




# 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

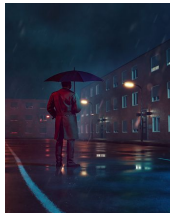




# Bottom Line Up Front

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



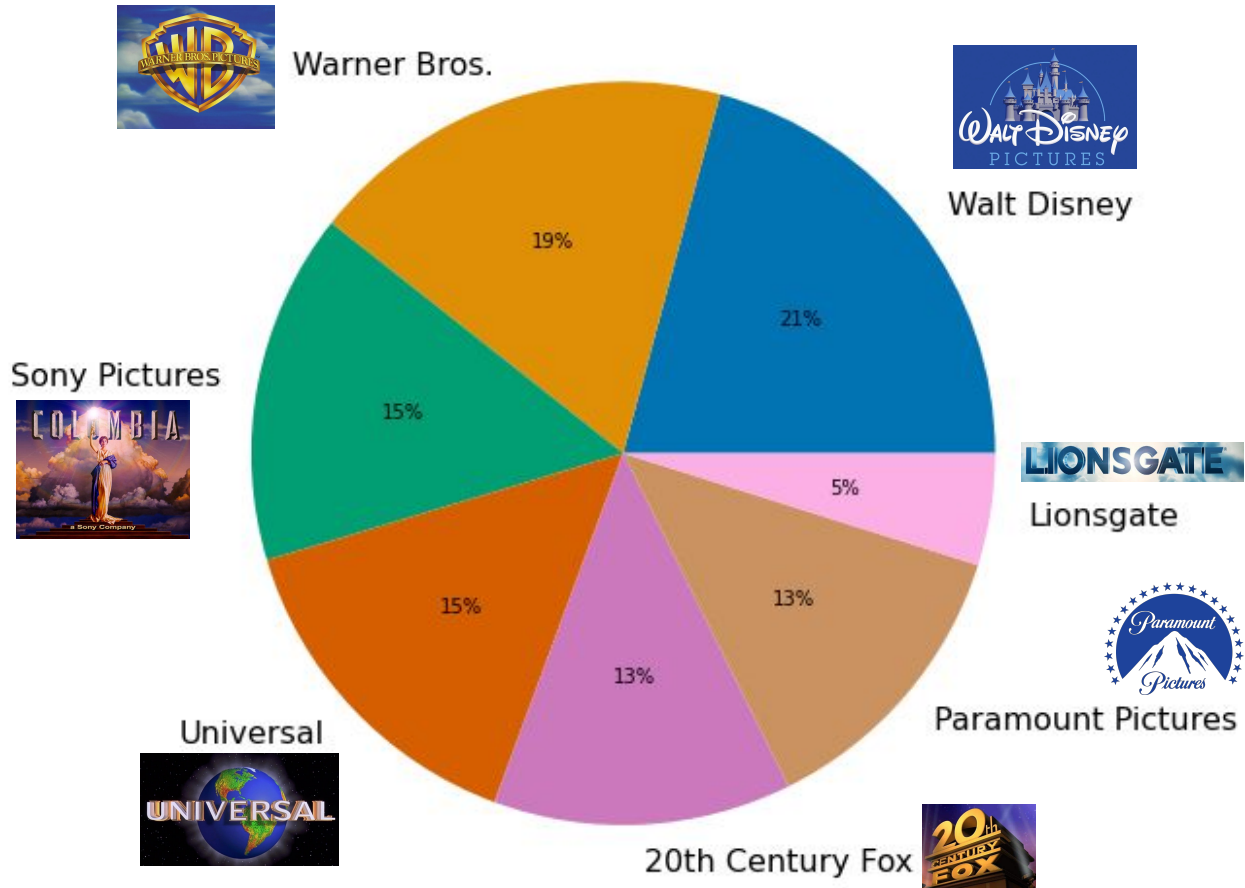
<https://consulterce.com/profit-margins/>



# Current market shares of film studios

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

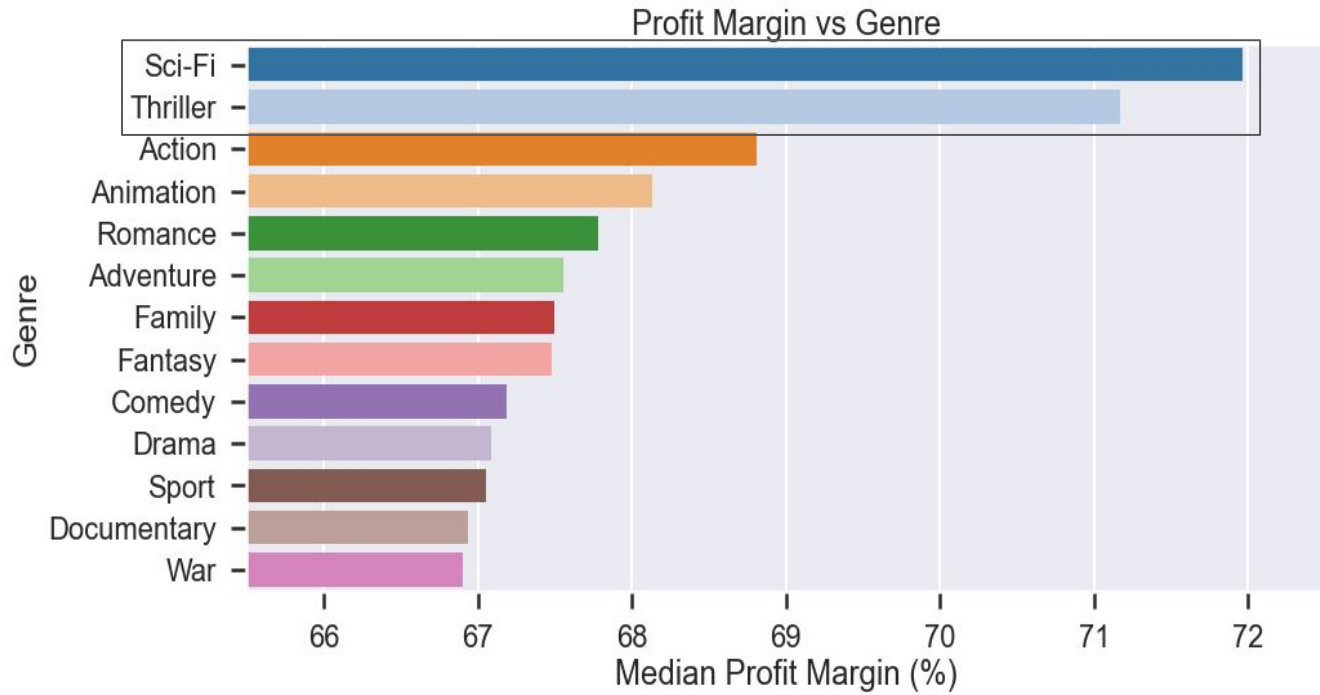
Market Share by Studio





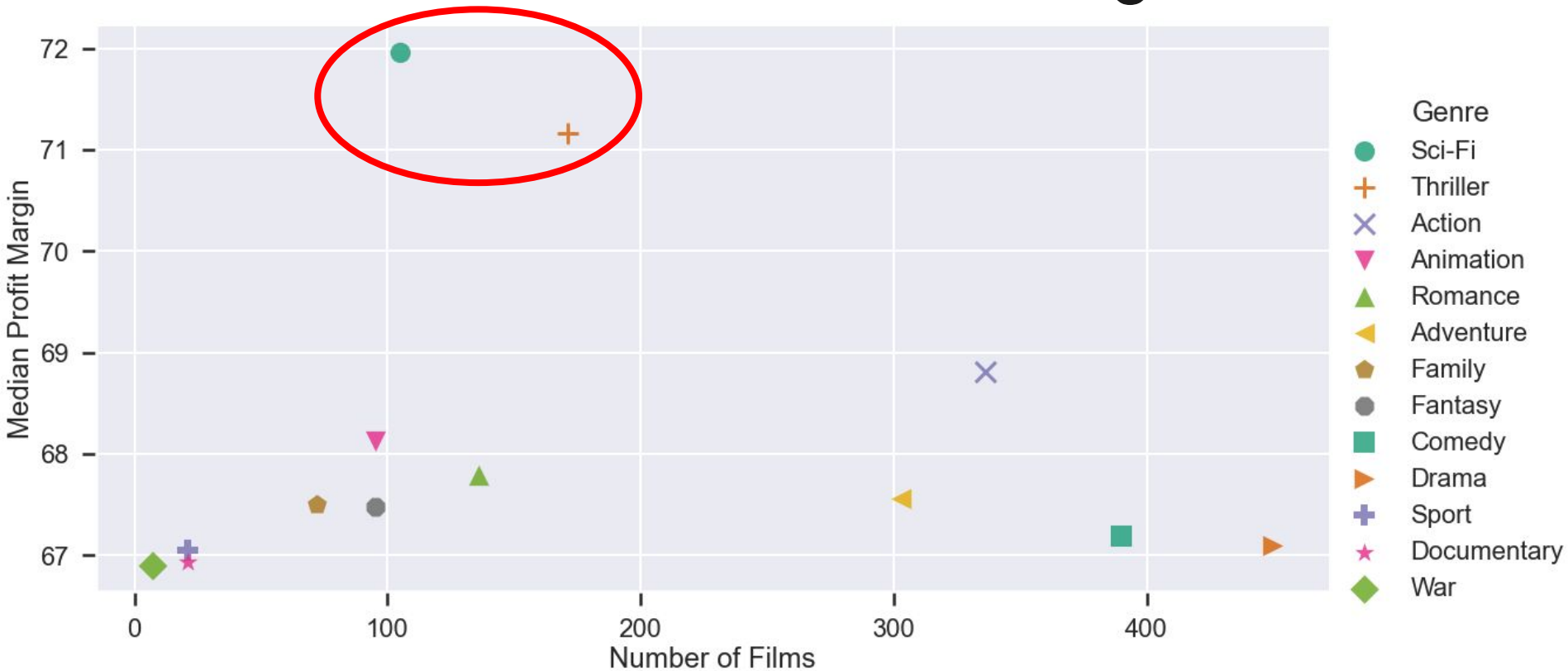
# Which Genres have the best profit margins?

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





# Market Saturation vs Profit Margin



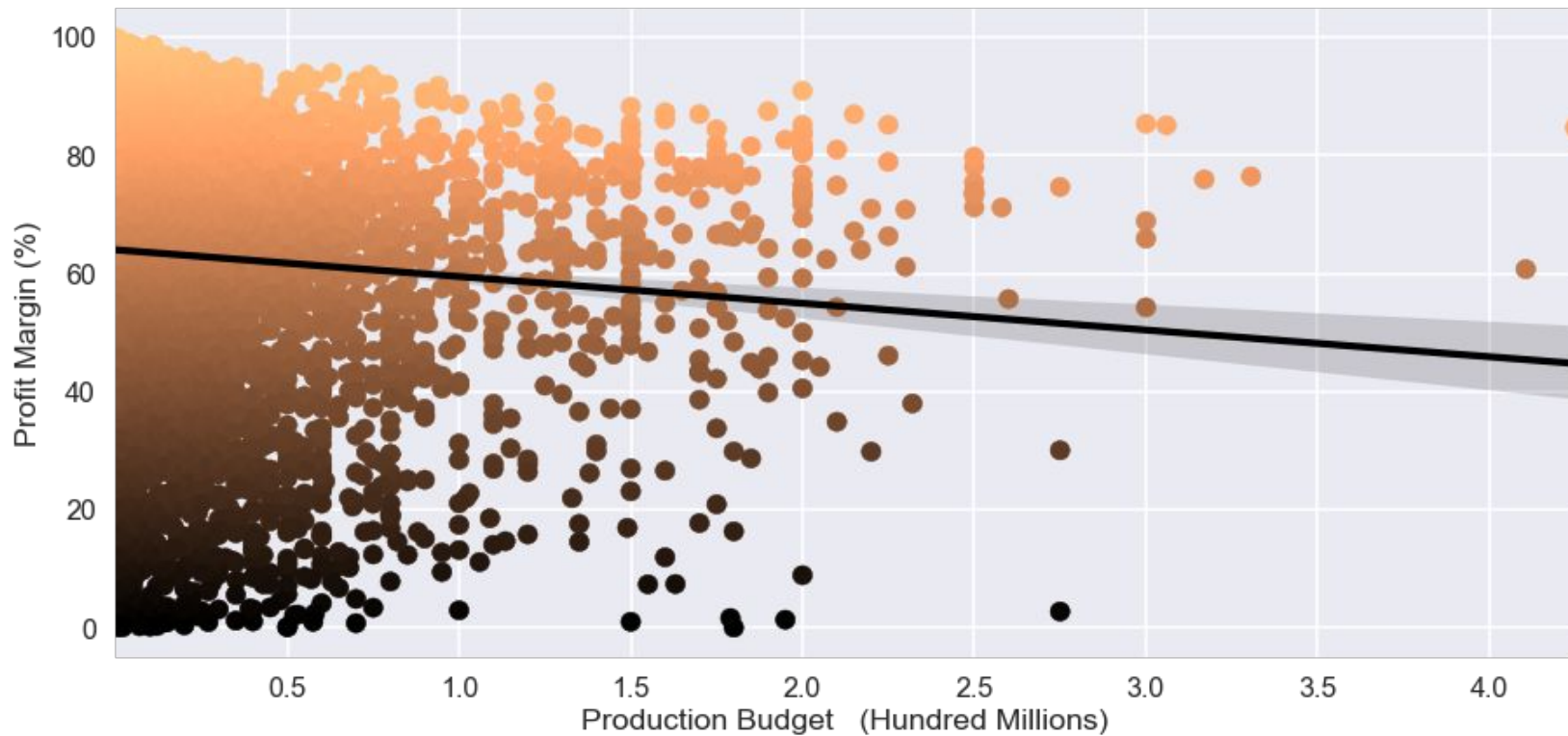


## Data Driven Solution 1: Budget

*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

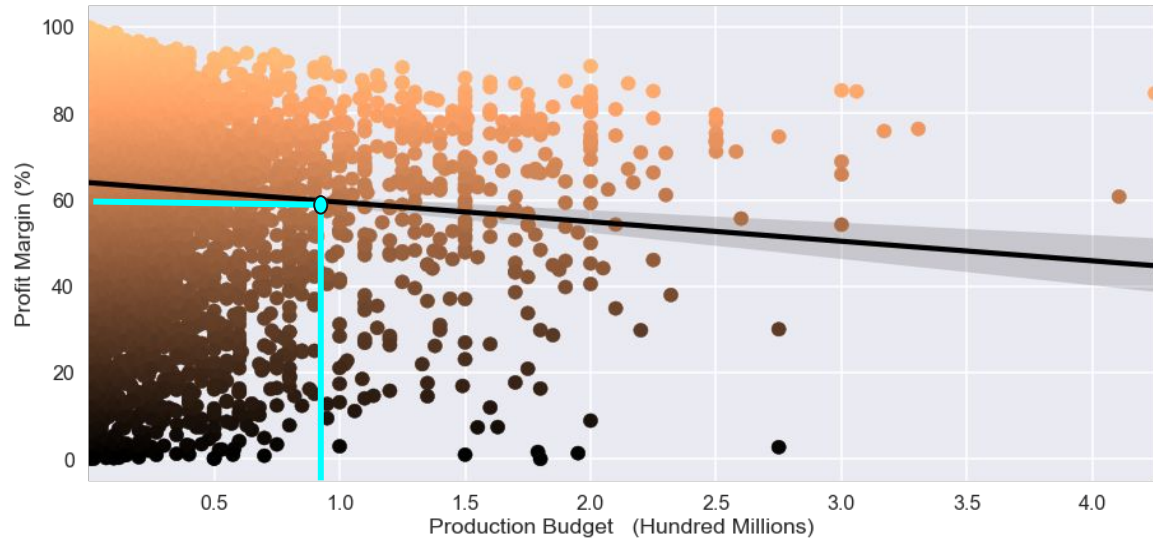
These top studios' median profit margins have an average of 60.89%, and this will be our target moving forward

Median Profit Margin	
Production Company	
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?*

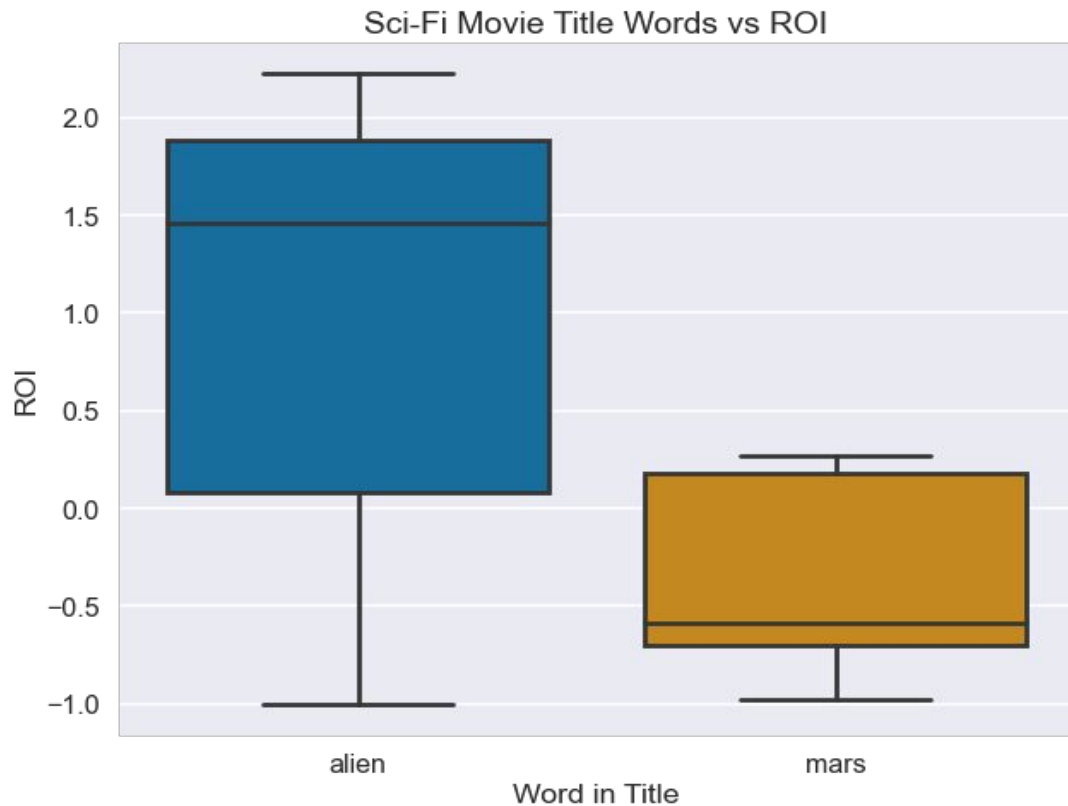




## Sci-Fi

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



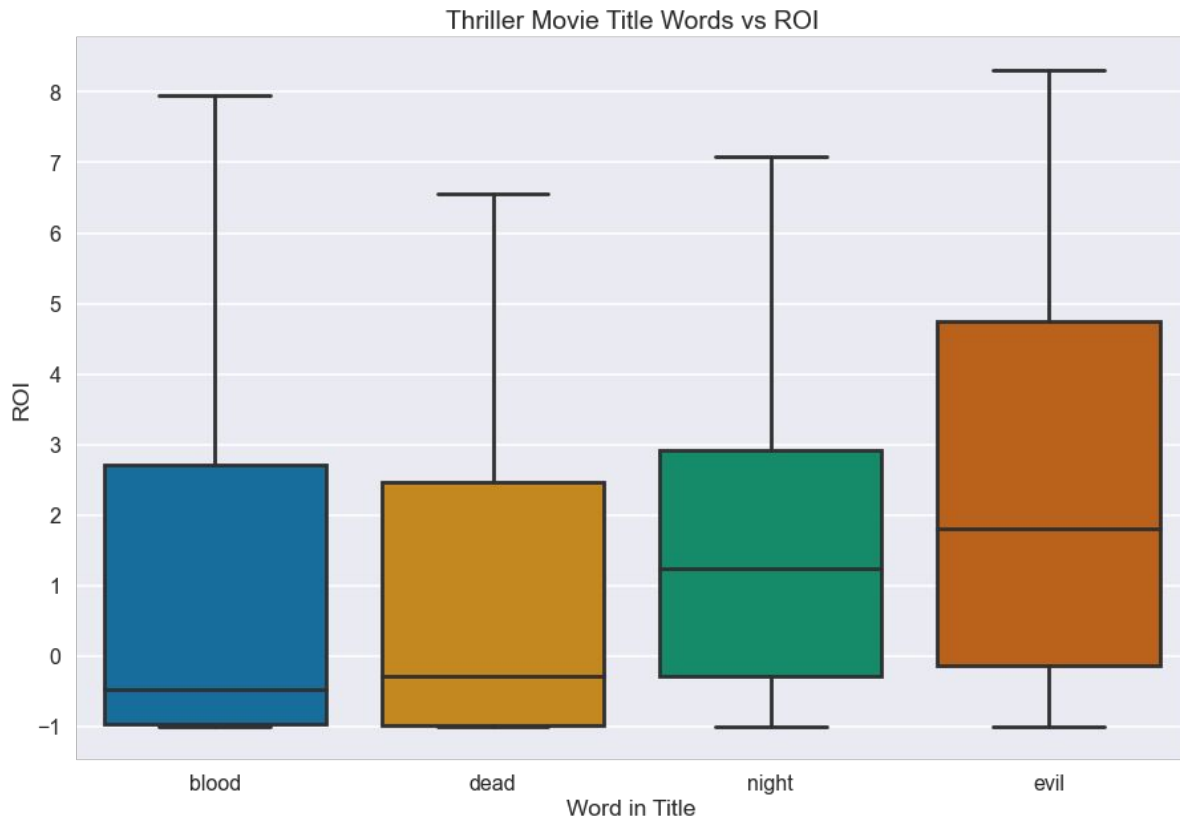




# Thriller

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?*

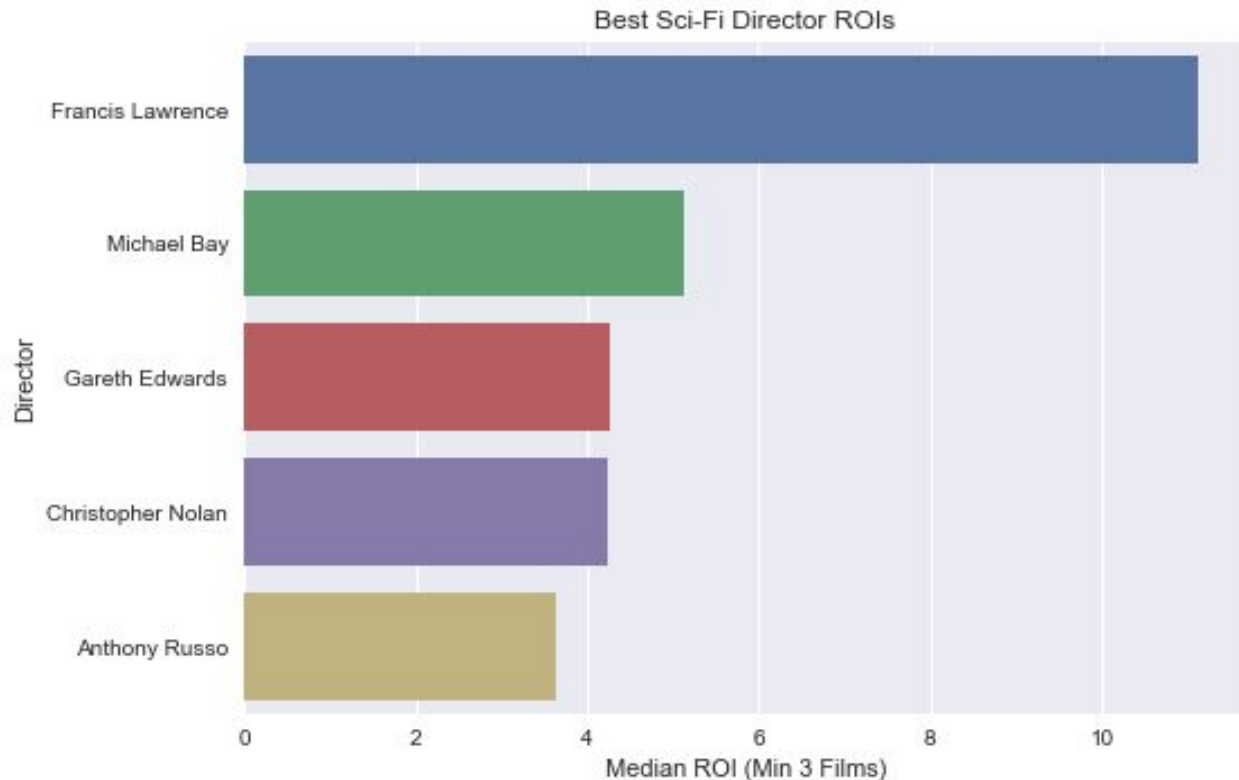




# Sci-Fi

We recommend Francis  
Lawrence

(The Hunger Games)

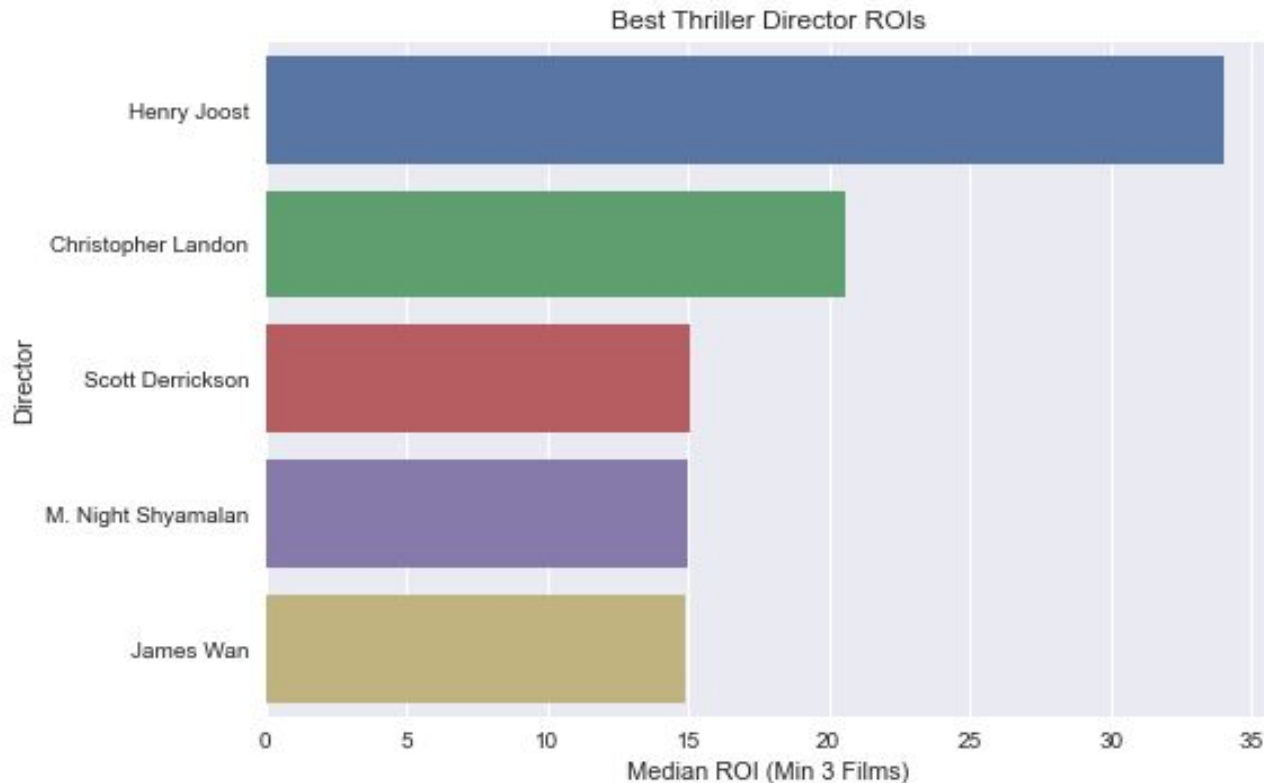
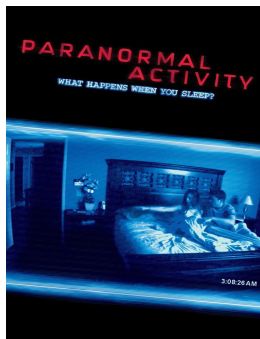




# THRILLER

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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Tech Lead







# Thank you.





# Appendix

## Limitations of Data included

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



# Terminology

Revenue = Worldwide Gross

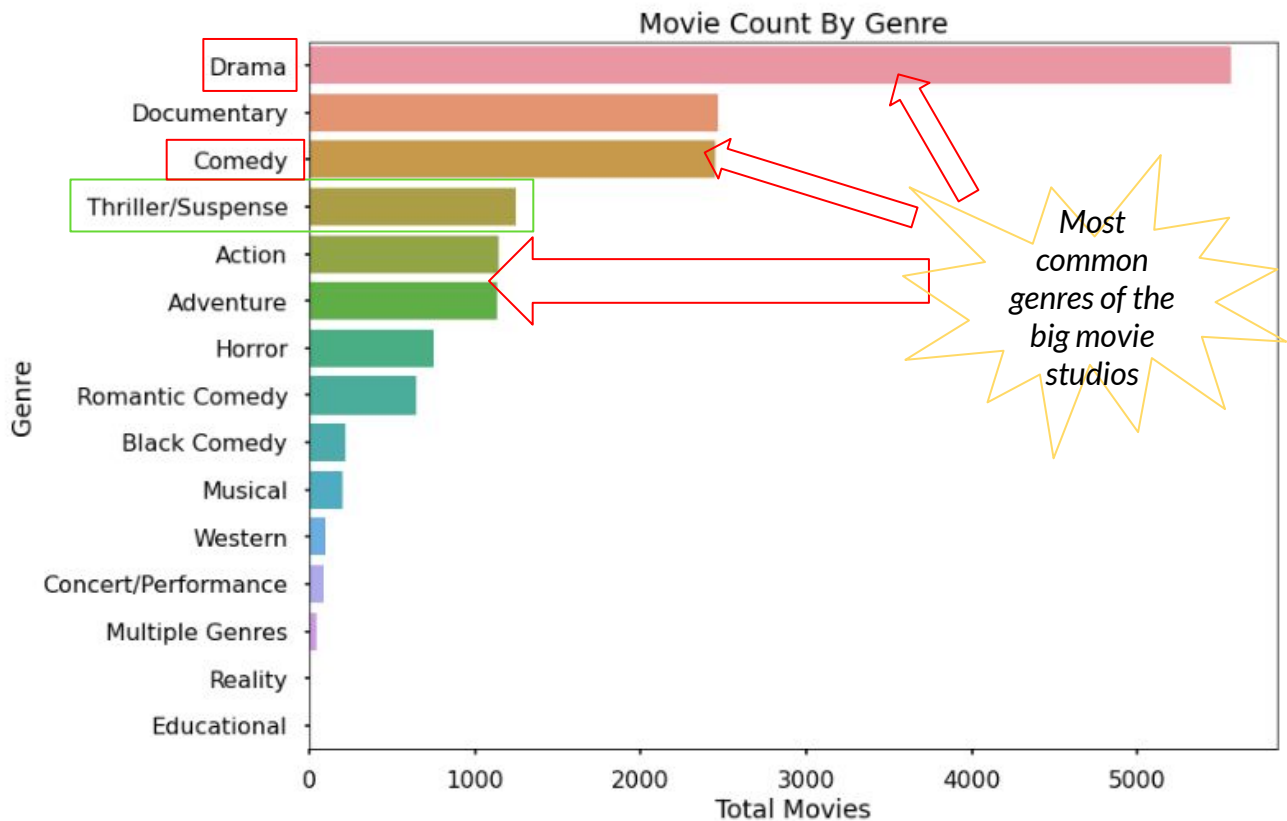
Profit = Production Budget - Revenue (Worldwide Gross)

ROI = Return on investment (Profit / Production Budget)

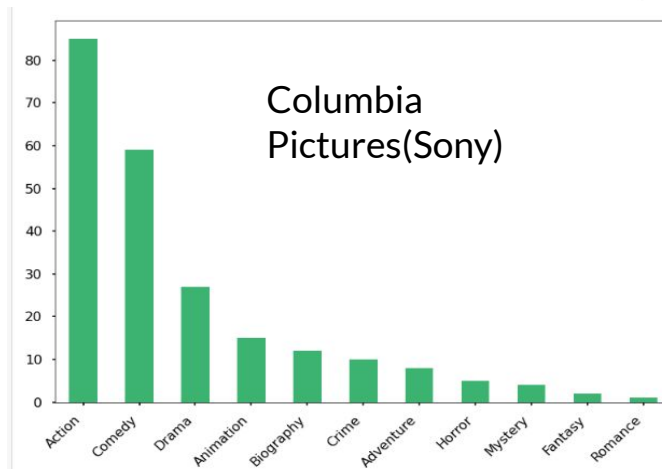
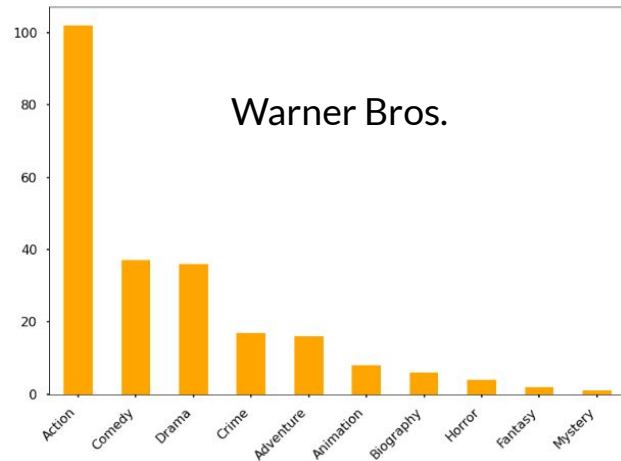
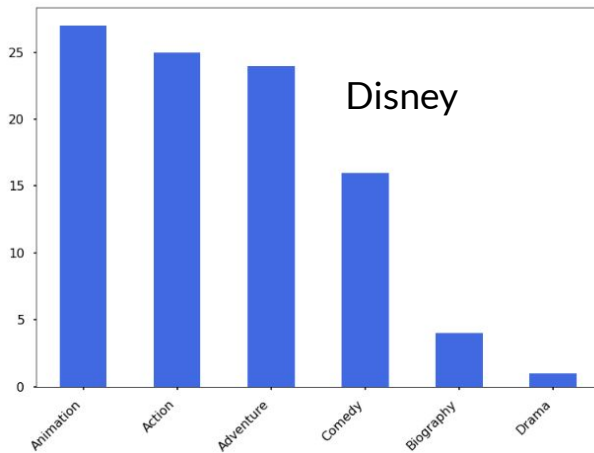
Profit Margin = Profit / Worldwide Gross (Revenue)

# Advise against Dramas

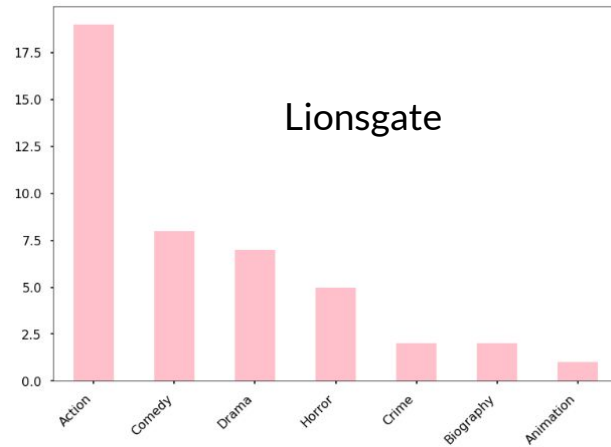
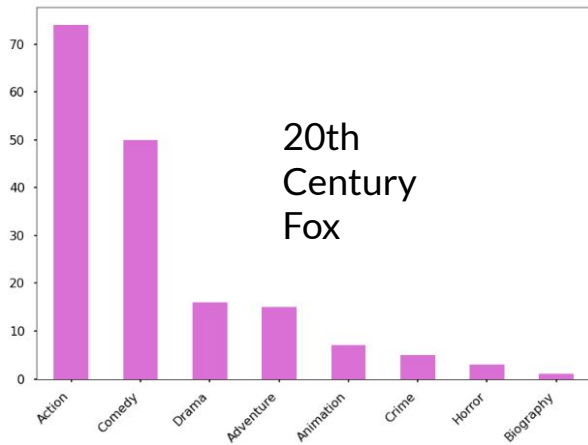
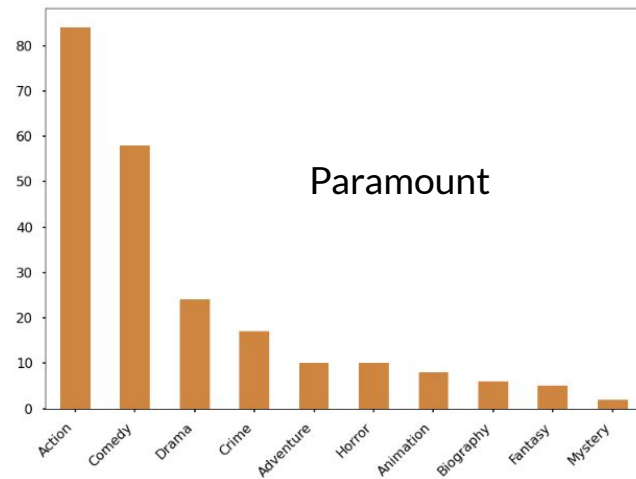
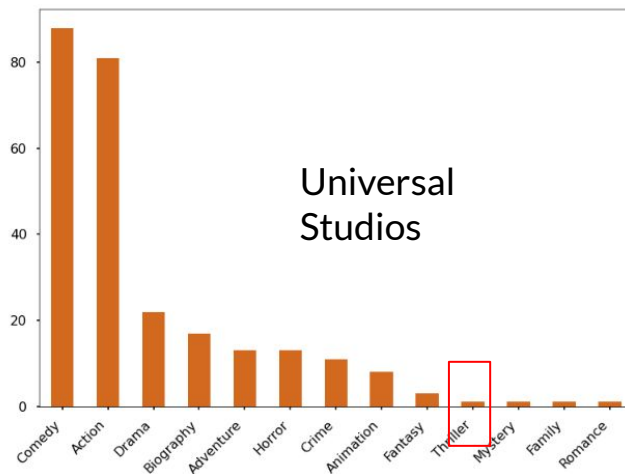
- As they are the most common type of film, we would recommend avoiding this genre due to its market saturation



# Breakdown of studio movie counts by genre



# Breakdown of studio movie counts by genre (con'td.)





# Datasets

Sources from our data:

- IMDB
- Rotten Tomatoes and
- The Numbers.
- The Movie Database

The data spans the last 107 years across all continents