Microsoft: Movie Studio Analysis

Team

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Agenda

1. Business Problem
2. Market Analysis
3. Data Driven Solutions
4. Final Recommendations
5. Future Analysis

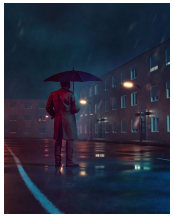
Business Problem Overview

Microsoft is considering a breakthrough into film. We leveraged data on the industry to ascertain profitable strategy while minimizing risk

Bottom Line Up Front

1 - Genre

We recommend the Thriller and Sci-Fi genres with key words in the film title



2 - Capital

The ideal budget for this film should be around $90 million

3 - Talent

We recommend Francis Lawrence and Henry Joost as directors

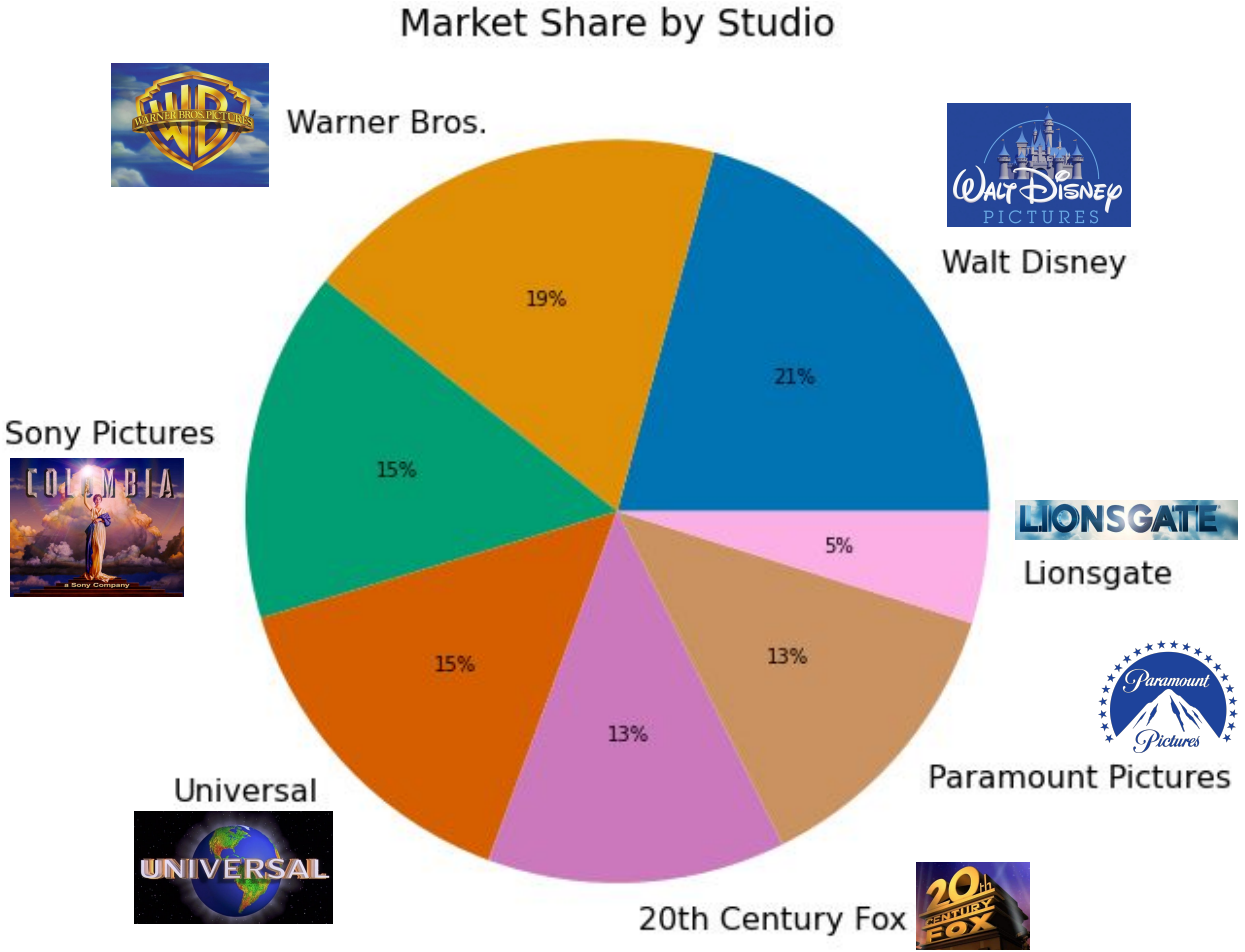
Key Performance Indicators

Profit margin is a preferred indicator over worldwide gross for ***long term*** sustainability

https://consulterce.com/profit-margins/

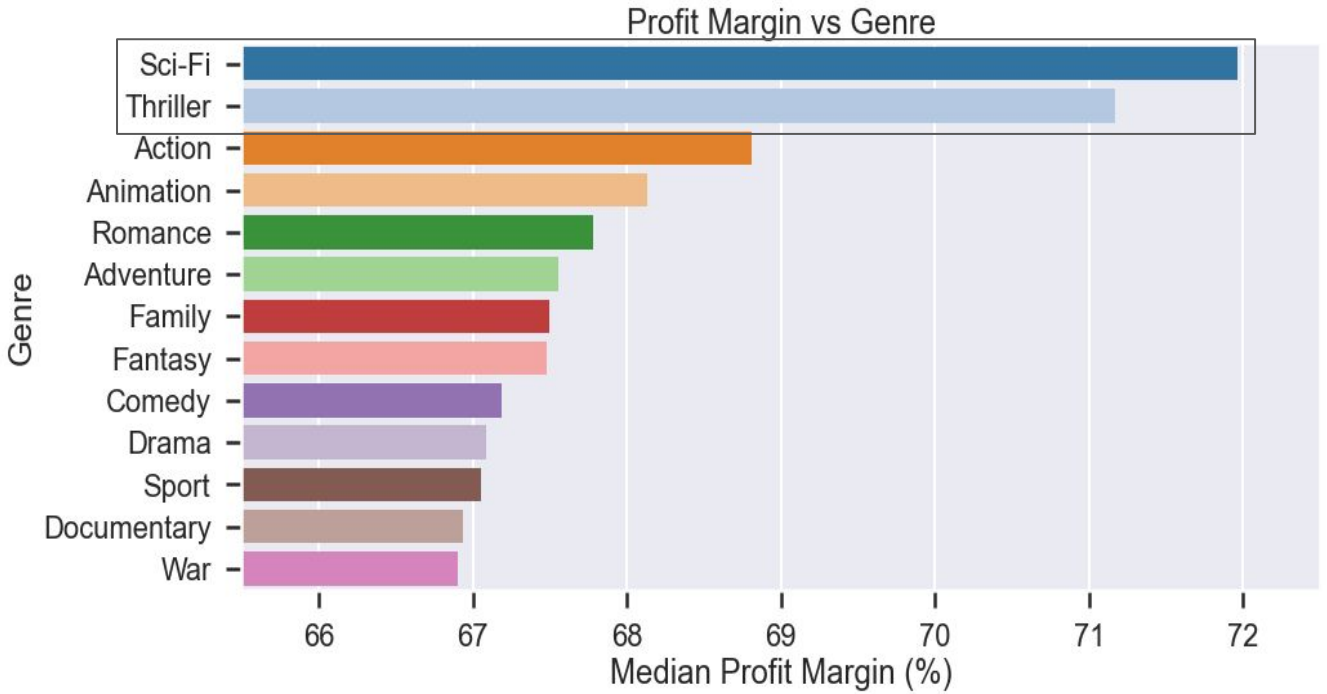
Current market shares of film studios

Big players in the industry; competitors (*or potentials for co-production/ joint ventures)*

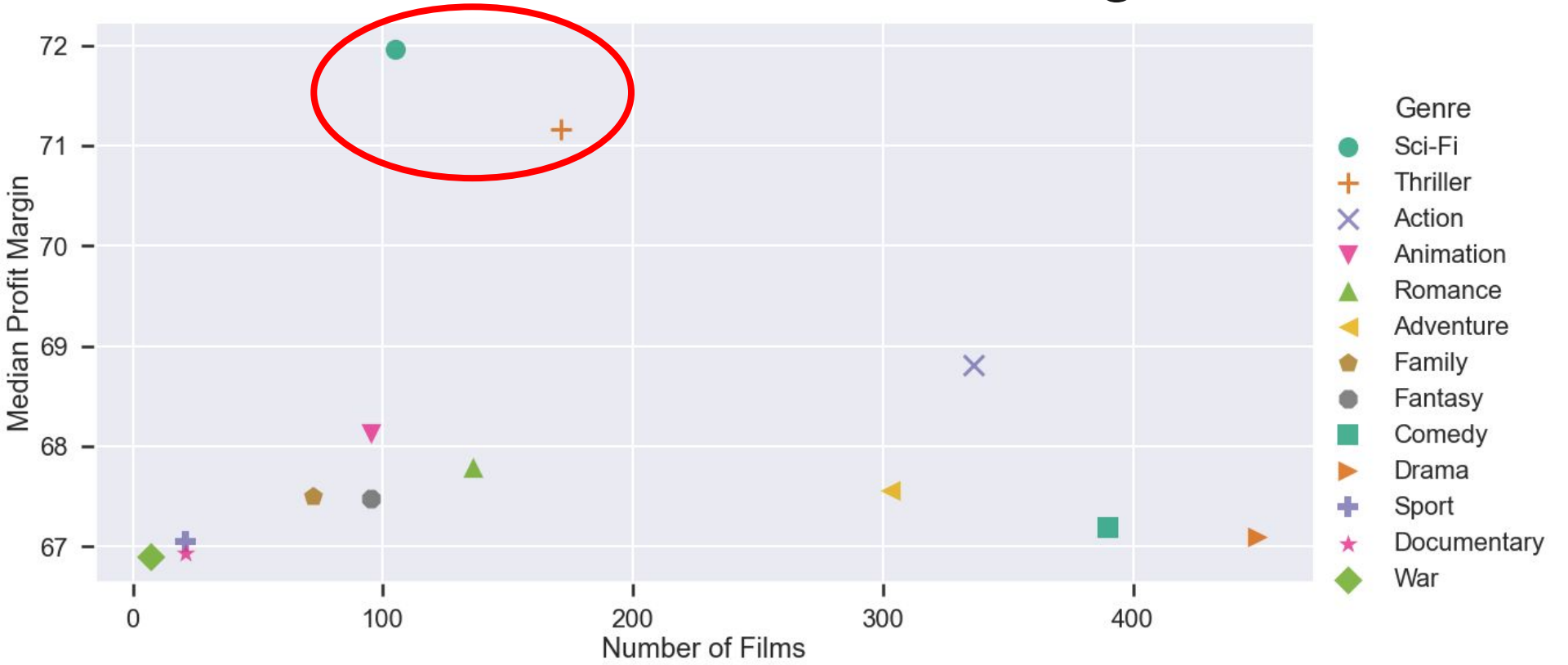


Which Genres have the best profit margins?

Sci-fi and Thriller top the list for highest margins at the box office



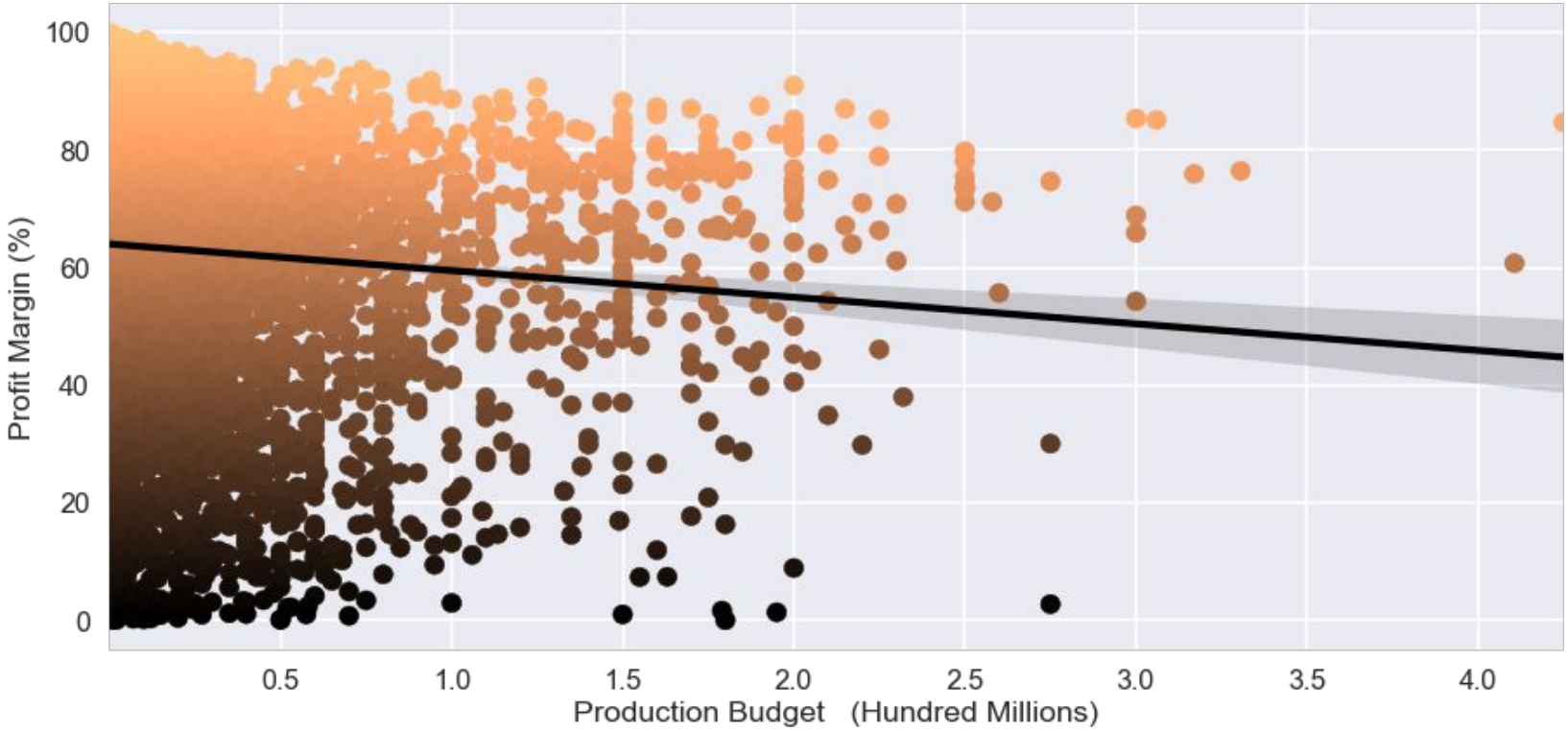
Market Saturation vs Profit Margin



Data Driven Solution 1: Budget

What is the ideal allocation for production budget that will generate revenue and set you up for future success?

Budget vs Profit Margin



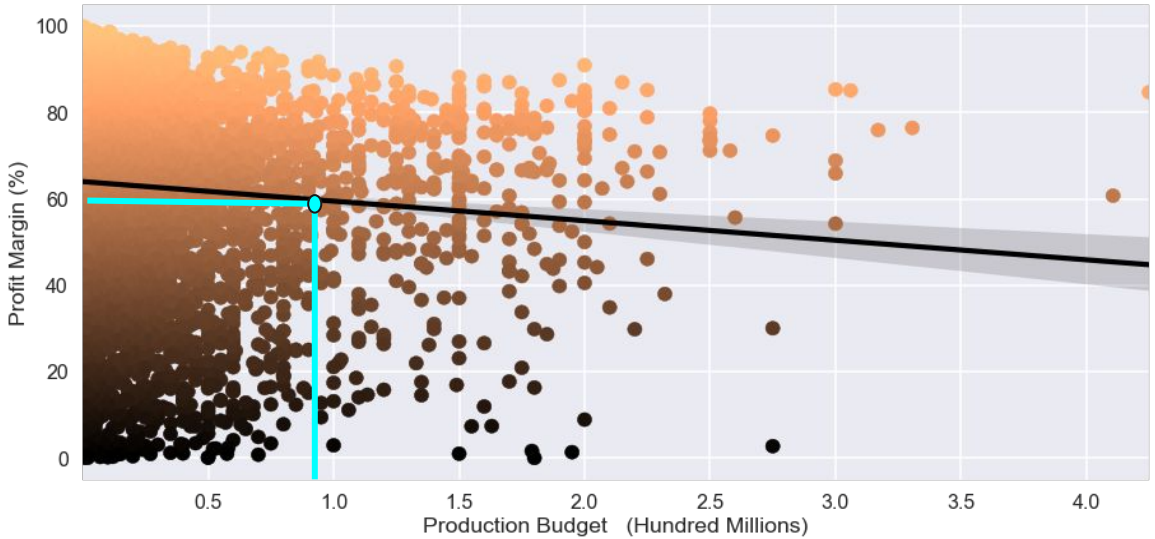
Top 10 Studios and their median profit margins

These top studios' median profit margins have an average of **60.89%**, and this will be our target moving forward

Production Company	Median Profit Margin
20th Century Fox	63.857508
Universal	63.252301
Lionsgate	61.577909
Miramax	61.569841
Sony Sictures	61.158969
Paramount	60.630602
MGM	60.008739
New Line Cinema	58.419637
Warner Bros	57.205628
Columbia Pictures	56.371676

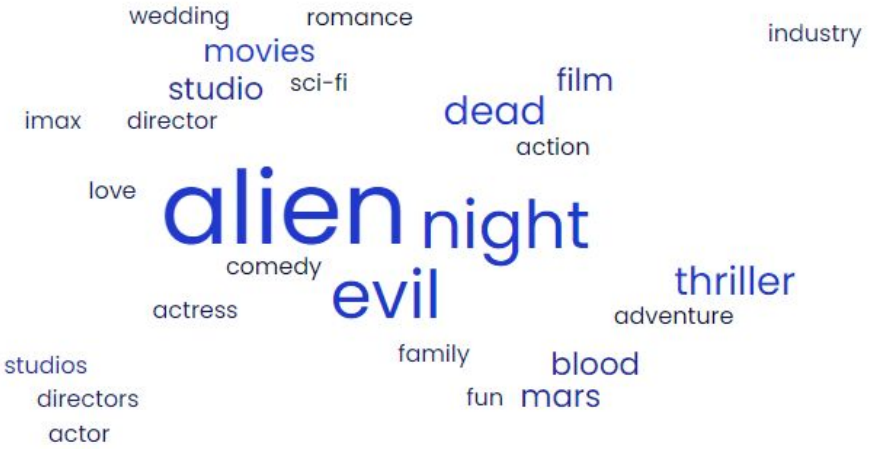
Ideal Budget is $90 Million

Corresponding to a profit margin of around 61%



Data Driven Solution 2: Title Selection

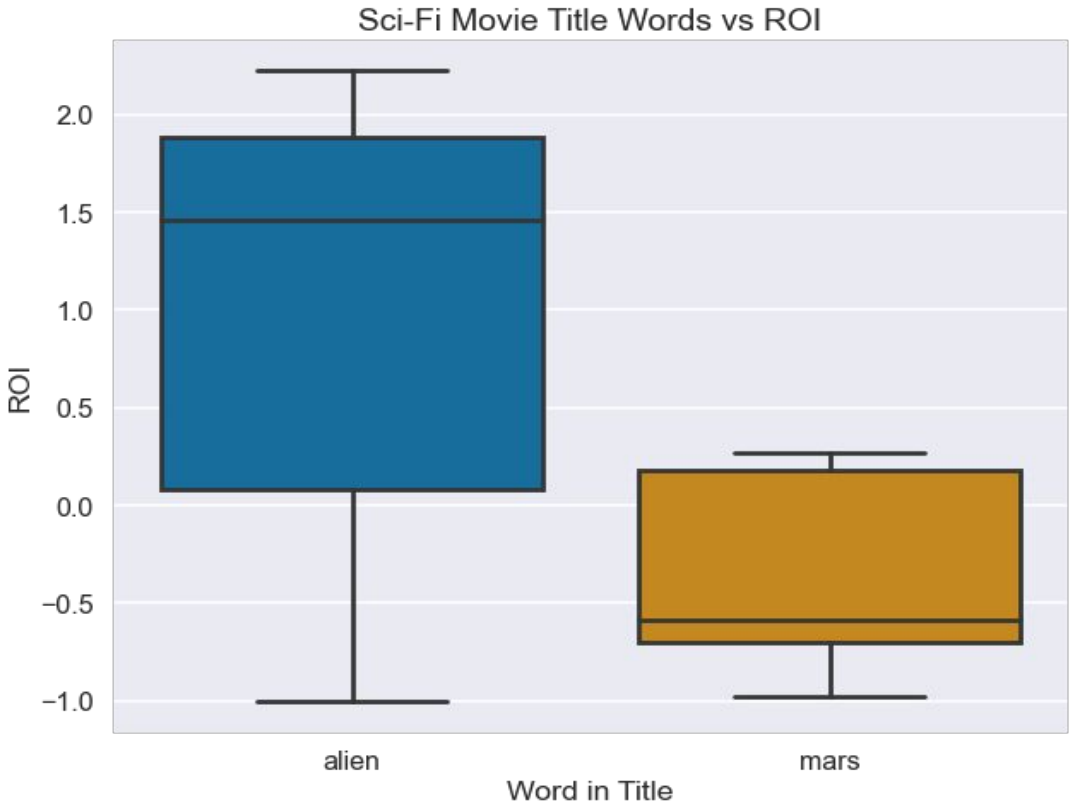
Are there "buzzwords" you can use in a movie title that tend to increase revenue? Are there words to stay away from?



Sci-Fi

50% of movies with “alien” in the title had an ROI above 1.5

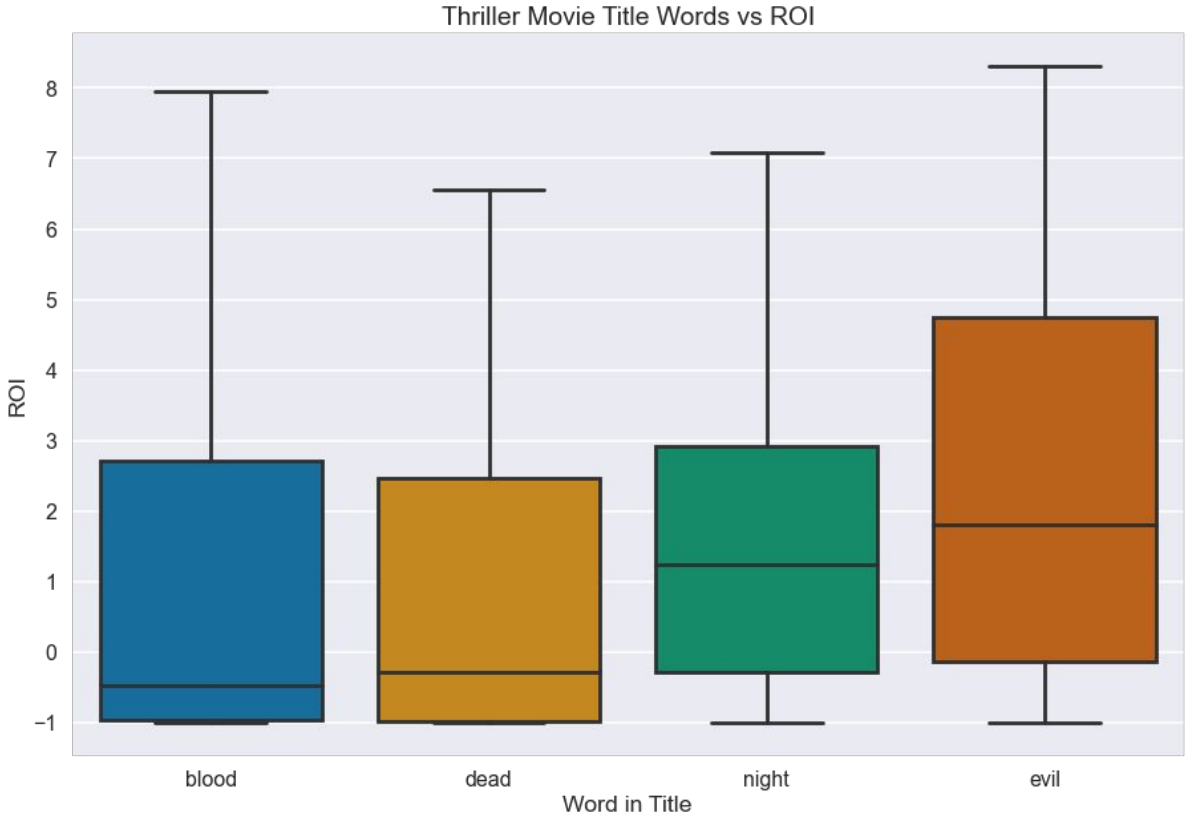
Films with the word “mars” in the title had a median ***negative*** ROI



Thriller

Titles with both “blood” and “dead” had median ***negative*** ROIs

Whereas “night” and “evil” had medians well above 1 ROI



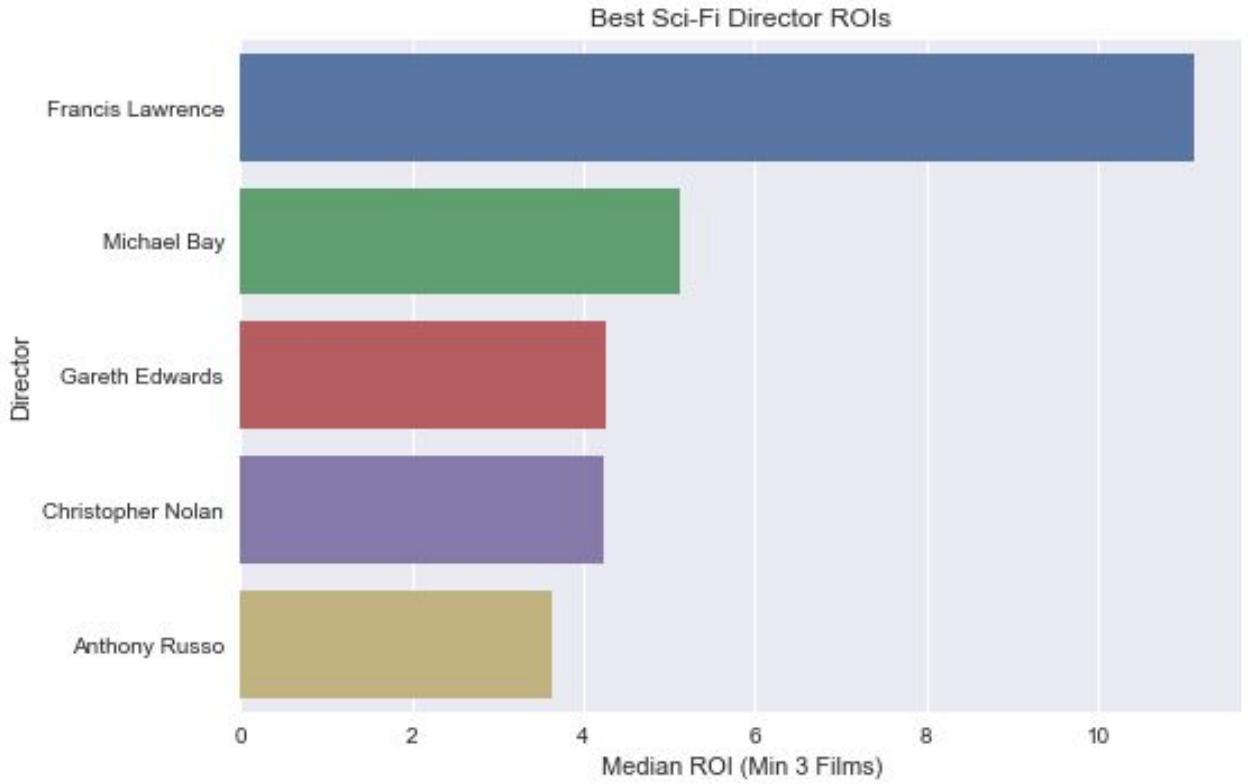
Data Driven Solution 3: Directors

For our genres, which directors have the highest median ROI, and thus will bring the most value to the film?

Sci-Fi

We recommend Francis Lawrence

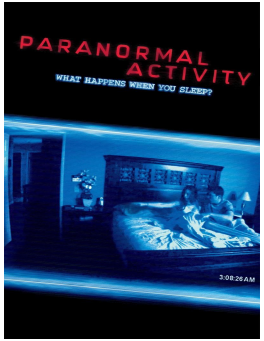
(The Hunger Games)

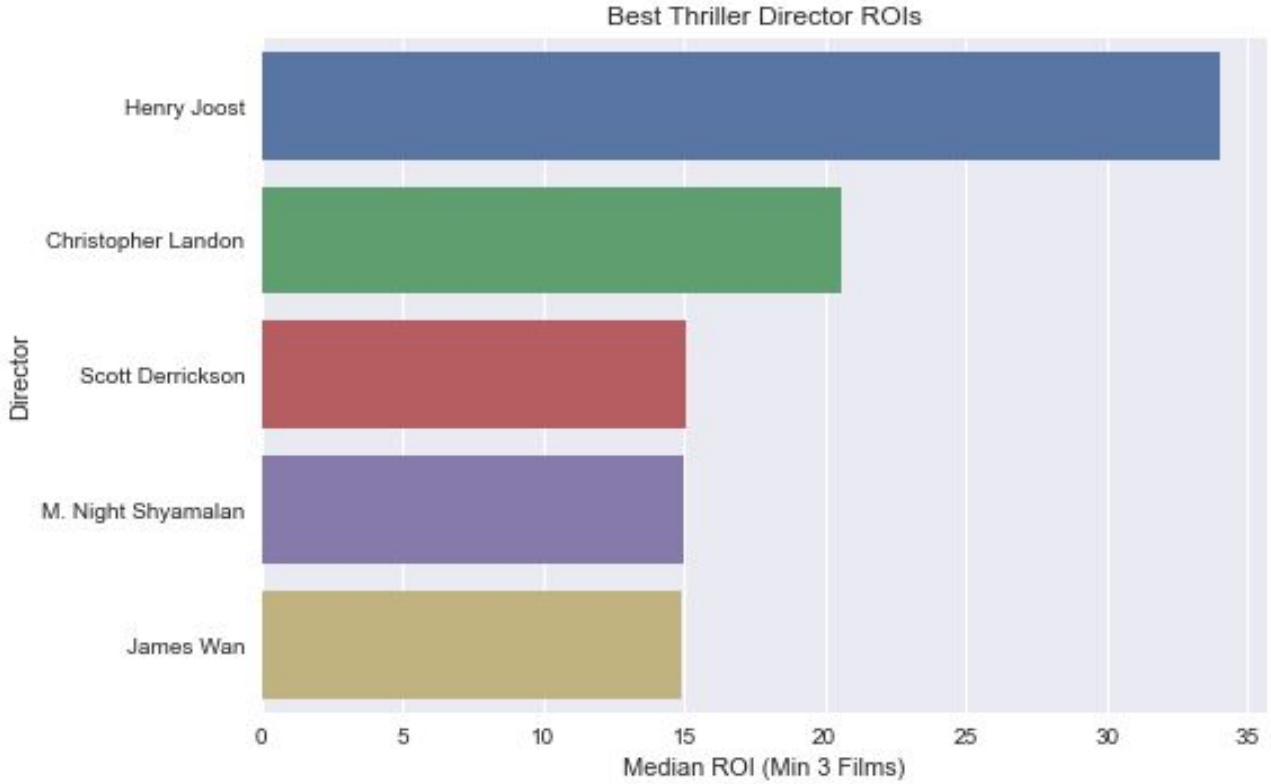


THRILLER

We recommend
Henry Joost

(Paranormal Activity)

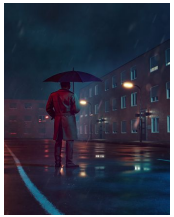




Conclusion

1

We recommend a Thriller movie with night/evil in the title or a Sci-Fi movie with alien in the title



2

The ideal budget for this film should be around $90 million

3

We recommend directors Francis Lawrence for Sci-Fi and Henry Joost for Thriller

Future Analysis

Analyze streaming viability

iMax/ 3D filmmaking

Web scraping for additional data

Refine title word search system

Team

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Thank you.

Appendix

Limitations of Data

- Inflation rates from Worldwide Box office gross
- Additional expenses not included in Production Budget
- Genre categorization - films can have multiple genres

Terminology

Revenue = Worldwide Gross

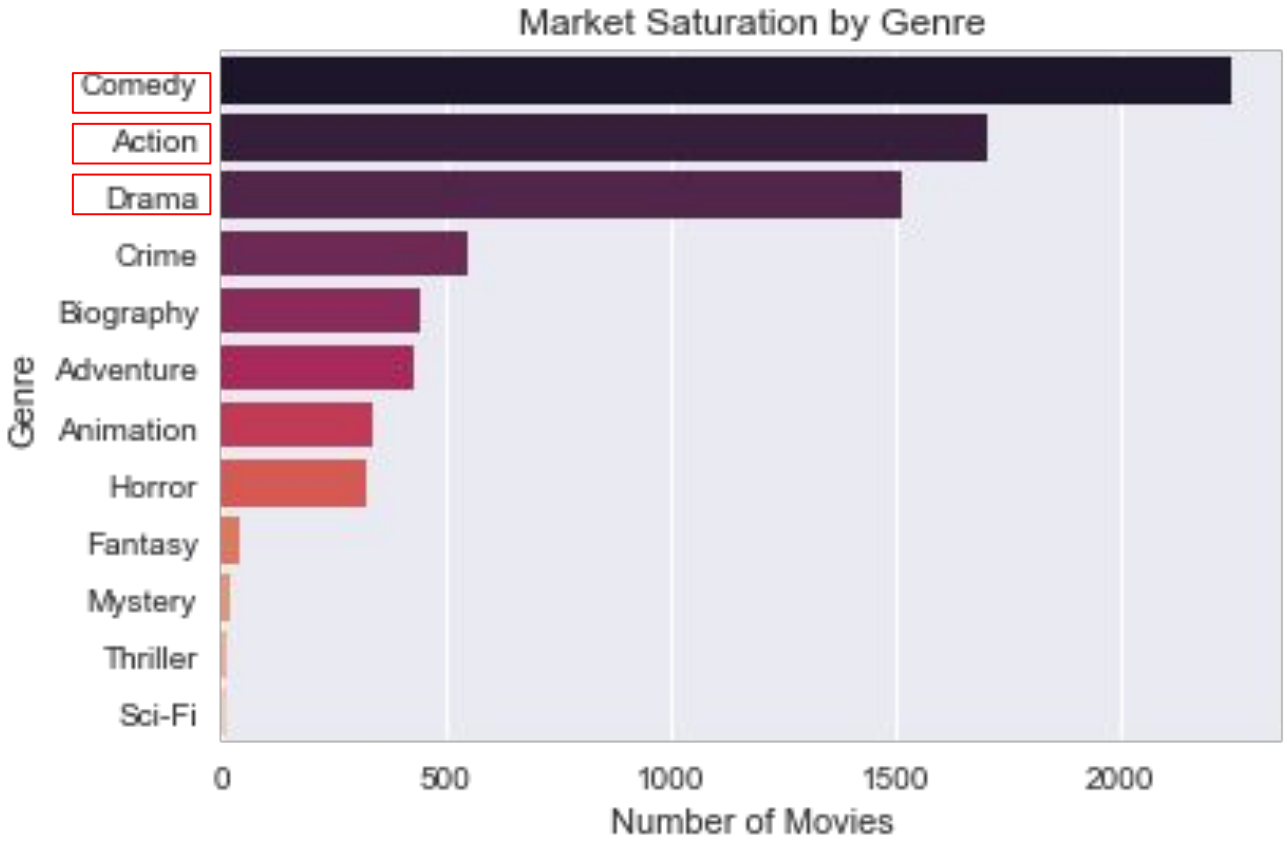
Profit = Production Budget - Revenue (Worldwide Gross)

ROI = Return on investment (Profit / Production Budget)

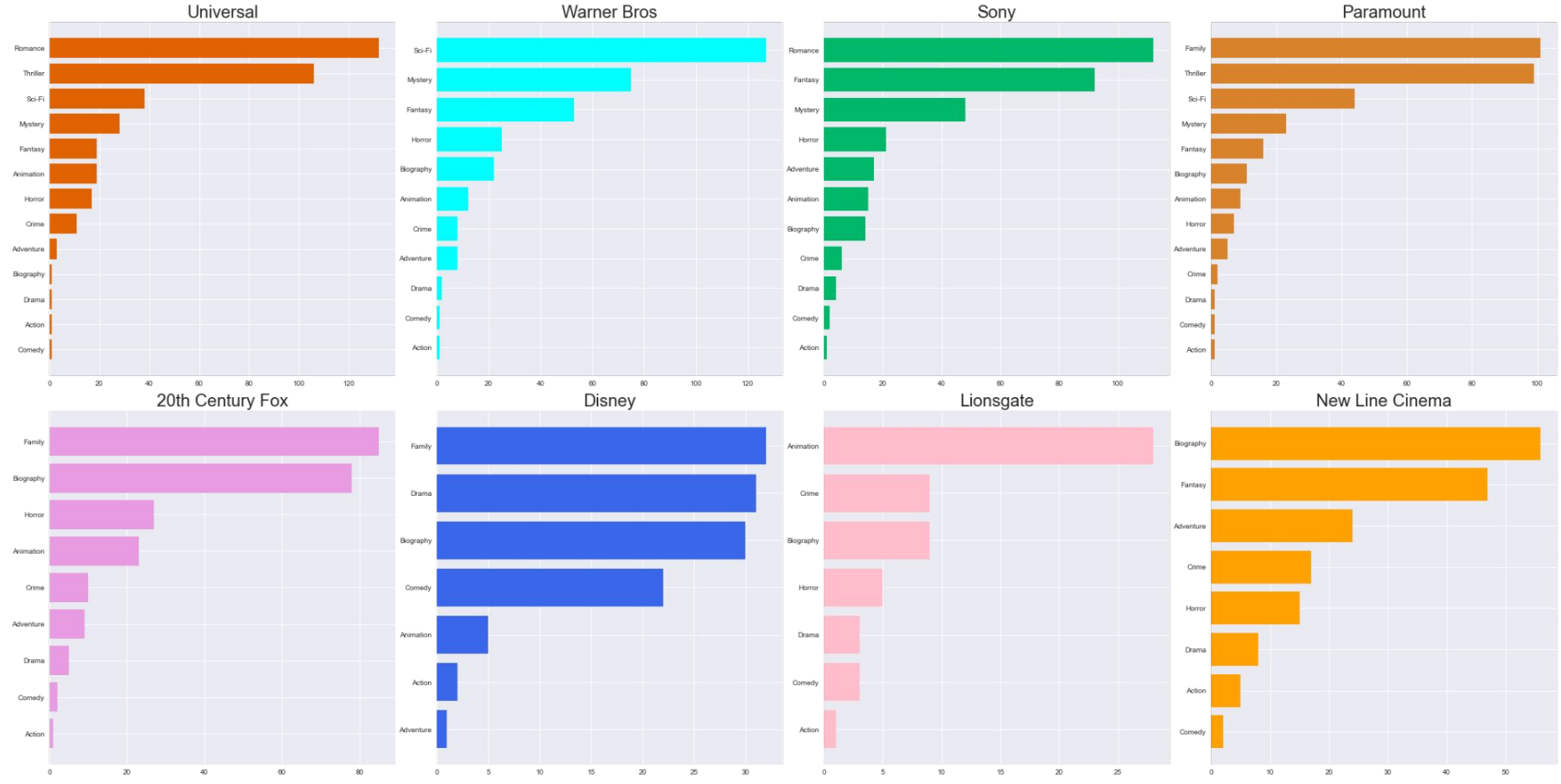
Profit Margin = Profit / Worldwide Gross (Revenue)

Advise against Comedy, Action, Dramas

- As they are the most common type of films, we would recommend avoiding this genre due to its market saturation



Breakdown of studio movie counts by genre


Universal
Romance
Thriller
Sci-Fi
Mystery
Fantasy
Animation
Horror
Crime
Adventure
Biography
Drama
Action
Comedy
0
20
40
60
80
100
120
Warner Bros
Sci-Fi
Mystery
Fantasy
Horror
Biography
Animation
Crime
Adventure
Drama
Comedy
Action
0
20
40
60
80
100
120
Sony
Romance
Fantasy
Mystery
Horror
Adventure
Animation
Biography
Crime
Drama
Comedy
Action
0
20
40
60
80
100
Paramount
Family
Thriller
Sci-Fi
Mystery
Fantasy
Biography
Animation
Horror
Adventure
Crime
Drama
Comedy
Action
0
20
40
60
80
100
20th Century Fox
Family
Biography
Horror
Animation
Crime
Adventure
Drama
Comedy
Action
0
20
40
60
80
Disney
Family
Drama
Biography
Comedy
Animation
Action
Adventure
0
5
10
15
20
25
30
Lionsgate
Animation
Crime
Biography
Horror
Drama
Comedy
Action
0
5
10
15
20
25
New Line Cinema
Biography
Fantasy
Adventure
Crime
Horror
Drama
Action
Comedy
0
10
20
30
40
50

Datasets

Sources from our data:

- IMDB

- Rotten Tomatoes and

- The Numbers.

- The Movie Database

The data spans the last 107 years across all continents