

Microsoft Goes to the Movies

Analysis of Top Performing Movies in International Box Offices



\$41.8 billion

Global Box Office Revenue in 2018

1.3 billion

U.S./Canada Theater Attendance
in 2018

45%

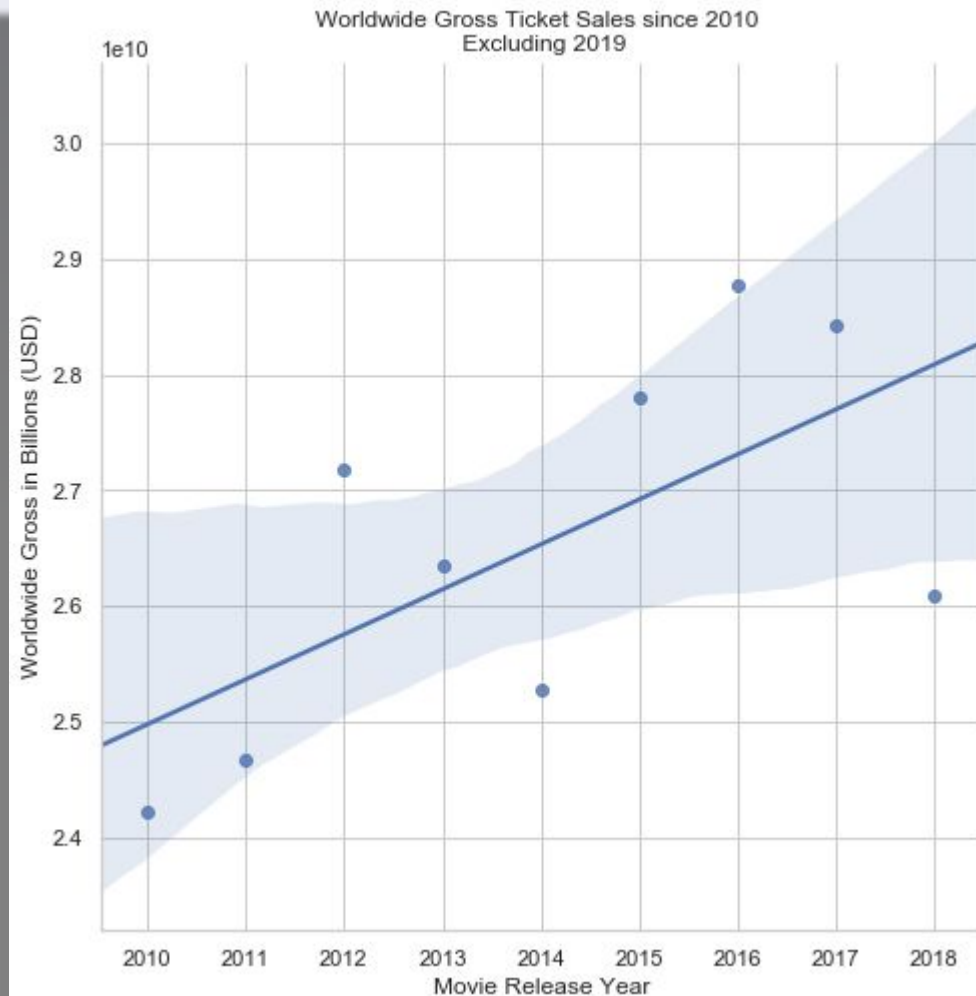
of Theater/Home
Entertainment Market in 2018



International Film Industry Trend

Trend line shows an increase in worldwide ticket sales since 2010

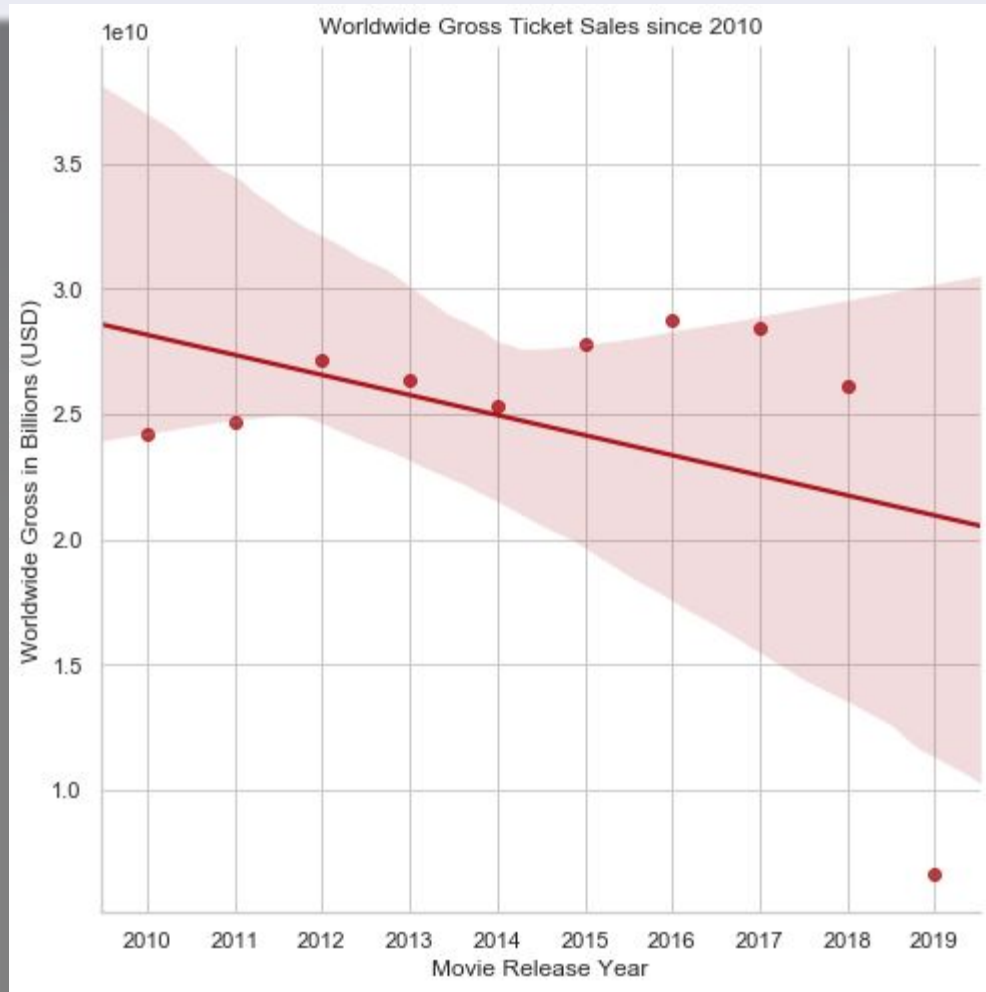
Does not follow common consensus that going to the movies are a dying tradition



COVID-19 Effect

Worldwide pandemic caused a drastic shift in ticket sales

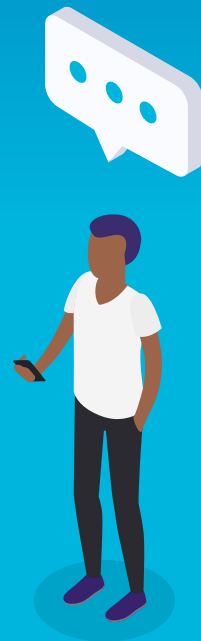
Condition of virus containment worldwide will determine the success of movies in the next few years





Learning to make films is very easy. Learning what to make films about is very hard.

-George Lucas



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Box Office Success

Defining Success in Movies



Benchmarks of Success

Gross sales

\$ from total ticket sales

Often categorized by domestic sales and international sales

Profit

\$ after factoring in costs

Accounts for multiple production costs such as casting, equipment, location, travel, etc.

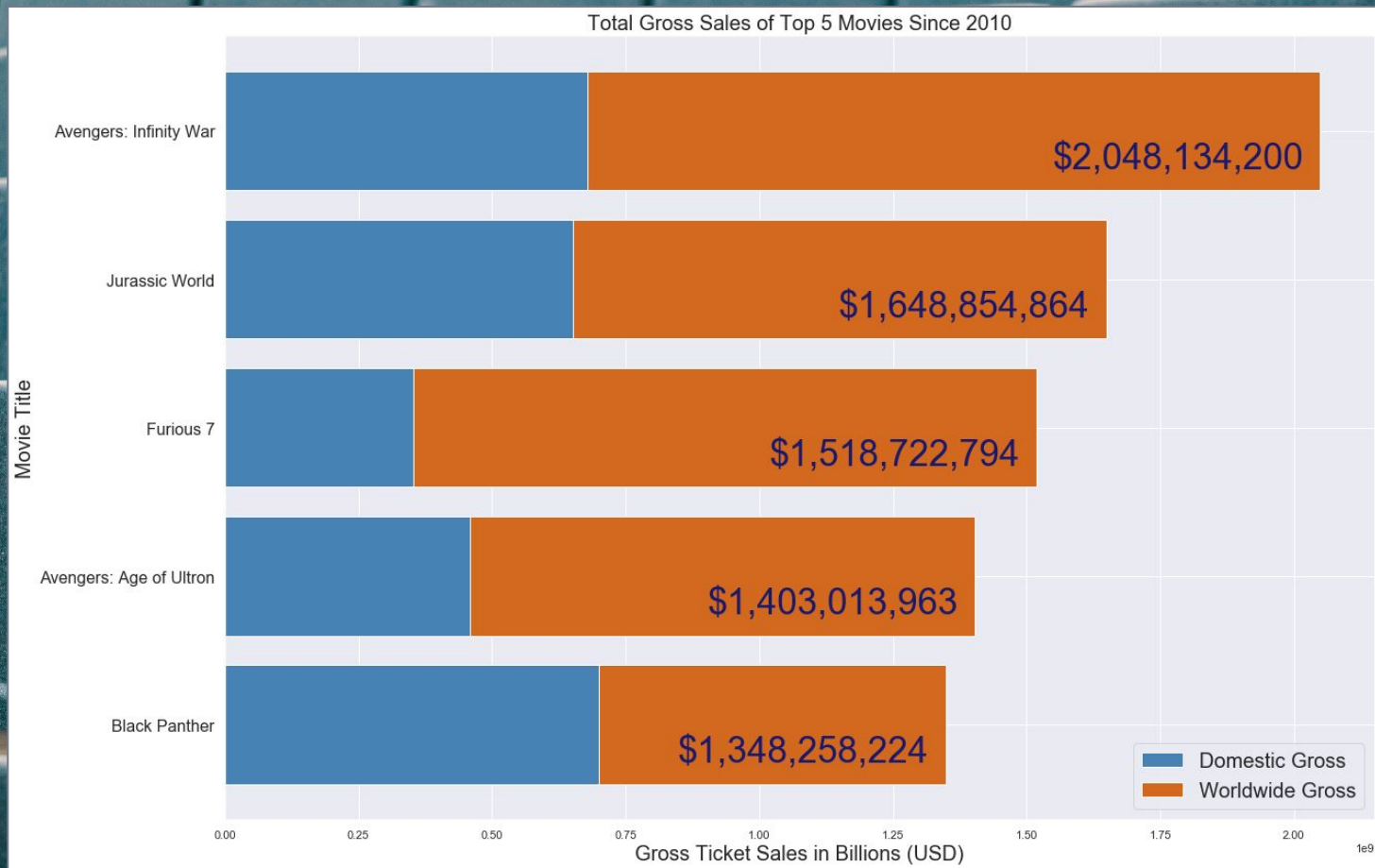
ROI

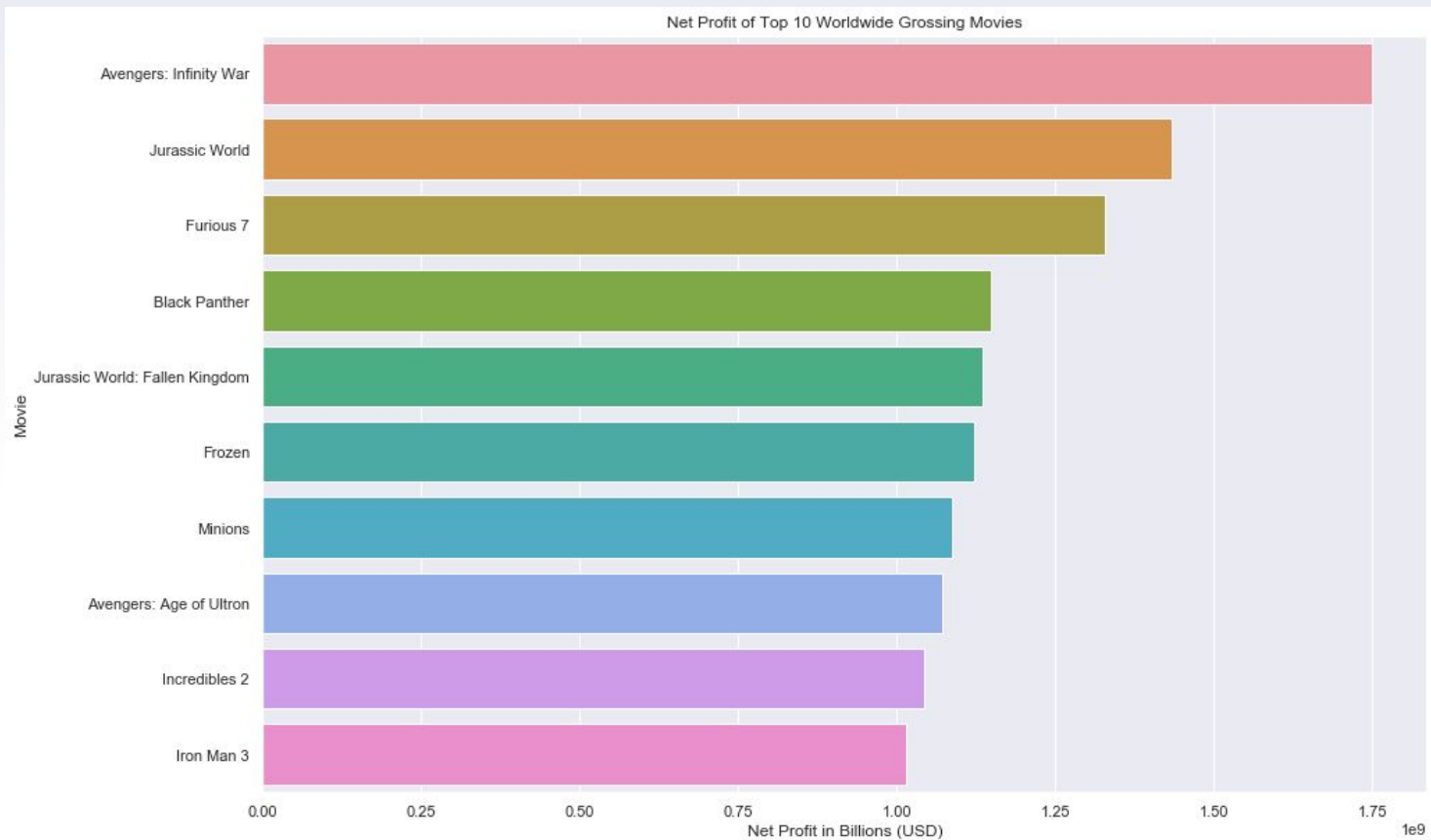
Return on investment, % of cost earned from ticket sales

Calculated using:

$$\frac{\text{profit}}{\text{production budget}}$$

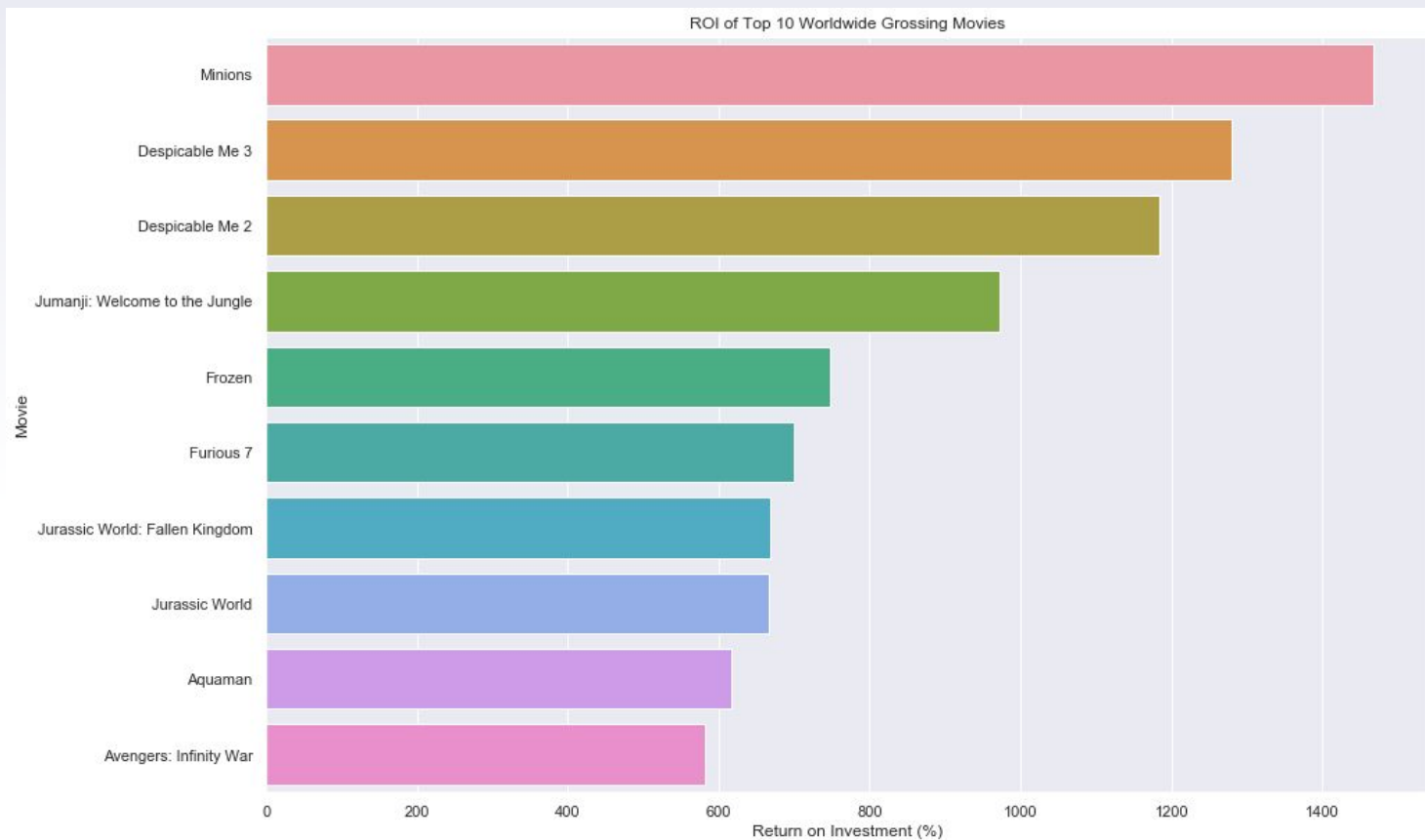
What are people watching?





Avengers: Infinity War still tops the list after factoring in production budget

- \$1,748,134,200



Top 10 movie order drastically changes when looking at the return on investment

Comparing Benchmarks of Success

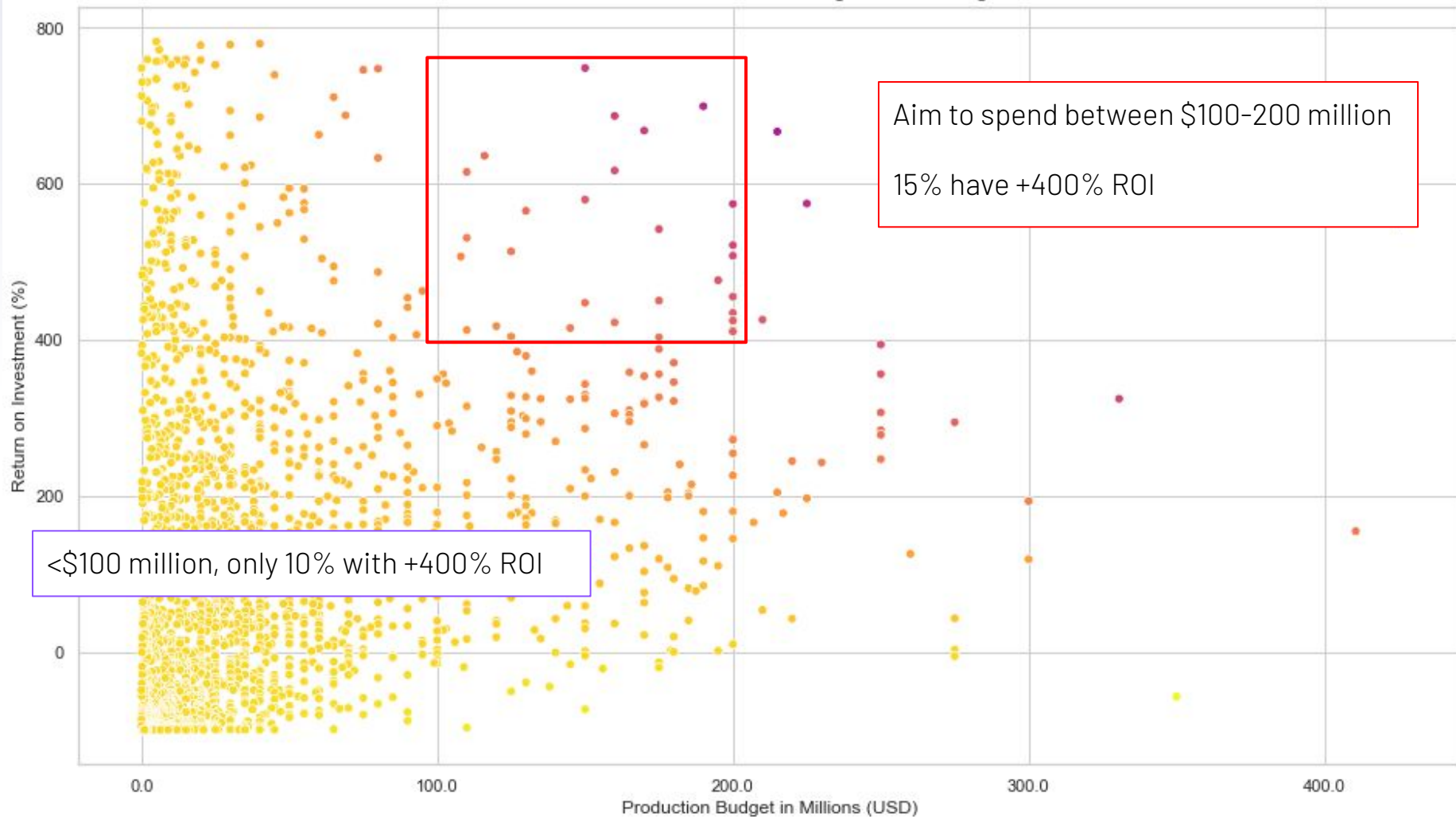
	Gross	Profit	ROI
Avengers: Infinity War	\$2.05	\$1.75b	582%
Jurassic World	\$1.65	\$1.43b	667%
Minions	\$1.16b	\$1.09b	1,468%

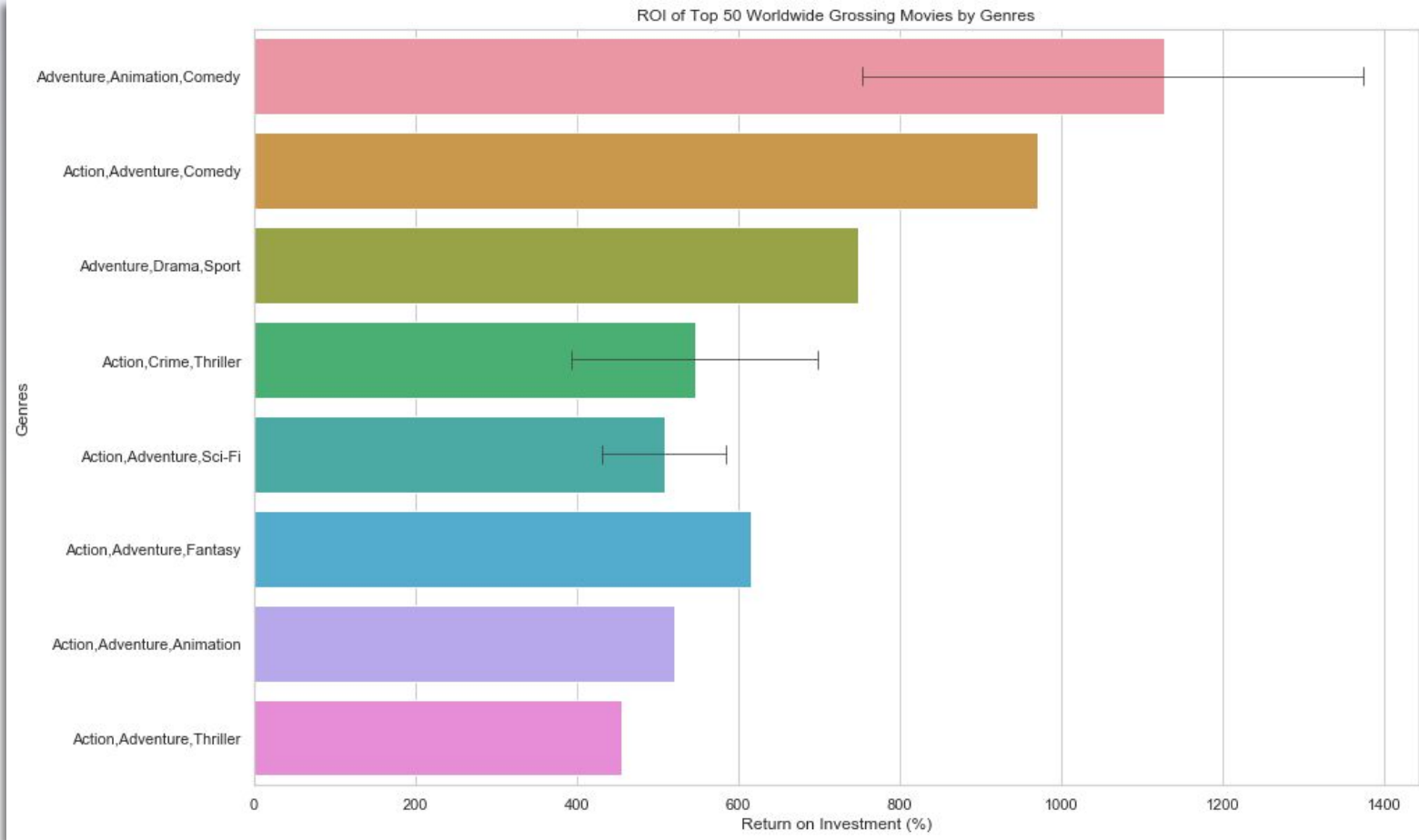
Focusing on ROI

To minimize risk and loss, strongly recommend investing in movie genres with high ROI values



Return on Investment with Increasing Production Budget





Combination of adventure, animation, and comedy recommended due to highest ROI

Recommendations

ROI

As a new movie studio, I recommend Microsoft play it safe and focus on movie genres with high ROI

Genres

Adventure, animation, comedy movies show the highest ROI since 2010

- 1100% return on investment

Production Budget

Aim to spend between \$100-\$200 mil

Reasoning

Aiming for highest grossing movie genres is tempting

- High production budget
- High risk of low ROI
- Unstable market due to pandemic



Next Steps

Theater release vs streaming service release

Actors/actresses, directors/writers with highest ROI

Themes within genres that are successful



THANKS!

Any questions?

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