[Moderator] 10:07:58

There's the next slide. It's a scatter plot, revenue versus budget. You guys can go ahead and talk.

[P14] 10:08:37

Scatterplot of budget and revenue and with uh 45 degree diagonal line.

[P13] 10:08:44

I think it's there to separate you know like to break even like That line, I think it represents the equal line okay when you're like when you when you're not even making profit when you make a film, you are not making a profit, but you're not also making a loss. You recover the exact amount of money that you put in.

[P13] 10:09:03

So I think the line, yeah. The line like the points above the line, on top of the line are yeah the points on top of the line are for you they make a profit even one dollar or like million dollars

[P13] 10:09:18

They made a profit at least some profit and the points below that are yeah like it's a loss.

[P14] 10:09:26

It's surprising that many movies are losing money, huh?

[P13] 10:09:34

Yeah, that's ever because most almost like not all films are very good, right?

[P13] 10:09:40

That would make sense and they need to pay like to make a movie like you have production and everything What if we don't?

[P13] 10:09:51

If it's not good, you won't get the money back like ticket sales or subscriptions or whatever

[P13] 10:10:00

But there are like there are you know some like films like you can see like it's there in almost like all graphs except science fiction.

[P13] 10:10:08

That the budget is very less what they have a lot of revenue

[P14] 10:10:16

Yeah.

[P13] 10:10:16

And it's just difficult to get in science fiction because science fiction entails for like a lot of budget. You need a lot of budget in the first place.

[P13] 10:10:24

And then debunding. But the other cases it makes sense like

[P14] 10:10:25

Yeah.

[P14] 10:10:41

It seems really hard to get a big revenue if you have a small budget.

[P14] 10:10:47

It's much i thought it's not that unlikely but unlikely based on the data, it looks like it's very unlikely.

[P13] 10:10:52

Yeah, it did. Yeah, it is very difficult because like most people these days you need to get like good actors, good production houses and all that they take a lot of money but you know they're like sometimes few movies like what one or two movies that come in like what

[P13] 10:11:10

Two or three years suddenly like they're very cheap but they make a lot of Money.

[P13] 10:11:17

Well, like, what if you look at the right hand side of the graph, the big cluster of yeah you think?

[P14] 10:11:19

The… the budget 10 to the point of 5, $10,000.

[P13] 10:11:29

Yeah.

[P14] 10:11:31

I think this graph is like half of the space are taken by the movies that are extremely uh… with extremely small amount of budget That might… make the the graph

[P13] 10:11:47

Yeah, it makes sense. Like $100,000 or like… Like 10 to 7 is what 10 million?

[P13] 10:11:56

Yeah, 10 million, right. So that would make sense most like big productions are like somewhere around like from 10 million to what A billion.

[P14] 10:11:59

Yeah.

[P14] 10:12:15

Yeah, so those movies I think should be considered outliers. And if you want to see better the trend. It's better to only focus on a reasonable range of budget. 10 to the power of 5.

[P14] 10:12:32

$10,000. This is crazy. This is…

[P13] 10:12:37

No, no. 10 to the power 5 is not 10,000. It's a hundred thousand.

[P14] 10:12:40

Turn to the power of faith. Oh, okay. 100,000. Yeah, 100,000.

[P13] 10:12:43

It's 100,000.

[P14] 10:12:47

But even that is really

[P14] 10:12:54

No.

[P13] 10:12:57

Yeah, that's true. But those films are you know like what very small, you know, like someone a budding filmmaker or a college even a college project is for 10 to the power of three like 10 to the power of 5 or like yeah somewhere like

[P13] 10:13:11

Like if someone The best example is like, I have a friend leo so if he makes a movie right now, it would be somewhere like between 10 to the power of three and it would be around less than 10 to the power like

[P13] 10:13:27

Somewhere between 10,000 and 10, like 100,000. So they are like they are like budding filmmakers who are like established in a city but it's growing out so and depends like their budget So at this point, they will all try to make good friends so that they make at least get the money back

[P13] 10:13:51

I think that's what you see like in almost, you know, in all the budget ranges if you look at all of the plots.

[P13] 10:13:59

And look at the budget from 10 to the power 3 and 10 to the power 5, that gap.

[P13] 10:14:06

None of them have revenue that's less than the break even except one or like there's maybe one or two points But all of them are at least crossing the break even.

[P13] 10:14:22

Compared to yeah compared to like Compared to the rest parts of the graph.

[P14] 10:14:22

Yep.

[P13] 10:14:27

So they are like they will they know that they want Because they will strive that they are they won't lose money a lot they might lose a few bucks what they will at least almost get a break even so that's good

[P13] 10:14:44

Yeah, but rest like if you're asking me like the right part of the graph like all the points all the graphs are like pretty much the same like you will have some money like budgets budgets lot either it will

[P13] 10:14:57

Crossbreaking it will get a good profit or it might make some loss.

[P13] 10:15:07

Do you have anything more to say in this slide? On the slide.

[P14] 10:15:22

Yeah, within the range of budget, 10 to the power of 6 to 10 power to the part of seven looks like a lot of these movies have unexpectedly low revenues.

[P14] 10:15:38

Compared to the other groups. Like… Yeah, six and seven, maybe six and uh uh 7.5.

[P13] 10:15:41

Yeah. Which ones are 10 to the past 6 and 7?

[P13] 10:15:53

Okay. In drama or like every all of them.

[P14] 10:15:58

All of them.

[P13] 10:15:59

Yeah, like they have some have like, you can say right here some have like really exceptional revenues some like have very low revenues there are a few of them that are like very low.

[P13] 10:16:12

Revenue. Like barely a thousand dollars

[P14] 10:16:18

Yeah this is we really don't know. Because this is weird. It's just suddenly… drops it might be because within the group of 10 to the part of 5 and 10 to the power of 6, the sample size is too small and

[P14] 10:16:36

It's just lucky that many of them are above the 45 degree line and 10 to the point of 6 to 10 to the power of 7.5. There are a lot of samples so there are some outliers and looks like they have this trend

[P14] 10:16:51

So we if If the points can be smaller it would be easier to observe the sample size in different groups.

[P14] 10:17:01

As I said, we can cut We can only focus on the range of a reasonable amount of budget range Because those outliers are really making us hard to see the sample size.

[P14] 10:17:16

And get some meaningful conclusions.

[P13] 10:17:20

Yeah, correct.

[P14] 10:17:20

But in general, in general, the trend Looks like on the log scale, the revenue increase linearly with budget.

[P14] 10:17:31

And the slope looks like it's 1.

[P13] 10:17:37

Okay, yeah.

[P14] 10:17:38

I'm not very sure. Because it might be because of we need to focus on the place where we have most data set.

[P14] 10:17:46

Right now, it's a little bit confusing.

[P13] 10:17:49

Yeah, Scott, I think like most startup lots they tend to be confusing but also like i'm pretty sure like here like sample sizes for each graph are at least like 200 or 300 or more than that.

[P13] 10:18:07

So… it's always difficult to make a consensus most of them.

[P13] 10:18:16

But like I would say like this is like pretty much on the lines of what you expect from not a scatter plot board from the lines of revenue versus budget for Movies.

[P14] 10:18:30

And also another thing is that looks like the more budget you have to put on the movie the less likely you will lose money.

[P13] 10:18:40

Not exactly true. Because if you look Yeah, I know. Yeah, makes sense. But also like if you look at like for drama films like in the I think you're like pretty much right.

[P14] 10:18:42

If you look at the tail area, the tail area

[P13] 10:18:59

Because yeah like given the dynamics of films, it makes sense.

[P13] 10:19:05

Because you have big stars big like here and there like so they they put a lot of money in advertising and marketing like different online deals here and there sponsorships So they make money on that so kind of yeah kind of makes sense.

[P13] 10:19:27

But there are also like, yes, yes. No, you can go ahead.

[P14] 10:19:28

And also, oh yeah, please go ahead. It looks really weird.

[P14] 10:19:36

In comedy group you see there is a tin the part of zero. So it's $1 budget.

[P14] 10:19:43

This $1 budget movie and it has generated a revenue of 10 to the point of 7.

[P14] 10:19:49

That's very surprising. Like a comedy If you focus on the left column

[P13] 10:19:51

Well.

[P13] 10:19:56

Yeah, I'm seeing, yeah, but I don't see anything on 10 to the power zero.

[P14] 10:20:02

So the x-axis, the budget turned to the power of zero, the smallest number

[P13] 10:20:09

Yeah. I think it might be different because like

[P13] 10:20:20

I don't know like someone had to put in money somewhere

[P14] 10:20:27

It might be an arrow or it might be true. Yeah, I don't know what happened. It's very interesting

[P13] 10:20:31

Yeah, because then yeah that makes it must have been error because what 10 to the part 0 is what basically won.

[P13] 10:20:39

And there is like and the graphs which start as essentially start from zero but like when it comes to movies or anything right financial you cannot make anything for $1.

[P13] 10:20:53

I don't know. So must have been some like scaling error, I would say.

[P13] 10:20:59

In the beginning.

[P14] 10:21:06

Yeah, maybe we can go to the next one.