly all ended in an unsuccessful outcome. Showing more data density respective of sub-categories, **Figure 2** supports the conclusion that theater campaigns show both the highest positive outcomes, but also fails respective of plays, which tends to bias the data results. From Kickstarter beginnings to recent, successful campaign have generally won out from those that were cancelled and/or failed, **Figure 3**. Funding for projects also seem to decline at the end of a given year where failed projects tend to overtake successful endeavors. Cancelled projects tend to occur less at year’s end as well.

**Conclusions**

This analysis was based on a limited dataset, not the entirety of available information, which limits a more complete analysis. Other categories and subcategories could also be available to help understand what makes a successful versus unsuccessful analysis. Nonetheless, three conclusions that can be assessed are:

* Theatre projects, specifically plays, tend to show the largest amount of both successful and unsuccessful campaigns.
* Journalism is not a sought-after venture efforted through Kickstarter.
* Campaign money remains relatively strong until slightly before mid-year, where funding decreases and failures increase, with a slight uptick before year’s end before trending towards non-success. Cancellations; however, remain consistent throughout a year, with a slight uptick at both mid-year and year’s end time frame.

This initial overview of Kickstarter looked across 21 countries and kept to categories and sub-categories. To help gain further insight other possible correlations, or graphical overviews could be done with examining:

* Success/non-success within different countries.
* Of the failed campaigns, what was the percent funded as compared to campaigns resulting in a successful outcome.
* Extracting details of both types of campaigns (successful / failed) to examine if key elements exist in both to help guide what aspects may signify the best way to source funding.

In summary, fund raising has always been a difficult venture. With Kickstarter, some of the painstaking effort has been relieved, but a recipe for success is still to be determined.



Figure 1: Total Kickstarter campaigns over a sampling of categories.



Figure 2: Total Kickstarter campaigns over a sampling of subcategories.



Figure 3: Kickstarter campaigns over time, from May 2009 to March 2017. Each month represents total campaigns.