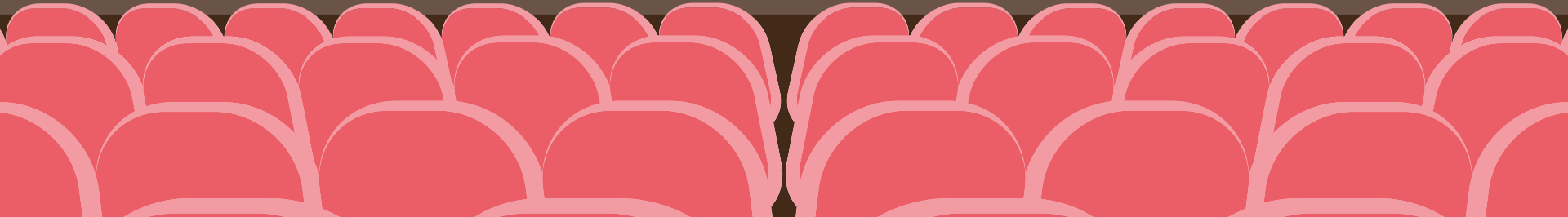


MOVIE STUDIO TRENDS

Data Analysis of the Film Industry
by Aaron Lee



OUR DATA PROJECT

Goal: Provide information to help a new studio make strategic decisions for movie production.

Data source: The Movie Database (TMDB)

Movies selected: Top 5000 movies by budget over the past 10 years

Big Questions:

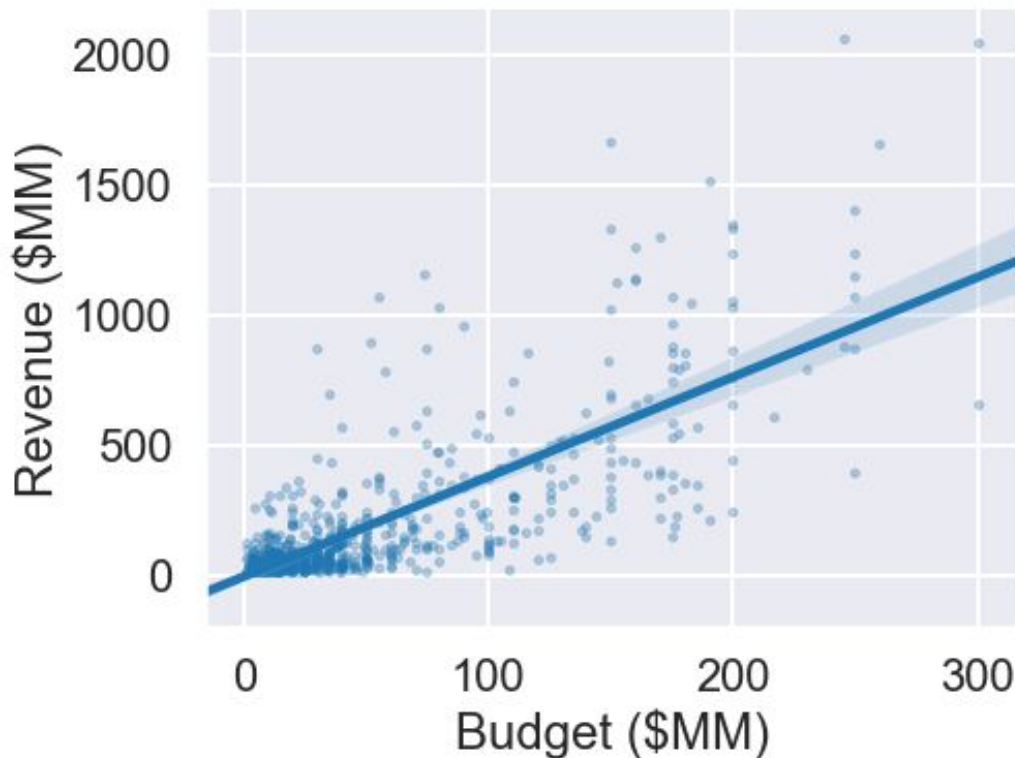
- What characteristics affect a movie's revenue?
- What size budget movies should we make?
- What genre of movies should we make?
- When should we release our movies to maximize profits?

BIG BUDGETS, BIG REVENUES

Films with big budgets produce proportionally big revenues.

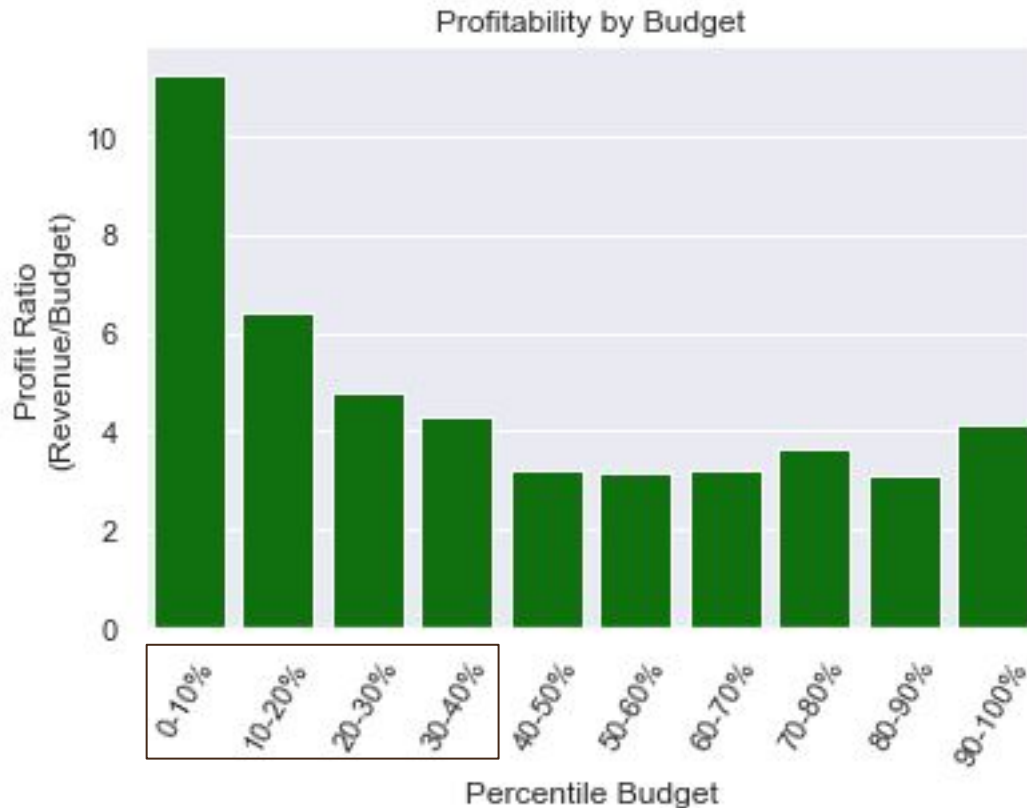
The top 5% of movies by budget take nearly 25% of revenues.

(Budget/Revenue Pearson coeff = 0.76)



BIG BUDGETS, BIG REVENUES (CONT)

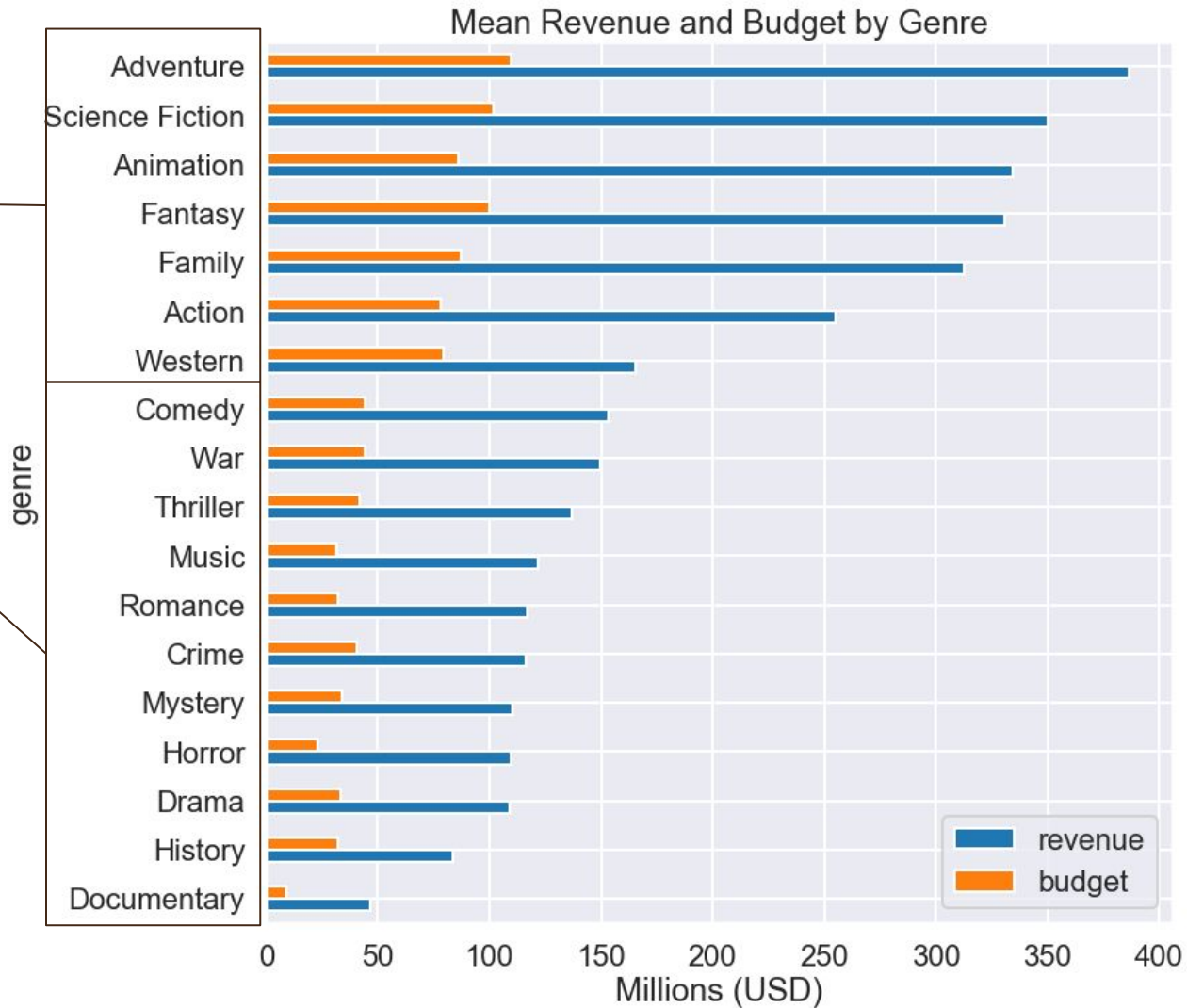
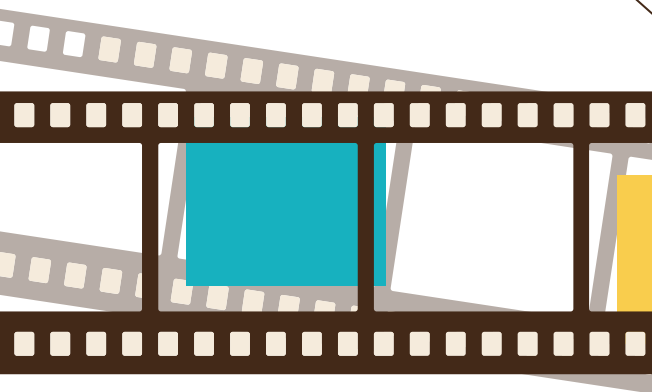
While big budgets bring big revenues, smaller budget films tend to provide higher returns.



WHICH GENRES?

Big budget genres
account for most
revenue

Lower budget
genres can generate
greater returns on
investment

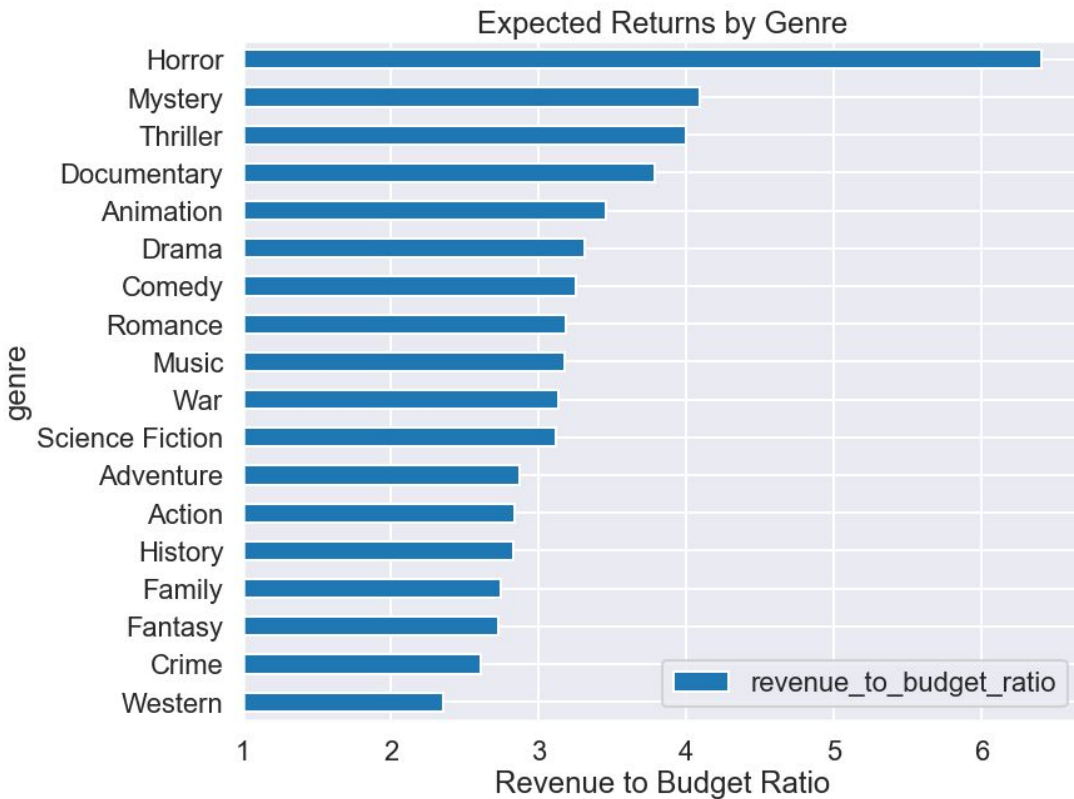


HORROR MOVIES

ROI



Horror movies rarely top the box office in revenues. However, their budgets are small, giving them the highest expected returns of any movie category.

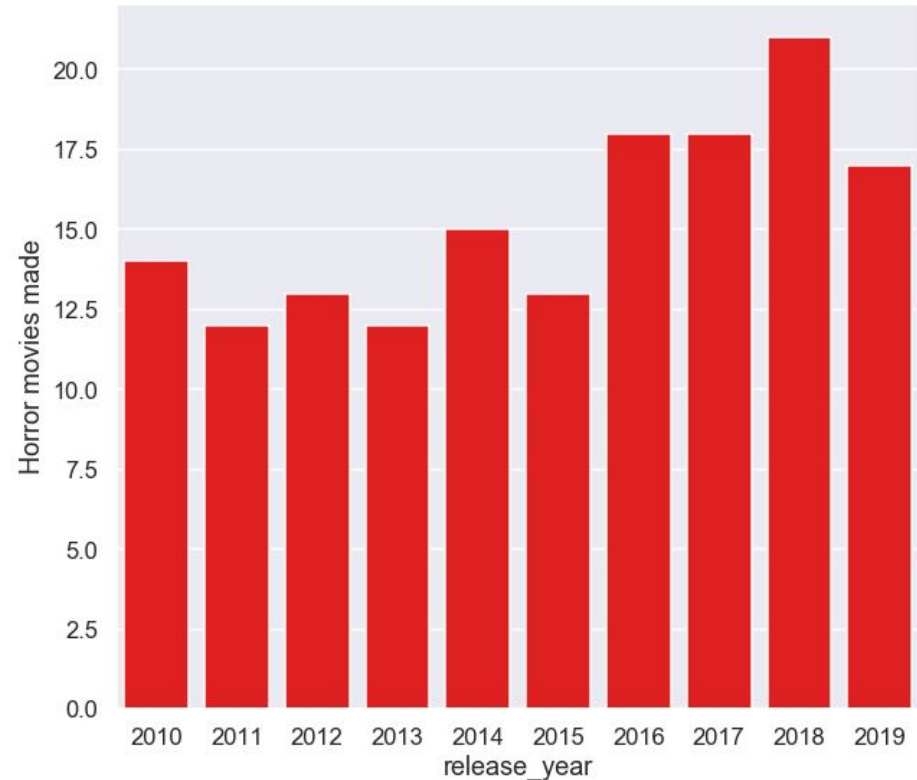


HORROR MOVIES

ROI?



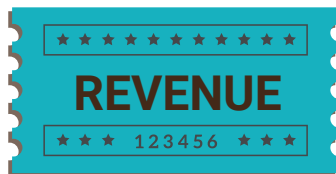
More wide release horror movies have been produced in recent years, perhaps in response to the profitability of low budget horror films. Further study should be done on any genre market we plan to enter.



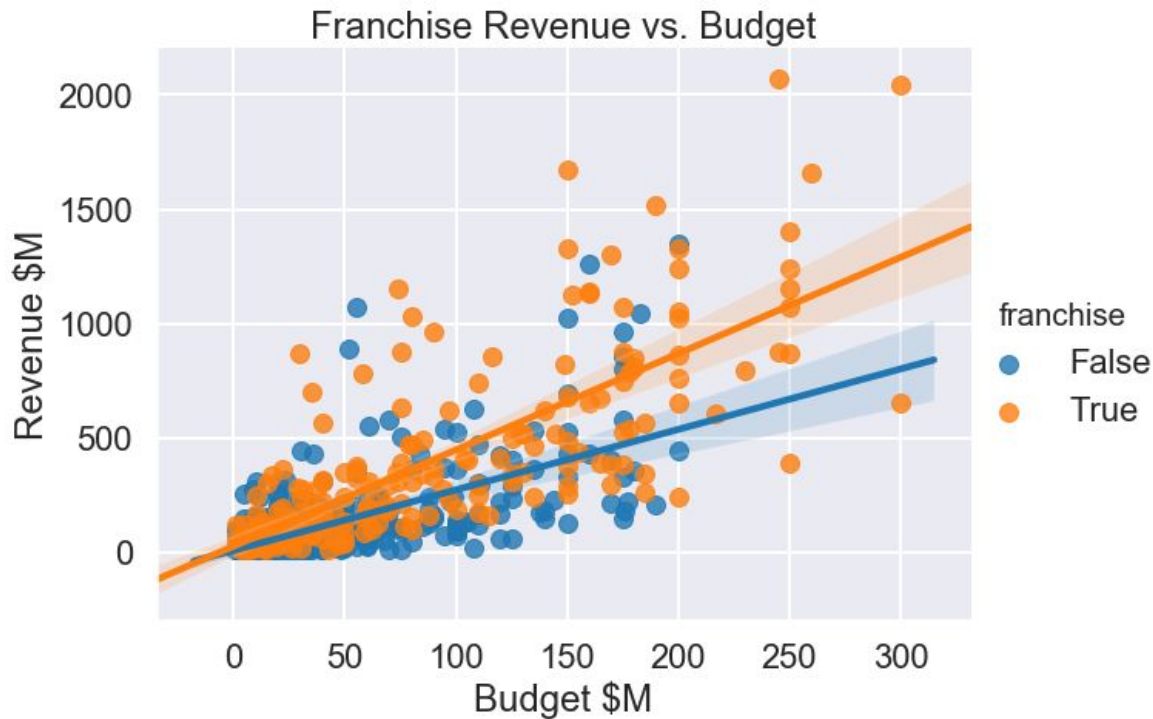
FRANCHISES (THE OTHER "GENRE")



Franchise movies account for 29.9% of all major releases.



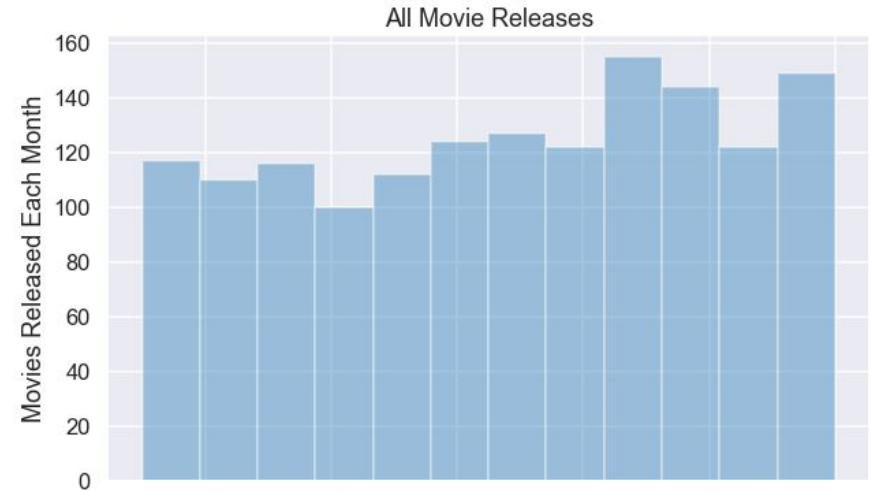
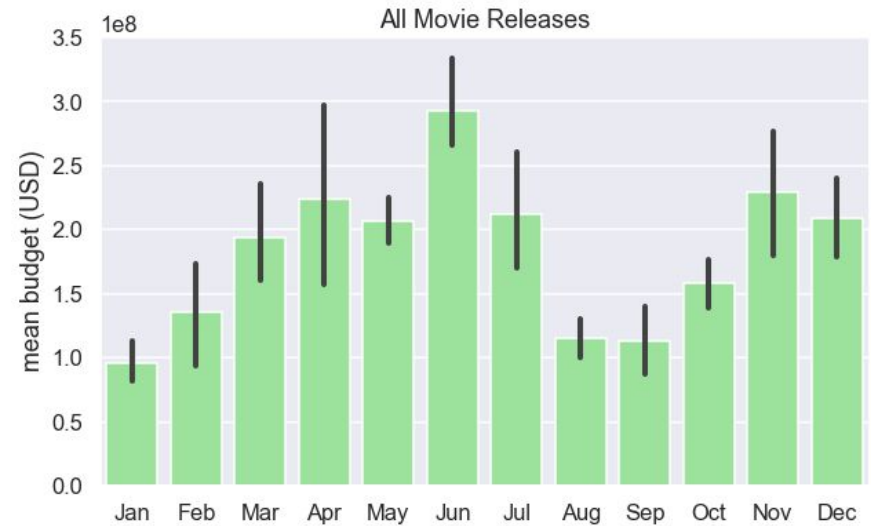
Franchise movies also account for 58.8% of the revenues. They are also 28% more profitable.



MOVIE RELEASE DATES

Traditionally, big movie release months are May/June/July for summer moviegoers, and Nov/Dec for holiday releases. “Dump months” are in August and September. (top)

Data also shows increased budgets in March and April releases which go against that trend.



MOVIE RELEASE DATES: BIG BUDGET

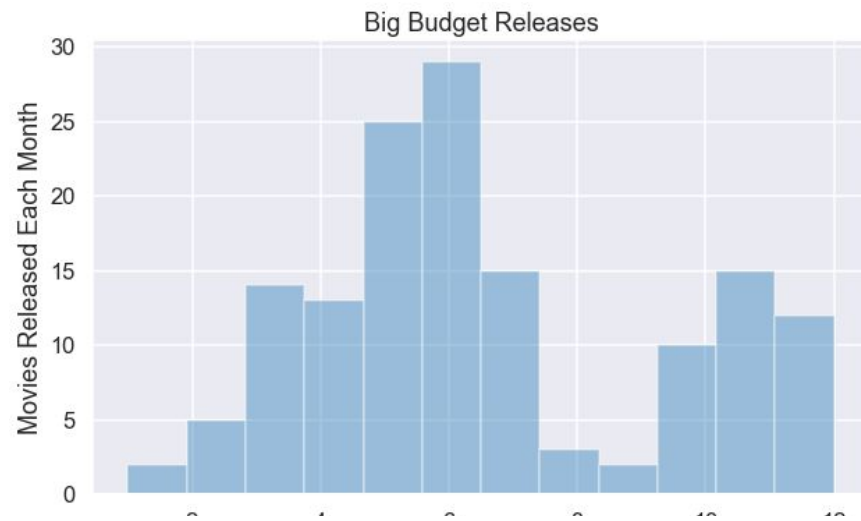
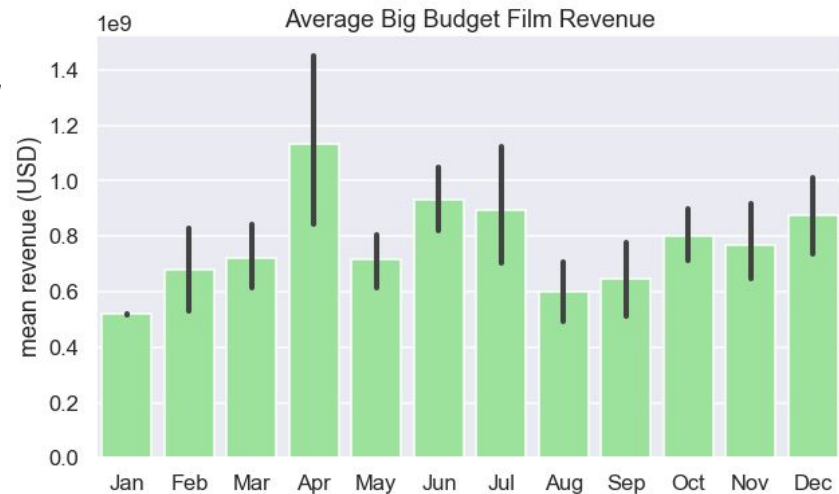
In past five years, many of the “big budget”* films have released a month ahead of schedule in traditionally low revenue months (Apr/Oct) (bottom)

April releases: Avengers (2), Fast & Furious (2)

October releases: Joker and sequels to Zombieland and Maleficent.

High revenues for big budget films released during these “off” months. (top)

*Big budget is top 10%



OUR RECOMMENDATIONS

Make Fewer Big Budget

They are risky, and expensive to make but offer large returns when you get them right.

Make Many Low Budget Films

Target the high returns of low budget genres like horror. These are money makers.

Find a Franchise

When you do make big budget, try to acquire franchise ready material.

Plan a release schedule

Carefully study the trends and upcoming releases to maximize returns.

