

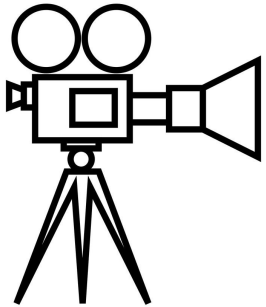
What Should Microsoft Spend on Movie Production?

Molly Brown

Investigation:



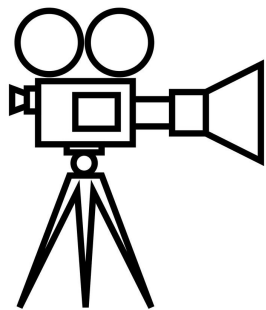
1. What correlation does a movie's production budget have on it's profit?



What should Microsoft expect when budgeting?



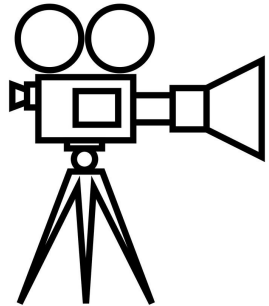
2. Does the budget to profit relationship change amongst the top ten earning movies?



Microsoft wants to be amongst those top ten.



3. Does the budget to profit relationship change amongst the movies with the ten highest budgets?



Does a higher budget automatically equal a higher profit?

Budget VS. Profit for All Movies Listed

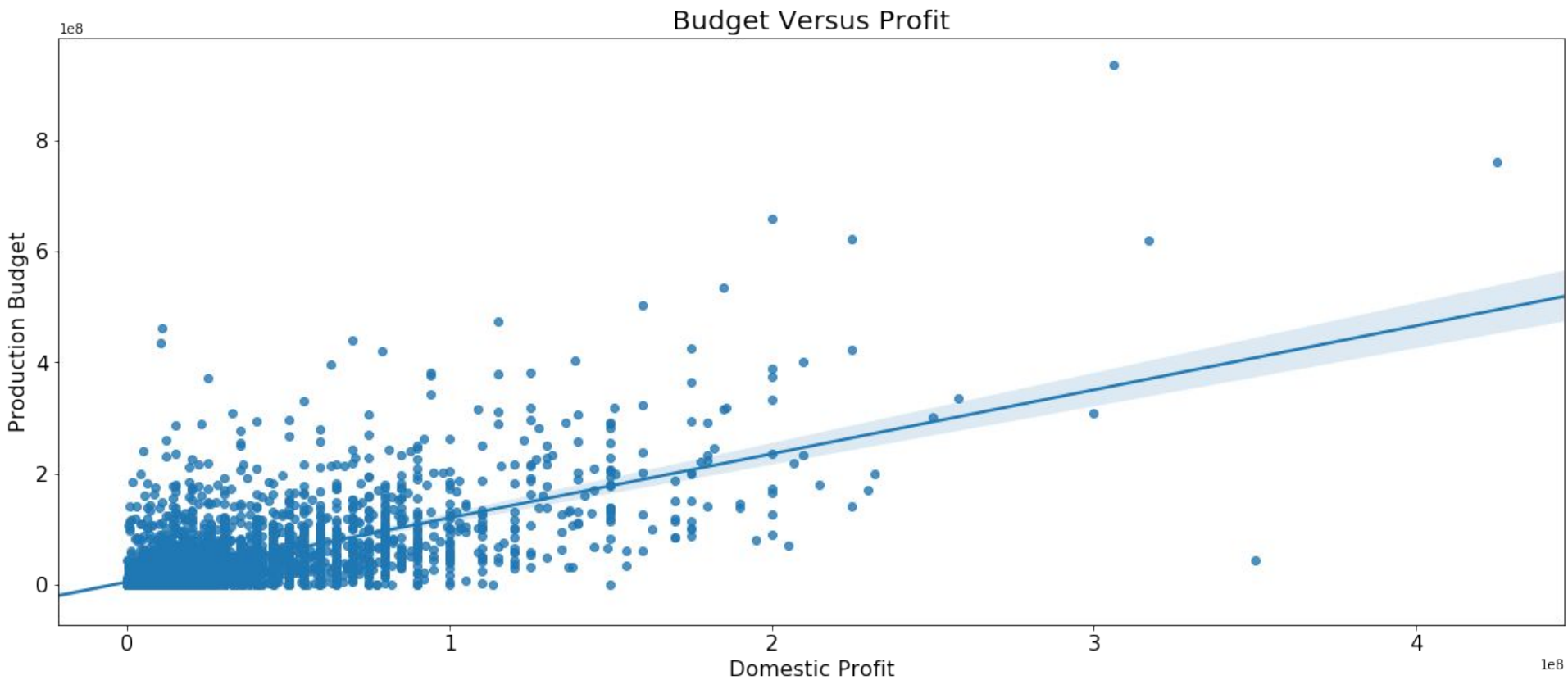
Correlation Coefficient = .68

Average production budget = \$27,557,245

Average domestic profit = \$36,608,449

Difference = \$9,051,204

Average profit return = \$1.33



What About the Top Ten Earners?

Correlation Coefficient: .79

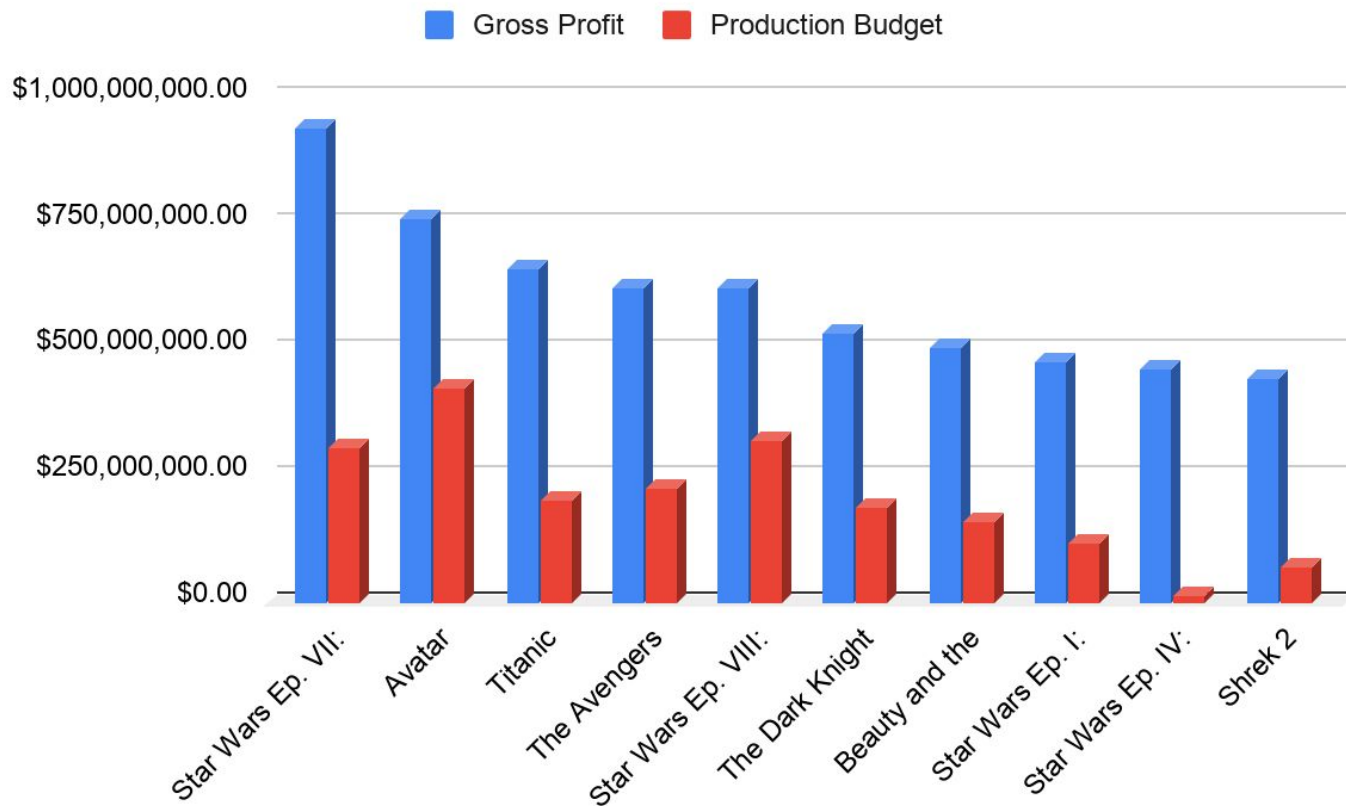
Average Production Budget: \$201,400,000

Average Domestic Profit: \$601,449,876

Difference: \$400,049,876

Average Profit Return: \$2.99

Top Ten Earners



Ten Highest Budgets

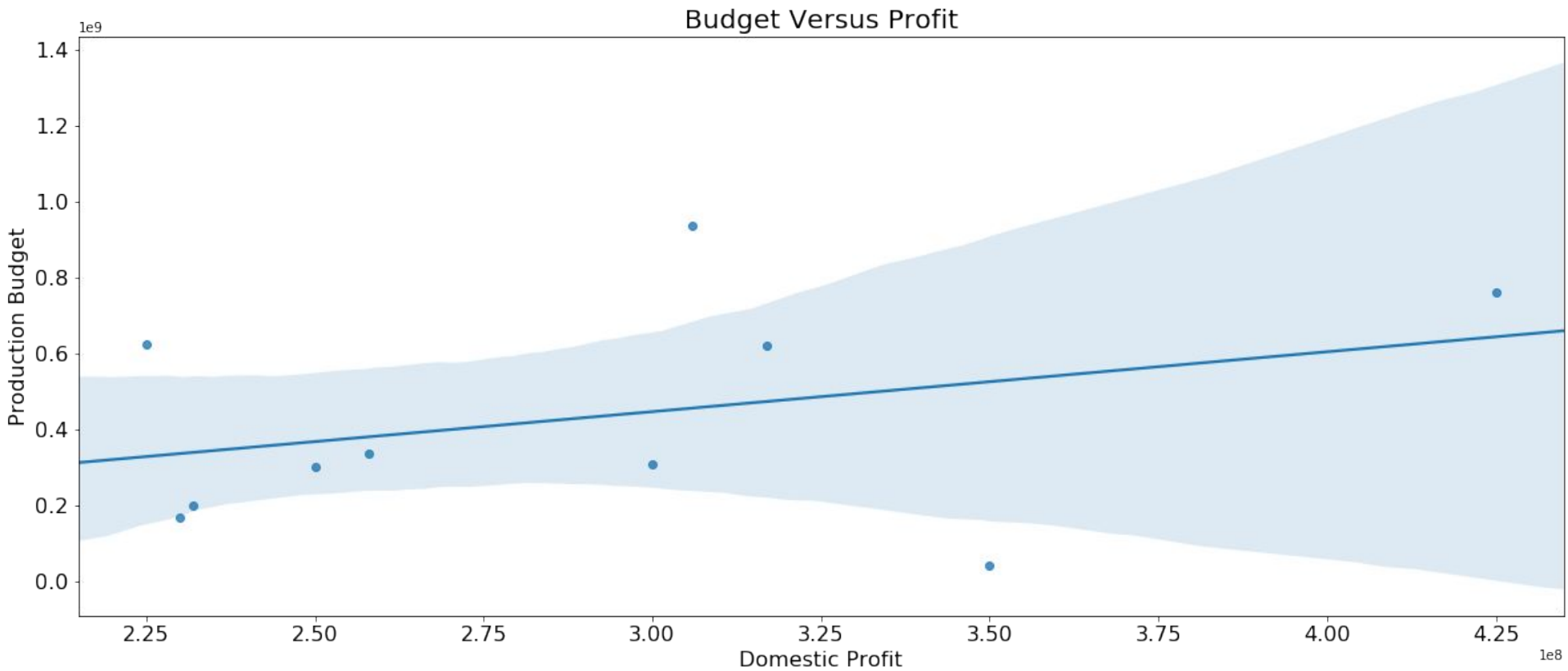
Correlation Coefficient: .35

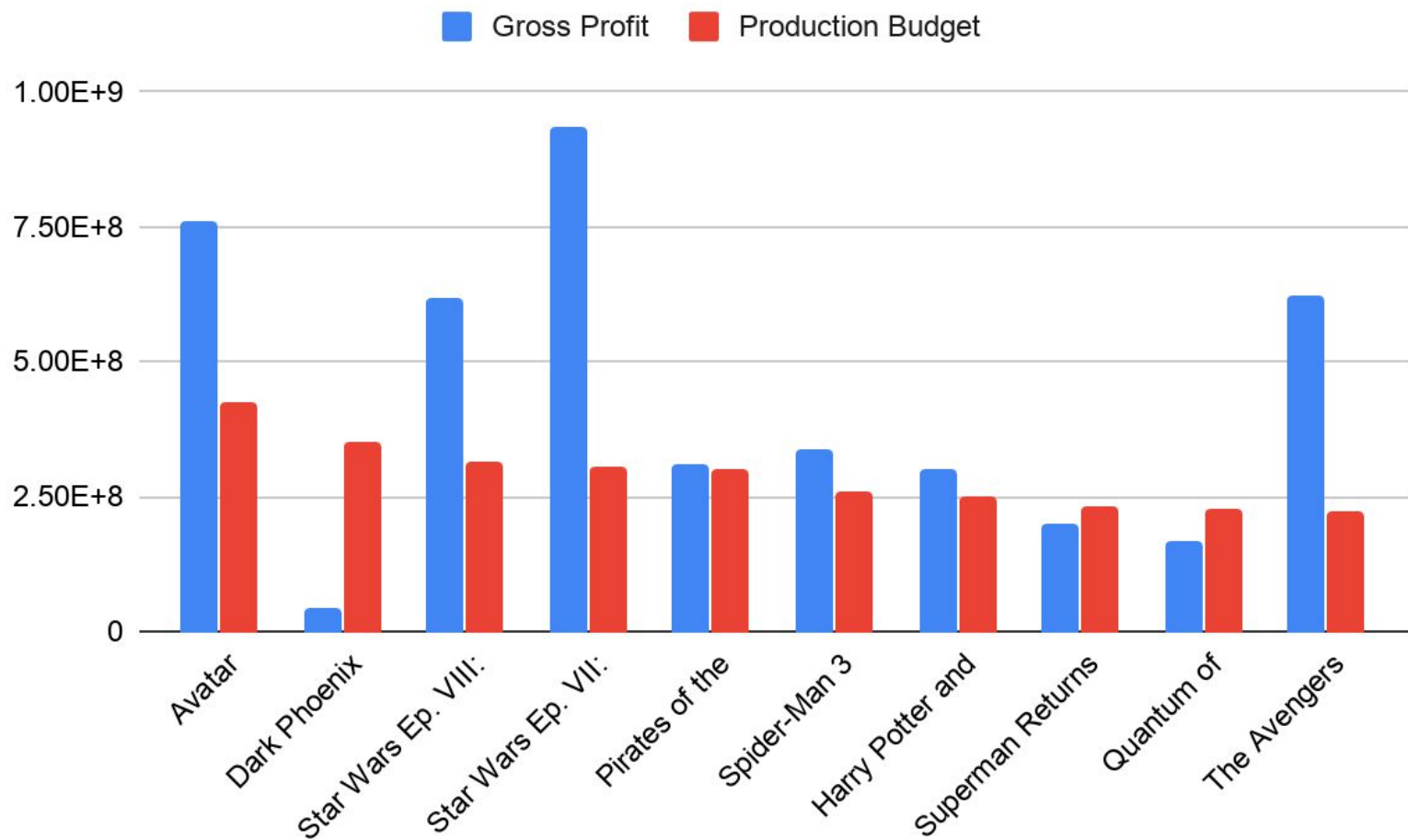
Average Production Budget: \$289,300,000

Average Domestic Profit: \$430,092,156

Difference: \$140,792,156

Average Profit Return: \$1.48





What to Take Away

- Budget and profit have a moderately strong correlation
- Highest profits == \$200,000,000 budget
- Highest profits \neq highest budgets
- Microsoft should take a look into other production factors such as:
 - Genre
 - Crew
 - Advertising/marketing
 - Historical Relevance