

MICROSOFT FILM INDUSTRIES

A BUSINESS CASE STUDY

OVERVIEW

- This presentation is to explore the validity of Microsoft's potential entry into the movie business.
- The presentation will briefly discuss the Background of the company, its strengths and make a case for why Microsoft can succeed in this business venture
- The main objective for this will be seeking to understand and identify the characteristics that can increase the probability of success for this new venture.
- We determined that the movie venture as a whole appears to be a profitable and presents a unique opportunity to generate revenue. particularly, given the genres of action, adventure and comedy

BUSINESS UNDERSTANDING

- The film industry is traditionally viewed as a high-risk endeavor to undertake with numerous stories of box office ‘bombs’
- However with careful analysis of available data we believe that it presents a set of unique opportunities that are worth investigating.
- First off is the value of diversification that will increase our revenue streams.
- Additionally films themselves generate multiple revenue streams from DVD sales, streaming subscription services among others. These can continue to generate profits long after a movie has left the theatres.
- Microsoft can make informed decisions that minimize the risks that are traditionally associated with this venture and continue Microsoft’s history of success in a diverse range of markets.

PROBLEM STATEMENT

- The key issues to investigate can be broken down as follows
- What is the state of the movie industry? Is it a venture worth investing in?
- What are the metrics for success we should be investigating

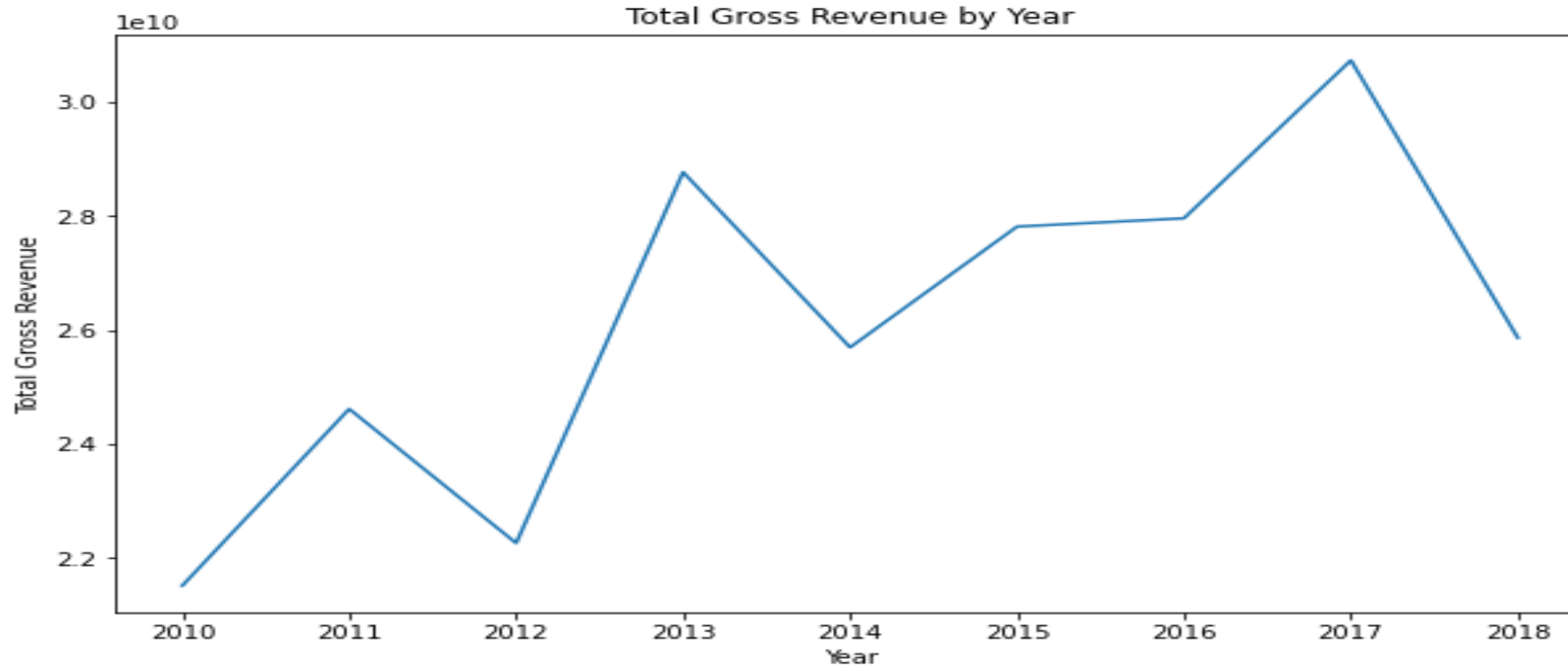
OBJECTIVES

- Our objectives are as follows
- Create a dataframe that can enable us to track the state of the movie industry
- Determine key performance indices and investigate their relationship as within the movie industry

Analysis

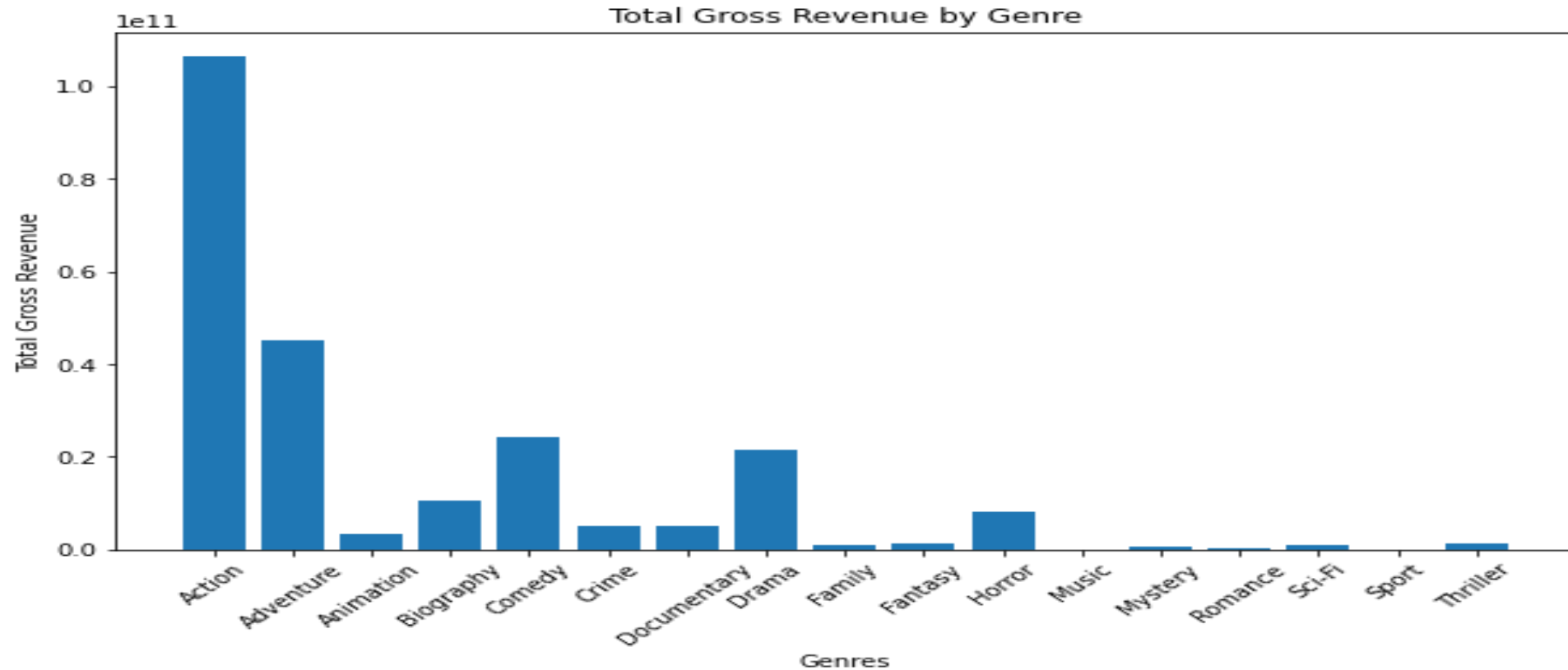
- Two sources were used to obtain data IMDB and BoxofficeMojo
- Key metrics that were investigated were:
 - Domestic gross
 - Foreign gross
 - Genre of movie
 - Year of release

- The first step was to understand the overall state of the movie industry to determine whether the venture was worthwhile.
- For this I determined the critical metrics to consider were total gross revenue to provide an overview of how the movie industry as a whole has performed year on year



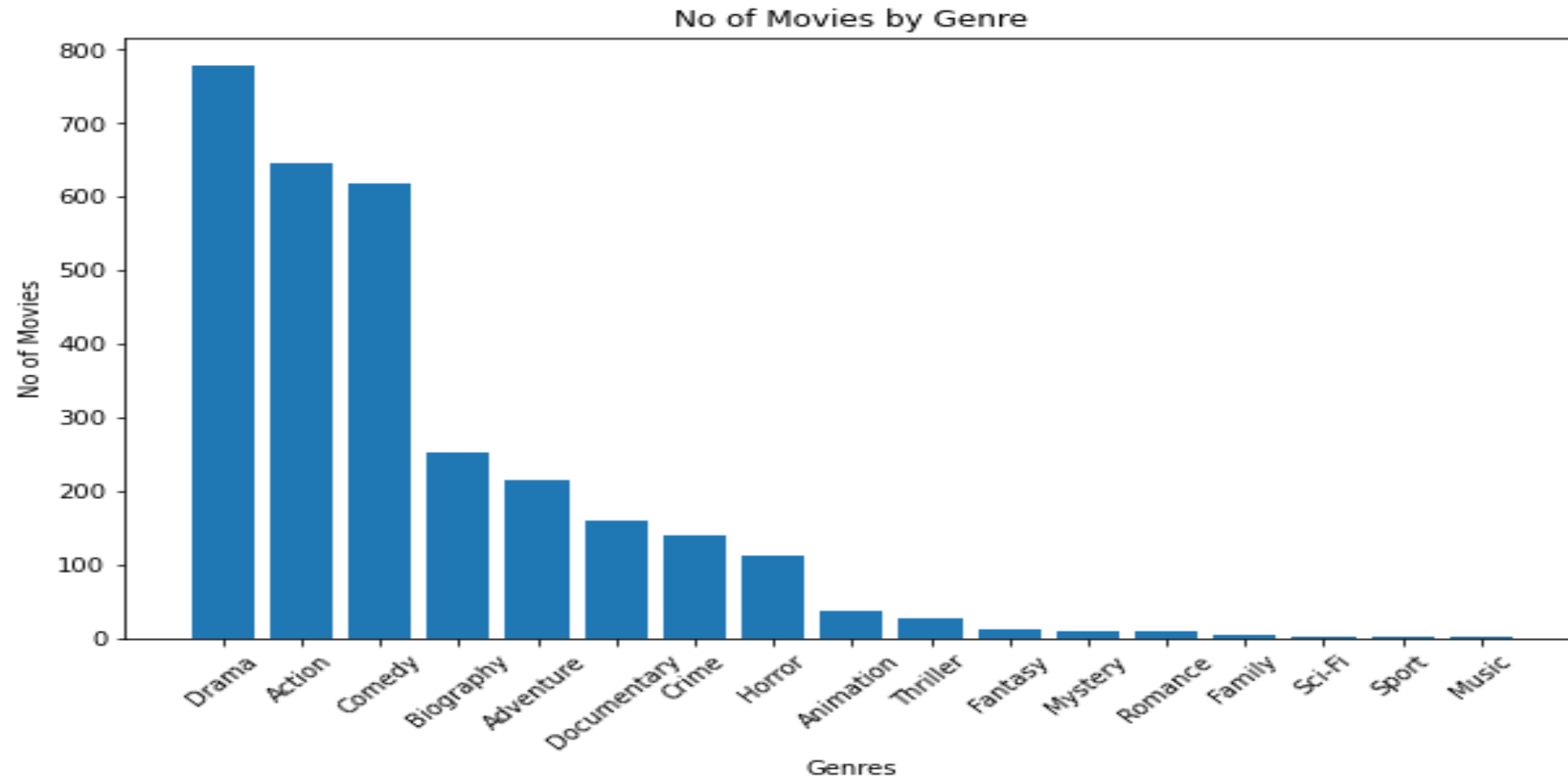
- It seems the growth is not as stable as expected however despite market shocks there is a general upward trend indicating overall growth.

- The next criteria were to determine what types of movies were successful.
- For this the key metrics considered were the genre of the movie produced against the total revenue generated per genre



- This bar chart gives us an idea of the types of movies that are most likely to succeed with action, adventure comedy and drama being the biggest earners.

- The final analysis was to give us insight into the types of movies that the competitors as they can provide a strong indicator of consumer trends in the market as well as idea of profitability



- Surprisingly Action is not the highest despite raising the largest revenue by a significant margin here we can observe the most made films are drama, action, - comedy and biography.

RECOMMENDATIONS

- From this observation we can recommend the following
 - The movie venture as a whole appears to be a profitable and presents a unique opportunity to generate revenue
 - Given that action, adventure and comedy are the biggest earners those should be important genres to consider when branching out into the film industry and diversify the film portfolio we aim to create
 - action movies seem to have high competition despite the high revenue as such its essential to consider other genres such as adventure that while not as frequently produced high earning results making it a field that is easier to penetrate the market and generate significant revenue.

NEXT STEPS

- The next steps should be considered for further investigation
- As we can see the data on movies produced ends in 2018 to be competitive in the industry, we need up to date data on the types of movies being consumed now to get better insight into consumer trends.
- Another factor to consider is return on investment as some low-cost genre movies may generate more consistent profits as opposed to higher cost ones.
- Finally, to obtain and analyze data from streaming services to see how best we can leverage their use in the future.

QUESTIONS?