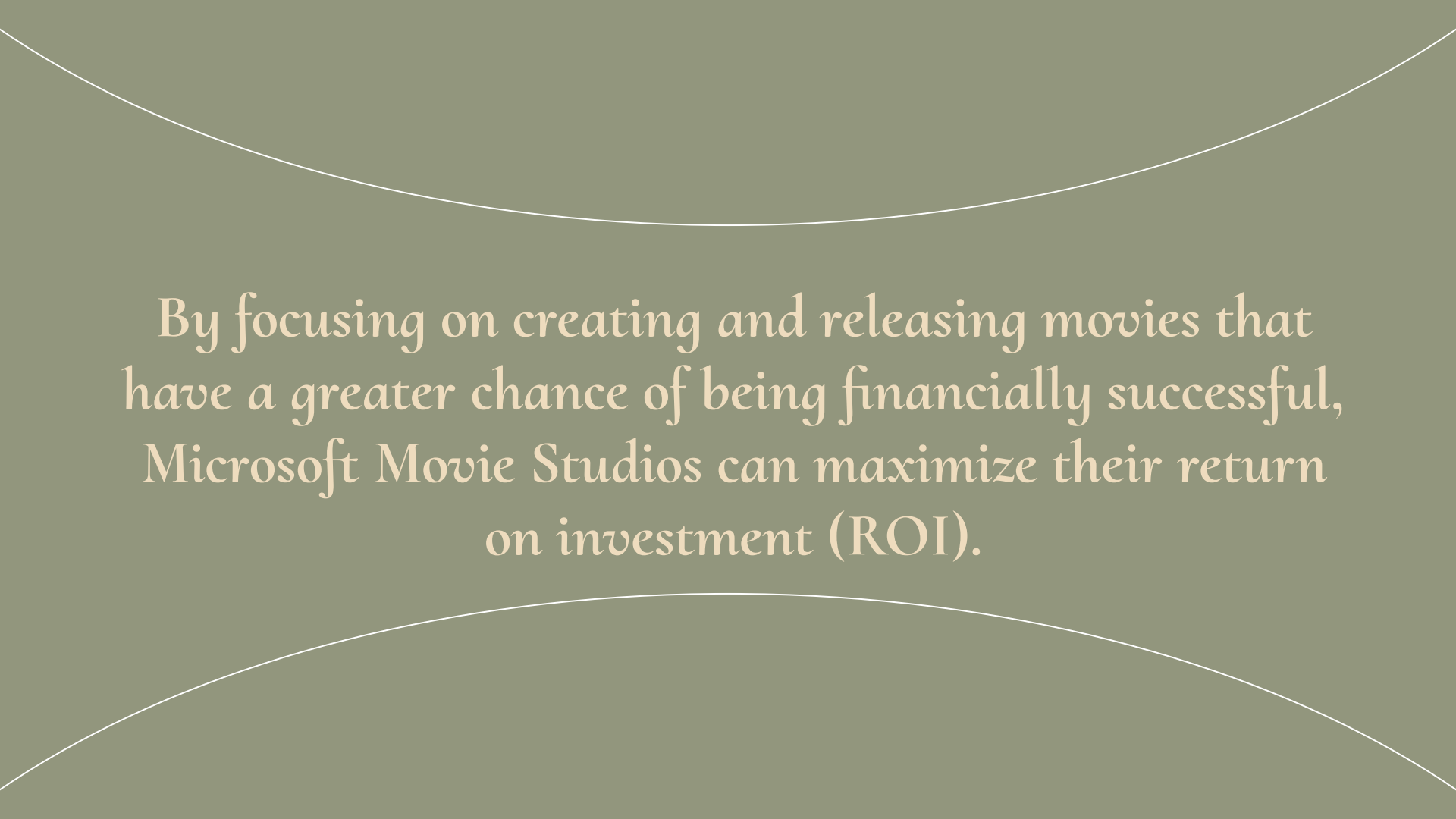# Ensuring Success for Microsoft Movie Studios

What types of movies should
Microsoft Movie Studios make in order
to maximize the return on investment?

By focusing on creating and releasing movies that have a greater chance of being financially successful, Microsoft Movie Studios can maximize their return on investment (ROI).

Methodology

1

Collect Data

Gather box office and production data on released movies.

2

Analyze Data

Look for characteristics of movies with high ROIs.
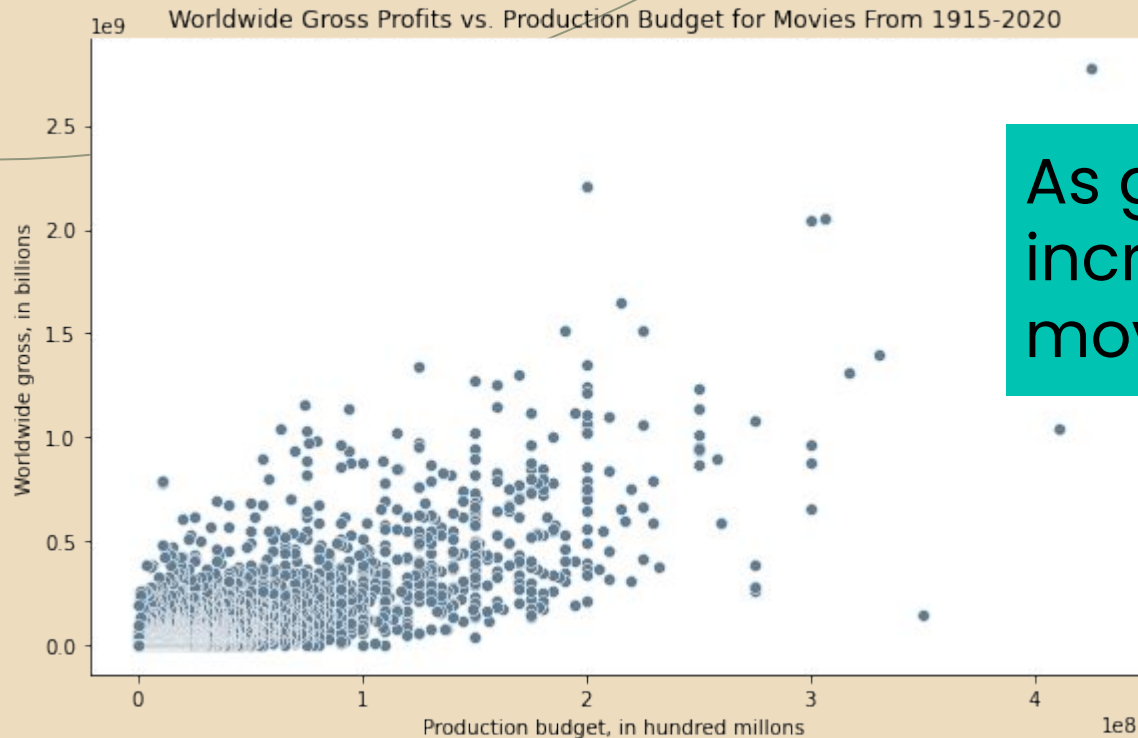
3

Conclusions

Data-driven recommendations to create high-ROI movies

01

The highest-grossing films are not necessarily the most profitable for the studio.
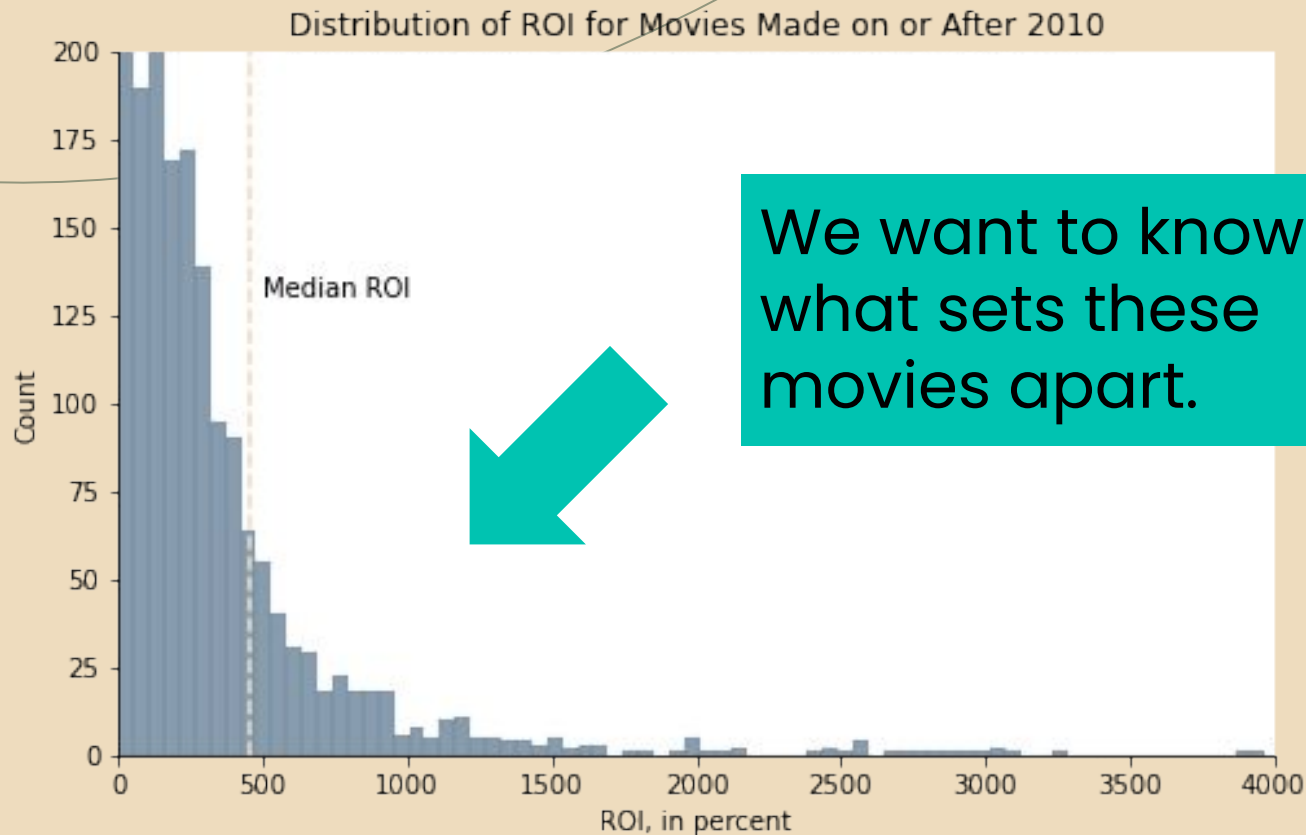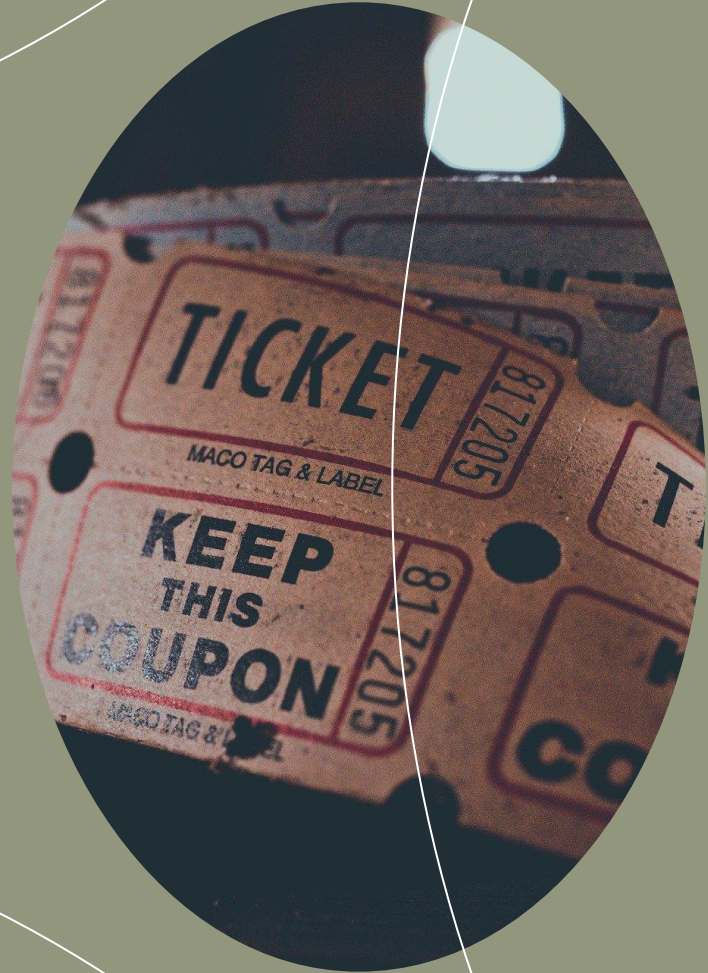
How does budget correlate to gross?

Worldwide Gross Profits vs. Production Budget for Movies From 1915-2020

As gross profits increase, so do movie budgets.

What sorts of ROI do movies make?

Distribution of ROI for Movies Made on or After 2010

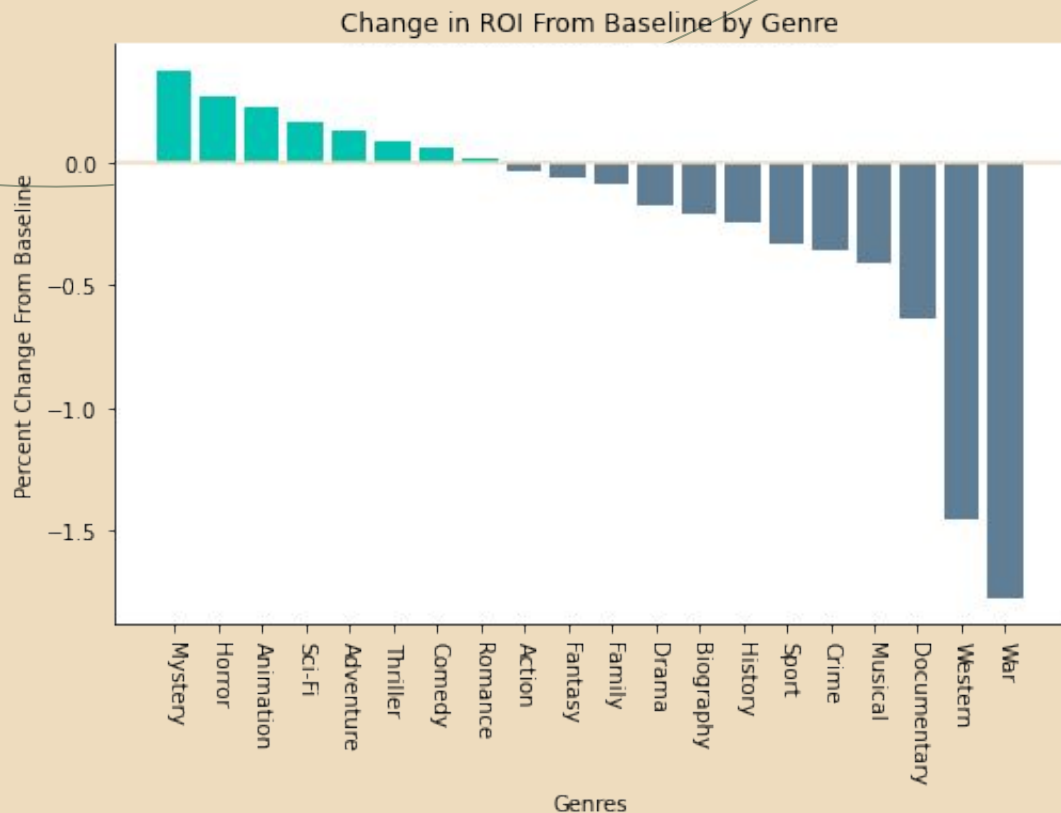We want to know what sets these movies apart.

02

Not all genres are created equal.

The median ROI for all genres is 232%
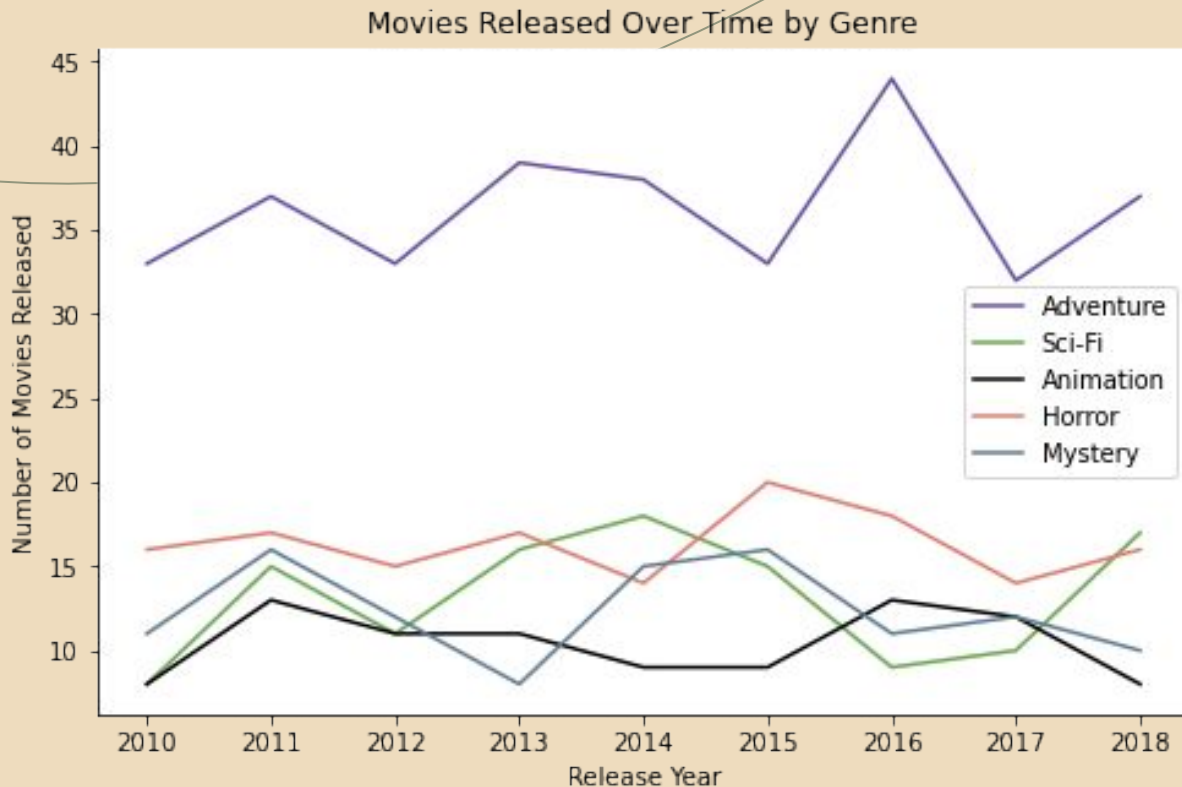
By being selective about genres, we can improve upon that.

What genres have the highest ROI?

Change in ROI From Baseline by Genre

The following genres significantly outperform the median ROI for all movies:

- Mystery + 38%
- Horror + 27%
- Animation + 23%
- Sci-Fi + 16%
- Adventure + 13%

What genres are people watching?
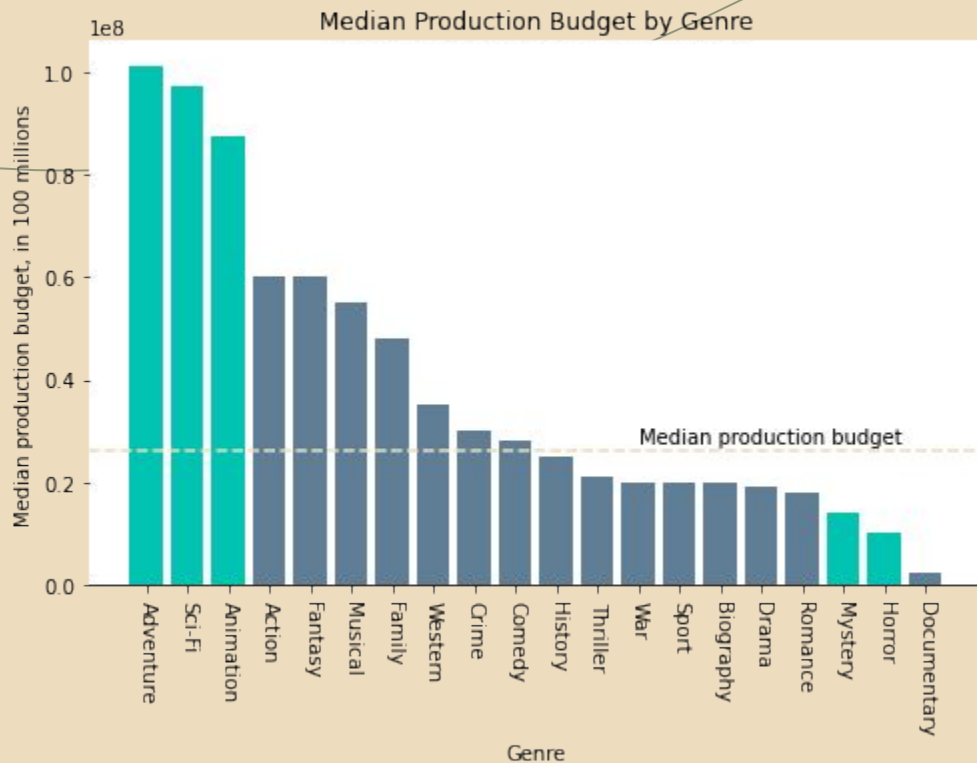

Movies Released Over Time by Genre

Adventure movies are by far the most popular.

Science fiction has increased in popularity recently.

Few mysteries and animation movies are released each year.

How much do they cost to make?

Median Production Budget by Genre

Adventure, science fiction and animation are all expensive to make.

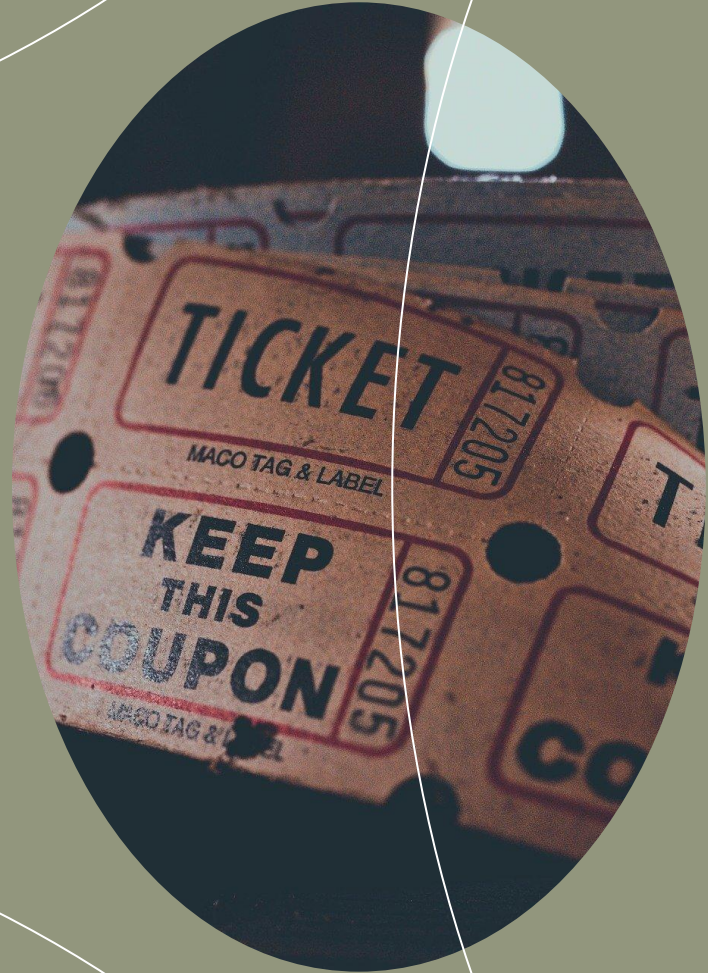Mystery and horror movies fall well below the median production budget.

Recommendations

Focus production on movies in the adventure, horror and science fiction genres because they have a high ROI and are popular.
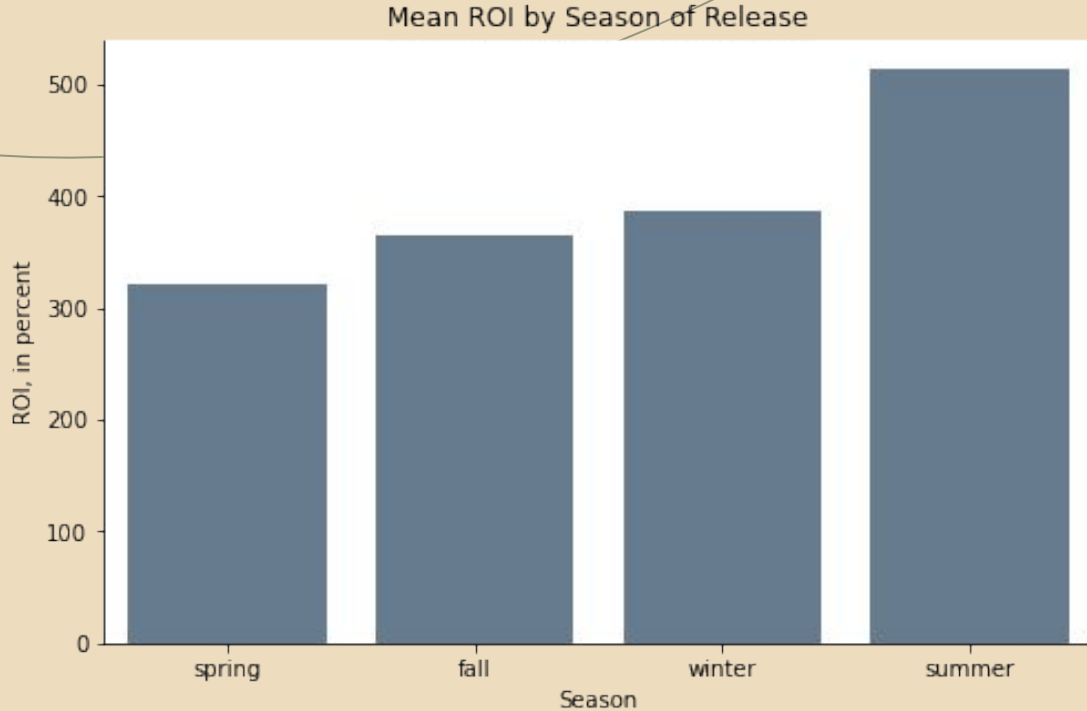
If budget is limited, emphasize horror movies, as they have a higher return than average and a much lower production cost.
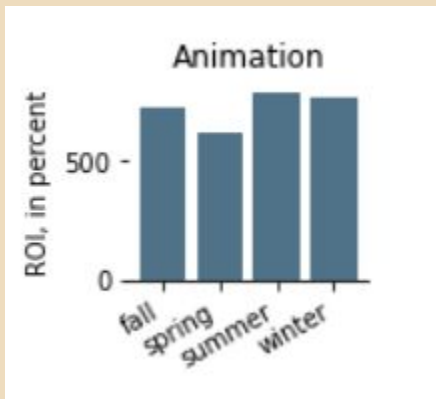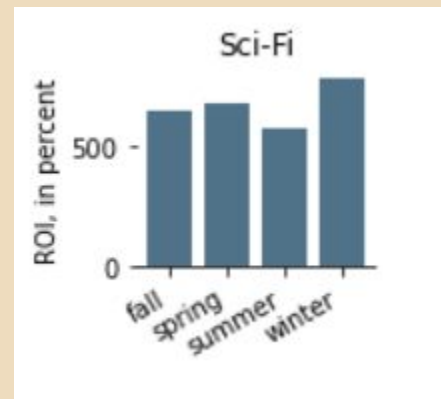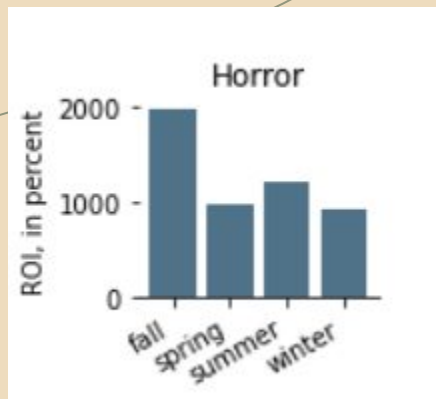
03

Timing matters.

Does ROI vary based on season of release?

Mean ROI by Season of Release

Movies released in the summer have the highest ROI.

Do different genres perform better in certain seasons?

Mystery — ROI, in percent (fall, spring, summer, winter)

Horror — ROI, in percent (fall, spring, summer, winter)

Adventure — ROI, in percent (fall, spring, summer, winter)

Sci-Fi — ROI, in percent (fall, spring, summer, winter)

Animation — ROI, in percent (fall, spring, summer, winter)

Peak performance times:

Fall → Mystery & Horror

Summer → Adventure & Animation

Winter → Science Fiction

Recommendations

Focus on summer releases, especially for big-budget adventure movies because summer has the overall highest ROI and is when the ROI for adventure peaks.

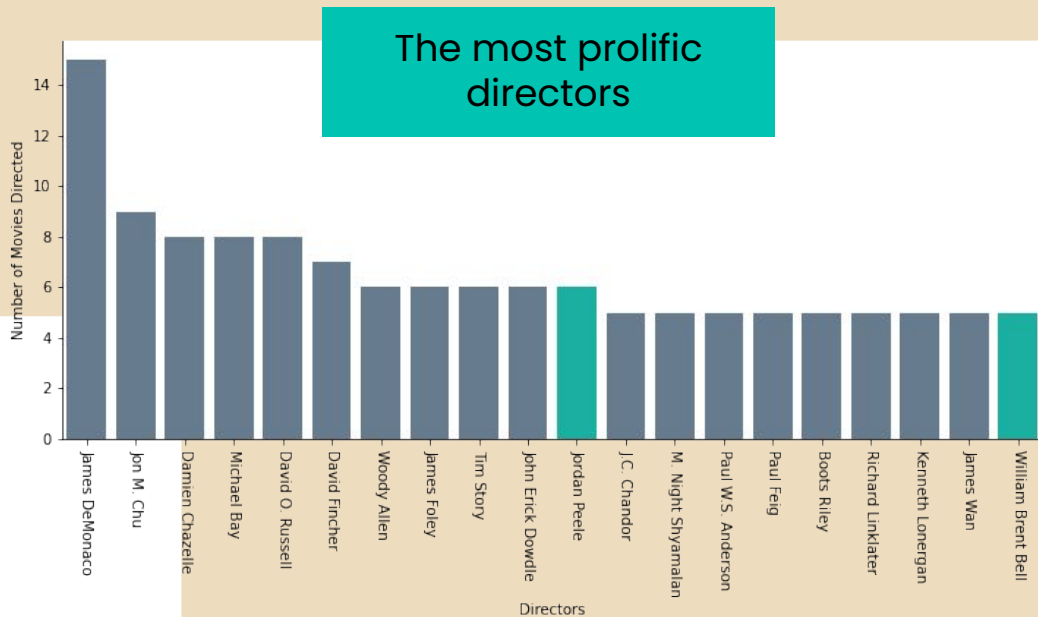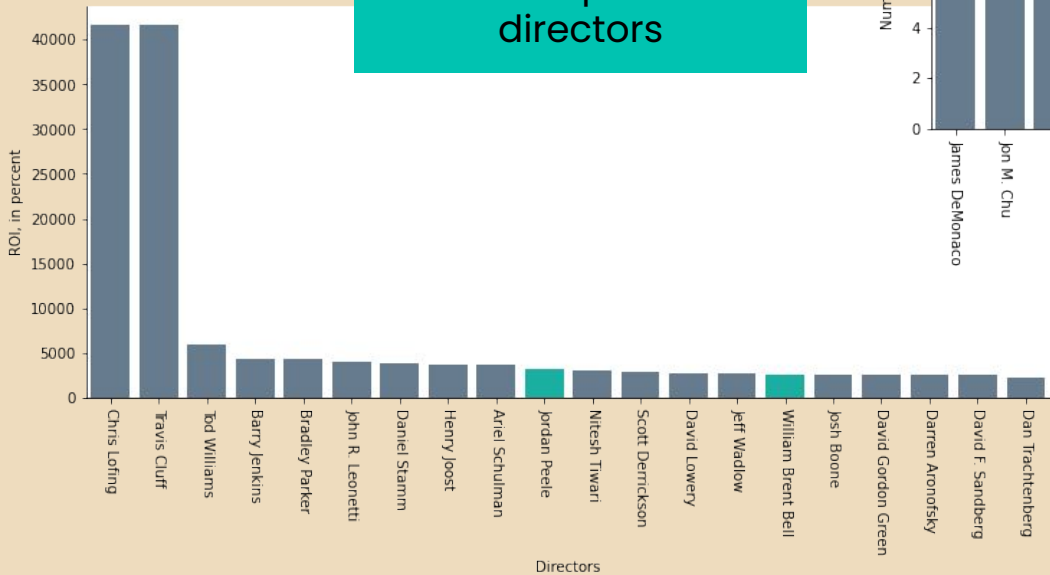Release horror movies in the fall and science fiction in the winter to coincide with their best ROI.

04

Hire the right people.

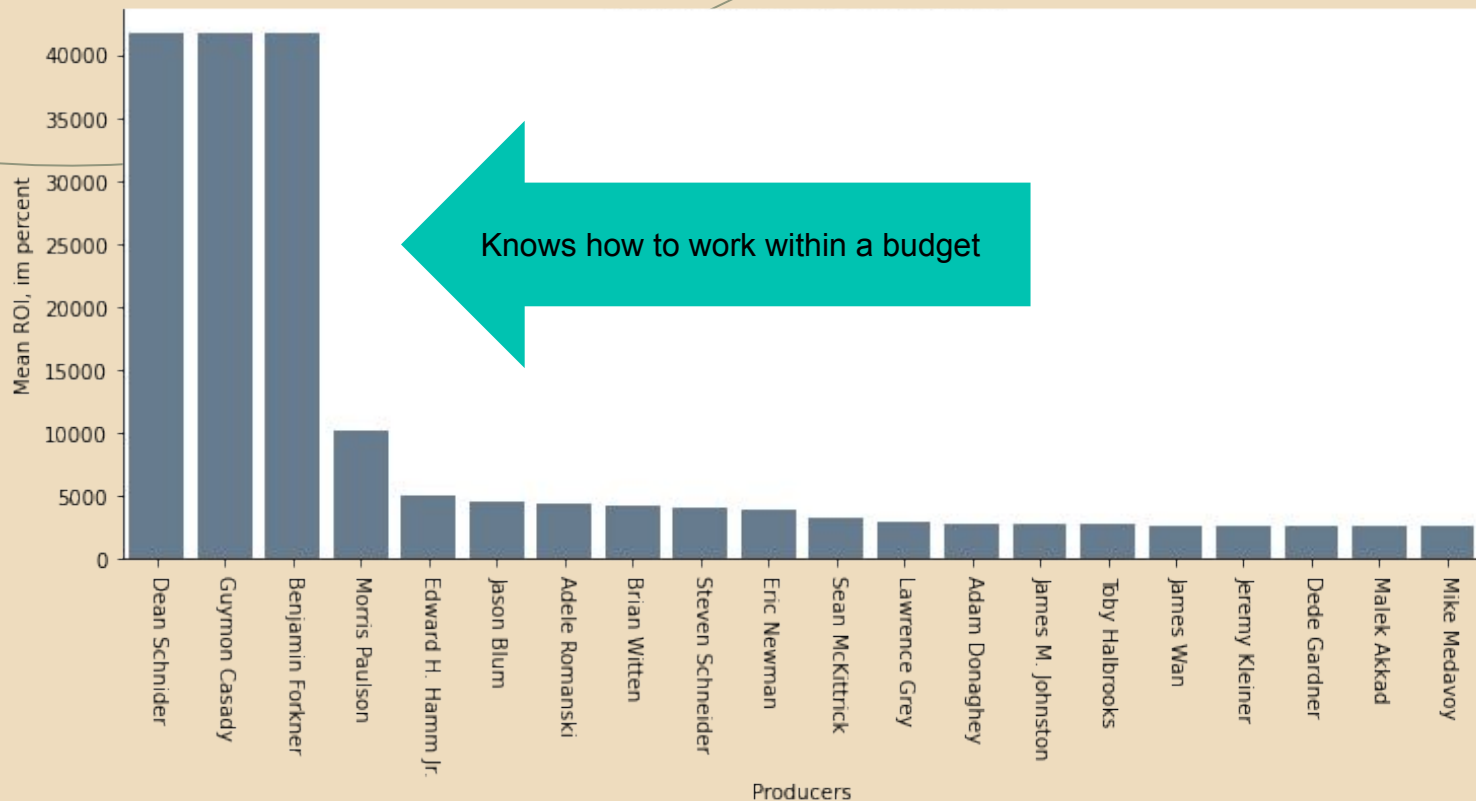*Movie production is a huge investment in both time and money.*

By picking the right directors and producers, we can ensure that resources are utilized effectively.

Which directors have a record of movies with a high ROI?

Which producers have made profitable movies?

The 20 Most Profitable Producers

Knows how to work within a budget

Recommendations

Create opportunities to hire Jordan Peele or William Brent Bell as directors because they are popular and have directed movies with a high ROI.
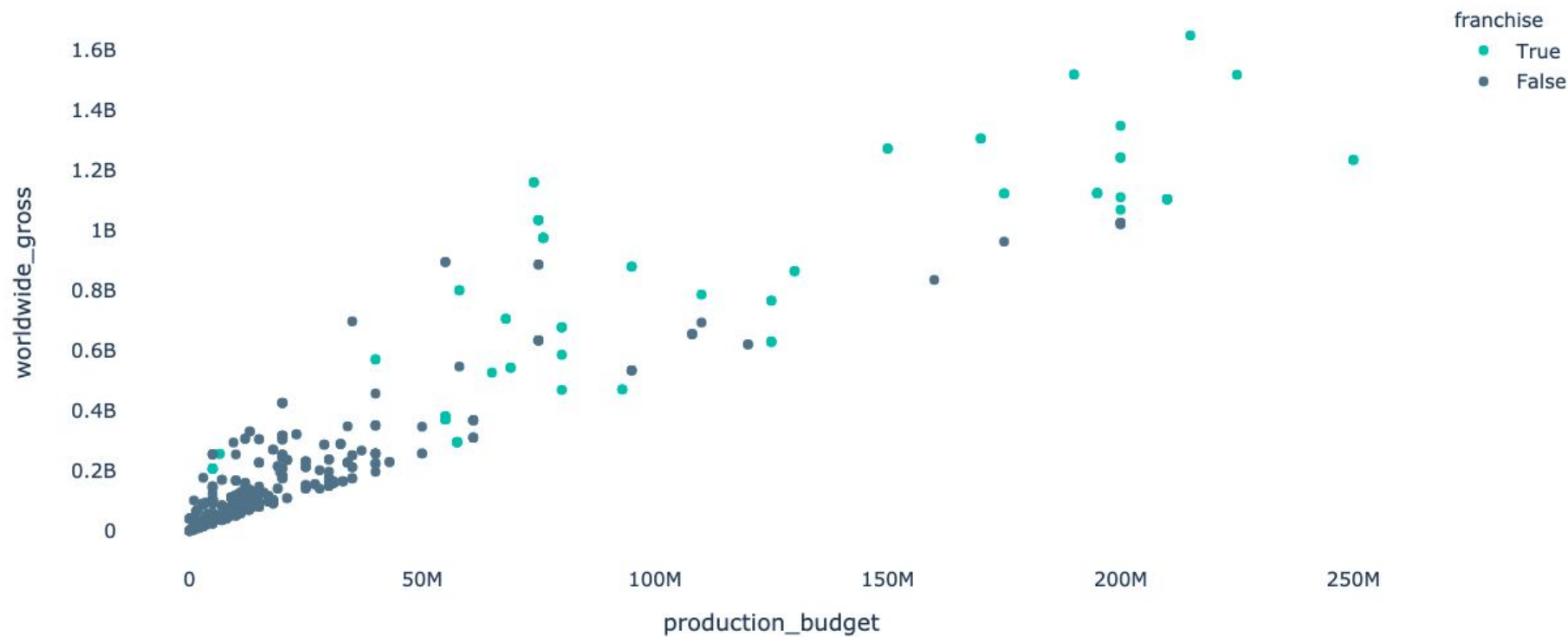
Consider Dean Schnider, Guymon Casady or Benjamin Forker as producers since they have produced profitable movies.

05

If you go big, go franchise.

Do franchises perform better?

Recommendations

Look for opportunities for movie franchises, especially for big-budget productions.
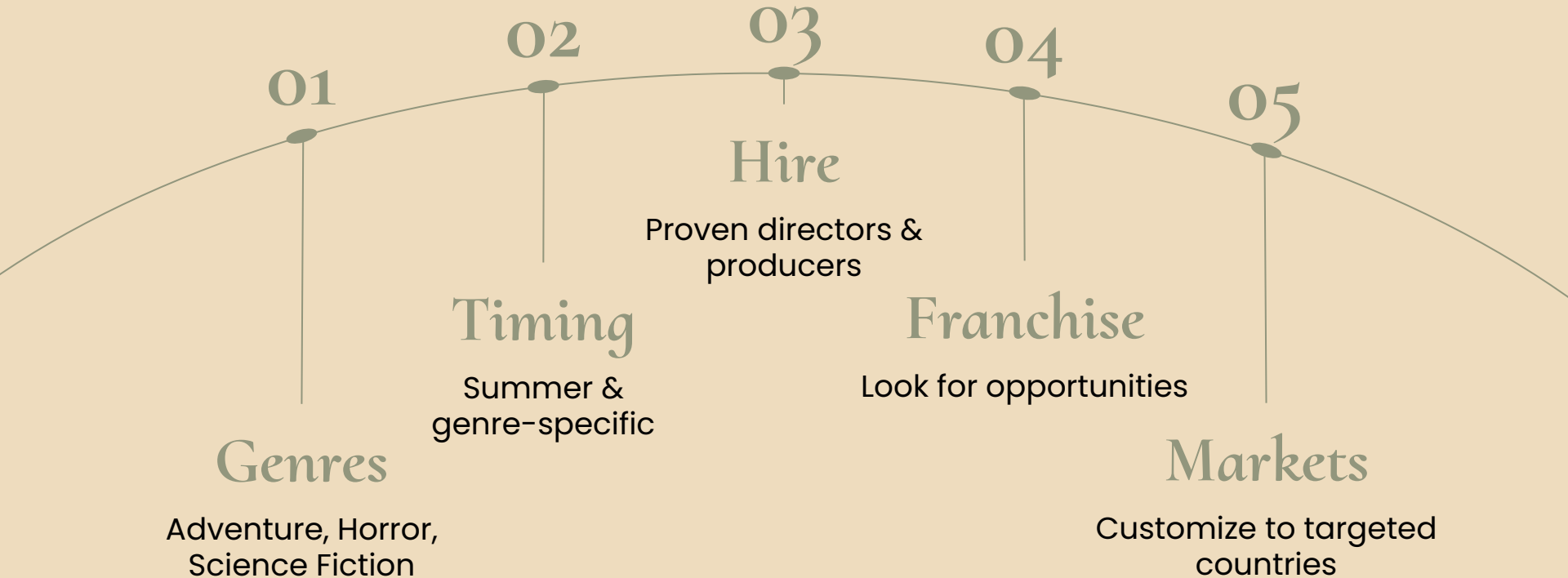
06

Make it once, sell it multiple times.

Which markets buy the most American-made movies?

Recommendations

Customize high-performing movies for the following global markets: Brazil, Russia, Germany & Spain.

Recommendations

01

Genres

Adventure, Horror, Science Fiction

02

Timing

Summer & genre-specific

03

Hire

Proven directors & producers

04

Franchise

Look for opportunities

05

Markets

Customize to targeted countries

Future Work

- Research streaming markets to determine what movies are most profitable in that domain

- Examine data from 2020-2021 to analyze the impact Covid had on the movie market

- Obtain more data on the expenses in movie production to calculate ROI more accurately

Thank you for your time today.

Do you have any further questions?

Resources

Data

- IMDB
- The Numbers
- Wikipedia

Photos

- Pixabay

Thanks!

Do you have any questions?

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