# A step into the film business

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DS Cohort 06/22/20

# Introduction

How can we help Microsoft break into the film industry?

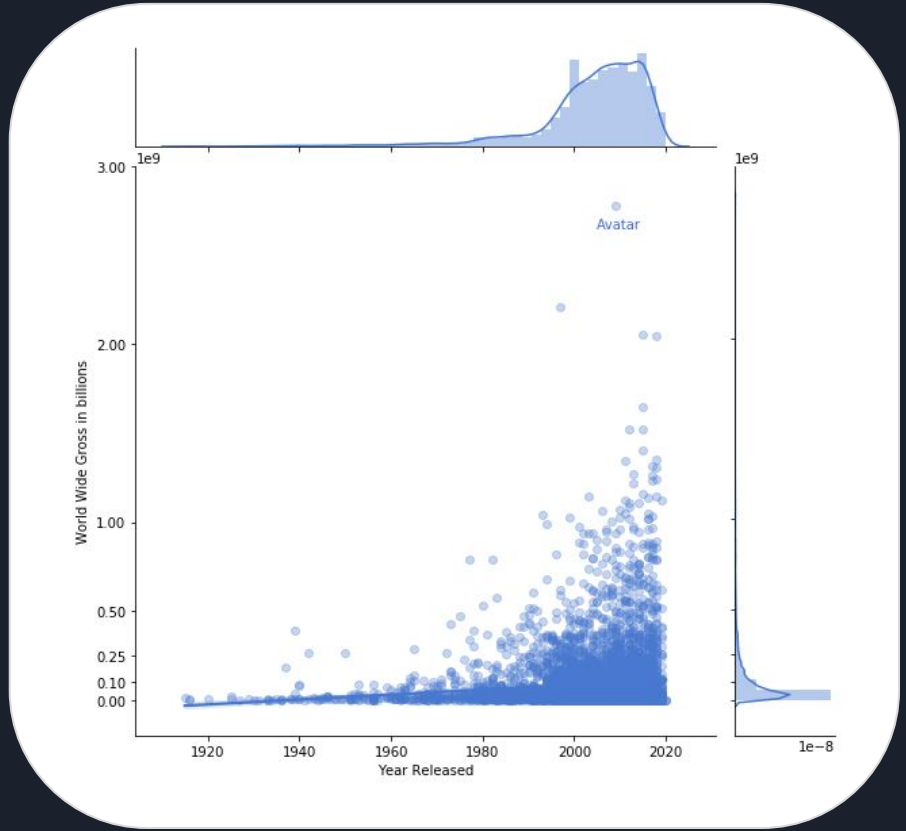
We provide individualized data analysis. Let's dive into some questions:

1. Is now a good time to get into the business?
2. What is your expected ROI for budget?
3. How do user ratings affect your movie's earning potential?
4. What genres will provide the best ratings and ROI?

# 1. Exponential Growth of Revenue

Key Takeaways:

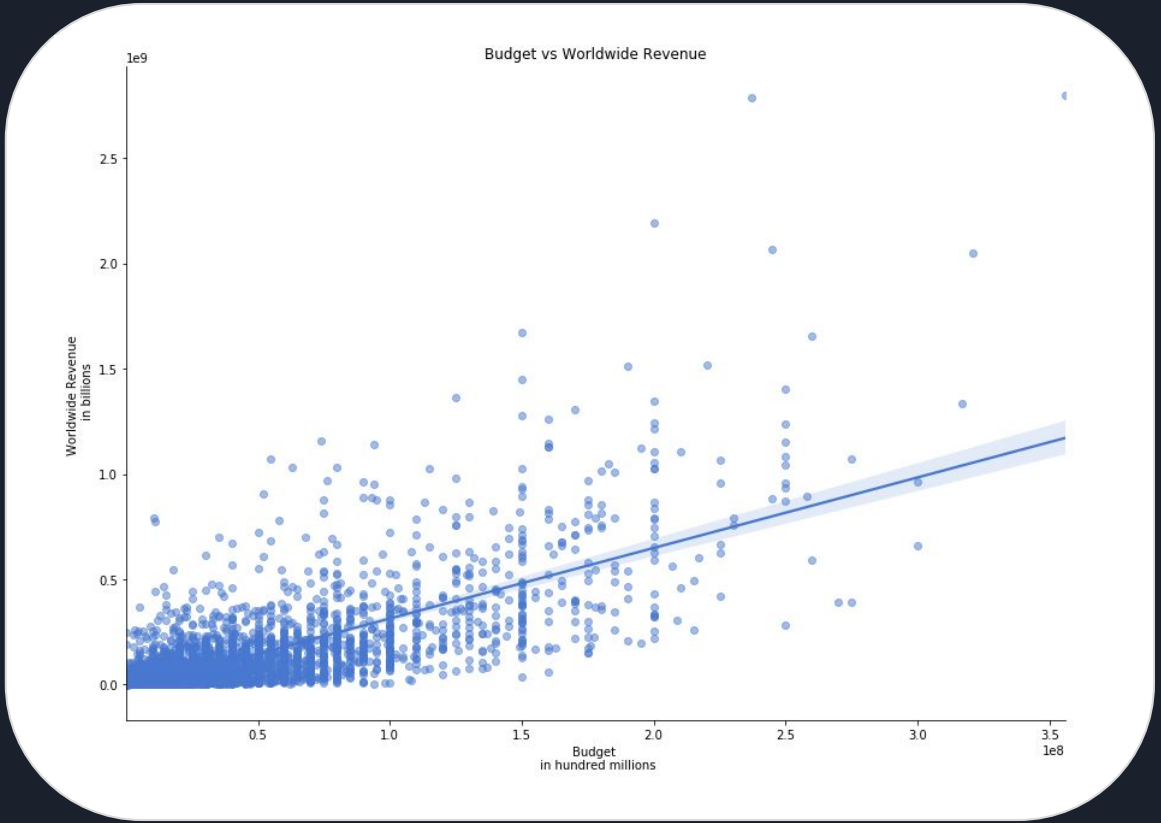
- Potential earnings have grown exponentially
- Some films have earning more than 2 billion dollars
- But! The majority of films make less than 100 million dollars



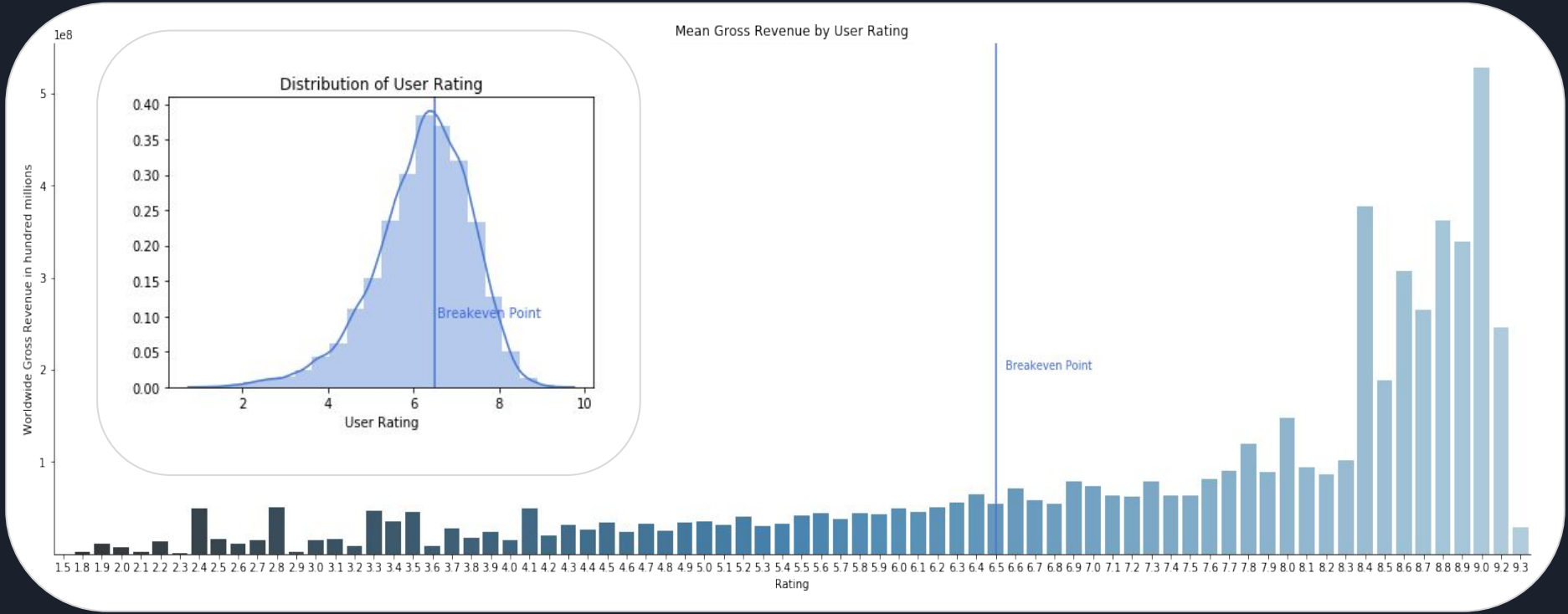
# 2. Profits Expected

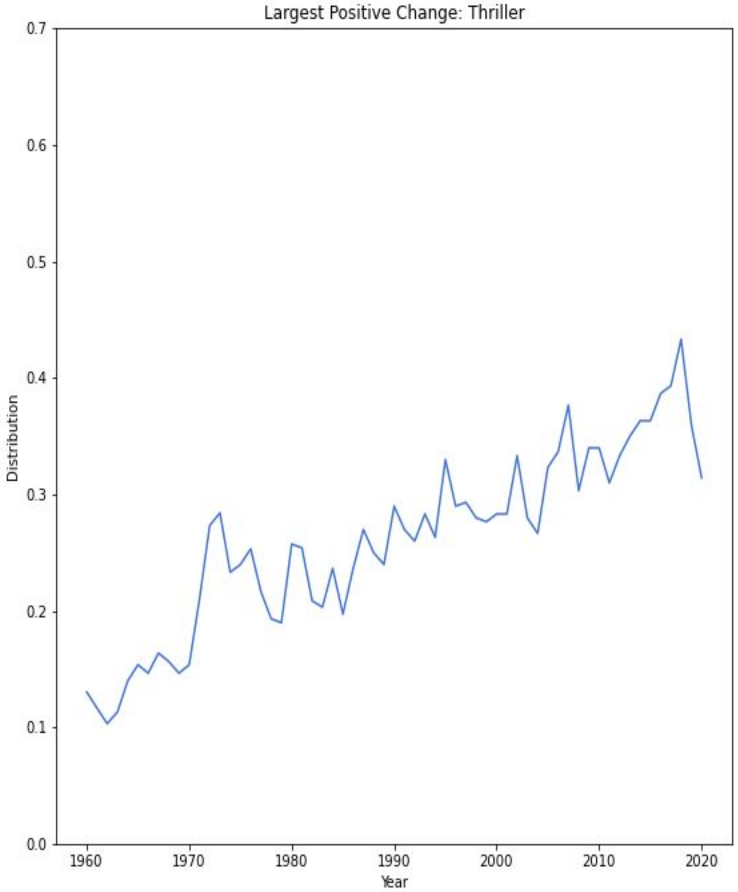
Key Takeaways:

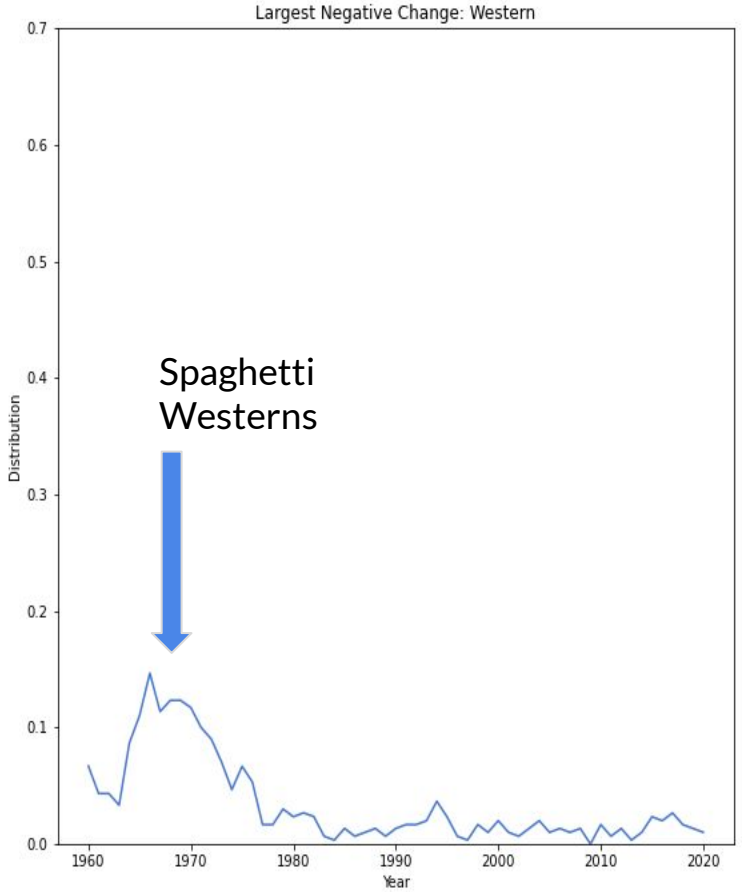
- Positive relationship between budget and revenue
- ROI is ~ 3 : 1, that is for every dollar spent you can expect three dollars in revenue
- But again! Spend wisely. Many movies do not make a profit



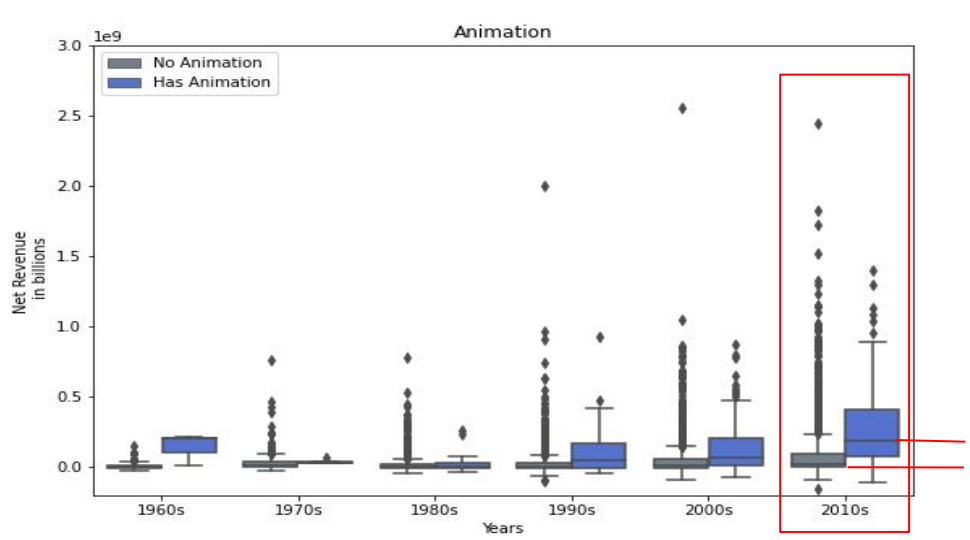
# 3. Revenue by User Rating

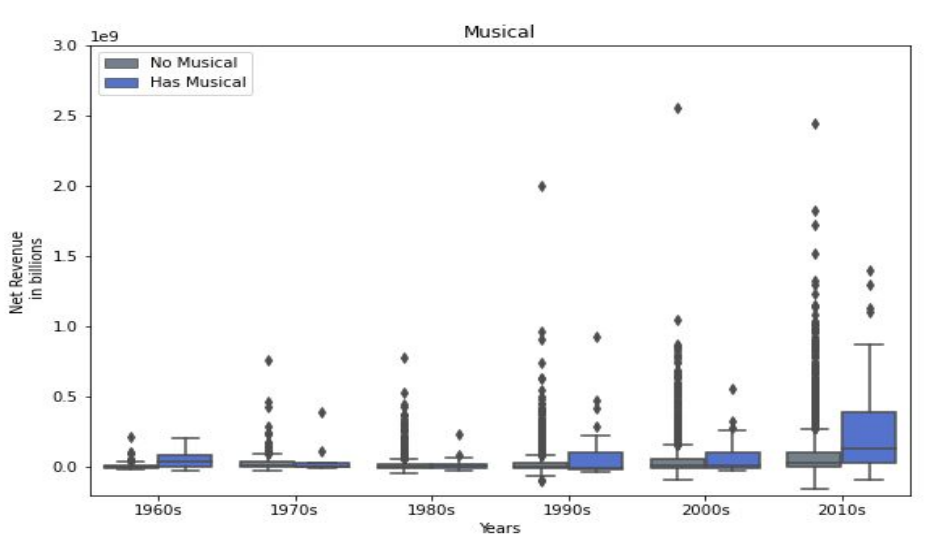


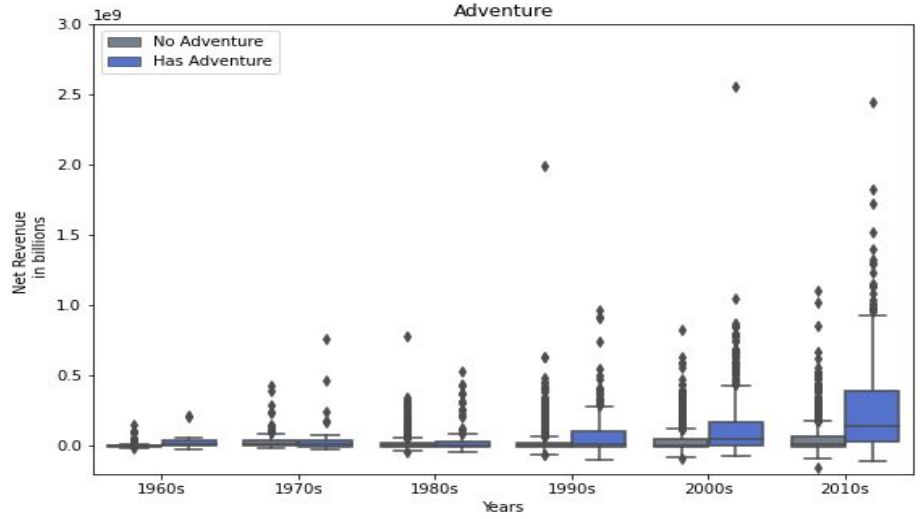


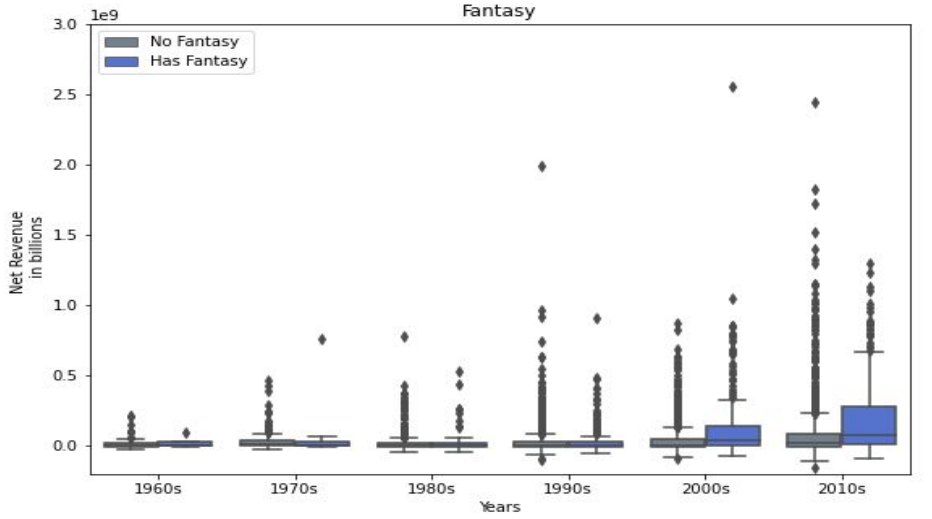




*Percentages are based off of Top 300 movies per year; sorted by popularity
Source: https://www.imdb.com/search/title/?title_type=feature&year=['INSERT YEAR HERE']


Animation
1e9
No Animation
Has Animation
Net Revenue in billions
Years
1960s
1970s
1980s
1990s
2000s
2010s


Musical
1e9
No Musical
Has Musical
Net Revenue in billions
Years
1960s
1970s
1980s
1990s
2000s
2010s


Adventure
1e9
No Adventure
Has Adventure
Net Revenue in billions
Years
1960s
1970s
1980s
1990s
2000s
2010s


Fantasy
1e9
No Fantasy
Has Fantasy
Net Revenue in billions
Years
1960s
1970s
1980s
1990s
2000s
2010s

# Insights & Recommendations

- Generally, spend more, make more. There is a positive relationship between budget allotted and revenue earned.

- You need a 6.5 average user rating in order to break even and the average film with a +8 rating can make more than 200 million, in some cases as much as 2.5 billion. Feedback loop.

- One way to increase your user rating is to choose your genres carefully. Animation, Adventure, Fantasy, and Musical genres are the fastest growing genres (see Disney and Pixar's success).

- While historically popular, the Drama genre is one of the fastest declining genres, so we recommend not making a Drama.

# Future Directions

- “The Total Package” :  let us optimize the hiring and creative process. We will find the most profitable combination of cast and crew, MPAA rating, runtime, time of release, etc.

- “The Perfect Pitch” : we’ll create  the perfect synopsis/tagline/pitch to market your movie. Using NLP, we can craft material to maximize your audience interest.

- “The Cult Classic” : What makes a “cult classic”? Are these movies more profitable in the long-term?

Thank you!

Any questions?