EDA for Proposed Microsoft Movie Studio

PRESENTATION BY: BRENDA KINOTI

Problem Statement

- Big companies getting into original video content creation business.

- Microsoft has decided they want to create original content as well as set up their own movie studio.

- In this presentation we investigate the foundational practices for setting up and running a profitable and reputable movie studio
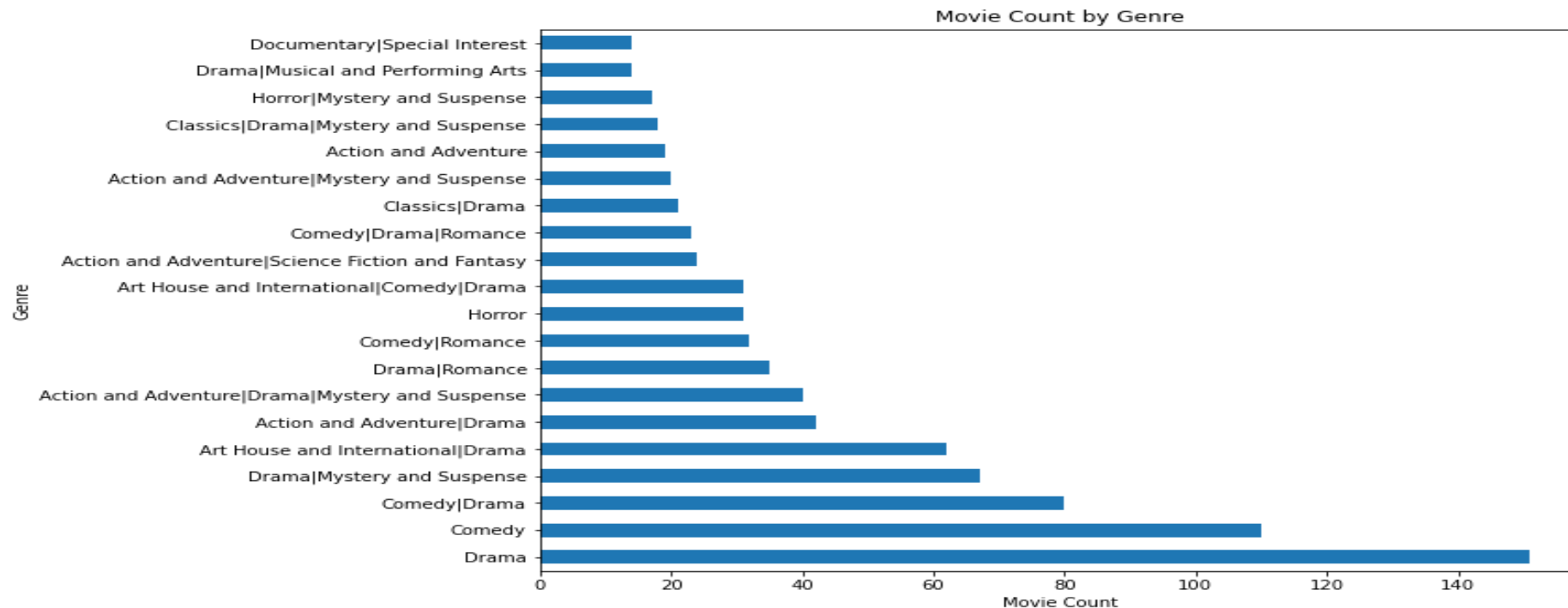
Business Understanding

- A successful movie studio will create a new revenue stream for Microsoft

- it will lead to increase in subscription user base by offering exclusive content to those with other Microsoft subscriptions

- A successful movie studio can improve brand recognition which will in turn help promote sales even for other Microsoft products.
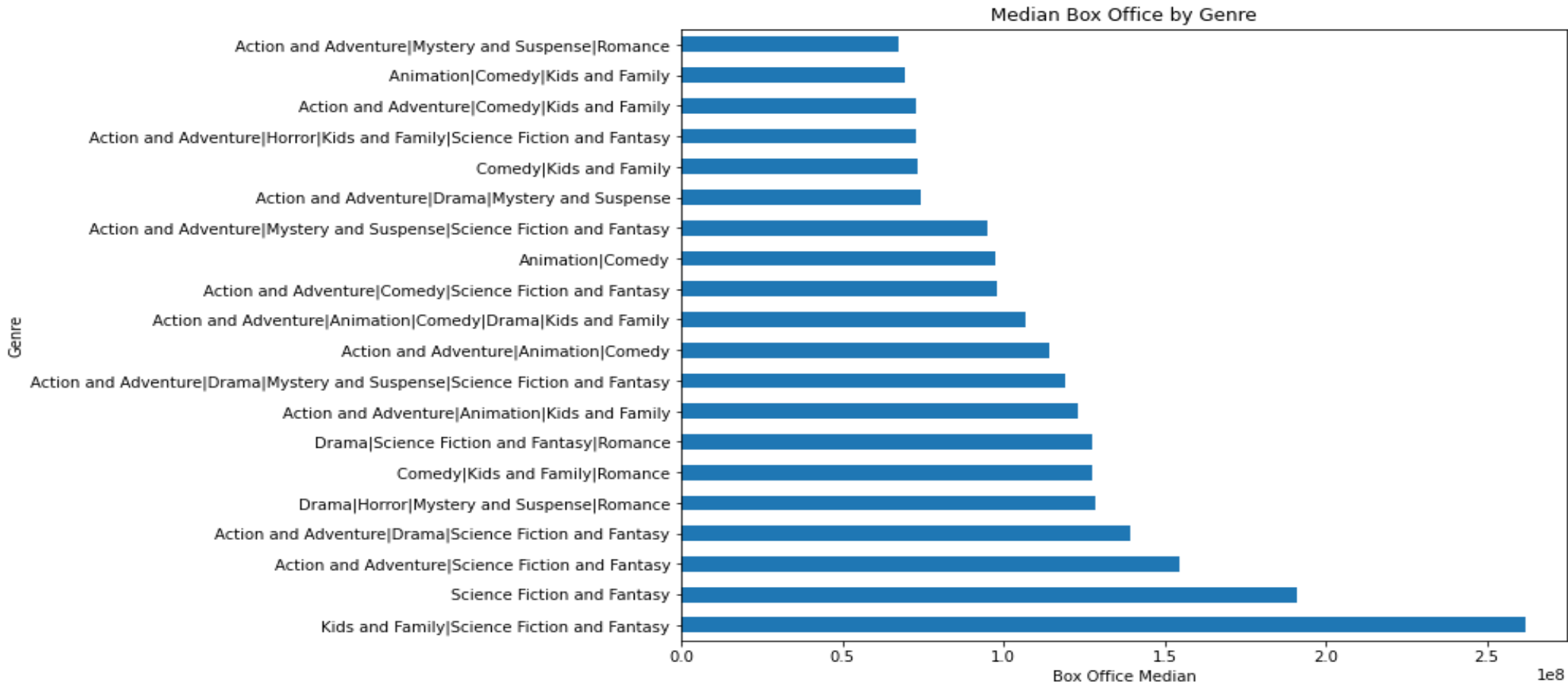
Which are the most common movie genres? Does quantity equate to profit?

Drama, comedy, and Action dominate the quantity of movie genres but does this necessarily mean these are the most profitable genres.
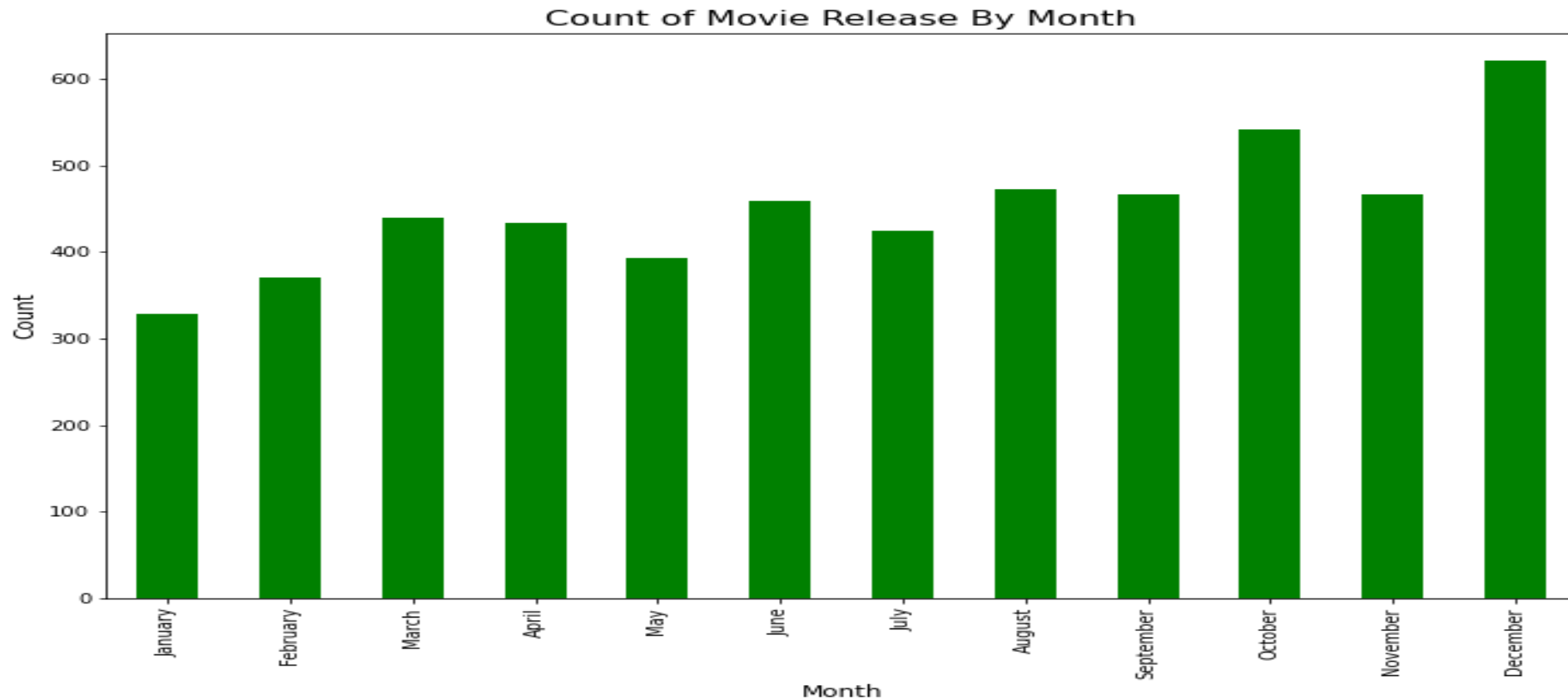

Movie Count by Genre

In order to determine this, grouping each genre with its average box office, you see that most commonly released genres; animation, adventure, and sci-fi typically have the most success in terms of median box office return. We can also see that Animation has a desirable profit margin along with horror.
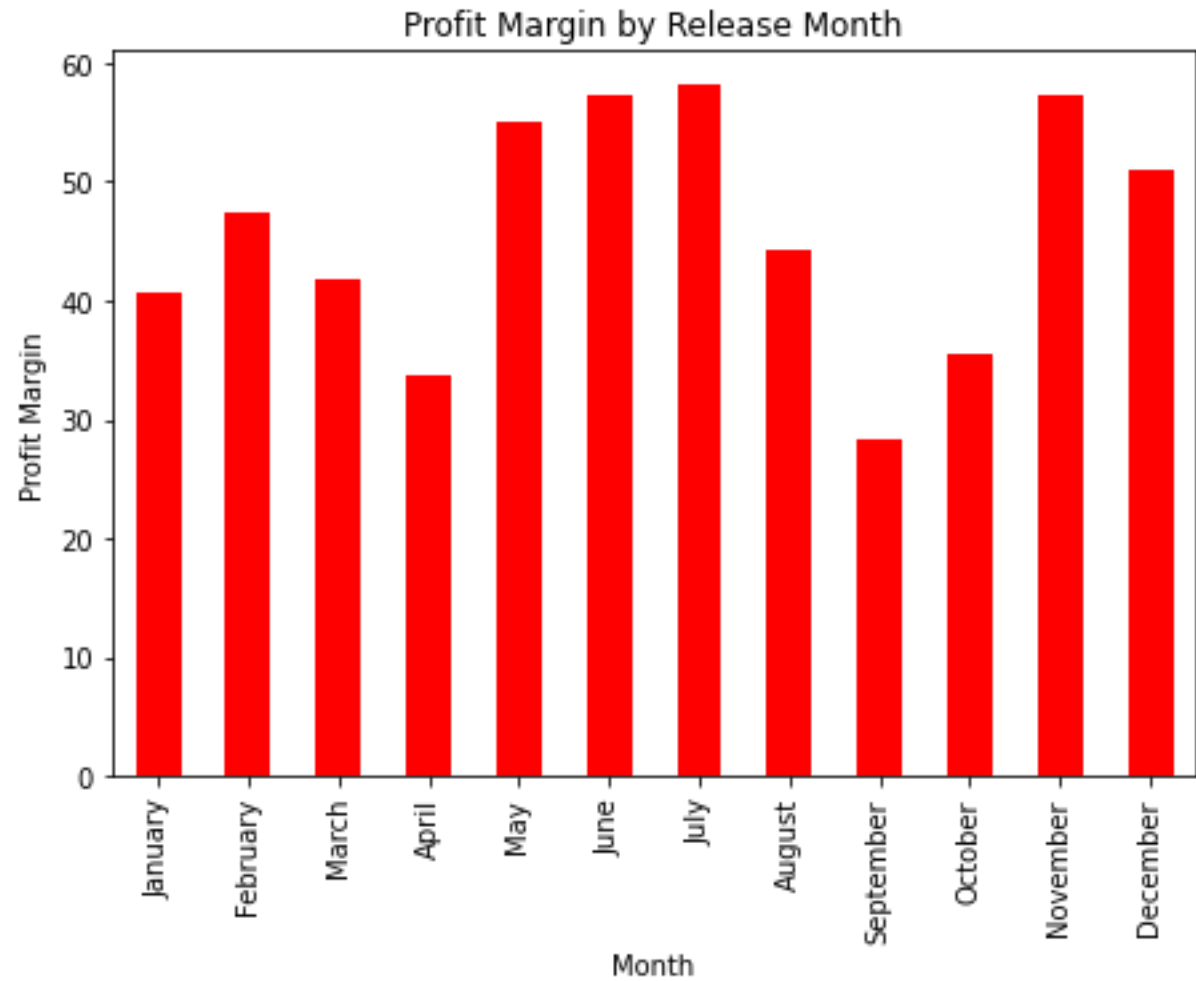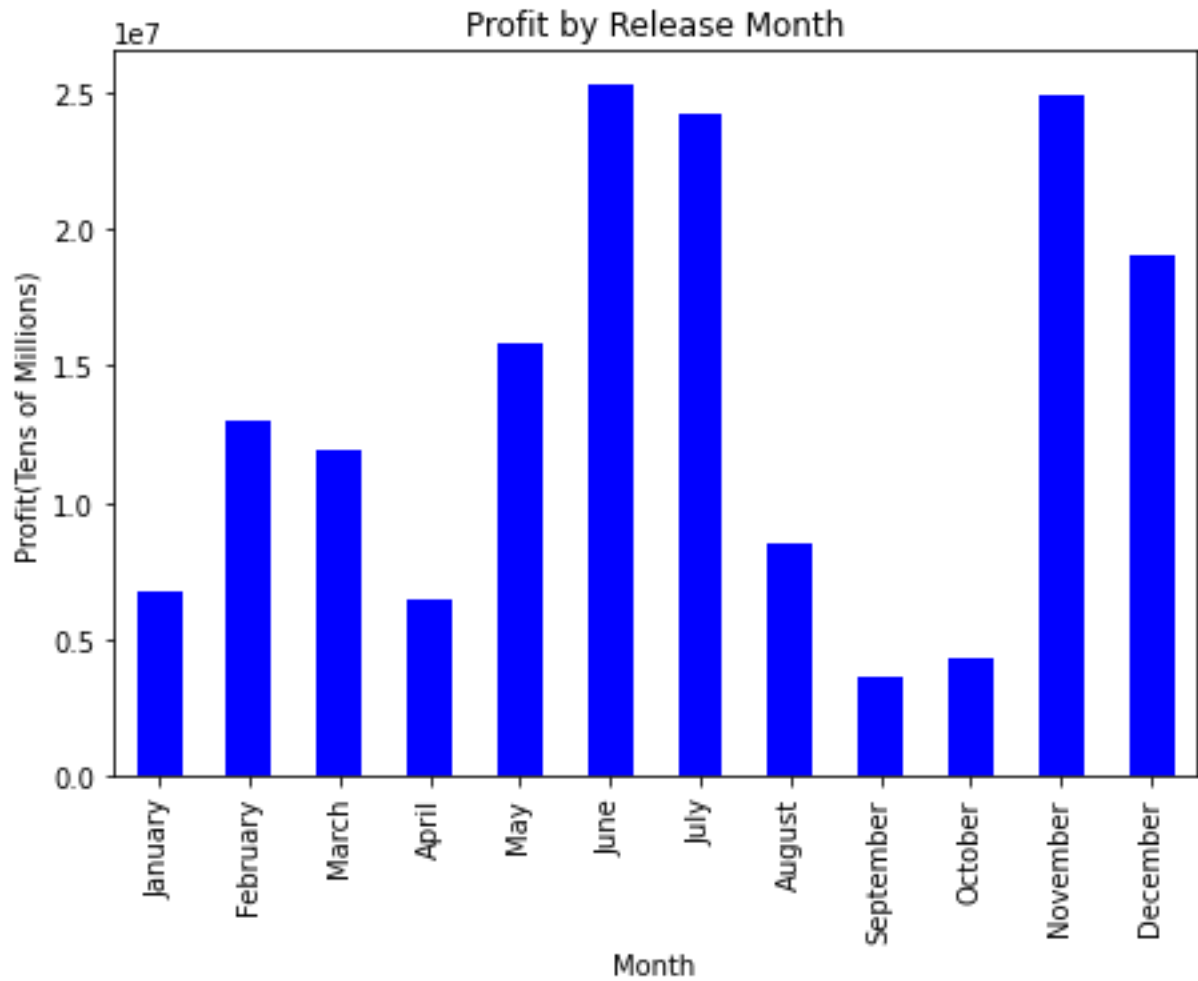
Median Box Office by Genre

What is the best time of the year to release a movie?

Largest number of movie releases tend to happen in October and November.

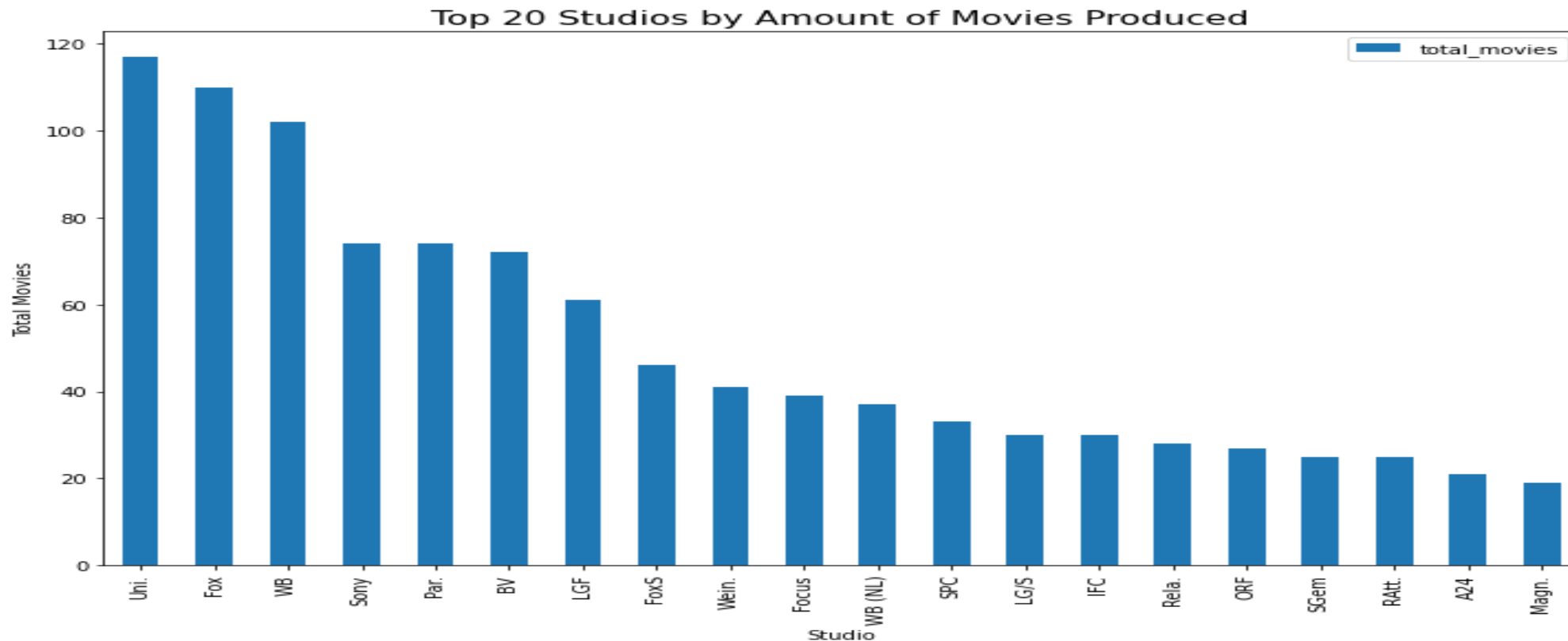## Count of Movie Release By Month

On further analysis **May, June, July November and December** shoot to the top in terms of both median profit and profit margin for the monthly releases.
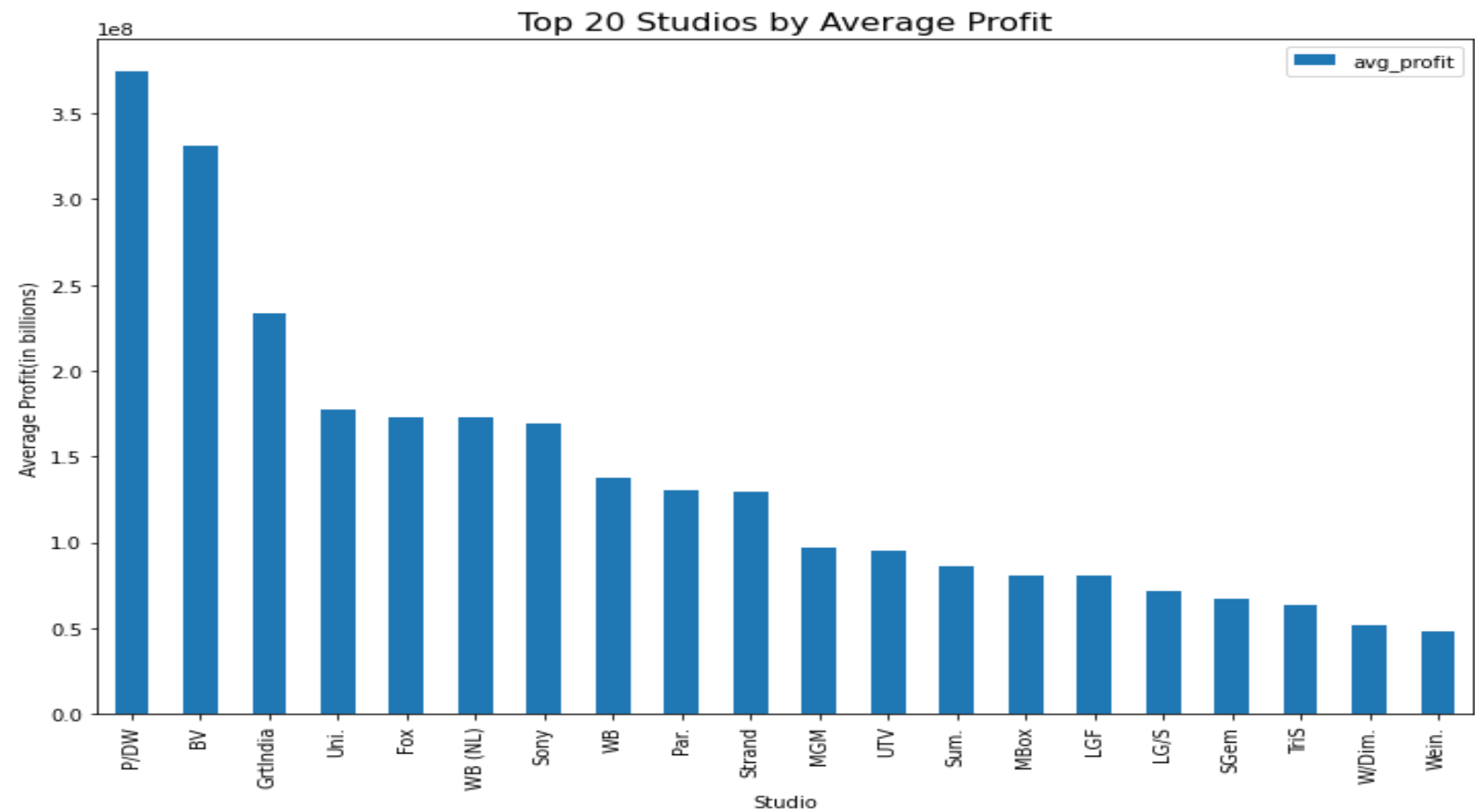
Which established studios are top competitors?

From an analysis of the top 20 studio by amount of movies produced between the years 1984-2018, Universal, Fox, and Warner Brothers are the three studios with over 100 movies each

Top 20 Studios by Amount of Movies Produced

Based on the amount of movies made, they could be potential competitors. Since net profit is the defining factor of a success, let's take a look at average net profit per studio. Universal, Disney, Warner brother and Fox still stand out with highest profits making them top competitors.

Top 20 Studios by Average Profit

Conclusion

In the brief analysis above, we looked at who our top competitors would be based on the amount of movies made and the average net profit of each studio, we determined which the best time of year to bulk release movies, and finally looked at which genres have had the highest average net profit. There are many more factors involved in making movies that we could dive into, but this gives us answers to some foundational questions for creating a successful movie studio.

Recommendations

1. I recommend that Microsoft should focus their efforts on the top 6 most profitable movie genres: Adventure, Action, Comedy, Drama, Sci-Fi and Animation. A further recommendation to focus on Sci-Fi and Animation due to less competition and a higher opportunity to profit.

2. I recommend the release the bulk of their movies during the months of May, June, July, November and December

3. Microsoft should research the top competitor's best practices and try to build off the success of these well established studios such as Universal, Fox and warner brothers who not only in the quantity but also quality of movies bases on profit analysis.

Next steps

As next steps, I would suggest the following:

1. With the ever increasing inflation cost, conduct further analysis to adjust using Consumer Price Index

2. Conduct further analysis on how to allocate the production budget, minimizing it but effectively. A more detailed financial analysis to say the least.

3. A further analysis on the production team, when it comes to hiring the creative team such as directors, photographers, cinematographers and script writers.

4. Analysis of additional revenue streams e.g. merchandise. sequels and licencing.

THANK YOU!