

Cinephile
Creations

BLOCKBUSTER BLUEPRINT

Data Insights on how to make a Small Business
Studio Dominate the Box Office!

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Business Understanding

Objective: Identify most profitable, popular, and cost-effective movie genre for a small business studio to run.

Key Deliverables:

1. Low Budget Producer
2. Medium Budget Producer
3. High Budget Producer

As a Small Business, we look at **data that begins from 2000** and **Production Budget limited to \$20m**



Return of Investment (ROI)

What is Return of Investment (ROI)?

ROI is calculating ratio of a movie's worldwide gross to its production budget (Worldwide Gross % of Production Budget).

Why use this Metric?

Gives you **clear measurement of profitability relative to cost:**

- Higher ROI means the studio has **profited more than it spent to produce the movie.**
- Higher ROI generally has **lower-risk investments** because you're spending less money to potentially make a lot.

Return of Investment is a great tool for small business studios to use to determine how to be financially successful with a lower/less financial risk.

Calculate return on investment (ROI)

$$\frac{\text{Investment revenue}}{\text{Investment costs}} \times 100 = \text{ROI}$$

Investment revenue: Amount of money you initially invest in a project
Investment costs: Total value or earnings generated from the investment.

Swoop

Determining the Most Financially Successful Genre...

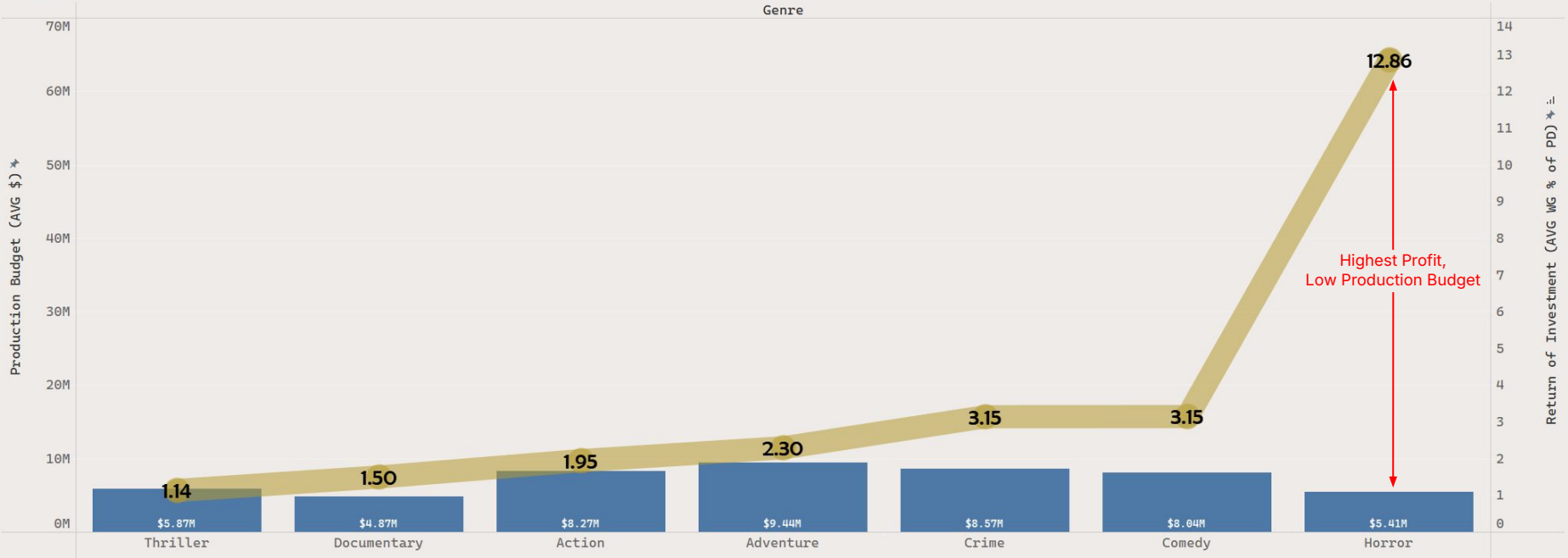
ANALYSIS:

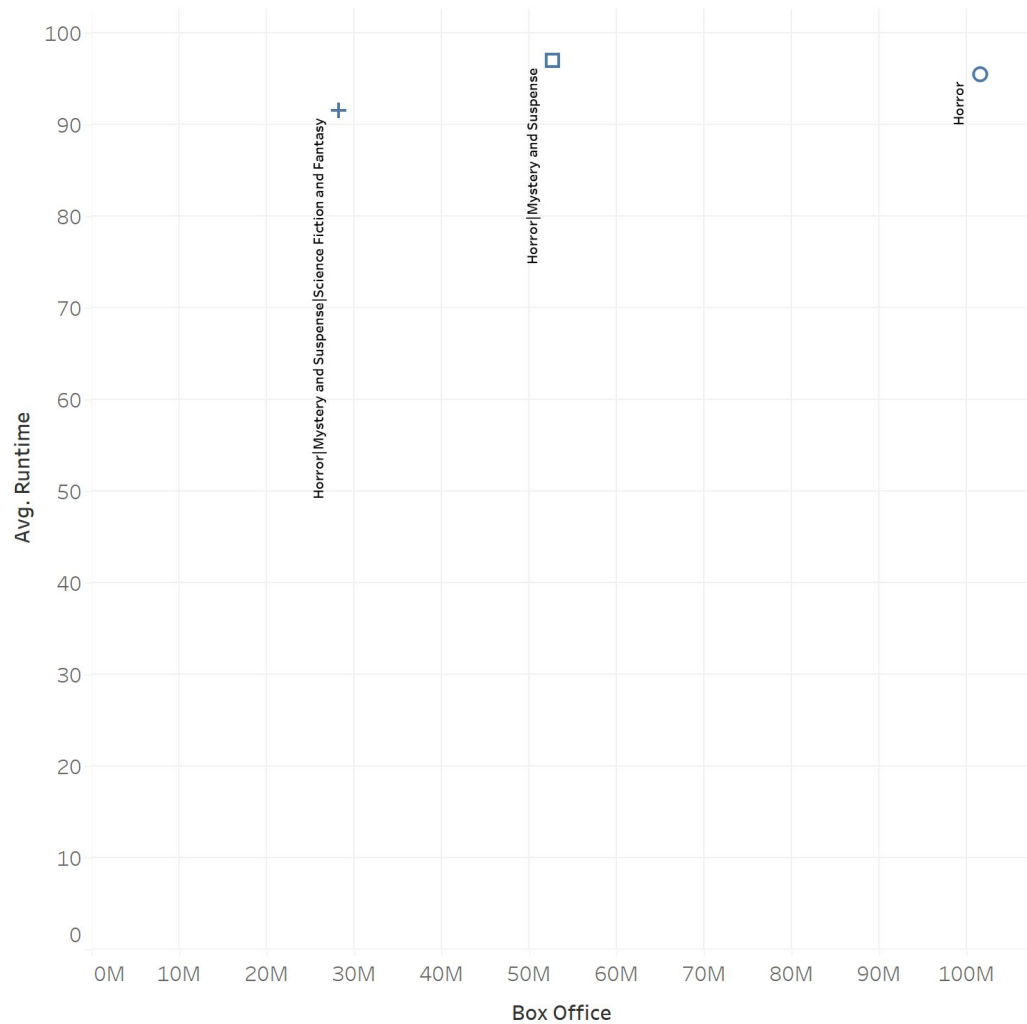
- Documentaries are lowest in production budget (\$4.87m). However, the **ROI is extremely low (Below 2%)**
- Horror Films are the second lowest in production budget (\$5.41m) and hold **Highest Record in ROI (12.86%)**

RESULTS:

Horror films...Offering exceptionally lower costs and the highest average in Returns, earning nearly 13 times their budget, **makes them the most profitable and cost-effective genre for investors.**

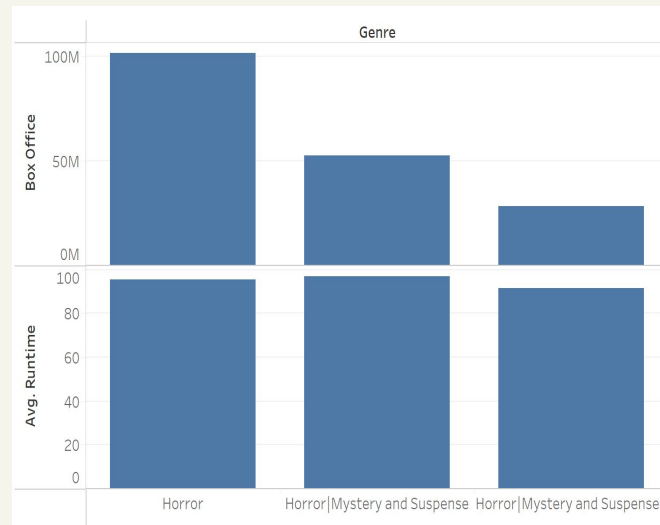
Average Return of Investment per Genre (Worldwide Gross % of Production Budget)





Box office revenue and run time

The pure Horror genre which runs for over 100 minutes does better than horror that has a mix of genres.

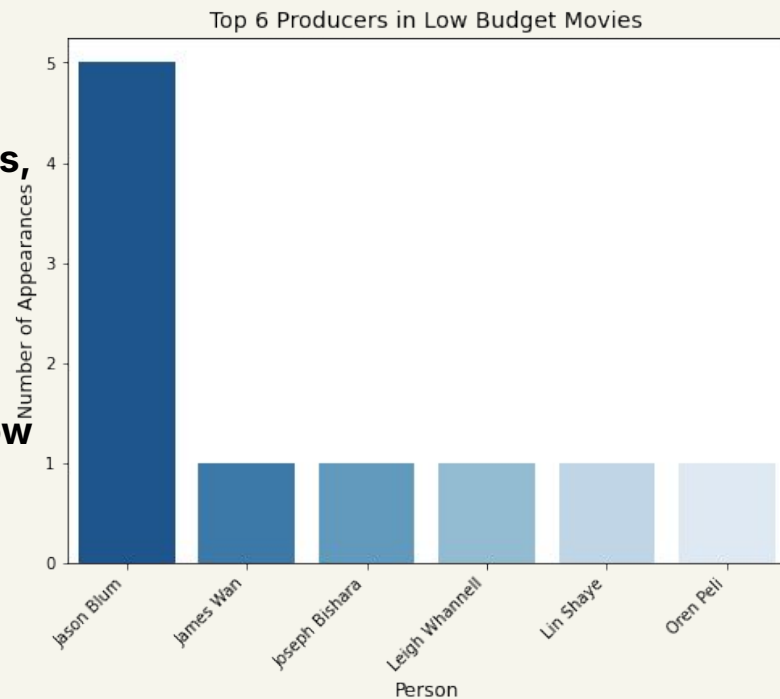


Popularity Index

- **The index is calculated by number of views, user interactions and other factors of engagement**
- **Movies with larger budgets, particularly those at the highest levels, tend to be more popular but often return a lower ROI**
- **The popularity index can be used to measure a movies success outside of gross sales**

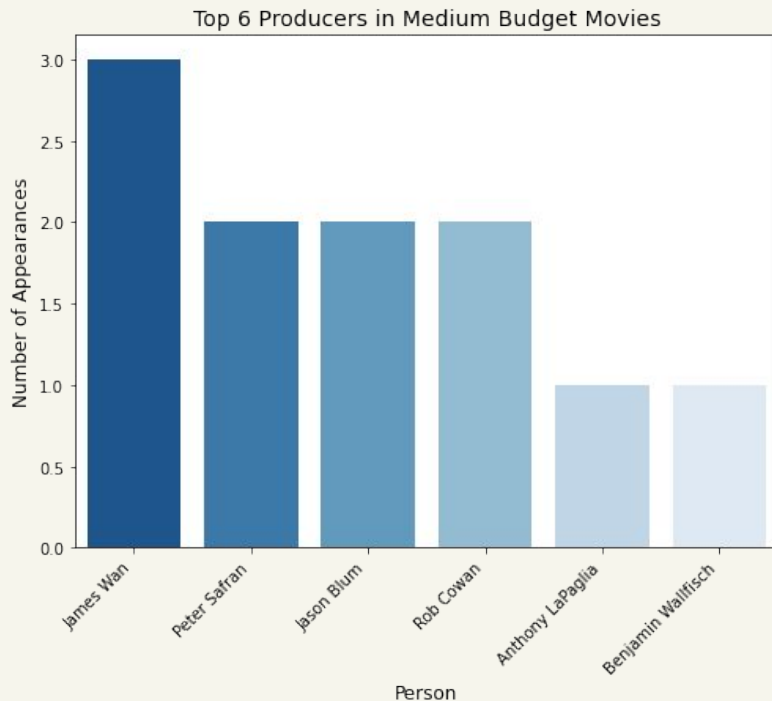
Low Budget Movies

- Jason Blum has produced films such as **Insidious**, **Get Out** and **the Purge**
- His films have an average ROI of about **4300%** where the low budget average is **3508%**
- His average popularity index of **18.9** where the low budget average is **19.5**



Medium Budget Movies

- **James Wan has produced movies such as Annabelle, Insidious: the Last Key and The Conjuring**
- **His average ROI is 1768% where the medium budget average is 1246%**
- **His average popularity index of 18.7 where the medium budget average is 18.9**



High Budget Movies

- **Seth Grahame-Smith produced the iconic movie IT**
- **His ROI for IT was 1992% where the high budget average is 548%**
- **His average popularity index of 14 where the high budget average is 18.4**

