

Show Me The Money!



An analysis of film making financials

Problem Statement

Microsoft is thinking about starting a movie studio and is seeking recommendations, backed by data, as to what type of movies to focus on.



Business Value

- Eliminate the guesswork
- Increase chance to be profitable right out of the gate
- Immediate credibility

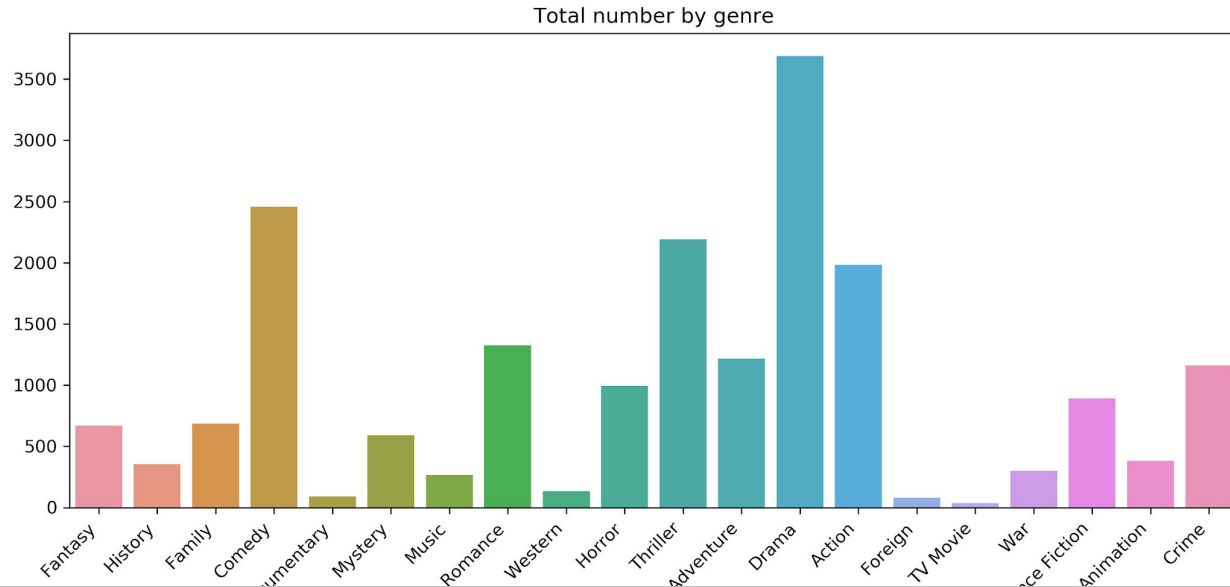
Methodology

- Examine data for all movies with an excess of \$1M since 1930
- Rank based on profit
- Rank Return on Investment
- Repeat rankings but for 20 year periods
- Determine the genres that performed best in both areas
- Historical dollar amounts will be adjusted for inflation



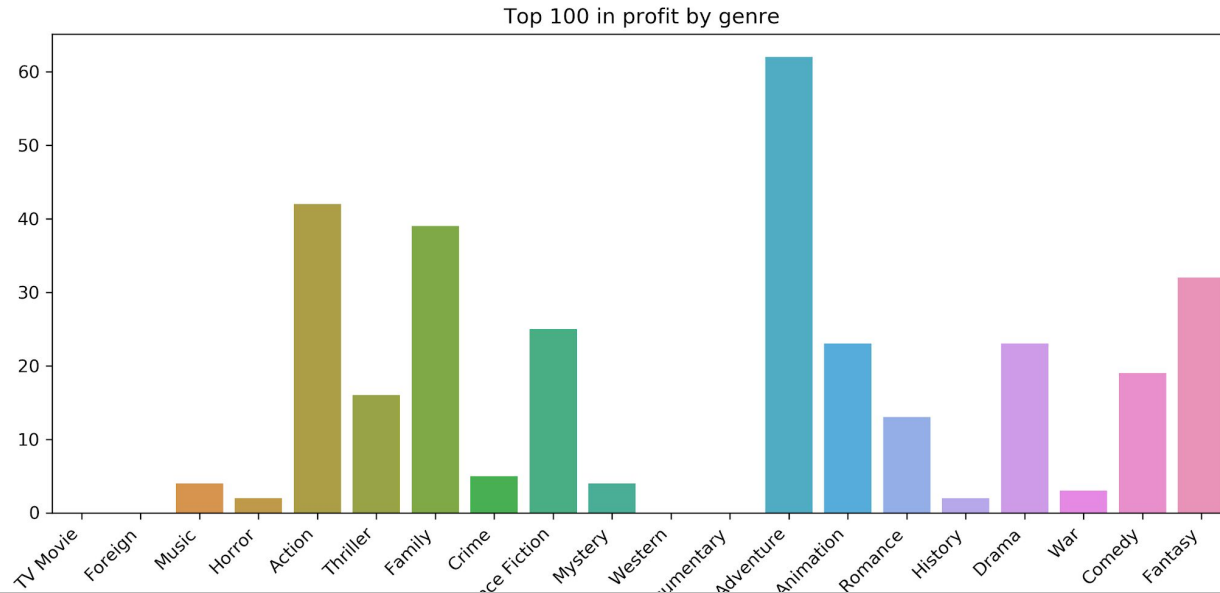
Total movies by genre since 1930 with budget > \$1M

- Dramas lead the pack
- Thrillers right behind in 3rd
- Comedies come in 2nd
- Followed by Action



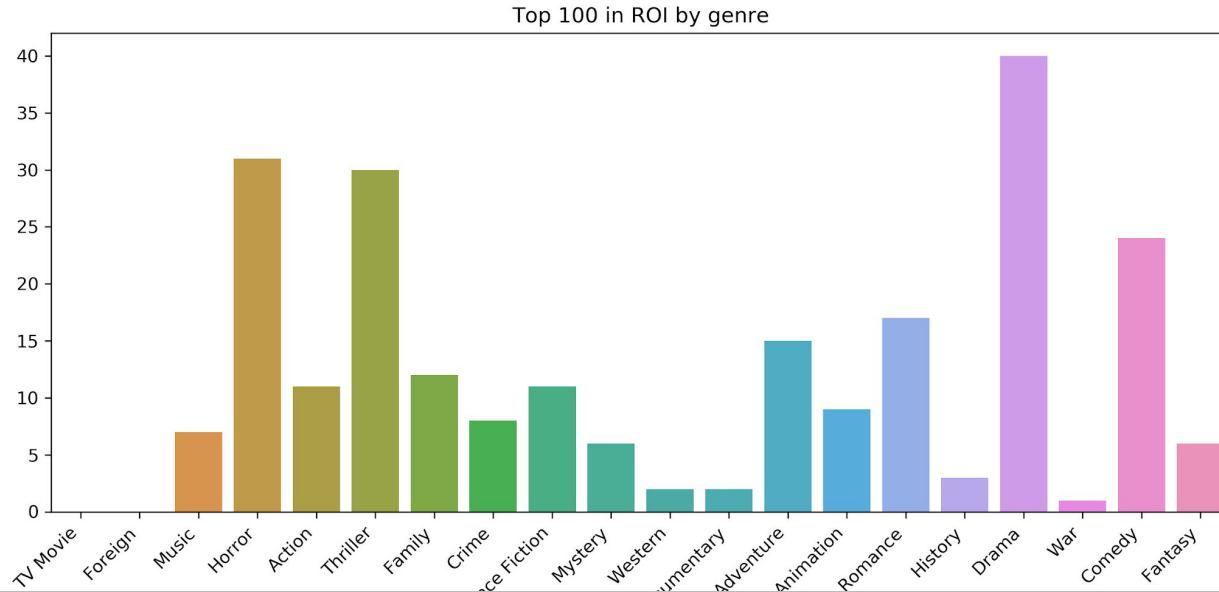
Top 100 in profit by genre

- Adventure leads the pack
- Family right behind in 3rd
- Comedies come in 2nd
- Followed by Fantasy



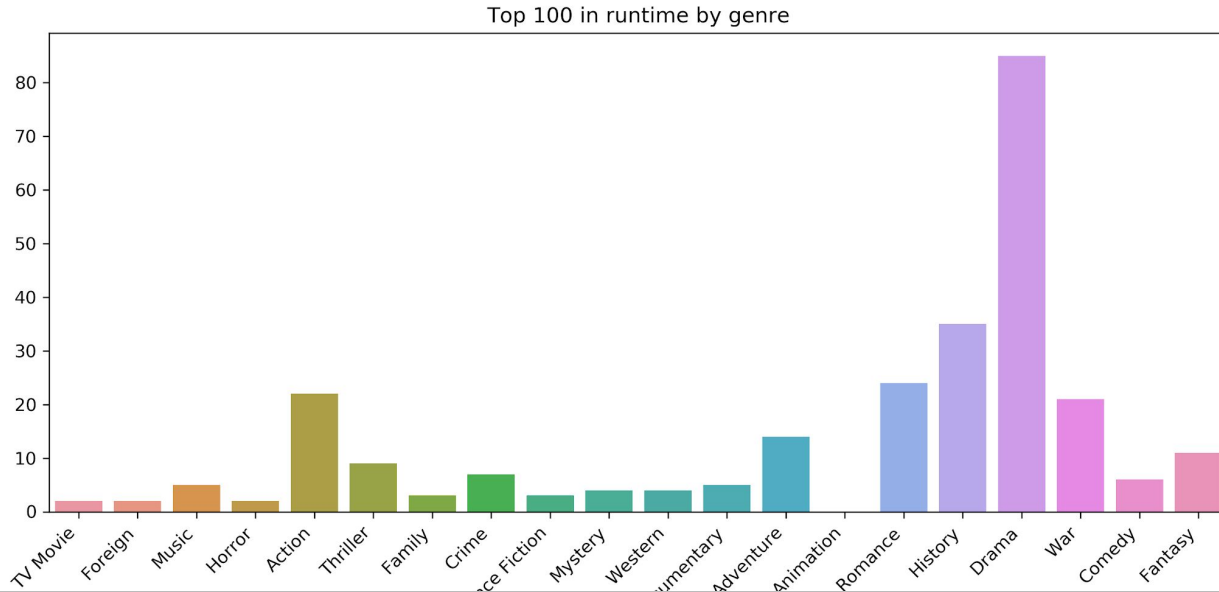
Top 100 in ROI by genre

- Drama leads the pack
- Thriller right behind in 3rd
- Horror come in 2nd
- Followed by Comedy



Top 100 in runtime by genre

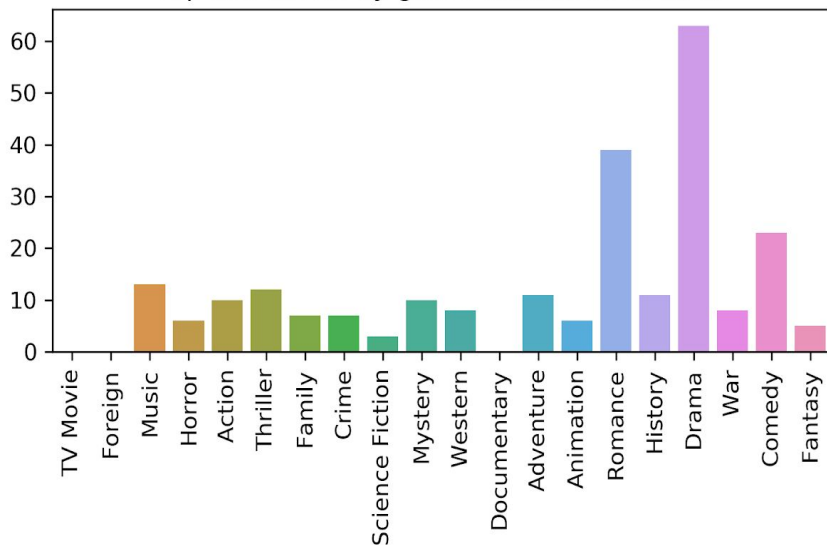
- Drama leads the pack
- History comes in 2nd
- Romance behind in 3rd
- Followed by Action and War



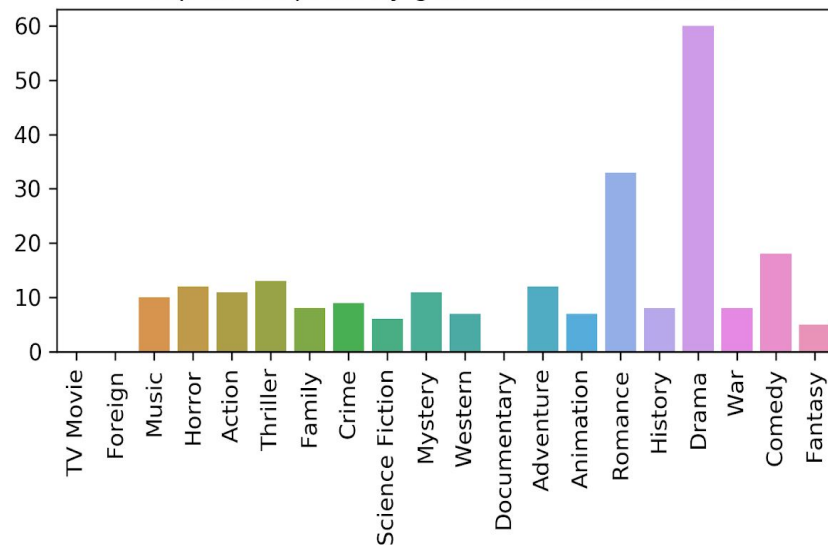
Top 100 in ROI by genre and in profit from 1930 to 1949

- Drama is 1st in ROI and profit
- Romance is 2nd in ROI and profit
- Comedy is a distant 3rd in both
- No other worth mentioning

Top 100 in ROI by genre from 1930 to 1949



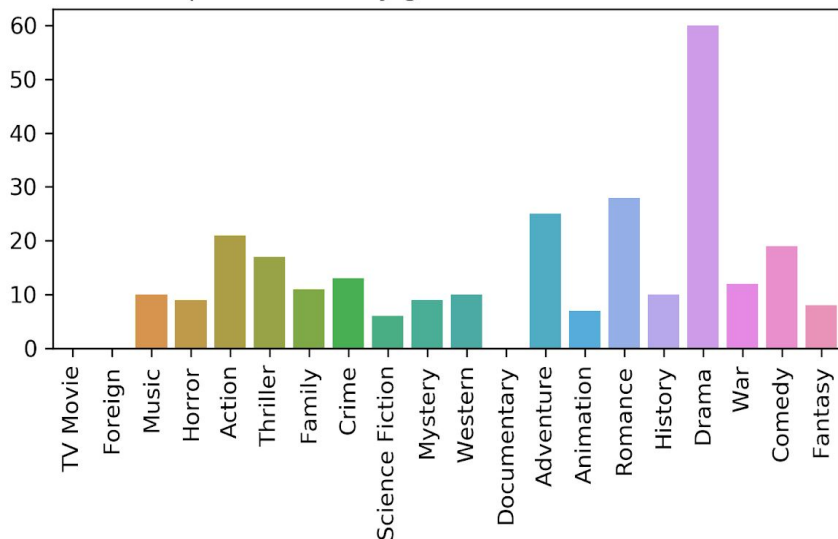
Top 100 in profit by genre from 1930 to 1949



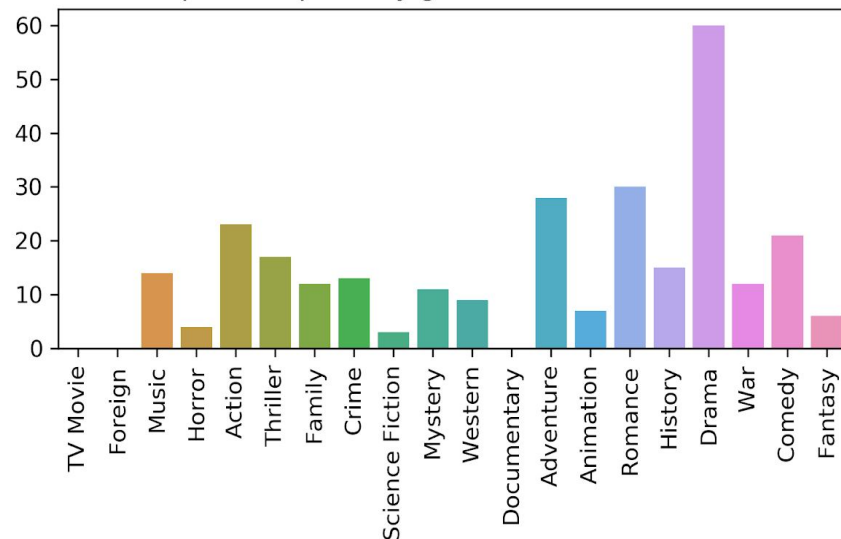
Top 100 in ROI by genre and in profit from 1950 to 1969

- Drama is 1st in ROI and profit
- Romance is 2nd in ROI and profit
- Adventure is 3rd in both
- Action and Comedy battle for 4th in both

Top 100 in ROI by genre from 1950 to 1969



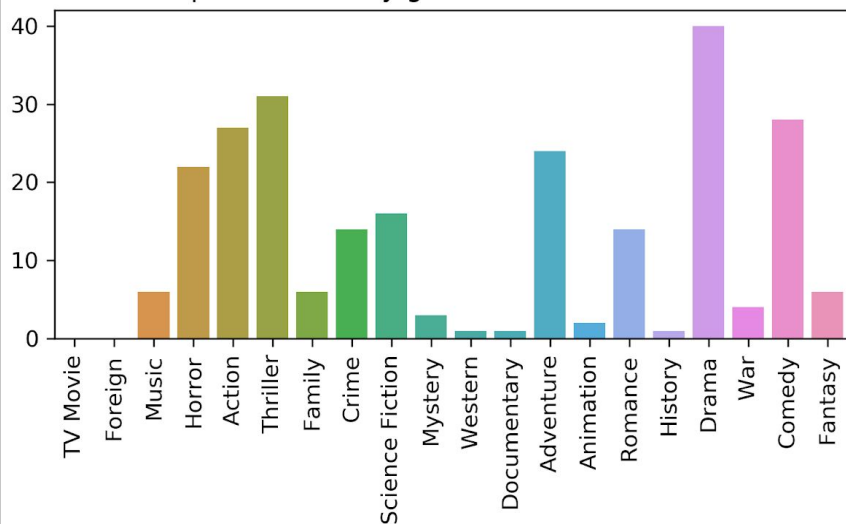
Top 100 in profit by genre from 1950 to 1969



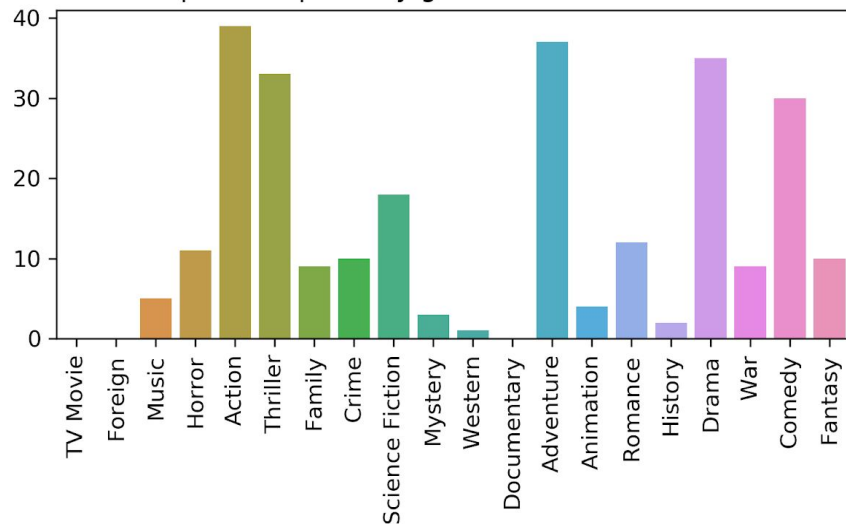
Top 100 in ROI by genre and in profit from 1970 to 1989

- Drama is 1st in ROI, Action is 1st in profit
- Adventure is 2nd in profit, Thriller is 2nd in ROI
- Thriller, Adventure, Drama, and Comedy all perform well in profit.
- Thriller, Horror, Comedy, Action, and Adventure due well in Roi

Top 100 in ROI by genre from 1970 to 1989



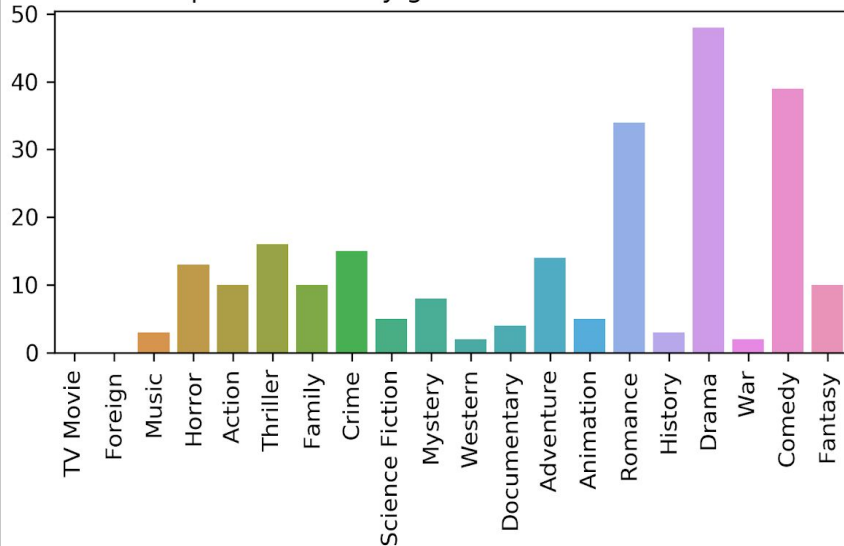
Top 100 in profit by genre from 1970 to 1989



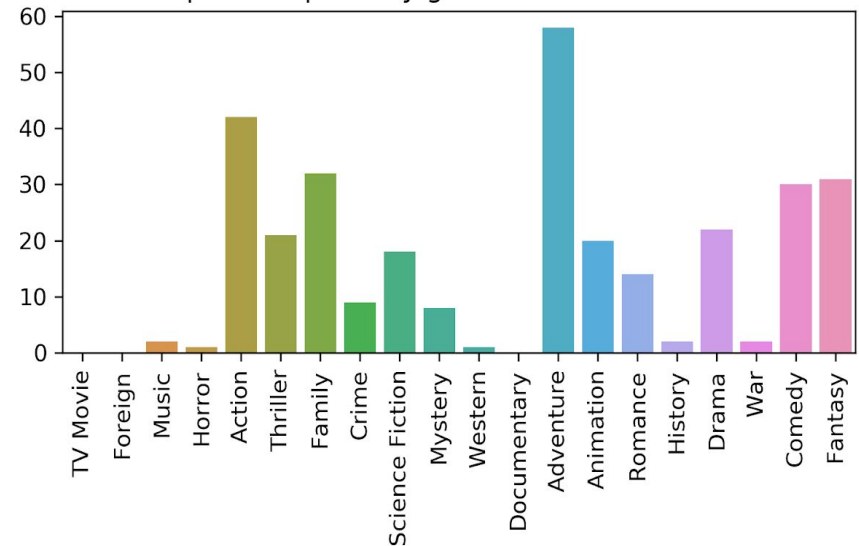
Top 100 in ROI by genre and in profit from 1990 to 2009

- Drama is 1st in ROI
- Adventure is 1st in profit
- Comedy is 2nd in ROI with Romance behind
- Action is 2nd in profit

Top 100 in ROI by genre from 1990 to 2009



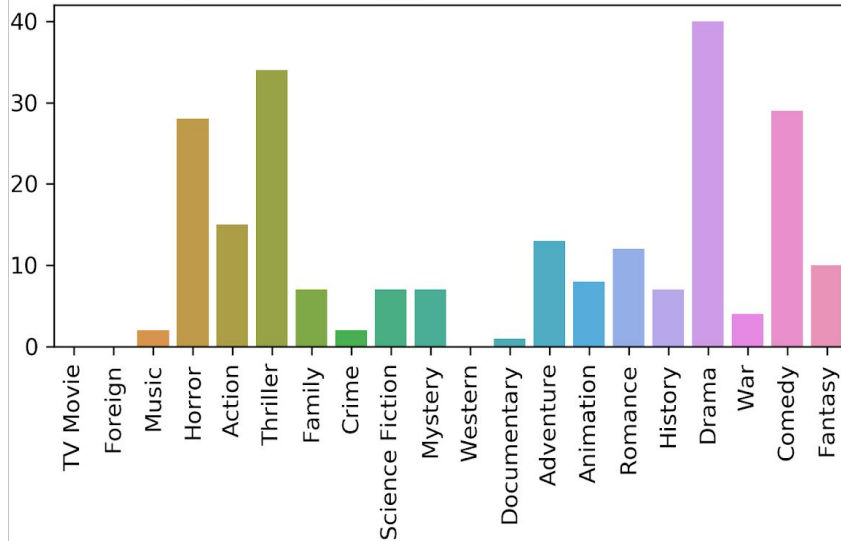
Top 100 in profit by genre from 1990 to 2009



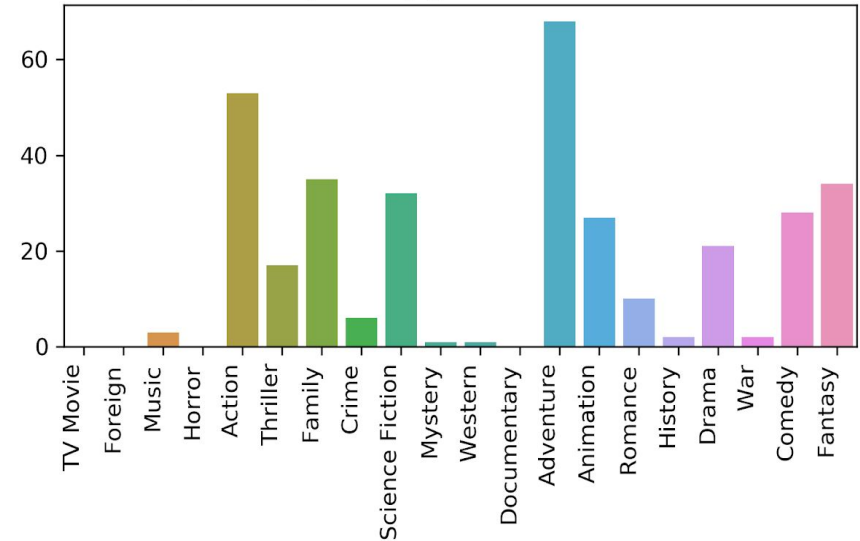
Top 100 in ROI by genre and in profit from 1210 to 2020

- Drama is 1st in ROI
- Adventure is 1st in profit
- Thriller is 2nd in ROI with Comedy and Horror behind
- Action is 2nd in profit

Top 100 in ROI by genre from 2010 to 2029



Top 100 in profit by genre from 2010 to 2029



Summary

- The numbers show that there have been more dramas released than any other genre. Comedy, Thriller and Action follow in that order
- Adventure leads in top 100 profits, followed by Action, Family, and Fantasy
- Drama leads in top 100 ROI, Horror, Thriller, and Comedy behind.
- Drama comes in first in ROI in all of the 20 year spans
- Dramas lead in profit through 1969, but it's been Adventure and Action since then



Conclusion

- Drama has historically been and continues to be a powerhouse in ROI
- But recent history points to Adventure and Action movies in terms of raw profits
- Comedies have also shown to be reliable in both areas
- I would advise that the studio start with a mix of Drama and Adventure. Ignore the other genres until you shown a proven track of success.
- Keep in mind that investors want high ROI, which makes dramas an easier sale.

Future work

- Look for correlations between movie success and director / screenwriter
- What is the effect of using popular actors?
- How does the state of the economy affect the film industry
- What are the most popular topics?



The End