



Microsoft Project Blockbuster

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Summary

Our analysis shows an entry into the movie industry will need to come with a strong financial commitment and release strategy

- There is a strong relationship between production costs and box office gross
- There are key months where movies see the highest grosses
- Audiences only marginally rate 3-D movies higher

Outline

- Business Problem
- Data & Methods
- Results
- Conclusion

Business Problem

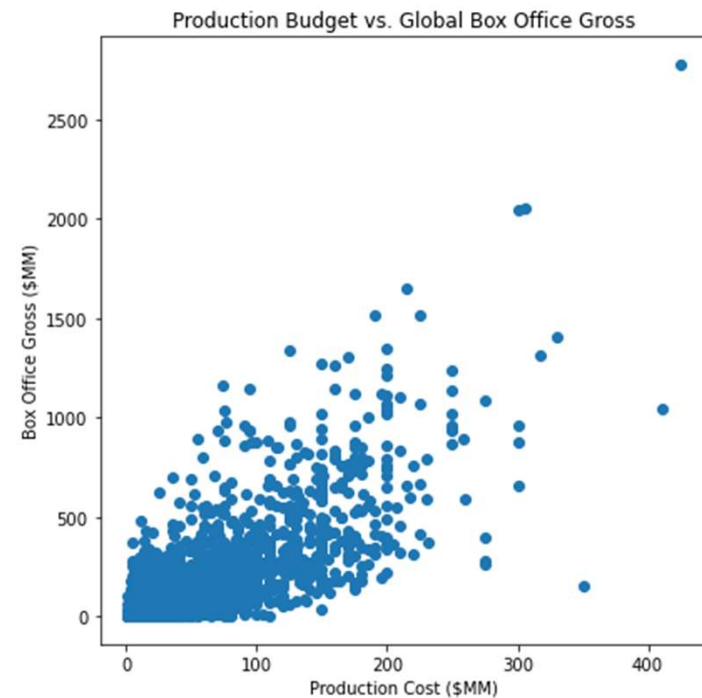
- Capital Allocation Decision
- Timing Strategy
- Creative / Genre Strategy

Data & Methods

- Utilized data from IMDB and The Numbers
- Looked at almost 4,000 movies among those over 200 3-D movies primarily since 2000
- Focus was to include only movies during a similar cost of production period

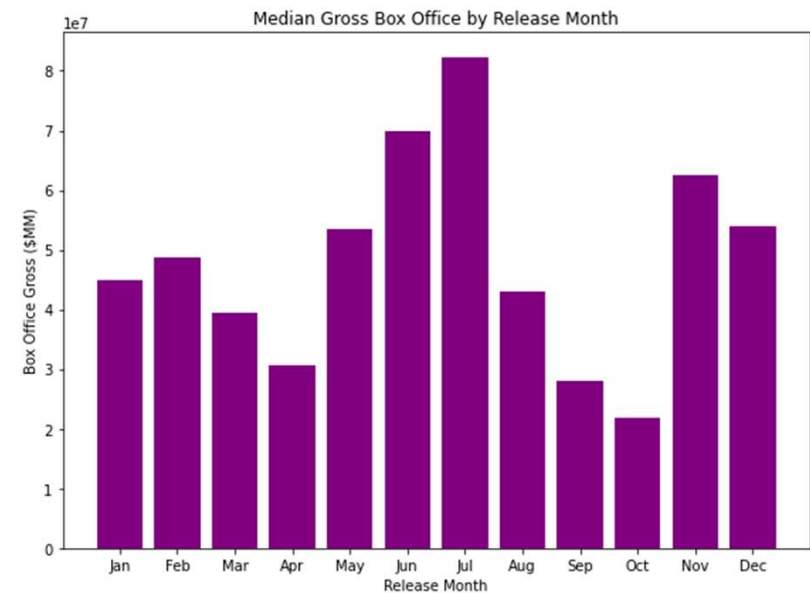
Results

- There is a strong correlation between production budgets and the gross box office receipt.



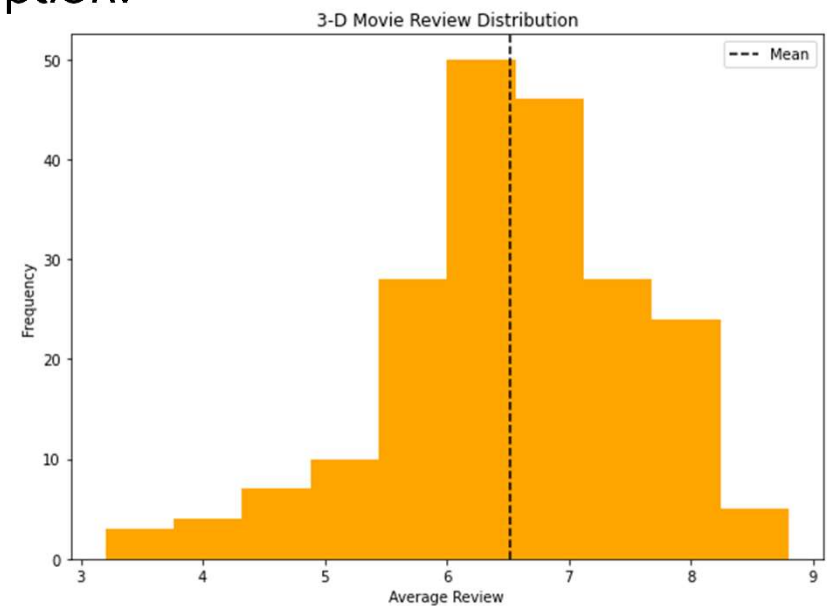
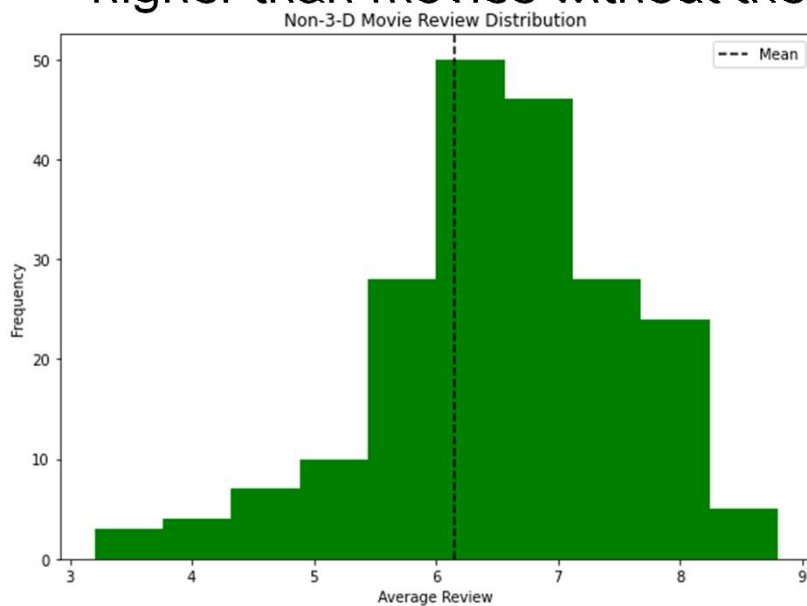
Results

- There is strong seasonality in the movie release months. July is by far the most successful month whereas October is the worst.



Results

- The average movie that also has a 3-D release scores marginally higher than movies without the 3-D option.



Conclusion

- Big budget movies tend to make more money than smaller ones
 - *Microsoft should focus on making big budget movies*
- Movies show strong seasonality
 - *Release movies in June/July and November/December*
- There is higher appeal toward 3-D
 - *Microsoft should focus on making 3-D movies*

Next Steps

- Does “bigger is better” hold when including marketing budgets?
- What are the returns on investments by month of release?
- How much more money can one expect to make with a 3-D movie?

Thank You!

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