**Kickstarter Report**

by Peter Bloomsburgh

First, I will provide some background about Kickstarter, based on a review of its website.  Then, I will provide some data about Kickstarter projects, including the results of several chi-square analyses to determine the significance of several interesting relationships.

**KIckstarter background**

Founded in 2009, Kickstarter is a funding platform for creative projects such as films, games, music, art, design, and technology.  All projects must have a clear goal, such as making an album, book, or work of art.  Donors do not receive ownership rights, but do sometimes receive a reward from the creator such as a copy or a t-shirt, as a thank-you.

Funding on Kickstarter is “all-or-nothing**”**.  If the funding goal is met, then the creators receive the funds, including any excess pledged beyond the funding goal.  If the funding goal is not met, creators receive no funds and donors are not charged. Kickstarter receives 5% of any funds actually raised.

**Some characteristics of Kickstarter projects**

Data was provided on 4,114 projects.  Described below are some of the characteristics of those projects.

**State**

The “state” variable describes the success of each project.  Specifically, each project is defined as successful, failed, canceled, or live.  The breakdown of the 4,114 projects was as follows:

* 2,185 successful (53,1%)
* 1,530 failed (37.2%)
* 349 canceled (8.5%)
* 50 live (1.2%)

**Goal**

The “goal” is the dollar amount the creator is seeking to enable them to complete their project.  In order to analyze this data, I grouped project goals into six categories: $0-99, $100-999, $1,000-9,999, $10,000-99,999, $100,000-999,999, and $1,000,000 and above.  Here is a table and related chart showing the relationship between a project’s goal and its success:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Goal | Success | Fail, Cancel | Live | totals |
| 0 to 99 | 18 | 5 |  | 23 |
| 100 to 999 | 304 | 126 | 8 | 438 |
| 1,000 to 9,999 | 1313 | 815 | 19 | 2147 |
| 10,000 to 99,999 | 520 | 747 | 21 | 1288 |
| 100,000 to 999,999 | 30 | 161 | 2 | 193 |
| 1,000,000 + |  | 25 |  | 25 |
| totals | 2185 | 1879 | 50 | 4114 |

The data above shows that projects that seek to raise less than $10,000 have a higher chance of success that projects seeking to raise larger amounts.  A chi-square analysis showed that the relationship between project goal and project success is significant, with a p-value of less than 0.1%.

**Percent Funded**

The “percent funded” is the amount actually pledged as a percentage of the project goal.  In order to analyze this data, I grouped the percent funded into seven categories: 0-25%, 25-49%, 50-74%, 75-99%, 100-124%, 125-199%, and 200% and above.  The table and chart below show this data versus project success.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Percent funded | Success | Fail, Cancel | Live | Totals |
| 0-24% |  | 1628 | 30 | 1658 |
| 25-49% |  | 180 | 10 | 190 |
| 50-74% |  | 55 | 1 | 56 |
| 75-99% | 99 | 12 | 2 | 113 |
| 100-124% | 1337 | 3 | 6 | 1346 |
| 125-199% | 492 |  | 1 | 493 |
| 200% plus | 257 | 1 |  | 258 |
| totals | 2185 | 1879 | 50 | 4114 |

The above data is not surprising.  None of the projects which raised less than 75% of the project goal were successful.  Almost all of the projects which raised at least 100% of the project goal were successful, with only 4 exceptions if we exclude projects which were still live.  The surprising result above is that 89% (99 out of 111) of the projects which raised between 75% and 99% of the project goal were successful. This seems to be in conflict with the “all or nothing” approach described in the Kickstarter website.

**Average Donation**

The “average donation” is the amount actually pledged divided by the number of project backers.  In order to analyze this data, I grouped the average donation into four categories: none. $1-99, $100-999, and $1,000 and above.  The table and chart below show this data versus project success.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Avg donation | Success | Fail, Cancel | Live | Totals |
| None | 0 | 404 | 6 | 410 |
| 1-99 | 1591 | 1198 | 30 | 2819 |
| 100-999 | 589 | 267 | 14 | 870 |
| 1,000+ | 5 | 10 |  | 15 |
| totals | 2185 | 1879 | 50 | 4114 |

Most projects had an average donation of less than $1,000.  Interestingly, of the few projects with an average donation of over $999, only one-third were successful (5 out of 15).    A chi-square analysis showed that the relationship between average donation and project success is significant, with a p-value of less than 0.1%.

**Country**

Country was another variable about which data was provided.  In order to analyze this data, I grouped the country data into three categories:  United States, GB / AU / Can (Great Britain, Australia, and Canada), and other countries.  The table and chart below show this data versus project success.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Country | Success | Fail, Cancel | Live | Totals |
| United States | 1651 | 1354 | 33 | 3038 |
| GB, Aus, Can | 449 | 366 | 9 | 824 |
| Other | 85 | 159 | 8 | 252 |
| totals | 2185 | 1879 | 50 | 4114 |

The United States had 3,038 projects, 74% of the total. Great Britain, Australia, and Canada had 824, 20% of the total.  Oher countries had 252, 6% of the total. The projects from other countries had a much lower rate of success. A chi-square analysis showed that the relationship between country and project success is significant, with a p-value of less than 0.1%.

**Category**

Projects were grouped into nine categories.  The table and chart below show this data versus project success.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Category | success | failed, canceled | live | Totals |
| film & video | 300 | 220 |  | 520 |
| food | 34 | 160 | 6 | 200 |
| games | 80 | 140 |  | 220 |
| journalism |  | 24 |  | 24 |
| music | 540 | 140 | 20 | 700 |
| photography | 103 | 117 |  | 220 |
| publishing | 80 | 157 |  | 237 |
| technology | 209 | 391 |  | 600 |
| theatre | 839 | 530 | 24 | 1393 |
| totals | 2185 | 1879 | 50 | 4114 |

There were 1,393 theatre projects (34%), 700 music projects (17%), 600 technology projects (15%), 520 film & video projects (13%), and 902 projects from the other five categories (21%). Of the four major project categories, music had the highest rate of success and technology the lowest.  A chi-square analysis showed that the relationship between category and project success is significant, with a p-value of less than 0.1%.

**Year**

Finally, data was collected about the year during which the project was created.  As can be seen from the table and chart below, most projects were created during the years 2014, 2015, and 2016.  Fewer projects were created during the years 2009, 2010, 2011, and 2012, probably because the organization was just getting started and becoming known.  The reason for the lower number of projects created for 2017 appears to be, at least partly, that only some of the year’s data was provided. It would be interesting to see more recent data.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | Success | Fail, Cancel | Live | totals |
| 2009 | 9 | 5 |  | 14 |
| 2010 | 49 | 16 |  | 65 |
| 2011 | 136 | 35 |  | 171 |
| 2012 | 216 | 66 |  | 282 |
| 2013 | 200 | 74 |  | 274 |
| 2014 | 474 | 502 |  | 976 |
| 2015 | 567 | 658 |  | 1225 |
| 2016 | 475 | 475 |  | 950 |
| 2017 | 59 | 48 | 50 | 157 |
| totals | 2185 | 1879 | 50 | 4114 |

**Some final thoughts**

Based on the data which was provided, several variables which are correlated with project success were identified above.  Much more could be learned based on interviews the leaders of the organization and a randomly selected sample of project creators.  More recent data would provide a more current perspective.