Movie Industry Analysis

for Microsoft Movie Studios

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Summary

- Microsoft is looking to break into the film production industry and want to analyse the type of films that are most successful to assist decisions around the new venture

- The new venture should concentrate on Animation, Sci-Fi and Comedy

- For the Animation and Sci-Fi genres production budgets should be between $110M - $130M and Comedy $60M.

- Run time should be 90-100 minutes

Outline

- Business Problem

- Data

- Methods

- Results

- Conclusions

Business Problem

- Microsoft is investigating the feasibility of a new movie studio.

- In order to identify the best type films for Microsoft to produce we need to analyse the characteristics of a successful film for the business.

- Key indicators of success for business is revenue and return on investment (ROI).

- To carry this out we chose to analyse the 10 largest grossing studios to see what genres, run times and ratings drove revenue and ROI.
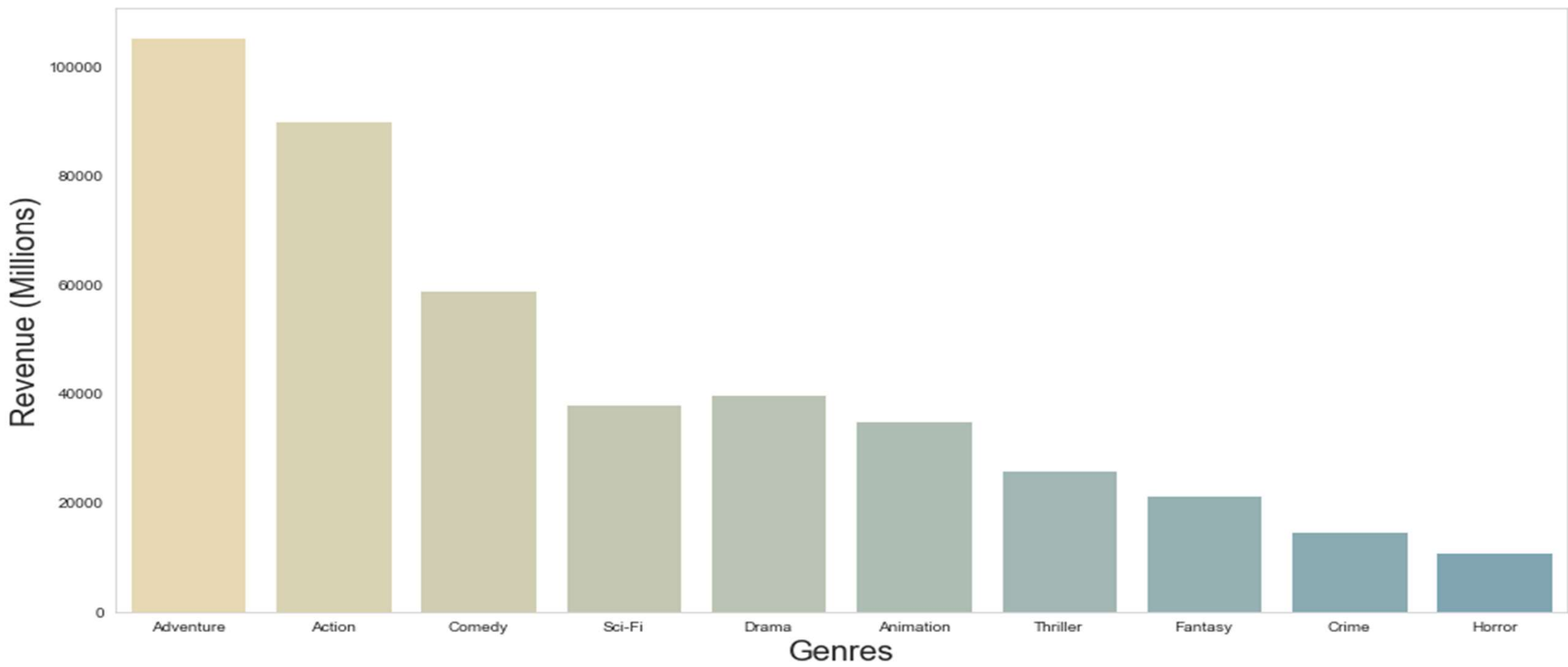
Data

- The data used for analysis in this project came from 3 sources:
    - Imdb contains genre, run time and ratings data

    - The Numbers contains revenue and budget data per movie

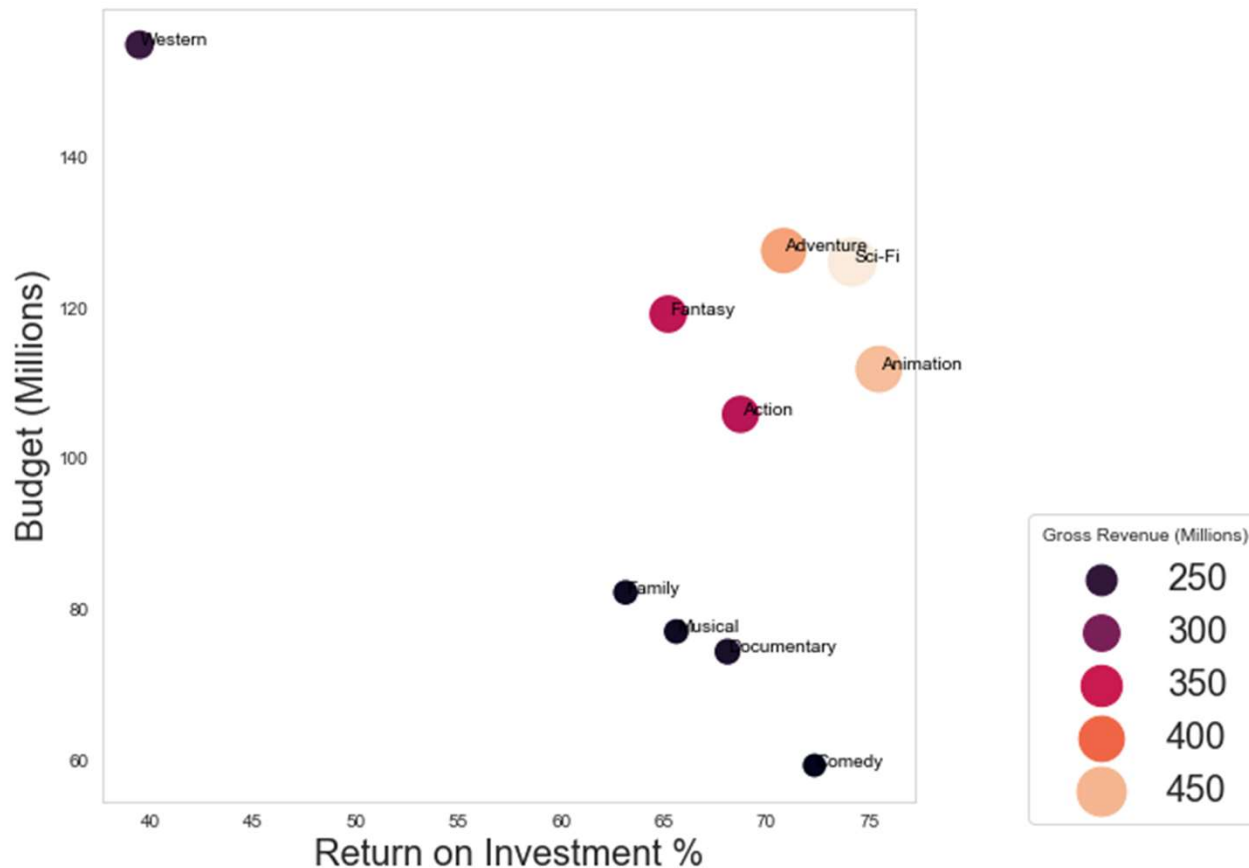   - Box office movies contains studio data

Methodology

- Analysed the top 10 studios by Gross Revenue $M

- Limited to movie releases from 2010 onwards

- Focused on how the following factors impacted Gross Revenue and Return on Investment (ROI)
  - Production Budget
  - Genre
  - Run Time
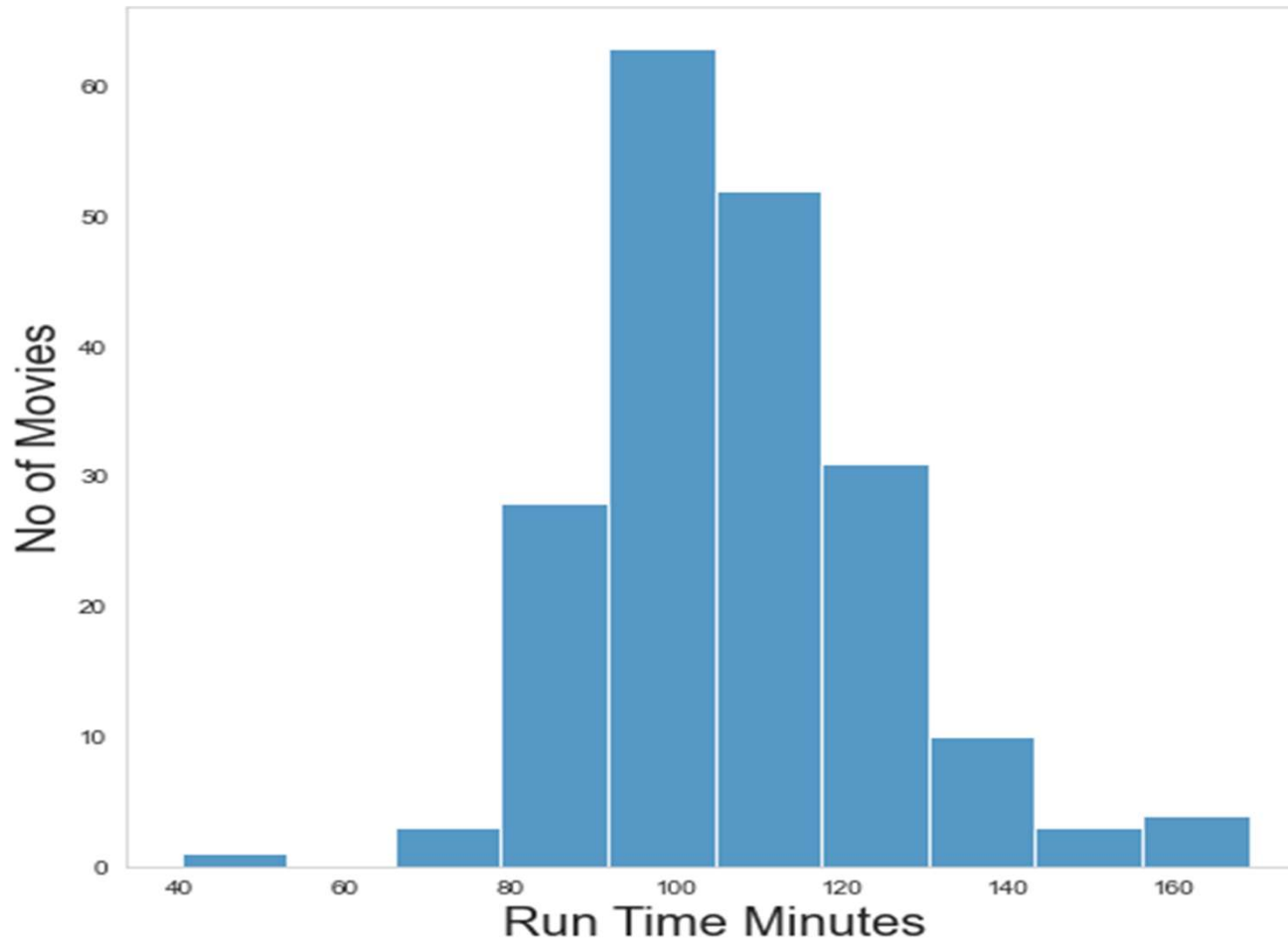 - Ratings

Genres by Gross Revenue
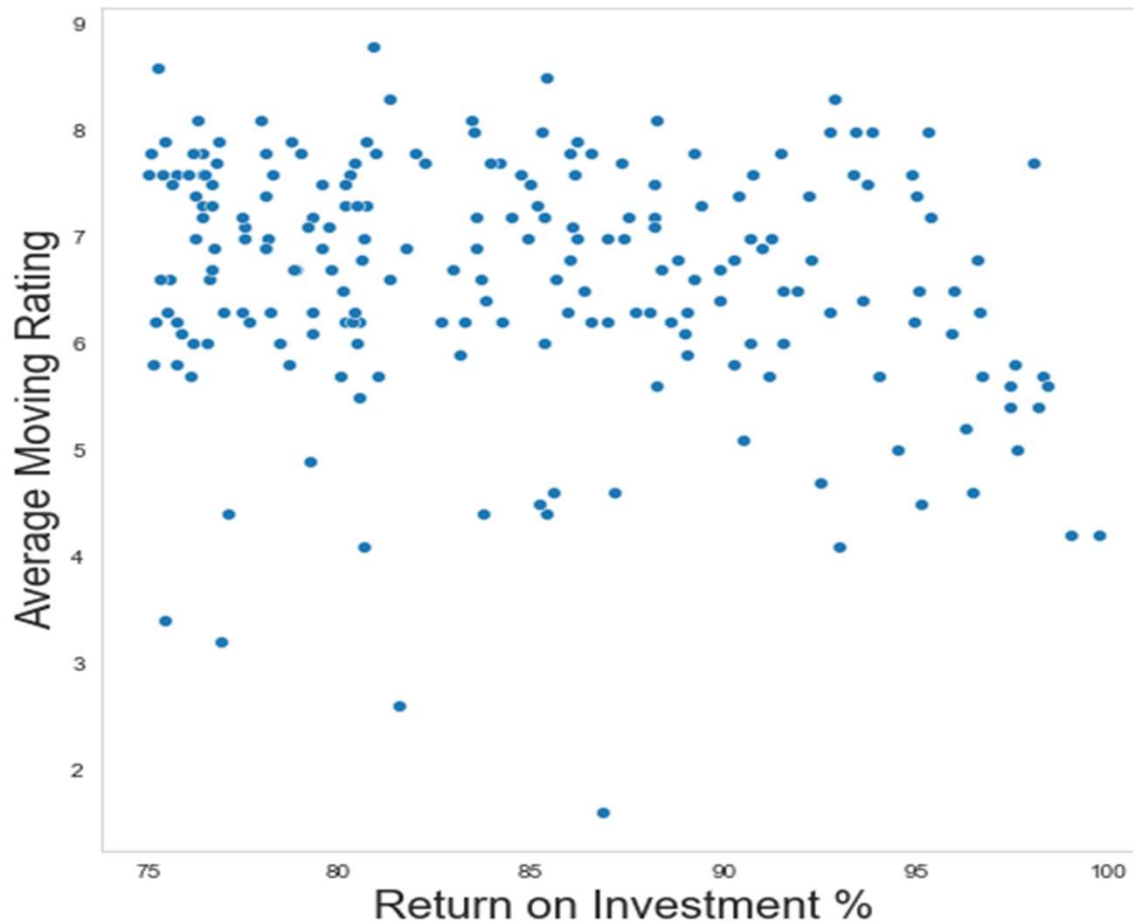
Average ROI v Average Budget

- Adventure, SCI-FI and Comedy all average higher ROI greater than 70%

- Gross revenue per movies is the equivalent to the leading categories and at a higher ROI

- Increased production of these higher ROI movies could produce more profit without impacting gross revenue

Leading Studios Movies by Run time

- 90-100 Minutes the leading time category

Leading Studios Movies by Run time

- Across all studios the majority of movies over 75% ROI also have a higher that 6 average rating

- Further analysis could be undertaken to identify actors and directors that have high ratings which could drive ROI

Conclusions

- To pursue a strategy of both high revenue and ROI movies Microsoft should concentrate on the following genres:
  - Animation
  - Sci-FI
  - Comedy

- For the Animation and Sci-Fi genres production budgets should be between $110M and $130M. Movies in the Comedy space could be produced at around $60M

- Run time should be between 90-100 Minutes

- Further analysis should be undertaken on the directors and actors that drive ratings as this can have a positive impact on movie ROI.

Thank You!

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