

MICROSOFT FILM STUDIO

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BACKGROUND



Microsoft has decided to create a new movie studio



They have hired me to research the industry



They want to better understand the industry itself and gain more insights to make their studio as successful as possible

PROJECT OUTLINE

Clients aim – Microsoft is a profit making company therefore their aim is to generate as much profit as possible

However, the movie industry is a new venture for them so they do not want to take exuberantly high risks and do not have a massive budget

Therefore their aim to to generate the highest Return On Investment (ROI) possible



As a result I need to find out what Microsoft needs to do to generate these high ROI's

This will allow us to give Microsoft recommendations on how they can make this new venture as successful as possible

VARIABLES AFFECTING ROI

Film Budget

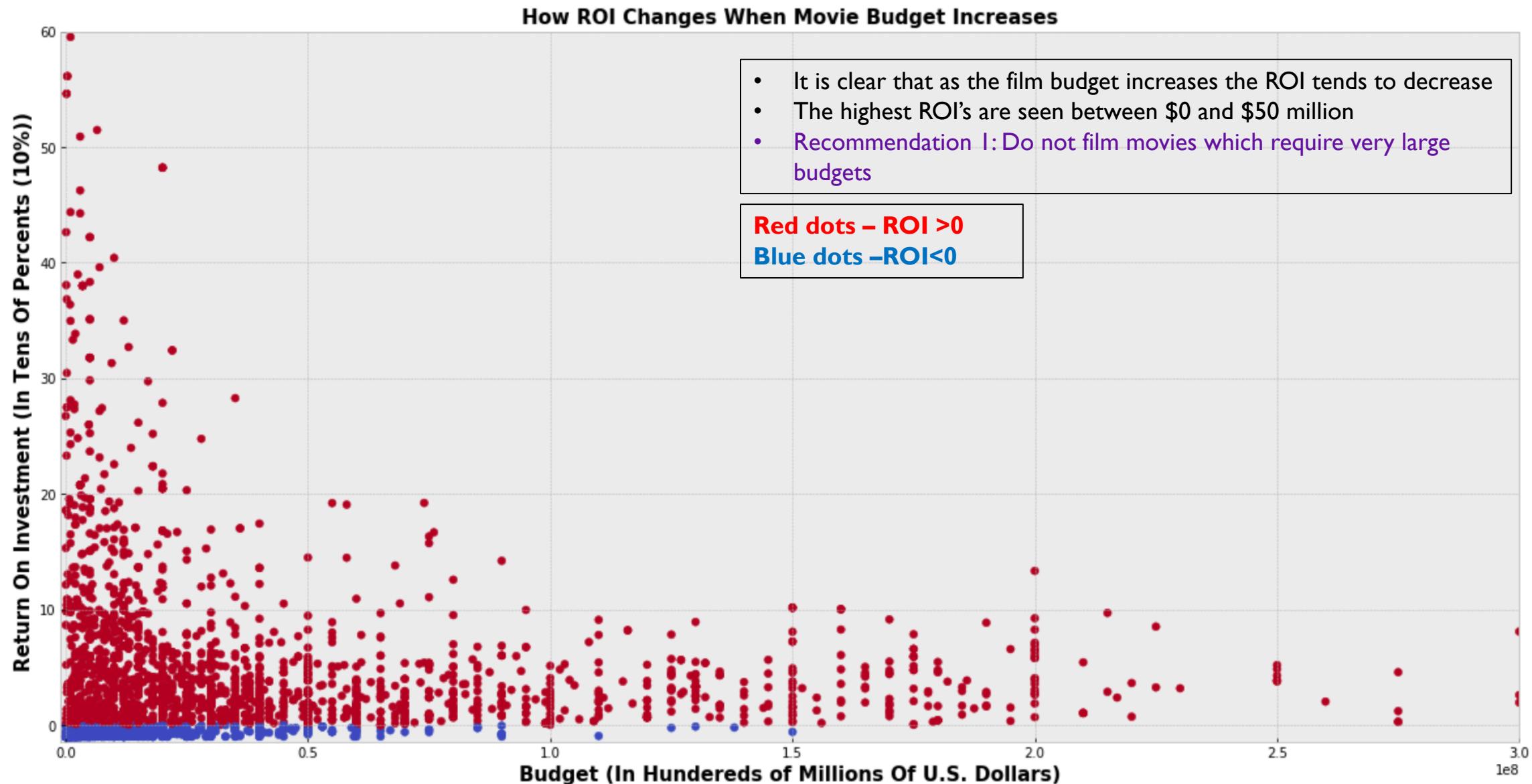
Film Release Day

Film Release
Month

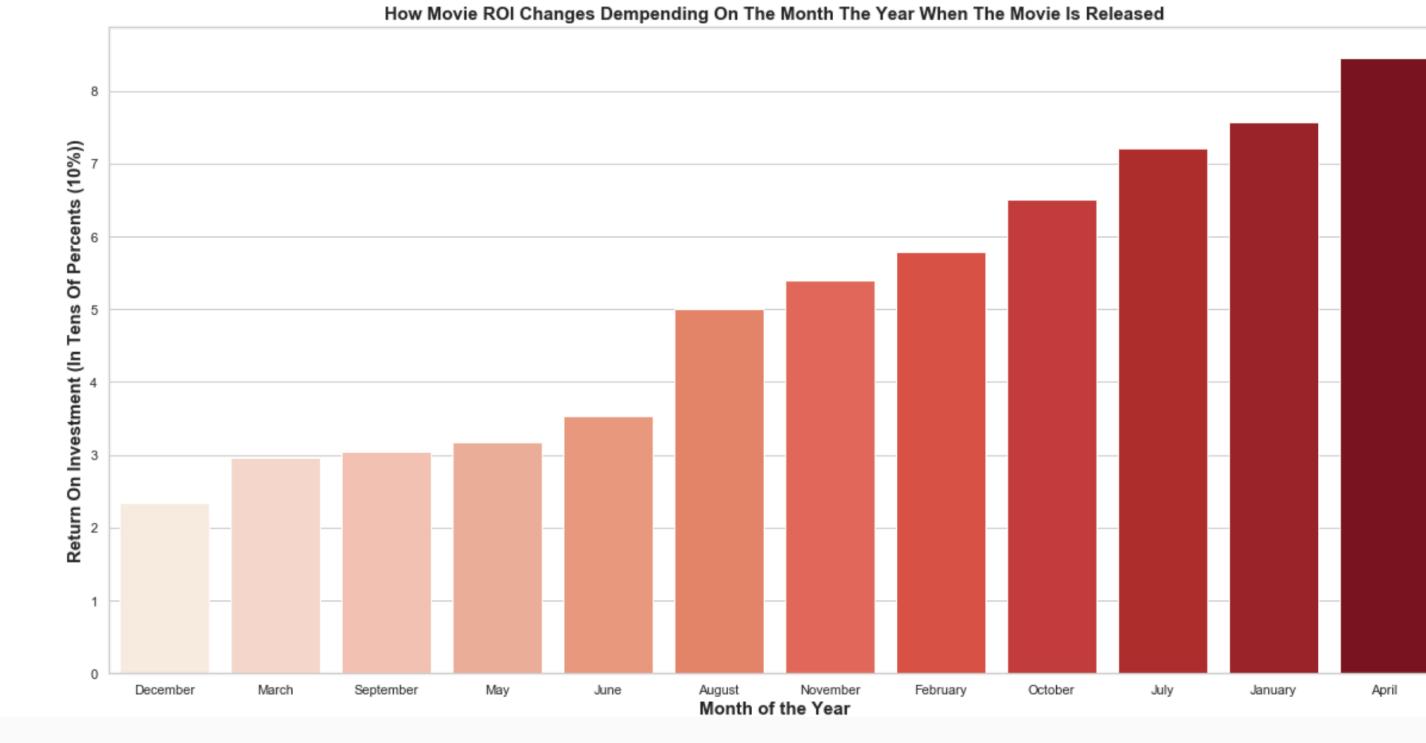
Film Genre

World GDP
during the year of
the film release

BUDGET ON ROI



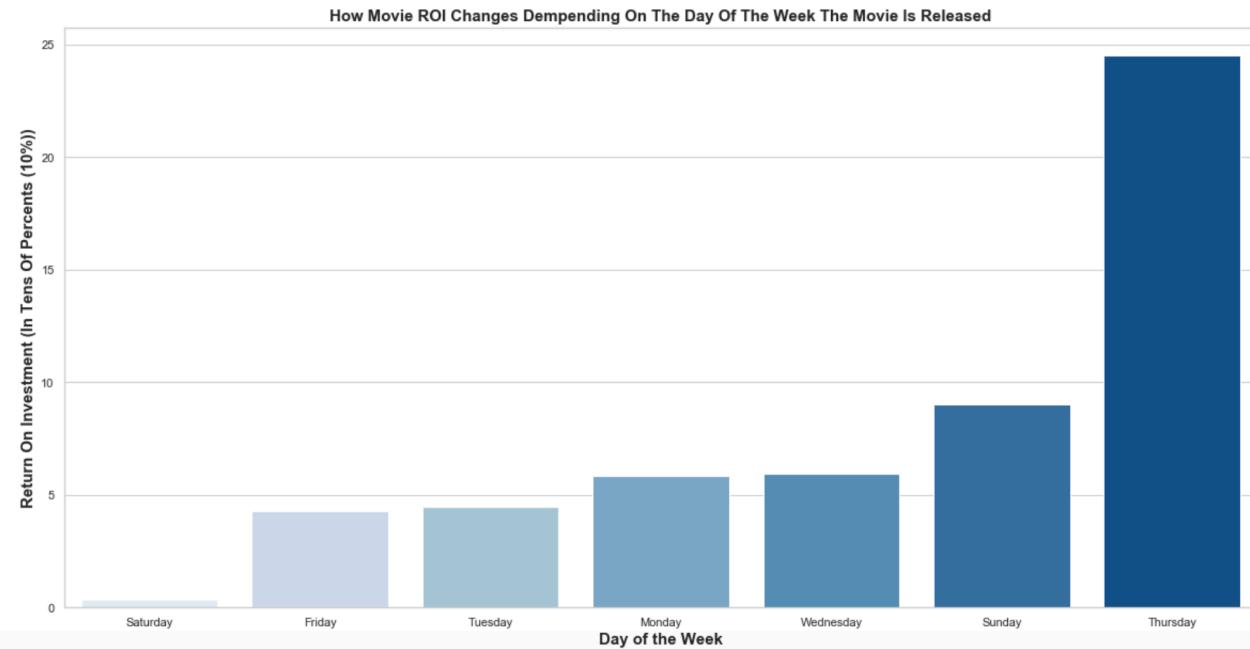
RELEASE MONTH ON ROI



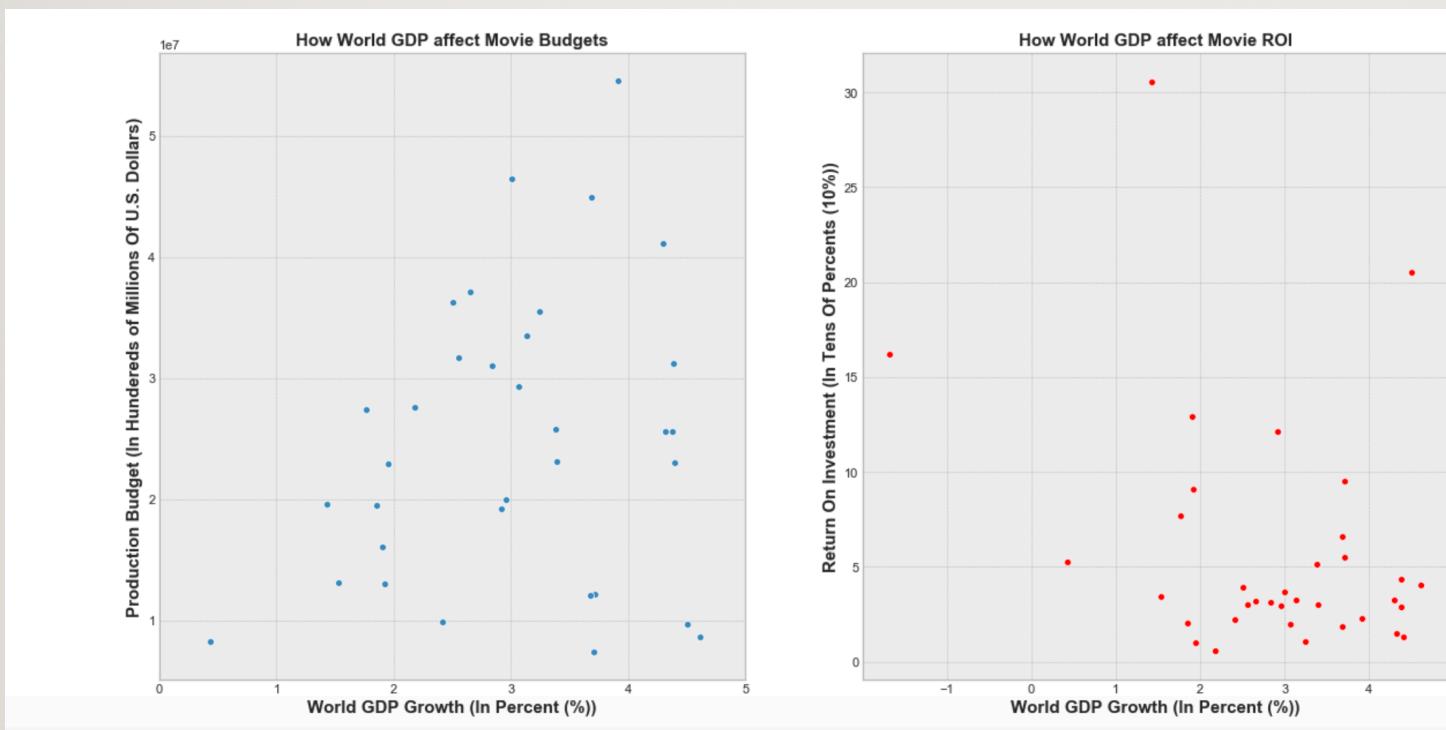
- There are clearly months that do better than others
- With this level of analysis the months of April, January and July generate the highest ROI however, it is not clear why
- They are all Holiday months April being Easter, January being the Christmas and new year break and July being Summer
- Recommendation 2: Release movies in the months on January April or July

RELEASE DAY ON ROI

- Recommendation 3:
Release movies on
Thursdays
- This may be because
Thursdays are not as
expensive to release
movies as on a Friday for
example however there
are still a lot of attendees
on Thursdays

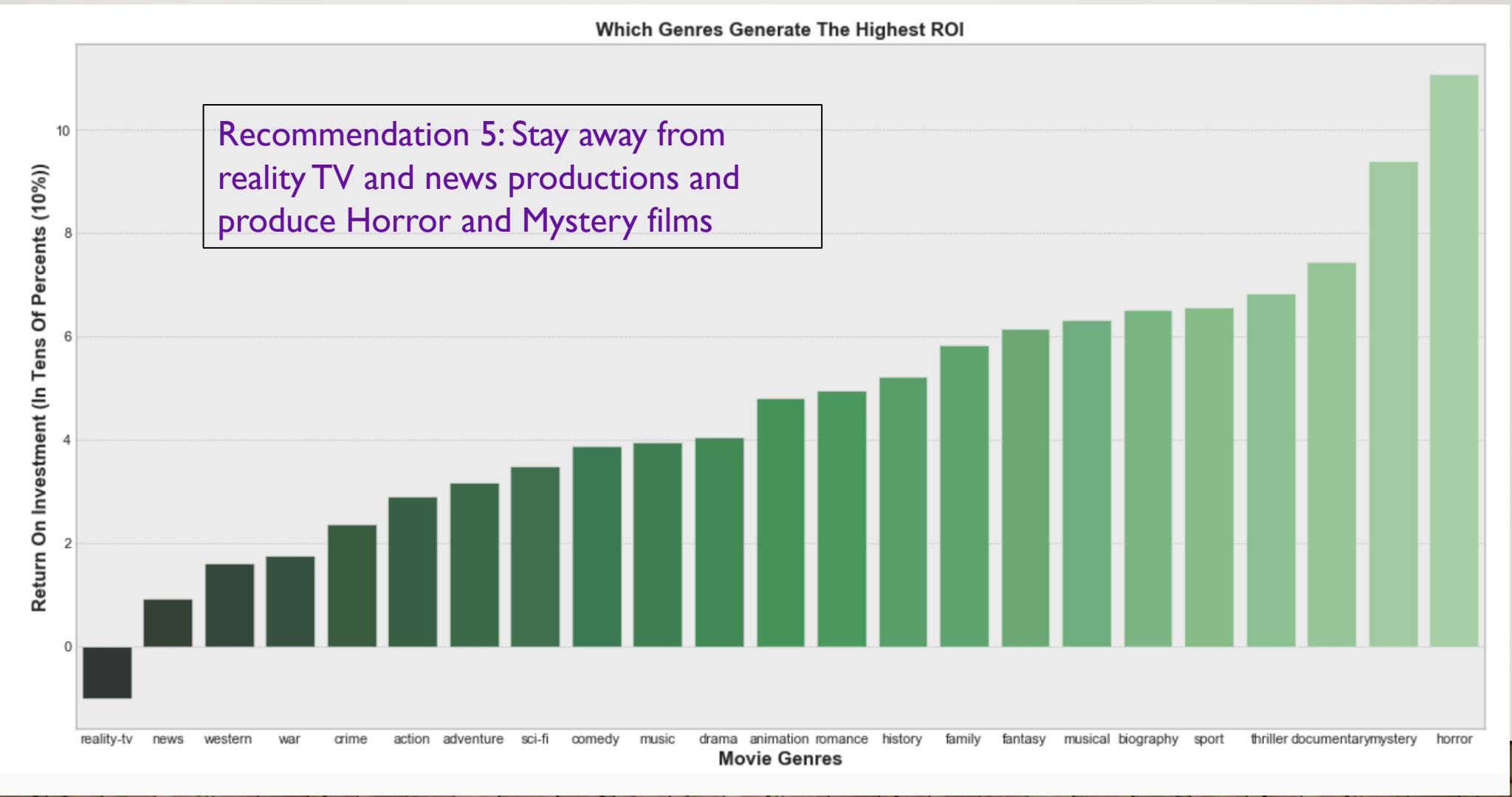


WORLD AVERAGE GDP ON ROI



- These include all movies from 1980 to 2014
- There is a clear positive trend between production budget and world GDP growth
- However there is a less significant negative trend between world GDP and ROI
- This may be circular correlation of high GDP levels inducing higher movie budgets resulting in lower ROI's
- Recommendation 4: Do not be tempted to raise budgets in booming economic periods

MOVIE GENRE ON ROI



SUMMARY OF RECOMMENDATIONS

1. Do not film movies which require very large budgets
2. Release movies in the months on January April or July
3. Release movies on Thursdays
4. Do not be tempted to raise budgets in booming economic periods
5. Stay away from reality TV and news productions and produce Horror and Mystery films