



A New Movie Studio

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Summary

The creation of a new movie studio is a daunting task but with the data analysis from notable movie databases we will be able to gain some insights that answer a few questions.

Upon analysis, we were able to find the budget for the production of a highly profitable movie. A template for the best practices needed to make a successful movie studio and genres that have a high probability of making a good profit.



Outline

- Business Problem
- Data
- Methods
- Results
- Conclusions



Business Problem

1. What's the most profitable movies with inflation accounted for in comparison to production budget? We can determine the first few movies we need to make to be profitable immediately, while building rapport in the movie studio industry.
2. What studios produced the most profit? By figuring out the studios that produced the most profit we will be able to glean best practices that can be modeled in production and film development.
3. What genres on average produce the highest profit? This will give a direction to focus initial efforts upon, it will be best to start off producing movies in genres people already are fond of while avoiding high stake genres topics.



Data

IMBD and the The Numbers (a data movie business website) is where the datasets is from. We will be able to use this data to discern the attributes a new movie studio would need based on the various target variables, like production cost, genres, and profitability.

These data files feature genre, title, various budgets and a wide variety of review types.



Methods

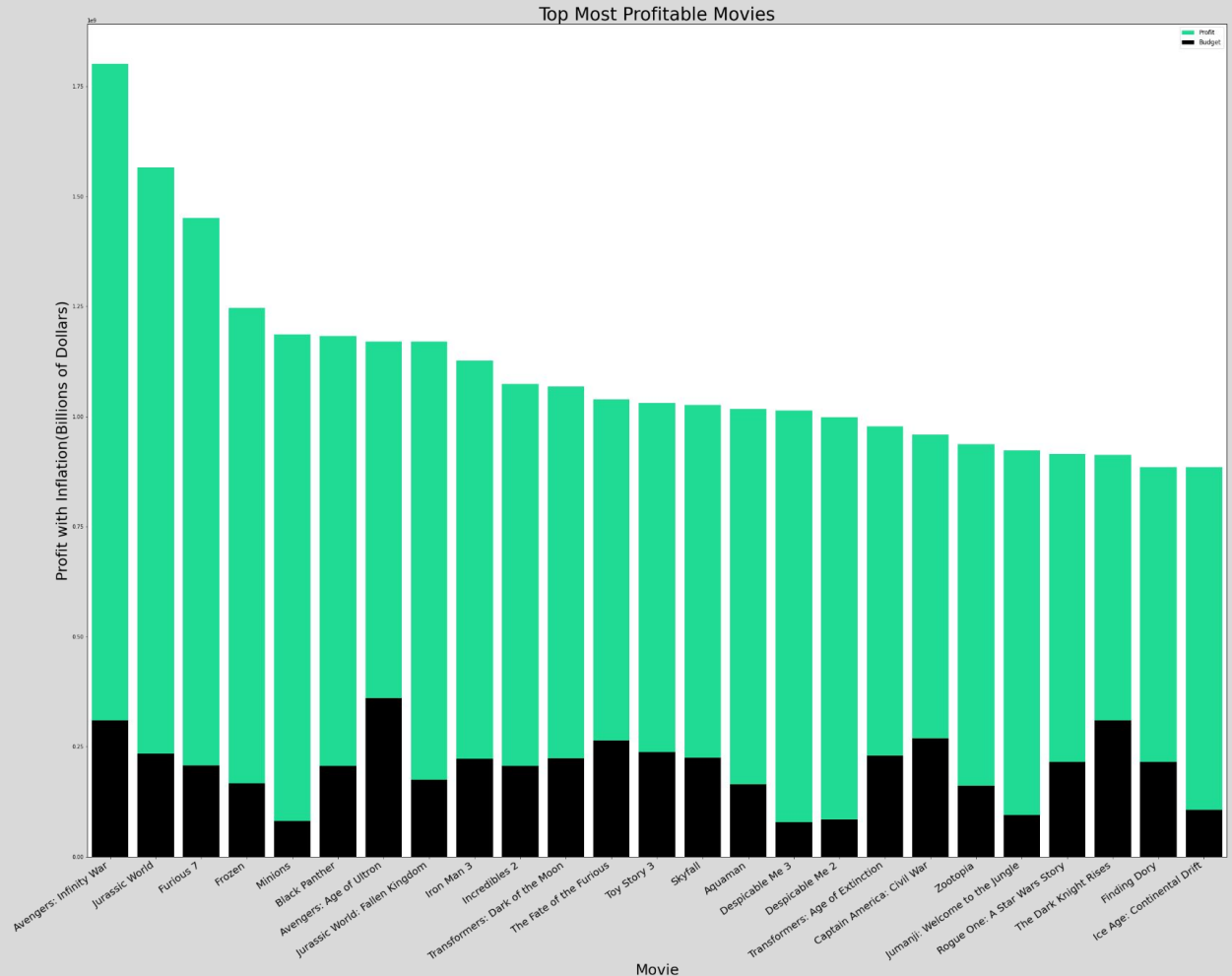
Data was prepared through various methods:

- Standardized column names, merged datasets and dropped unnecessary columns to make them easier to work with.
- Cleaned through the various data by removing Nan variables (when applicable), commas and the symbols and while also converting data types. This made merging datasets possible.
- Combined datasets aided the creation of a few variables like “profit_margin” to “profit_inflation” to name a few.
- Inflation was taken in consideration to make the production cost and profit applicable to the current market.

Results

Avengers:Infinity War, Jurassic World and Furious 7 are the most profitable movies.

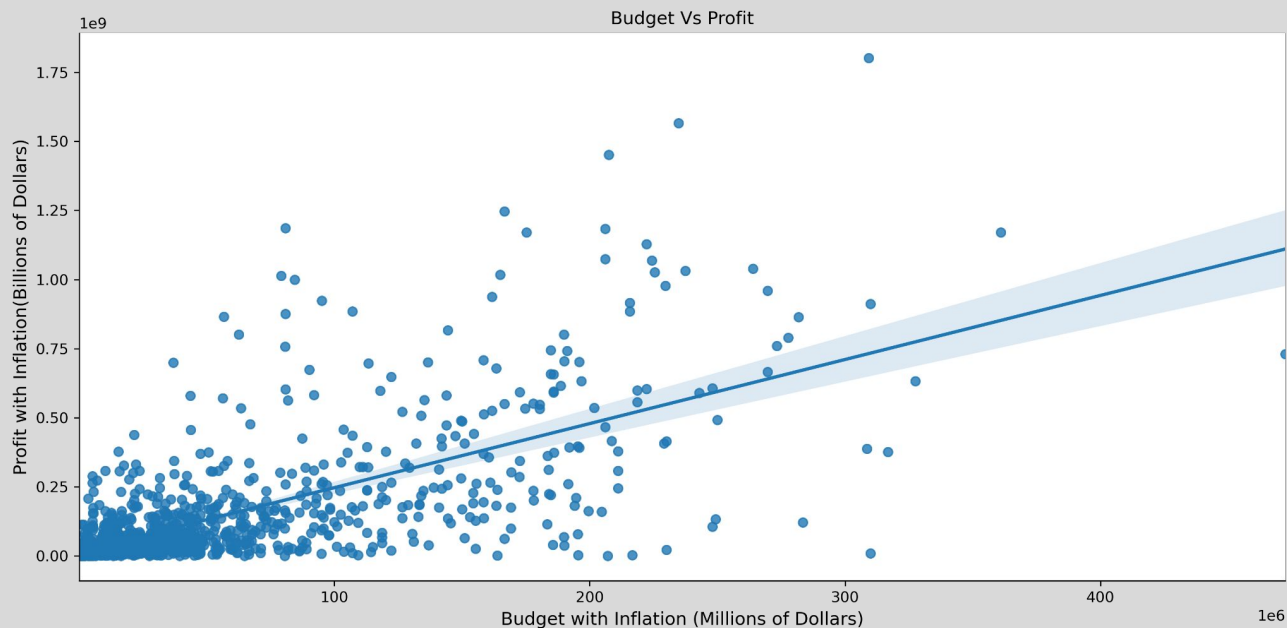
The budget used on these movies had a median of \$3.3 million with a median profit margin of 60%



Budget Vs Profit with Inflation

Most movies use less than 100 million dollars to produce there movies and make less than 500 million dollars in profit.

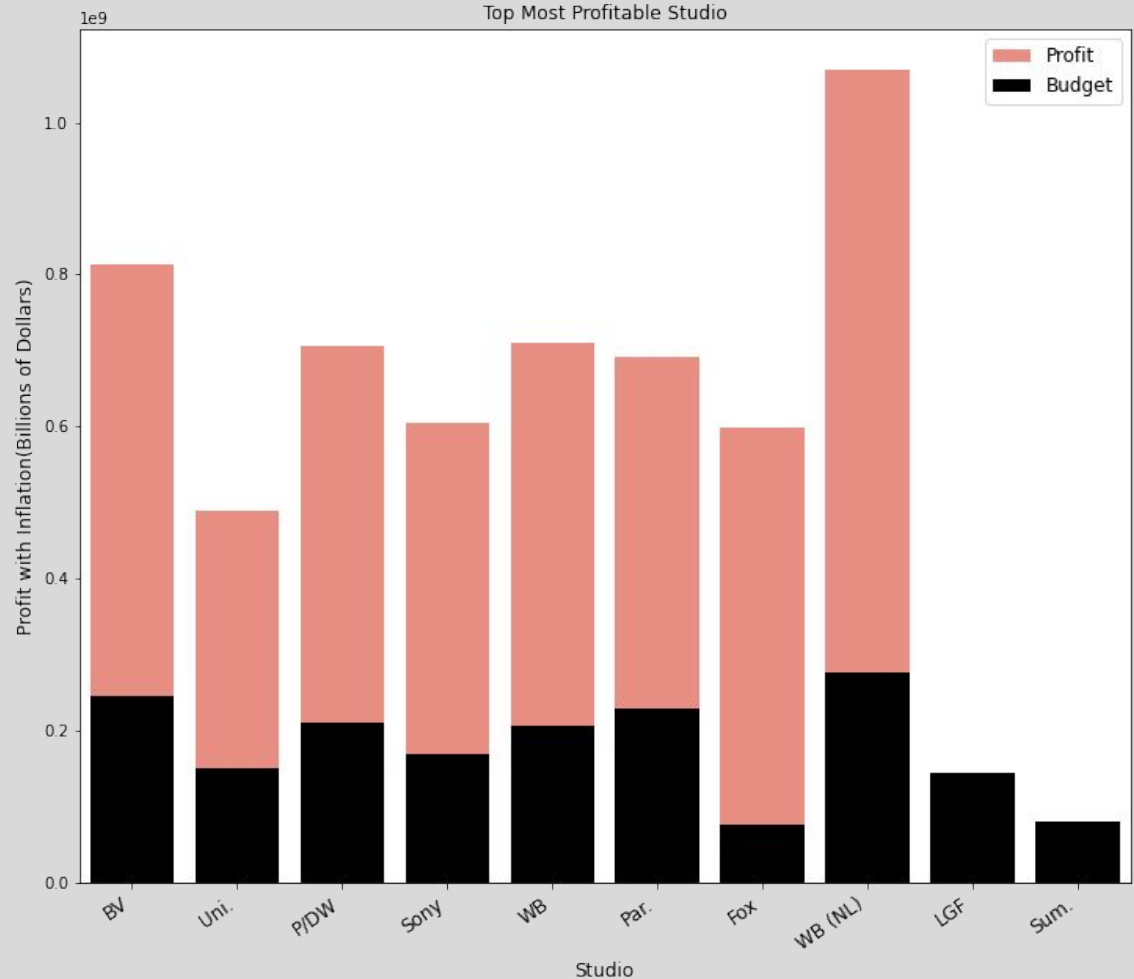
While movies that use a budget over 100 million have a higher chance of earning more than 500 million in profit.



Results

Warner Bros New Line,
Disney Buena Vista and
Dreamworks are the most
profitable studios.

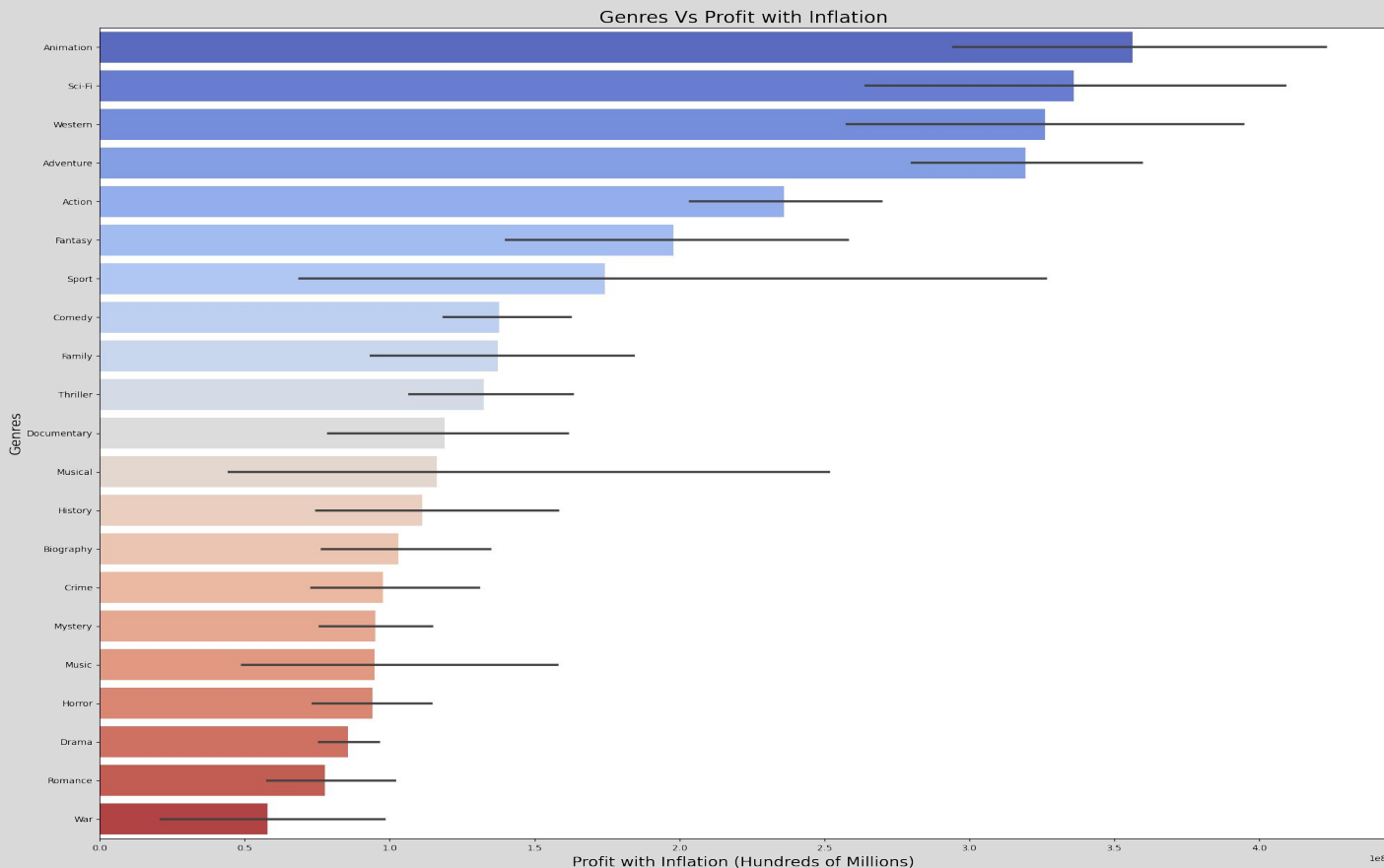
Warner Brother is an
outlier with over 200
million profit above all the
other studios



Animation, Western, and Sci-Fi are the most profitable genres

War, Romance and Drama makes the lowest profit of all the genres.

Drama, Horror have low margin of errors while being on the low end of profitability while comedy is on the high end but has the lowest margin of error





Conclusion

- Aim for a movie budget around 300 million to be on average with making a profit margin over 60%.
- Base best practices for the creation of the studio on the most profitable studios of Warner Brothers New Line Cinema, Dreamworks and Disney Buena Vista .
- Animation, Western, and Sci-Fi are the most profitable genres with similar margin of error. Making each of these movie genres the most desirable to invest into.

Attributes to consider for further analysis...

- A dedicated fan base can impact the profitability of a movies success.
- Studios have talents exclusively signed to them so the success of the movie could be due to an exclusively signed talent
- Many of the movies have multiple genres while others have only one, skewing the data.

The End

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