Configuration Manual

MSc Research Project

Master of Science in FinTech

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MSc Project Submission Sheet

Student Name: Kanishka Dhyani

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Programme: Master of Science in FinTech **Year:** 2024

Module: MSc. Research project

Lecture: Victor Del Rosal

Submission Due Date: 12th August, 2024

Project Title: Unveiling The Key Attributes of Leading Crowdfunding Projects

Word Count: 662 **Page Count:** 6

I hereby certify that the information contained in this (my submission) is information pertaining to research I conducted for this project. All information other than my own contribution will be fully referenced and listed in the relevant bibliography section at the rear of the project.
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Signature: Kanishka Dhyani

Date: 12th Aug 2024

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Configuration Manual

Kanishka Dhyani

X22232745

1. General Outlook

In the study, implementation of Machine Learning models and other relevant visualization are conducted on Google Collab using Python. This manual furnishes a report including technical set ups of software and hardware required to complete this research under the title of: 'Unveiling The Key Attributes of Leading Crowdfunding Projects'.

2. Data and Libraries

The data was collected from 'Web Robots' having scraper robot this website collects monthly data from the website of Kickstarter. All the 110 files from 2009 to 2024(till 15.06.2024) were first downloaded and then collated into single Masterfile

- The website link for this site: https://webrobots.io/kickstarter-datasets/

Extending the capabilities of programming language, we have used below mentioned Python libraries (pre-written codes collection):

Libraries	Purpose	Step
import pandas as pd	It is data manipulation library used for data cleaning and transformation	Data Manipulation
import numpy as np	It is numerical computing library, needed for data analysis and scientific calculations	Data Analysis
pip install plotly	It is graphing library, used for building graphs, charts and other visualization	Data Visualization
pip install pandas matplotlib	It is inclusive library used for static plots, bar charts construction, part of data visualization	
import plotly.graph_objects as go	Used for constructing detailed and complex graphs and plots	
import matplotlib.pyplot as plt	Used for wide variety of animated and connected plots	
import plotly.express as px		
import seaborn as sns	Used for generating statistical plots	
from sklearn.preprocessing import LabelEncoder	Used for converting categorical variables into numerical values	Data Preprocessing
pip install pandas matplotlib wordcloud nltk	Used for generating word cloud for text frequency visualizing	Text Visualization
from nltk.corpus import stopwords nltk.download('stopwords')	Used to take out common words from textual data	Text processing

from nltk.tokenize import word_tokenize nltk.download('punkt')	Used for splitting text into single tokens	Text processing
import nltk	Natural Language Toolkit(nltk) gives tools for text processing	Text processing
from scipy import stats	Used for conducting statistical tests and distribution	Data analysis
from sklearn.model_selection import train_test_split	Scikit-learn library used for machine learning. The function is splitting the data into random train and test subsets	Data Modelling
import mutual_info_classif	This function estimated mutual information for dependent variable	
import LogisticRegression	This function importing Logistic Regression model	
import RandomForestClassifier, GradientBoostingClassifier	This function importing Random Forest and Gradient Boosting Classifier	
import KNeighborsClassifier	This function importing K-Nearest Neighbours Classifier	
import xgboost as xgb	This function importing XG Boost	
import permutation_importance	This function estimates the importance of each variable	
import accuracy_score, confusion_matrix, mean_squared_error, roc_auc_score, roc_curve	This function calculates the accuracy score, MSE, calculates ROC and the area under ROC curve and accuracy of classification by computing confusion matrix	Data Evaluation

- **Metadata**

variable	Description	Type
ID	Unique project ID	
Name	Name of projects	Independent Variable
Blurb	Title of projects	
Sub_category	Sub category under which funding is to be raised	
Category	Main category under which funding is to be raised	
Currency	Currency of projects	
Current_currency	converted to dollars	
Country	Country of product origin	
Deadline	Deadline for crowdfunding	
Goal	Amount of money the creater needs to complete the project (USD)	Independent Variable
Launched	Date the project was launched	
Launched month	Month the project was launched	Independent Variable
Pledged	Amount of money pledged to by the crowd (USD)	
State	Outcome of project ie. successful, failure, live, suspended or cancelled	Dependent Variable
Backers	Number of backers/ investors	Independent Variable
Staff_pick	Recommended by staff	Independent Variable
Duration	How many days project was open for fund raising	Independent Variable

3. System Specification

Hardware Requirement

- Lenovo IdeaPad 3 15IAU7 Laptop- Model
- 12th Gen Intel(R) Core (TM) i5-1235U 1.30 GHz- Processor
- 16.0 GB (15.7 GB usable)- RAM
- 64-bit operating system, x64-based processor- System type
- Windows 11 Home Single Language- operating system

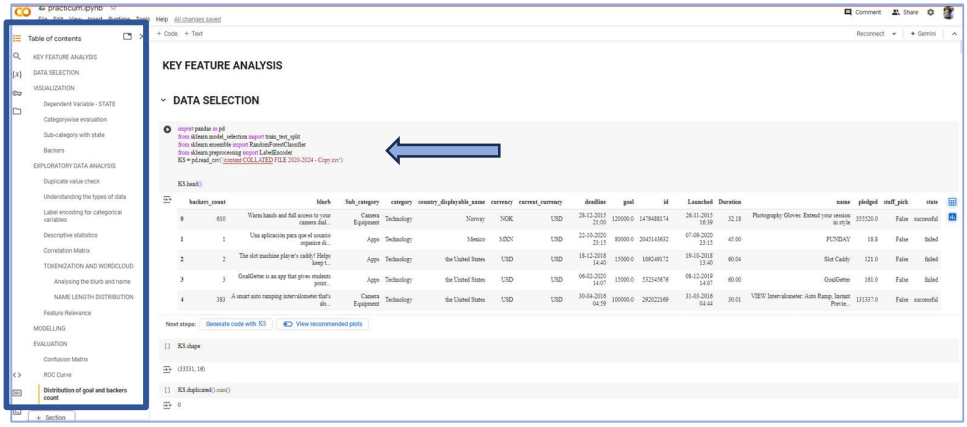
Software Requirement

- Python Programming language and Google Collab

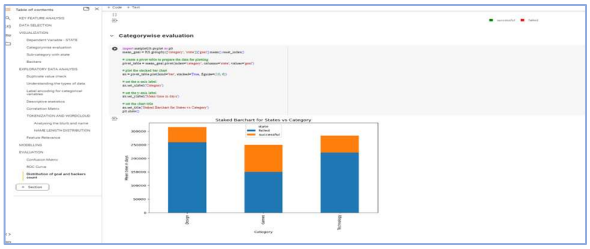
4. Operational Process

The operational process is categorized into several parts: importing data, preprocessing and transformation of data, modelling and evaluation with data analysis. Used codes and applied models are specified as follows: -

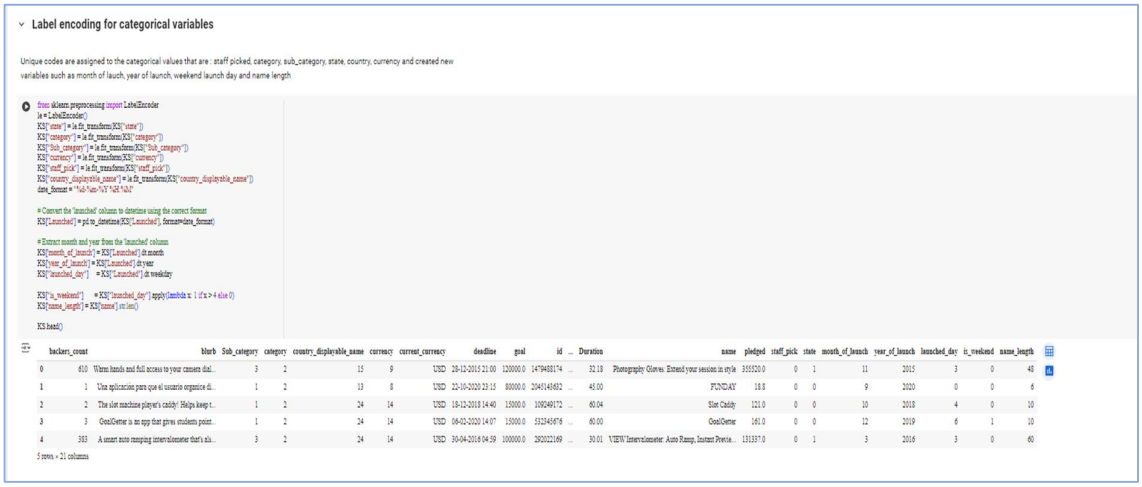
The collab notebook is well labelled as seen in the table of content in the left side highlighted and each step has specific heading. Firstly, we imported the data and check the **imported** data's first five datapoints and the shape (no. of rows and columns)

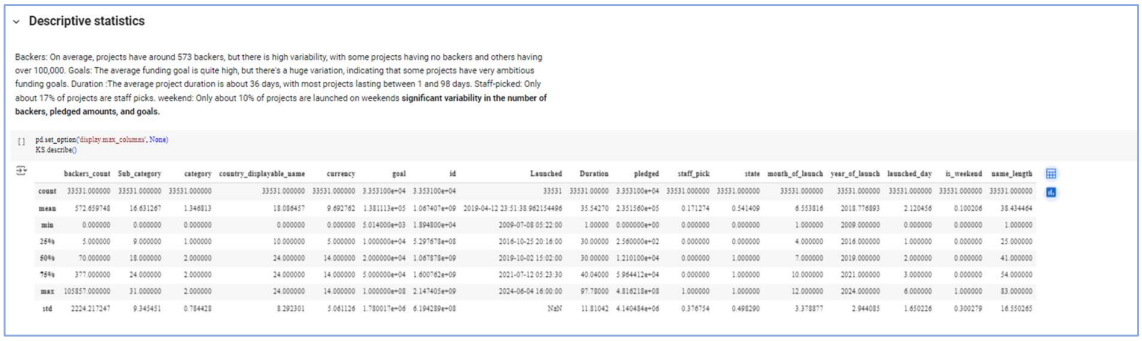


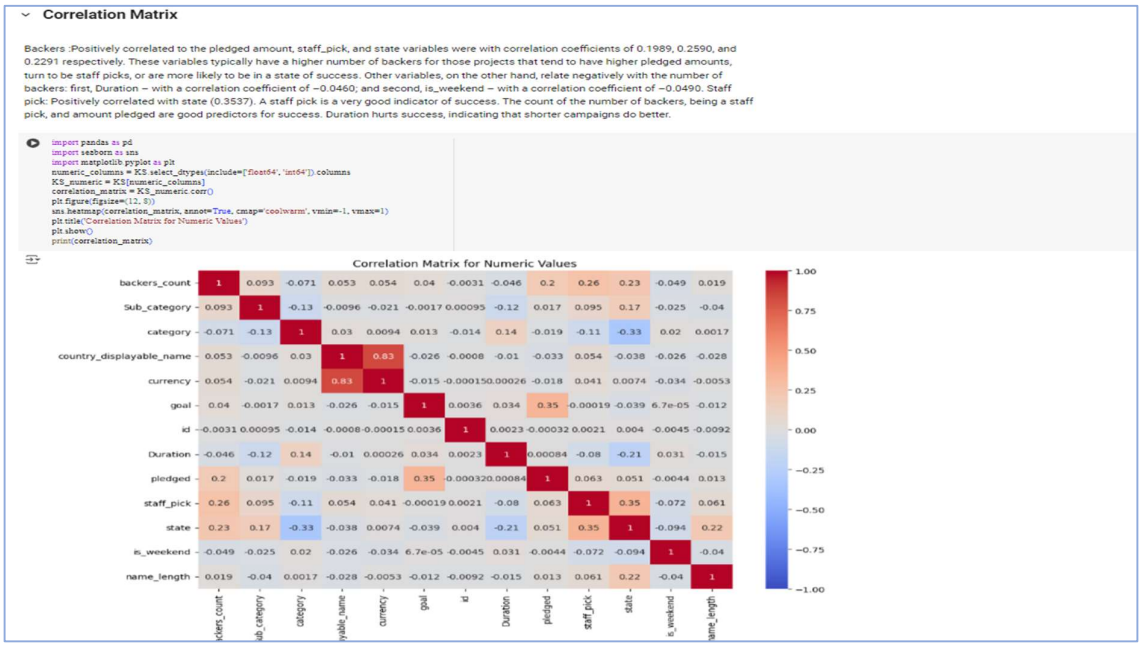
Under **Exploratory Data Analysis,** for **Visualization**, we have plotted graphs and pie charts to understand some relationship between independent and dependent variables:



Checked for duplicates and data types of variables after that label encoding was performed to convert categorical variable to numeric values. Converted variables are: state, category, sub_category, currency, staff_pick, country_displayable_name and created new variable month_of_launch, year_of_launch, launched_day and is_weekend.







Text Analysis

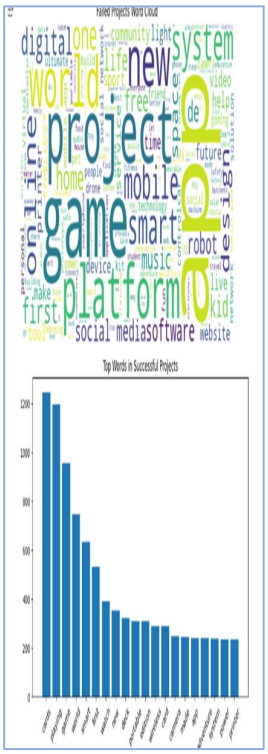
TOKENIZATION AND WORDCLOUD

```
pip install pandas matplotlib wordcloud nltk
```

```
Requirement already satisfied: pandas in /usr/local/lib/python3.10/dist-packages (2.0.3)
Requirement already satisfied: matplotlib in /usr/local/lib/python3.10/dist-packages (3.7.1)
Requirement already satisfied: wordcloud in /usr/local/lib/python3.10/dist-packages (1.9.3)
Requirement already satisfied: nltk in /usr/local/lib/python3.10/dist-packages (3.8.1)
Requirement already satisfied: python-dateutil>=2.8.2 in /usr/local/lib/python3.10/dist-packages (from pandas) (2.8.2)
Requirement already satisfied: pytz>=2020.1 in /usr/local/lib/python3.10/dist-packages (from pandas) (2023.4)
Requirement already satisfied: tzdata>=2022.1 in /usr/local/lib/python3.10/dist-packages (from pandas) (2024.1)
Requirement already satisfied: numpy>=1.21.0 in /usr/local/lib/python3.10/dist-packages (from pandas) (1.25.2)
Requirement already satisfied: contourpy>=1.0.1 in /usr/local/lib/python3.10/dist-packages (from matplotlib) (1.2.1)
Requirement already satisfied: cycler>=0.10 in /usr/local/lib/python3.10/dist-packages (from matplotlib) (0.12.1)
Requirement already satisfied: fonttools>=4.22.0 in /usr/local/lib/python3.10/dist-packages (from matplotlib) (4.53.1)
Requirement already satisfied: kiwisolver>=1.0.1 in /usr/local/lib/python3.10/dist-packages (from matplotlib) (1.4.5)
Requirement already satisfied: packaging>=20.0 in /usr/local/lib/python3.10/dist-packages (from matplotlib) (24.1)
Requirement already satisfied: pillow>=6.2.0 in /usr/local/lib/python3.10/dist-packages (from matplotlib) (9.4.0)
Requirement already satisfied: pyparsing>=2.3.1 in /usr/local/lib/python3.10/dist-packages (from matplotlib) (3.1.2)
Requirement already satisfied: click in /usr/local/lib/python3.10/dist-packages (from nltk) (8.1.7)
Requirement already satisfied: joblib in /usr/local/lib/python3.10/dist-packages (from nltk) (1.4.2)
Requirement already satisfied: regex>=2021.8.3 in /usr/local/lib/python3.10/dist-packages (from nltk) (2024.5.15)
Requirement already satisfied: tqdm in /usr/local/lib/python3.10/dist-packages (from nltk) (4.66.4)
Requirement already satisfied: six>=1.5 in /usr/local/lib/python3.10/dist-packages (from python-dateutil>=2.8.2->pandas) (1.16.0)
```

Analysing the blurb and name

```
import pandas as pd
import matplotlib.pyplot as plt
from wordcloud import WordCloud
from nltk.corpus import stopwords
from nltk.tokenize import word_tokenize
import nltk

# Ensure you have the NLTK data files
nltk.download('punkt')
nltk.download('stopwords')


# Fill NaN values with empty strings
KS['name'] = KS['name'].fillna('')

# Separate the data based on state
successful_projects = KS[KS['state'] == 1]
failed_projects = KS[KS['state'] == 0]

# Function to clean and tokenize text
def clean_and_tokenize(text):
    text = text.lower()
    tokens = word_tokenize(text)
    tokens = [word for word in tokens if word.isalpha()]
    stop_words = set(stopwords.words('english'))
    tokens = [word for word in tokens if word not in stop_words]
    return tokens

# Analyze names for successful projects
successful_texts = successful_projects['name'].tolist()
successful_tokens = [clean_and_tokenize(text) for text in successful_texts]
successful_tokens_flat = [item for sublist in successful_tokens for item in sublist]
```



Modelling

```
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns
from sklearn.model_selection import train_test_split
from sklearn.linear_model import LogisticRegression
from sklearn.ensemble import RandomForestClassifier, GradientBoostingClassifier
from sklearn.neighbors import KNeighborsClassifier
from sklearn.metrics import accuracy_score, confusion_matrix, mean_squared_error, roc_auc_score, roc_curve
import xgboost as xgb


# Select features and target variable
features = ['goal', 'backers_count', 'Duration', 'month_of_launch','name_length','is_weekend','staff_pick']
X = KS[features]
y = KS['state']

# Ensure target variable is 1-dimensional
y = y.values.ravel()

# Split the data into training and testing sets
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.3, random_state=42)

# Train Logistic Regression model
lr = LogisticRegression(max_iter=1000)
lr.fit(X_train, y_train)
y_pred_lr = lr.predict(X_test)
y_pred_proba_lr = lr.predict_proba(X_test)[:, 1]

# Train Random Forest model
rf = RandomForestClassifier(random_state=42)
rf.fit(X_train, y_train)
y_pred_rf = rf.predict(X_test)
y_pred_proba_rf = rf.predict_proba(X_test)[:, 1]

# Train K-Nearest Neighbors model
knn = KNeighborsClassifier(n_neighbors=5)
knn.fit(X_train, y_train)
y_pred_knn = knn.predict(X_test)
y_pred_proba_knn = knn.predict_proba(X_test)[:, 1]

# Train Gradient Boosting model
gb = GradientBoostingClassifier(random_state=42)
gb.fit(X_train, y_train)
y_pred_gb = gb.predict(X_test)
y_pred_proba_gb = gb.predict_proba(X_test)[:, 1]

# Train XGBoost model
xgb_model = xgb.XGBClassifier(use_label_encoder=False, eval_metric='logloss')
xgb_model.fit(X_train, y_train)
y_pred_xgb = xgb_model.predict(X_test)
y_pred_proba_xgb = xgb_model.predict_proba(X_test)[:, 1]

# Evaluate models
def evaluate_model(y_true, y_pred, y_pred_proba, model_name):
    accuracy = accuracy_score(y_true, y_pred)
    mse = mean_squared_error(y_true, y_pred)
    cm = confusion_matrix(y_true, y_pred)
    auc = roc_auc_score(y_true, y_pred_proba)
    print(f"{model_name} - Accuracy: {accuracy:.4f}, Mean Squared Error: {mse:.4f}, AUC-ROC: {auc:.4f}")
    return accuracy, mse, cm, auc
```

1

2

3

4

5

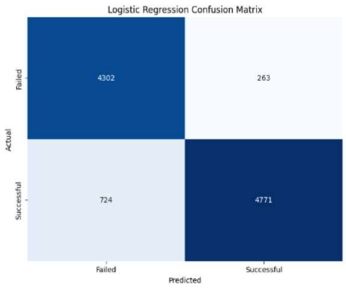
Training the machine learning models:1) Logistic Regression, 2) Random Forest classifier, 3) K-Nearest Neighbors Classifiers, 4) Gradient Boosting Classifier and 5) XG Boost

Evaluation

Confusion Matrix

TN: There are 4302 failed projects that were correctly identified as failed. FP: There are 263 failed projects that were incorrectly identified as successful. FN: There are 724 successful projects that were incorrectly identified as failed. TP: There are 4771 successful projects that were correctly identified as successful.

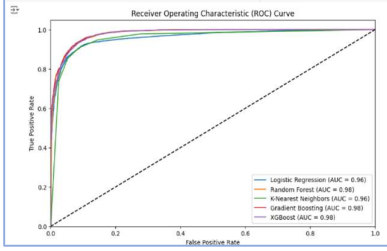
```
def plot_confusion_matrix(cm, model_name):
    plt.figure(figsize=(5, 4))
    sns.heatmap(cm, annot=True, fmt='d', cmap='Blues', cbar=False,
                xticklabels=['Failed', 'Successful'], yticklabels=['Failed', 'Successful'])
    plt.xlabel('Predicted')
    plt.ylabel('Actual')
    plt.title(f'{model_name} Confusion Matrix')
    plt.show()

plot_confusion_matrix(cm_lr, "Logistic Regression")
plot_confusion_matrix(cm_rf, "Random Forest")
plot_confusion_matrix(cm_knn, "K-Nearest Neighbors")
plot_confusion_matrix(cm_gb, "Gradient Boosting")
plot_confusion_matrix(cm_xgb, "XGBoost")
```



ROC Curve

- ROC Curves: The ROC curves further go on to confirm that Gradient Boosting and XGBoost have very high effectiveness, evidenced by AUC-ROC scores close to 1, indicative of excellent performance of the model. It does this by providing a single-value summary of the performance of the ROC curve. The values are between 0 and 1, and higher values indicate better performance. A high AUC-ROC score close to 1 would mean that the model is great at classifying between the positive and negative classes.
- ROC curves substantiate that either Gradient Boosting or XGBoost is very powerful, with AUC-ROC scores close to 1, indicating excellent performance of the model. Comparing the different models, the corresponding ROC curves are shown in the following figure. The ROC curves for Gradient Boosting and XGBoost go closer to the top-left corner of the plot, indicating that they perform better than models like Logistic Regression and KNN.

```
# Plot ROC curves
def plot_roc_curve(y_true, y_pred_probs, model_name):
    fpr, tpr, _ = roc_curve(y_true, y_pred_probs)
    plt.plot(fpr, tpr, label=f'{model_name} (AUC = {roc_auc_score(y_true, y_pred_probs): .2f})')

plt.figure(figsize=(10, 6))
plot_roc_curve(y_test, y_pred_probs_lr, "Logistic Regression")
plot_roc_curve(y_test, y_pred_probs_rf, "Random Forest")
plot_roc_curve(y_test, y_pred_probs_knn, "K-Nearest Neighbors")
plot_roc_curve(y_test, y_pred_probs_gb, "Gradient Boosting")
plot_roc_curve(y_test, y_pred_probs_xgb, "XGBoost")
plt.plot([0, 1], [0, 1], 'k--')
plt.xlim([0.0, 1.0])
plt.ylim([0.0, 1.05])
plt.xlabel('False Positive Rate')
plt.ylabel('True Positive Rate')
plt.title('Receiver Operating Characteristic (ROC) Curve')
plt.legend(loc="lower right")
plt.show()
```




```
import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns
from scipy import stats

# Separate the data based on state
successful_projects = KS[KS['state'] == 1]
failed_projects = KS[KS['state'] == 0]

# Plot the distribution of name lengths
plt.figure(figsize=(12, 6))
sns.histplot(successful_projects['name_length'], kde=True, color='green', label='Successful Projects')
sns.histplot(failed_projects['name_length'], kde=True, color='red', label='Failed Projects')
plt.title('Distribution of Name Lengths by Project State')
plt.xlabel('Name Length')
plt.ylabel('Frequency')
plt.legend()
plt.show()

# Boxplot to compare name lengths
plt.figure(figsize=(12, 6))
sns.boxplot(x='state', y='name_length', data=KS, hue='state', palette={1: 'green', 0: 'red'}, dodge=False)
plt.title('Boxplot of Name Lengths by Project State')
plt.xlabel('Project State (1=Successful, 0=Failed)')
plt.ylabel('Name Length')
plt.legend([],[], frameon=False)
plt.show()

# Perform a statistical test to check if there's a significant difference
successful_lengths = successful_projects['name_length']
failed_lengths = failed_projects['name_length']

# Perform an independent t-test
t_stat, p_val = stats.ttest_ind(successful_lengths, failed_lengths, equal_var=False)
print(f"T-statistic: {t_stat:.4f}, P-value: {p_val:.4f}")

# Interpret the result
if p_val < 0.05:
  print("There is a significant difference in name lengths between successful and failed projects.")
else:
  print("There is no significant difference in name lengths between successful and failed projects.")
```