

Microsoft Studios

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Problem At Hand

- What films are currently doing the best at the box office?
- What type of films should we create?



Agenda

1. Our assumptions
2. Film genres with a high likelihood of success
3. Optimal film reach
4. Key characteristics of top grossing films
5. Quality over quantity
6. Recommendations
7. Next Steps



Our Assumptions

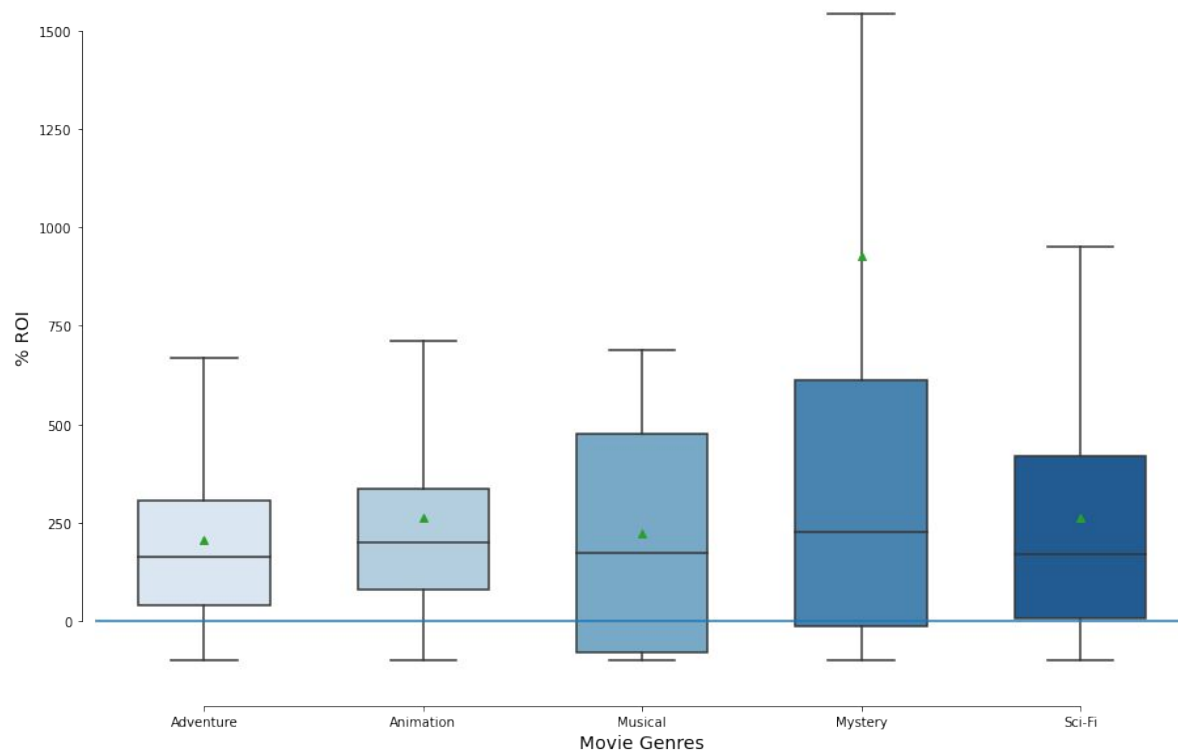
1. We only analyzed data from the past decade
2. We relied heavily on ROI, as a refresher the formula is...
3. Our figures for profit are calculated using
Revenue - Production Budget
4. Some films had multiple genres



$$\left(\frac{\text{Net Profit}}{\text{Cost of Investment}} \right) \times 100$$

Looking At ROI...

Average Worldwide ROI For The Top 5 Genres



*** Our average ROI on the musical genre is limited to 6 movies and all movies pre-date 2018

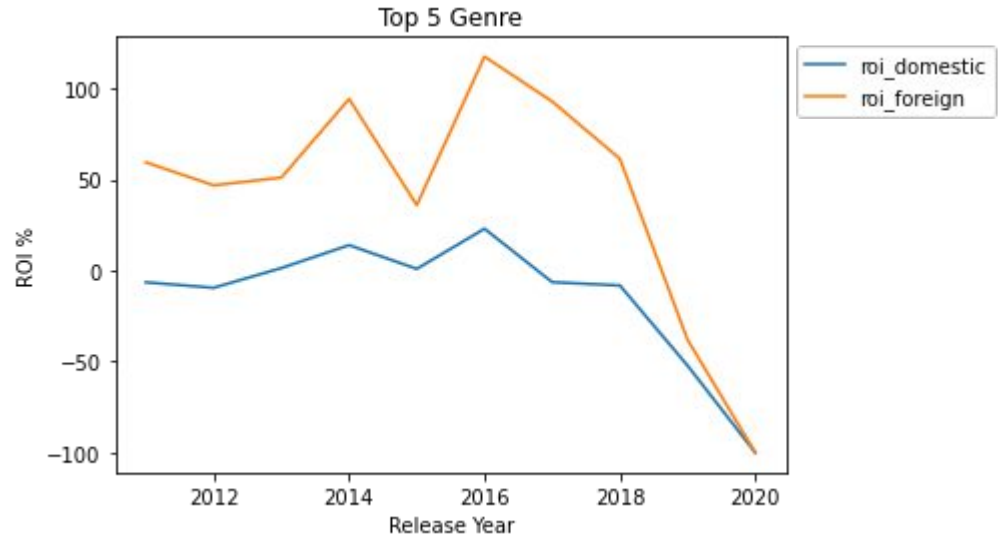


, Animation and Adventure Films Are Our Best Choices For Genre

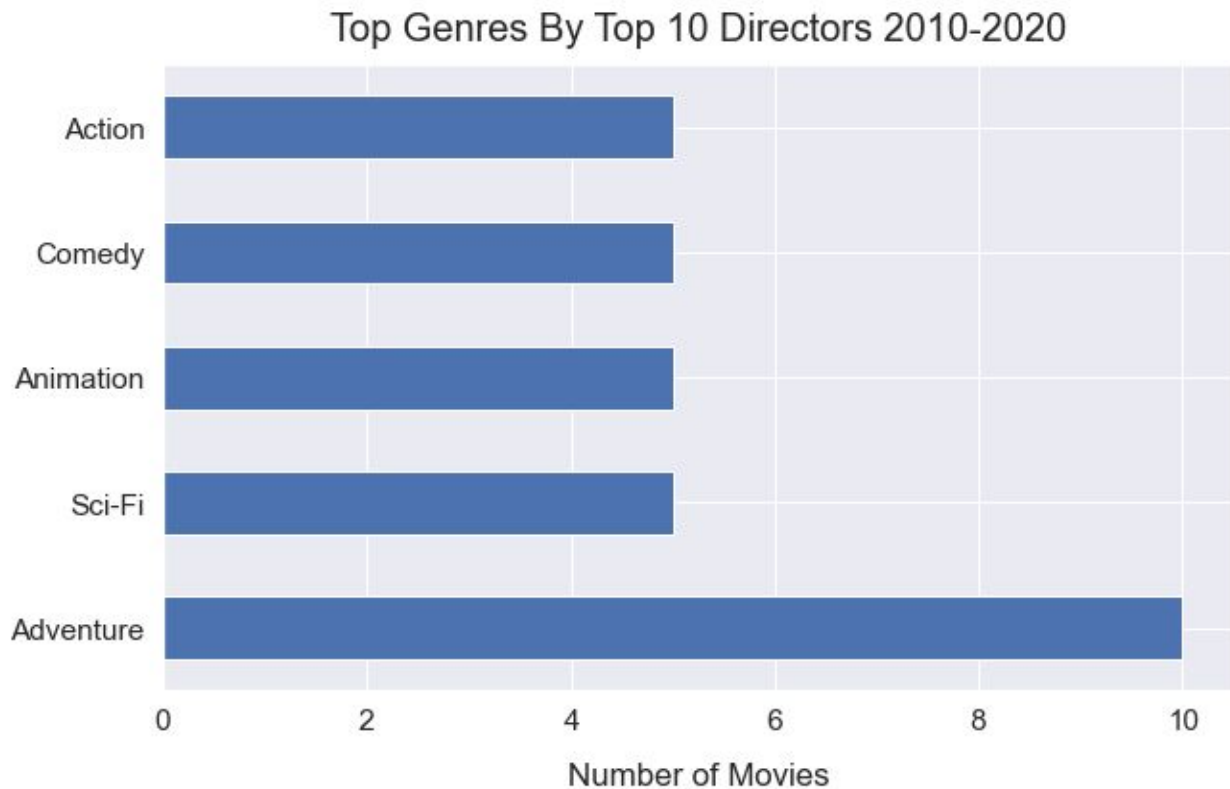
	Adventure	Animation	Musical	Mystery	Sci-fi
Worst Case ROI	41%	78%	-78%	-13%	5%
Base Case ROI	162%	198%	173%	227%	168%
Best Case ROI	305%	335%	474%	613%	420%

Within The Top 5 Genres, Foreign ROI Consistently Beats Domestic ROI

- The five most profitable genres get a larger portion of their return from foreign markets rather than domestic.

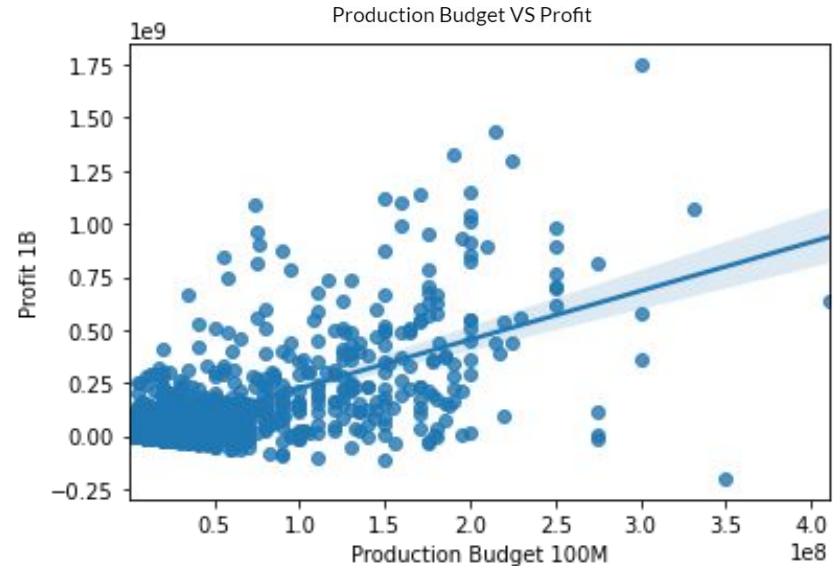


The Most Successful Directors Tend To Make Films Within Top Genres



Quality Over Quantity

- There is a strong positive relationship between production budget and profit.
- There also seems to be a “grave yard” below 100M in production budget that we should avoid when setting the budget for each film.



Key Film Recommendations

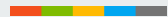
1. We should create films in the animation, adventure, and sci-fi genres
2. All films should be released into foreign markets
3. Film production spend is directly correlated with with film gross profits
4. Director choice is one characteristic which affects the success of a film



Next Steps

1. Decide our key metrics for success moving forward.
2. Find more characteristics of top grossing films that have a direct impact on profit and ROI.
3. Look for Diminishing Rate of Return on production budget.





Thank You!

See the full project on
[GitHub](#).

