

MICROSOFT MOVIE STUDIO

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BUSINESS UNDERSTANDING

Introduction

Microsoft is a multinational and one of the world's largest technological companies. In the beginning, it was mainly developed for the sole purpose of developing and selling a version of the BASIC programming language. Over the years, it has expanded its product and service offerings and has been well known more key products and business areas. Some of them include Hardware, Operating Systems and Cloud services just to mention a few.

Business Problem

Understanding market trends and customer preferences is crucial for making informed investment decisions in products that align with demand. This knowledge facilitates the creation of tailored products, the development of effective marketing strategies, and the mitigation of potential risks. By analyzing the market's opportunities and challenges, a company can strategize for successful diversification. In the context of the movie-making industry as Microsoft intends to be part of it, a majority of films are profitable. To optimize returns, one should investigate factors such as the movie genre, duration, runtime, domestic gross. The movie industry is a very profitable industry. However, just like any other industry risks are likely to occur. In this regard, I analyze historical data on varied variables to determine what determine profits from movies to inform investment decisions.

Main Objective

To determine the factors that determine the profitability of movies

Specific Objectives

Which genre of movies is considered to be more popular? Do things like movie run time and seasons in which the movies are released have an impact on a movie's profitability?

Data Understanding

The dataset used in this project was extracted from BoxOffice Mojo and IMDB. I focused on the following variables:

Genre: Category of artistic composition, characterized by similarities in form, style, or subject matter for a piece of content.

1. Run Time; The duration of a movie
2. Domestic Gross; The sales made on a movie
3. Average Rating; Rating per genre

I also decided to focus on movies/genres that made a gross income of more than 25 Million dollars.

Recommendations

1. Target June and December for Movie Releases; Plan major movie releases during June and December, considering these months have the highest movie sales. This might be attributed to summer holidays and festive seasons respectively.
2. Prioritize Longer Movie Runtimes: Focus on producing movies with runtimes in the range of 140-150 and 160-170 minutes as they seem to have a higher sales potential.
3. Focus on Popular Genres: Invest in movie genres that have historically shown to gross the highest amounts. It's essential to stay updated with the list of top-performing genres to capitalize on trends.
4. Optimize Movie Runtime for Maximum Gross: Producers and filmmakers should consider targeting a movie runtime between 140 to 160 minutes. This range has demonstrated the highest potential for domestic gross based on the data, striking a balance between comprehensive storytelling and audience endurance.

Conclusions

1. Genre Importance: The genre of a movie significantly influences its commercial success.
2. Seasonal Impact: Release months play a critical role in the domestic gross of films, with summer and winter being peak times for the movie business.
3. Balancing Runtime with Quality: While longer movies have the potential for higher sales, it's essential to maintain quality. A moderate runtime of 100-120 minutes with good reviews can still achieve substantial domestic gross.
4. Runtime's Diminishing Returns: While there's a consistent upward trend in domestic gross as movie runtime increases from 80 minutes to 160 minutes, there's a tipping point post the 160-minute mark. Movies exceeding this runtime seem to experience a drop in domestic gross, indicating that audience preference leans towards comprehensive but not overly extended viewing experiences.

Note: While these conclusions and recommendations are based on historical data and current observations, it's essential to acknowledge that the movie industry and the entertainment industry at large is dynamic, and trends may evolve. Continuous data analysis and adaptability are key for ongoing success.

