

ANIL & BUDDY

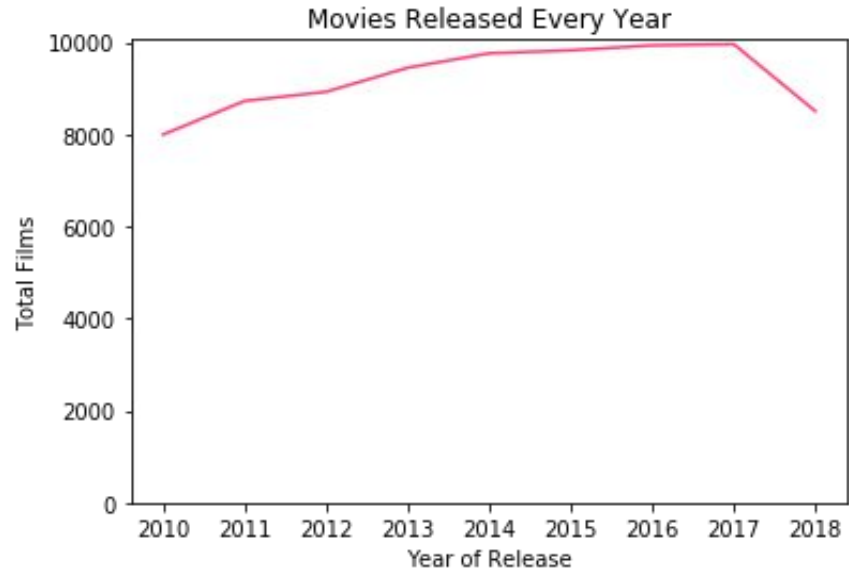
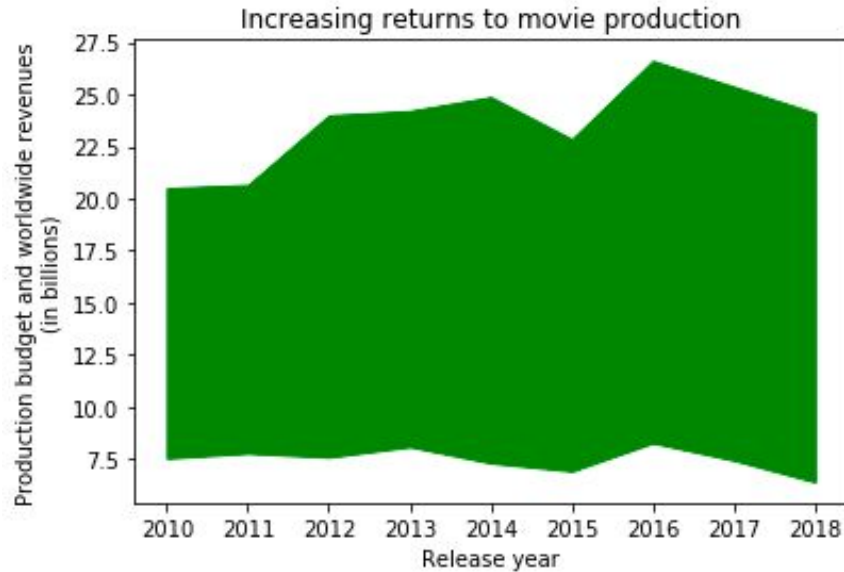
Where your future movie begins

Data analytics for the movie industry /
What type of movies should Microsoft
produce?



The movie production is a profitable business

-- too early to tell if there is a structural shift



Our research methodology

Movie characteristics

Genre

Cast

Crew

Special effects

Length

Marketing

Release date

Budget

Outcome indicators

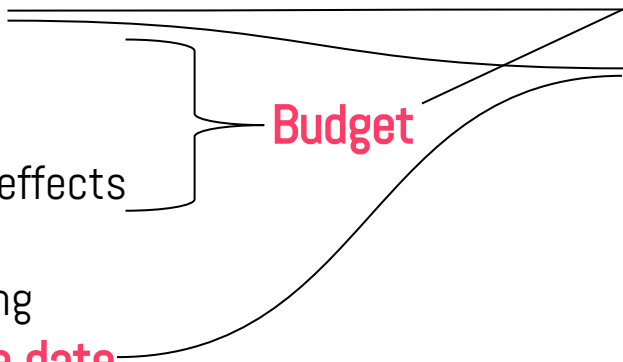
Return on investment

Audience numbers

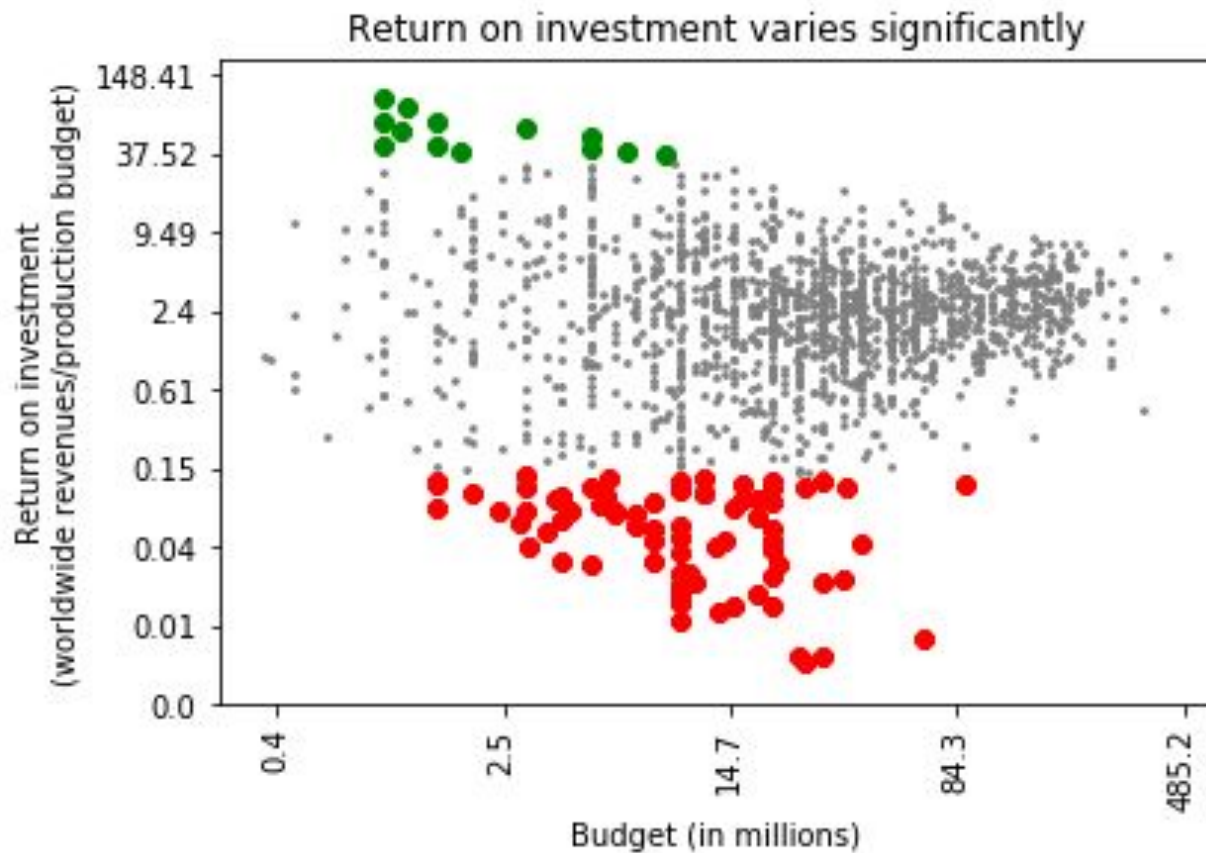
Ratings

Revenues

Profits



What is unlikely but still is a possibility



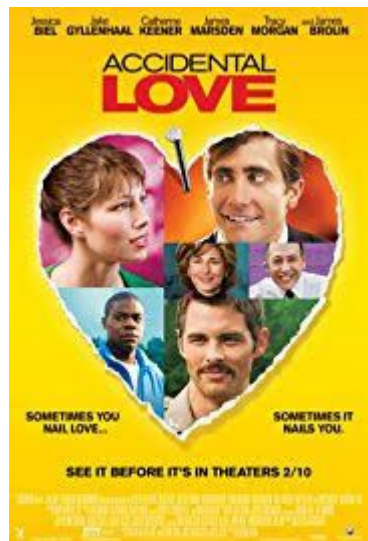
What are some characteristics of outliers?



Best performers:

Genre movies, mostly horror.
Production budget < \$10 million

The Devil Inside returned \$102 million against \$1 million production cost.

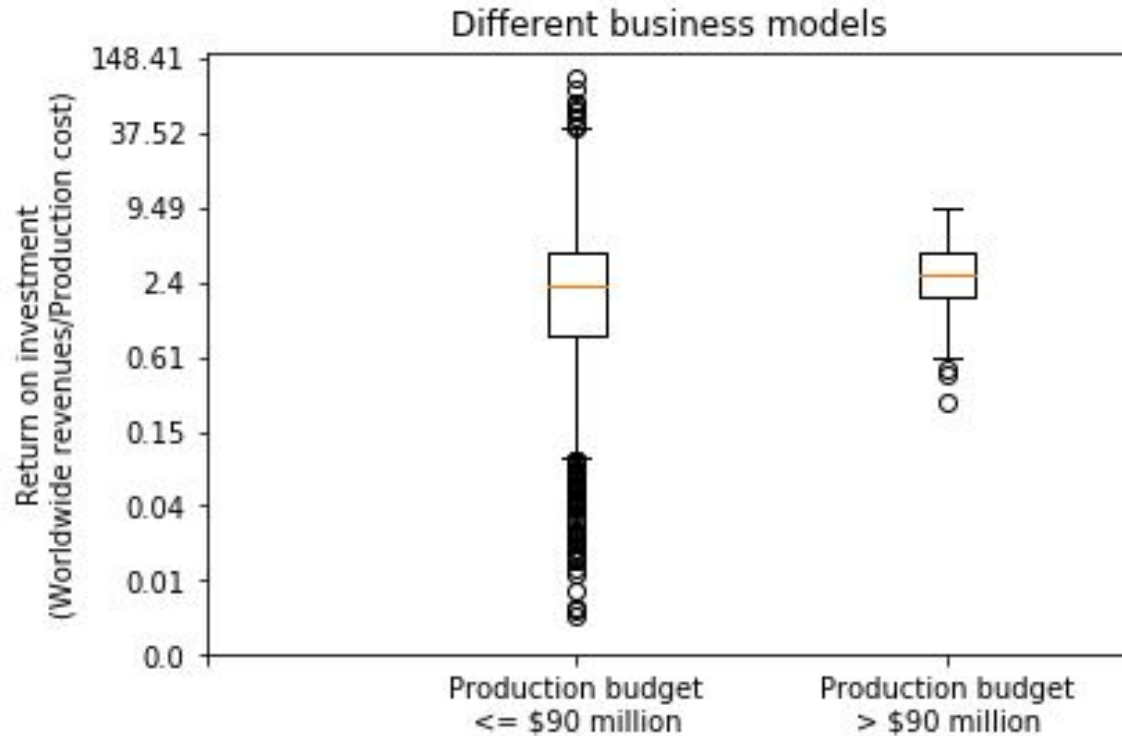


Worst performers:

Mixed genres.
Production budget < \$90 million

The Accidental Love returned \$136K against \$26 million production budget.

Risk appears to be less in the larger budget group



$>$ \$90 million group:

15 out of 245 movies (6%)
failed to break even

\leq \$90 million group:

338 out of 1,286 (26%)
movies failed to break even

What are some characteristics of larger budget movies?



Action/adventure movies:

Production budget ~ \$300 million

The Avengers returned \$1.4 billion against \$330 million production cost.



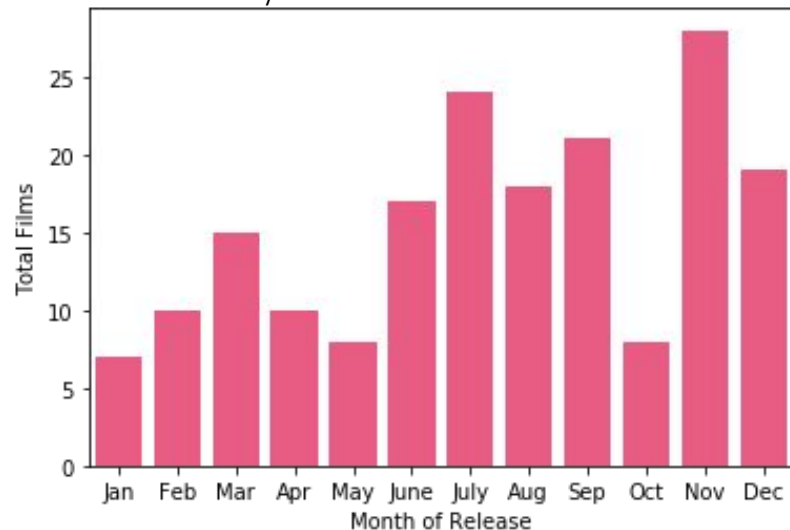
Animation:

Production budget ~ \$150 million

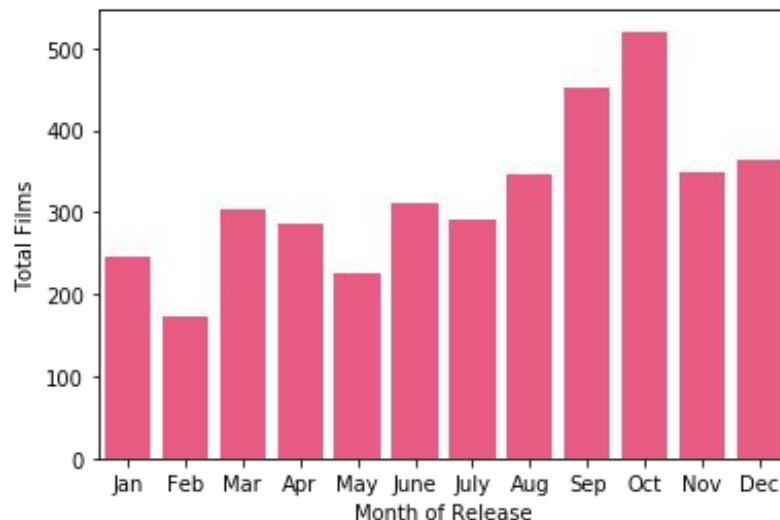
Kung Fu Panda 2 returned \$665 million against \$150 million production budget.

Further analyzing genre releases by month shows different patterns that can be exploited.

Animation by Month



The release month of movies that fall within the top 25% most viewed as calculated by number of ratings received.



What type of movies should Microsoft produce?



- Adopt the less riskier-larger budget business model (> \$90 million)
- Exploiting the synergies between Microsoft's existing assets/capabilities, focus on animation movies
- Release the movie in a month with large audience numbers but less competition - October