

Analyzing Hollywood Data For Microsoft's Big Move

Summary

Examining the film industry to determine what steps Microsoft's new film studio should take.

Findings:

1. Recommendation #1: Make Adventure, Sci-Fi, and Comedy films because they are the most profitable.
2. Recommendation # 2: Make long films. Their median ROI is almost 250%.
3. Recommendation # 3: If possible, hire M. Night Shyamalan, John R. Leonetti, Ariel Schulman, Pierre Coffin, or David Gordon Green because they have the highest ROI% among directors.

Outline

- Business Problem
- Data & Methods
- Results
- Conclusions

Business Problem

- Microsoft is a new player in the film industry. The big question is: What types of films should Microsoft make?

Data and Methods

- Using data from IMDb, we can analyze thousands of films.



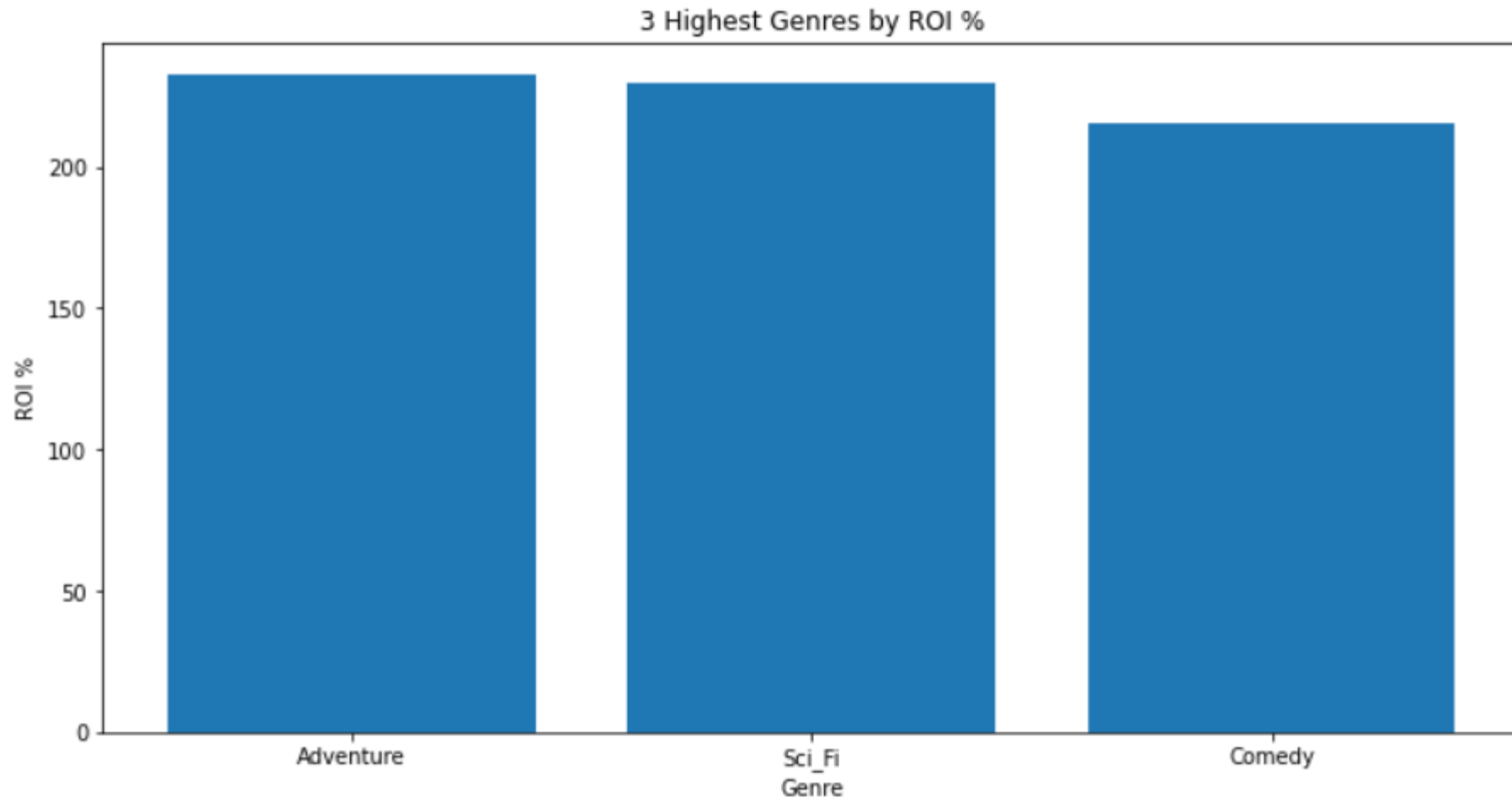
- I am limiting the data to films from 2012 and after. Why? Most of the relevant industry players were already involved and it wouldn't be useful to have data before the rise of streaming.
- So, we are still examining over 2000 films.

ROI %

- I will use ROI % as the measure of profitability.
- ROI % is $(\text{Gross} / \text{Budget}) * 100$.
- Example: A film that grosses \$20 mil. on a \$5 mil. budget would have an ROI of 400%.

Results

- Adventure, Sci-Fi and Comedy are the highest median ROI% among all genres.

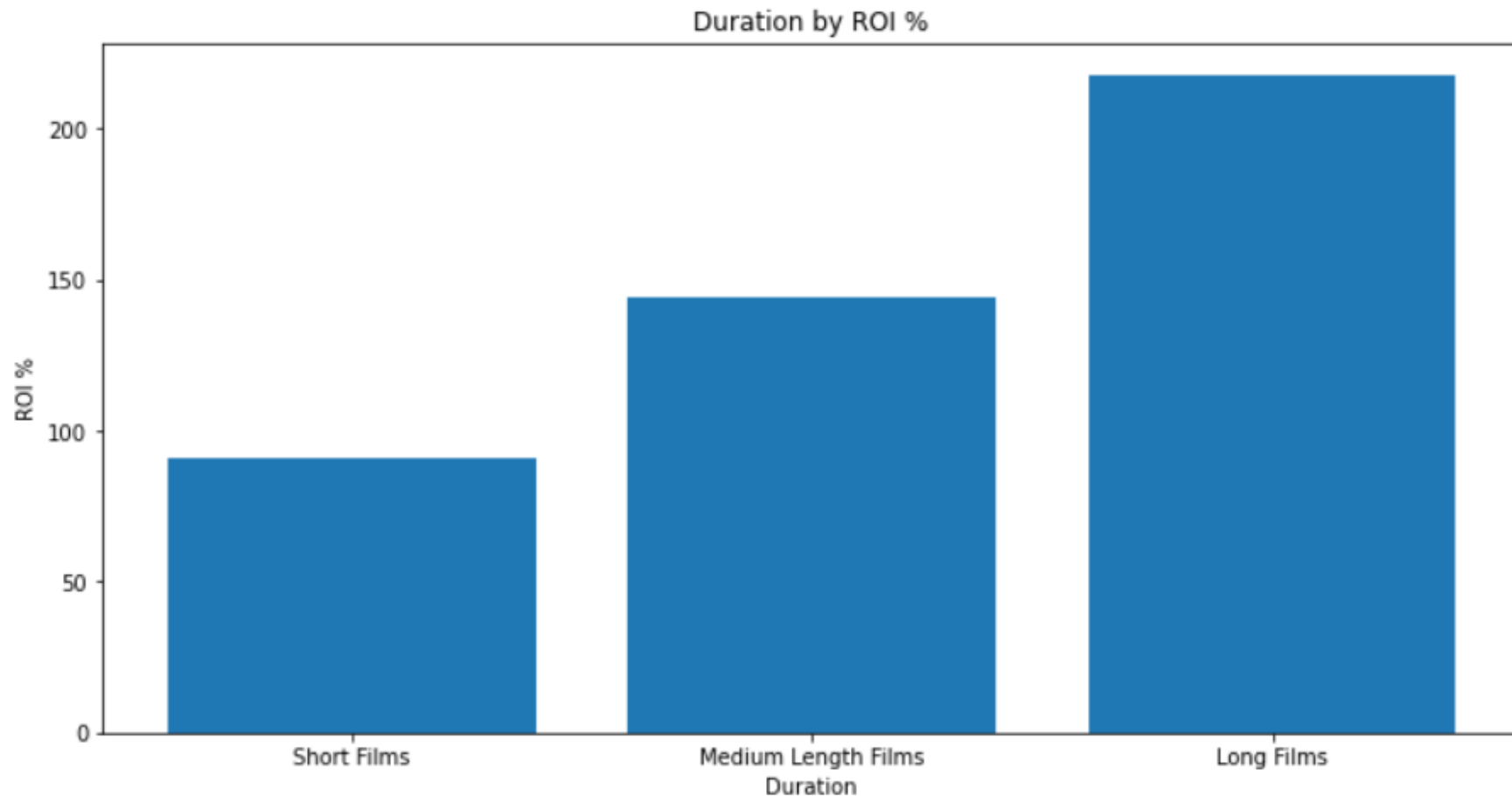


Runtime Categories

- Short films= Less than or equal to 93 minutes.
 - 93 minutes= 25th percentile of this dataset.
- Medium Length Films= Between 93 and 116 minutes.
 - Median film length = 103 minutes.
- Long Films= Over 116 minutes.
 - 116 minutes= 75th percentile of this dataset.

Runtime Results

- Long films have the highest median ROI %.

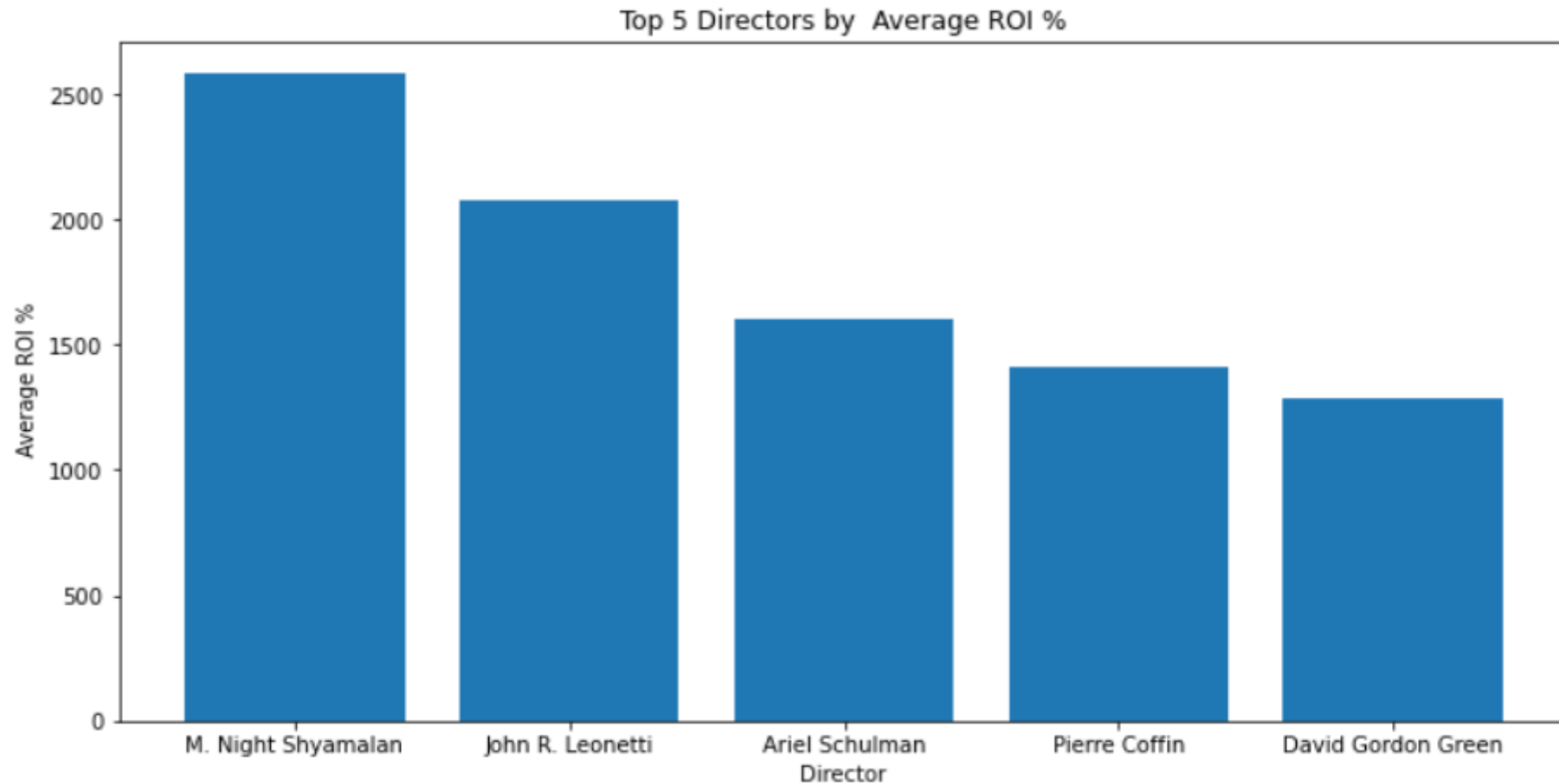


Director Criteria

- Again, we are limiting the data to the last 10 years. Therefore, directors who have not made a film in the last 10 years will not appear. So, for example, James Cameron would not make the list since he hasn't made a film since 2009. If we included films before 2012, we would get many directors who are inactive.
- According to <https://www.studiobinder.com/blog/production-budget/>, films with budgets below \$5 mil. are considered low budget films. Only directors of films with a budget of \$5 mil. or above are considered for this query.
- Also, to eliminate any outliers or flashes in the pan, only directors who have made 2 or more films in the last 10 years will be included.

Results

- These are the 5 directors with the highest Average ROI%:



Conclusions

- Recommendation #1: Make Adventure, Sci-Fi, and Comedy films because they are the most profitable.
- Recommendation # 2: Make long films because they are the most profitable. Their median ROI is almost 250%.
- Recommendation # 3: If at all possible, hire M. Night Shyamalan, John R. Leonetti, Ariel Schulman, Pierre Coffin, or David Gordon Green because they have the highest average ROI% among directors. They have had tremendous success with films with a budget over \$ 5mil.

Next Steps

- Comparing the profitability of films based on pre-existing IP with original films.
- Predicting profitability of different budget amounts.



Thank You

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