



GROUP 6 CONSULTING

Computing Vision: Movie Production Strategy

Samuel Martin, De'Angelo Pillai, Patricio Solorio
Cabrera, and Max Schliesman



Computing Vision

Meet the team!

**Samuel Martin**

- Deloitte Analyst
- Indiana University Graduate (Go Hoosiers!)
- Houston, TX

**Max Schliesman**

- Deloitte Ratings Analyst
- Indiana University Alum
- Based in Chicago

**De'Angelo Pillai**

- Deloitte Cyber Analyst
- University of Minnesota Alum
- Austin, TX

**Patricio Solorio**

- Deloitte Data Analyst
- Applied Mathematician
- Querétaro, México



Computing Vision Case

SITUATION

Computing Vision seeks a competitive advantage against other studios in the movie production industry. They are entering a highly congested market and need to optimize their product through data analysis. Adapting to customer conscious and subconscious preferences which enable C.V. to cater to a larger audience and drive greater profits.

Analysis

- Compiled historical movie data from IMDB and TheNumbers.com
- Derived ROI for movies using production budget as total costs to produce
- Ran statistical analysis to optimize recommendations and gather insights for key datapoints such as ROI, ratings targets, and genre specialization
- Tested assumption of movie ratings generating greater revenue

Impact

Deloitte created an optimal strategy to enter a relatively unsaturated market in the competitive movie industry. These recommendations give Computing Vision the best chance to optimize profits and customer satisfaction.



Insights Discovered Through Data Analysis



Genre

Computing Vision should specialize in Horror, Mystery, and Thriller. These genres have a common theme so its easy to specialize and have the greatest ROI.



Diminishing Returns in Investment

Ratings and ROI realize less growth and increased volatility for investments greater than \$105 million.



Ratings to Worldwide Revenue Assessment

There's a positive correlation between higher ratings and revenue generated.



Run Time to Ratings Assessment

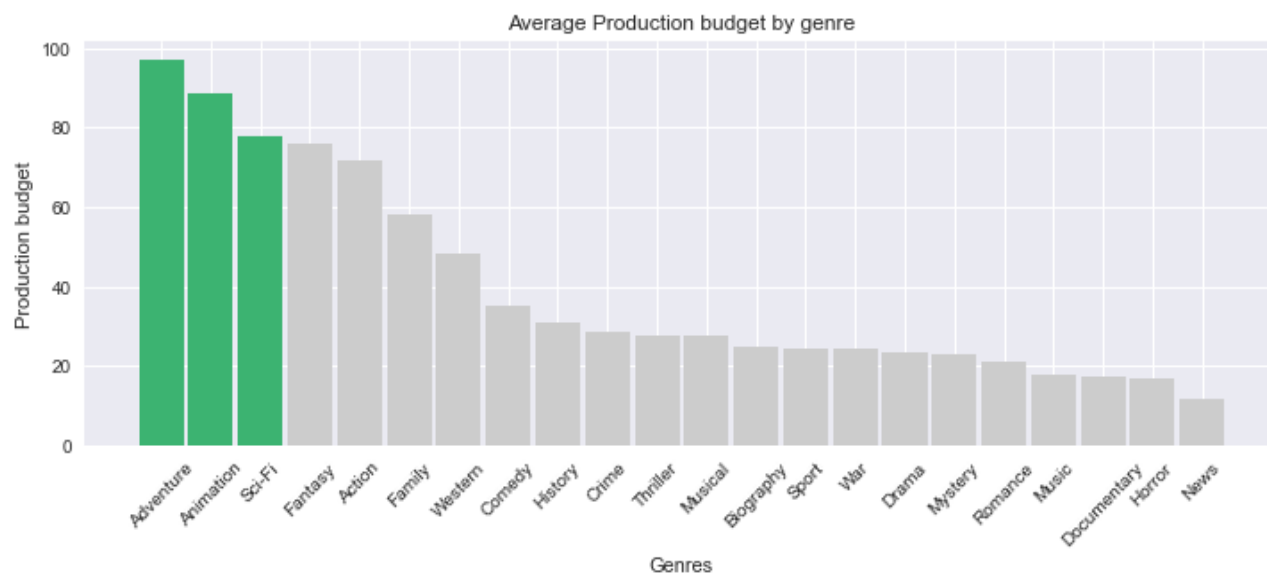
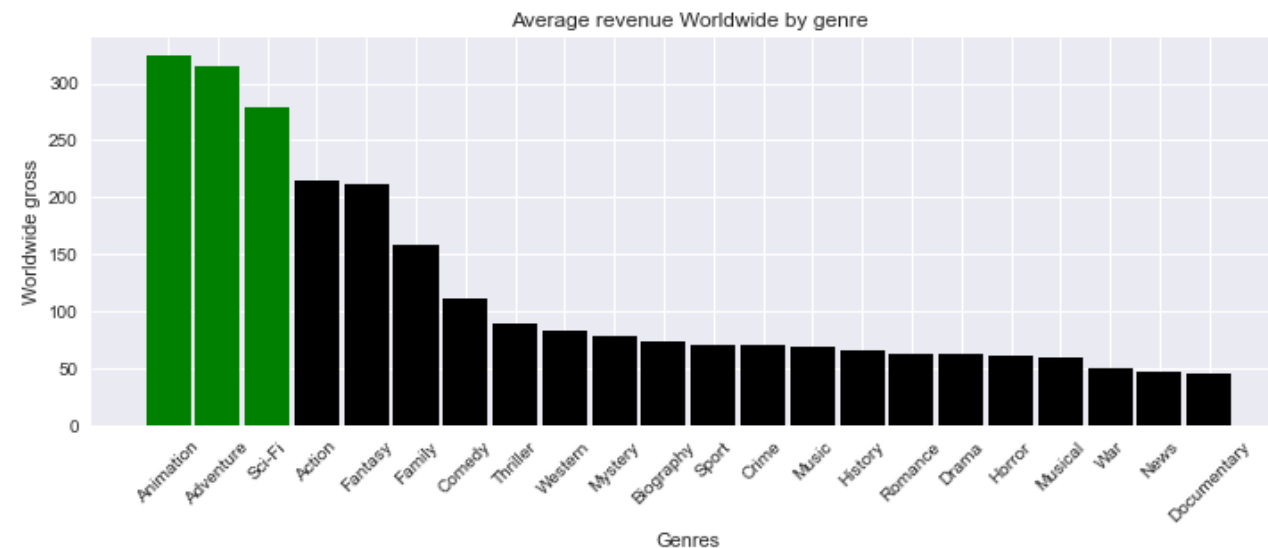
Computing Vision produced movies should be between 85 and 135 minutes to captivate the audience and maximize above average ratings.

Genre Analysis

Average Revenue by Genre

On average, the movie types which make the most money are Animation, Adventure, Sci-Fi.

Genres where the market is oversaturated. We shouldn't produce in these markets because of the competition.



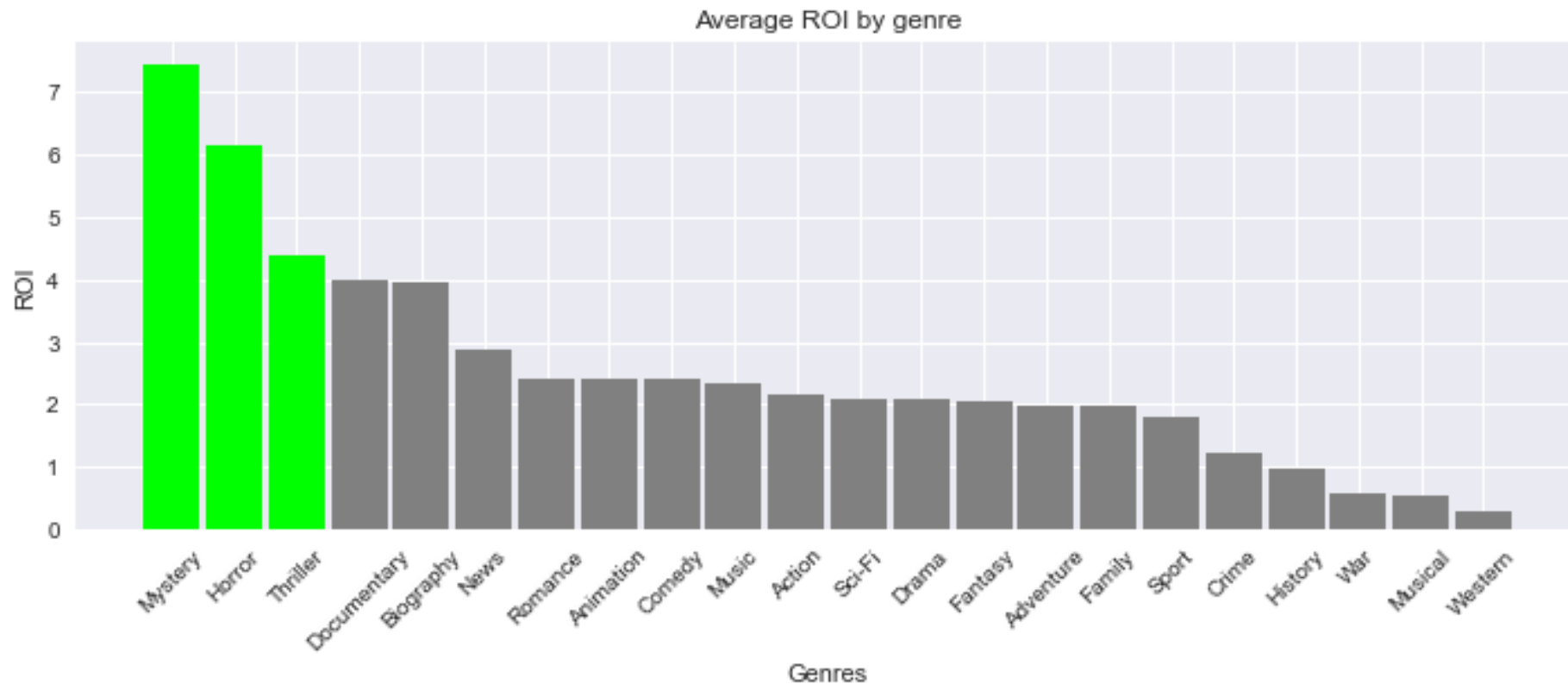
Production budget

The most expensive films to produce are Adventure, Animation, Fantasy, Sci-Fi and Action

Given the equipment, technology and time that is needed we do not recommend make this kind films.

ROI By Genre

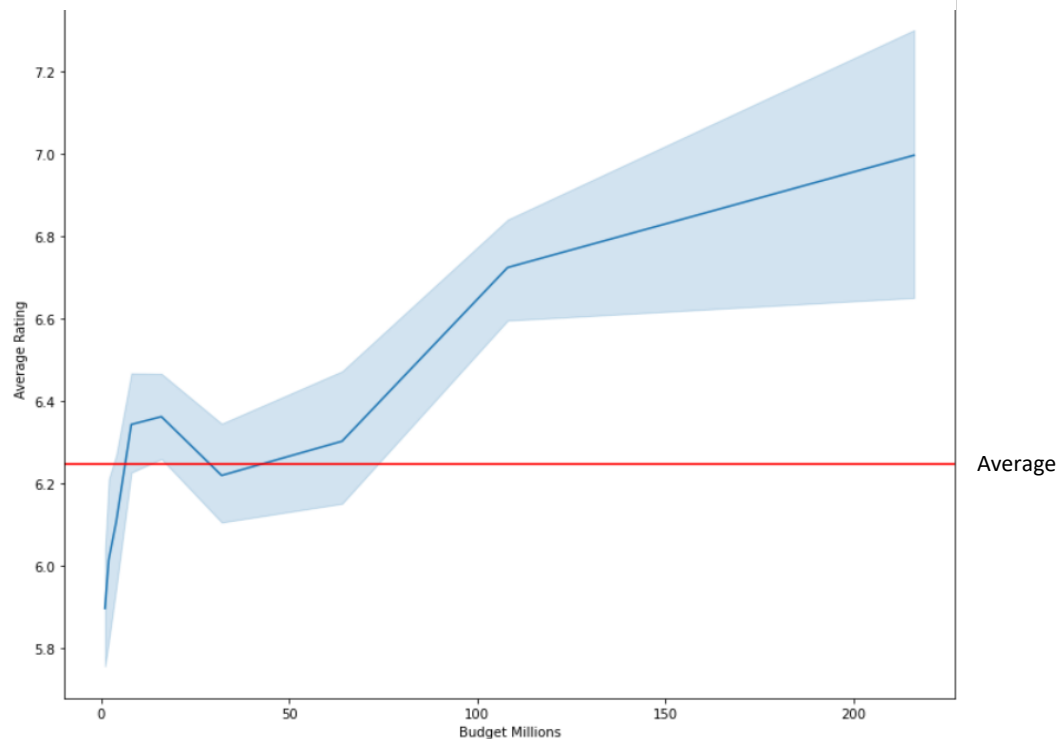
- The movie genres with the most ROI are **Horror, Mystery, and Thriller**. These are worth the investment.
- Recommended genres have a P-Value less than .01



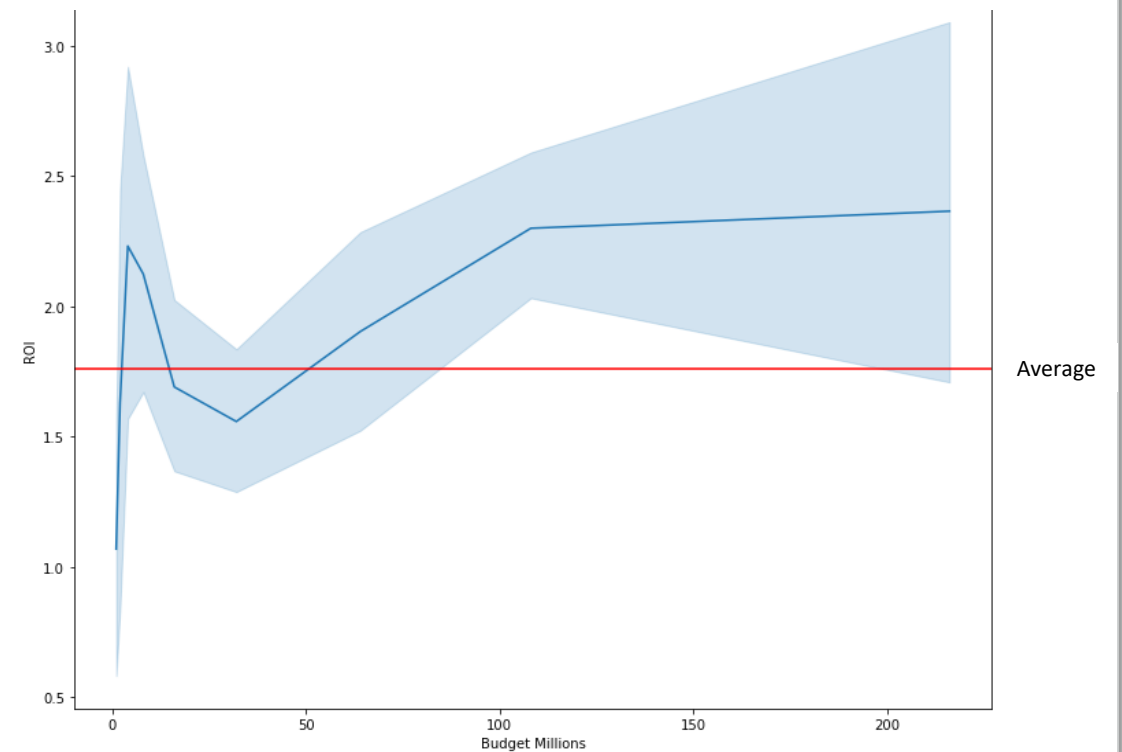
Diminishing Returns Relation to Production Investment

- A greater budget leads to higher ratings **in general**
- Budgets exceeding \$105 million realizing diminishing returns in key attributes
- Initial budgets of \$5-15 million is volatile but provides opportunities for growth

Diminishing Ratings per Budget



Diminishing ROI per Budget



Ratings to Worldwide Revenue Assessment

GROSS WORLDWIDE MARGIN BY MOVIE RATING

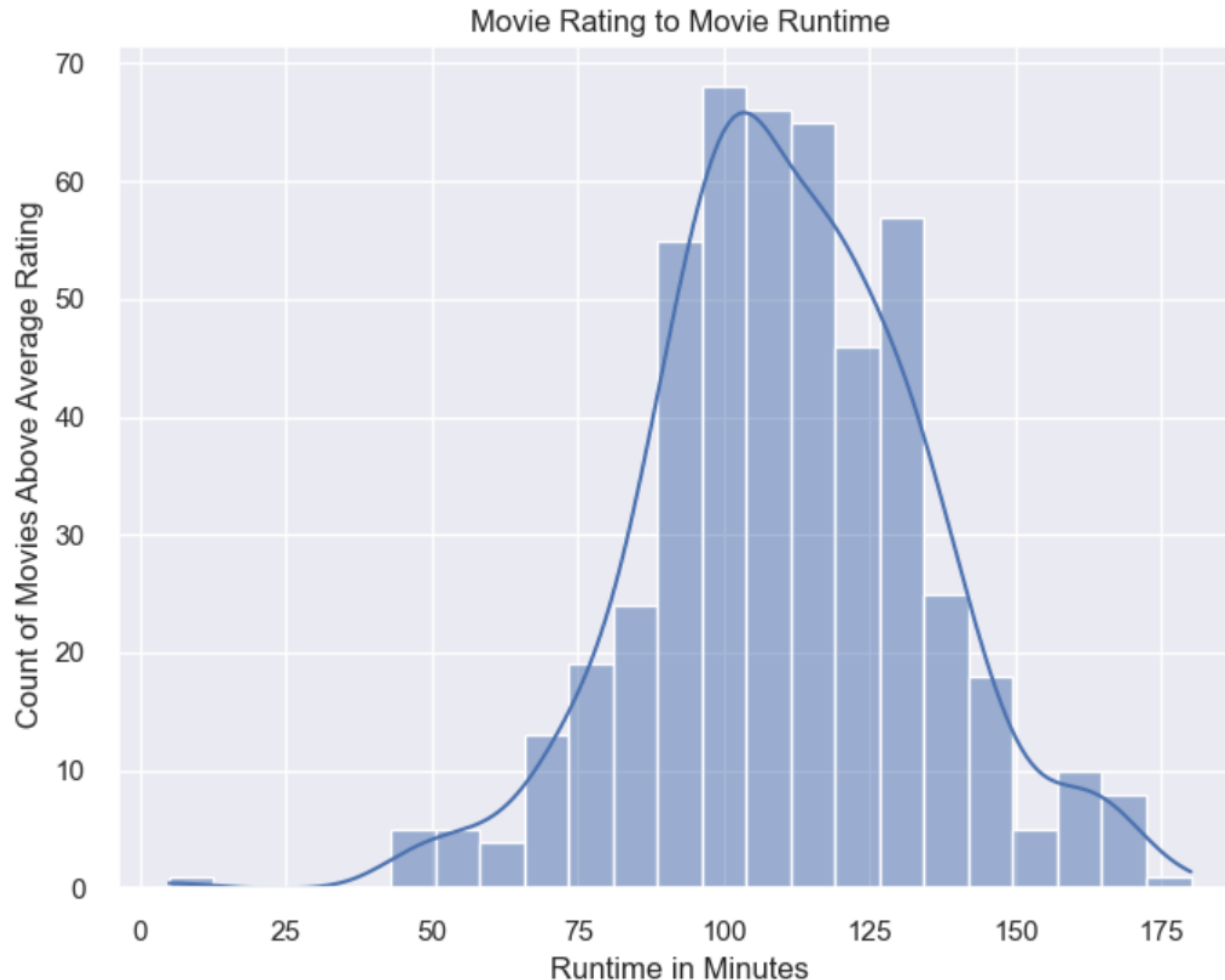


TAKEAWAYS

- The movies with a higher average rating tend to have greater worldwide sales.
- There are outliers on both sides – poorly rated movies which do well and highly rated movies which flop.
- Ratings to revenue drops off after 8
- Essential to get above a 6 rating

Ideal Run Time

We analyzed numerous movies to determine the goal run time



TAKEAWAYS

- The movies with an above average rating mainly fall between 85 and 135 minutes .
- With an average runtime of 110 minutes, 70% of movies that have a rating above the 7.1 average, fall between 85 and 135 minutes.
- Movies within this range appear to keep audiences engaged, which can lead to positive ratings.

Key Takeaways



ROI

ROI is optimized through a catering to the customer's needs:

- Adequately timed movie
- Generating the necessary reviews to drive new viewership
- Budget Management



Run Time

- Runtime should be between 85 and 135 minutes to maximize above average ratings.



Investments

Budgets should be:

- Between \$5-\$15 million dollars for new directors, producers, and artistic directions.
- Below \$105 million dollars for big box movies.



Genres

The Computing Vision should specialize in:

- Horror
- Terror
- Mystery

To maximize **ROI**



Ratings

Ratings targets are between 6-8