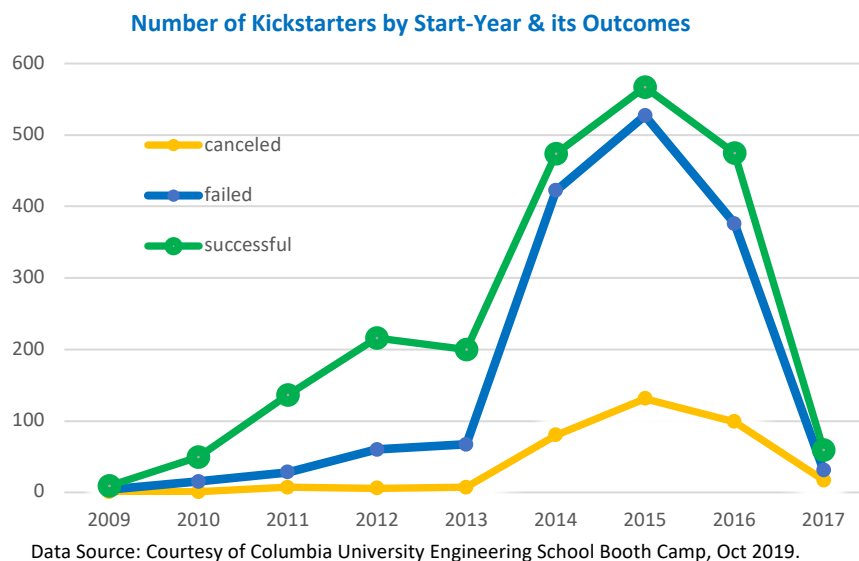Piruz Alemi
Assignment #1
Excel Report: KickStart My Chart
Date: Friday Oct 18th, 2019

The following analysis on Kickstarter[1] covers a total of over four thousand (4114) campaigns for 2009-2017 period, with its peak of number of starts in 2015. The failed and success of a kick starter is subject to many factors, key among them, country of origin, the money-goal set, pledges, campaign instruments, backers, categories[2], sub-categories, duration of campaign and many other factors subject to the rules and regulations of the Kick Starter website. In this report for brevity, only few of these factors are highlighted and summarized as follows.

Number of Kickstarters by Start-Year & its Outcomes

Data Source: Courtesy of Columbia University Engineering School Booth Camp, Oct 2019.

According to Wikipedia: In the *Huffington Post* article "Why Kickstarter is Corrupted[121]" Nathan Resnick[122] blames the rise of paid advertising, investor-backed campaigns, and crowdfunding agencies for the decline of Kickstarter as a useful tool for small inventors and creators".

Our sampled data supports the fall of Kick Starter post 2015, without establishing cause. The success rate of Kick Starters hovers around 40%., as of 2015.

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[1] Kickstarter launched on April 28, 2009,[8] by Perry Chen, Yancey Strickler, and Charles Adler. *The New York Times* called Kickstarter "the people's NEA".[9] *Time* named it one of the "Best Inventions of 2010"[10] and "Best Websites of 2011".[11] Kickstarter reportedly raised $10 million funding from backers including NYC-based venture firm Union Square Ventures and angel investors such as Jack Dorsey, Zach Klein and Caterina Fake.[12] The company is based at 58 Kent Street in Greenpoint, Brooklyn

[2] Creators categorize their projects into one of 13 categories and 36 subcategories.[44] They are: Art, Comics, Dance, Design, Fashion, Film and Video, Food, Games, Music, Photography, Publishing, Technology and Theater. It seems that our results based on some 4000 observations does not match the reported Wikipedia stats of 207,000 observations of same categories. Wikipedia reports Film & Video and Music as the largest categories that in 2015 raised the most money. These categories, along with Games, account for over half the money raised.[38] Video games and tabletop games alone account for more than $2 out of every $10 spent on Kickstarter.[45]

Briefly we may draw three conclusions about Kickstarter campaigns:

a. Most successful (Pledge meeting or exceeding its goal) Kick Starters occurred in the May month. The worst time to start a kick Starter is in December, probably because of its closeness to New Year shopping time!
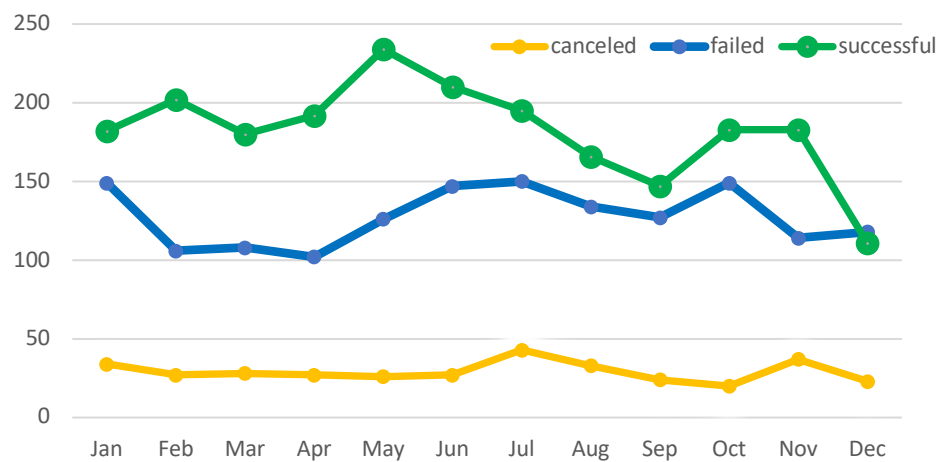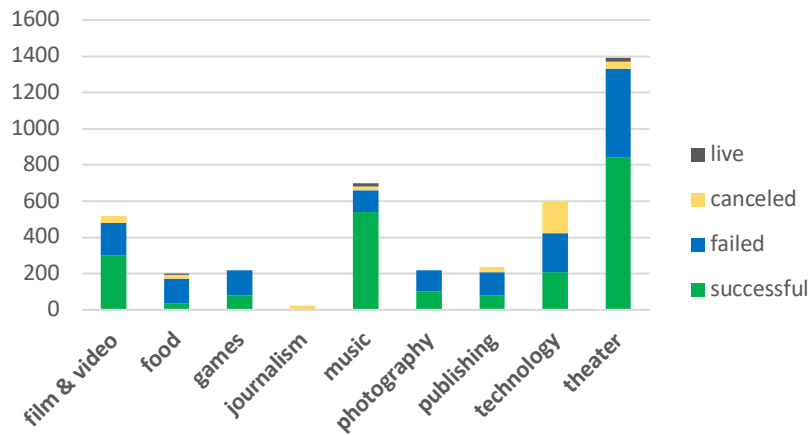

Over all Kick Starters have a success rate of over 50% (53% exact). With U.S. carrying the most weight (40%) in the success category.

b. Plays attracted the most Kick Starters.

Nunber of Klick Starter Sub-Categories by Outcome
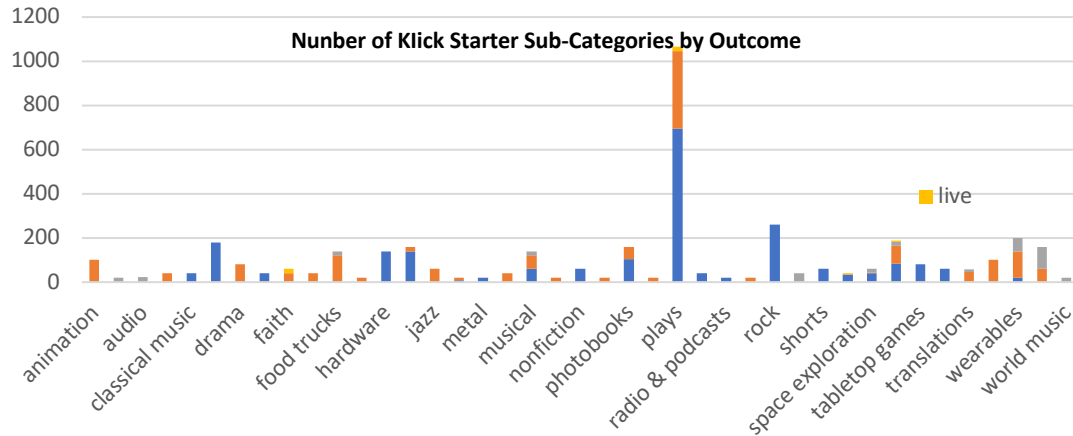
c. Kick starters seem to be most effective through the following creative mini economies:

1. Theaters
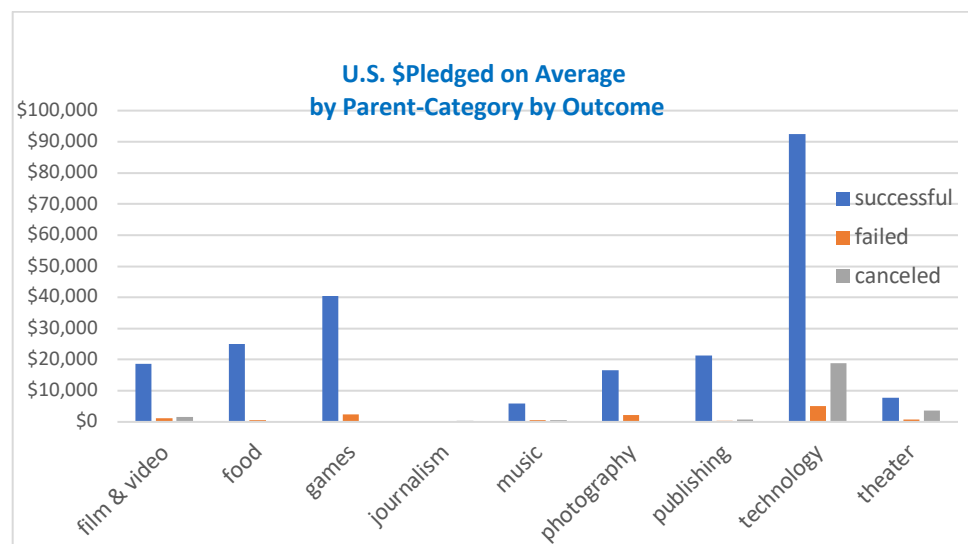2. Music
3. Film & Video

These results are at odds with Wikipedia's reports on Kick Starter, implying that our data of approximately 4k is only a subset of the original 200k data observations used on Wikipedia.

Some limitations of this dataset:

a. One main shortfall of the data is that the Sum of currency figures *across countries* cannot be meaningful unless they are converted into a single currency. We cannot overcome this difficulty by simply taking say the average pledged for a cross-country comparison either, unless we bring all currencies to one base. In addition pledges can come from any country though the kick starter can be country specific.

b. **Among the Top 10:** It is not clear why a Kick Starter like "The Most Advanced Jacket Hallal" with a goal of $5,000 had a pledge of over $1million, yet the project gets cancelled?! – and if these cancellations are due to Fraud, then where does that put the backers. Nor it is clear if the backers meet Kick Starters guidelines at all times. Added are problems with patent disputes and unionization, where our data comes short to explain. For additional information see the firing of 2 employees at Kick Starter who probably were fired for their attempts to create a union.

Some other possible tables and/or graphs that we could create follows:

a. Interestingly in a successful campaign, the Average pledged in U.S. was highest ($92k) by Parent Category: Technology. This is good news for Python & JavaScript programmers who are in demand, due to the development of this new technology called computers.

U.S. $Pledged on Average by Parent-Category by Outcome

Legend:
- successful
- failed
- canceled

Categories (x-axis): film & video, food, games, journalism, music, photography, publishing, technology, theater
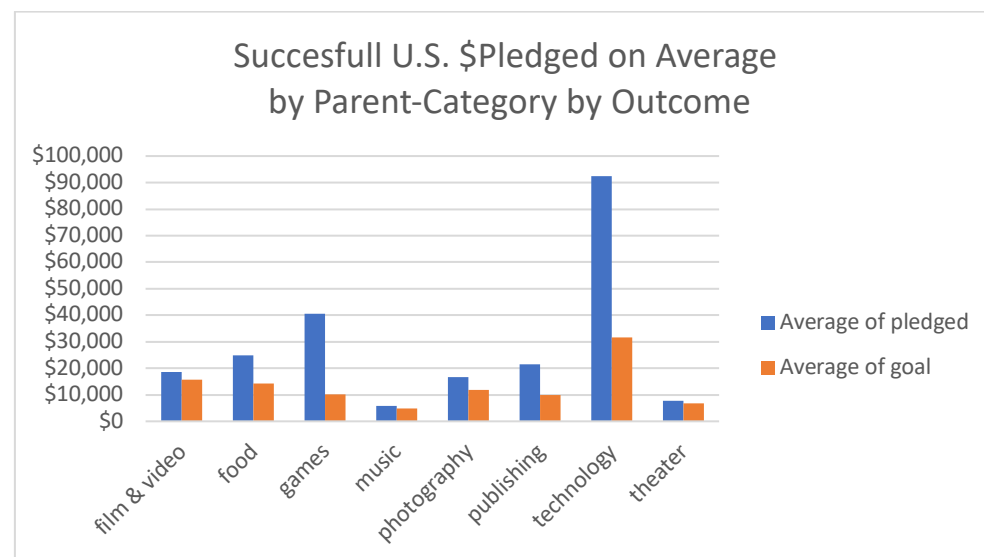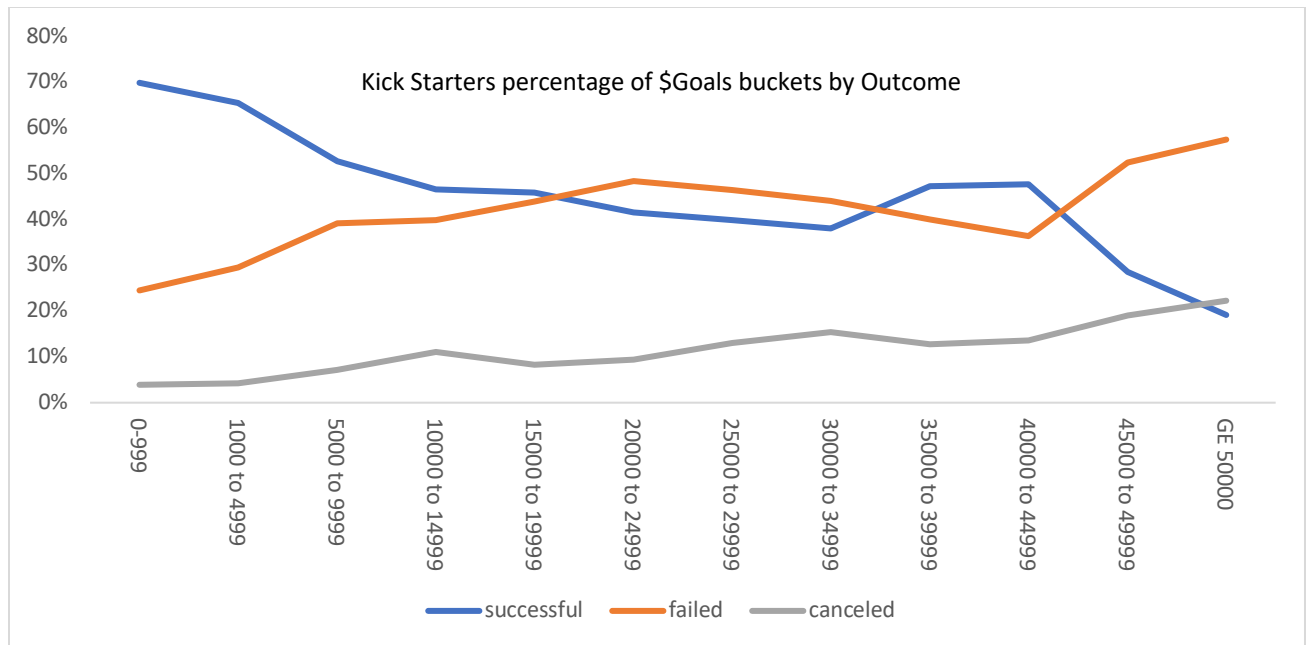
Among the causes of Failure in U.S. market, we may note the setting of unrealistic goals relative to pledges, across the following parent-categories:

Failed 2015 U.S. $Pledged on Average by Parent-Category by Outcome
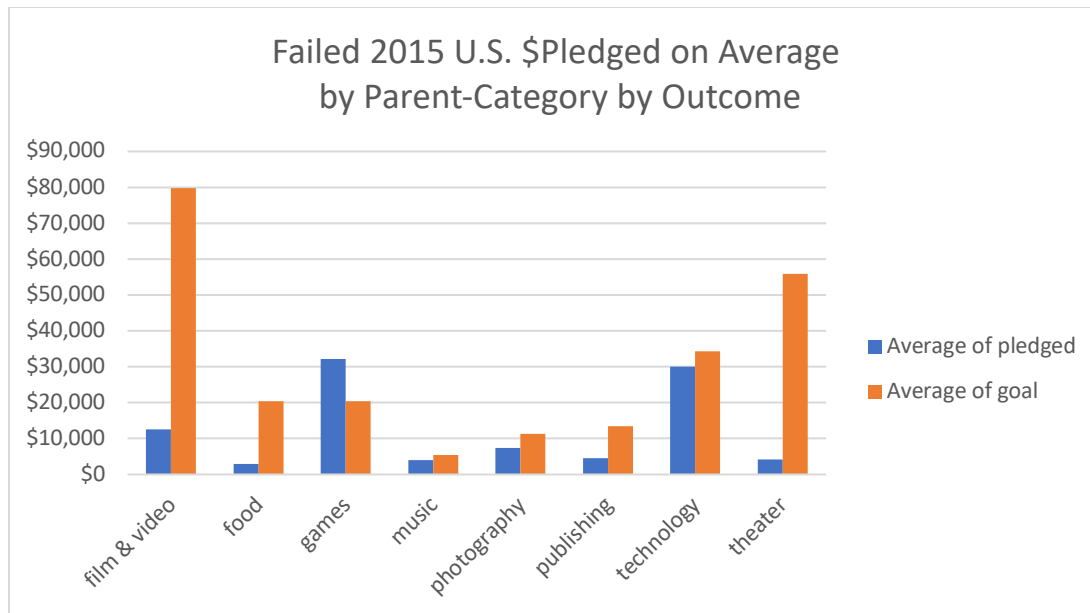
Given the above channels, to increase the success rate, we suggest to lower the average of Goal as close to the past average of Pledges within each category if not sub-category, subject to further analysis across other variables. In the case of Theater and Film, this is clear. In the case of Games, despite setting a goal below the actual pledged, the Kick Starters still failed. There could therefore be other causes for failure – which is not same as cancellation of the Kick starter due to fraud.

On the positive side we close with the following 2 charts:

Succesfull U.S. $Pledged on Average by Parent-Category by Outcome

Kick Starters percentage of $Goals buckets by Outcome

Bonus Points Highlight: Lower buckets have a higher success rates. Don't set unachievable goals. Conversely, the harder they come the harder they fall!

Enjoy the sunny day
Sources: https://en.wikipedia.org/wiki/Kickstarter

Columbia Engineering School. Data is a sample of the larger Kick Starter 200k observations.