

Microsoft Movie Studio Analysis

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Summary

Descriptive analysis of budget, revenue and profit data of over 1,000 feature films shows clear trends for what types of movies produce the best results, which directors have higher success rates and how much of an investment Microsoft ought to make into their new movie studio.

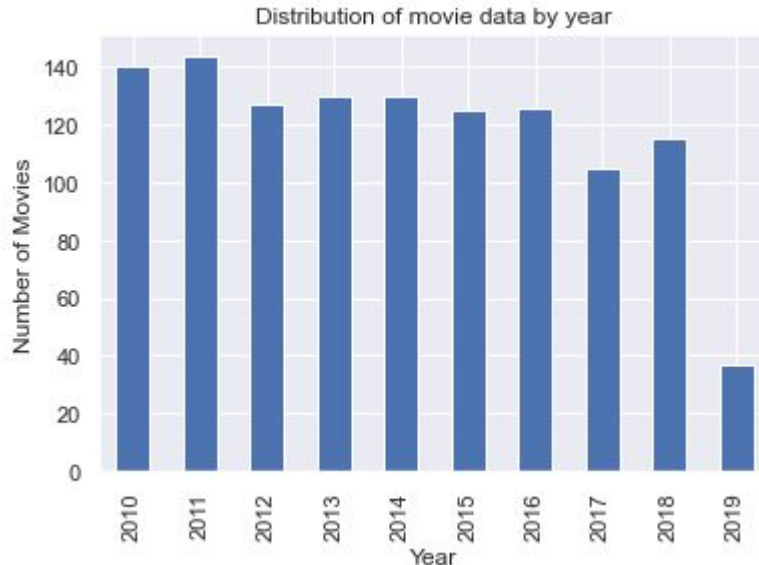
1. Focus on Animated, Adventure and Sci-Fi films
2. Invest at least \$35M into the production of a single film to produce a blockbuster
3. Work with proven directors like Steven Spielberg, Jon Chu or Clint Eastwood

Business Problem

1. Figure out how much budget to allocate to Microsoft's movie projects
2. Discover which movie genres can be expected to produce the biggest box office hits
3. Find the right directors to partner with on new endeavors

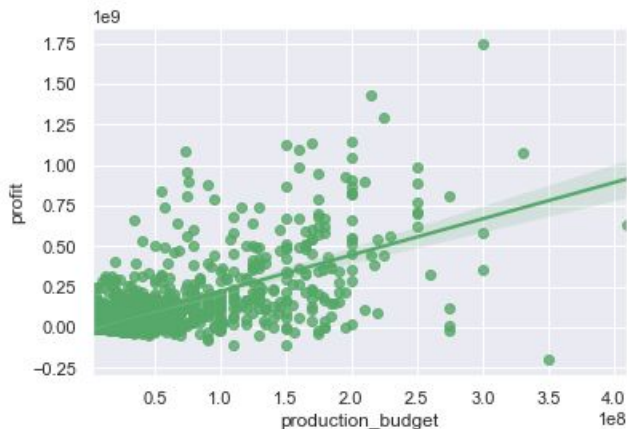
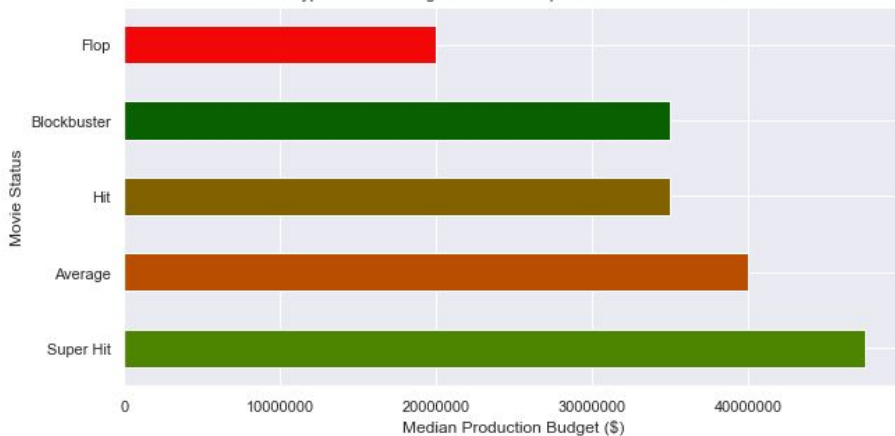
Data & Methods

1. Major motion picture data taken from 1,179 titles between 2010 and 2019
 - a. Data includes titles with at least a \$2,000,000 production budget
2. Data includes films' production budget, director, worldwide box office performance, year of release and genres
3. Box office and budget data sourced from The-Numbers.com. Descriptive data - such as genres & directors - taken from the Internet Movie Database (IMDB)



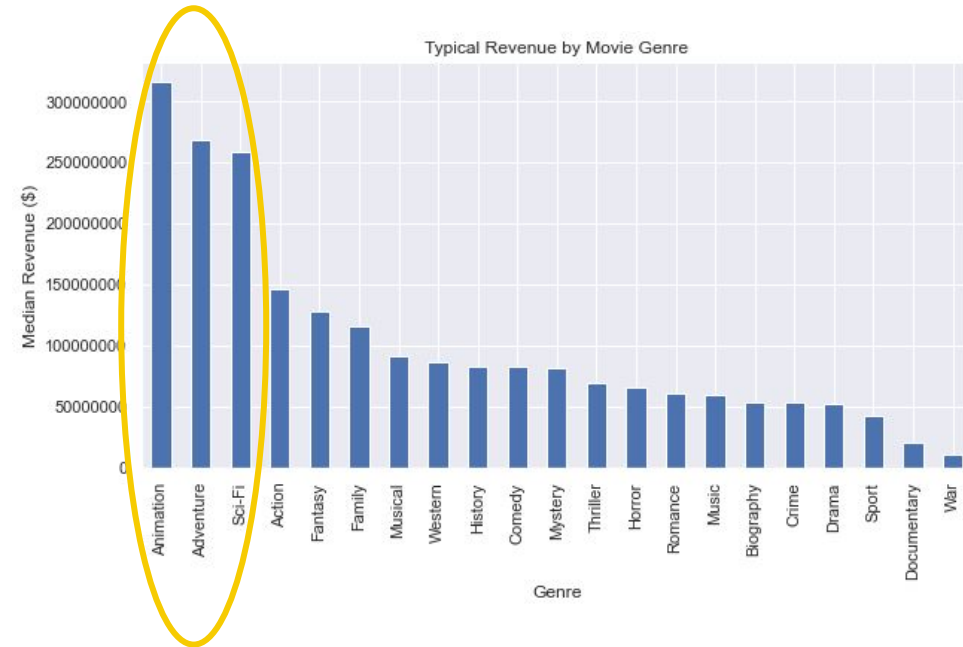
Results - It pays to spend

How typical movie budgets translate to performance at the box office



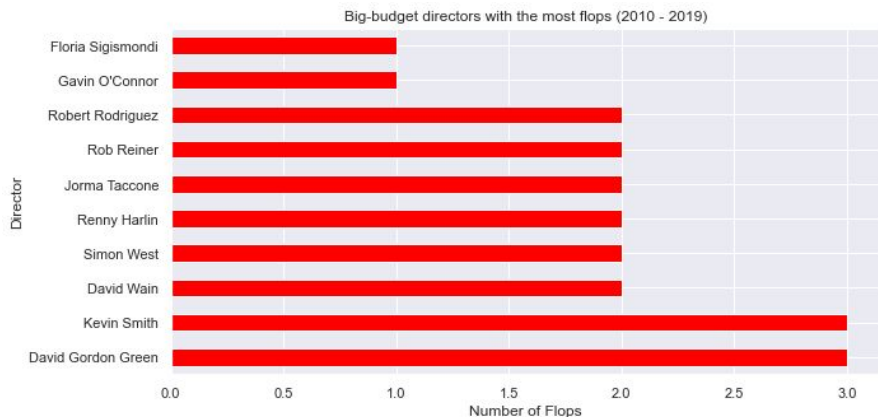
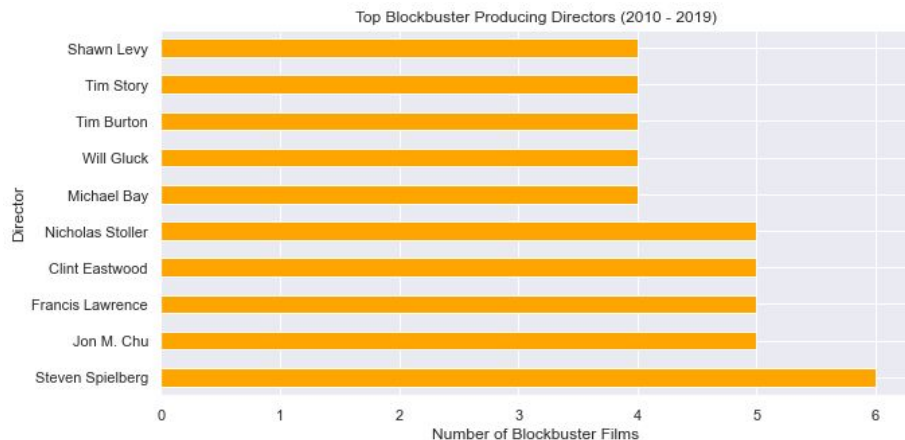
- There appears to be a strong positive correlation between the production budget and both revenue and profit performance
- Movies that flopped at the box office consistently had lower production budgets
- Microsoft should **invest at least \$35,000,000 into the production budget of each title** it expects to reach “blockbuster” status
- For **every \$1 invested, major motion pictures generate \$4** in revenue for blockbusters

Results: Audiences crave Animation, Adventure & Sci-Fi



- For best box office results, Microsoft ought to consider producing **Animated feature films** which **performed best** in terms of both total revenue and profitability
 - The median worldwide box office revenue for these films in the last decade was **\$316M**
- Adventure and Sci-Fi films came in 2nd and 3rd respectively on both metrics and are worth exploring as well - typically grossing **\$268M** and **\$267M** respectively

Results - big names sell seats



- **Steven Spielberg, Jon Chu, Francis Lawrence, Clint Eastwood and Nicholas Stoller** are some of the top directors that produced the most blockbuster films in the last decade. If available for a project, Microsoft ought to work with these filmmakers
- **David Gordon Green, Kevin Smith, David Wain and Simon West** are riskier hires and should be avoided. All have produced more flops in the last decade than any other director included in the analysis

Conclusions & Next Steps

- Invest at least \$35,000,000 into each feature film if you expect to produce Blockbusters. That is the median production budget for blockbusters in our analysis
- Focus on Animated, Action and Sci-Fi films
- Collaborate with a top-performing director like Steven Spielberg, Jon Chu, Francis Lawrence or Clint Eastwood

THANK YOU!

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