Entrepreneur's guide to Kickstarter

Problem-solving is one of the most important aspects of entrepreneurship. As both the founder of the organization and the leader of the team, an entrepreneur will be responsible for identifying and solving the problems of the customers, partners, employees and company, in general. Any budding entrepreneur will look to fund his/her idea to solve a problem and earn financial, social or personal profit through it.

Decision making is the most difficult thing for an entrepreneur. A highly reliable source to bank on and make decisions from is Statistics. As a part of the project, I have secured a dataset of Kickstarter, a popular crowdfunding platform.

Crowdfunding is one of the most accessible ways to raise money for a project. It's an opportunity to share your work with a wider audience and gain their feedback and support. But not all campaigns are successful - about 35.4% of Kickstarter campaigns reach their goal amount. Assuming we follow the hypothesis of the same budding entrepreneur, I have tried to answer the following question to realize whether he should or should not choose Kickstarter as a source to fund his ambitious idea -

1. Which geography can he choose to garner funding?
2. Which industry/ market segment he can focus upon?
3. How to define his success criteria -
   I. On an average, how many investors are required to meet the valuation of his company?
   II. How long should he run his campaign to gather required funding?

Let us have the look at the data gathered –

Dataset:
The dataset majorly consists of the following Dimensions and Measures

Sr. No.	Type	Name	Meaning
1	Dimension	ID	Unique Kickstarters ID for a Startup
2	Dimension	Country	Country of Origin
3	Dimension	Currency	Currency of Origin
4	Dimension	Main Category	Highest class to which the start up can be reduced to

| 5	Dimension	Sub Category	Sub class to the Main category
6	Dimension	Name	Start Up Name
7	Dimension	Launched Date	Start Up Launch Date
8	Dimension	State	Current Status of the Startup
9	Dimension	Deadline	Deadline of Origin
10	Dimension	Measure Names	Default Tableau Calculation
11	Measures	Backers	Number of Backers fora Startup
12	Measures	Goal	Fund/ Investment raising goal
13	Measures	Pledged	USD Pledged / Promised for Investment
14	Measures	USD Pledged Real	USD Invested
15	Measures	Latitude ()	Geographical Latitude
16	Measures	Longitude()	Geographical Longitude
17	Measures	Number of Records	Total Number of records
18	Measures	Measure Values	Total sum of all measures
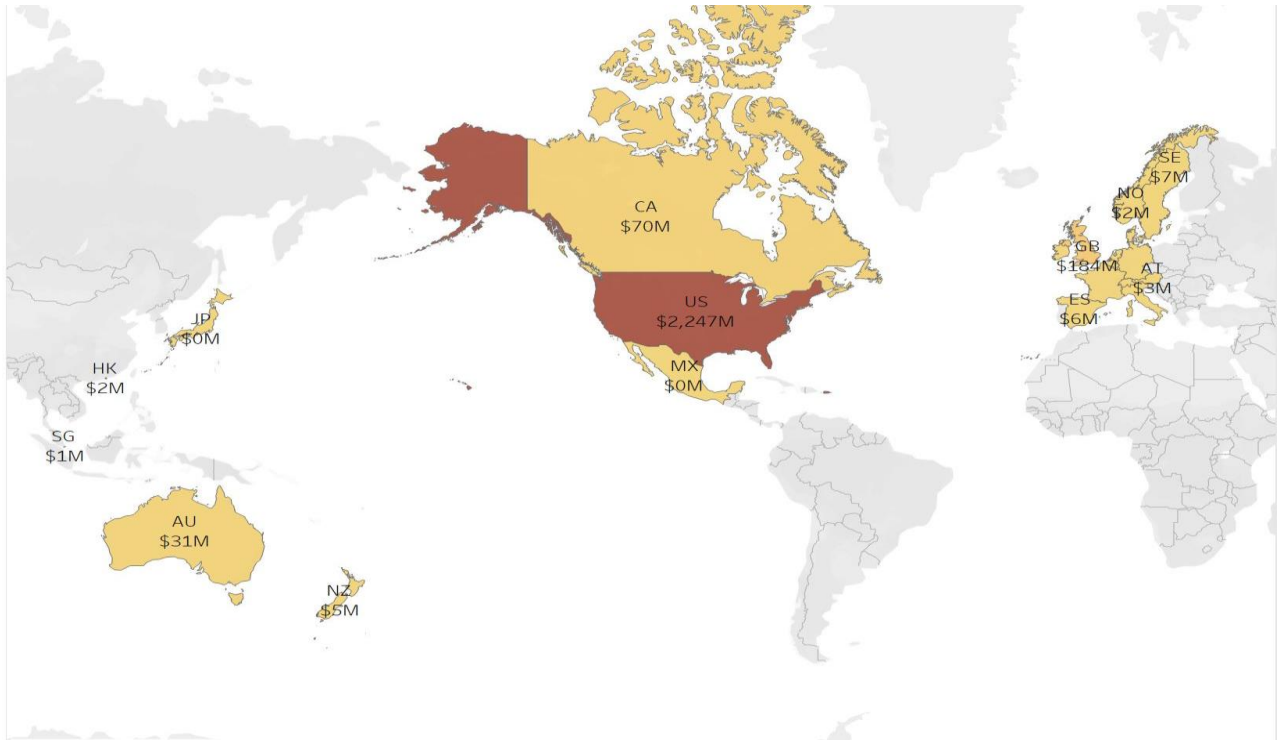
It can be observed from the above that the United States leads the way in securing the highest amount of funding followed by Canada. An entrepreneur will personally be looking to seek funding for his venture focusing the market of the United States as most of the investment is gained from that part of the globe.
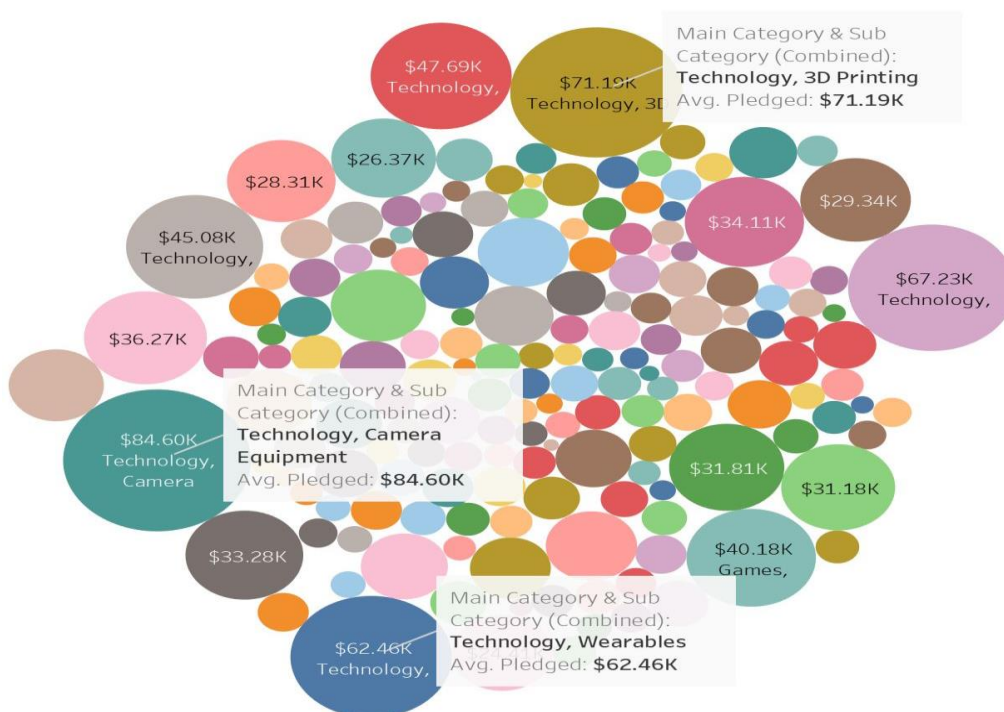
Further digging out for the area in which the majority of funding is favored through Kickstarter, it is found that Technology is where a major number of investment is taking place consisting of sub categories of campaigns in improved Camera Technology, Modern 3D printing, latest Tech Wearables, etc.

Since we already have a brief of the categories like Technology, Gaming for which the entrepreneur can think of getting into kickstart for funding, if he does, let us visualize the criteria for which the funding campaign can become successful.
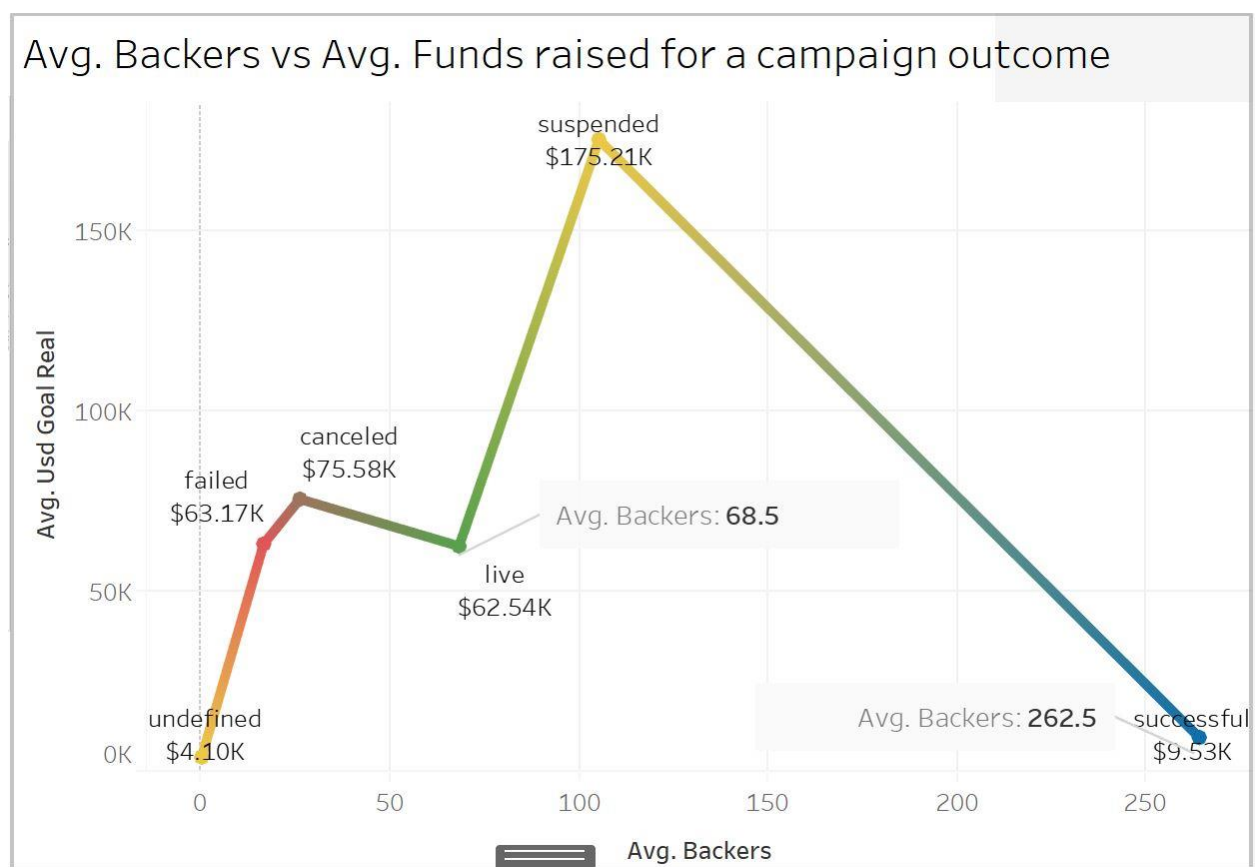

From the above visualization, we can conclude that for a successful campaign, there can be an average of 262 backers and an average fund raised by each backer to be $9.53K. This takes the product/service valuation to approx. $250K (262 x 9.53K) on an average for a successful company. So if an entrepreneur wants to launch his own Kickstarter campaign, he has to, going by the average statistics to have his product/service valuation close to $250K with possibly close to the average number of backers and funds per backer with a margin of trade-off between to successfully raise money. Now, let us look at avg. length of successful campaigns -

Average length of campaigns that have seen different fates

State

Observing from the above bar chart, we can determine the second part of our success criteria as for a successful funding an entrepreneur has run a campaign for around 32.16 days with a range of 28 to 39 days. This defines how optimal the service/product is to grab crowd attention for successful funding.
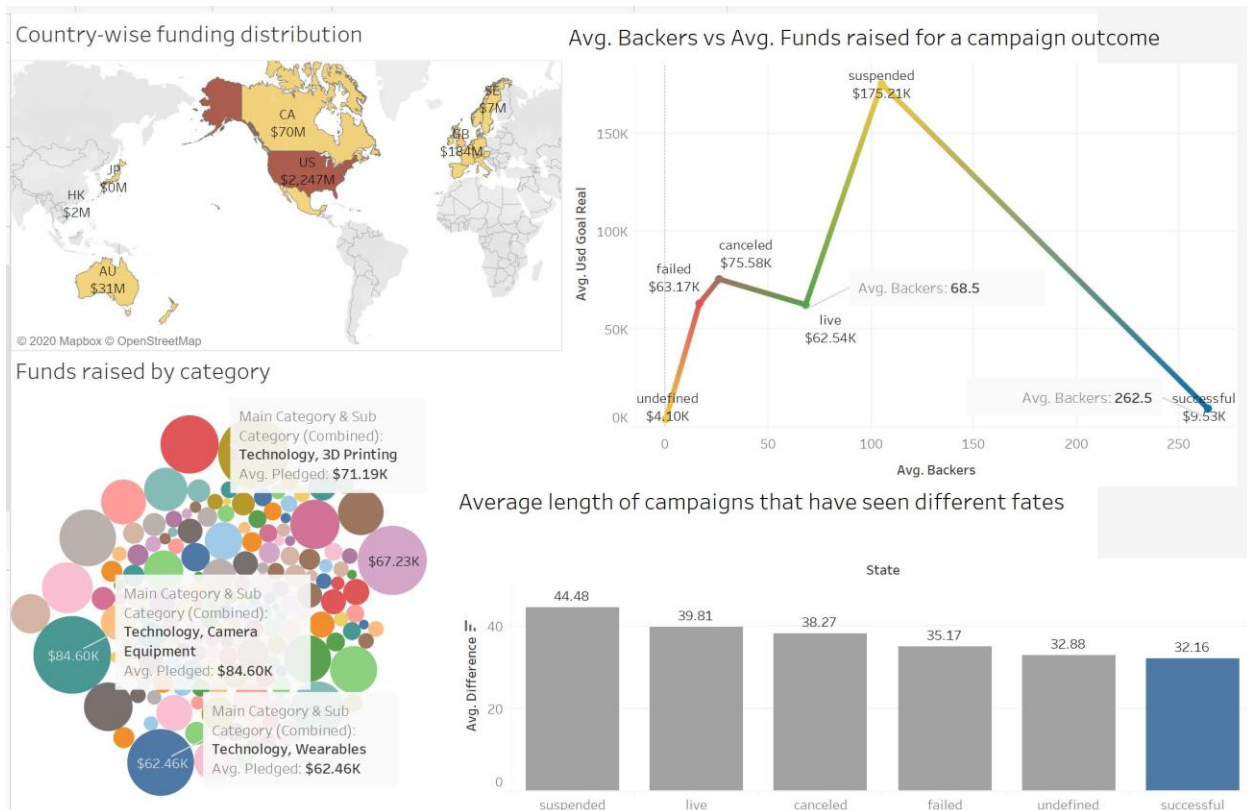
Conclusion: From the above defined and answered hypothesis, we can say that an entrepreneur to successfully get funded on Kickstarter platform has to adhere to certain statistically proven methods and results in terms of category/ industry segment, campaign length, number of backers and product/service valuation; all with 37% success rate. This makes Kickstarter only suitable for an industry niche category and region specific.