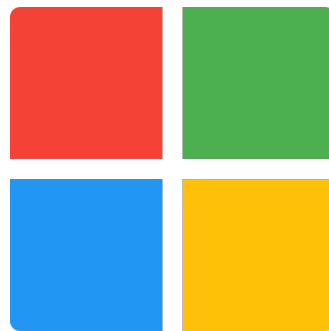




Microsoft Movie Recommendations



JAE HEON, KIM

Situation

- Microsoft plans to launch a streaming platform.
- Streaming platforms have two types of contents:
 - Original Contents
 - Purchased/Rented Contents
- Microsoft asks guidance for strategic approach towards creating original contents.

Objective

- Get the necessary data. Clean it, study it, make observations and make visualizations.
- Based on finished work, find insights and make recommendations on how Microsoft needs to create original contents.

Approach

- Among many attributes of successful original contents, this study is particularly interested in how the budget can impact overall financial success of studio business
- Budget's relationship with other factors such as ROI, runtime, genres will be studied to make meaningful observations.

Budget Categories

 Super Low: ~ 25th percentile

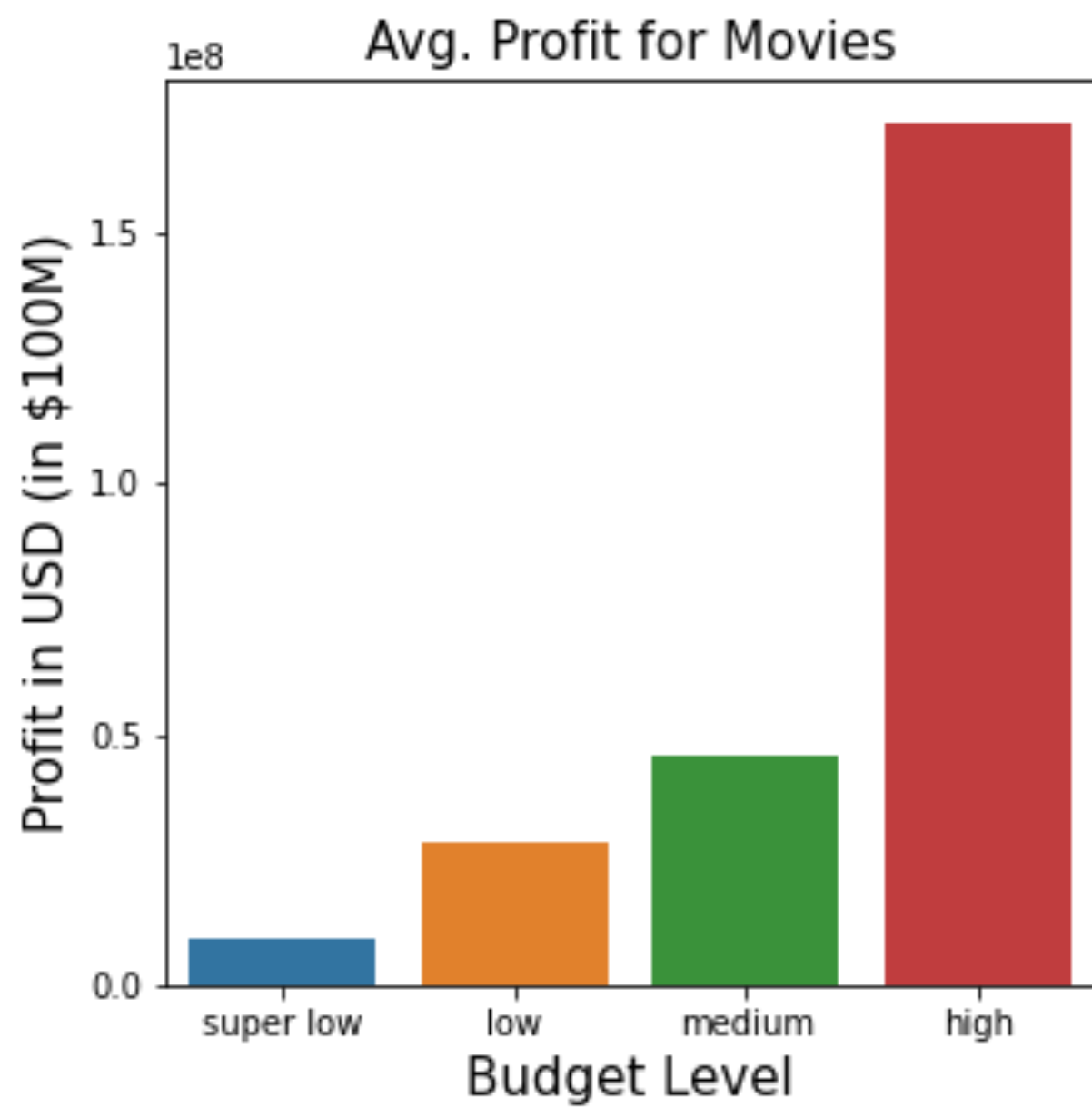
 Low: 25th ~ 50th percentile

 Medium: 50th ~ 75th percentile

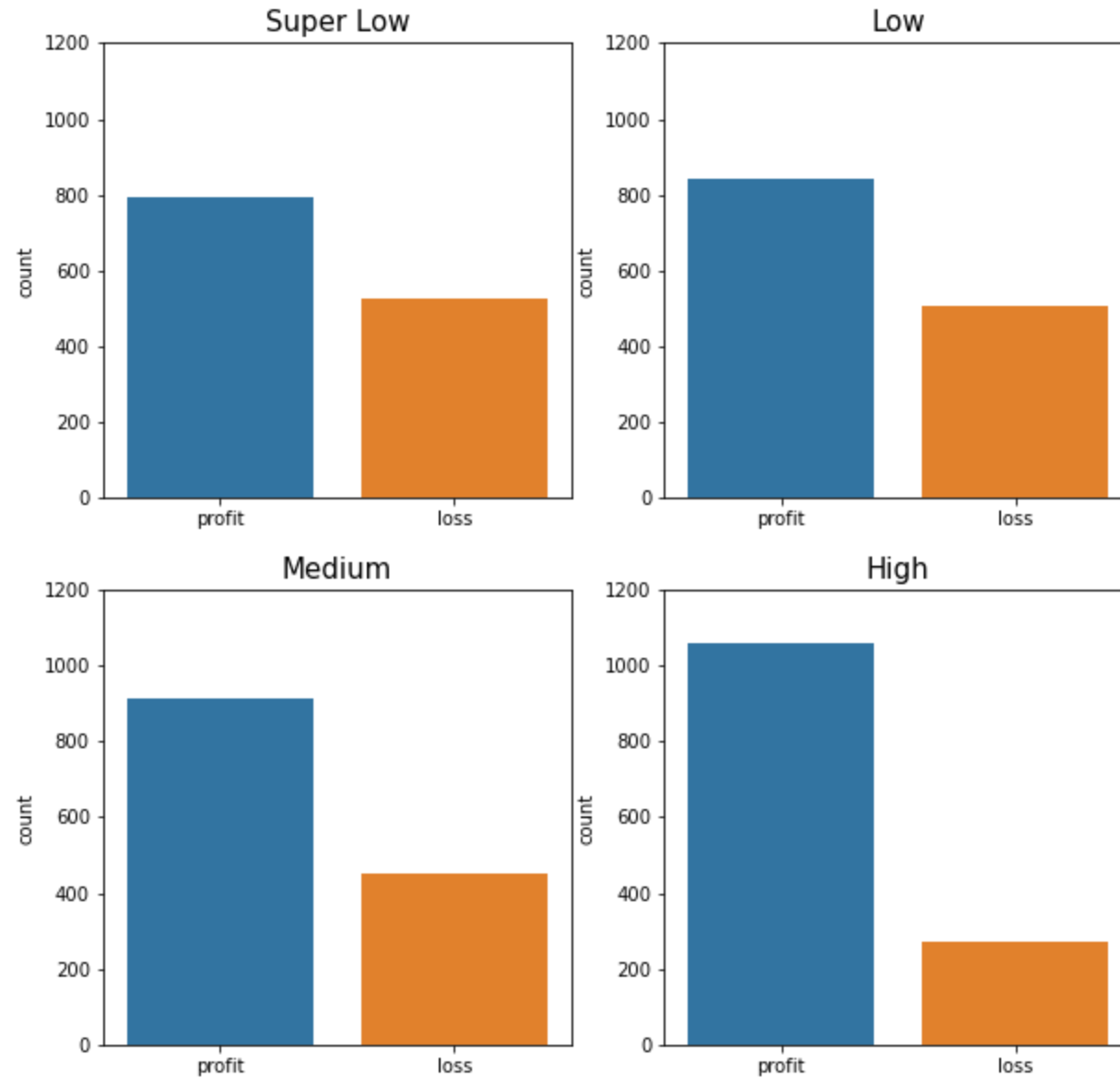
 High: 75th ~ 99th percentile

Return on Investment

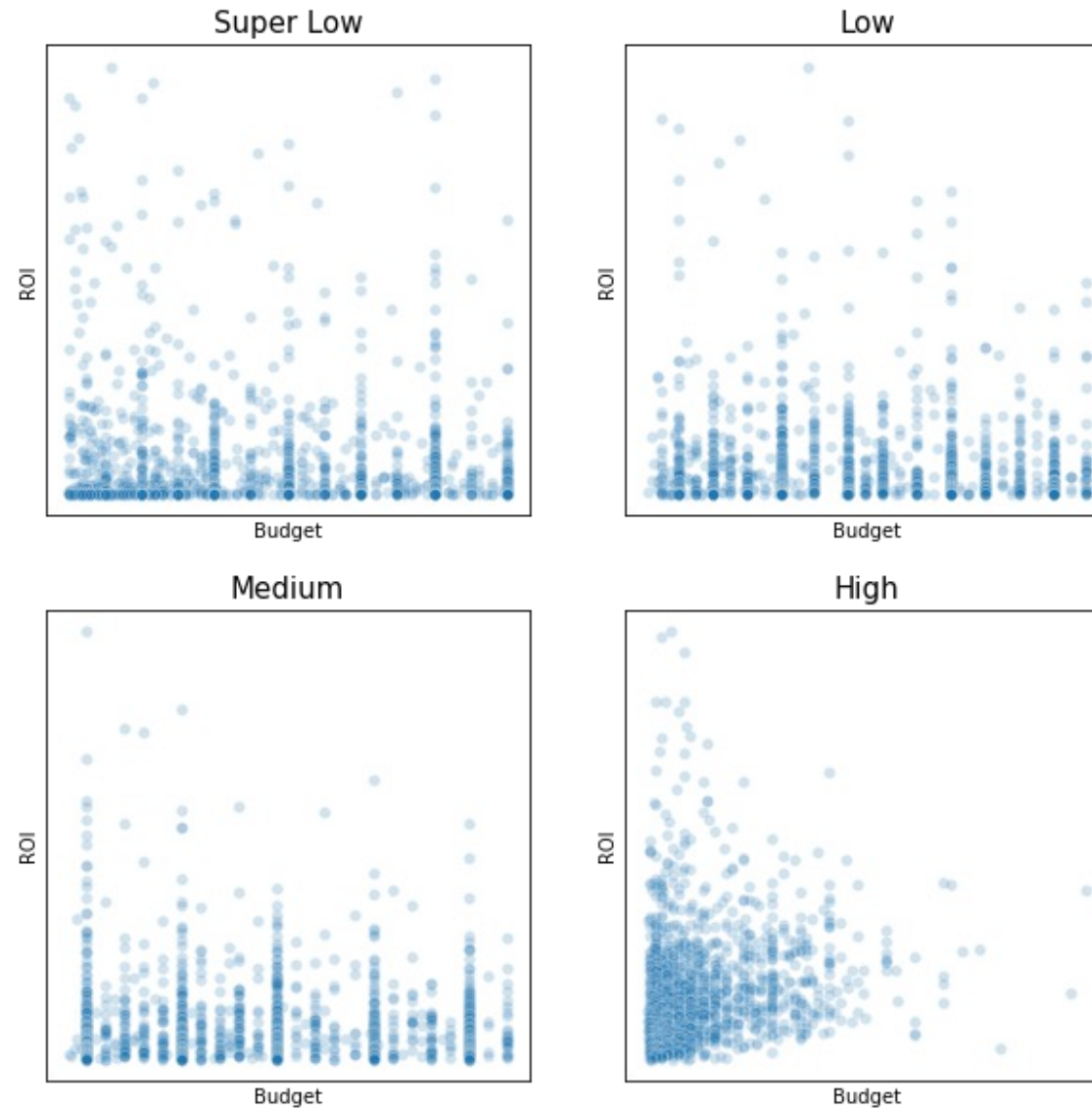
$$\text{ROI} = \frac{\text{Profit(or Loss)}}{\text{Budget}}$$



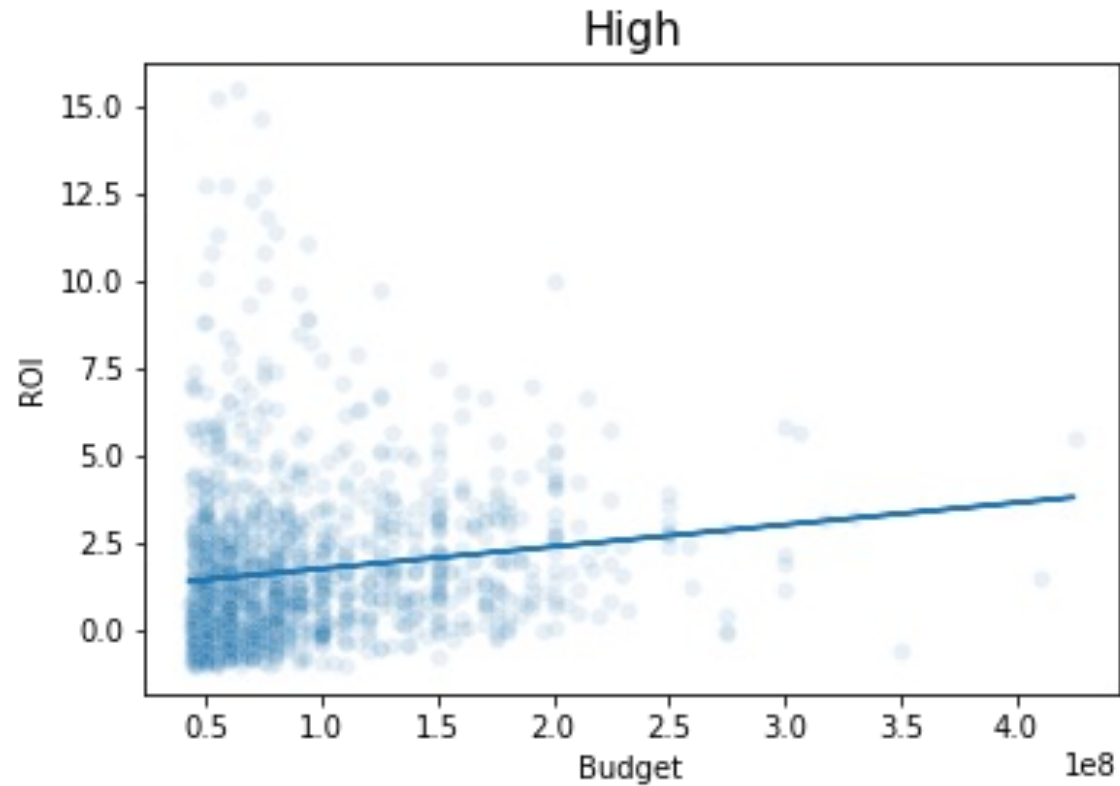
Count of Profit/Loss Movies (on different budget classes)



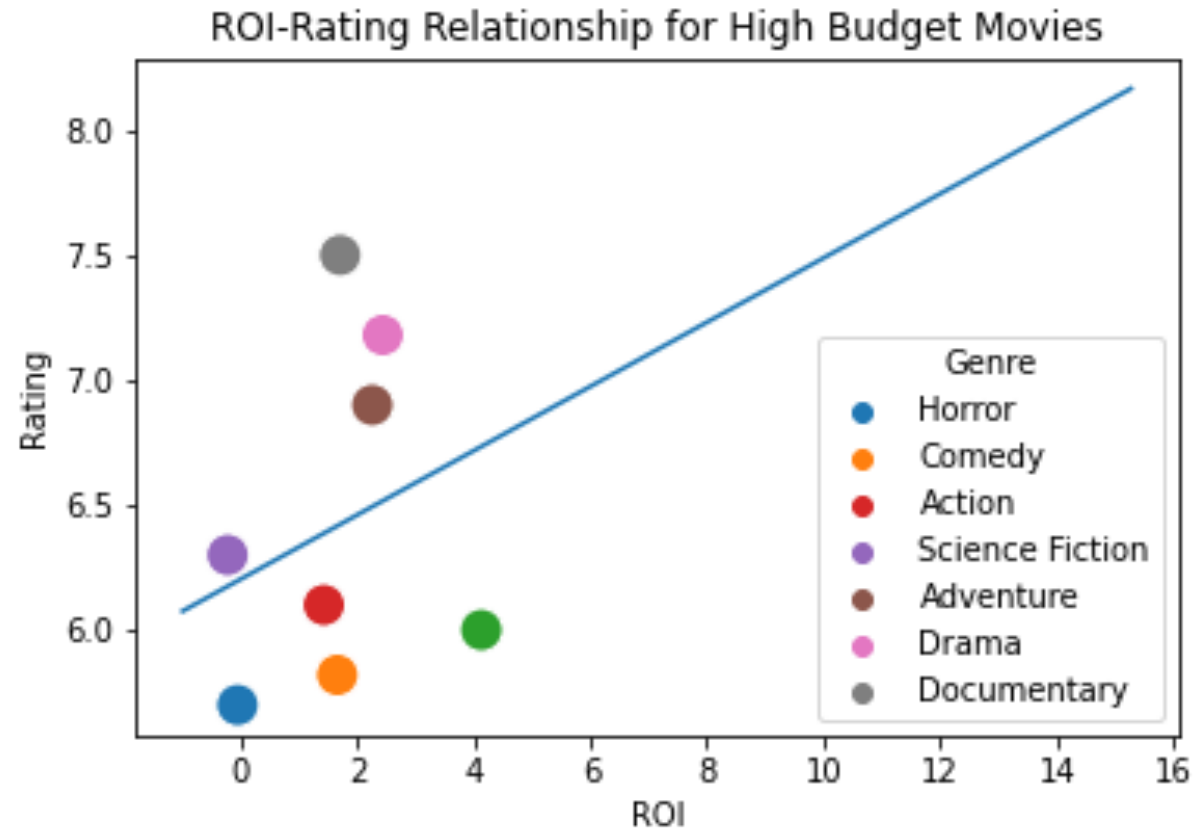
Relationship between Budget and ROI (on different budget classes)



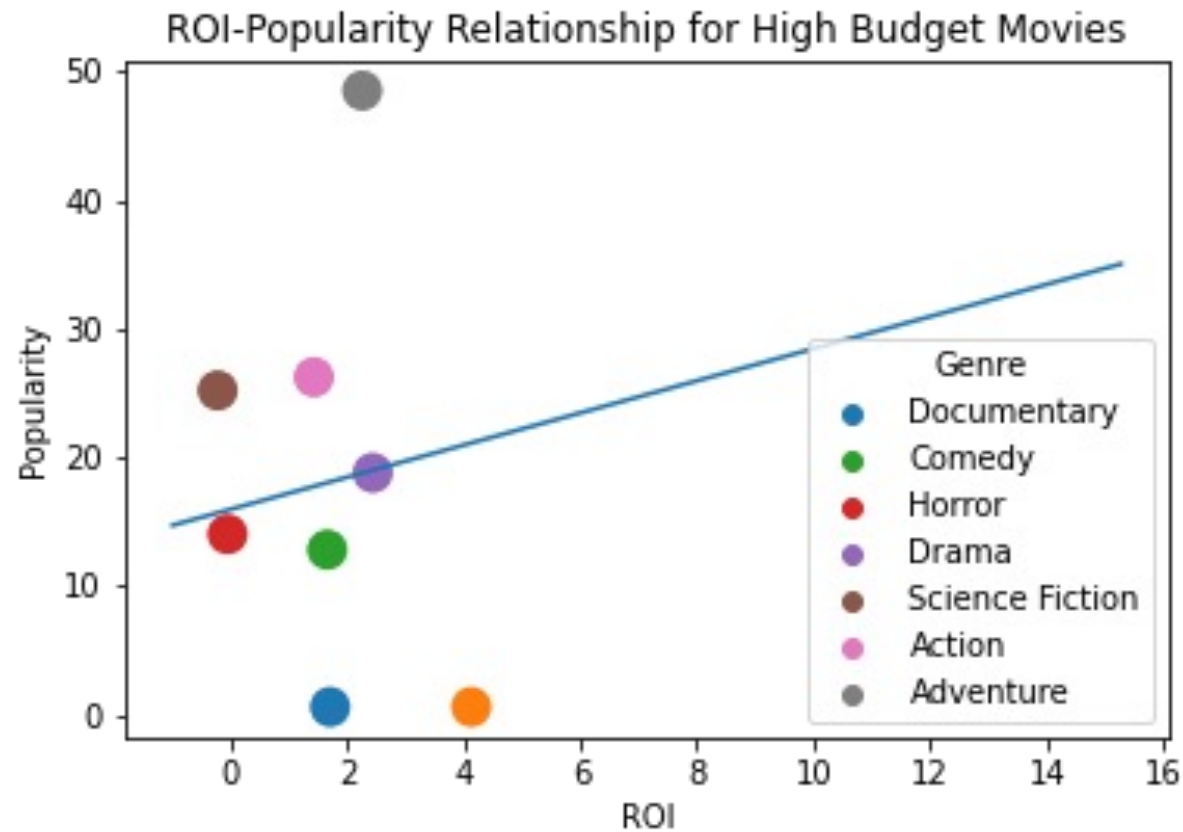
Only Positive Correlation



What Genre is an investment?



What Genre is an investment?



Recommendations

- Focus only on making high-budget original contents because size of success will be far greater while risk of failure are significantly lower.
- Within high-budget contents, increasing budget generally yields greater return ratio. When faced with a decision of making more investment for clear better content, go for it.

Recommendations (contd.)

■ Success and failure of a movie in a streaming platform cannot be measured by collection individual financial performances alone. Some high-quality contents can satisfy viewers and build loyalty without making much money. Documentary is an example of such category. See it as a form of investment despite poor ROI.

If I had more time..

- Explore more data

- Netflix Originals, and original contents from other platforms such as Hulu or Disney+

Questions?

Thank you for your time

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