



Microsoft in Movie Industry

by Kelvin Sila Muia



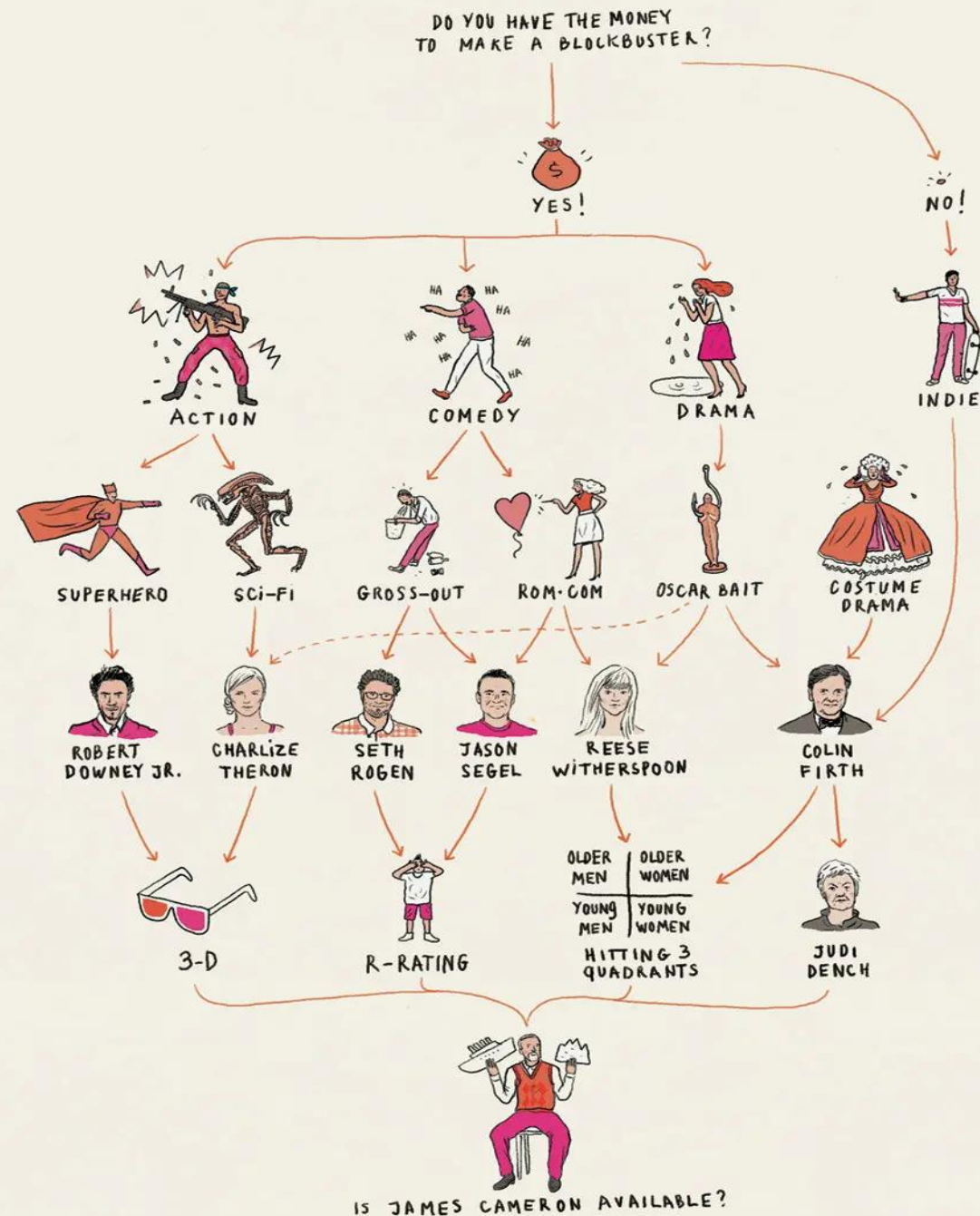
Business Problem

- Film industry is one of lucrative businesses for giant companies like Microsoft to venture in
- In modern era, movies provide basic entertainment by exploring varies genres like comedy, horror, and romance through a wide array of plots
- Microsoft is ready to take up the challenge and invest in the movie industry by creating original content
- However, the company does not have any background information about the new industry
- The aim of this presentation is to advice Microsoft on which movie industry to invest in



BUSINESS VALUE

- Creating a innovative movie studio will be an excellent revenue stream for the company
- By analyzing which genres have highest ratings, Microsoft will be able to use its strategies to increase user subscriptions
- Also, setting up a new film studio will help in improving brand recognition and increasing the sales of other Microsoft products.





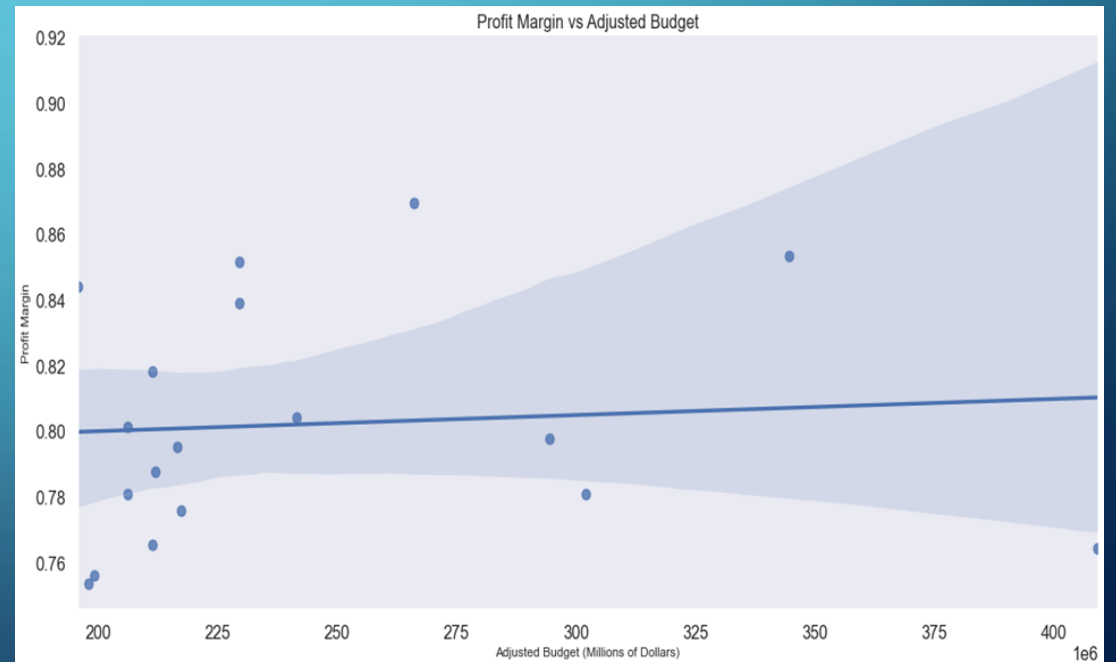
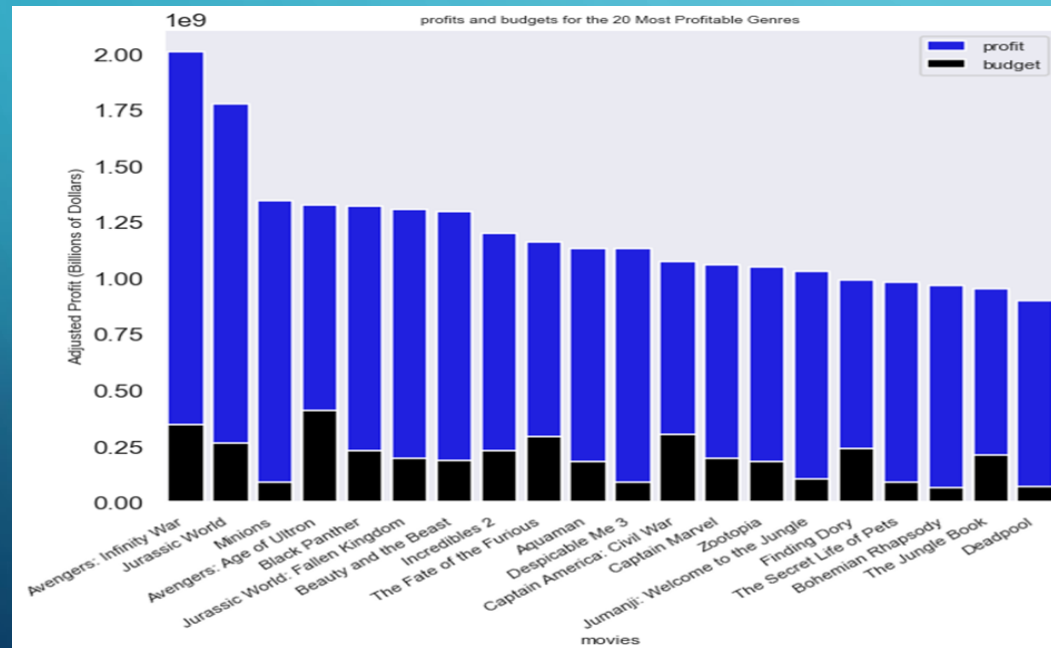
Methodology

- Cross-referencing basic movie information such as rating and genres with financial data from IMDB datasets
- In my analysis, I will use rating and profit margin to determine the indicators for movie success
- Analysis was adjusted to cater for the current US inflation rate of 0.297
- Some of the research questions this presentation will answer includes
 - Which movies were most profitable since 2015 and what was their budget?
 - What genres produced most movies?
 - Which genres have the most ratings?
 - What is the best time of the year to release a movie?



Recommendation 1

- The analysis shows the most profitable movie was the avenger: infinity war with an adjusted production budget of \$ 344550000 and a profit of 2.007732e+09
- The top 20 movies have a profit margin of 85.7% which shows with a good strategy, Microsoft can invest in movies of similar nature and harvest a substantial profit
- The positive slop shows a promising correlation between the production budget and expected profit margin
- Thus, Microsoft should not fear investing money in one of the top 20 genres has they have good returns on investment

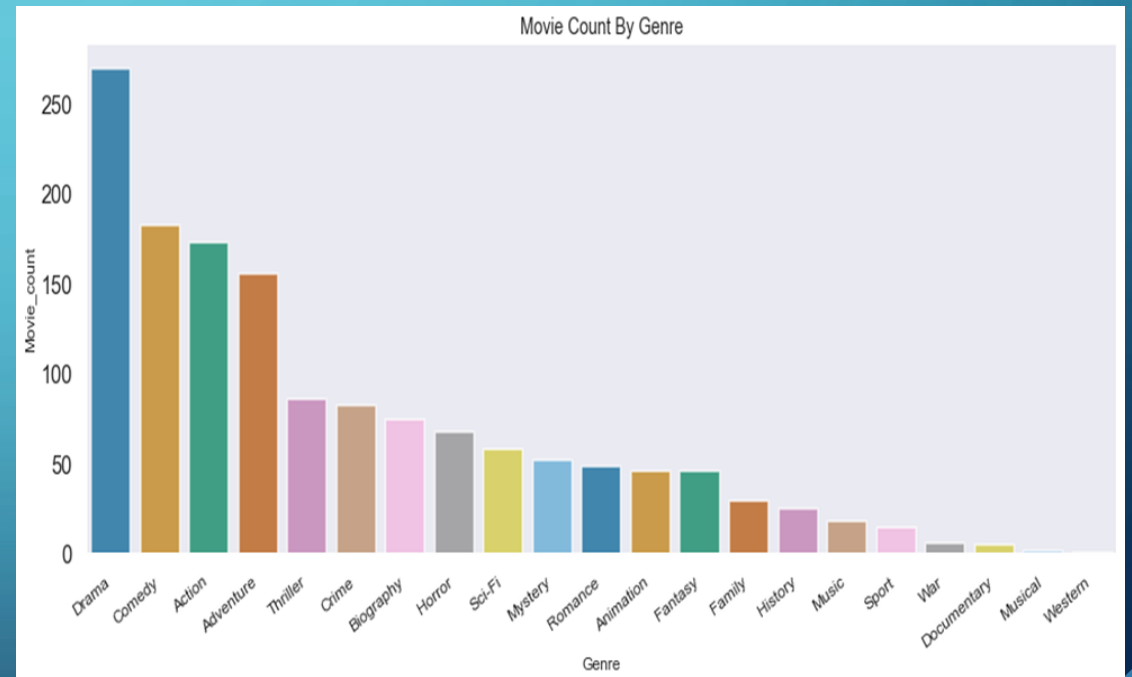




Recommendation 2



- The most produced movie genre by other companies is Drama, Comedy, and Action
- Since 2015, 270 movies produced were dramas, followed by 183 comedies, and 173 action movies
- Microsoft should consider investing either in drama or comedy genres during the initial start of the new business than move to less produced movie genres to establish a unique brand in future

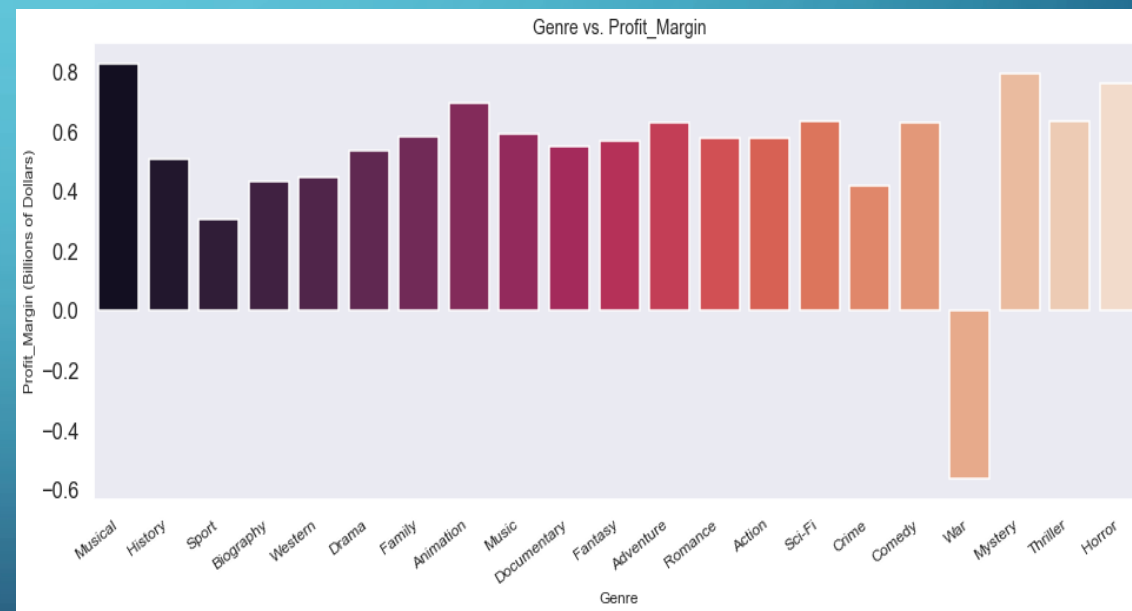
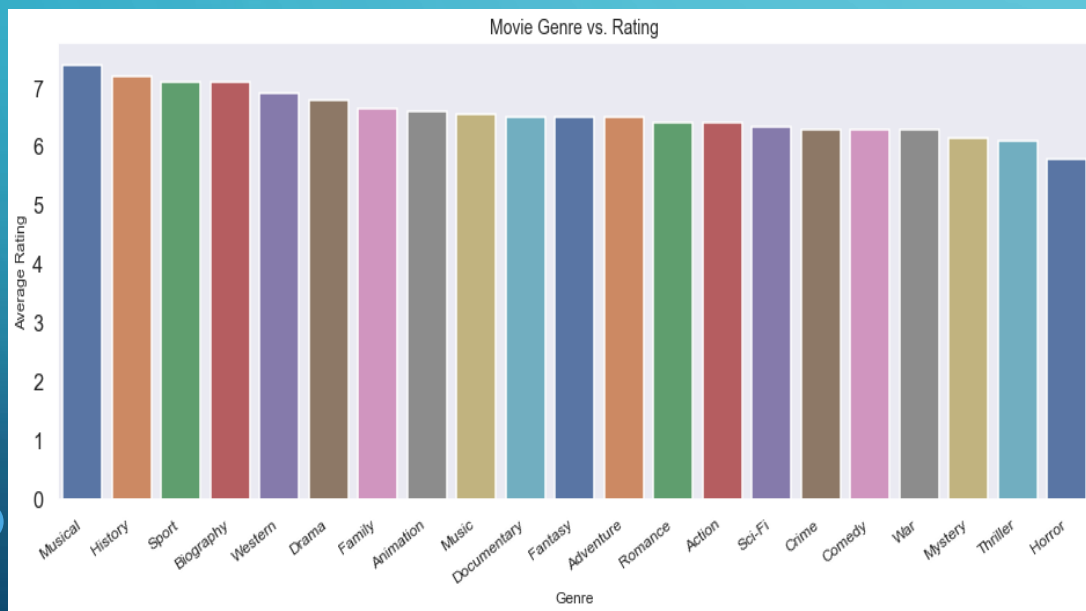




Recommendation 3



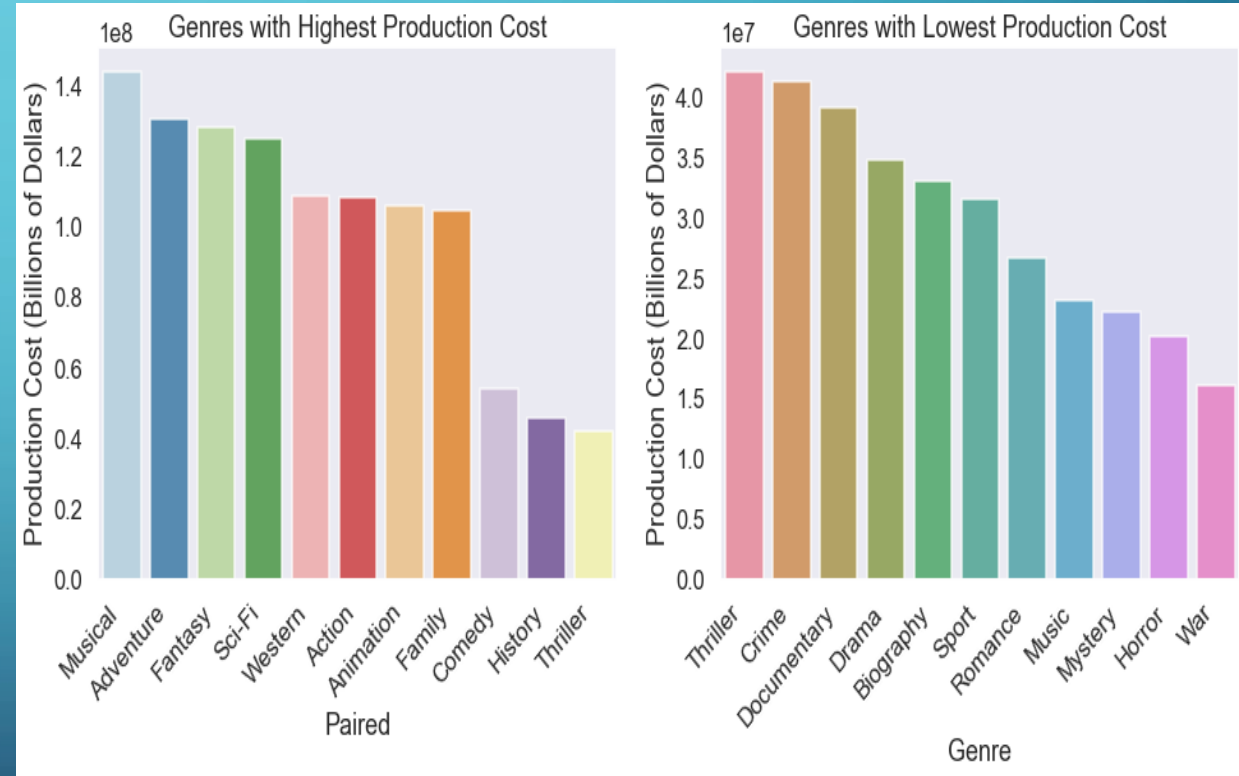
- The musical, history, and sport genres have the highest ratings
- The decision to invest in one of these genres should be informed by whether the ratings translate to high profit margin
- From the other chart, it is clear that musical genre has the highest ratings and profit margin
- However, from other genres we cannot conclusively state that high ratings results to high profit margins.
- Therefore, ratings are not the only factor Microsoft should consider when investing in high profitable genres
- Among all genres, Microsoft should avoid investing in war genre which has negative profit margin despite having some ratings





Recommendation 4

- Movie genres with highest production budget include Musical, Adventure, and Fantasy
- Genres with lowest production budgets include War, Horror, and Mystery
- Depending on its budget, Microsoft can choose to invest in one of the genres with highest production budget or lowest production budget

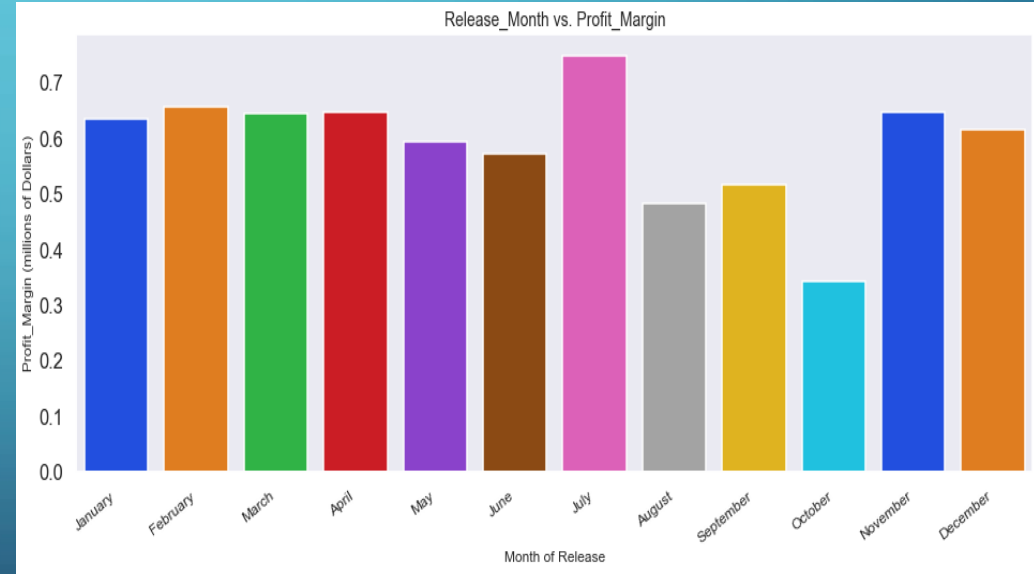
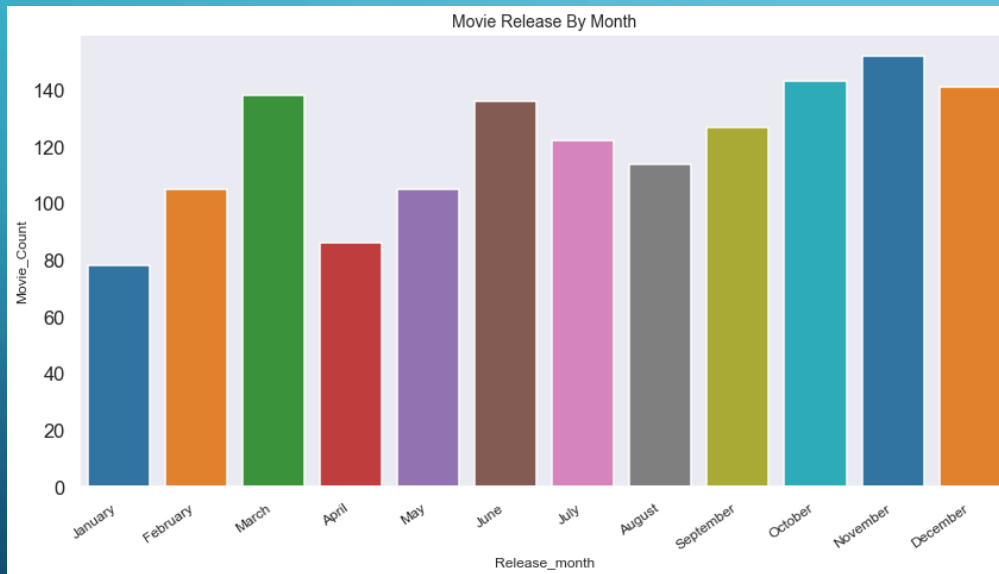




Recommendation 5



- Release time may not be a great indicator for the movie success
- Most movies are released in the month of November, October, and December
- However, analyzing the release month and profit margin, the month of July seems to have highest profit margins for most releases
- Releases movies in any other month apart from August and October seems to have a profit margin of above 50%





Conclusion

- Give the findings from the above analysis, Microsoft can consider investing in Musical genres since I don't think production budget will be a big challenge for the giant tech company
- Such a genre will make the organization have good return on investments and maintain its reputation
- Alternatively, the company can choose low budget movies such as horror which also has high returns.
- However, since horror genre has lowest ratings, it should be a secondary option after musicals



Future Directions

- Microsoft should take the bold step and invest in the movie industry
- However, the analysis is based on worldwide gross as opposed to domestic gross
- Future analysis should be done targeting the profit margin of the US market alone to focus on a smaller audience and market



Thank You

More analysis can be found on <https://github.com/ksila01/dsc-phase-1-project.git>