



# ***Module 1 Project:***

## ***Novel Movie Studio Analysis***

Joe Buzzelli and Alphonso Woodbury

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# Profitability in the Movie Industry

**Statement of Work:** Assist Microsoft's new movie studio with an analysis of the movie industry to focusing on taxonomy and profitability

We will share analysis pertaining to **3** questions related to developing a profitable studio with respect to profit and return-on-investment (ROI) as key performance indicators:

- Which genre(s) are the most profitable over the last five years?
- Does a movie's Motion Picture Association of America (MPAA) rating affect its financials?
- When are the most profitable films released?

# Assumptions and Data Sources

## Assumptions

- Consumer trends evolve rapidly and we will only analyze film data since 2015
- Our client will initially focus distribution in the United States
- We did not analyze movies that lost money

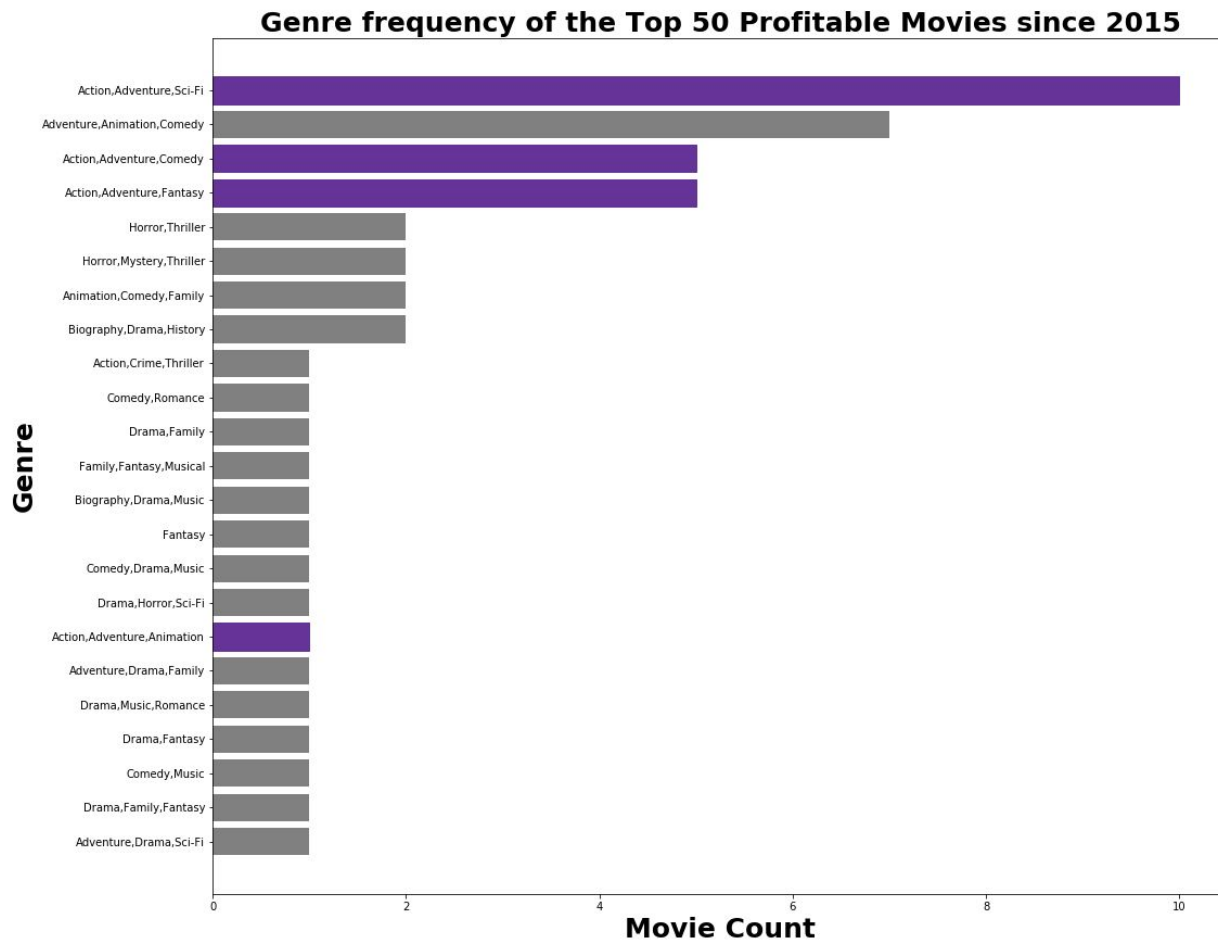
## Data Sources

- The-Numbers.com: A website providing financial data for movies
- IMDB: An online movie database providing descriptive data about movies
- OMDb: An application programming interface (API), providing movie data

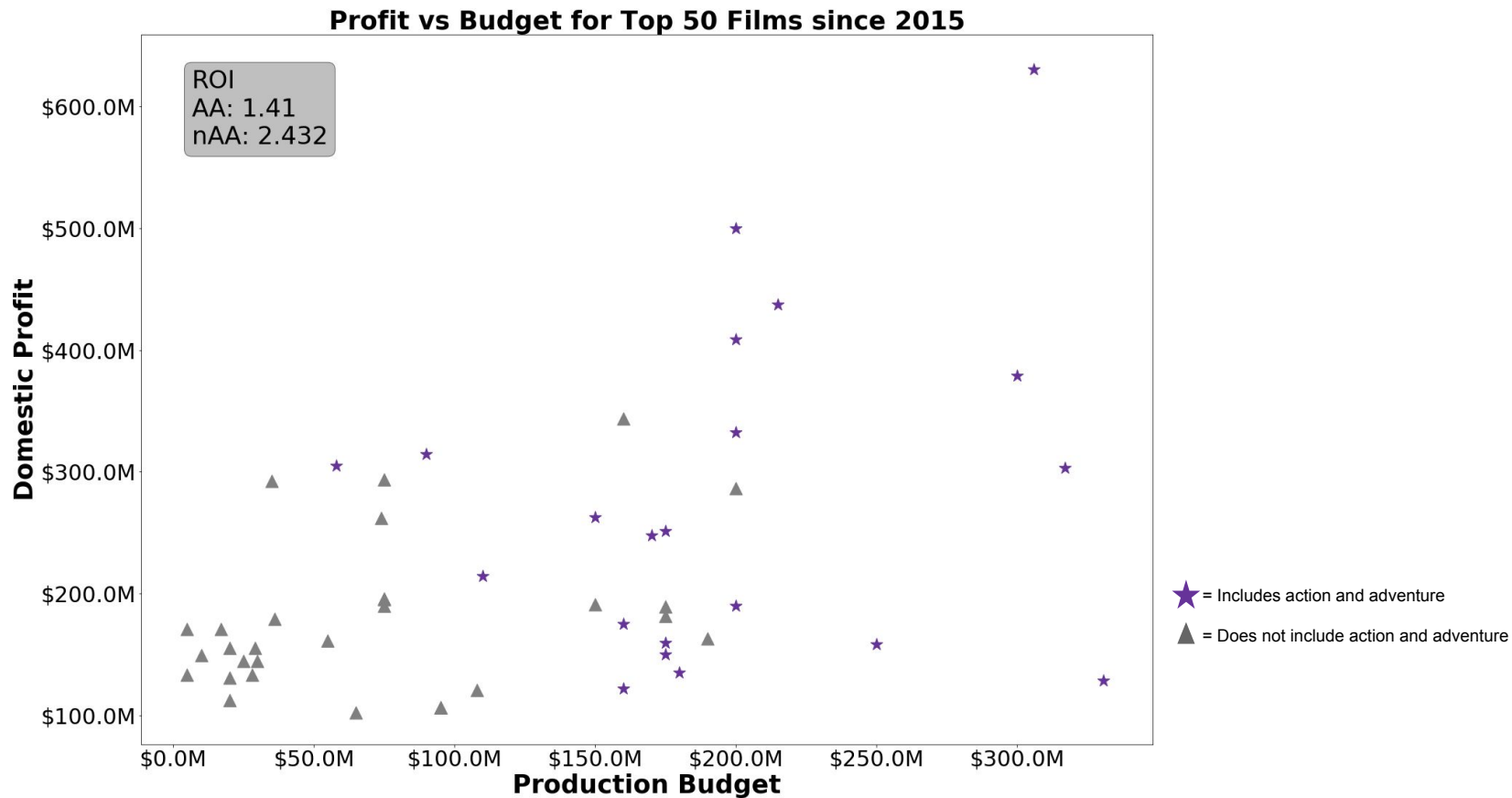
## Dataset

- Top 50 films by domestic profit (domestic gross - production budget)
- Focus on genre, domestic gross, profit, ROI, MPAA, release month

# 42% of the highest grossing films are action/adventure

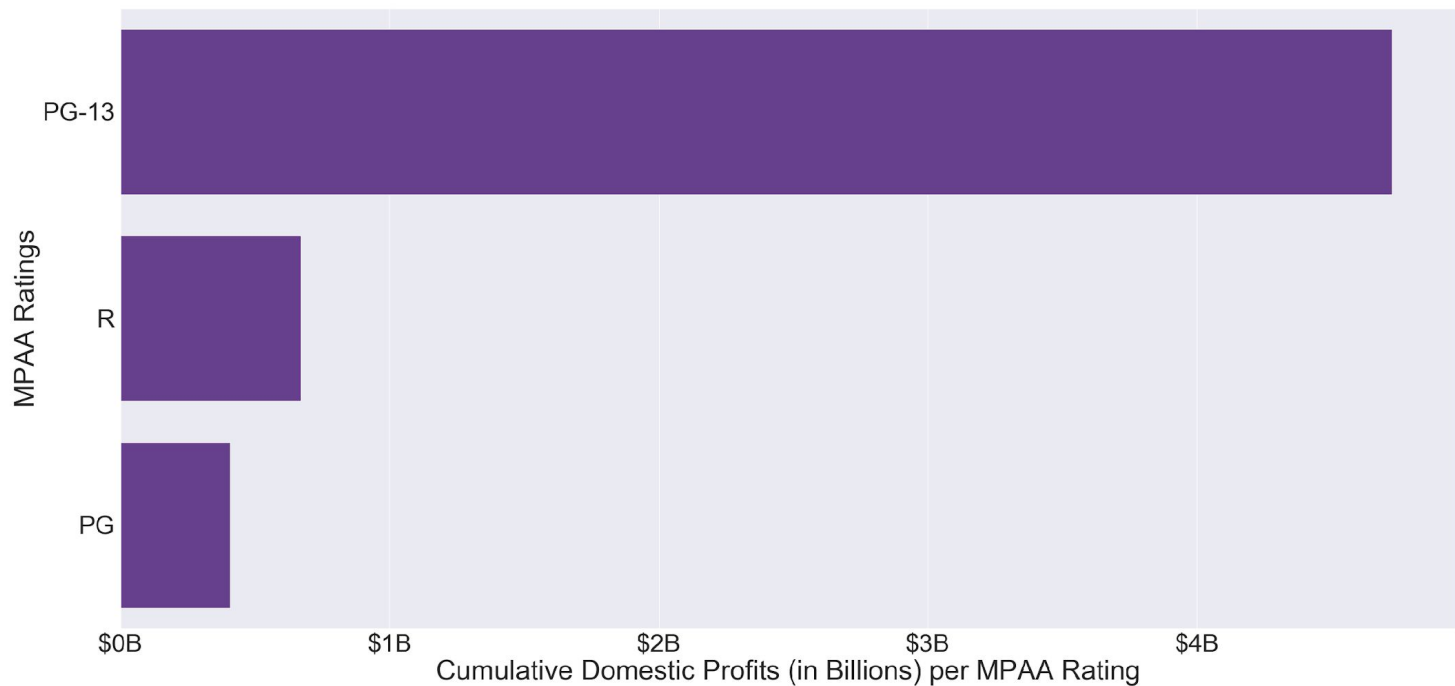


# Action/adventure movies yield higher profits and budgets



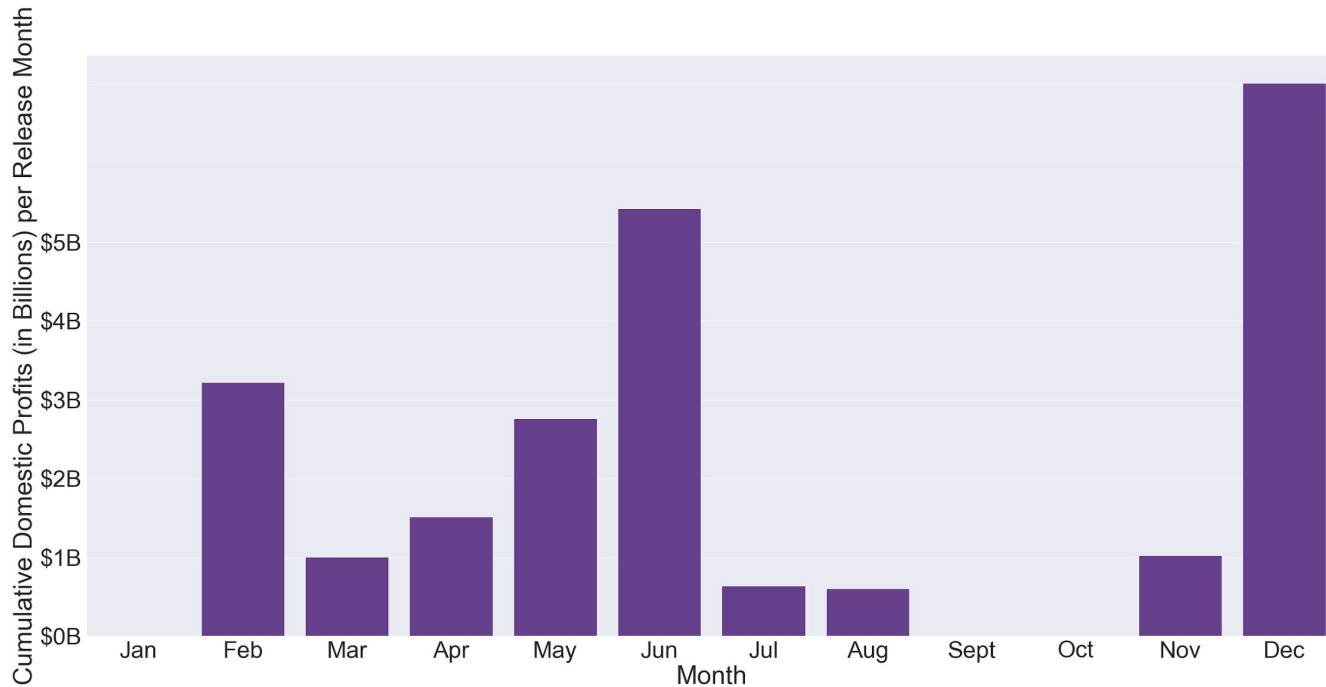
# PG-13 content represents a significant share of profits

- PG-13 action/adventure movies (**17**) are more frequent than R (**3**) and PG (**1**)
- These movies account for **81%** of action/adventure profits at \$4.7 billion



# The most profitable movies release in December or June

- The Oscar Season, the holidays, and summer blockbusters are assumed to drive increased profitability in December and June



# Recommendations

**Genre:** Action/adventure

**MPAA Rating:** Rated PG-13

**Release:** Released in either December or June.



# Next Steps

**Scope:** Test hypothesis against broader data set to explore potential statistical correlations

**Talent:** Expand analysis to movie talents' (directors, writers) impact to profitability

**Voice of the Customer:** Conduct sentiment analysis to better understand consumers' movie interests

**Cut! That's  
a wrap!**

