

Microsoft's New Movie Studio

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Summary

Microsoft's 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. From the insights gathered we will be able to create a template to create a successful new movie studio that will give Microsoft an inside look at current movie trends and industry standards.

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 for Microsoft's new studio..



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 Microsoft's 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 in Microsoft's new studio.
3. What genres on average produce the highest profit? This will give Microsoft 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

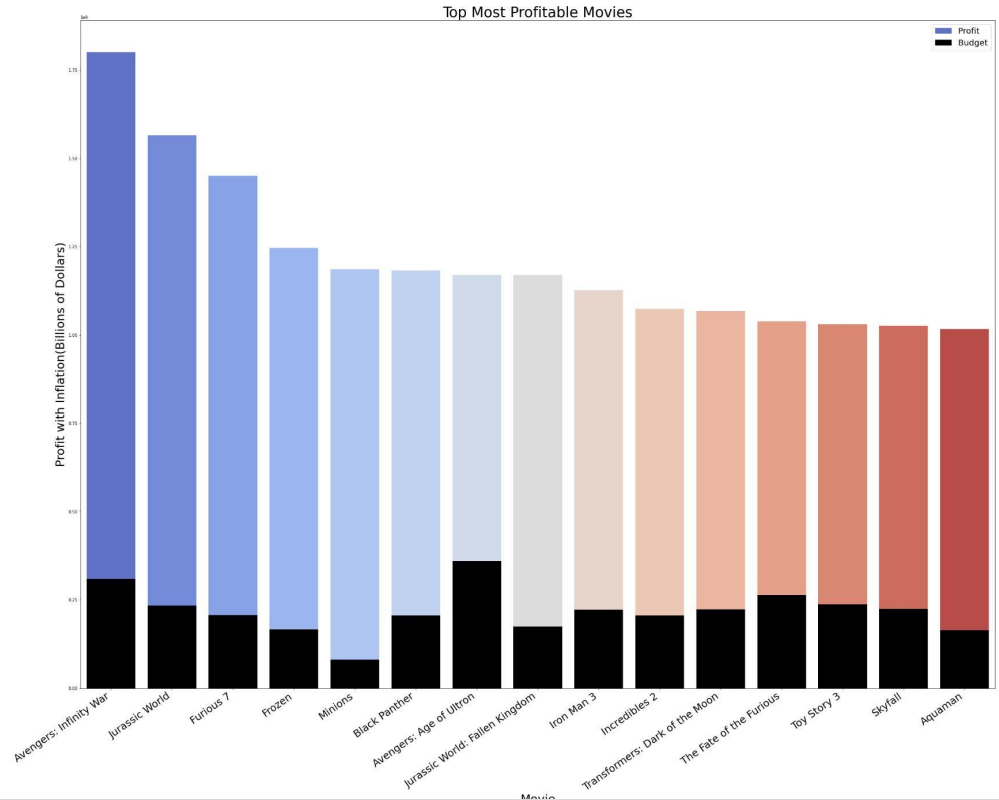
Before analyzing data for Microsoft's new movie studio the data was prepared through various methods:

- 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.

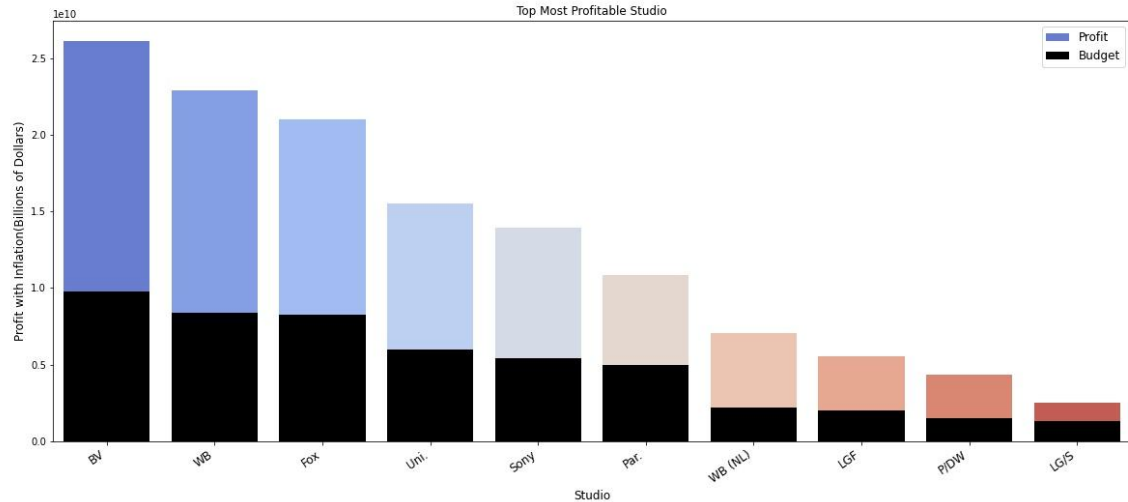
The budget used on these movies had a median of \$3.3 million with a median profit margin of 60%

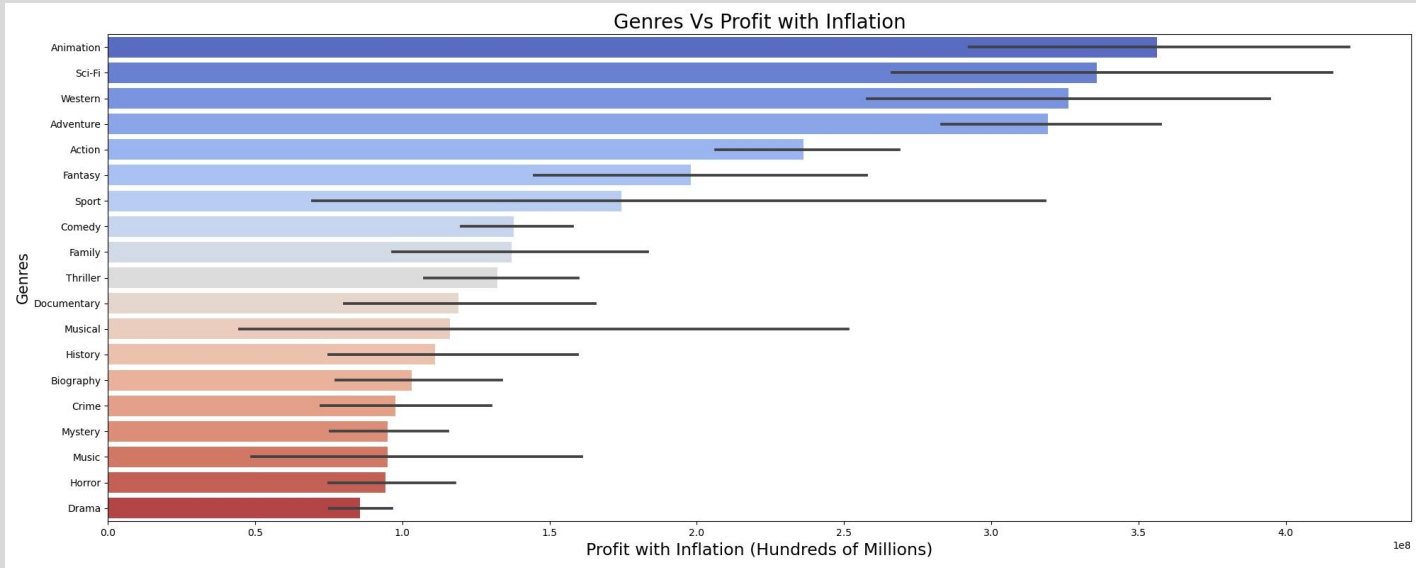


Results

Disney Buena Vista, Warner Brothers and Fox are the most profitable studios.

Disney Buena Vista is an outlier with over 200 million profit above all the other studios





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

After doing the analysis, the three recommendations for Microsoft's creation of the new movie studio:

- 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 for Microsoft 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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