



Making Money Making Movies

Outline

- Goal
- Data
- Methods
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- Recommendations

Goal

Microsoft wants to start a new movie studio
and they want it to be profitable.

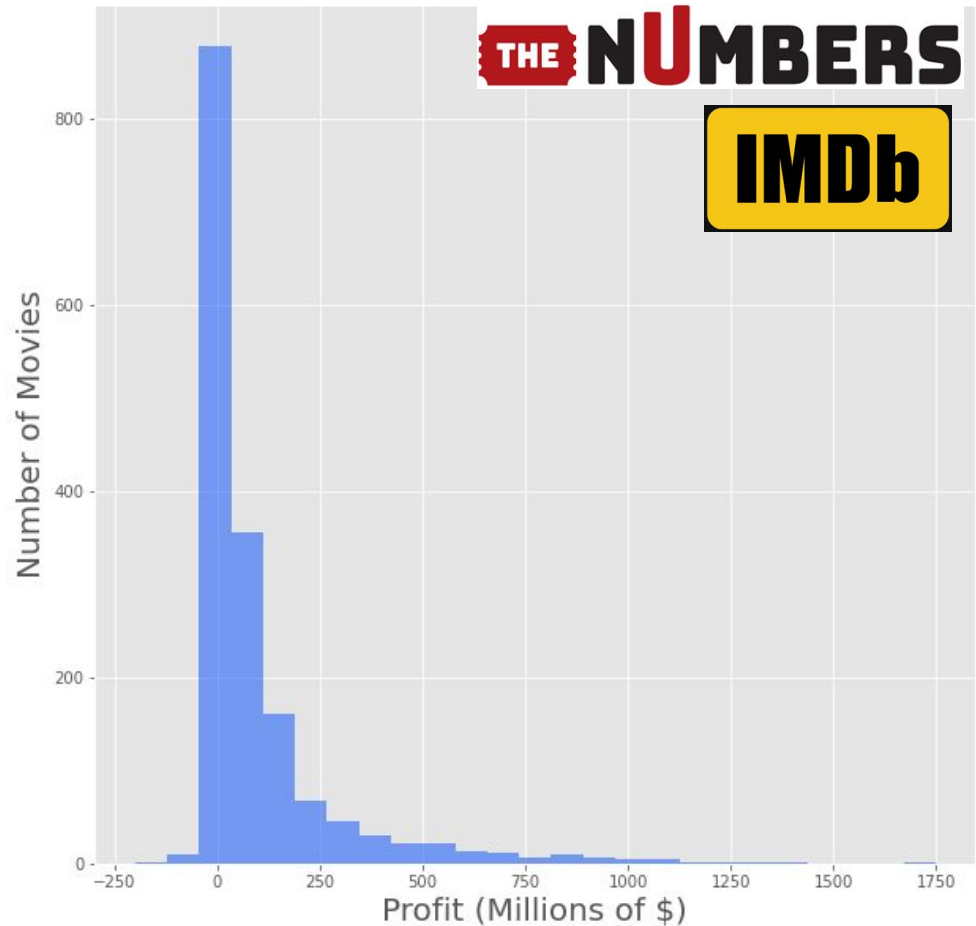


I looked at how the budget, genre, and casting/directing are related to the profitability.

Data

Includes 1657 movies

Most movies come close to breaking even.



Methods

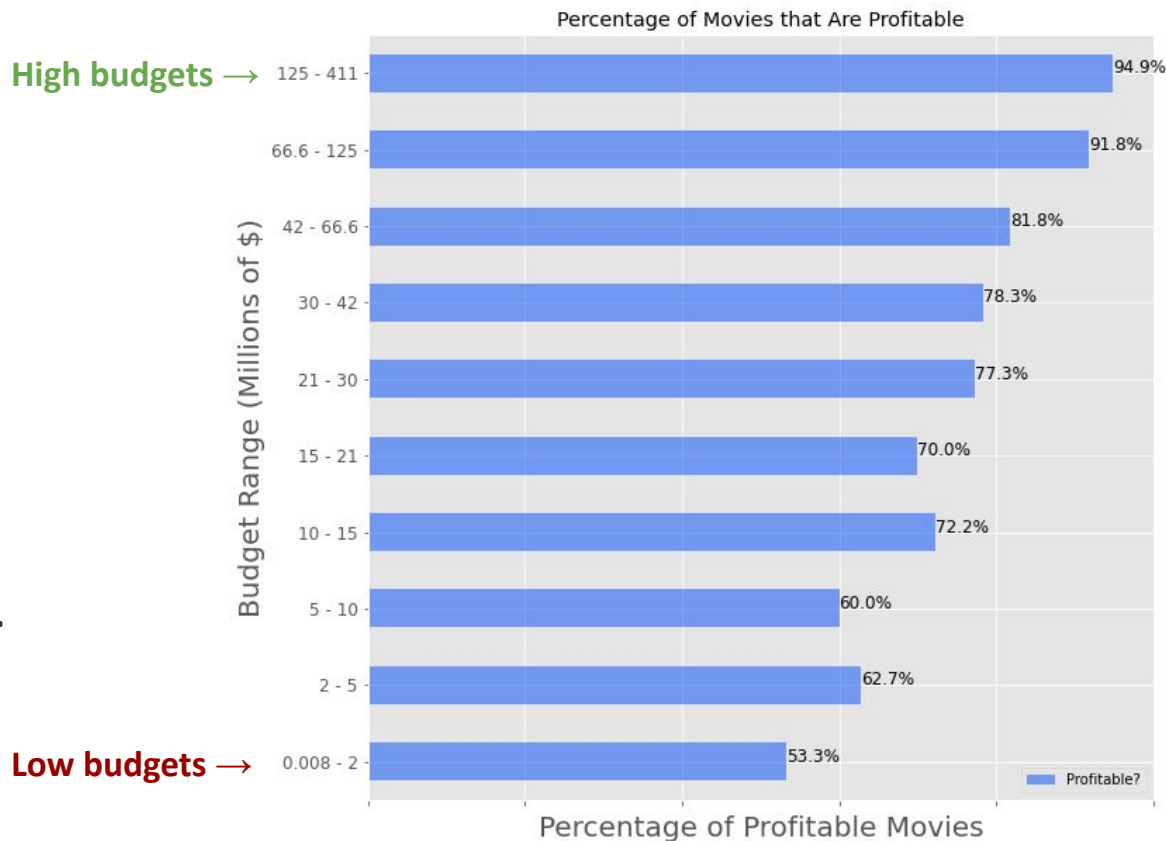
Movies put in categories based on budget, genre, and actor/director experience.

I calculated the percentage of movies that made a profit within each category.

Spend More → Make More

Movies with larger budgets tend to make money more often.

Movies that cost over \$125 million made money 95% of the time.



Profit and Genre

All genres capable of making a profit, but...

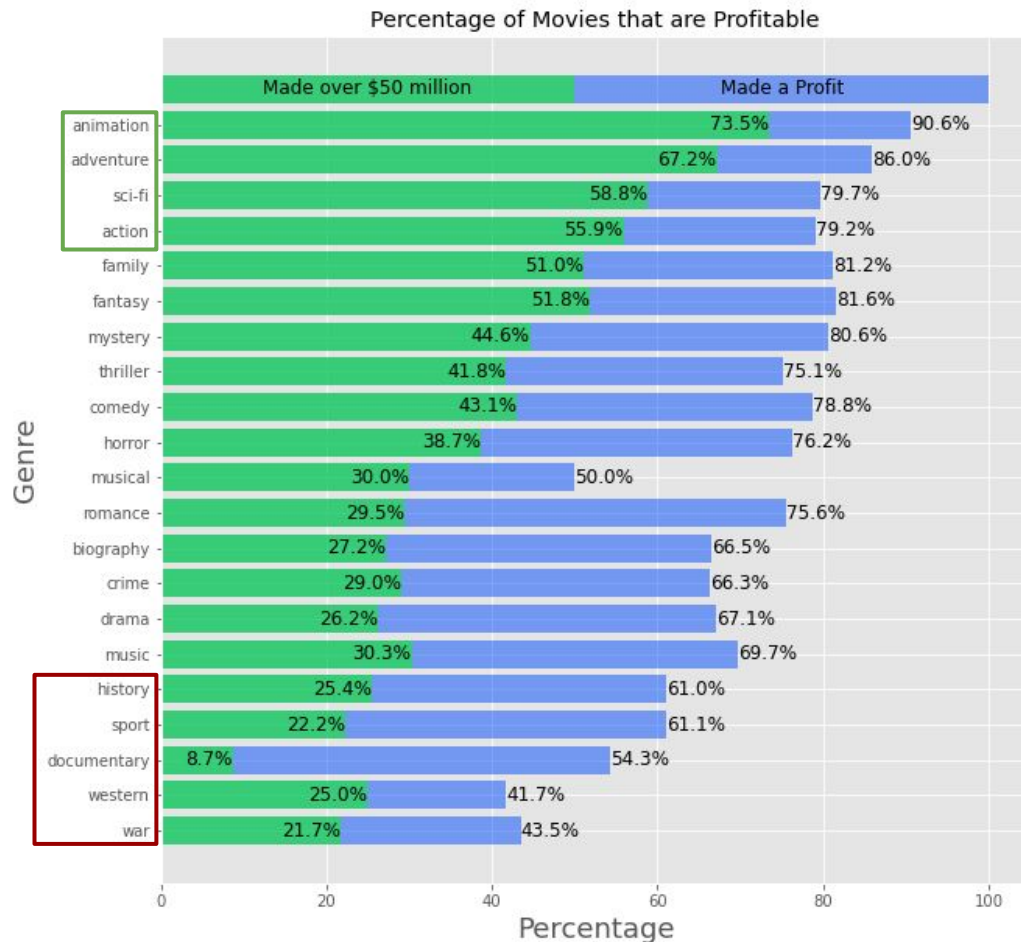
Safest choices:

Animation

Adventure

Sci-fi

Action



Do We Need Famous Actors and Directors?

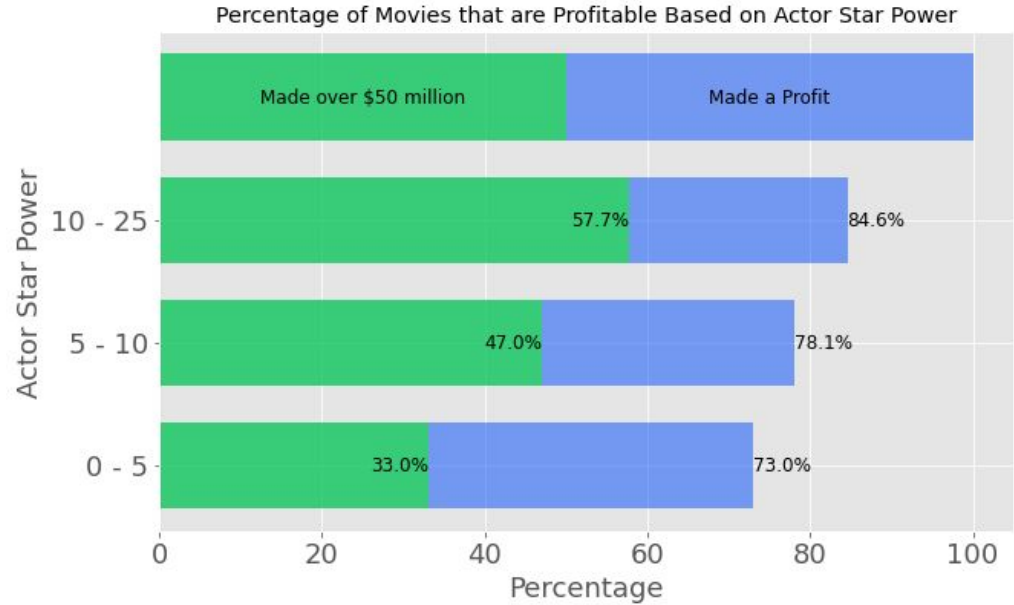
To measure the effect of having famous people involved with a movie, I created a metric called “Star Power”

Star Power measures how many previous movies an actor starred in or director directed.

I only measured movies that made a profit of greater than \$50 million.

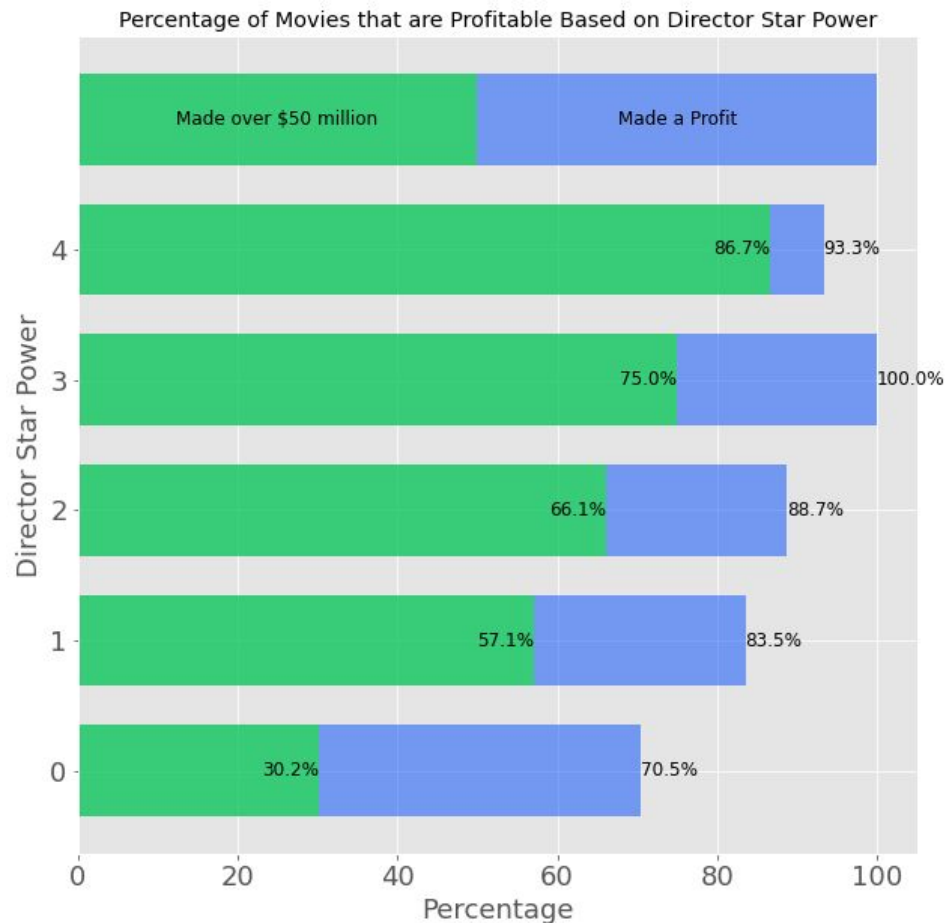
Profit and Casting

Movies with more recognizable actors make money more often.



Profit and Directing

Movies with directors who have made profitable movies in the past tended to be more profitable.



Recommendations

1. Be willing to spend \$100 million or more to make a movie.
2. Any genre can be successful, but animation, adventure, sci-fi, and action are the safest bets.
3. Pursue recognized actors and experienced directors.



Thank You!

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