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Homework 1

What are three conclusions we can make about Kickstarter campaigns given the provided data?

One conclusion we can make about Kickstarter campaigns is that a good number of them are not successful. In this case, 1,879 campaigns out of 4,114 either failed or were canceled. That means that over 45% of the campaigns were not a success. There were 2,185 successful campaigns, meaning roughly 53% of the campaigns were successful. Thus, you could boil it down to saying that there is a roughly 50/50 chance a Kickstarter campaign is successful.

If we dig further into the success rate of a Kickstarter campaign, we can derive another conclusion. Based on our data, Kickstarter campaigns have a higher success rate when their fundraising goal is lower. For example, 71% of Kickstarter campaigns that had a goal of less than $1,000 were successful. In fact, the top 3 highest success rates for Kickstarter campaigns grouped by fundraising goal were found for the three lowest goal brackets: less than $1,000 (71% successful), $1,000 to $4,999 (66% successful), and $5,000 to $9,999 (53% successful). On the flip side, the success rate of Kickstarter campaigns with goals of $45,000 to $49,999 was only 29% and the success rate of Kickstarter campaigns with goals of $50,000 or more was even lower at 19%. Therefore, one could conclude that Kickstarter campaigns are more likely to be successful the lower the fundraising goal and less likely to be successful the higher the fundraising goal.

In addition, a category analysis reveals the categories of Kickstarters that were most and least successful. The category with the lowest rate of success was food, with only 17% of the campaigns being successful. The most successful category was music, with 77% of campaigns being successful. Therefore, one can also conclude that a food Kickstarter is least likely to be successful and a music Kickstarter is most likely to be successful.

What are some of the limitations of this dataset?

One of the limitations is sample size. This data only accounts for 4,114 Kickstarter campaigns out of over 300,000 that have been launched on Kickstarter. While this certainly a reasonable start, more data would provide a better view of trends.

Another limitation is the representation of categories and subcategories. For example, this dataset includes 1,393 theater Kickstarter campaigns and only 24 journalism Kickstarter campaigns. Are there actually significantly more theater campaigns than journalism campaigns on Kickstarter or is our dataset skewed? In addition, there are only 200 food campaigns. If our data is skewed for some reason this could affect our conclusions made above. In particular, what if this cross section of Kickstarter campaigns is skewed so that it overrepresents successful music campaigns and underrepresents successful food campaigns? In that case, our third conclusion could be wrong.

What are some other possible tables/graphs that we could create?

Other analyses that can be performed include an analysis of the outcome vs the average donation of backers. I would create a line graph with the average donation on the x axis and the success rate on the y axis to see if there is a trend. Are campaigns with higher average donations more or less successful than campaigns with lower average donations? A line graph could help answer that question.

I would also be interested in seeing the relationship between the number of backers and the outcome of a Kickstarter. Again, a line graph showing the relationship between the number of backers and the percent successful for Kickstarter campaigns, we can answer the question of whether or not more backers means more chance for success.