Movie Industry Analysis

Overview

The purpose of this project is to study the movie industry and generate advice on how a new entrant to the industry might create and follow a strategy that is aligned with corporate interests and will assure success.

Business understanding

A large, multinational, technology company has engaged us to explore industry movie trends and identify what type of films are successful at the Box Office and to help them formulate a film strategy that is relevant and optimal for their business concerns.

Data understanding

This project pursues an analysis of objective data that ties film characteristics and attributes to a film's financial performance. The profitability of a movie was analyzed with respect to:

- The director
- Production budget
- Length of a movie

Two databases were chosen for analysis:

The Internet Movie Database (IMDb) (https://www.imdb.com/)

Provides information on movie title, year of release, running time (length), director, actors, etc.

The Numbers (TN) (https://www.the-numbers.com/)

Provides information on a movie's financial performance including release date, production budget and domestic and worldwide gross.

Data assumptions and preparation

We distinguished movies with the same title by the year in which it was released.

The exact duplicate entries were removed.

In calculation of average rating, many movies had too few. We only looked at movies that had more than 500 votes.

The TN database contained financial information and had the movie name in common with the IMDb. It had also a full release date as opposed to only the release year in IMDb. We calculated the release year in the TN database as a separate column and then used the movie name and release year to join these two databases. Note: The TN database addition of the Release Year column was carried out in a separate Jupyter Notebook called

"Exploration_tn_movie_budgets.ipynb" inthe folder called "Study". The enhanced dataset was exported as .csv file to teh data folder called "zippedData" and is called "NzModified_tn.movie_budgets.csv". This .csv file is imported in this notebook.

The resultant data set contains information on a little over 2,000 movies which is sufficient to identify trends.

Profit was calculated as:

- Profit = (Domestic_Gross + Worldwide_Gross) Production_Budget
- Profit Percentage = Profit / Production_Cost * 100.

This Profit Percentage is a key measure which we use to judge success.

Initial exploration of databases

All exporation and initial analyses were carried out in Jupyter Notebooks in the folder called "Study".

**This notebook contains only code pertinent to data included in the final analysis and presentation.

```
In [1]: 

1 import pandas as pd
2 import sqlite3
3 from matplotlib import pyplot as plt
4 import seaborn as sns
```

Connect to im.db database.

Join movie_basics, directors, persons and movie_ratings tables and with Number of votes greater than 500.

```
query = """
In [3]:
              2
                 SELECT DISTINCT mb.primary_title AS "Movie Name", mb.start_year AS "Rele
              3
              4
                 FROM movie basics mb
              5
              6
                     LEFT JOIN directors d
              7
                         ON mb.movie id = d.movie id
              8
                     LEFT JOIN persons p
              9
                         ON d.person_id = p.person_id
                     LEFT JOIN movie_ratings mr
             10
             11
                         ON mb.movie id = mr.movie id
             12
             13
                 WHERE mr.numvotes > 500
             14
             15
                 ORDER BY mr.averagerating DESC
             16
             17
             18
                 imdb_df = pd.read_sql_query(query, conn)
                 len(imdb_df)
```

Out[3]: 15595

Out[4]:

	Movie Name	Release Year	Length	Genres	Director	Avg Rating	Number of Votes	
0	Once Upon a Time in Hollywood	2019	159.0	Comedy,Drama	Quentin Tarantino	9.7	5600	
1	Eghantham	2018	125.0	Drama	Arsel Arumugam	9.7	639	
2	Yeh Suhaagraat Impossible	2019	92.0	Comedy	Abhinav Thakur	9.6	624	
3	Ananthu V/S Nusrath	2018	149.0	Comedy,Drama,Family	Sudheer Shanbhogue	9.6	808	
4	Ekvtime: Man of God	2018	132.0	Biography,Drama,History	Nikoloz Khomasuridze	9.6	2604	

Read in csv file derived from tn_movie database

As mentioned above, the following csv file was created in a separate Jupyter Notebook called "Exploration_tn_movie_budgets". It has an added column containing just the release year as opposed to the full date.

```
In [6]:
         M
                 tn movie list = tn df['movie']
                 tn df['movie'][0]
   Out[6]:
            'Avatar'
In [7]:
                 imdb_df.keys()
   Out[7]: Index(['Movie Name', 'Release Year', 'Length', 'Genres', 'Director',
                    'Avg Rating', 'Number of Votes'],
                   dtype='object')
                 imdb_df['Movie Name'].head()
In [8]:
   Out[8]: 0
                 Once Upon a Time ... in Hollywood
            1
                                          Eghantham
            2
                          Yeh Suhaagraat Impossible
            3
                                Ananthu V/S Nusrath
            4
                                Ekvtime: Man of God
            Name: Movie Name, dtype: object
```

Merge imdb and tn dataframes with inner join on movie names

```
In [9]:
                      merged_df = imdb_df.merge(tn_df, left_on="Movie Name", right_on="movie",
In [10]:
                      merged_df.head()
    Out[10]:
                           Movie
                                  Release
                                                                                              Number Unnamed:
                                                                                         Avg
                                            Length
                                                                 Genres
                                                                             Director
                           Name
                                      Year
                                                                                      Rating
                                                                                              of Votes
                                                                                                                 0
                                                                              Danny
                    Frankenstein
                                      2011
                                              130.0
                                                                  Drama
                                                                                          9.0
                                                                                                  1832
                                                                                                              1302
                                                                               Boyle
                                                                             Bernard
                     Frankenstein
                                     2015
                                              89.0
                                                      Horror, Sci-Fi, Thriller
                                                                                          5.1
                                                                                                  2089
                                                                                                             1302
                                                                               Rose
                                                     Action, Adventure, Sci-
                                                                          Christopher
                 2
                                     2010
                                              148.0
                                                                                             1841066
                        Inception
                                                                                          8.8
                                                                                                               137
                                                                               Nolan
                                                                             Tim Van
                  3
                       Coriolanus
                                     2014
                                              192.0
                                                       Drama, History, War
                                                                                          8.7
                                                                                                  1347
                                                                                                             3698
                                                                            Someren
                                                                               Ralph
                       Coriolanus
                                     2011
                                             123.0
                                                       Drama, Thriller, War
                                                                                          6.1
                                                                                                 29654
                                                                                                             3698
```

Fiennes

In [11]:

```
merged_df.info()
<class 'pandas.core.frame.DataFrame'>
Int64Index: 2112 entries, 0 to 2111
Data columns (total 15 columns):
#
    Column
                        Non-Null Count Dtype
- - -
                        _____
0
    Movie Name
                        2112 non-null
                                        object
                                         int64
 1
    Release Year
                        2112 non-null
 2
    Length
                        2111 non-null
                                        float64
 3
    Genres
                        2112 non-null
                                        object
 4
    Director
                        2112 non-null
                                        object
 5
    Avg Rating
                        2112 non-null
                                        float64
 6
    Number of Votes
                        2112 non-null
                                         int64
 7
    Unnamed: 0
                        2112 non-null
                                         int64
 8
    id
                        2112 non-null
                                        int64
 9
    release_date
                        2112 non-null
                                        object
 10
    movie
                        2112 non-null
                                        object
 11
    production budget 2112 non-null
                                        object
 12
    domestic gross
                        2112 non-null
                                        object
 13
    worldwide_gross
                        2112 non-null
                                        object
                        2112 non-null
                                         int64
 14 year
dtypes: float64(2), int64(5), object(8)
memory usage: 264.0+ KB
```

This is a significantly reduced data set compared to the imdb database but still has sufficient number of records to derive trends.

Sort merged data by "domestic_gross' in descending order

Out[12]:

	Movie Name	Release Year	Length	Genres	Director	Avg Rating	Number of Votes	Un
385	Christopher Robin	2018	104.0	Adventure, Animation, Comedy Marc Forster		7.3	52737	
1401	Hercules	2014	98.0	Action,Adventure,Fantasy	Brett Ratner	6.0	137287	
1022	Olympus Has Fallen	2013	119.0	Action,Thriller	Action,Thriller Antoine Fuqua		235443	
1521	The Green Hornet	2011	119.0	Action,Comedy,Crime	Michel Gondry	5.8	148622	
1179	Date Night	2010	88.0	Comedy,Crime,Romance	Shawn Levy	6.3	144683	
1932	The Veil	2016	93.0	Horror	Phil Joanou	4.8	6895	
1933	The Veil	2017	93.0	Action,Adventure,Sci-Fi	Brent Ryan Green	3.5	1236	
1691	Survivor	2015	96.0	Action,Crime,Thriller	James McTeigue	5.6	28614	
1935	Dawn Patrol	2014	88.0	Drama,Thriller	Daniel Petrie Jr.	4.8	615	
1602	Queen of the Desert	2015	128.0	Adventure,Biography,Drama	Werner Herzog	5.7	8529	

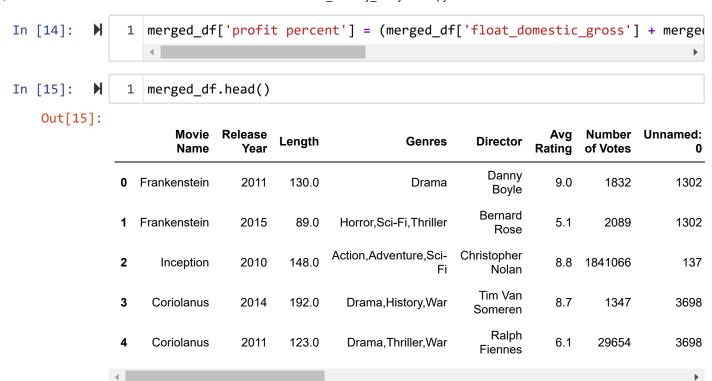
2112 rows × 15 columns

Gross and budget columns contain string values. Convert them to floats.

Calculate profit percentage and create 'profit percent' column

Profit = (Domestic_Gross + Worldwide_Gross) - Production_Budget

Profit Percentage = Profit / Production_Cost * 100



Create new df of merged_df grouped by "Director"

Create a new series (column) of the count of movies directed by each director.

Calculate the means of each element in the newly grouped df called director_means.

Add the count series to the director_means df.

Number

Out[16]:

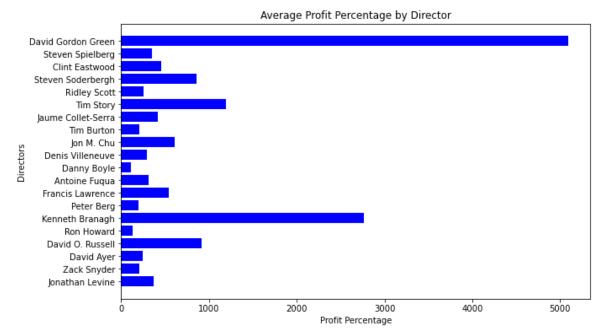
		Avg Rating	of Votes	float_production_budget	float_domestic_gross	float_worldwide_gr
D	irector					
	Aaron Hann	6.0	30645.0	2000000.0	10024.0	1002
	Aaron Seltzer	3.4	43984.0	20000000.0	36661504.0	8142498
Aa	aron T. Wells	3.5	2230.0	500000.0	0.0	
	Abby Kohn	5.4	39936.0	32000000.0	48795601.0	9155379
	lolreza Kahani	7.0	903.0	4000000.0	0.0	6318
Z	ackary Adler	5.0	1723.0	2500000.0	0.0	
Fo	Zak rsman	5.2	846.0	50000.0	0.0	
Batn	Zal nanglij	6.7	33095.5	3317500.0	1341332.0	172870
Zł	nigang Yang	7.1	581.0	70000000.0	55011732.0	9497354
	Zsófia zilágyi	7.2	501.0	15000000.0	13843771.0	5916869

1426 rows × 7 columns

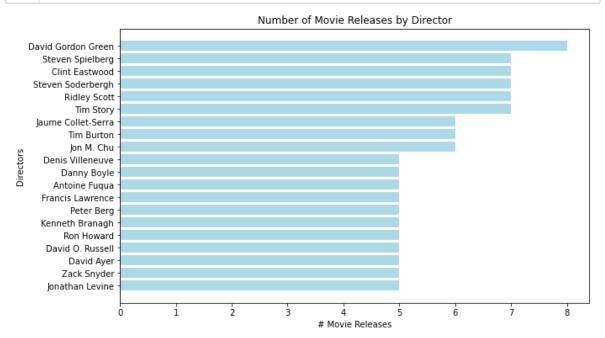
Sort of Directors by Count of Movie Releases

Sort director_means df by count to list in order of most prolific directors. Only top 20 directors in sorted list will be used in the profit percentage and busget charts below.

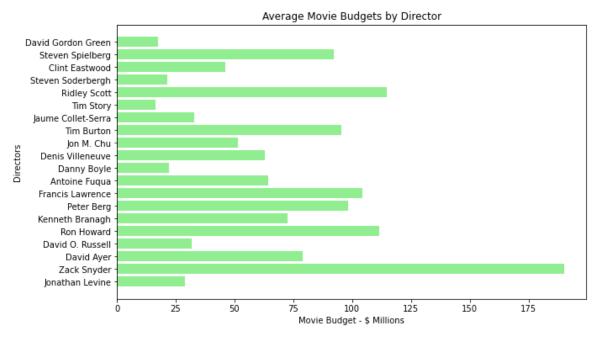
```
In [18]:
                 director sort by count df.index
   Out[18]: Index(['David Gordon Green', 'Steven Spielberg', 'Clint Eastwood',
                     'Steven Soderbergh', 'Ridley Scott', 'Tim Story', 'Jaume Collet-Serr
             a',
                     'Tim Burton', 'Jon M. Chu', 'Denis Villeneuve',
                     'Matthew R. Anderson', 'Jamie Buckner', 'Timothy Woodward Jr.',
                    'Glenn Ciano', 'David Winning', 'David DeCoteau', 'Kaizad Gustad',
                    'Frédéric Auburtin', 'Justin Price', 'Lawrence Kasanoff'],
                   dtype='object', name='Director', length=1426)
In [19]:
                  fig, ax = plt.subplots(figsize=(10,6))
          H
               1
               2
               3
                  ax.barh(director sort by count df.index[0:20], director sort by count df
               4
                 ax.invert yaxis()
                 ax.set title("Average Profit Percentage by Director")
                 ax.set xlabel('Profit Percentage')
               7
                 ax.set ylabel('Directors')
                 plt.savefig('./Images//Profit_Percentage_by_Director_for_High_Movie_Count
```



This chart shows that of the top 20 directors by movie count, all of them were very profitable exceeding 100% and couple in the range of thousands of percent. Clearly, there is a correlation between directors with a track record and their profitability.



This chart was generated to show the track record of the top directors. As is apparent, they all have made multiple movies.



The previous charts raised the question as to why some directors can be phenominally profitable and others who are known for making well received movies have not earned as high a profit. This chart along with some general knowledge about the directors provides a clue. David Gordon Green is known for making horror movies. Horror movies do not require a high budget because they do not generally require elaborate special effects and since much happens at night or atleast in the dark, the movie sets do not need to be as detailed or intricate. The likes of Steven Spielberg and Ridley Scott are known for Sci Fi movies which definitely require elaborate special effects and the creation of movie sets reflecting the otherworldly environments that are central to the movies. ALmost by definition a Sci Fi

has to require a higher budget.

This project did not focus on genre but this data is implying that profitability by genre should be separately investigated.

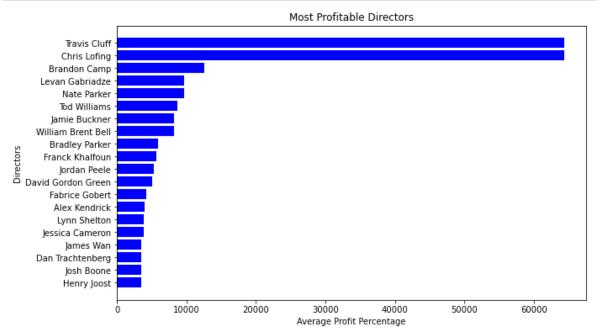
Sort of Directors by Profitability

Take the previously sorted director_means df and sort it by 'profit percent'. The chart will show most profitable directors regardless of number of movies made.

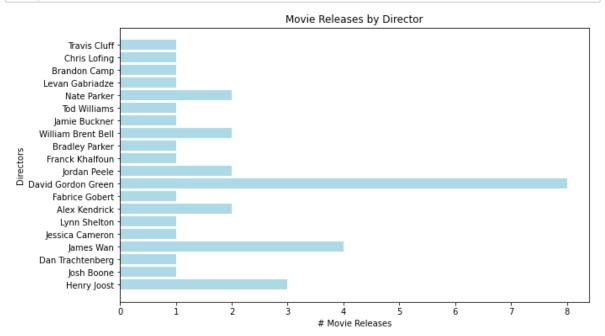
In [22]: ▶

- director_sort_by_profit_df = director_means.sort_values(by=['profit percent director_sort_by_profit_df.head(20)
- Out[22]:

	Avg Rating	Number of Votes	float_production_budget	float_domestic_gross	float_world
Director					
Travis Cluff	4.200000	17763.000	100000.0	2.276441e+07	4.
Chris Lofing	4.200000	17763.000	100000.0	2.276441e+07	4.
Brandon Camp	6.400000	2779.000	500000.0	3.155956e+07	3.
Levan Gabriadze	5.600000	62043.000	1000000.0	3.278964e+07	6.4
Nate Parker	6.400000	18442.000	5055000.0	1.293078e+07	1.:
Tod Williams	5.700000	93122.000	3000000.0	8.475291e+07	1.7
Jamie Buckner	2.900000	557.000	5000000.0	1.381416e+08	2.7
William Brent Bell	5.100000	51239.500	5500000.0	4.454125e+07	8.4
Bradley Parker	5.000000	60304.000	1000000.0	1.811964e+07	4.:
Franck Khalfoun	6.100000	32534.000	350000.0	1.000000e+07	1.0
Jordan Peele	7.400000	251492.500	12500000.0	1.755238e+08	2.
David Gordon Green	6.312500	63319.125	17290625.0	4.018337e+07	5.9
Fabrice Gobert	6.400000	971.000	5000000.0	6.726884e+07	1.4
Alex Kendrick	6.750000	14651.000	2500000.0	5.115617e+07	5.4
Lynn Shelton	6.700000	24780.000	120000.0	1.597486e+06	3.0
Jessica Cameron	4.800000	554.000	3500000.0	4.141102e+07	9.
James Wan	7.175000	312458.000	92875000.0	2.198695e+08	7.
Dan Trachtenberg	7.200000	260383.000	5000000.0	7.208300e+07	1.0
Josh Boone	7.700000	315135.000	12000000.0	1.248724e+08	3.0
Henry Joost	5.633333	82293.000	10000000.0	6.550426e+07	1.4



Just looking at profitability without sorting by movie counts, there are many directors that are showing profitability in the thousands of percent, some well over 10,000 percent. However, the number of movies that they have made is limited. Let's also generate the movie count for these most profitable directors. See the next chart below.



So, many of these highly profitable directors have only made one movie. Perhaps, there was some political, societal or environmental anomaly that brought focus on their single movie and it generated a huge percentage of profitability. A single point of data does not indicate a trend. They may continue to make profitable movies or they may be relegated in history as One-Hit Wonders.

Movie Length vs Profitability

Sort of original merged_df by Movie Length

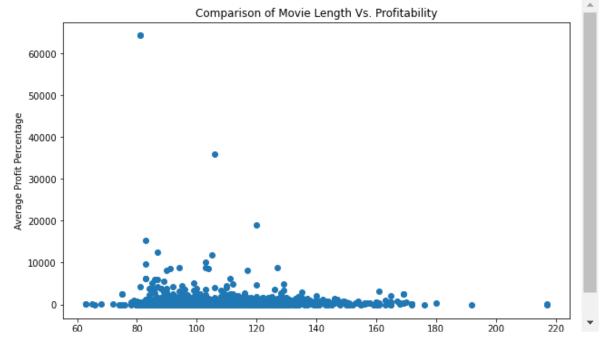
This analysis was initiated with the question as to whether other factors like the length of the movie may correlate with profit or lack thereof. This following sorted data set will be used to look at the effect of movie length on profitability. In [25]:

1 merged_sort_by_Length = merged_df.sort_values(by=['Length'], ascending=Falling
2 merged_sort_by_Length

Out[25]:

	Movie Name	Release Year	Length	Genres	Director	Avg Rating	Number of Votes
5	Hamlet	2015	217.0	Drama	Robin Lough	8.6	1587
6	Hamlet	2015	217.0	Drama	Robin Lough	8.6	1587
3	Coriolanus	2014	192.0	Drama,History,War	Tim Van Someren	8.7	1347
30	The Wolf of Wall Street	2013	180.0	Biography,Crime,Drama	Martin Scorsese	8.2	1035358
762	Jab Tak Hai Jaan	2012	176.0	Drama,Romance	Yash Chopra	6.8	48364
1802	Aroused	2013	66.0	Documentary	Deborah Anderson	5.3	596
714	Unstoppable	2013	65.0	Documentary	Darren Doane	4.3	551
414	Winnie the Pooh	2011	63.0	Adventure, Animation, Comedy	Stephen J. Anderson	7.2	19605
415	Winnie the Pooh	2011	63.0	Adventure, Animation, Comedy	Don Hall	7.2	19605
1889	The Bachelor	2016	NaN	Comedy,Romance	Antonis Sotiropoulos	5.1	895

2112 rows × 19 columns



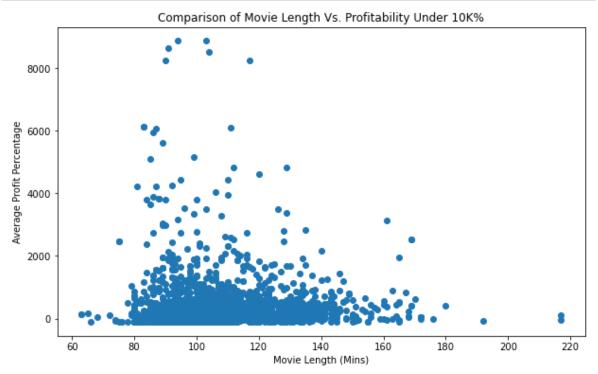
The top few high profit movies (outliers) are skewing the results. Let's only look at movies under 10K% profit by not including the first 10 movies in the sorted list.

In [27]: ▶

- merged_sort_by_Profit_Percent_under_10k = merged_df.sort_values(by=['pro-
- merged_sort_by_Profit_Percent_under_10k.head(20)

Out[27]:

ι	Number of Votes	Avg Rating	Director	Genres	Length	Release Year	Movie Name	
	811	7.2	Fien Troch	Drama	103.0	2016	Home	252
	85831	6.6	Tim Johnson	Adventure, Animation, Comedy	94.0	2015	Home	255
	93122	5.7	Tod Williams	Horror	91.0	2010	Paranormal Activity 2	1593
	400474	7.7	Jordan Peele	Horror, Mystery, Thriller	104.0	2017	Get Out	152
	557	2.9	Jamie Buckner	Comedy,Romance,Sport	90.0	2016	Split	381
	358543	7.3	M. Night Shyamalan	Horror,Thriller	117.0	2016	Split	380
	85689	5.8	Henry Joost	Horror, Mystery, Thriller	83.0	2011	Paranormal Activity 3	1525
	85689	5.8	Ariel Schulman	Horror, Mystery, Thriller	83.0	2011	Paranormal Activity 3	1526
	227964	7.4	Barry Jenkins	Drama	111.0	2016	Moonlight	268
	45815	5.6	Daniel Stamm	Drama,Horror,Thriller	87.0	2010	The Last Exorcism	1662
	60304	5.0	Bradley Parker	Horror, Mystery, Thriller	86.0	2012	Chernobyl Diaries	1892
	32534	6.1	Franck Khalfoun	Horror,Thriller	89.0	2012	Maniac	1354
	122039	5.4	John R. Leonetti	Horror, Mystery, Thriller	99.0	2014	Annabelle	1765
	183549	5.7	James DeMonaco	Horror,Thriller	85.0	2013	The Purge	1586
	18100	6.4	Christophe Gans	Drama,Fantasy,Romance	112.0	2014	Beauty and the Beast	436
	238325	7.2	Bill Condon	Family,Fantasy,Musical	129.0	2017	Beauty and the Beast	434
	11716	6.5	Alex Kendrick	Drama	120.0	2015	War Room	974
	79451	6.6	Adam Wingard	Action,Comedy,Horror	95.0	2011	You're Next	904
	198345	6.8	Scott Derrickson	Horror, Mystery, Thriller	110.0	2012	Sinister	750
	46280	6.8	David Lowery	Drama,Fantasy,Romance	92.0	2017	A Ghost Story	729



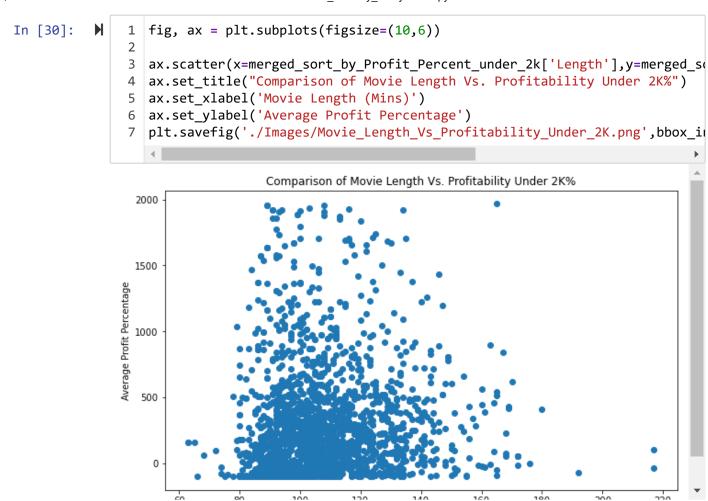
The multithousand percent profit movies are still skewing the results. Let's only look at movies under 2K% profit by not including the first 81 movies in the sorted list. This will get a better view of the remaining 2000+ movies.

In [29]: ▶

1 merged_sort_by_Profit_Percent_under_2k = merged_df.sort_values(by=['profit_Percent_under_2k.head()

Out[29]:

	Movie Name	Release Year	Length	Genres	Director	Avg Rating	Number of Votes	Unnamed: 0
95	Boyhood	2014	165.0	Drama	Richard Linklater	7.9	315584	4484
263	Kevin Hart: Laugh at My Pain	2011	89.0	Comedy,Documentary	Tim Story	7.4	5081	5374
262	Kevin Hart: Laugh at My Pain	2011	89.0	Comedy,Documentary	Leslie Small	7.4	5081	5374
539	The Gift	2015	108.0	Drama, Mystery, Thriller	Joel Edgerton	7.1	123834	4262
1021	The Purge: Anarchy	2014	103.0	Action,Horror,Sci-Fi	James DeMonaco	6.5	126203	3770



Looking at the vast majority of the movies in our original data set, we do not see a strong correlation. There is some loose indication that most movies are under 2 to 2.5 hours. High profits can be generated in a movie of only 1.5 hours. So if the story does not require a long movie there is no need to stretch the movie into that longer timeframe.

Recommendations

We offer the following 3 recommendations:

- **- Work with Directors with track records of consistent profit.
- Give NEW directors a smaller budget to prove themselves.
- Need to investigate further the effect of Genre on budgets and therefore profitability.

Other Observations

Microsoft has:

- Diverse product lines.
- Sells internationally.
- Has a large international employee base.

Movie decisions may be driven by:

- Product placement considerations.
- Overseas markets.

US Market prefers shorter movies. Need to study other markets.

Next Steps

Investigate non-US markets.

Identify opportunities for product placement.

Formulate marketing strategies to drive product placement.

Engage movie industry drivers (producers, directors, writers, etc.) to consider how to move Microsoft interests further.

