Microsoft Case Study: Prospects for entering the Film and Video Market

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Overview

Business problem

Microsoft wants to launch a new movie studio and needs advice on the most profitable films and video content to create and distribute.

The brief

Microsoft sees all the big companies creating original video content and have decided to create a new movie studio, but they don't know anything about creating movies or video content. Explore what types of film/video content is currently doing the best at the box office, use exploratory data analysis and translate the findings into actionable insights that the Head of Microsoft's new studio can use to help decide what type of content to create.

Strategy

Analyse the given data in an unbiased manner and examine the following key indicators in order to inform Microsoft about their best plan of action for creating movie content:

1. What are the average viewer ratings of movie genres?
2. What are the average worldwide profits by movie genre (taking into account production budgets)?
3. How profitable can it be to invest in setting up a video streaming platform?

Methodology

Step1

Created dataframes from the data files that I chose to analyse ('imdb.title.basics.csv','imdb.title.ratings.csv' and 'tn.movie_budgets.csv'). Created a .csv file ('Streaming_revenue.csv') from readily available online data (https://headphonesaddict.com/video-streaming-statistics/).

Step2

Cleaned the data.

Step3

Merged dataframes to analyse Average Viewer Ratings by Genre and to analyse Worldwide Profits by Genre.

Step 4

Created some simple yet elegant bar graphs to visualise the relationships between Ratings and Genres, Profits and Genres, and finally the current and projected Revenues from video streaming services.

Which genres have the highest ratings?

IMDb is the world's most popular and authoritative source for video content. Viewers can score content on a scale of 0 to 10.

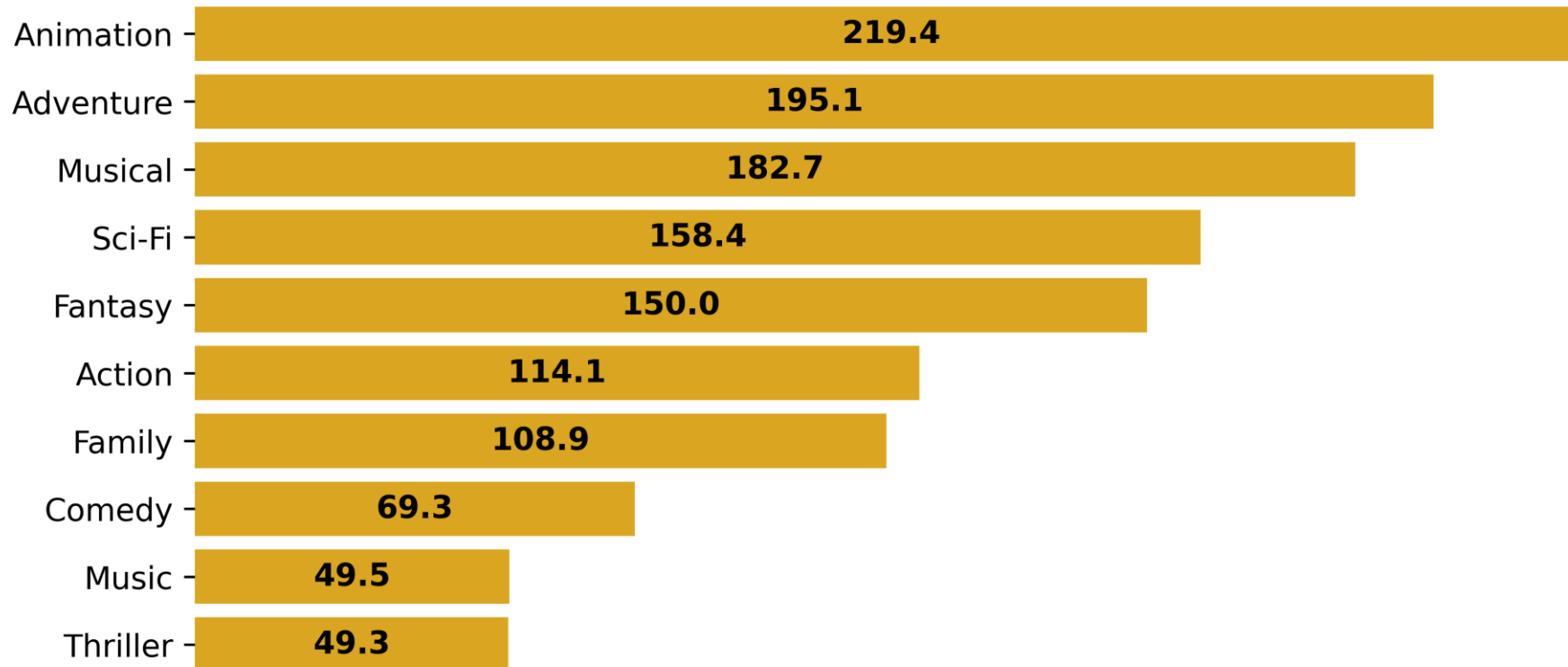## Top 10 Genres by Average IMDb Viewer Ratings

Genre	Rating
Short	8.80
Documentary	7.33
Game-Show	7.30
News	7.27
Biography	7.16
Music	7.09
History	7.04
Sport	6.96
War	6.58
Reality-TV	6.50

These results might be surprising given popular culture, but IMDb includes content across all formats and genres .

Which genres make the most money?

Let's look at profits by genre as a function of worldwide revenue minus the production budget

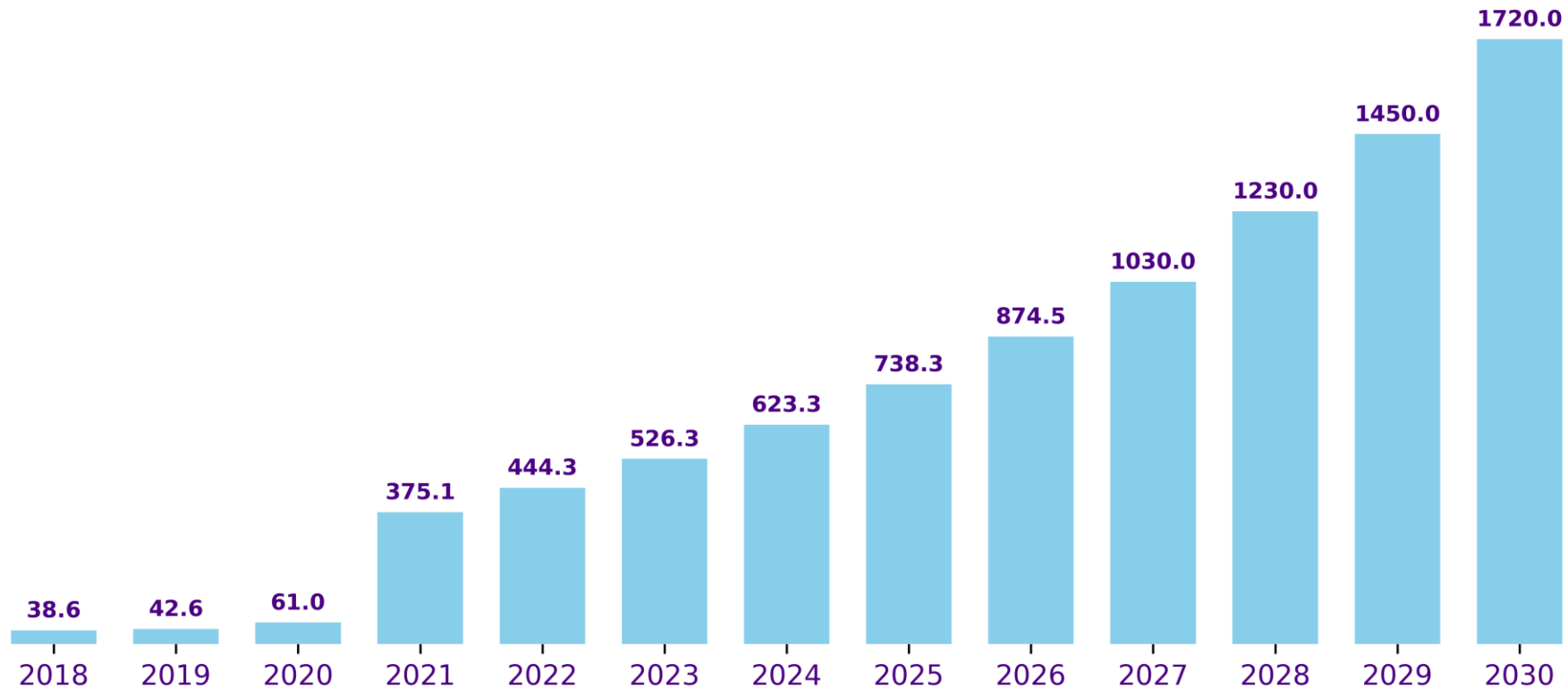## Top 10 Genres by Worldwide Profits (in USD millions)

Genre	Profit
Animation	219.4
Adventure	195.1
Musical	182.7
Sci-Fi	158.4
Fantasy	150.0
Action	114.1
Family	108.9
Comedy	69.3
Music	49.5
Thriller	49.3

These results are more in line with popular culture, showing genres that are known to attract huge crowds at the cinema.

What about streaming services?

The popularity of video streaming platforms has risen exponentially, especially during the recent pandemic and continues to grow daily.

Video Streaming Current and Projected Revenue (in USD billions)

Year	Revenue
2018	38.6
2019	42.6
2020	61.0
2021	375.1
2022	444.3
2023	526.3
2024	623.3
2025	738.3
2026	874.5
2027	1030.0
2028	1230.0
2029	1450.0
2030	1720.0

The revenue of all streaming platforms combined shows a robust growth rate over a 13-year period.

Conclusions

Key takeaways

1. The top 10 genres based on average IMDb viewer ratings do not necessarily reflect what is normally seen at the box office. That being said, they are all excellent categories for online video streaming.

2. The most profitable genres are what one would expect from popular culture.

3. Video streaming revenues show a healthy upward trend.

Actionable insights

Microsoft should:

1. **Invest in producing box office movies in genres that are highly profitable, as evidenced from popular culture (e.g., Animation, Adventure, Musical, Science fiction, Fantasy and Action).**

2. **Seriously consider launching an online video streaming platform, given that worldwide revenues are expected to soar in the next 7 years.**

3. **Produce content in genres that are very popular amongst viewers for the streaming platform (e.g.,Shorts, Documentaries, Game Shows).**