

Risk Analysis of the Film Industry

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Business Understanding:

- Our company is interested in creating a new movie studio
- What kinds of films are doing best at the box office?

Recommendations:

- What best genre to begin with (Production Budget vs. ROI)
- Most popular director by selected genre
- What month to release the film in (for best success)

Data Sources

The following datasets were provided by:

- IMDB
- Box Office Mojo
- TheNumbers

Note: Films are limited between the years of 2010 - 2018, film trends may have changed since then (post-Covid)

Metrics of Success

Annually 7/10 films by studio lose money.

Aim: Low risk, high reward

Approach: Conservative

- Low Production Budget
- High R.O.I.

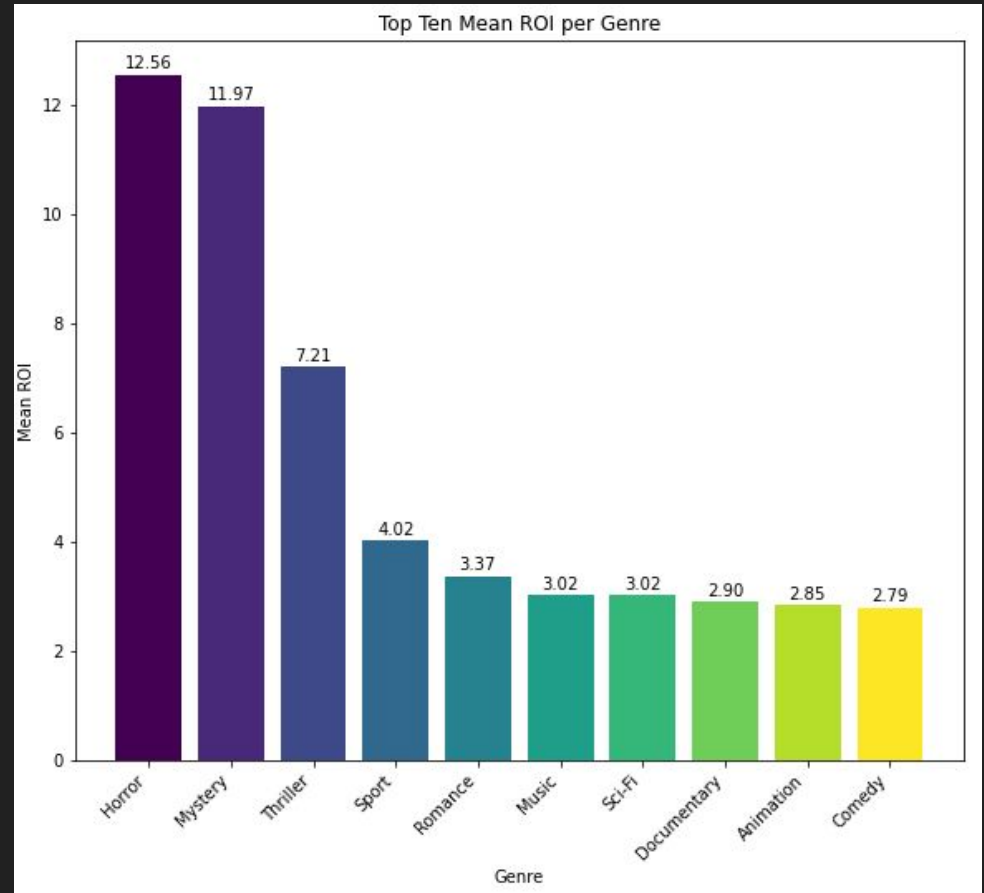
Return on Investment (R.O.I.)

Worldwide Gross – Production Budget

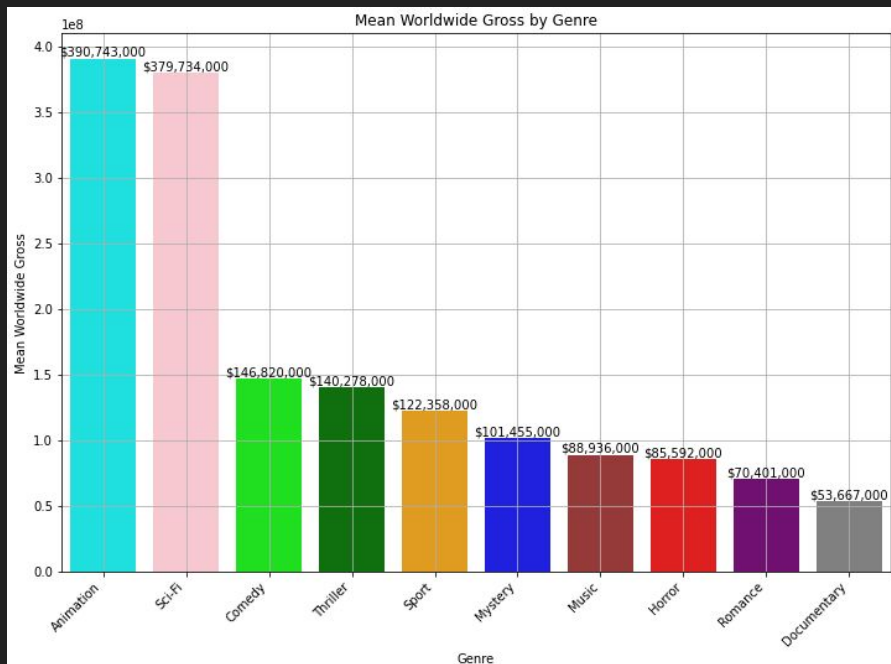
Production Budget

Top 10 Genre by R.O.I.

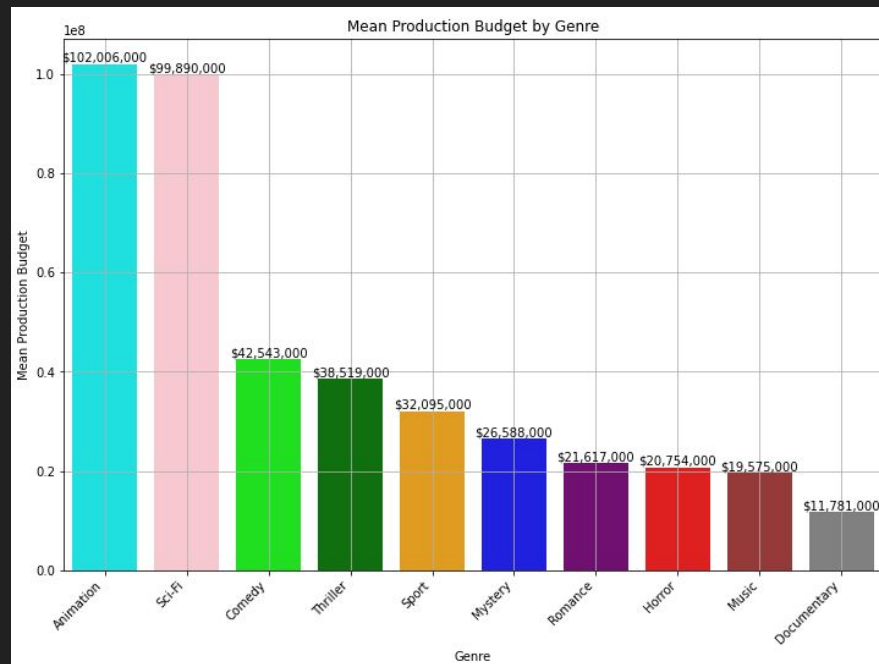
- Average R.O.I. particularly high for Horror, Mystery, & Thriller genres
- Low R.O.I. for Comedy, Animation, & Documentary



Mean Worldwide Gross by Genre

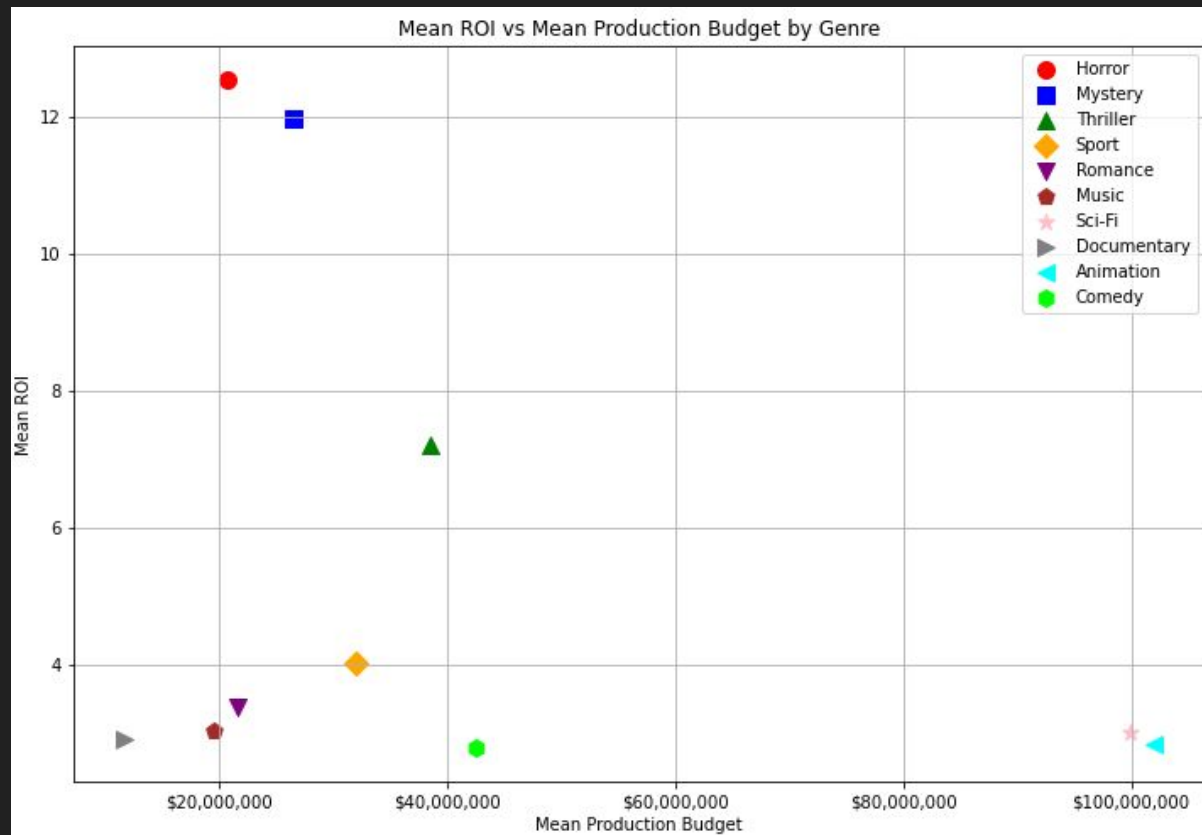


Mean Production Budget by Genre



Means: ROI vs. Budget

- **Strong values:**
 - **Horror**
 - **Mystery**
 - **Thriller**
- **Poor values:**
 - **Animation**
 - **Sci-Fi**



Top 5 Director: Horror

Recommendation:

- **William Brent Bell**
 - **High ROI**
 - **“The Devil Inside”**
 - **Budget: \$1 Mill**
 - **Gross WW: \$101 Mill**
- **David F. Sandberg**
 - **“Lights Out”**
 - **Budget:\$5 mill**
 - **Gross WW: \$150 Mill**

Top 5 Directors for "Horror" on Worldwide Gross:		
Name	Total Worldwide Gross	Film Count
Andy Muschietti	\$697,460,000	1
David F. Sandberg	\$305,380,000	1
Tod Williams	\$177,510,000	1
Steven Quale	\$155,010,000	1
Joe Johnston	\$142,630,000	1

Top 5 Directors for "Horror" on ROI:		
Name	Total ROI	Film Count
William Brent Bell	100.76	1
Levan Gabriadze	63.36	1
Tod Williams	58.17	1
Dan Trachtenberg	20.65	1
David F. Sandberg	19.35	1

Top 5 Director: Thriller

Recommendation:

- **Andy Muschietti**
 - **Great Gross, ROI**
- **Levan Gabriadze**
 - **“Unfriended”**
 - **Budget: \$1 Mill**
 - **Gross WW: \$63 Mill**

Top 5 Directors for "Thriller" on Worldwide Gross:

Name	Total Worldwide Gross	Film Count
F. Gary Gray	\$1,234,850,000	1
Olivier Megaton	\$777,770,000	3
Paul Greengrass	\$734,340,000	3
Andy Muschietti	\$697,460,000	1
Jaume Collet-Serra	\$646,210,000	5

Top 5 Directors for "Thriller" on ROI:

Name	Total ROI	Film Count
Levan Gabriadze	63.36	1
David F. Sandberg	19.35	1
Andy Muschietti	18.92	1
Daniel Stamm	18.49	2
Morten Tyldum	14.18	1

Top 5 Director: Mystery

- **James Wan**
 - **High Gross & ROI**
 - **Multiple films: consistent**
 - **“Saw” Franchise**
- **Travis Cluff**
 - **Extremely high ROI**
 - **“The Gallows”**
 - **Budget: \$100k**
 - **Gross WW: \$43 Mill**

Top 5 Directors for "Mystery" on Worldwide Gross:

Name	Total Worldwide Gross	Film Count
David Fincher	\$1,823,820,000	2
Todd Phillips	\$1,759,380,000	1
Denis Villeneuve	\$1,727,670,000	3
Neil Burger	\$1,294,710,000	2
James Wan	\$1,253,610,000	2

Top 5 Directors for "Mystery" on ROI:

Name	Total ROI	Film Count
Travis Cluff	226.6	1
James Wan	40.88	2
Jordan Peele	34.21	1
Levan Gabriadze	31.8	1
Ariel Schulman	19.81	1

Horror Monthly

- July, Oct, Jan high ROI
- Autumn, winter popular months for film release

Horror Genre Monthly Statistics			
Month	Film Count	Mean Worldwide Gross	Mean ROI
January	11	\$95,957,300	15.14
February	12	\$75,505,800	7.37
March	7	\$49,905,700	8.3
April	13	\$40,140,800	12.59
May	5	\$106,212,000	8.88
June	8	\$120,800,000	5.7
July	9	\$94,254,400	53.22
August	12	\$123,761,000	8.71
September	15	\$101,077,000	3.67
October	17	\$89,538,800	15.3
November	6	\$43,990,000	1.87
December	3	\$44,663,300	1.6

Thriller Monthly

- July, April high ROI
- Autumn, winter popular film release months

Thriller Genre Monthly Statistics			
Month	Film Count	Mean Worldwide Gross	Mean ROI
January	16	\$79,518,800	4.04
February	20	\$147,847,000	5.09
March	13	\$104,785,000	1.83
April	12	\$314,780,000	14.16
May	6	\$121,850,000	8.35
June	9	\$105,424,000	5.31
July	15	\$218,956,000	30.31
August	22	\$98,879,500	4.1
September	22	\$97,613,600	2.53
October	35	\$126,325,000	7.4
November	14	\$201,393,000	2.86
December	9	\$130,771,000	3.69

Mystery Monthly

- July, April, October high ROI
- October very popular for Mystery films

Mystery Genre Monthly Statistics			
Month	Film Count	Mean Worldwide Gross	Mean ROI
January	8	\$77,570,000	5.37
February	10	\$115,443,000	7.89
March	12	\$61,201,700	4.76
April	8	\$46,760,000	17.73
May	3	\$323,880,000	17.1
June	8	\$110,934,000	2.4
July	7	\$121,529,000	64.94
August	4	\$123,532,000	8.22
September	8	\$89,358,800	4.52
October	21	\$104,312,000	10.04
November	3	\$85,760,000	3.2
December	3	\$129,367,000	0.7

A Final Note:

New Horror Movie trend - Public Domain

“Winnie the Pooh: Blood and Honey”

Estimated Budget: \$100k

Worldwide Gross: \$5,000,000

Mickey Mouse public domain expired two days ago...

“Mickey’s Mouse Trap” trailer released



Recommendations:

- **Horror, Mystery, or Thriller - highest R.O.I. & relatively low avg. Production Budget**
- **Director: Prioritize high ROI, consistent track record.**
 - James Wan - High ROI, “Saw” franchise, “The Conjuring”, etc.
 - Great alternatives:
 - Travis Cluff, William Brent Bell, Levan Gabriadze, David F. Sandberg
- **July:**
 - Remarkably high ROI
- **Autumn (October), & April**
 - Popular time for film release. Further analysis may be required.
- **Minimum ROI?**
 - Anything above 1.0x is profitable, success

Next Steps

- Analyze overhead costs, marketing, etc. for more accurate min. ROI.
- Research successful writers, producers
- Further analyze film release timing
- Explore public domain trend
- Once established, explore higher grossing genres (Animation, Sci-Fi)

Thank you.