Breaking into the Movie Industry

Data Analysis

Business Context

Microsoft is a large, well-known, publicly traded software company with global reach.

Microsoft is not known for movies

Microsoft now 3rd largest gaming company by revenue

Business Context

The Movie Industry - wide range of established small and large studios

Film budgets - indie films to blockbuster hits.

Established connections

Known Brands with Global Distribution Networks

Creating a top 50 film by gross revenue

REACH

Domestic Release

V.

Worldwide Release

INVESTMENT

Investment size per film $

Expected returns $$

ATTENTION

Ideal time to release

Ideal length

Data analysis process

STEP 1

Identify and clean the data

STEP 2

Analyze range of values and movie attributes

STEP 3

Visualization

Identify trends and patterns

Movie Data Sets 2010 to 2018

Box Office Mojo

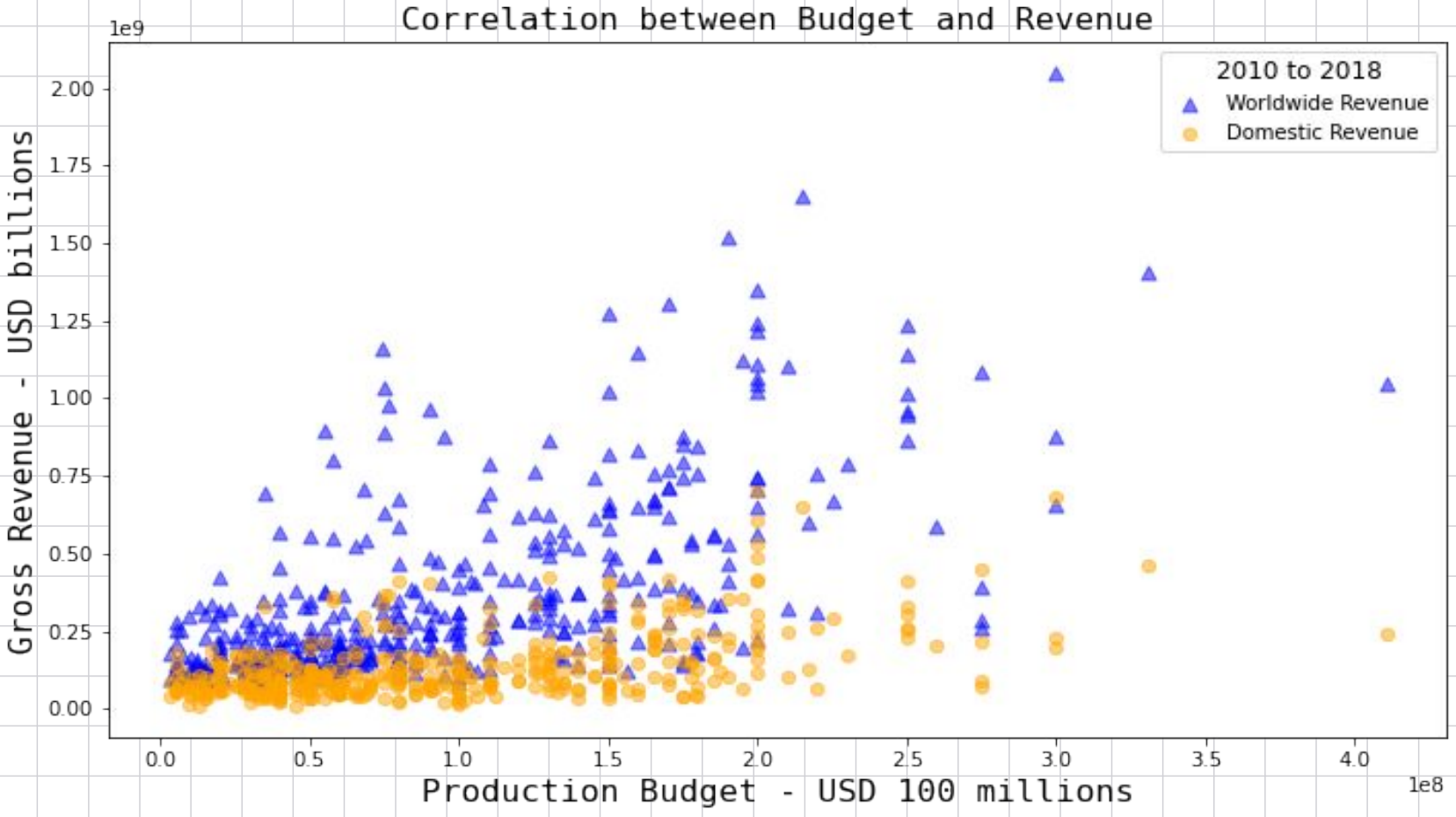
Tracks box office movie revenue in a systematic, algorithmic way.

The Numbers

Tracks movie revenue but also tracks production budgets and costs.

IMDb

Large database tracks ratings, cast and crew, runtimes, genres, and other movie attributes.


Correlation between Budget and Revenue
1e9
2.00
1.75
1.50
1.25
1.00
0.75
0.50
0.25
0.00
Gross Revenue - USD billions
2010 to 2018
Worldwide Revenue
Domestic Revenue
0.0
0.5
1.0
1.5
2.0
2.5
3.0
3.5
4.0
1e8
Production Budget - USD 100 millions

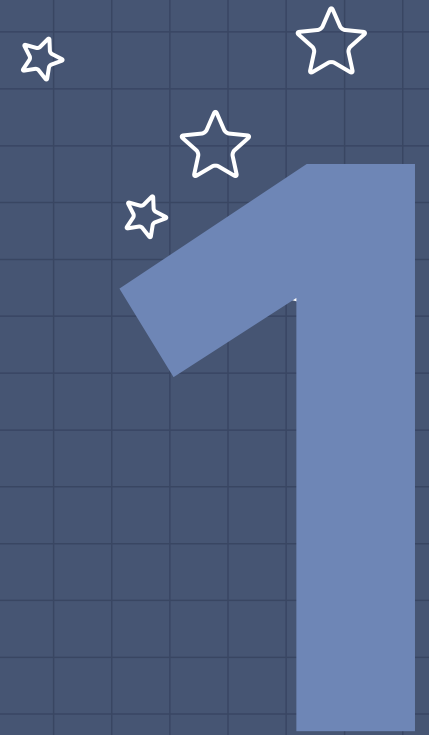
$75,000,000
Median production costs

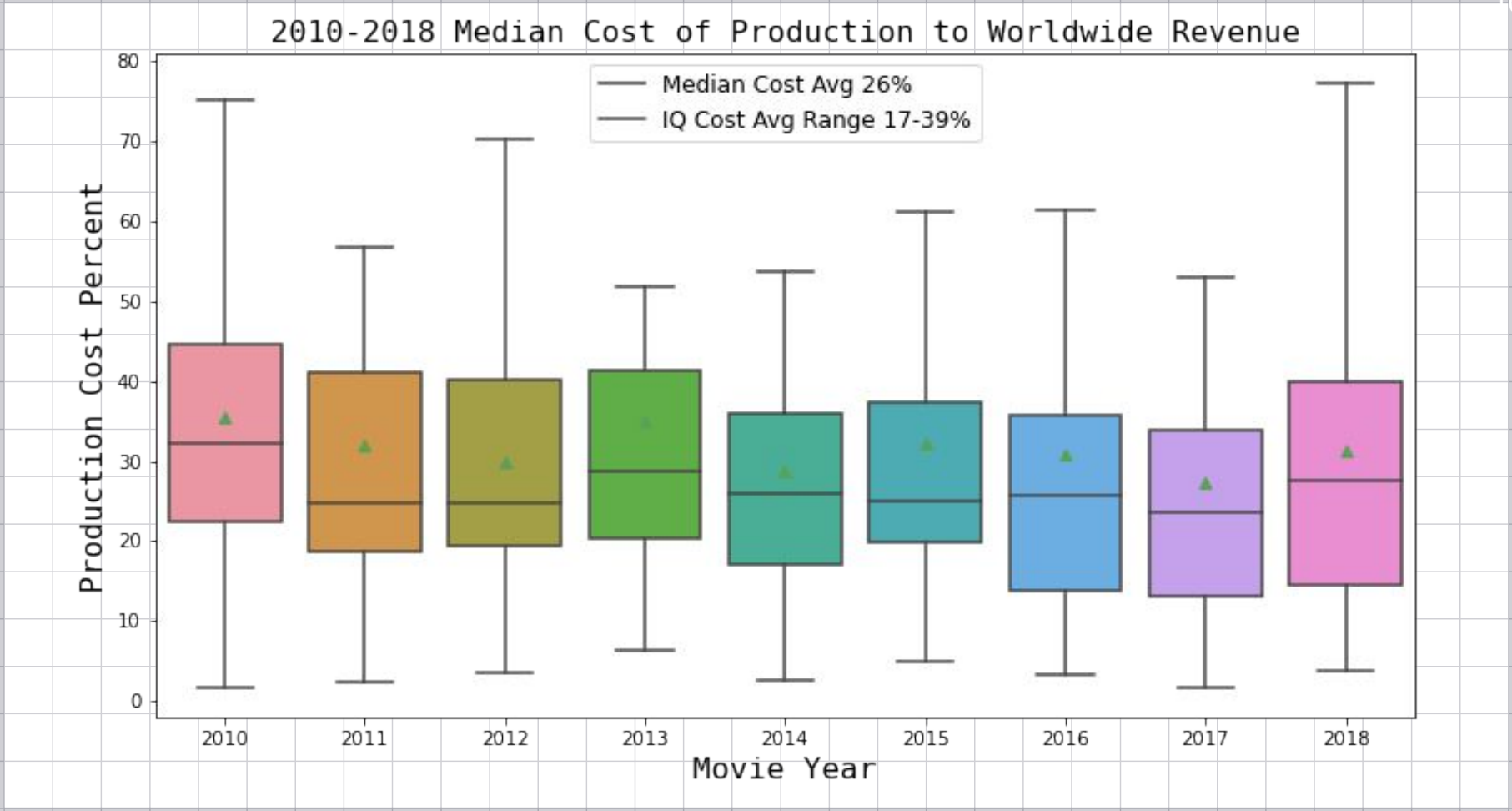
$100,000,000
Median domestic gross

$239,000,000
Median total worldwide gross

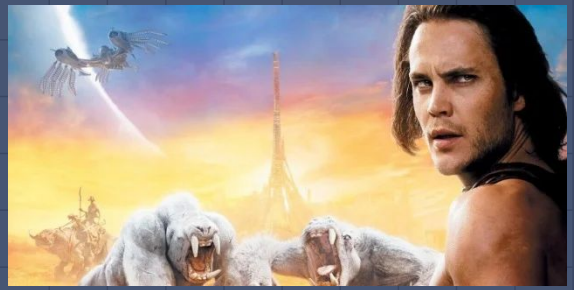
Reach Recommendation

A worldwide release is more likely to cover all production costs and further add to Microsoft’s revenue stream




2010-2018 Median Cost of Production to Worldwide Revenue
Median Cost Avg 26%
IQ Cost Avg Range 17-39%
Production Cost Percent
0
10
20
30
40
50
60
70
80
2010
2011
2012
2013
2014
2015
2016
2017
2018
Movie Year

Black Panther cost $200 Million, made $1.35 billion



John Carter cost $263 million, made $282 million

Arrival cost $43 million, made $203 million

Investment Recommendation

Set aside a budget minimum of $75 million for initial film.

Invest in two to three movies to start to spread risk.

Stay within the $40 - $140 million range

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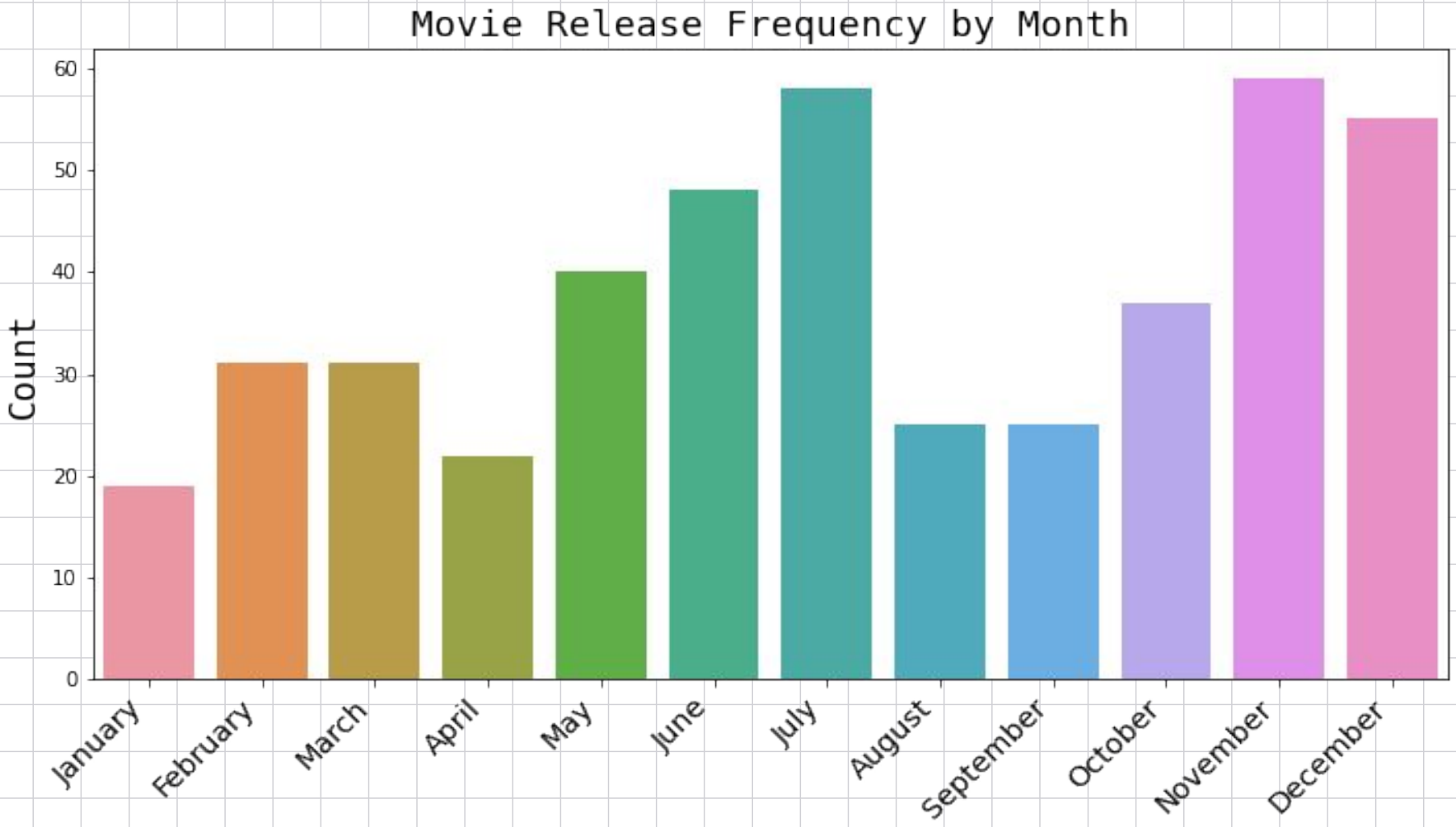
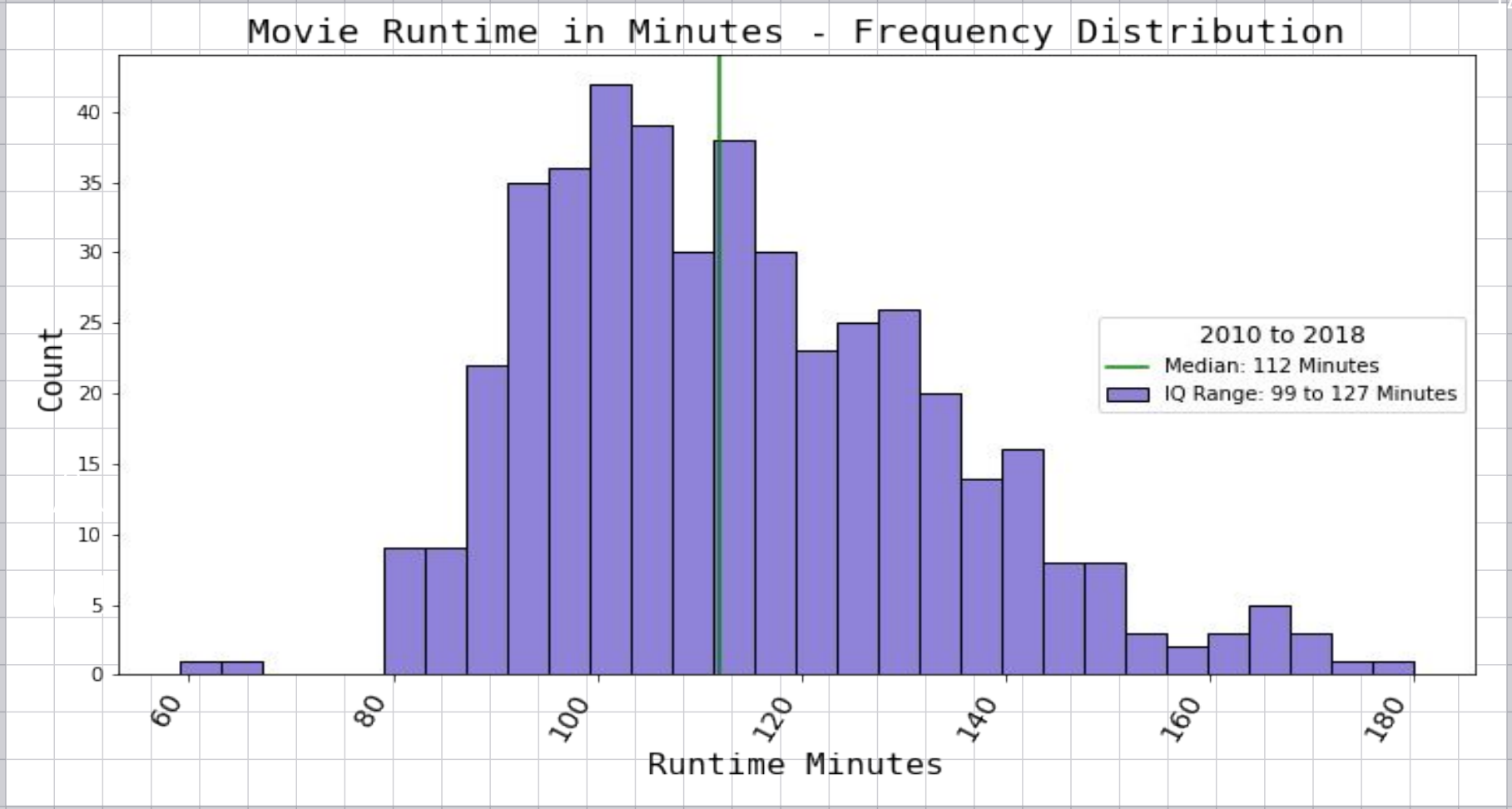

Movie Release Frequency by Month
Count
60
50
40
30
20
10
0
January
February
March
April
May
June
July
August
September
October
November
December


Movie Runtime in Minutes - Frequency Distribution
Count
Runtime Minutes
0
5
10
15
20
25
30
35
40
60
80
100
120
140
160
180
2010 to 2018
Median: 112 Minutes
IQ Range: 99 to 127 Minutes

Attention Recommendation

Release initial film at the end of May, early June

Within the range of 99 to 127 minutes

112 minutes is the sweet spot

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PRESENTATION by

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