MOVIE NUMBERS ANALYSIS FOR MICROSOFT STUDIO JUSTIFICATION

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OVERVIEW

- This project uses exploratory data analysis descriptive statistics and of ratings and title data from iMDb as well as movie grossing Box Office Mojo and The Numbers to generate insights for a Microsoft company who would like to create a new studio.

BUSINESS PROBLEM

- Microsoft sees all the big companies creating original video content and they want to get in on the fun. They have decided to create a new movie studio, but they don't know anything about creating movies. The main objective of this project is exploring what types of films are currently doing the best at the box office. Findings from this analysis should then be converted into actionable insights that the head of Microsoft's new movie studio can use to help decide what type of films to create.

DATA & METHODS

Data is provided from the following sources:

❖ iMDb

❖ The Numbers
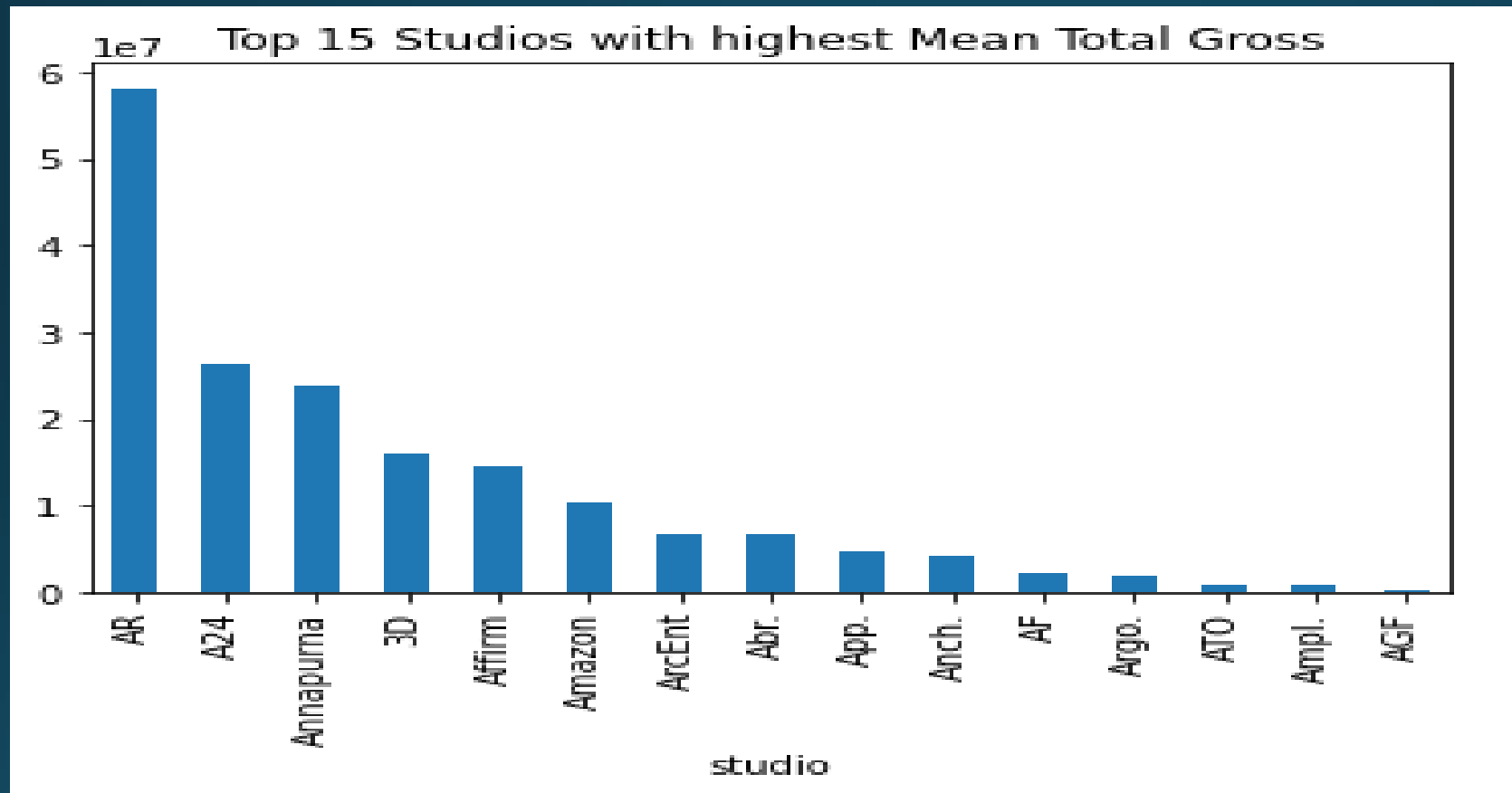
❖ Box Office Mojo

RESULTS
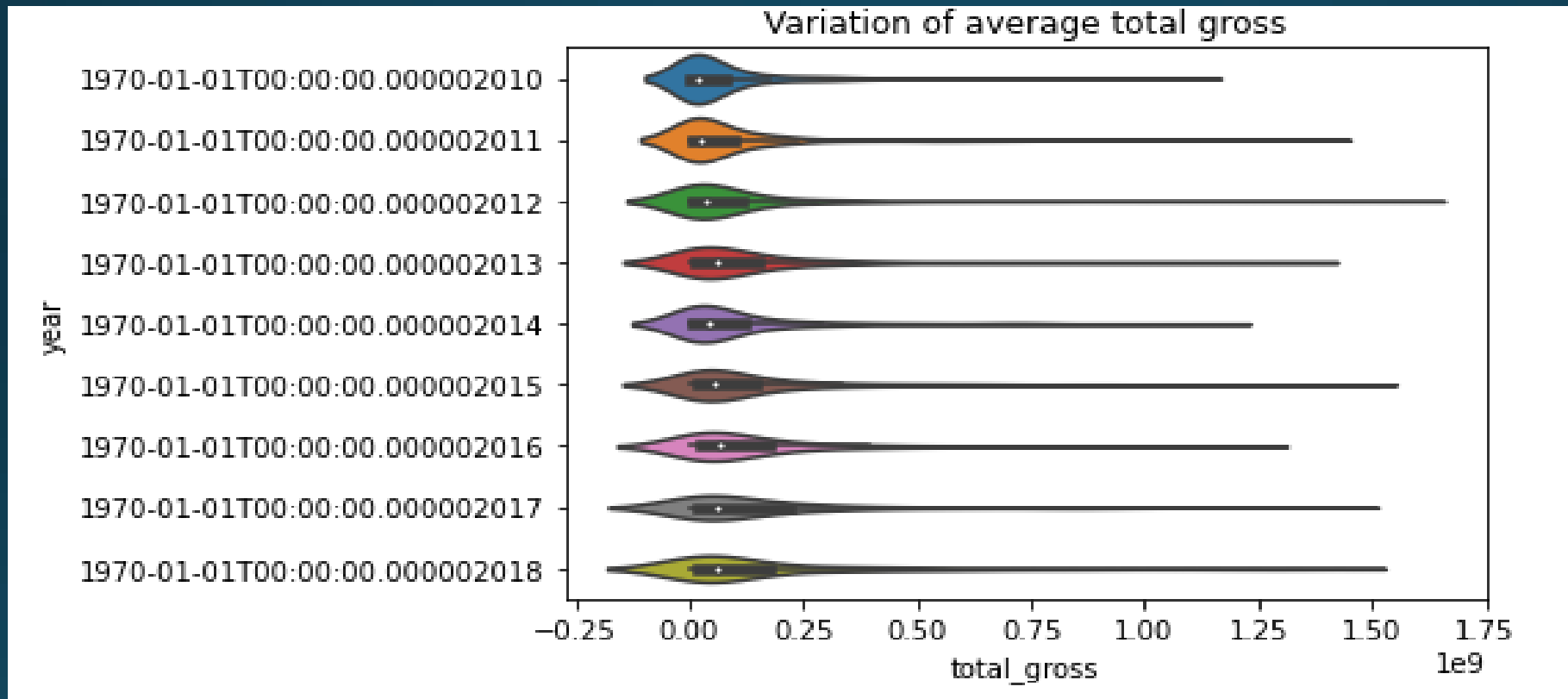
Variation of average total gross for movies released over the period 2010 – 2018
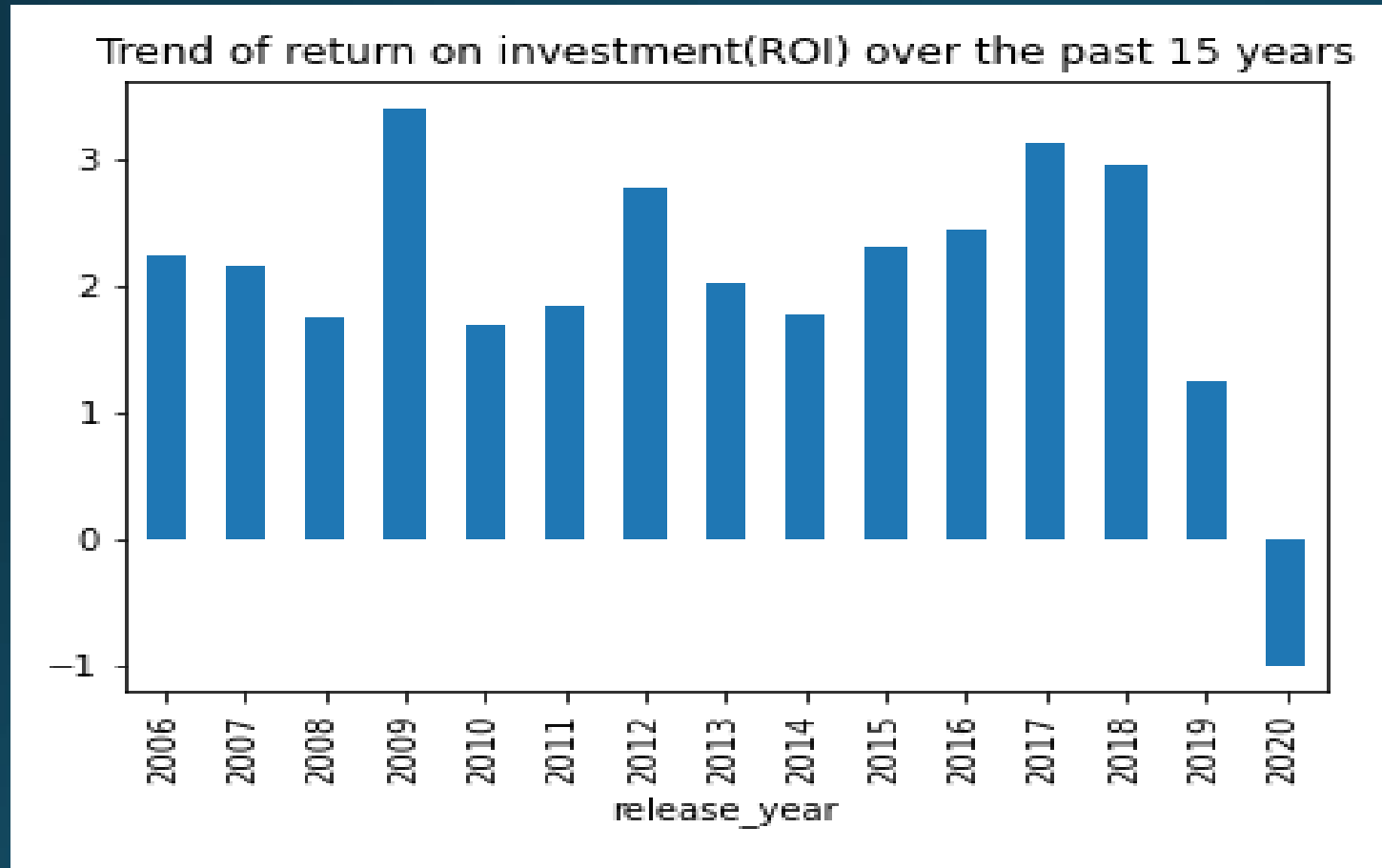
Note: Though the data density decreases with time, mean (and median) total gross increases

RESULTS

Top 15 Studios with highest Mean Total Gross

Highest average total grossing studios over the period analyzed

RESULTS

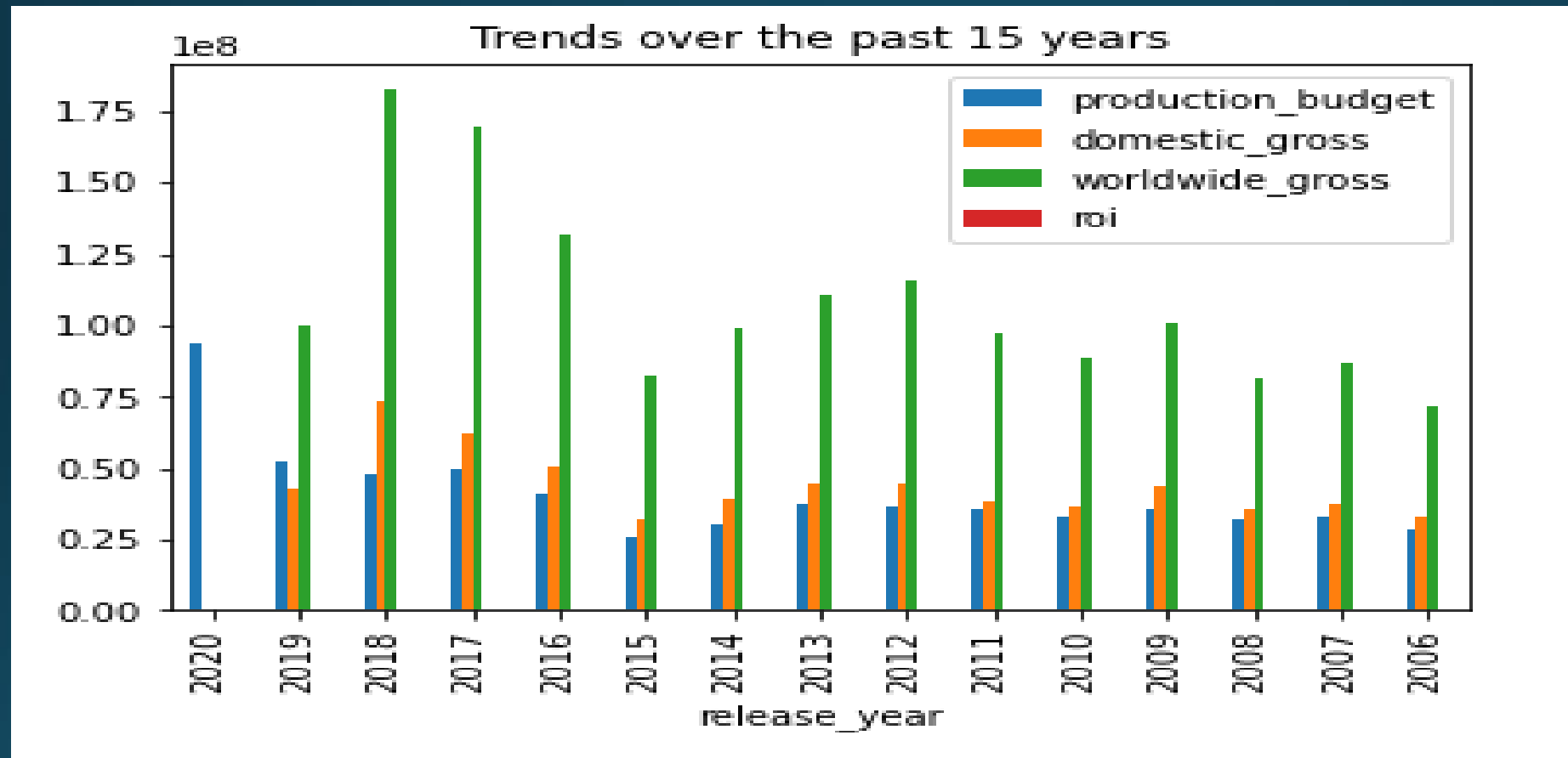Trend of return on investment of movies as a product for the past 15 years

Return on investment averages at above 1.5x for the period in question. The negative roi experienced in 2020 in majorly as a result of the effects of the coronavirus pandemic.

RESULTS

Trends of production budget, domestic gross and worldwide gross for the past 15 years

RECOMMENDATIONS

- The gross numbers(domestic, foreign & total) as well as return on investment numbers indicate a market of movies that is on the rise, hence the decision to create a studio company is well supported by the data in this report.

- The studio should aim for an output of upwards of 15 movie projects on an annual basis in order to stay competitive with the most dominant players in the market such as A24 studios, Amazon Studios, Annapurna Studios etc.

- Microsoft movie studio should take advantage of the current state of the market that is still recovering from the effects of the coronavirus pandemic to launch a competitive studio and ride the wave to success as return on investment from movies should return to pre-pandemic margins in the next few years.

- Microsoft should invest in making movies across al genres in order to attract a more diverse audience hence increasing likelihood for higher gross values.

- Content created on this studio platform should have runtimes that average 90 - 100 minutes.

CONCLUSION

Movies enjoy a special place in everyone's memories as both an adult and as a child, hence, as a product it is marketable across all ages. The data analyzed in this report has shown that they enjoy steady average return rates of upwards of 1.5x with ever increasing gross both locally and internationally. The product is however unique in that outliers are not uncommon and movies, depending on factors such as popularity, cultural influence, timing, hidden messages and other nuanced intangible factors; can result in a singular movie product generating supernormal profits of up to 1000x return on investment.