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CROWDFUNDING SUCCESS PREDICTION: AN EMPRICAL STUDY ON INDIEGOGO PLATFORM

Abstract:

Crowdfunding is an appealing financing method to enterpreneurs with financial difficulties in realizing their project ideas. This practice is an endeavour to raise funds for a project or a business venture from a large population where the enterpreneurs make an open call through the internet and try to persuade individuals to support their innovative ideas. Within four different types of crowdfunding and hundreds of websites emerged, this study focuses on reward and donation based crowdfunding in one of the most prominent platforms, Indiegogo. The study introduces a decision tree model that classifies the submitted projects at Indiegogo as successful or not and underlines the key success features for entrepreneurs who are to make an online call for fundraising.

Keywords:

classification, data mining, crowdfunding, binary model, knowledge discovery

JEL Classification: C38, C80