Microsoft Studios: A New Frontier

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Our research objectives and data analysis

- Our objective going into this analysis was to examine 3 criteria that could determine the fate of a movie:
  1. Genre
  2. Movie production budget
  3. Release date

- We analyzed a sample size of 1,489 movies released between 2009-2019 from IMDb and TN to determine how each of these criteria affected profit, revenue output, and ratings.

- We also studied the differences between **successful** and **unsuccessful** films to determine what exactly makes a film great so you can emulate them.
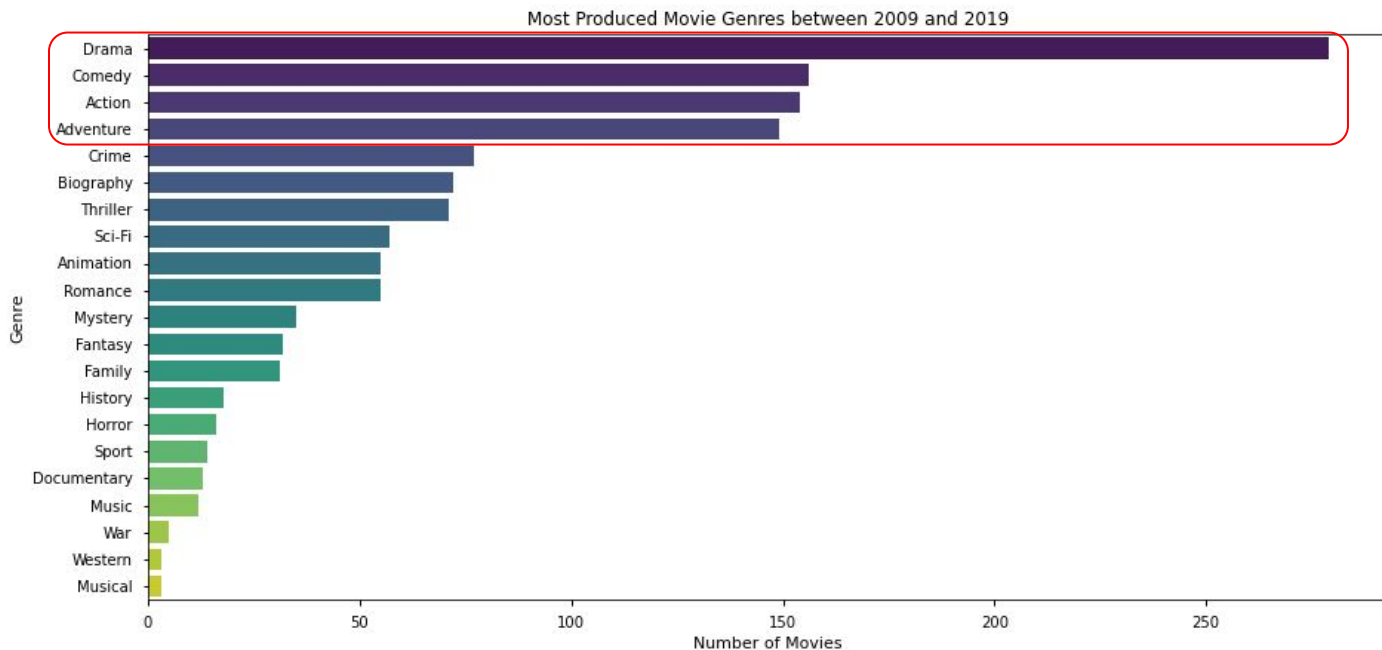
What is success?

1. The movies need to generate financial returns.
2. For a new studio public opinion and popularity of their movies is crucial.

In our analysis, successful movies were determined to have returned a profit of at least 25% and to have an average rating of 6.5 or higher.
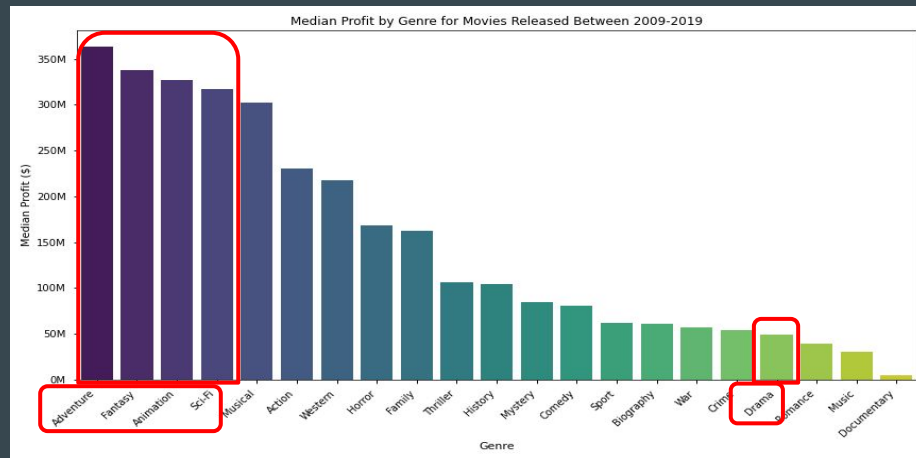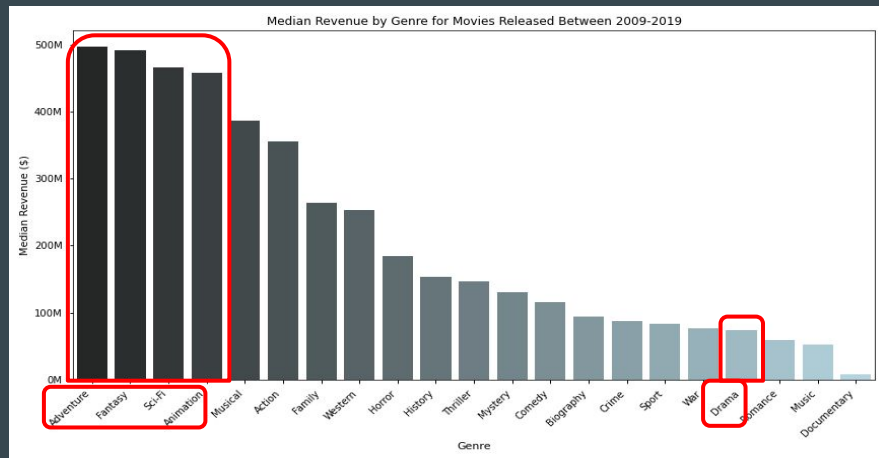
How does the genre of a movie affect its success?

Drama, comedy, action, and adventure were the most-produced genres from 2009-2019

Most Produced Movie Genres between 2009 and 2019

Not to be dramatic, but drama is not the optimal financial choice

Using our criteria for successful movies, we found that **adventure, fantasy, sci-fi, and animation** were the strongest movie genres with regard to generating the highest median revenue and highest median profit.
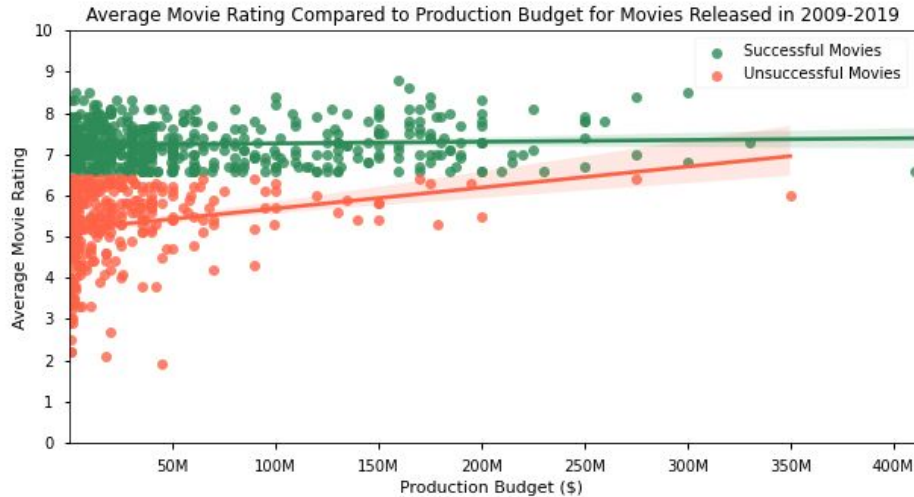
Insight #1

What is the preferred genre for your movie?

Elements of Adventure, Fantasy, Sci-Fi, Animation

How does the production budget affect a movie's ratings and financial success?

Larger movie budget ≠ increased popularity

Average Movie Rating Compared to Production Budget for Movies Released in 2009-2019

Production budget and movie rating, successful vs unsuccessful movies:
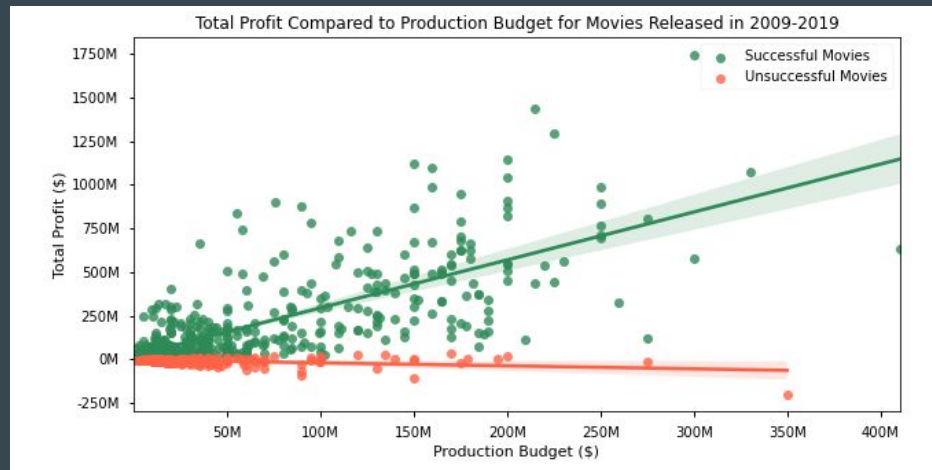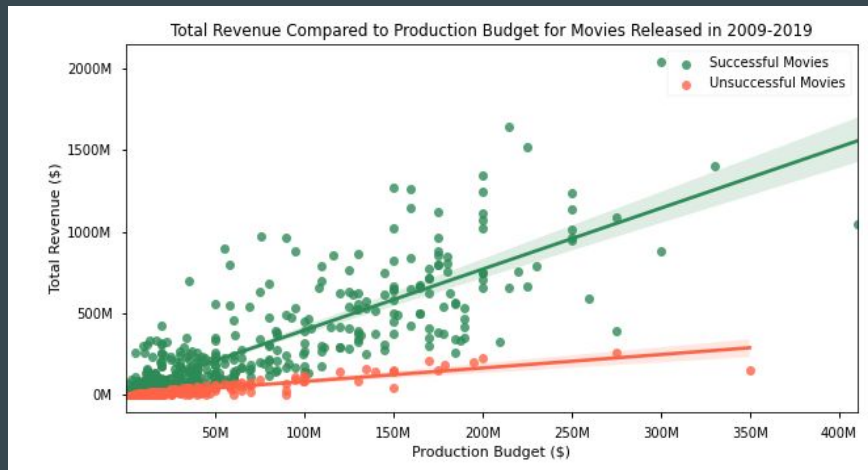
- Successful movies don't have a clear correlation between budget and ratings
- Unsuccessful movies have a relatively higher correlation between budget and ratings, but a weak one at that

Microsoft Studios **does not** need to have a high production budget to have higher movie ratings.
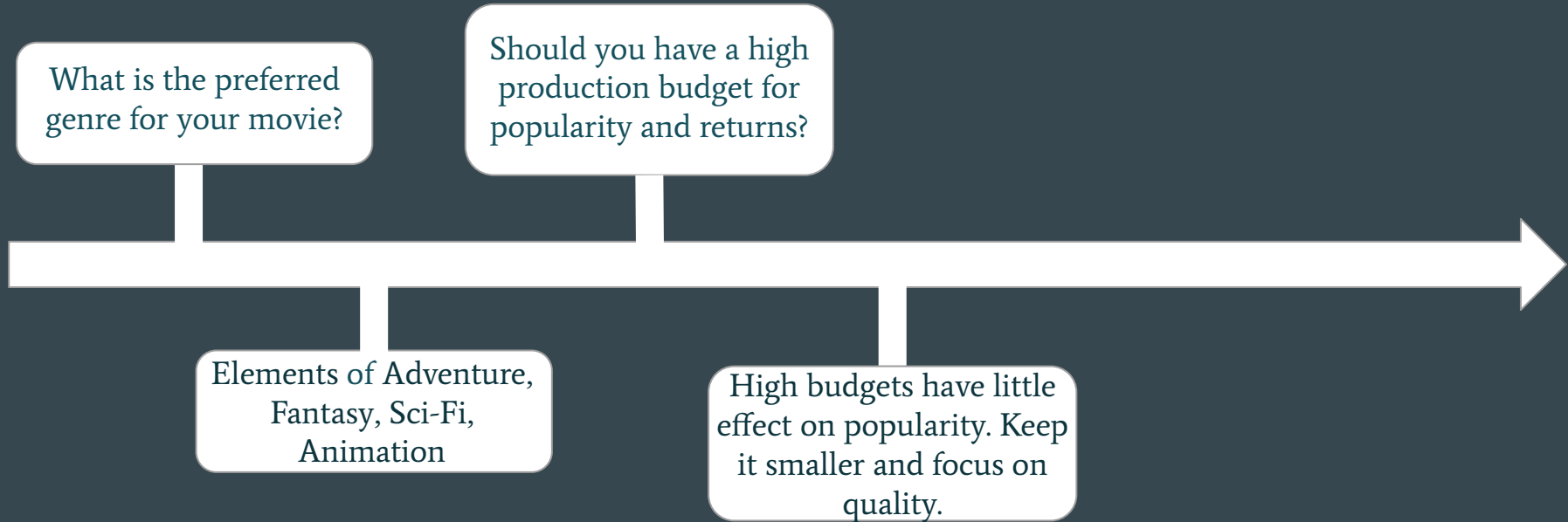
However, larger budgets do appear to correlate with increased revenue and profit

Production budget and total revenue and profit, successful vs unsuccessful movies:

- For successful movies, there is a clear **positive correlation** between budget and total revenue and profit
- Although unsuccessful movies demonstrate a weak positive correlation between budget and revenue, total revenue is ultimately stifled resulting in lower profits or even losses.

Total Revenue Compared to Production Budget for Movies Released in 2009-2019

Total Profit Compared to Production Budget for Movies Released in 2009-2019

Insight #2

What is the preferred genre for your movie?

Should you have a high production budget for popularity and returns?

Elements of Adventure, Fantasy, Sci-Fi, Animation

High budgets have little effect on popularity. Keep it smaller and focus on quality.

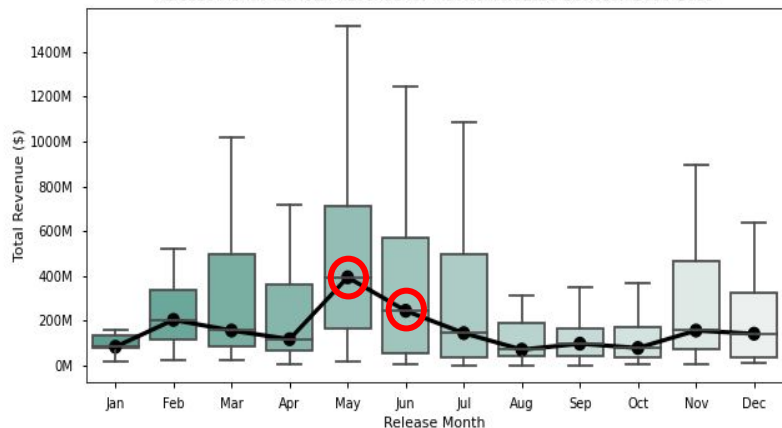# How does release date affect a movie's success?

Microsoft Studios...coming to a theater near you in May (or June)

Release date among successful movies:
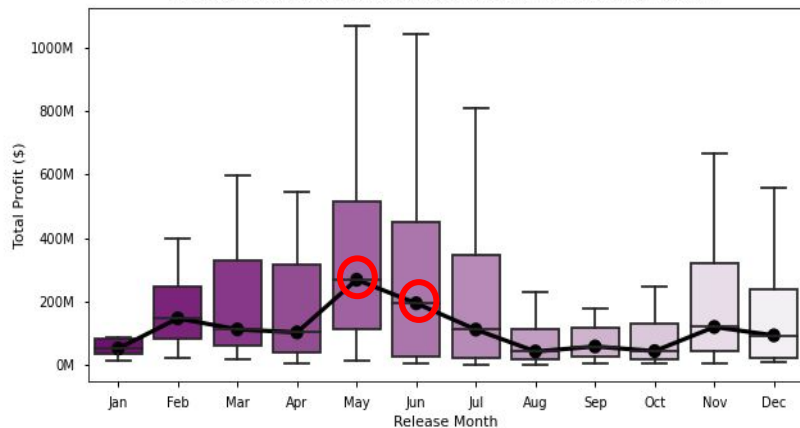
Based on the median **revenue and profit** data of the successful movies in the sample...

- **May** is the #1 preferred release month
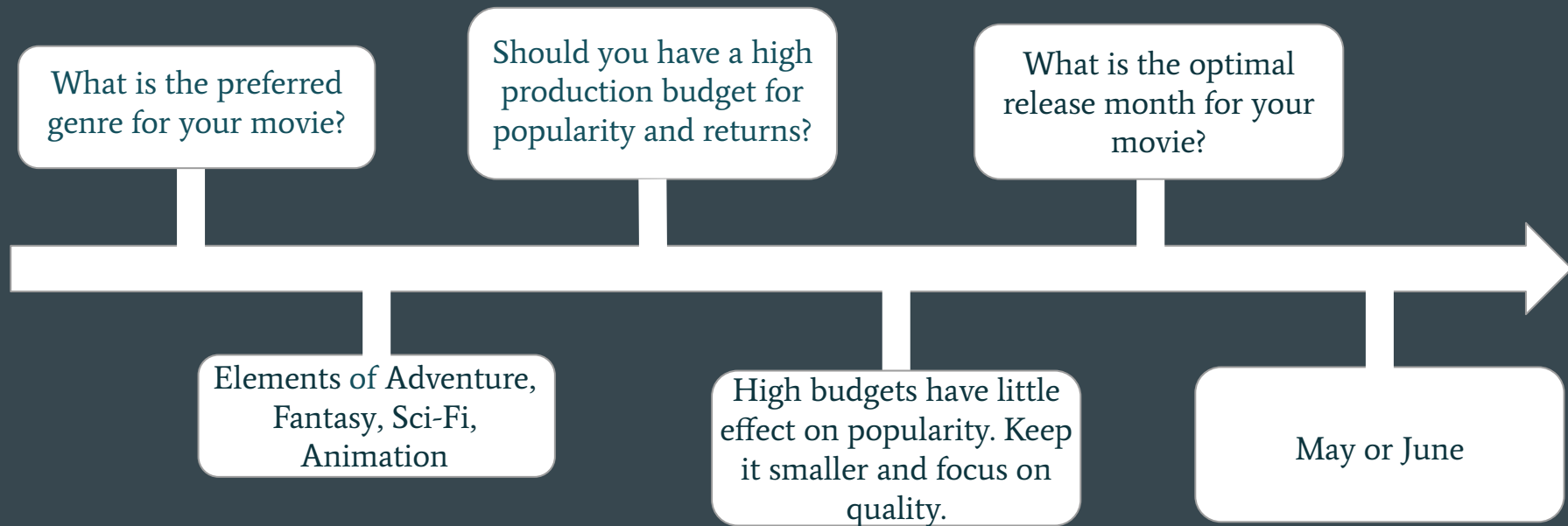- **June** is the second best release month

Insight #3

What is the preferred genre for your movie?

Should you have a high production budget for popularity and returns?

What is the optimal release month for your movie?

Elements of Adventure, Fantasy, Sci-Fi, Animation

High budgets have little effect on popularity. Keep it smaller and focus on quality.

May or June

Lights...Camera...Action!

- Even though the most produced genre for the past decade was Drama, most revenue and profit was generated by **Adventure** movies followed closely by **Fantasy**, **Animation** and **Sci-Fi**.
- Higher production budgets don't translate into the public liking those movies more.
- Higher production budgets generated more revenue and profit for successful movies but unsuccessful movies with higher budgets ended up losing more money overall.
- Movies released in **May and June** historically performed better compared to other months in terms of revenue and profits.

Thank you!

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