

# New Studio Insights

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# Overview

- Business objective / measurement of success
- Business recommendations
- Conclusion

# Business Objective

- Microsoft wants to develop a new studio to create original film content
- Should look at ROI (return on investment) to drive business decisions
  - Microsoft as a whole business, and its entities, are already evaluated based on ROI
  - Indicates success relative to the size of original investments
  - Can be used to determine both entry hurdle (does the division make money right away) and success over time

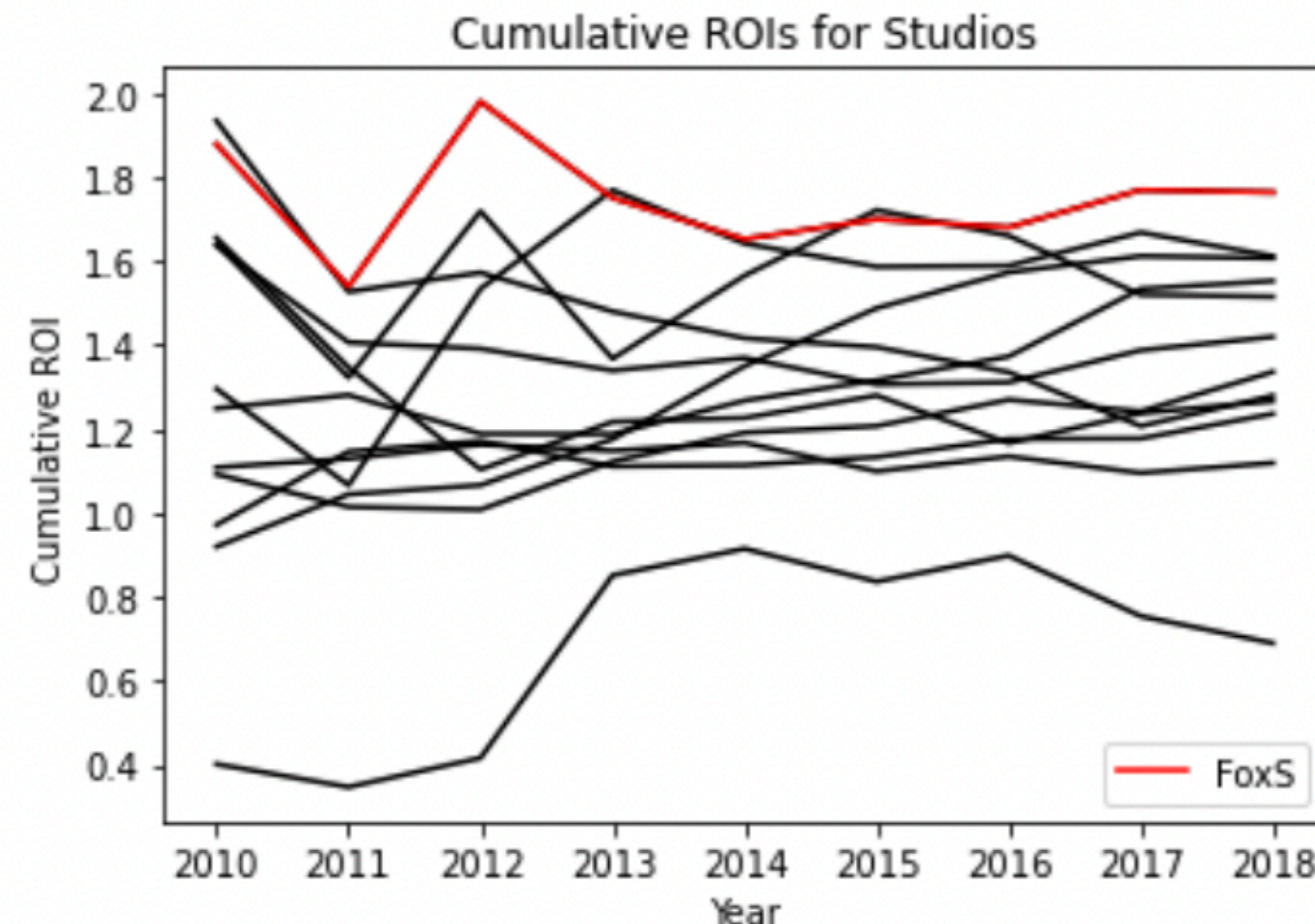
# Data

- Combined production budget and box office results with individual studio data
  - Usable dataset: 1245 films released domestically between 2010 and 2018
- Drew additional information (genre, runtime) from IMDB database

# Recommendation 1

## Look to emulate successful studios, e.g. FoxS

- Microsoft should look to emulate the efforts of studios that have consistently high ROIs
- FoxS studio has both the highest ROI in the initial year examined and consistently high cumulative returns on films over similar periods

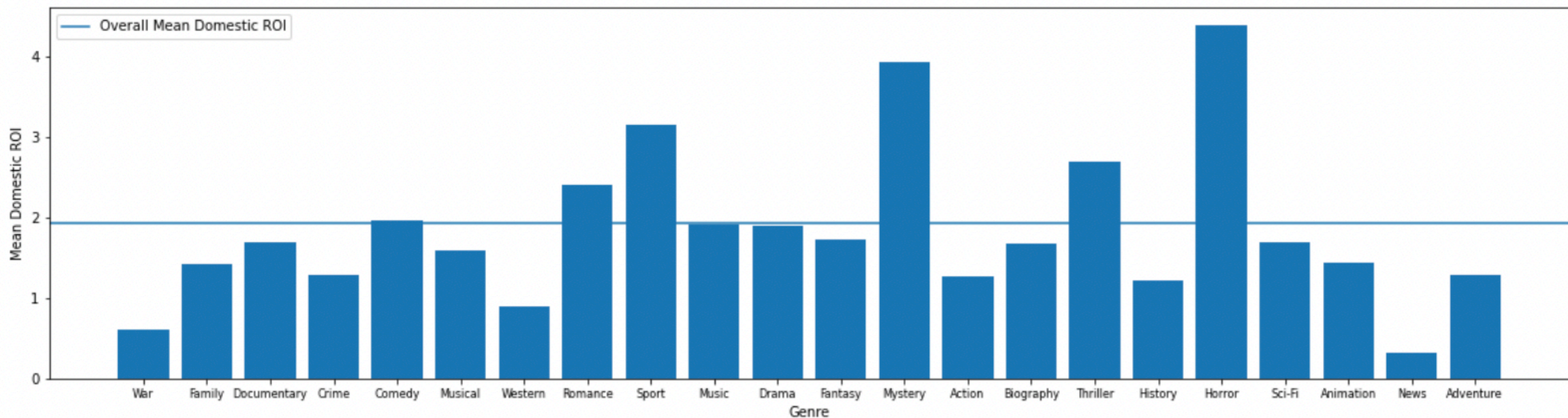




# Recommendation 2

Target specific genres: horror, mystery, thriller, sport, romance

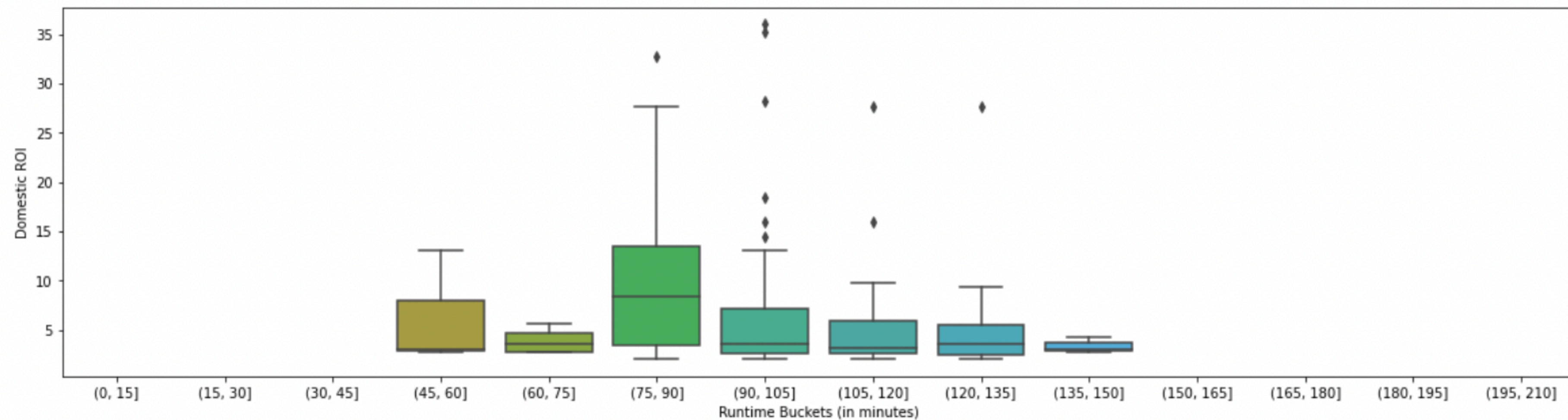
- Average mean domestic ROI for films was just below 2.0
- Microsoft should focus on producing films in genres that generate above average ROIs: **horror**, **mystery**, **sport**, **thriller**, and **romance**



# Recommendation 3

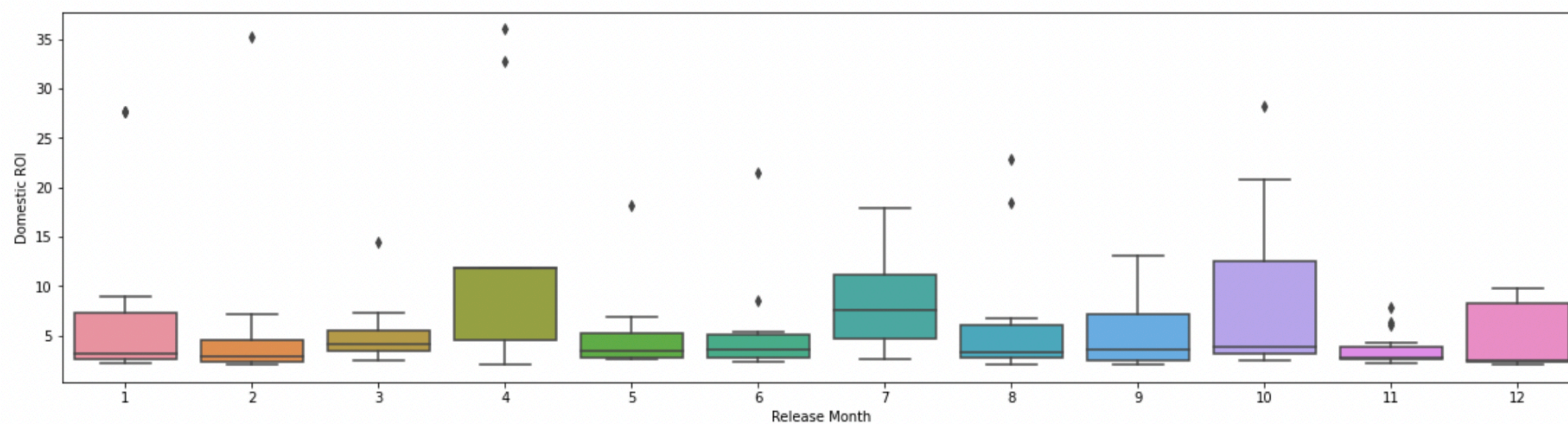
Films should be around 1.5 hours and released in April or July

- For films in above-average ROI genres, runtimes in the range of 75 to 90 minutes (~1.5 hours) correspond to higher ROI





- For the same subset, release dates in April and July correlated to similarly higher ROI as movies in that runtime bucket





# Future Improvements to Analysis

- Break down box office results into smaller segments, such as domestic vs worldwide
- Look more closely at key persons to make more specific hiring recommendations

# Conclusion

- Microsoft should look to emulate the production patterns of successful studios, such as FoxS, as determined by ROI
- Movies produced should be oriented to the following genres: horror, mystery, thriller, sport, or romance
- Films should be about 1.5 hours or slightly less, and released in either late spring or mid-summer

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