



School and Pool for Digital Talent

Christoph & Sven

**KICKSTARTER**



# Who we are...

Consulting company which analyses kickstarter projects  
and **predicts their chances of success** with machine  
learning algorithms



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CONSULTING



# Our Stakeholders

For any person or company that wants to crowdsource a **project through Kickstarter** and needs advisement on **strategy and prospects of success.**



# Goal

## How to optimally raise money with crowdfunding?

- Recommendations and Insights for crowdfunding projects
- Predicting the success of a project → Chances



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# Business questions

- What does the average project on Kickstarter looks like?
- What can you expect with a specific project?
- Which factors are important for success?
- Which machine learning model is the best to predict the success?

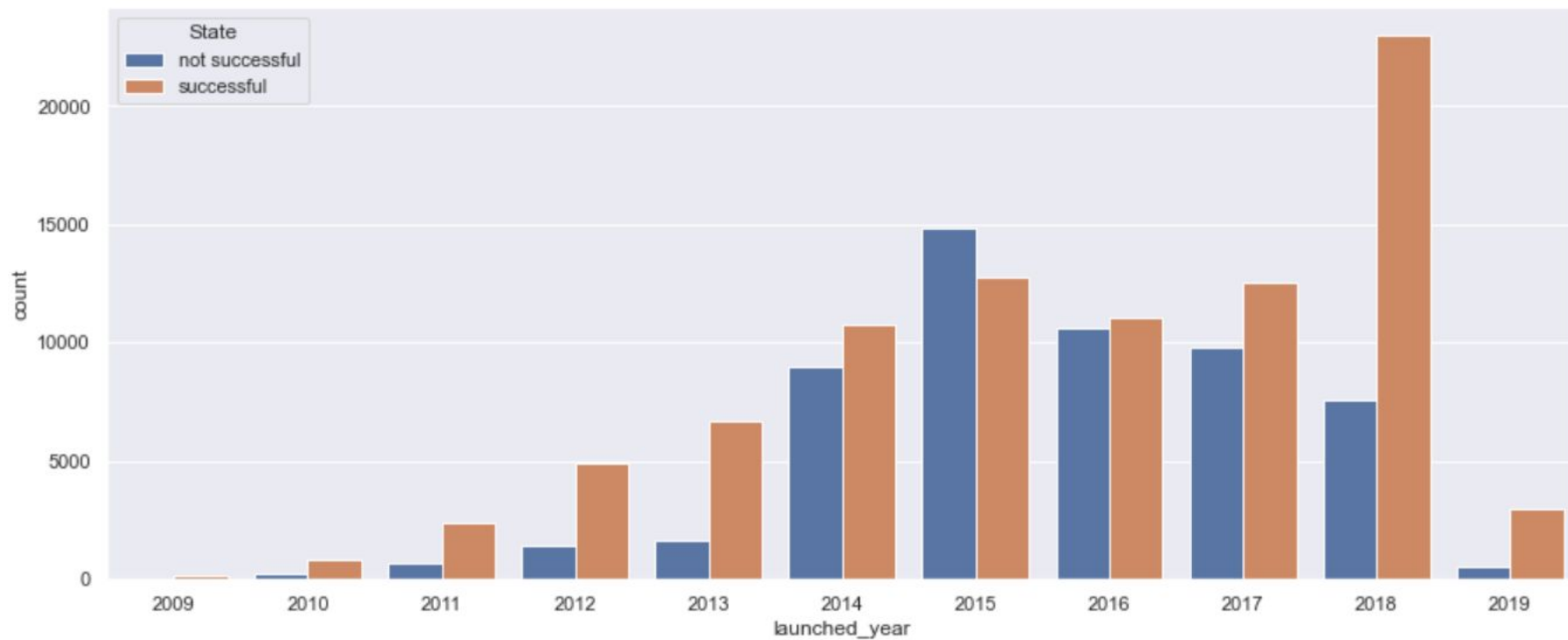


# Data Overview

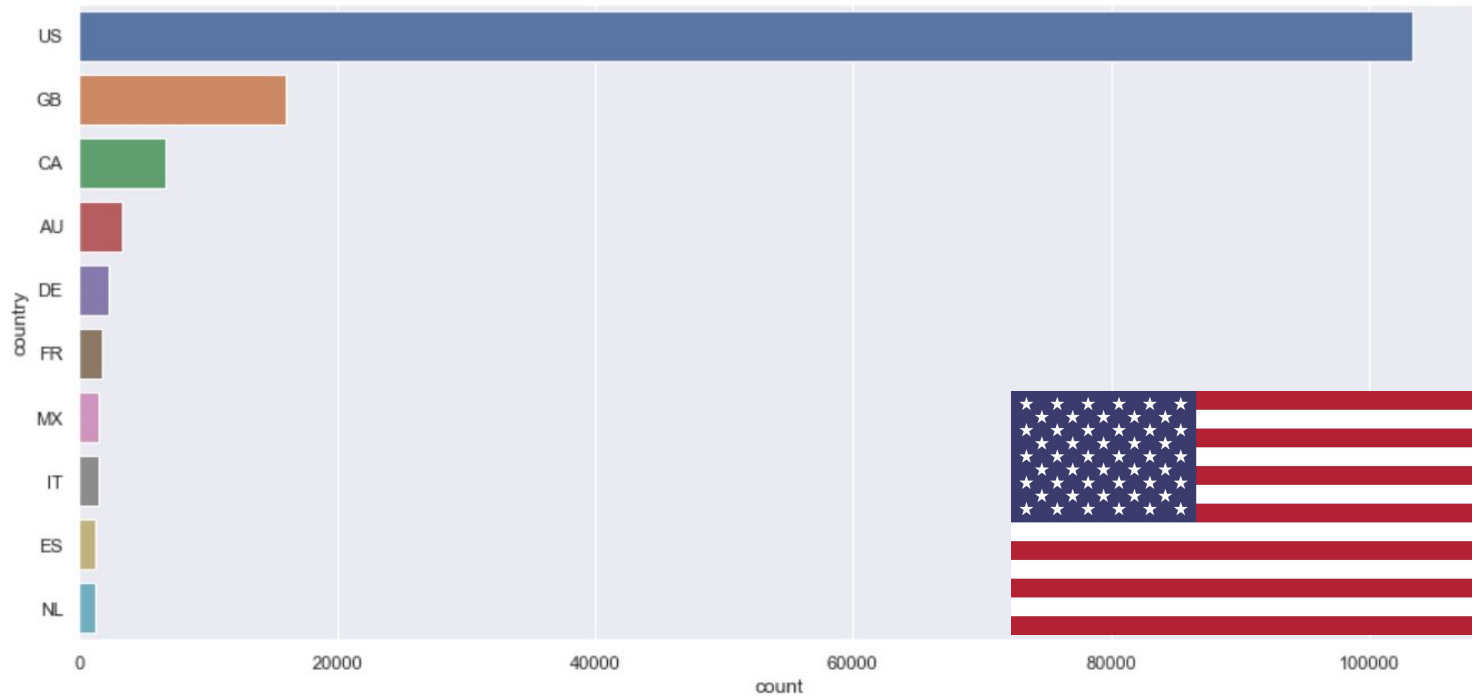
- 2009 - 2019
- 33 Features (dropped 16)
- nearly 200,000 projects
- from 22 different countries
- strong outliers (i.e. unrealistic/"fun" goals)



# Timeline



# Countries

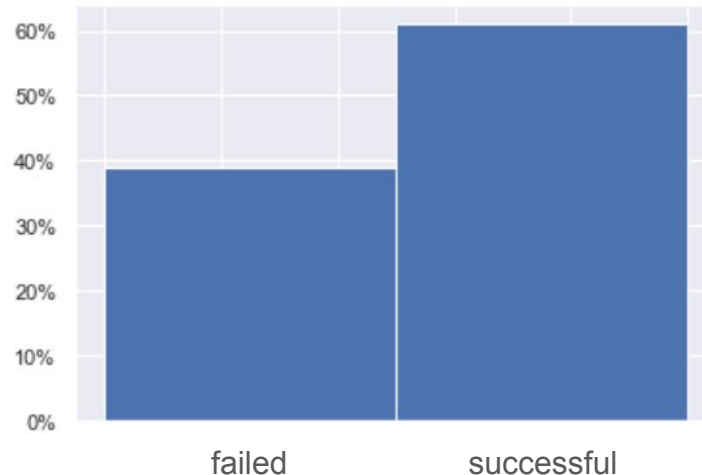






# Average Kickstarter Project

- 61% are successful
- 27% were in the categories of music, film & video
- 30 days funding period
- 30 Backers
- \$59 per backer
- \$5,000 Goal





# Successful Projects

How does a successful project on kickstarter looks like?

- \$3,500 goal (not successful = 7,000\$)
- \$4,900 reached
- 69 backers
- \$62 per backer

→ 50% of the project goals are between \$1,000 - \$10,000





# Top 10 Projects



→ Only 2% got more than \$100,000

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| backers_count | category     | converted_pledged_amount |
|---------------|--------------|--------------------------|
| 63416         | games        | 8596474                  |
| 69320         | games        | 6333295                  |
| 41939         | games        | 6256244                  |
| 41939         | games        | 6256244                  |
| 91585         | film & video | 5702153                  |
| 64867         | games        | 5545991                  |
| 105857        | technology   | 5408916                  |
| 26828         | technology   | 5333792                  |
| 26828         | technology   | 5333792                  |
| 5946          | technology   | 4236618                  |

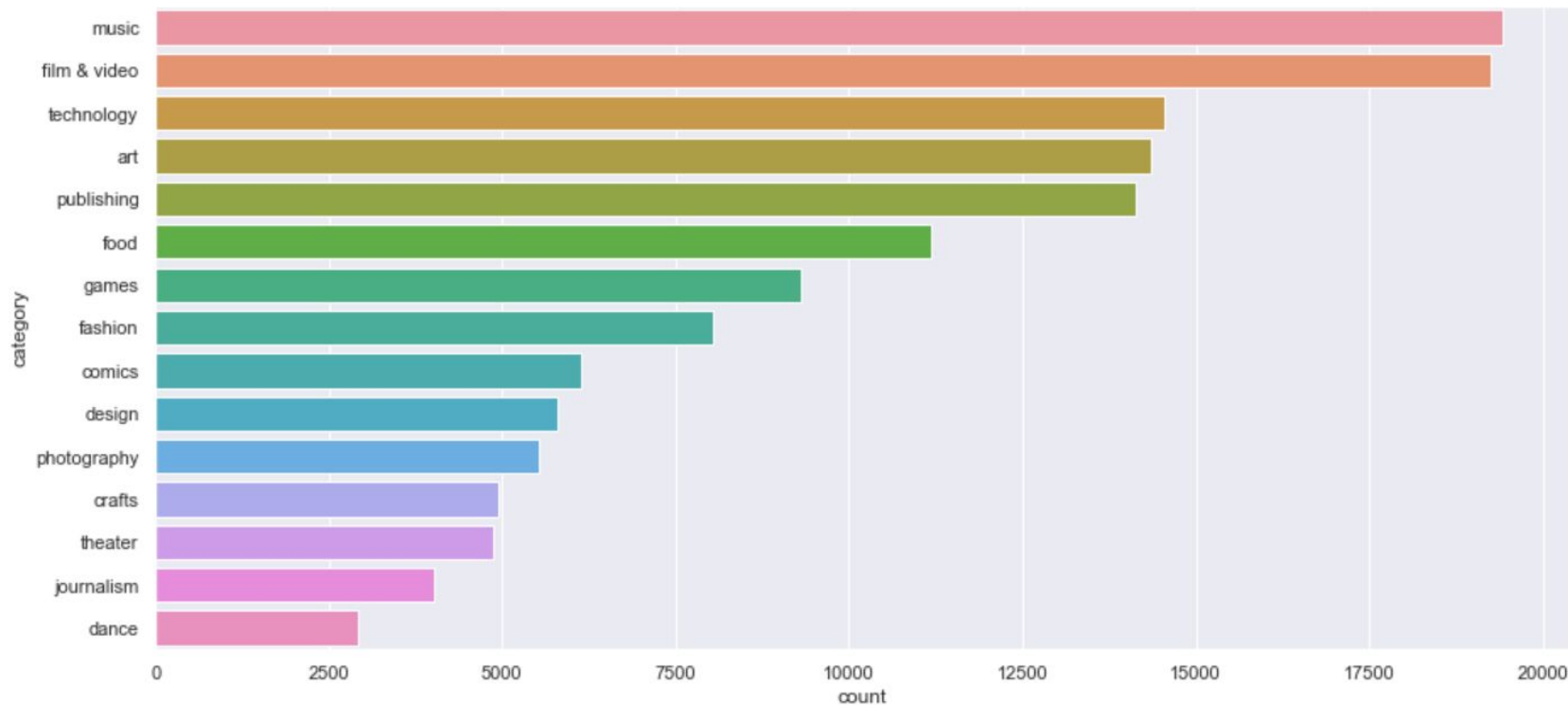


# Featured on Kickstarter

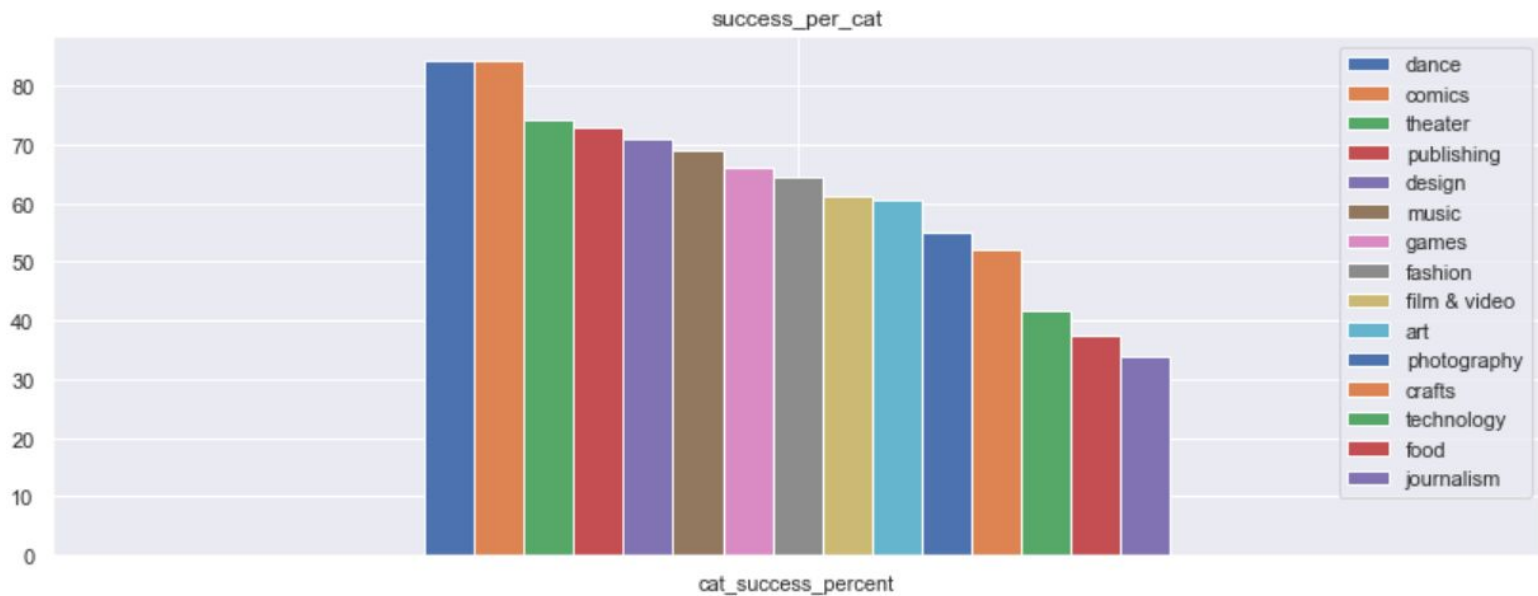
- 16% of the projects will be picked by staff to get featured
- 90% of featured projects succeed
- On average, these projects received \$25,000 more than expected
- Also on average: 400 more backers and \$16 more per backer



# Categories



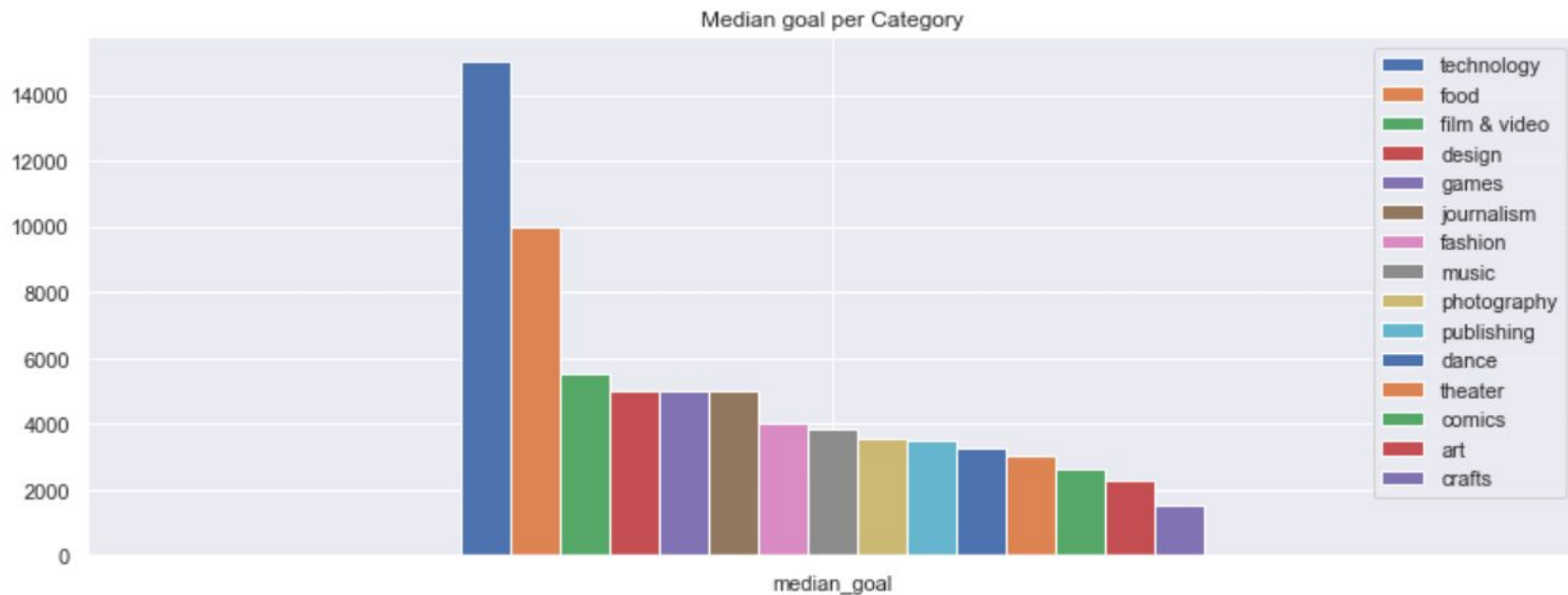
# Categories



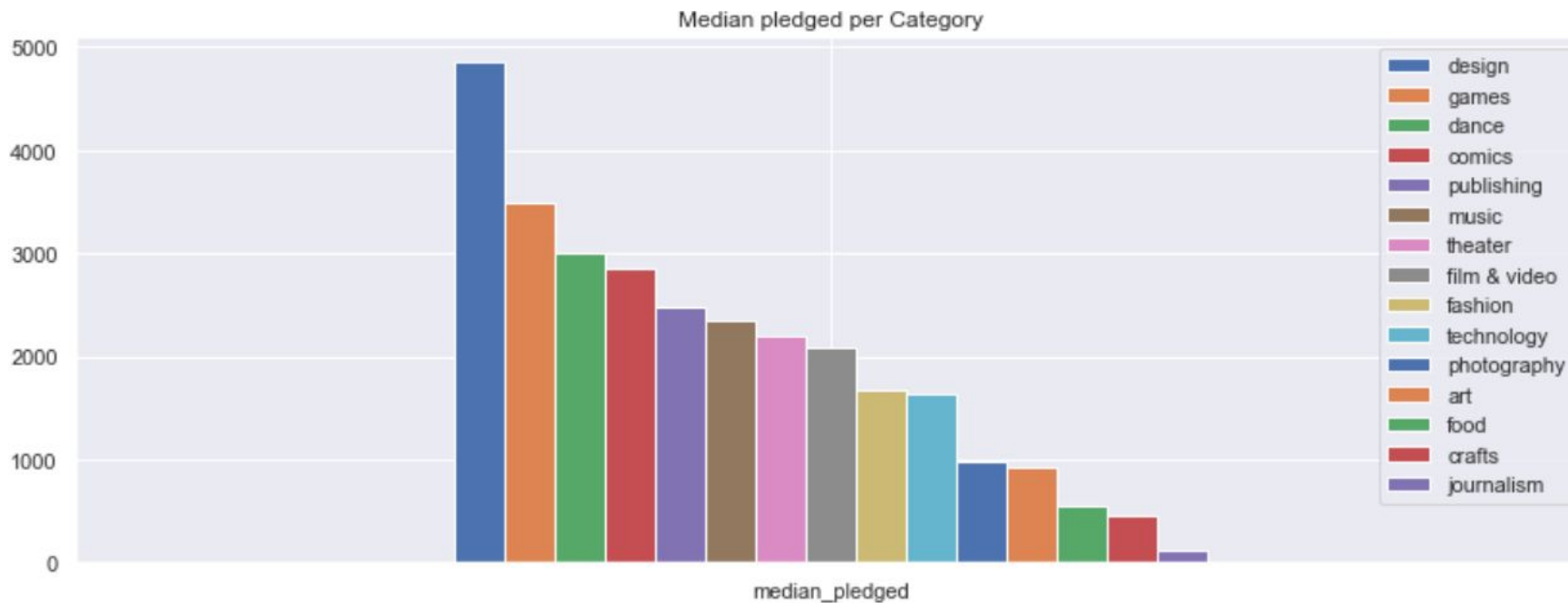
dance comics theater publishing design music games fashion film & video art photography crafts technology food journalism

cat\_success\_percent 84.0 84.0 74.0 73.0 71.0 69.0 66.0 65.0 61.0 61.0 55.0 52.0 42.0 37.0 34.0

# Categories

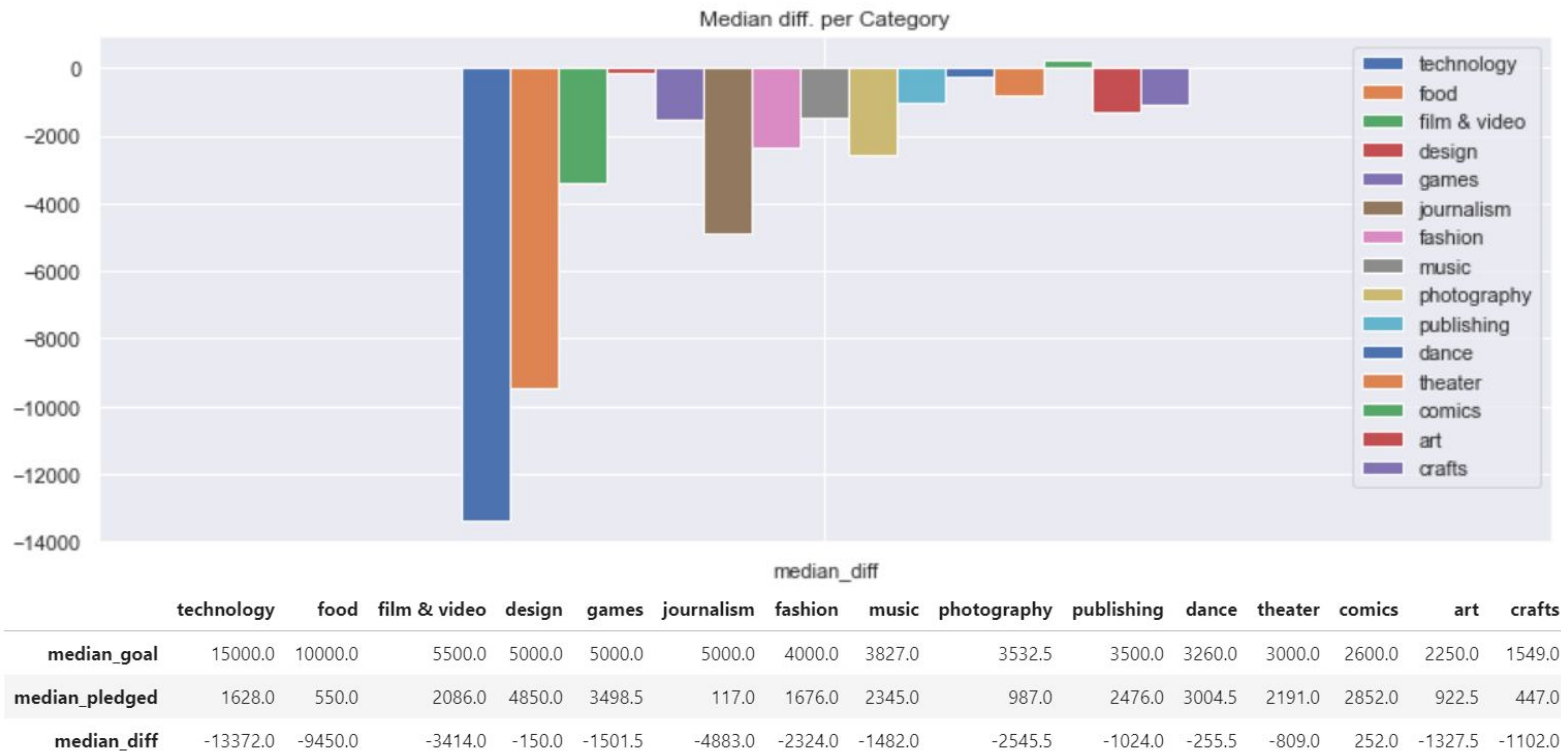


# Categories

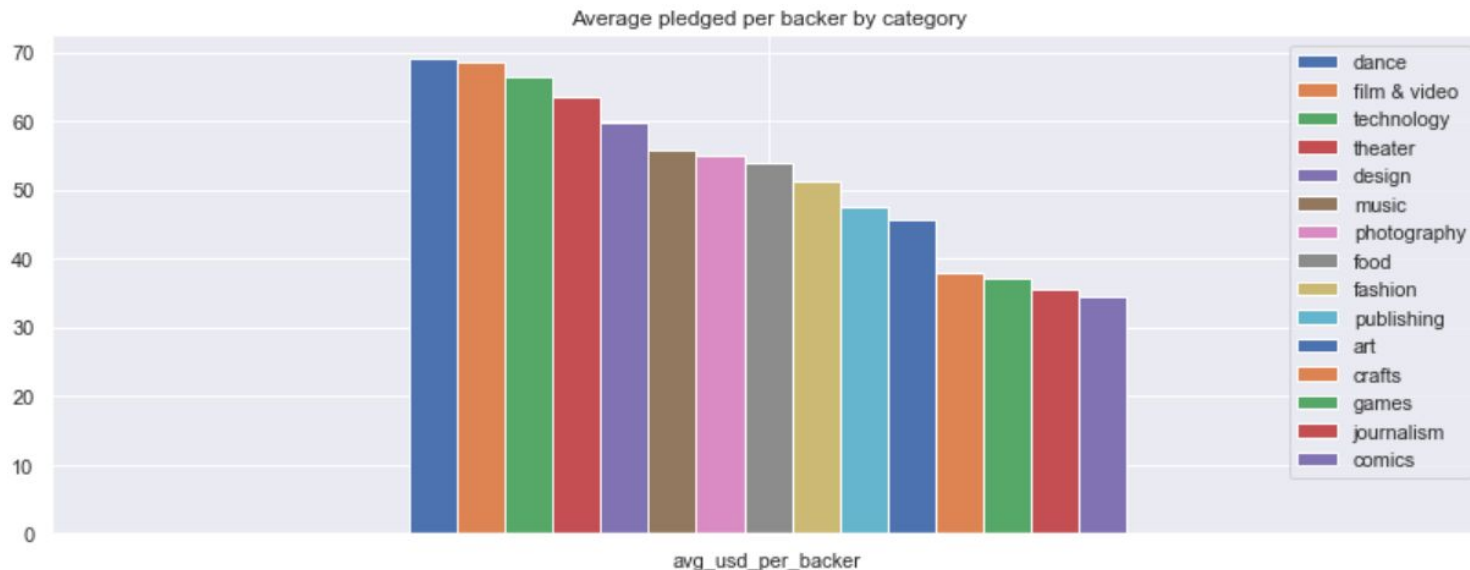




# Categories



# Average \$ per backer



|                    | film & video | dance | technology | theater | design | music | photography | food | fashion | publishing | art  | crafts | games | comics | journalism |
|--------------------|--------------|-------|------------|---------|--------|-------|-------------|------|---------|------------|------|--------|-------|--------|------------|
| avg_usd_per_backer | 69.0         | 69.0  | 67.0       | 64.0    | 58.0   | 56.0  | 55.0        | 54.0 | 52.0    | 48.0       | 46.0 | 37.0   | 37.0  | 35.0   | 34.0       |



# Evaluation metrics

- We try to minimize False-Negatives (high recall)
- High recall is easily achieved, so we also need a metric to balance it out
- For this we are using the area under curve for precision-recall



# Prediction Model

| Model  | KNN  | DecTree | LogReg | RandomForest |
|--------|------|---------|--------|--------------|
| Recall | 1    | 0.88    | 0.51   | 0.87         |
| AUC    | 0.58 | 0.67    | 0.65   | 0.7          |



# Recommendations

- Don't expect too much → just 25% of the projects got more than \$7,000
- Set a realistic goal - not too high
- Be aware of the different chances of success per category
- Try to get featured (hints: <https://www.kickstarter.com/blog/how-to-get-featured-on-kickstarter?lang=en>)



# Future outlook

- Text Analysis: Which words are important?
- Software-as-a-Service / Web-Application for Clients
- Get more data for marketing budgets
- Try more ML algorithms
- Compare different crowdfunding providers

