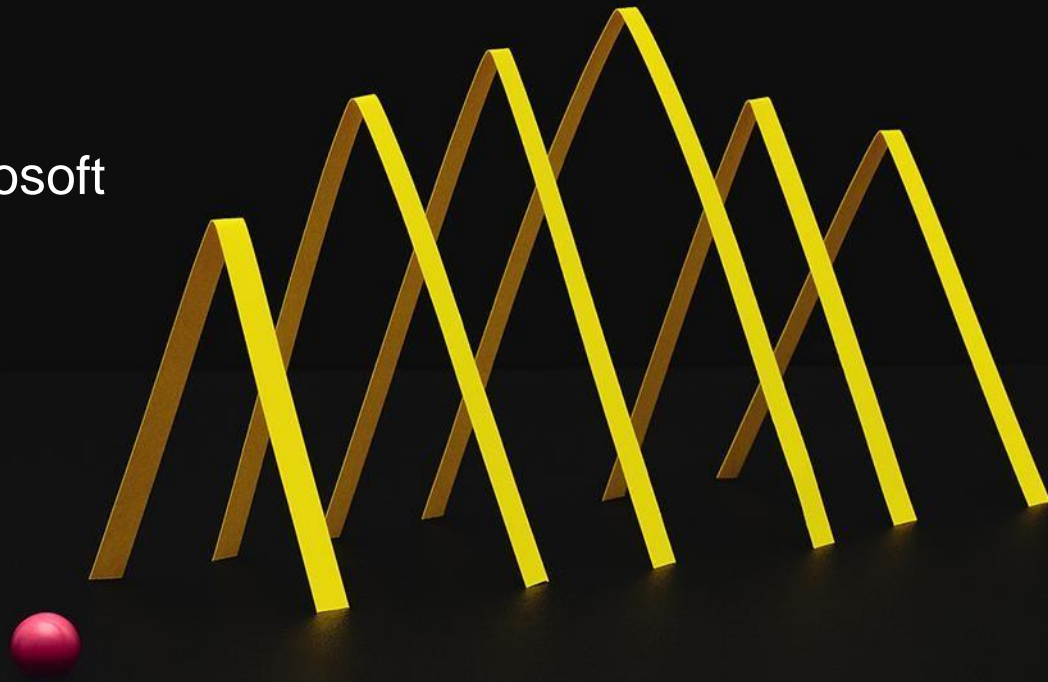


# Understanding The Opportunities In Film Industry

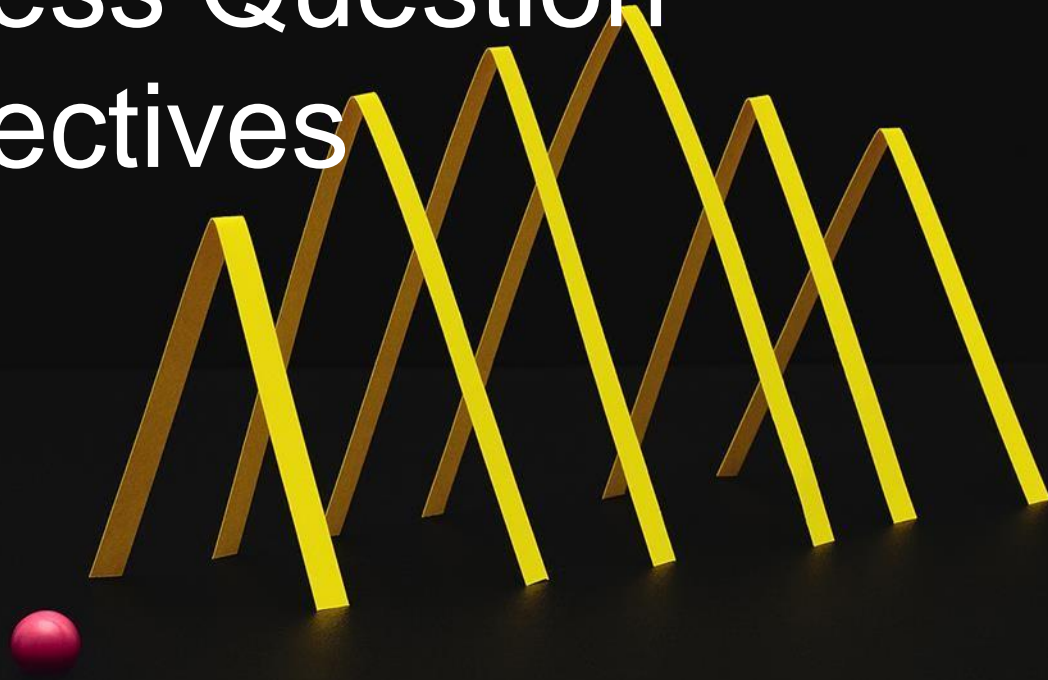
Report Prepared For Microsoft  
March 2023



# Report Outline

- Business Question & Objectives
- Background
- Show Me The Money
- Conclusions & Recommendations

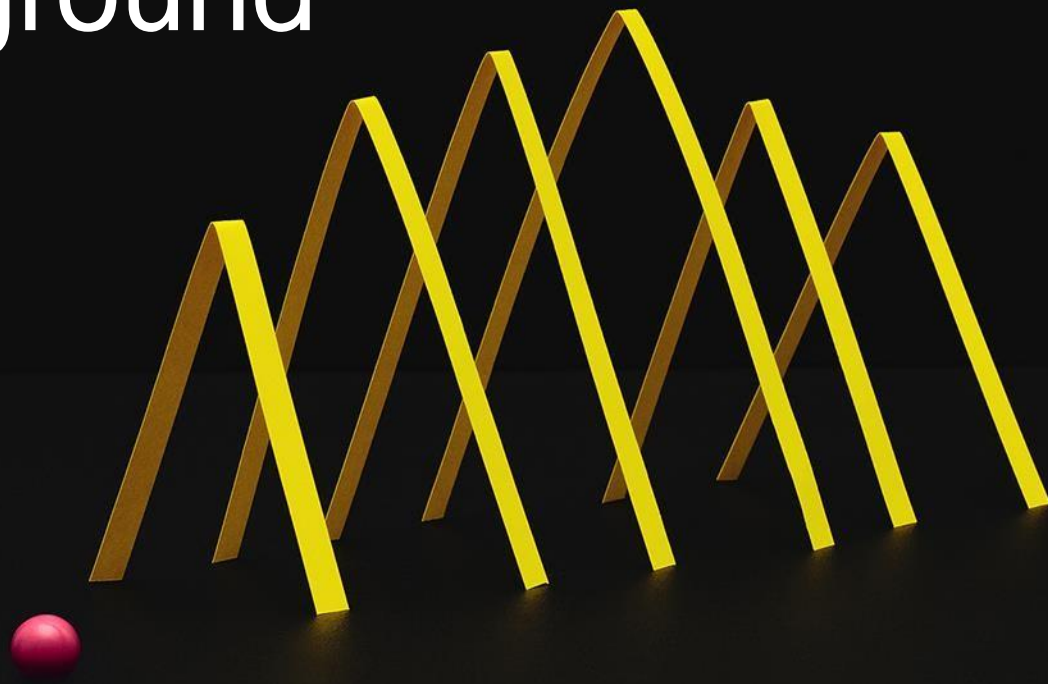
# Business Question & Objectives



**Microsoft sees all the big companies creating original video content and they want to get in on the fun. They have decided to create a new movie studio, but they don't know anything about creating movies.**

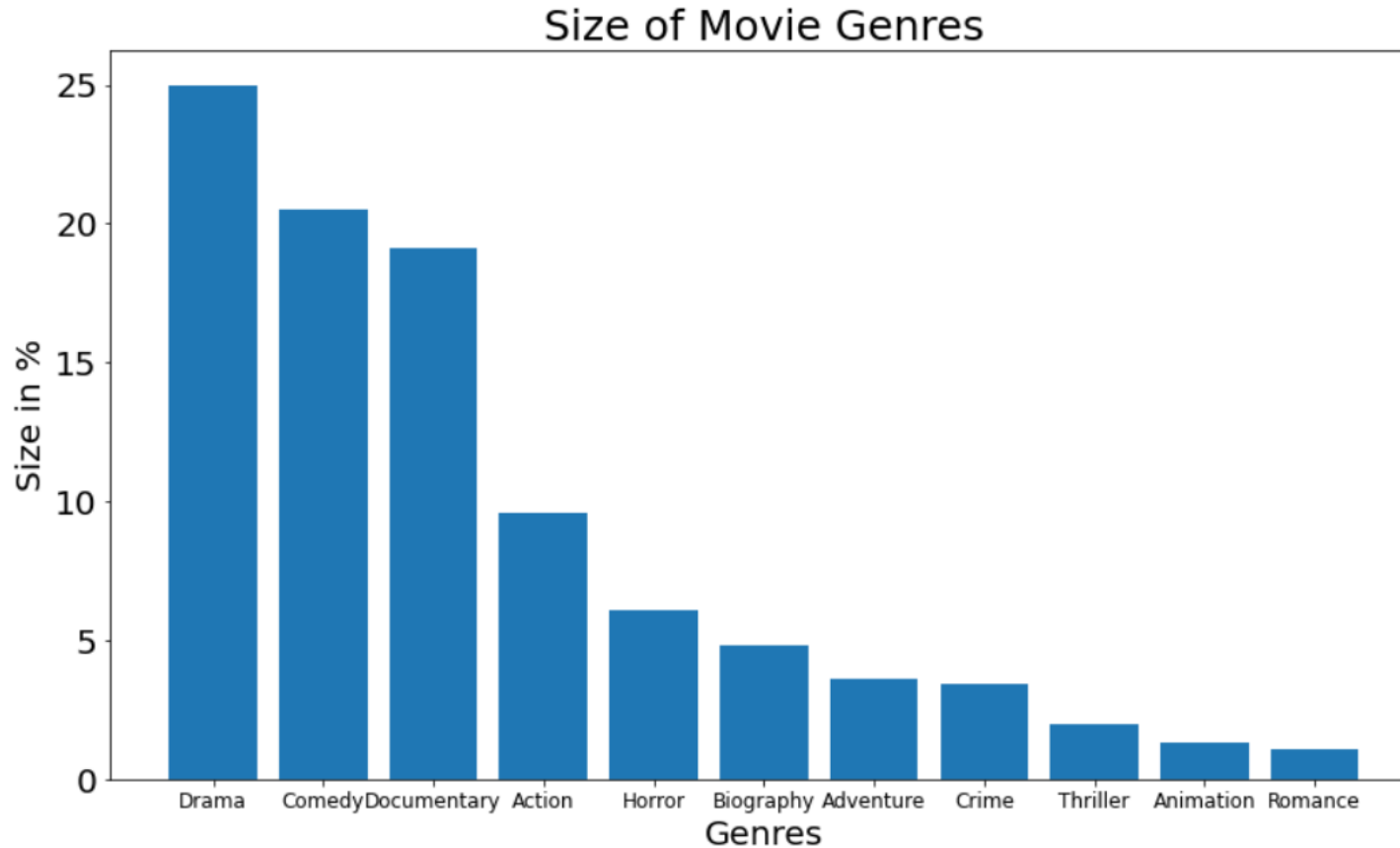
- How can Microsoft leverage on the insights of the current box office performance to create their own studio?
  - What are the current trends in the film industry and what types of movies are performing well at the box office?
  - What is the size of the movie industry?
  - What does the competitive landscape look like?
  - What is the financial opportunity in the movie industry
    - Which genres are profitable?

# Background



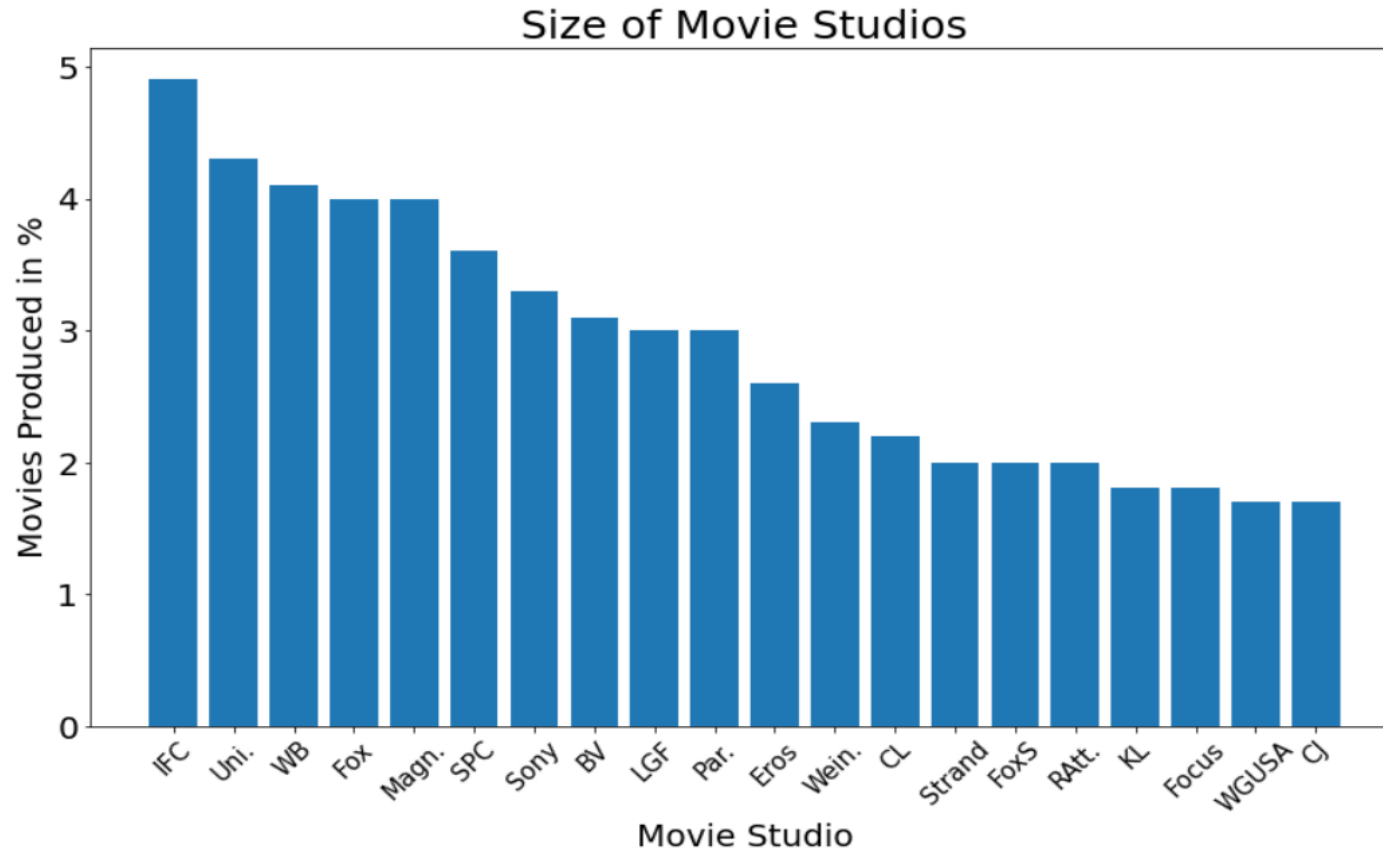
## Which Genres Are Big?

The top 3 genres (Drama, Comedy and Documentary) make up over half of the movies produced



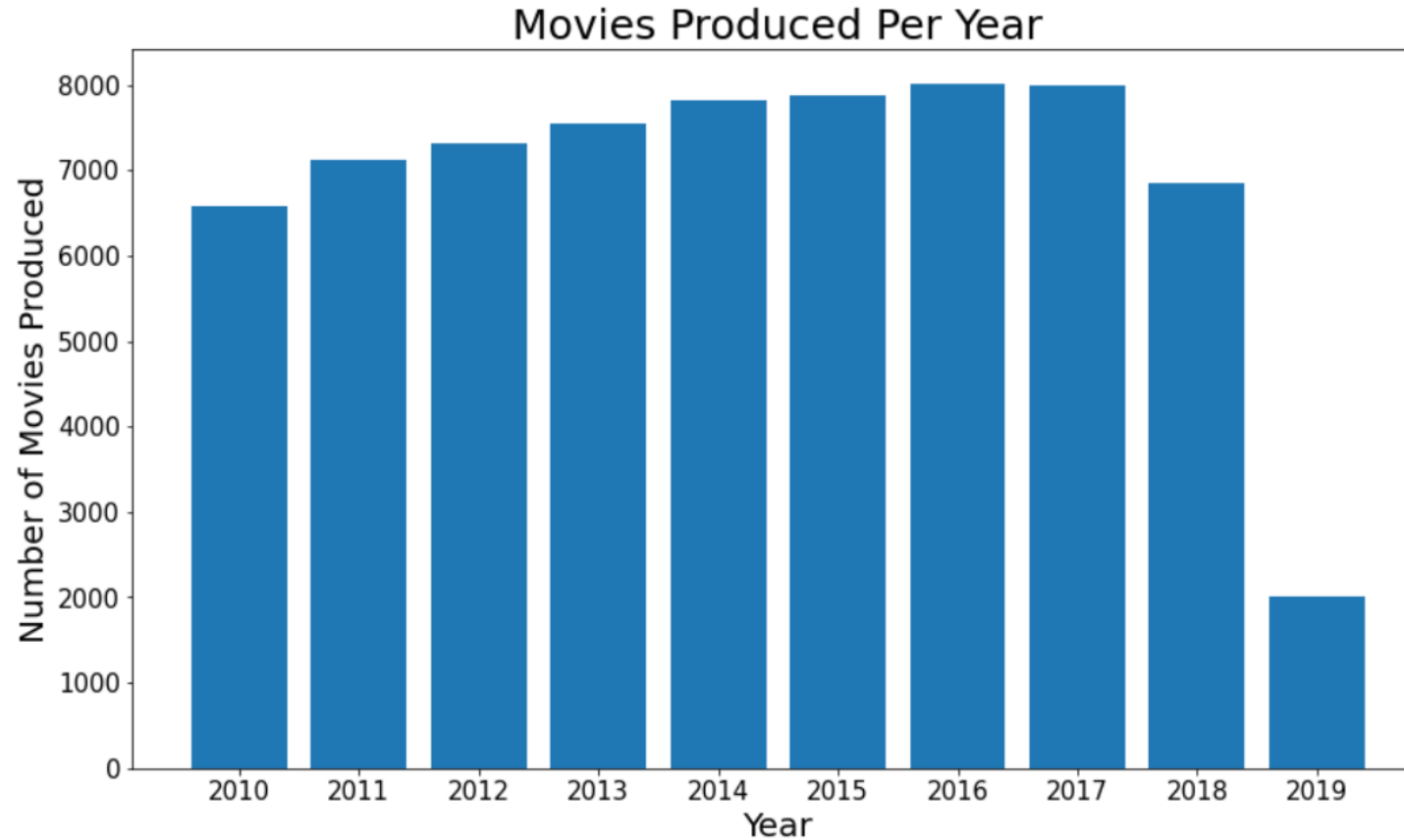
# Which Movie Studios Are Big?

The movie industry has many movie studios, totaling to 258 in our data. The plot below shows the size of movie studios based on the number of movies they have produced. This means there is no dominant market leader, with IFC, Universal, Warner Brothers, Fox and Magnet competing at the top



# How Long does a Typical Movie Last?

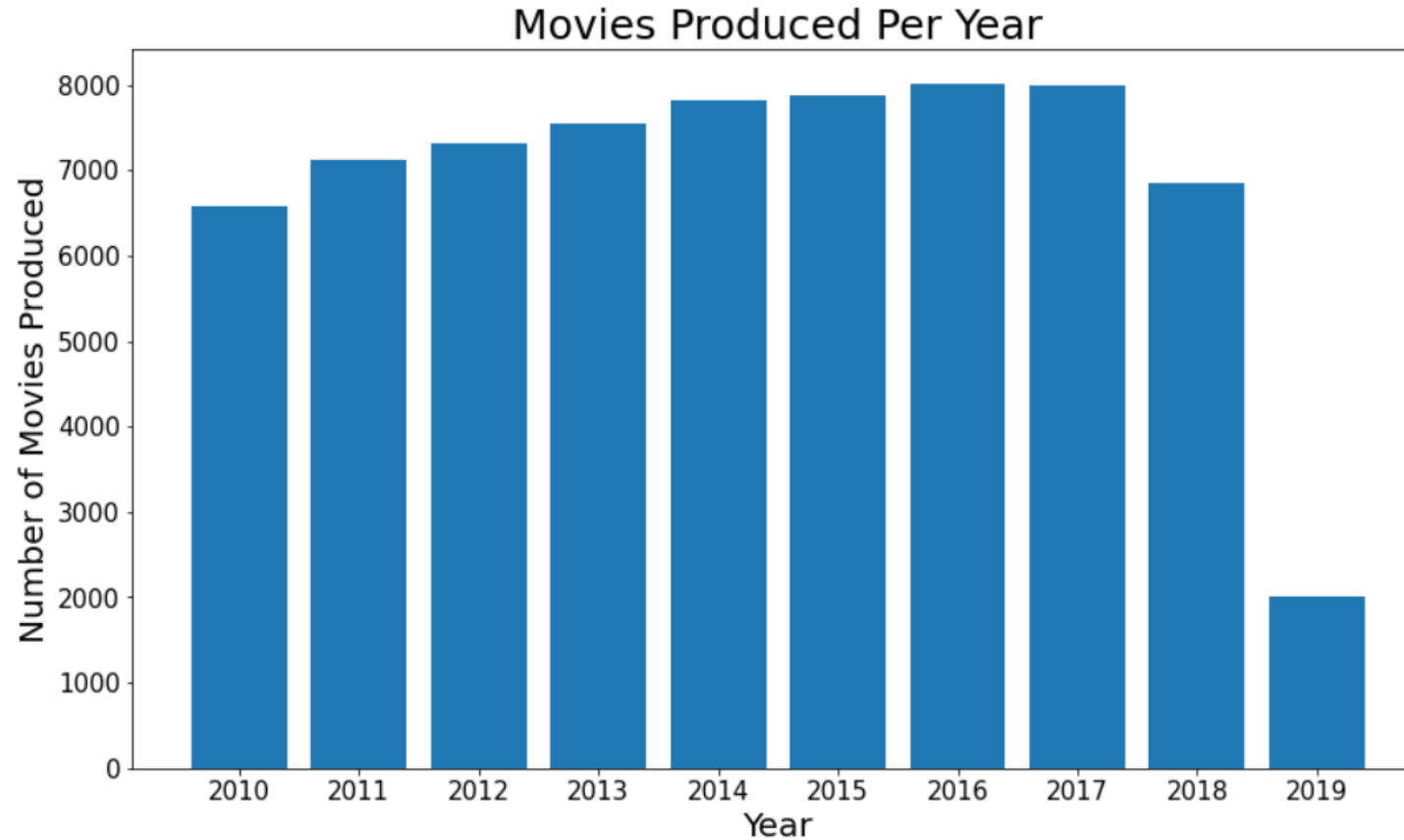
A typical movie will last around 100 minutes. However, there are those that will last slightly under 50 minutes or up to 250 minutes





# How Many Movies Are Produced Per Year?

Movies produced have been rising consistently since 2010. The drop in 2018 and 2019 could be a structure of the database - it is possible there were less movies saved in the database for those 2 years

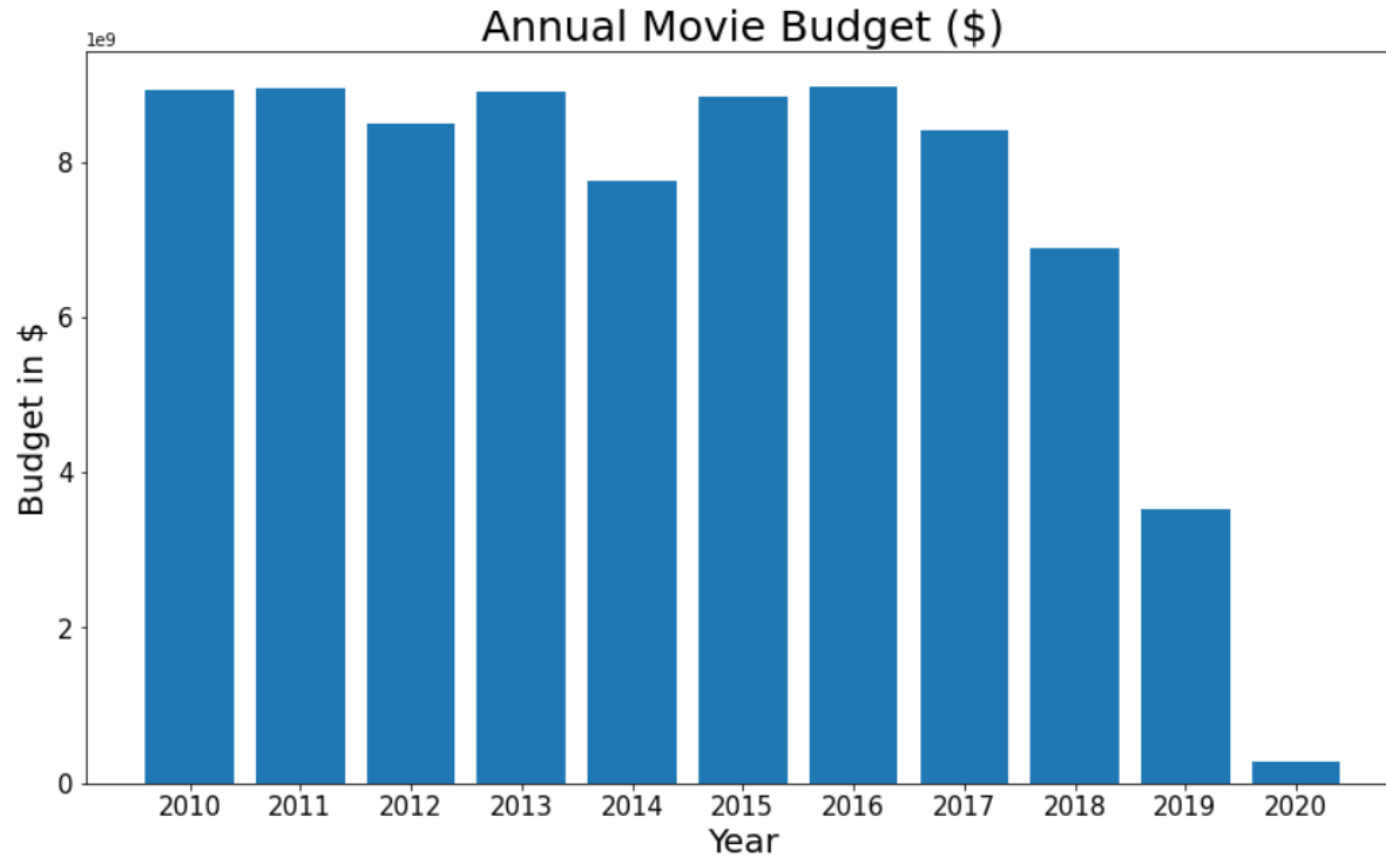


Show Me The  
Money



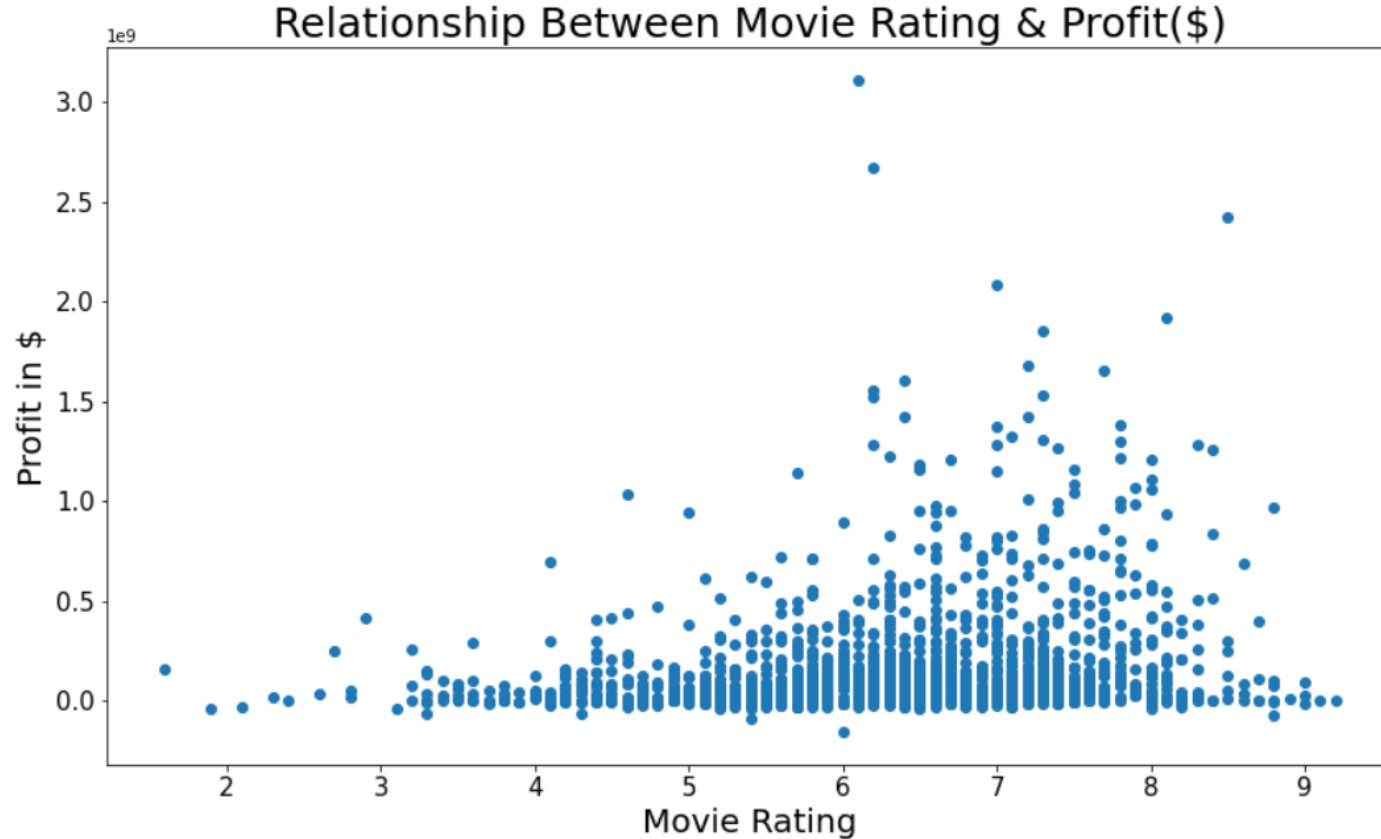
# How Much is spent Annually to Produce Movies?

Movie spend has been steady at the \$ 70 - 80 billion mark, except in 2020 when it dropped sharply likely due to covid



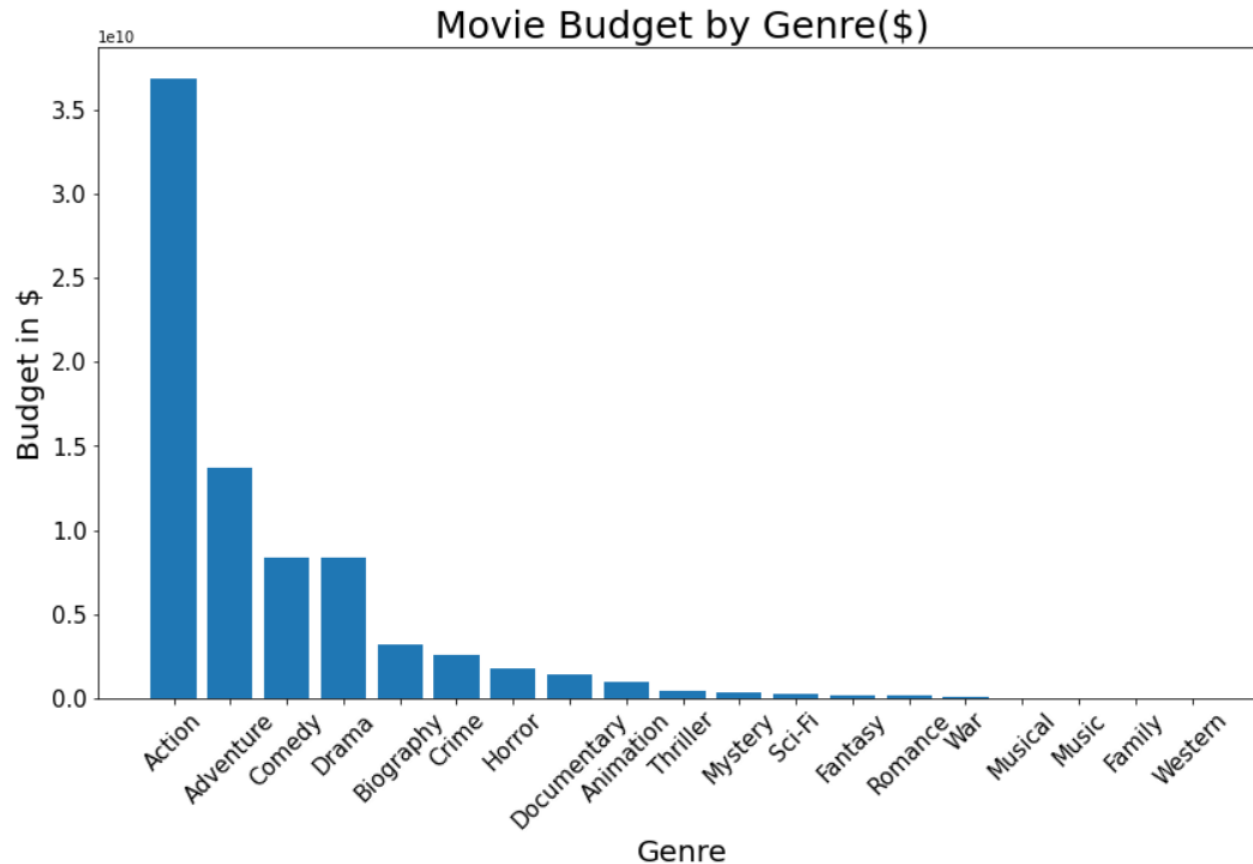
# Is There A Relationship Between Movie Rating & Profitability?

The scatter plot below shows there is hardly any relationship between movie rating and profitability



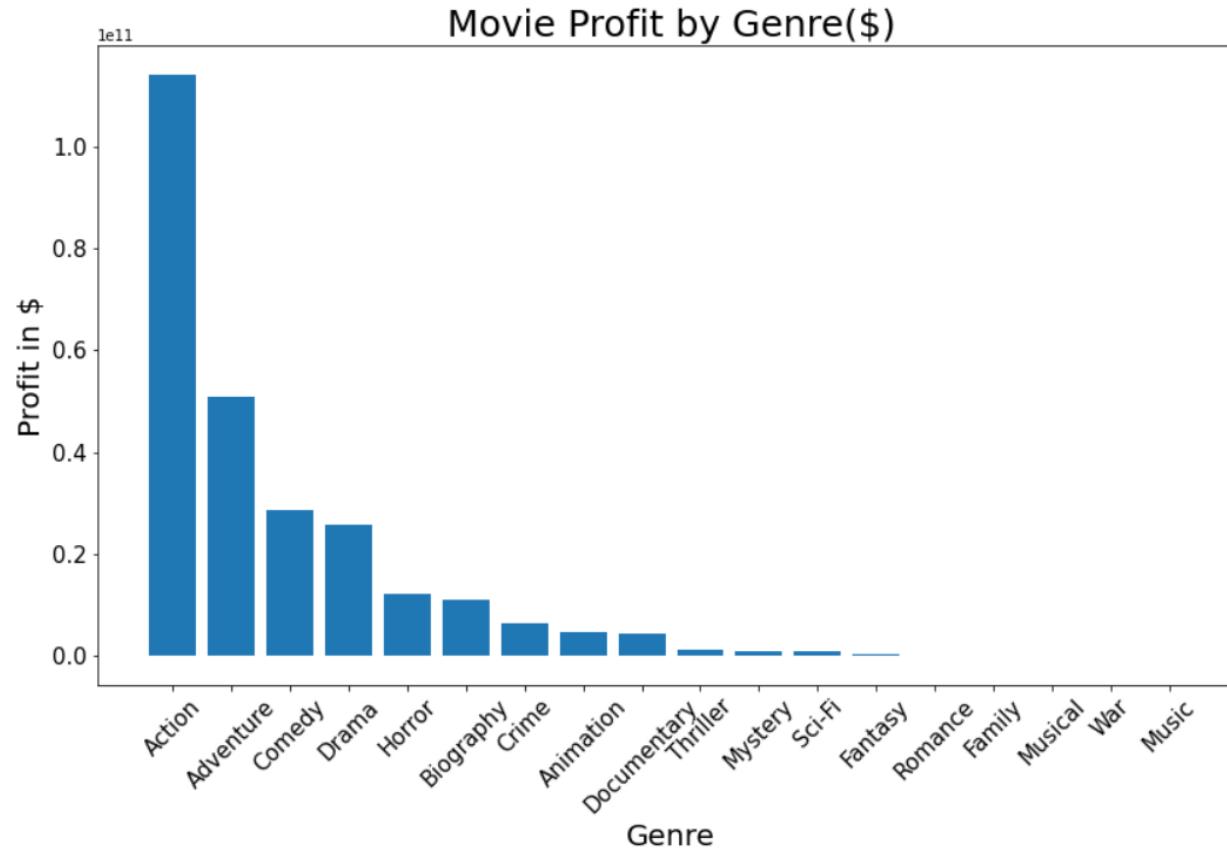
# Which Genres Spend The Most on Production?

Action genres is the biggest spender, dwarfing the rest.



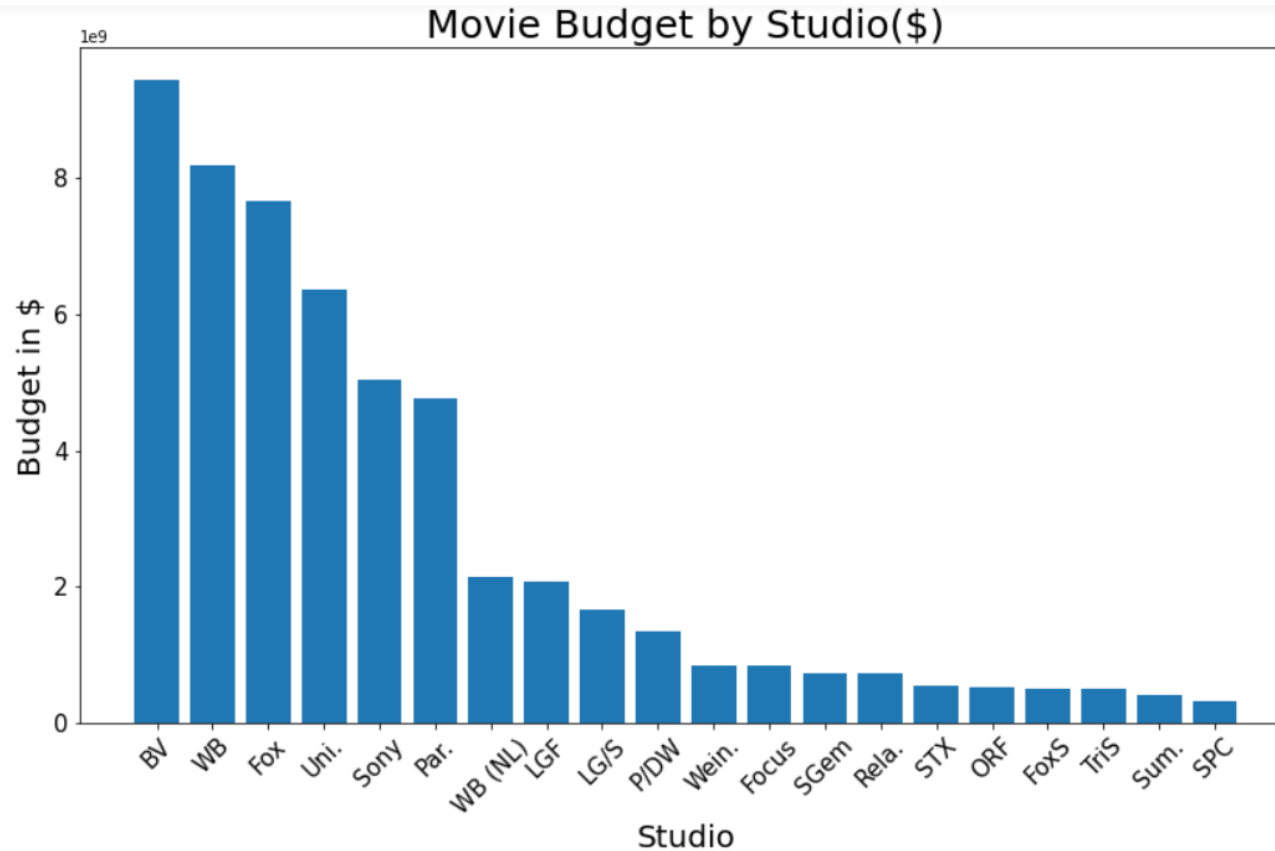
# Which Genres Are The Most Profitable?

Action genre is also the most profitable, dwarfing the rest.



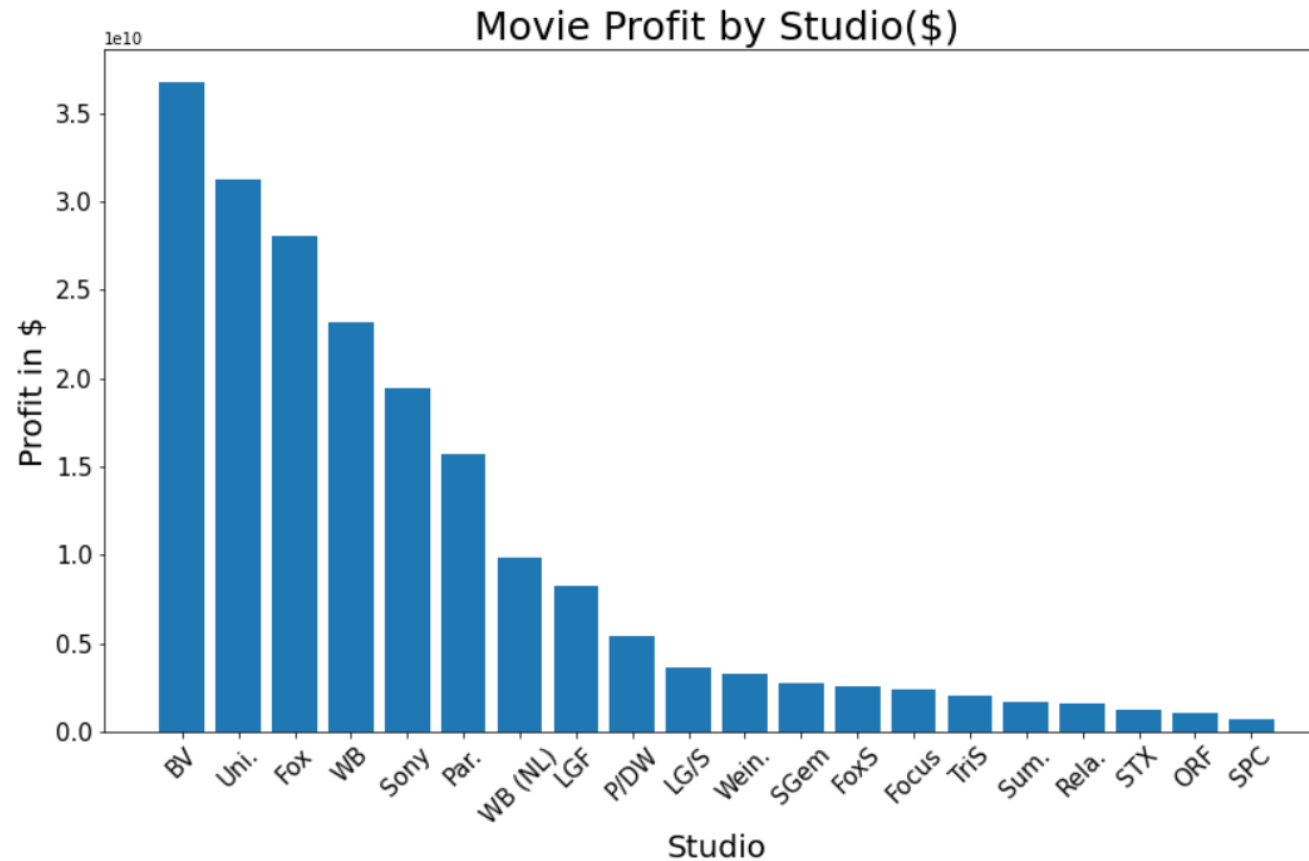
# Which Studios Spend the Most?

The biggest spending studios are Disney(BV), Warner Bros, Fox, Universal, Sony and Paramount



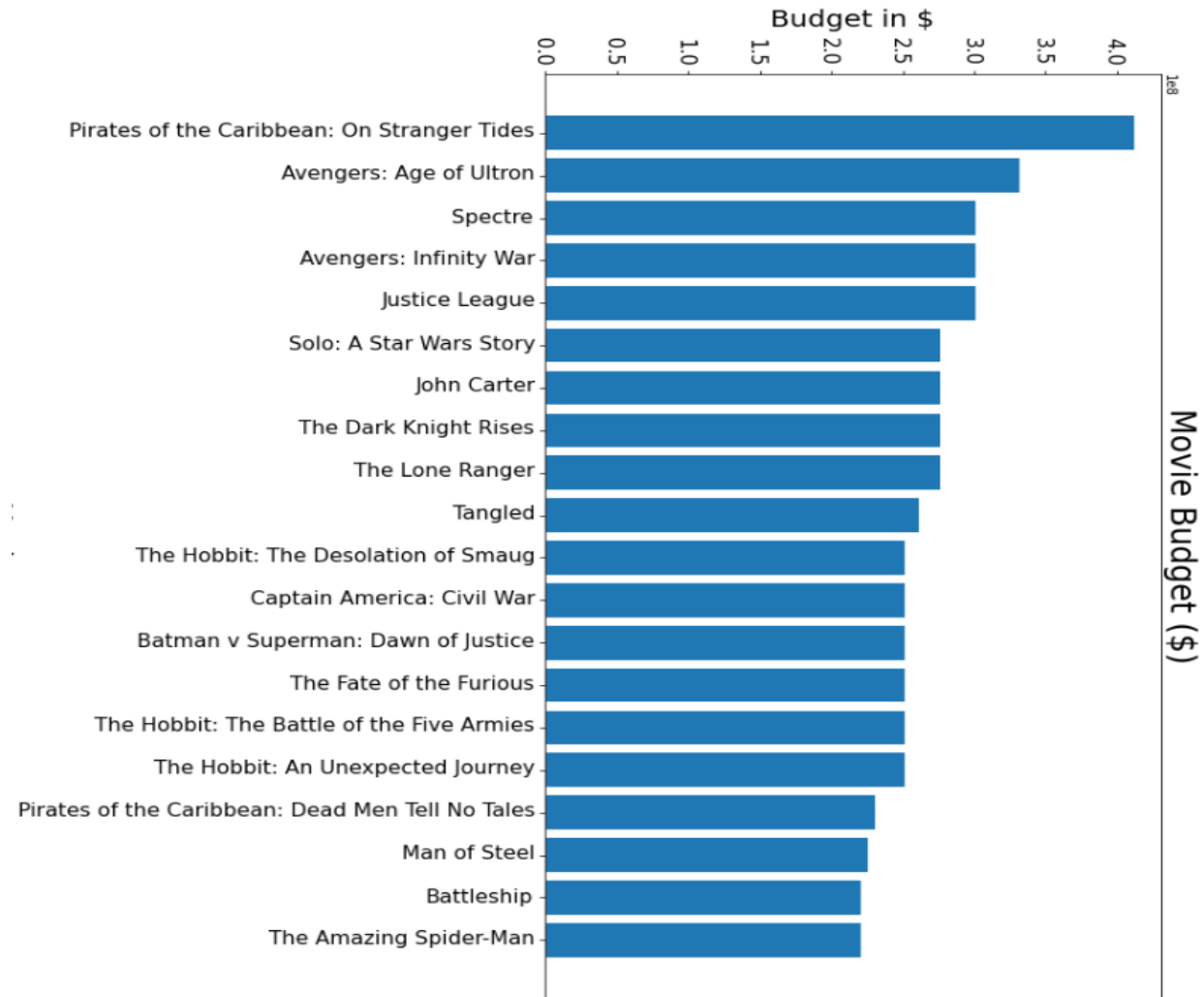
# Which Studios Are The Most Profitable?

The biggest spending studios are Disney(BV), Universal, Fox, Warner Bros, Sony and Paramount





# Which Movies Had The Biggest Budgets



# Conclusion & Recommendations



# Summary

- The top 3 genres (Drama, Comedy and Documentary) make up over half of the movies produced
- Movie industry is cluttered with over 250 studios. This means there is no dominant market leader, with IFC, Universal, Warner Brothers, Fox and Magnet competing at the top, in terms of movie volumes
- The biggest spending studios are Disney(BV), Warner Bros, Fox, Universal, Sony and Paramount – they are also the most profitable
- A typical movie will last around 100 minutes. However, there are those that will last slightly under 50 minutes or up to 250 minutes
- Action genres is the biggest spender, and also the most profitable

# Recommendation

- Action genres are not the biggest by number of movies produced. They however have the biggest budget and are the most profitable. Thus, this would be the first genre to consider production movies in, followed by adventure and comedy
- The movie industry is saturated and has many players. Thus Microsoft will need to diversify beyond the box office and think of leveraging new technology like stream to increase audience reach
- Significant monetary investment required as the average movie cost roughly 31 million dollars

# Thank You

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