Report – Crowdfunding Analysis

Conclusions:

* **Entertainment Drives Engagement –** Across all major categories, the top three were by far those involving spectator media. *Theater* crowdfunding endeavors accounted for 344 of the 1000 with *film & video* at 178 and *music* closely following with 175. These three categories were responsible for 70% of the platform’s total projects. While these programs did not experience much variation from average in terms of funding success, it is critical to be aware of our users’ preferences moving forward. We may want to shift our marketing to better represent our consumers.
* **Technology Niches Worth Exploring More –** Excluding the glut of theater projects there are some other fields that could lead to promising yields for our clients. On average, 57% of the proposed projects receive the posted funding goal. In our data analysis, we found that *web* (70% success, 51 total), *translations* (65% success, 17 total), and *wearables* (62%, 45 total) were areas that users would more favorably support. As the technology sector grows, there are more consumers looking to find greater, more relevant products in these areas.
* **Geek Culture Yields Lower General Audience -** On the other hand, *video games* (48% success, 35 total), *mobile games* (30% success, 13 total), and *science fiction* (35%, 14 total) were all poor performing categories. Compared to the other entertainment subcategories, these were all unusually less funded. One possible explanation for this maybe to the severe segmentation of the market. Even within the community that enjoys these types of projects, each individual still holds specific preferences that may not apply to the subcategory as a whole.

Limitations:

* **The Crowd is Mostly American -** Although there are projects from multiple countries, the United States by far dominates the field. 763 of the 1000 projects we surveyed were founded by US-based companies. While users can donate to crowdfunding projects internationally, our data does not differentiate the sources of funding for each project. As the American market and culture may prioritize different categories which we would need further analysis to understand. If our client base seeks to grow internationally, we may want to tailor our approach to the sensibilities of other countries.
* **Just How Funded Was It? -** Most of the analysis done on the thousand projects in our dataset compared success based on whether the project reached its funding goal or not. However, there is no distinction for failures whether they received 0% of their goal or 90%. Similarly, successful projects did not have a funding cap, and some projects received over 1000% of their goal. For functional purposes, a project that received 95% and 105% of their funding could reasonably complete the same operational goals.

Further Analysis:

* **The Crowd is Mostly American –** Our data categorizes projects based on the country of origin of the company or personnel who founds it, but users from across the globe can contribute money. I would like to delve into not only where the money is going to but where it is coming from. How much does a user from American devote to crowdfunding versus one from China? What types of projects are they more likely to fund? If we uncover that certain countries tend to favor rock music for example, we can target our advertisements to their particular interests. We can also analyze if users typically fund domestically or internationally, and maybe highlight local projects in each area.
* **Just How Funded Was It? –** I would like to do further analysis along the same lines of category versus success but substituting the success metric. Instead of determining the success based on the reaching the threshold, I’d plot category against percent funded. A scatterplot graph of these numbers could also reveal whether certain fields received extra money or exceptionally low funds more often. This data analysis would help us and the clients understand if there is an underserved market with untapped spending potential. In other words, if people routinely fund photography book projects up to 400%, we may source more corresponding clients.

Additionally, is there any correlation with the likelihood of a project to getting funding and the size of the donations? We calculated the average donation per project, but we may want to isolate particularly large donations – maybe those over 5% of the total project goal. Do successful projects have a series of smaller donations or are they carried by a couple of exceptional funders? If a project are generally swayed by mega-donors, we may shift our models to elicit the attention of these types of users.