

SPRINGBOARD CAPSTONE PROJECT #1

Film Industry in Asia

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Problem:

The cinematic box office in the US has been rather inconsistent since 2008 owing to growing audience disinterest and competition from other forms of entertainment. However, the overseas box office is consistently growing in China and Japan. As such, it would be important to study the market trends in the countries in order to capitalize on the growth.

Clients:

This data set would primarily benefit the film industry and its partners. More specifically, the data would benefit the financial and marketing departments of film studios as it would guide them on advertising and distribution of films in these countries.

Approach:

The main approach for this project would be comparing the variables involved in the film industry. Such variables include ticket sold, total gross, number of screens, average ticket price, and number of new movies. These variables would then be plotted against either each other or the net gross via linear regression models to determine if there is any correlation. Furthermore, an additional variable may be created such as the gross per ticket, gross per screen, ticket price per year and etc.

The data set itself could be accessed here: <https://www.kaggle.com/clouds0715/thefilmindustry>. It currently accounts for the United States, South Korea, China, and Japan from 2008 to 2017.

Furthermore, additional this dataset will be supplemented with additional datasets involving purchasing power parity, average income, and population sizes in both China and Japan. The purchasing power parity will determine costs of tickets in these countries compared to the US. The average income can determine whether citizens have enough disposable income to spend on movies. Finally, the population size can determine whether there is a growing population that can become consumers. Comparing these additional datasets can determine whether the increase in box office revenue is driven by currency changes, ticket prices, or disposable income levels.

Analysis:

There are many interesting question and aspects of the rising box office in China and Japan. Are box office returns driven by growing audience size? Alternatively, is the growth driven primarily by increased ticket price while the actual audience shows a negligible increase in size? These questions are vital for any company who wishes to efficiently invest in the film

industry of these countries since the growth patterns may have different underlying causes that would require vastly different approaches.

Identifying and analyzing trends would be vital for anyone wishing to invest in the film industry in Asia since trends could necessitate different approaches. The information Most notably, marketing departments could identify growth trends and determine the most effective strategy to capitalize on them. If they notice that audience size is increasing, they could focus on a mass marketing approach to capture as many audience members as possible. Alternatively, if there is no signs of audience growth but increased spending per capita, then the advertising could go for a niche marketing approach that would target specific demographics who spend more on movies than the general populace.

Deliverables:

The results of this analysis will be presented as a report explaining the process and results. Additional information such as programming codes and raw data will be stored on a GitHub repository.

Sources and Links:

Big Mac Index: <https://www.economist.com/node/21569171>

Film Industry in China and Japan: <https://www.kaggle.com/clouds0715/thefilmindustry>

China Average Income: <http://data.stats.gov.cn/english/easyquery.htm?cn=C01>

Japan Average Income: https://stats.oecd.org/Index.aspx?DataSetCode=AV_AN_WAGE#

World Population: <http://gsociology.icaap.org/dataupload.html>