Modula 1 Challenge: Crowdfunding Campaigns

Conclusions and Statistical Analysis

Crowdfunding is a method of funding used by many industries from entertainment to technology and discovery. These data include several metrics by which we can measure the success of crowdfunding, such as by field, country, number of backers, and many more. The first conclusion we can draw from the analysis conducted is that the overall effectiveness of crowdfunding was 56.5% and failed 36.4% of the time. We can also conclude that the campaigns with the highest rate of success started in June, July, and September. And lastly, it was determined that crowdfunding is utilized by theater more than any other category. Despite the many metrics provided by this data set, there is still more we did not know. For example, we did not know by what method each campaign conducted their crowdfunding campaigns. Did they use email campaigns, hold auctions, or go door-to-door? We also do not know how many potential backers were approached in total. These data sets would have allowed us to measure the effectiveness of each crowdfunding method. Additional analysis that could have been performed from the data provided includes an analysis of the number of backers by category, an analysis of outcome based on length of time each campaign was active, and an analysis of percent funded versus category.

Statistical Analysis

In both successful and failed campaigns, the standard deviation is very large, as well as the variance. This implies that the data varies largely from the mean. The mean value is also much larger than the median value. Since the median value is the value at the center of the data set, we know that at least half of the data are below the median value. The mean, as an average of the entire data, being much larger than the median implies there are potential outliers pulling the mean value to the right. For that reason, I suspect the median is a better representation of the data than the mean.

Although both successful and failed campaigns have large variability, it is clear from the statistics that there is more variability with successful campaigns. This makes sense because successful campaigns might have had either a small or large number of backers depending on how much the average backer contributed to the total, while failed campaigns would have less backers more often.