

PINPOINT TO SUCCESS

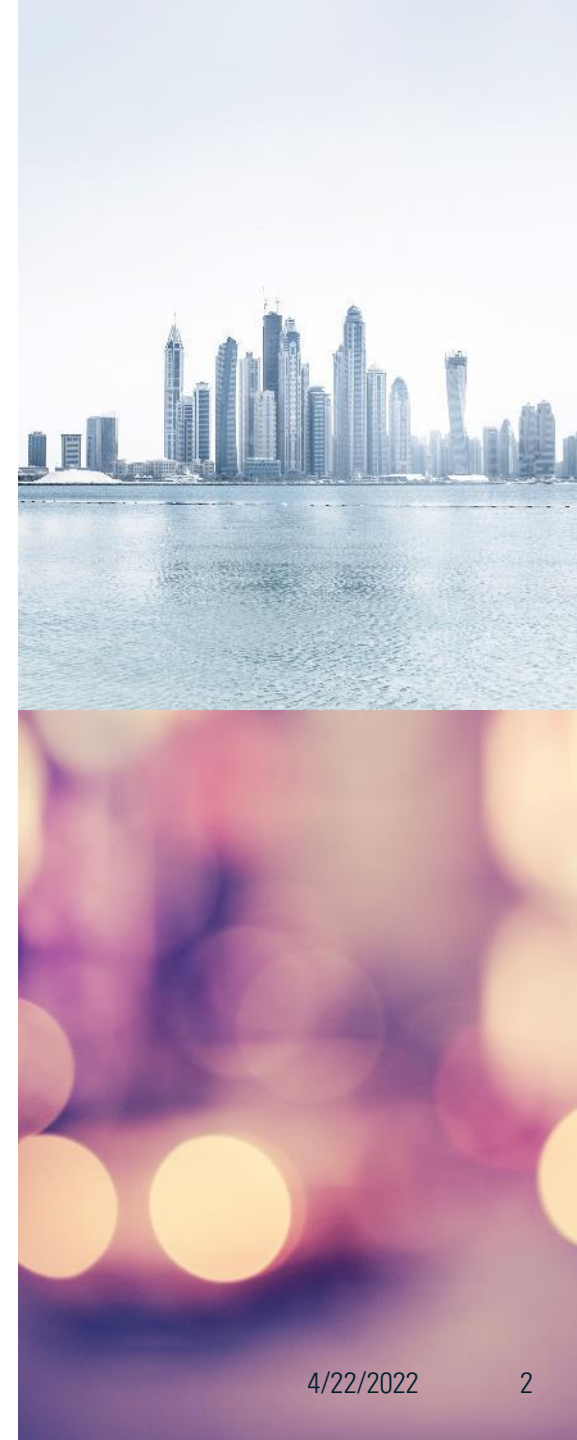
— A STRATEGIC PROPOSAL TO MICROSOFT MOVIE STUDIO

Presenter: Julian(Xibei) He



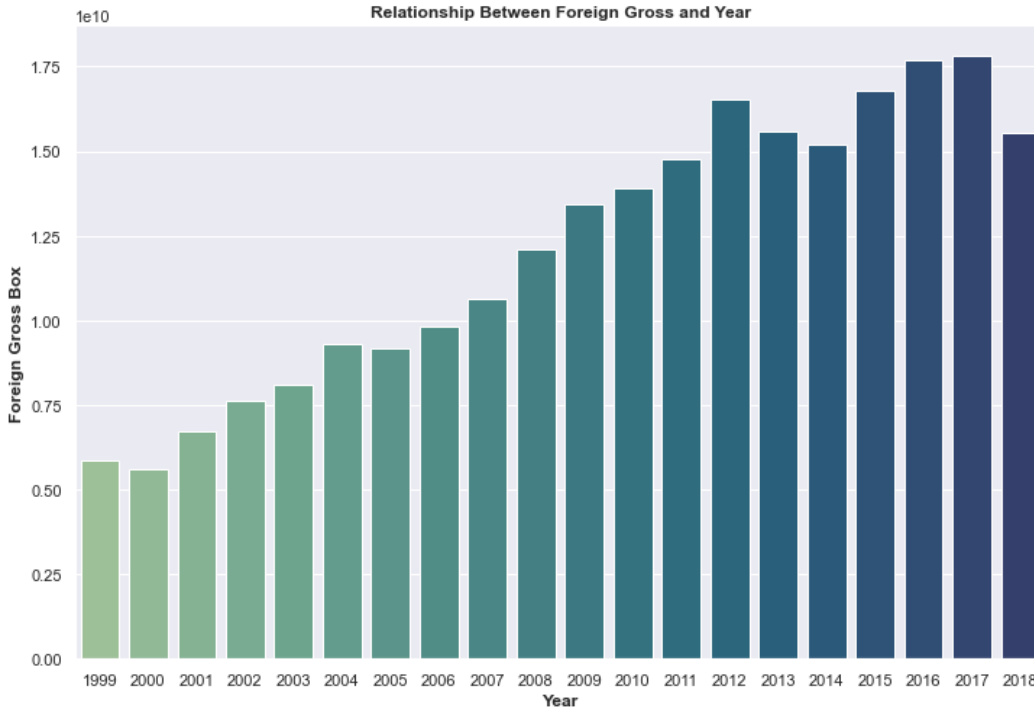
AGENDA

1. Industry Profile
2. Approach Intro
3. Key Questions
4. Recommendations
5. Looking forward





INDUSTRY PROFILE



Film making budget
increases 42% in last 20
years



Box Revenue in the NA
increases 53% same
period



International box number
TRIPLE in last 20 years.



Marketing costs increase
44% from 2014 to 2019
alone

Data provided by: <https://www.statista.com/statistics/187069/north-american-box-office-gross-revenue-since-1980/>

<https://stephenfollows.com/how-has-the-cost-of-making-a-movie-changed-over-the-past-twenty-years/>

<https://fred.stlouisfed.org/series/GDP>



WHAT THE DATA TELL US

- As US market has entered mature stage for movie industry, Hollywood has strategically focus on the opportunities worldwide.
- Marketing has become an essential part of whole movie production.



APPROACH: EXPLORATORY DATA ANALYSIS - CRISP-DM

3rd party Data

- IMDB database
- Box office
- Movie Budgets
- External data and links

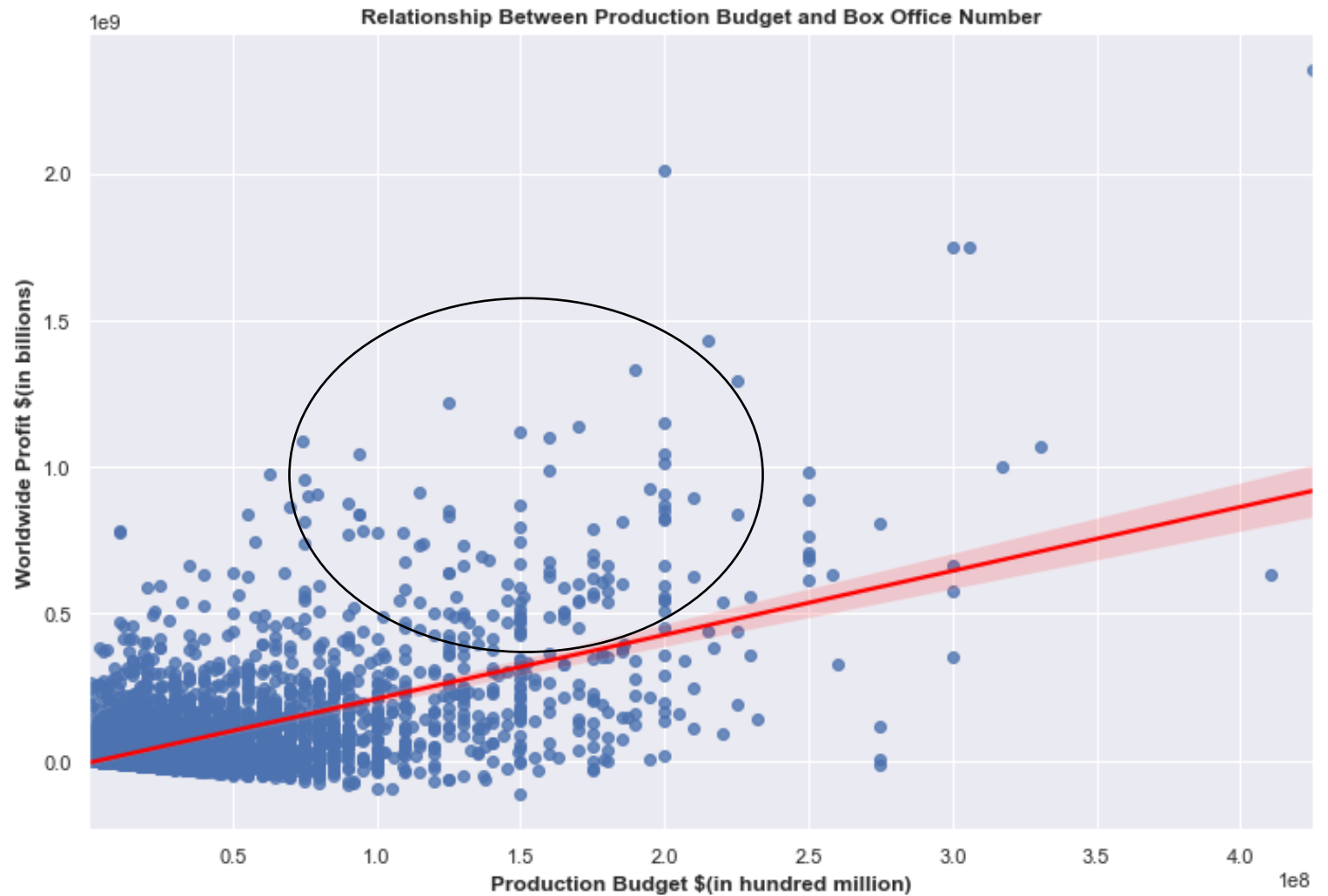
Measures

- Profitability
- Correlations
- Category

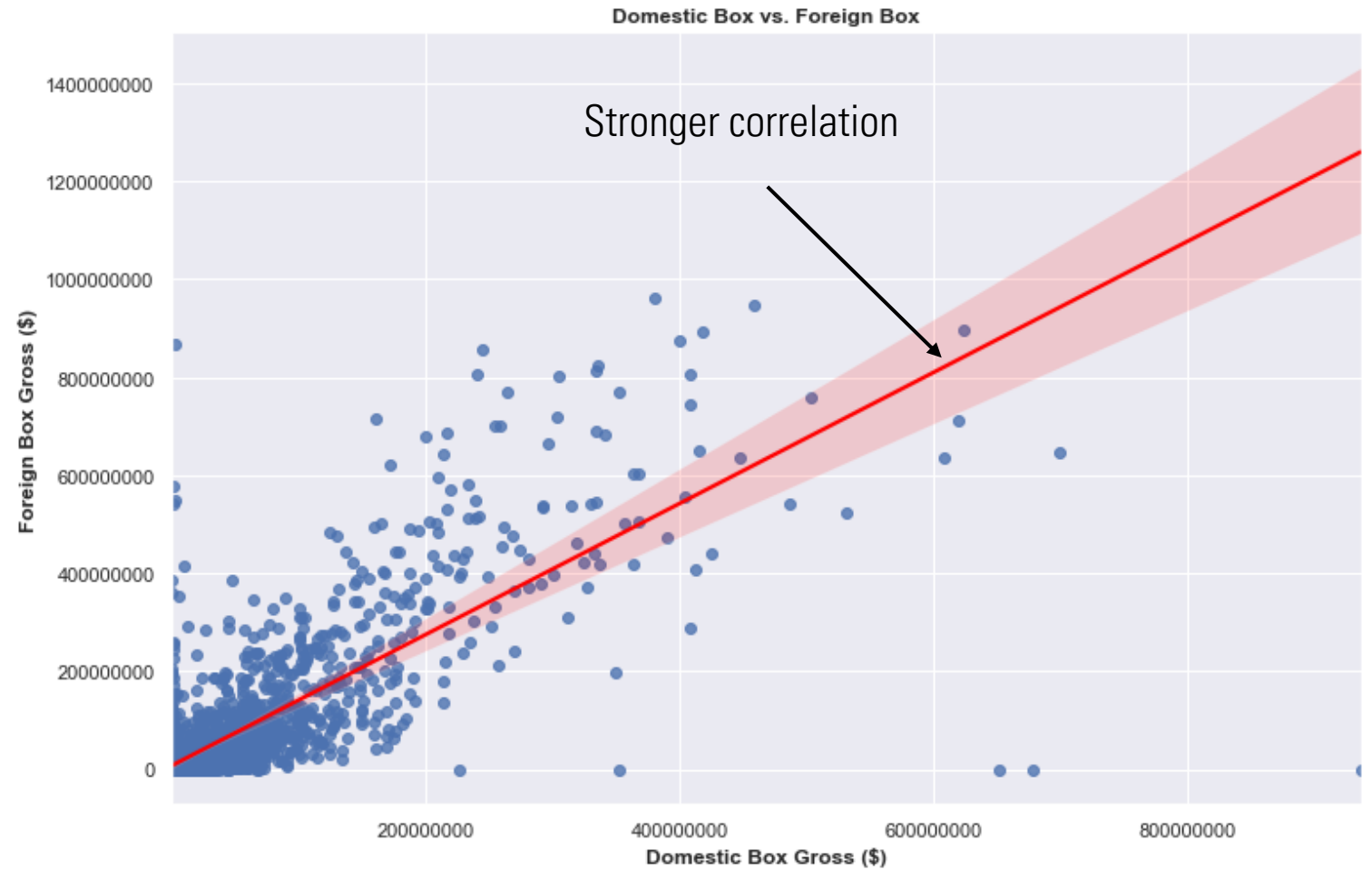
DOES SPENDING
MORE MONEY MAKE
MOVIE PROFITABLE?



HIGHER
BUDGET
LEADS TO
HIGHER
PROFIT



**HIGH
DOMESTIC
GROSS LEADS
TO HIGH
INTERNATIONAL
GROSS**

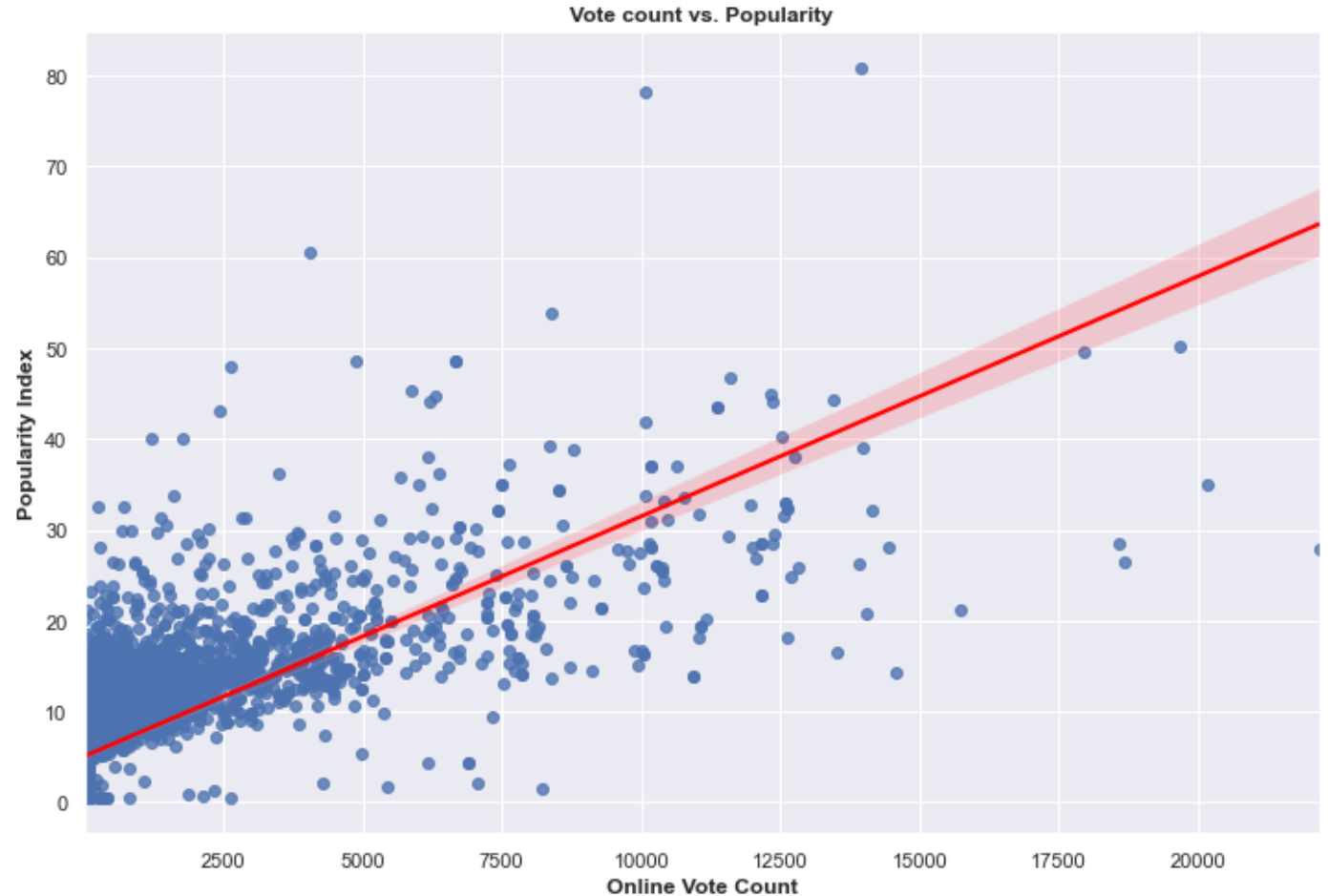


A photograph of a modern building with a glass facade, showing multiple floors and balconies. The image is partially obscured by a white diagonal shape that contains the title text.

WHAT FACTORS CONTRIBUTE TO THE POPULARITY OF A MOVIE

HIGHER VOTE COUNT MEANS HIGHER POPULARITY

- Assume the vote count data as a proxy for online exposure
- Higher vote count number (exposure) leads to higher popularity.



HIGHER BUDGET LEADS TO HIGHER VOTE COUNT

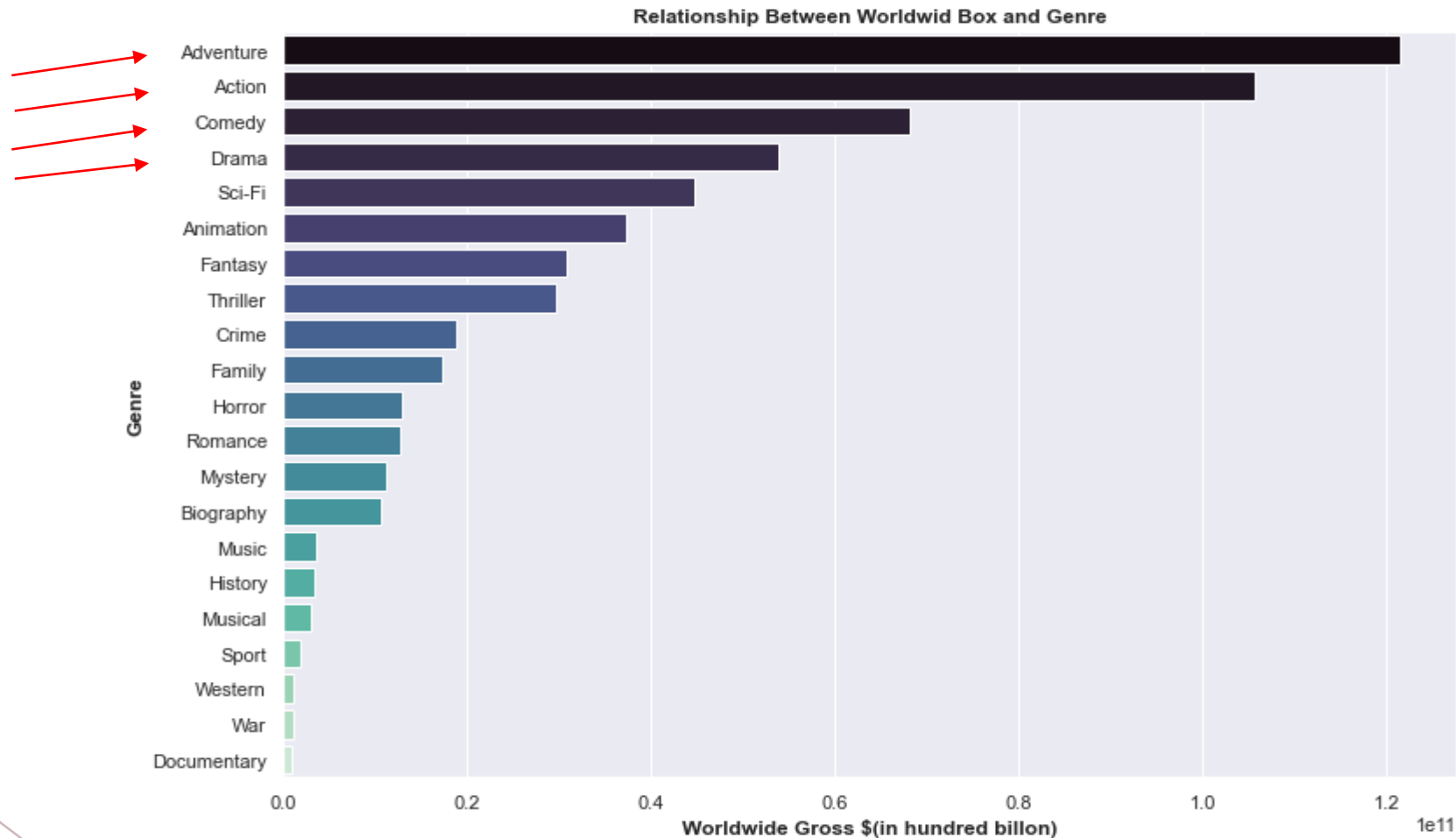
- Assume the vote count variable positively affect popularity
- Higher budget leads to a higher popularity according to transitive law.



HOW GENRE OF MOVIE AFFECTS ITS PROFITABILITY

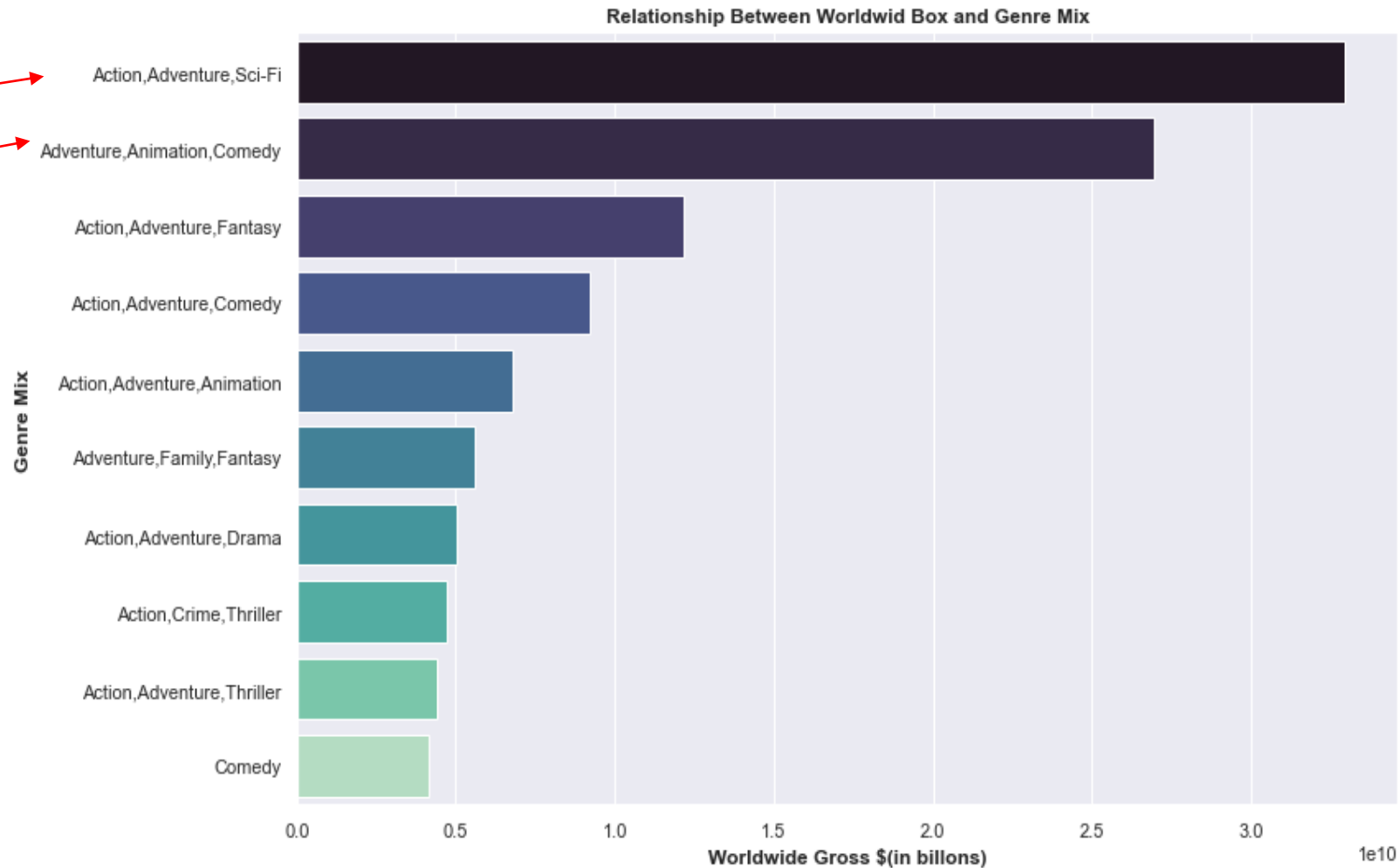
ADVENTURE, ACTION, COMEDY, DRAMA ARE THE HOTTEST MOVIE GENRES

Top Performers!



CERTAIN GENRE MIX ARE INCREDIBLY PROFITABLE

First 2 mixes generated more than twice of revenue than 3rd place



RECOMMENDATIONS

HIGHER PRODUCTION BUDGET

- Top 5% movies that generated the most worldwide revenues invest average \$140,000,000
- Keep targeting on international market with huge potential

HIGHER BUDGET FOR ONLINE EXPOSURE

- Positive relation between vote count, budget and popularity.
- Spend at least industry level (50%) in increasing movie online exposure

MAKE MOVIE ACROSS MULTIPLE GENRES

- Action, Adventure
- Comedy, Drama also score high in this category

LOOKING FORWARD – MACRO FACTORS

- Social Media Strategy
- Online Streaming Platform
- Social Aspects





THANK YOU

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