



Build a Better Blockbuster

How to design a sure-fire hit!





Mission

The purpose of this presentation is to share the most profitable strategies for producing a film that we can use to start Microsoft Studios.

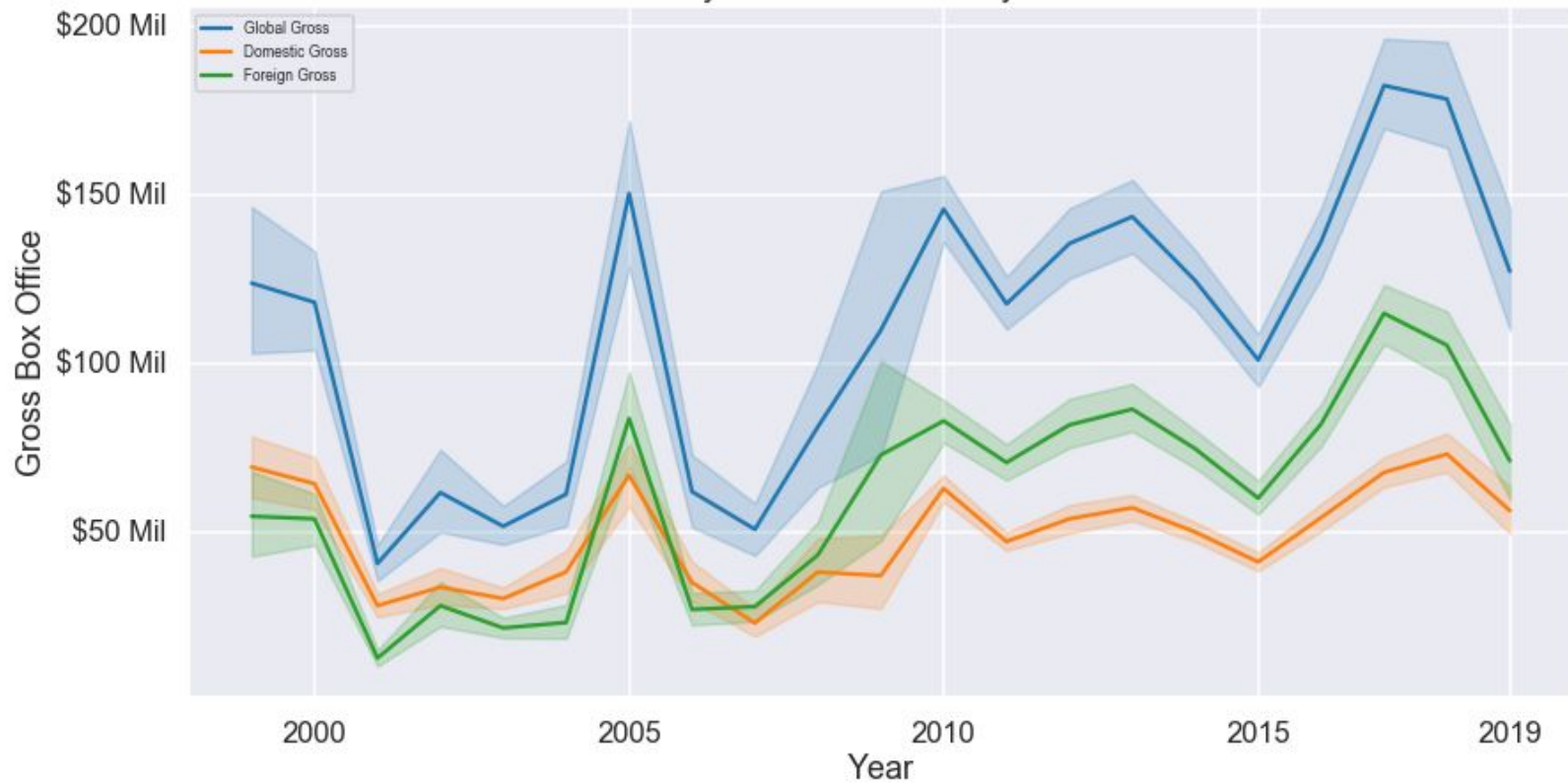
We'll learn:

- Investing over \$70 million dollars is the safest, most profitable option.
- Animation, Adventure and Sci-Fi films are the most profitable genres.
- Releasing these films in the Spring and Summer will be most profitable.
- Who to hire to create the most profitable movie possible.



Industry Trends

Adjusted Mean Gross by Year



Measures of Success

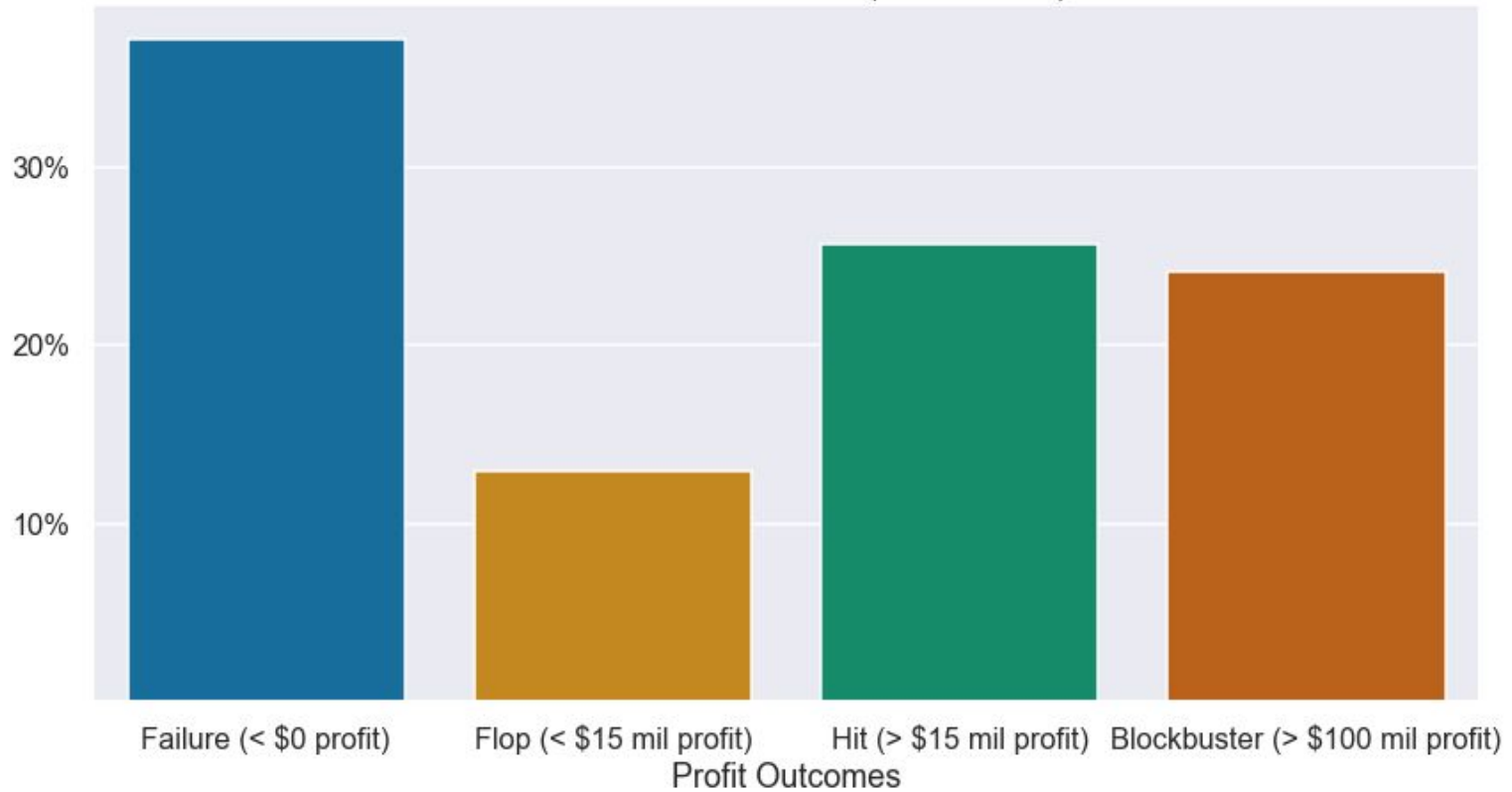
Profit

- Blockbuster- > 100 million dollars
- Hit- > 15 million dollars
- Flop- < 15 million dollars
- Failure- < 0 million dollars

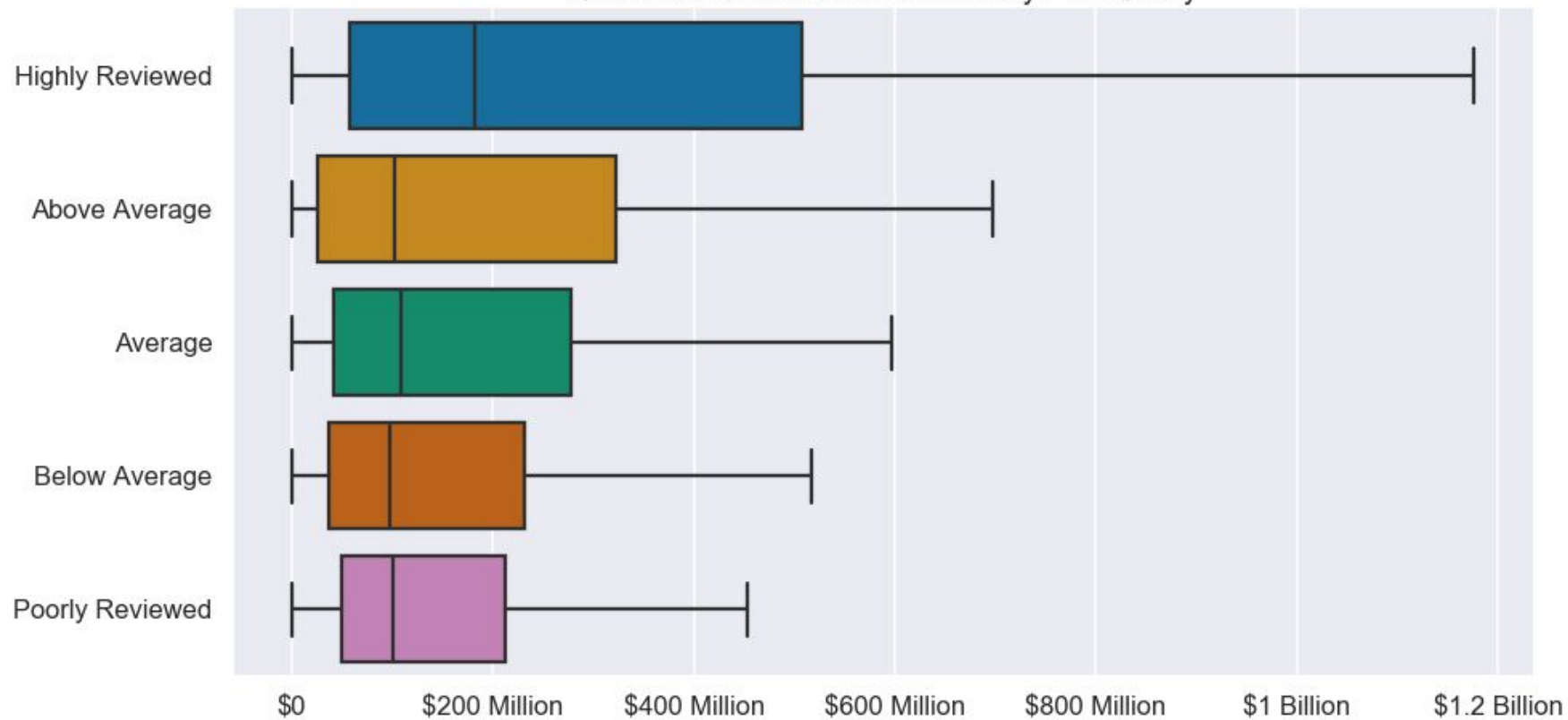
Quality

- Highly Reviewed- average rating > 7.1
- Above Average- average rating > 6.6
- Average- average rating > 6.1
- Below Average- average rating > 5.4
- Poorly Reviewed- average rating > 1.6

Distribution of Outcomes (2019 Dollars)



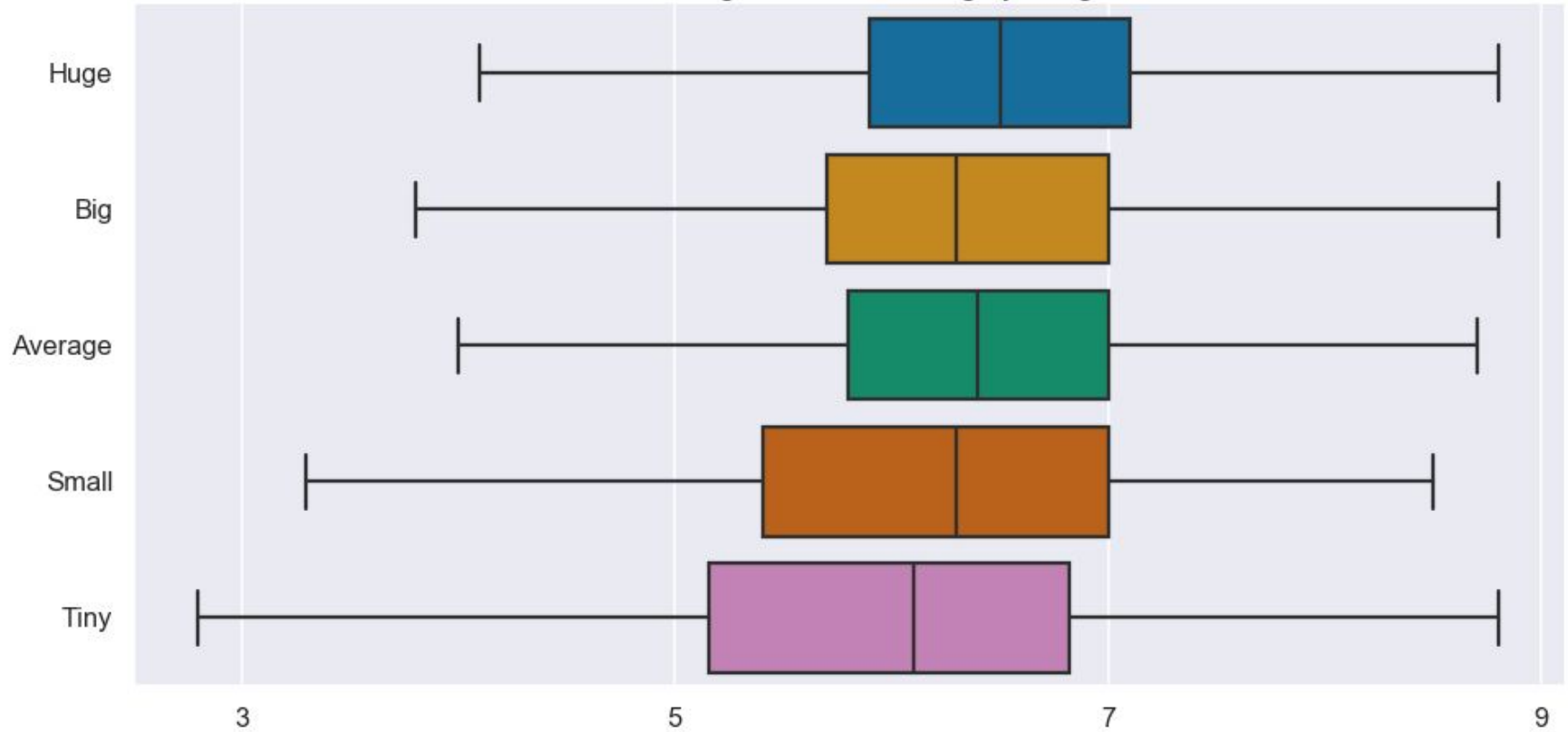
Quartiles of Worldwide Box Office by Film Quality



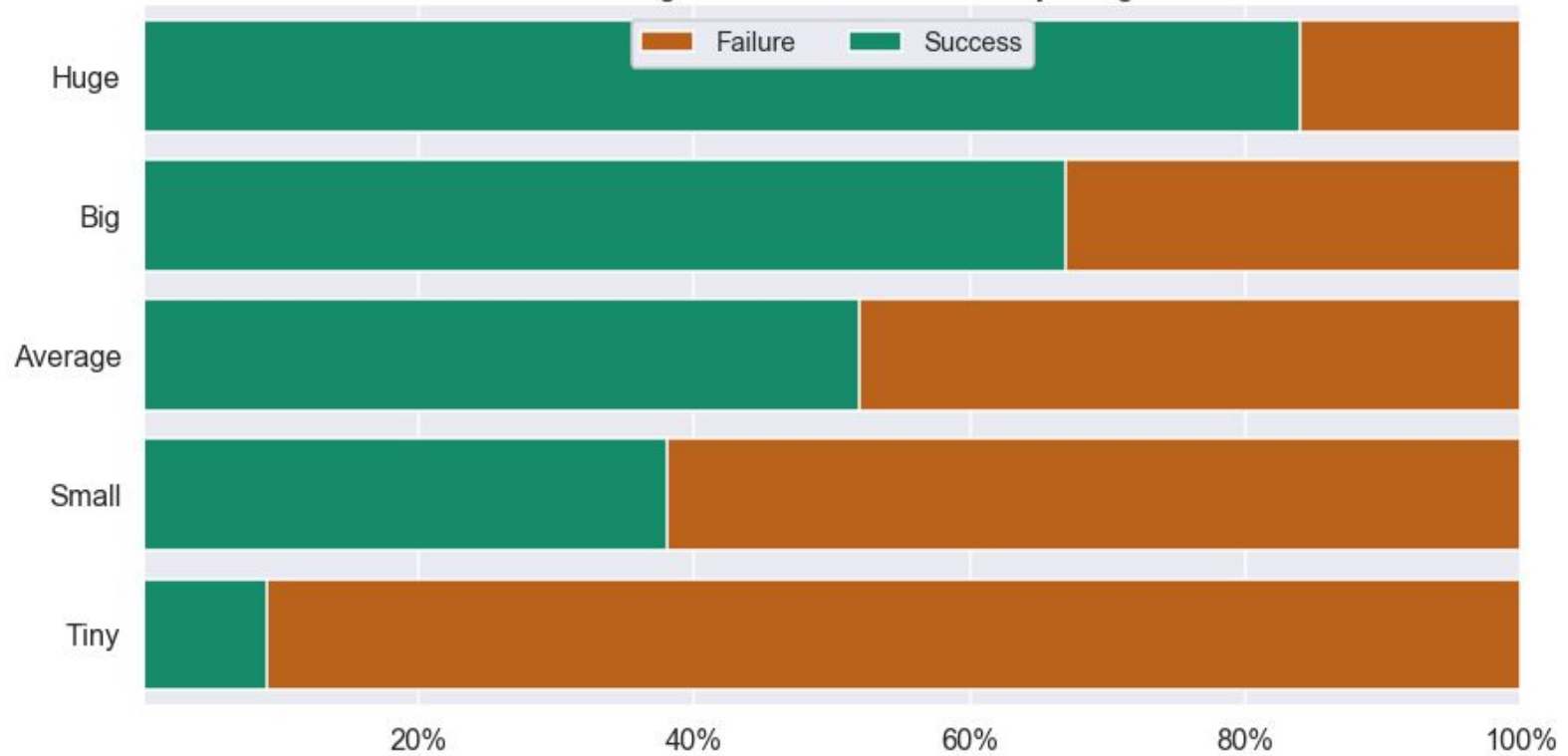


How much should we invest?

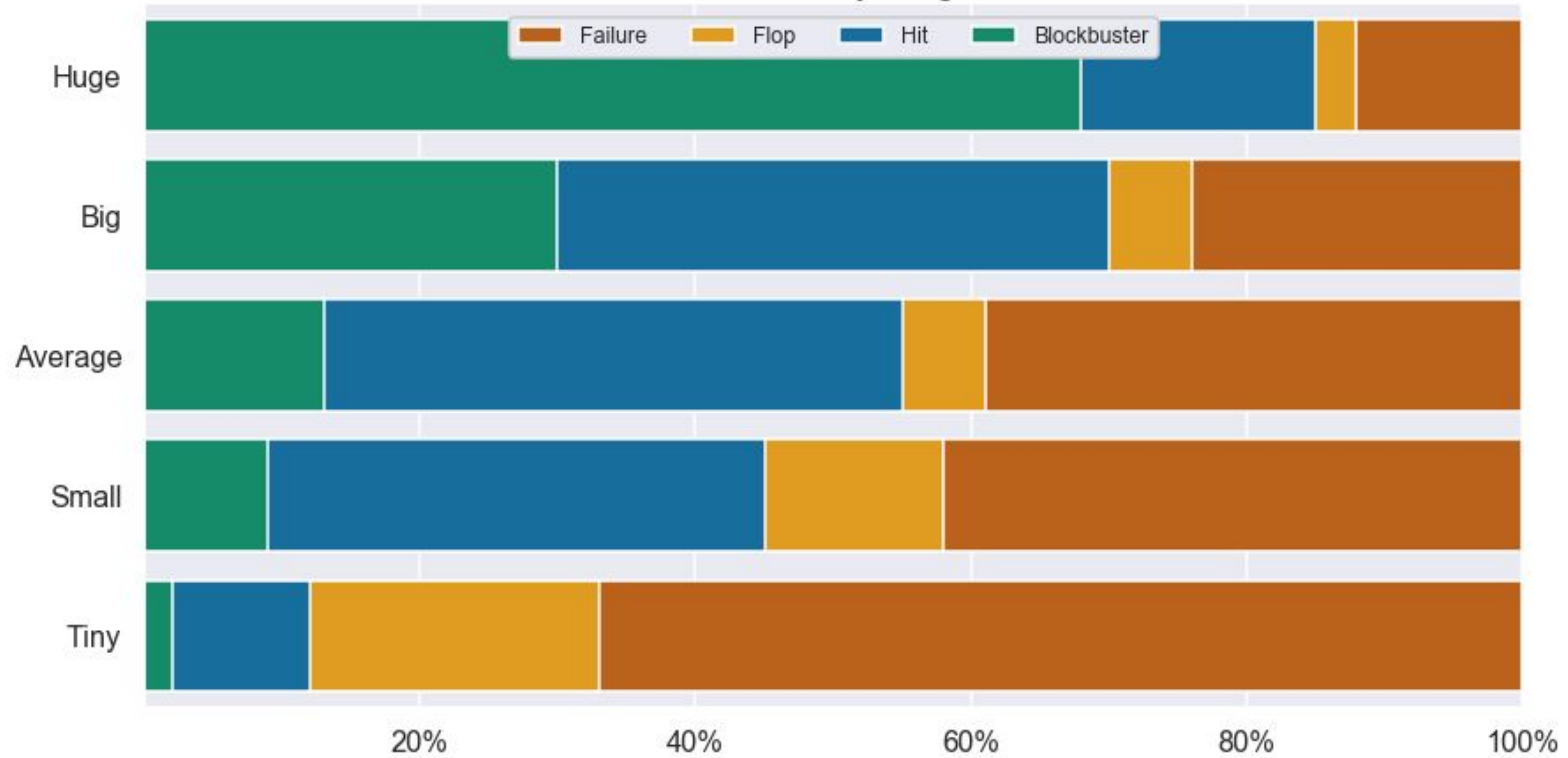
Quartiles of Average Audience Rating by Budget Levels



% of Films Making Over \$15000000 Profit By Budget Level



Profit Outcomes by Budget Level



Expected Profit by Budget Level



Recommendation

Spend over \$70 million dollars per project. But if not, do not invest less than \$50 million.

First, we saw that higher budgets correlate with higher quality films.

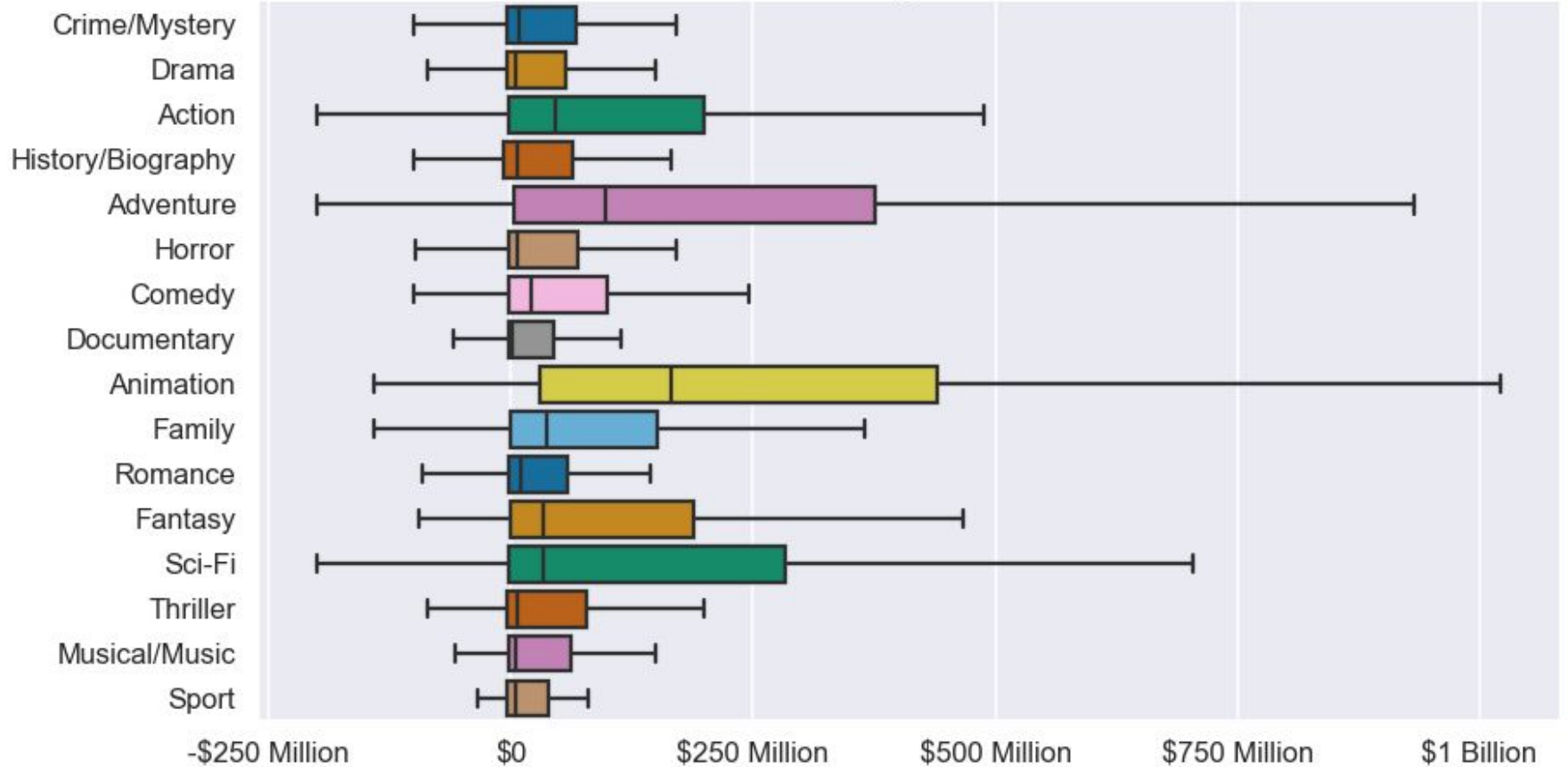
Then, we saw that the budget level with the highest potential for profit is >\$ 70 million, and somewhat counterintuitively it also has the lowest risk.

Finally, we saw that over the course of many films blockbusters provide the highest expected profit by far.

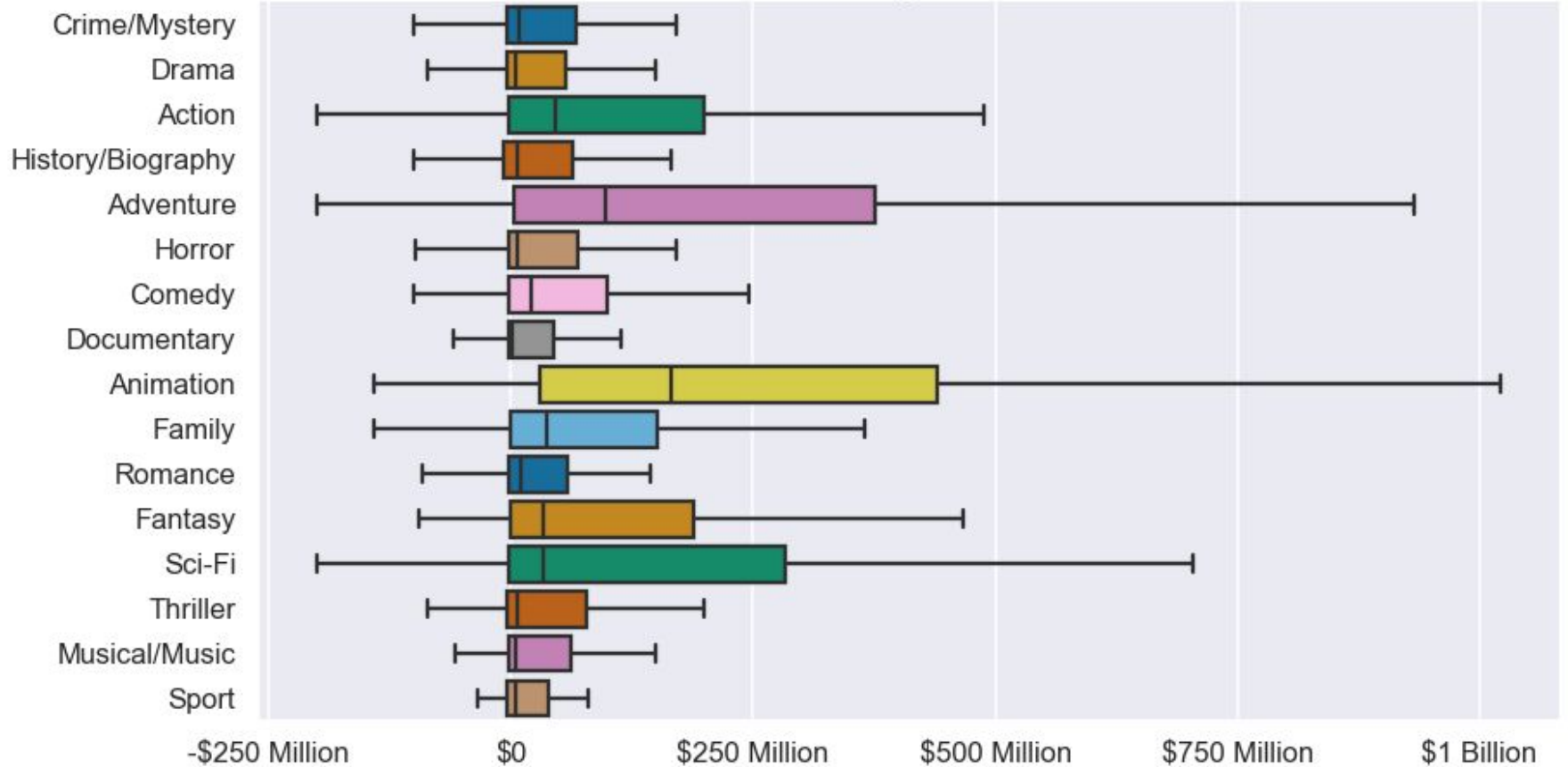


What kind of Movie?

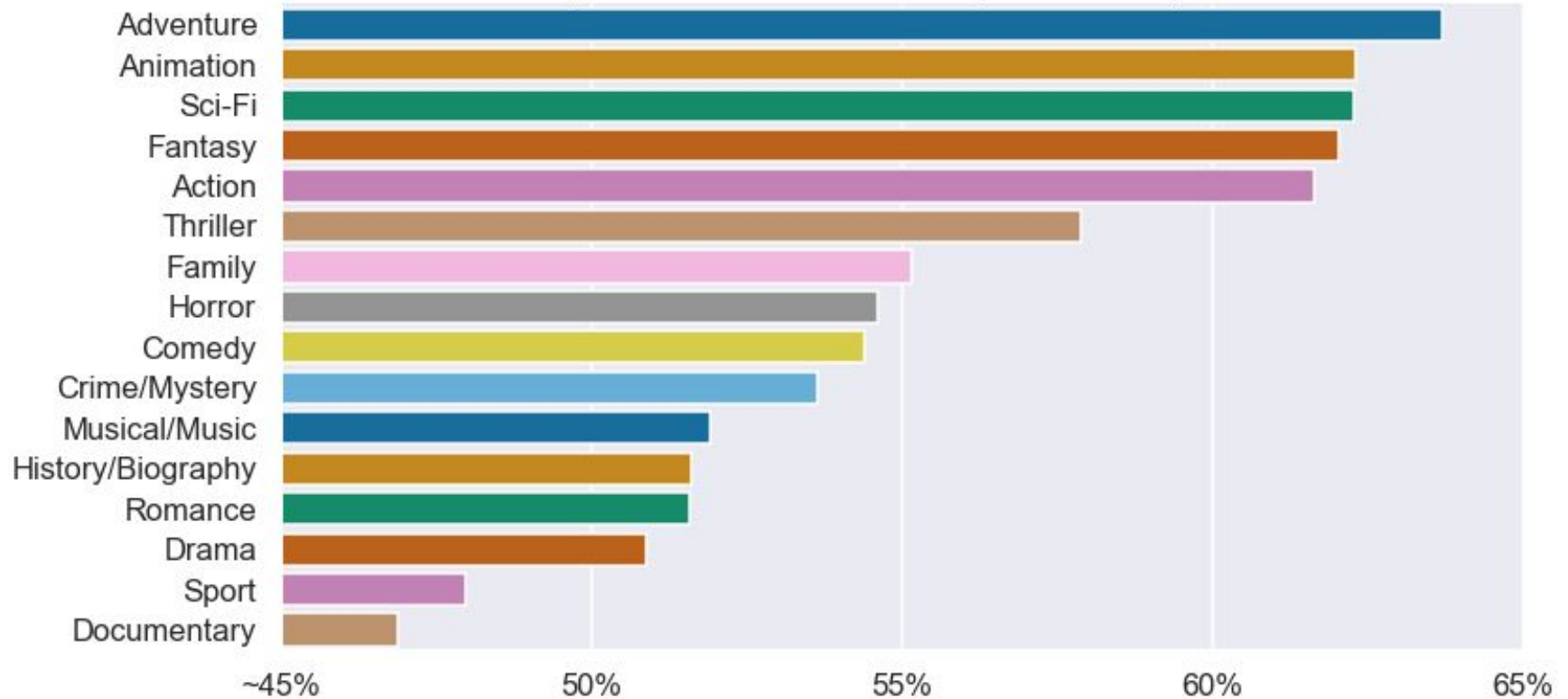
Profit by Genre



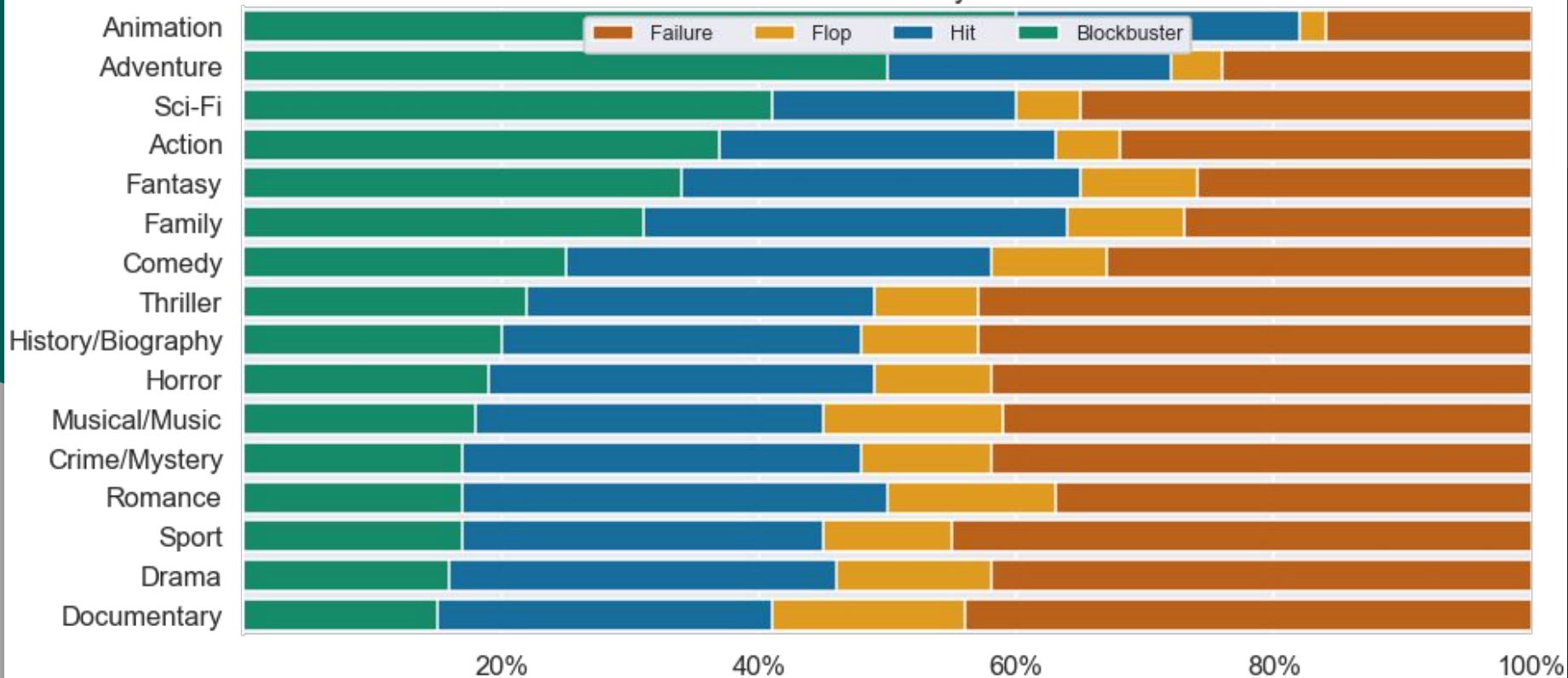
Profit by Genre



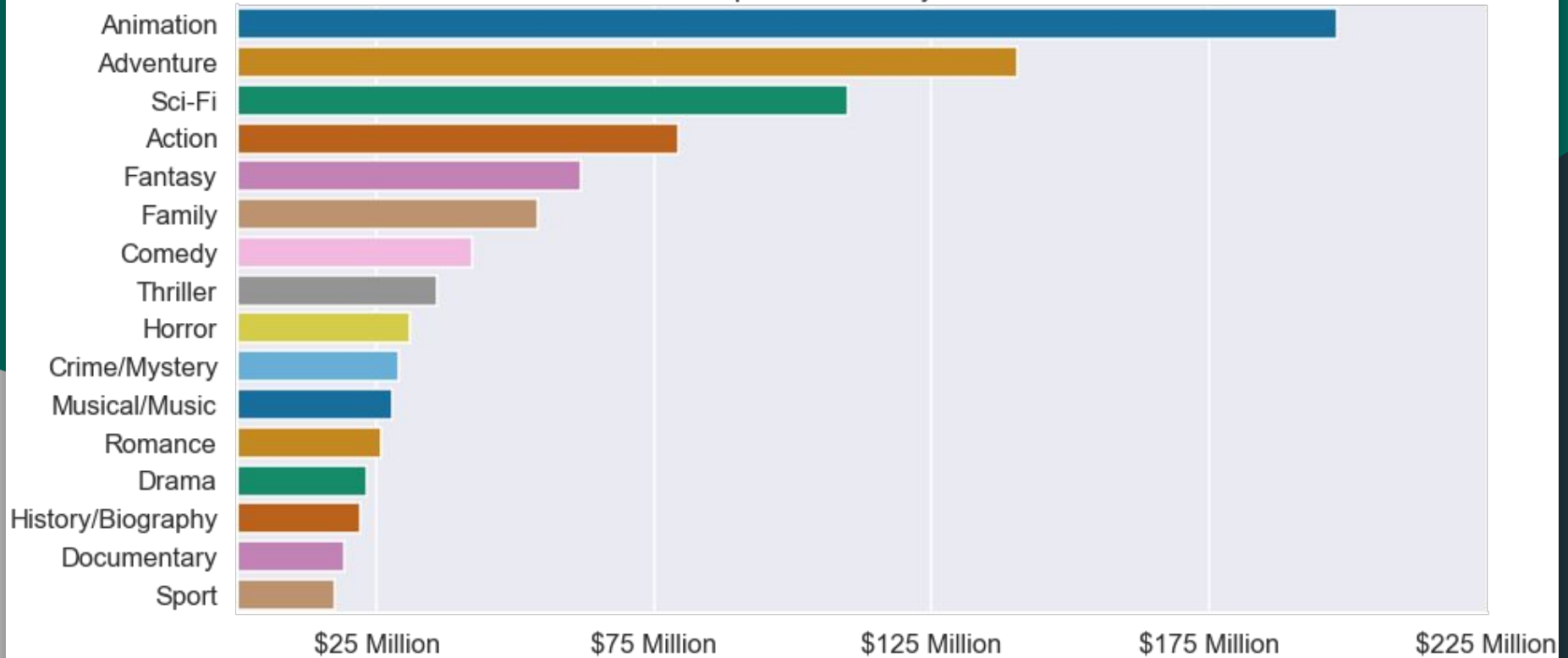
Proportion of Gross from Foreign Markets by Genre



Profit Outcomes by Genre



Expected Profit by Genre



Recommendation

Invest in films from the top six genres(Animation, Adventure, Sci-Fi, Action, Fantasy, Family), preferably the top 3.

We saw that In addition to having the highest expected profits, these genres also rank in the top 6 for production costs, which we already saw is correlated with success.

There are eight genres that have an above average success rate (Animation, Adventure, Sci-Fi, Action, Fantasy, Family, Comedy, Romance).

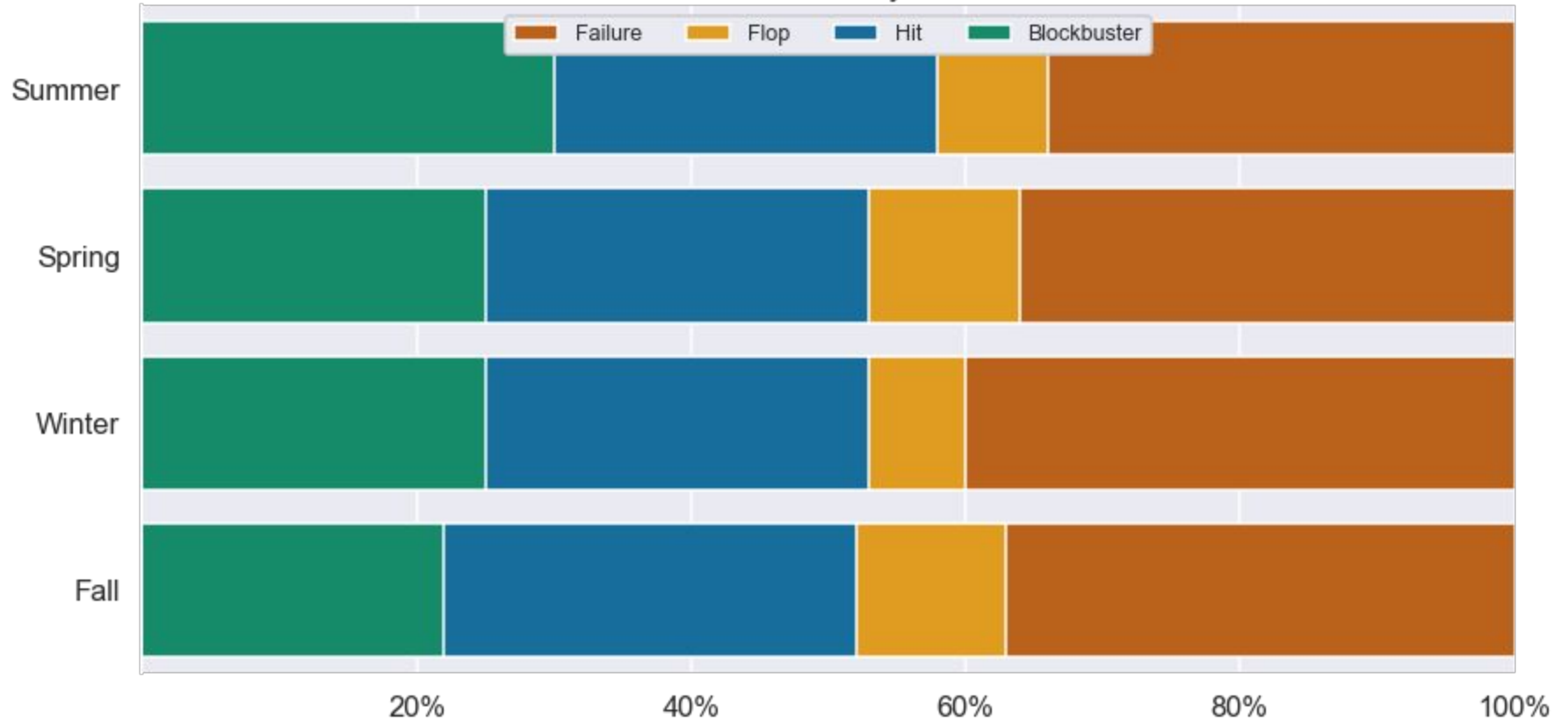
Of those eight, six have an expected profit above 50 million dollars (Animation, Adventure, Sci-Fi, Action, Fantasy, Family).

Of those six, three have an expected profit above 100 million dollars (Animation, Adventure, Sci-Fi).

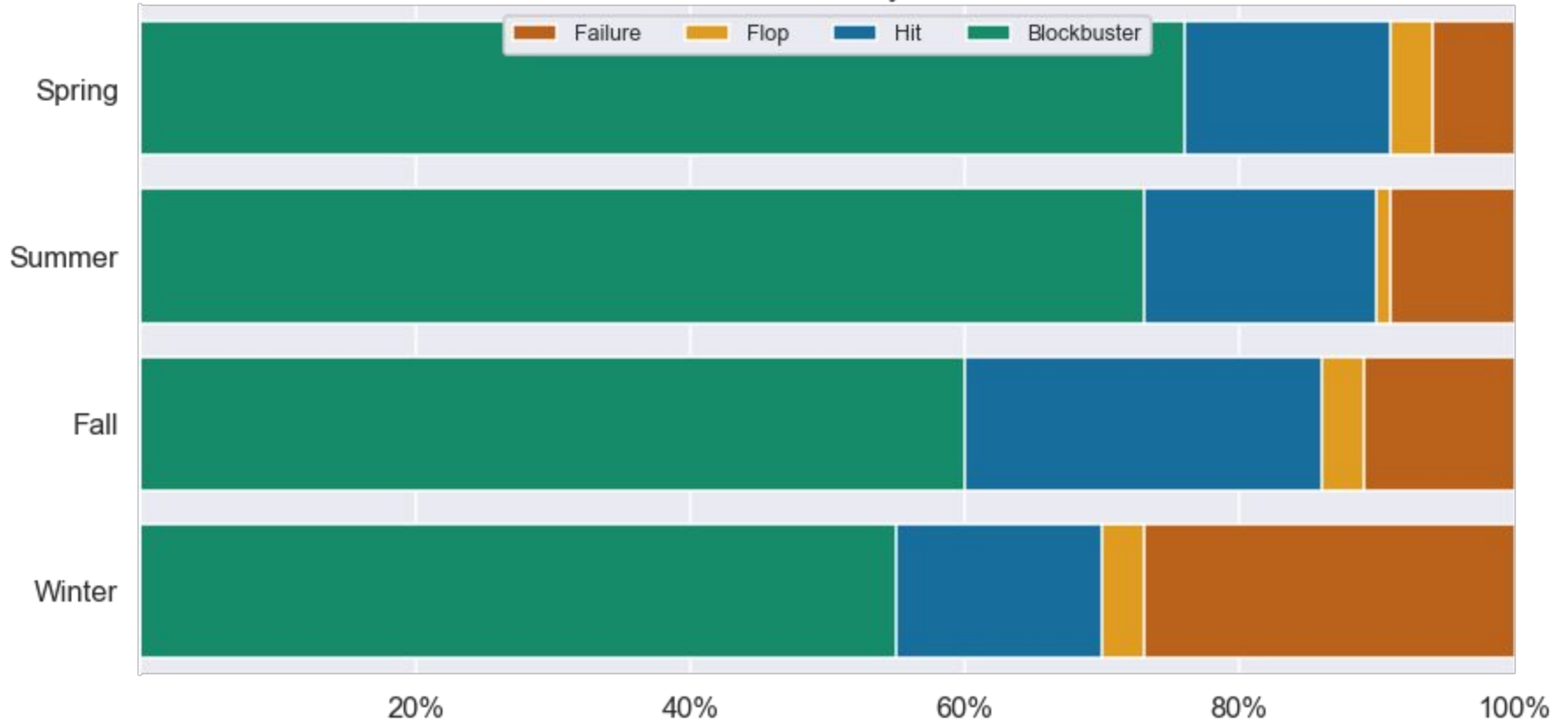


When should we release?

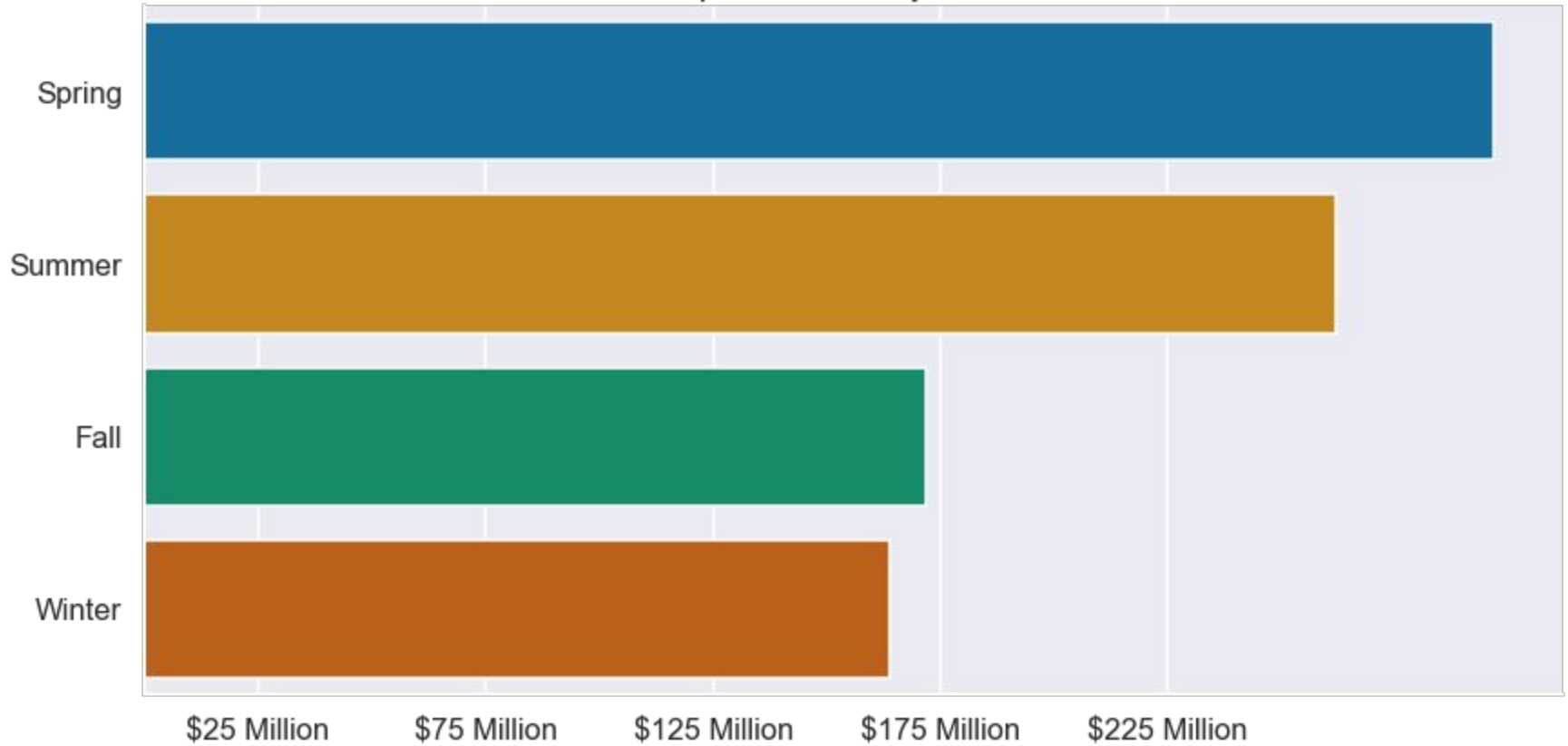
Profit Outcomes by Season



Profit Outcomes by Season



Expected Profit by Season



Recommendation

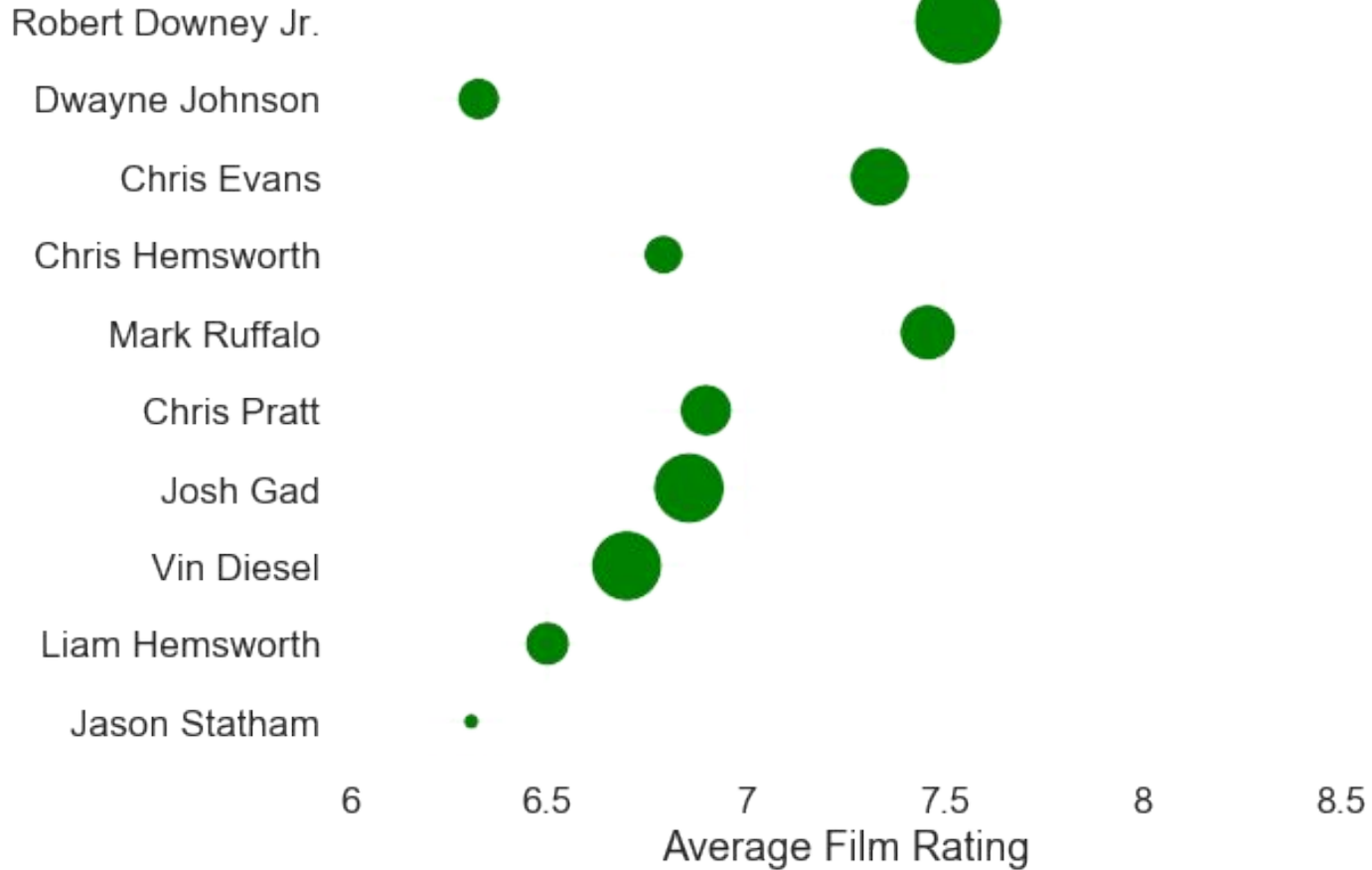
Release the recommended types of films in the Spring or Summer.

Although there is not a significant difference between profit levels overall in each season, when isolated to only our target films (budgets over \$50 million dollars and Animation, Adventure, Sci-Fi, Action, Fantasy or Family genre) we found that releasing films in the Spring or Summer led to significantly improved results.

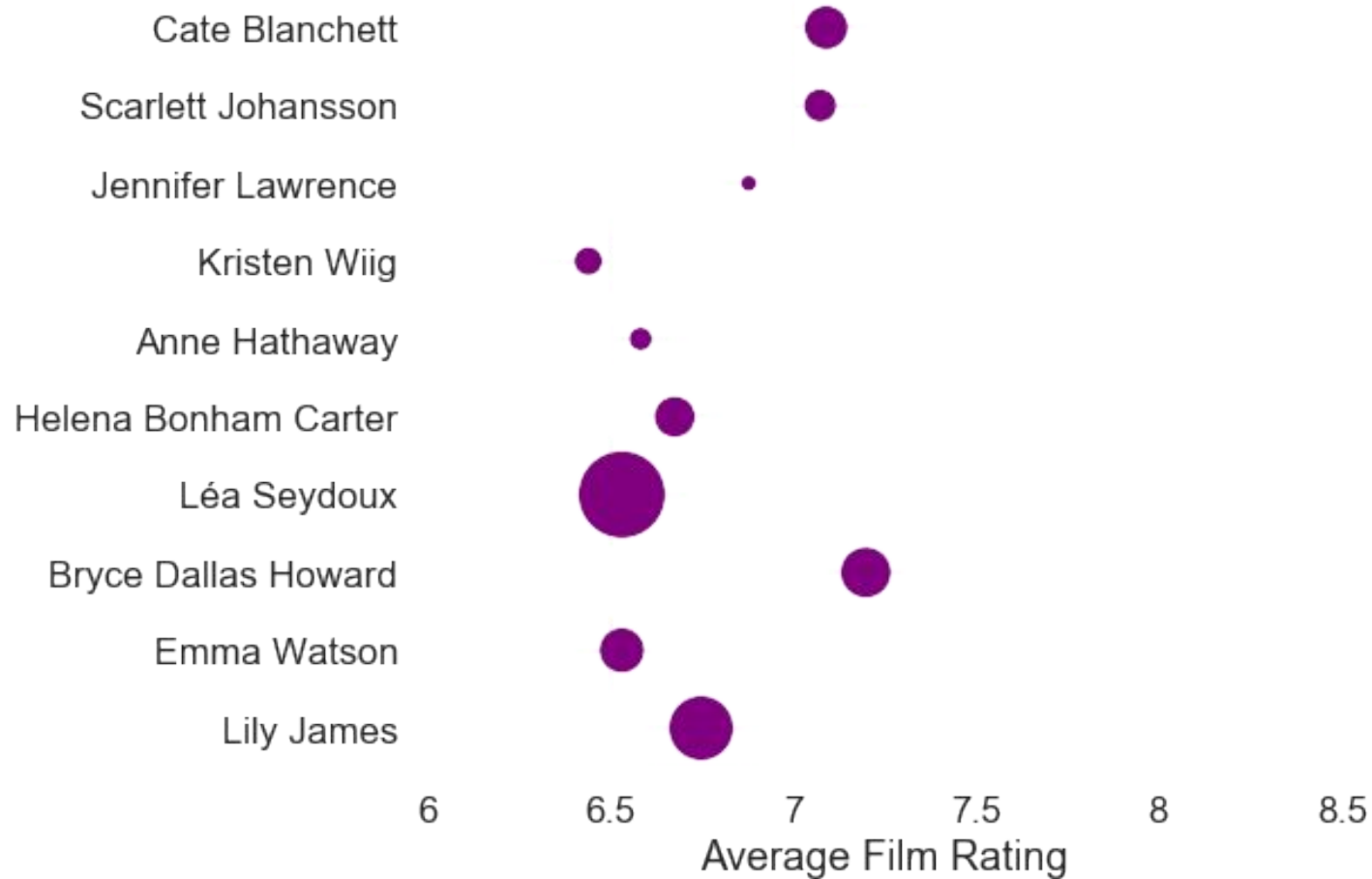


Who should we hire?

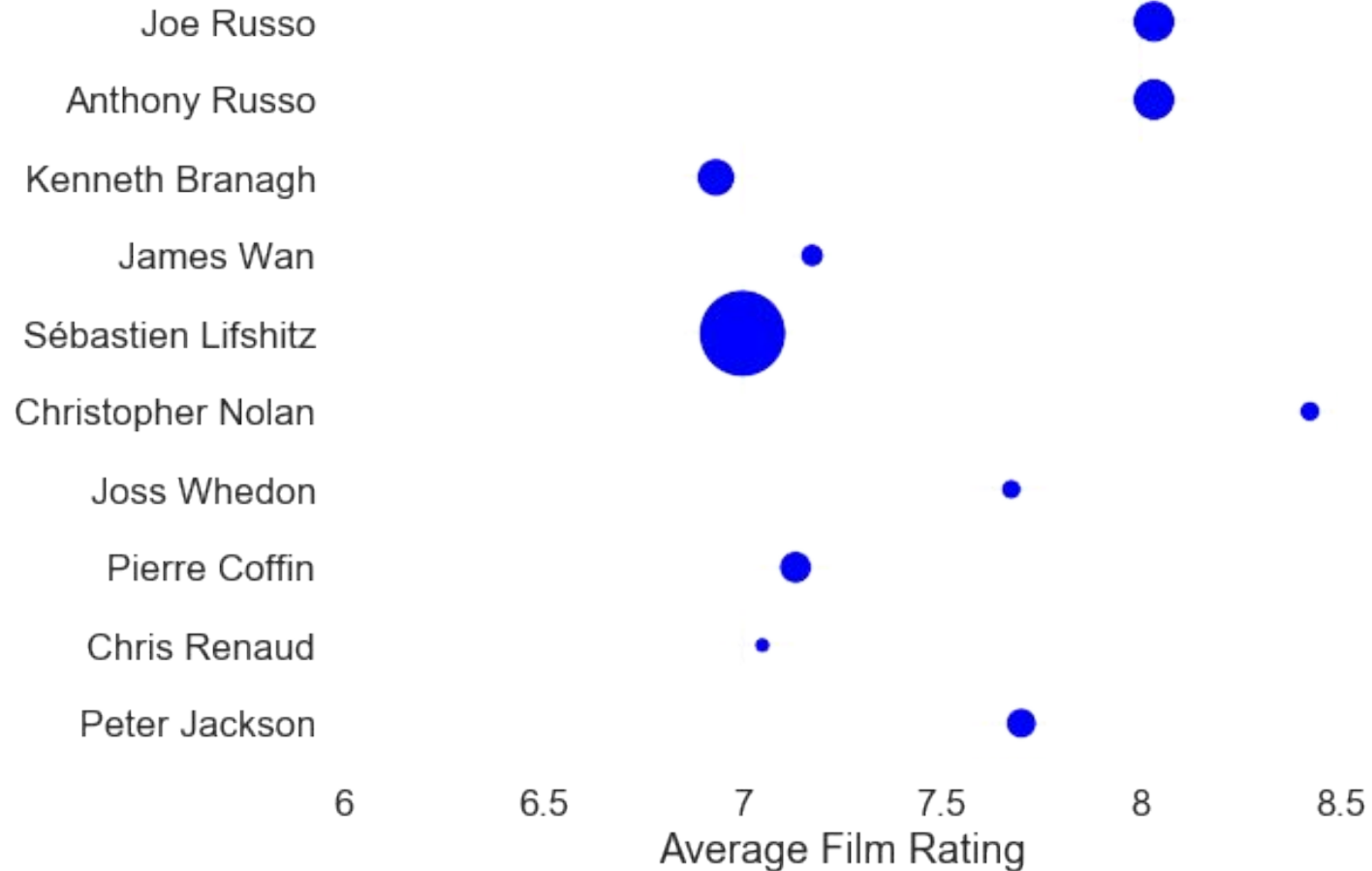
10 Most Profitable Actors



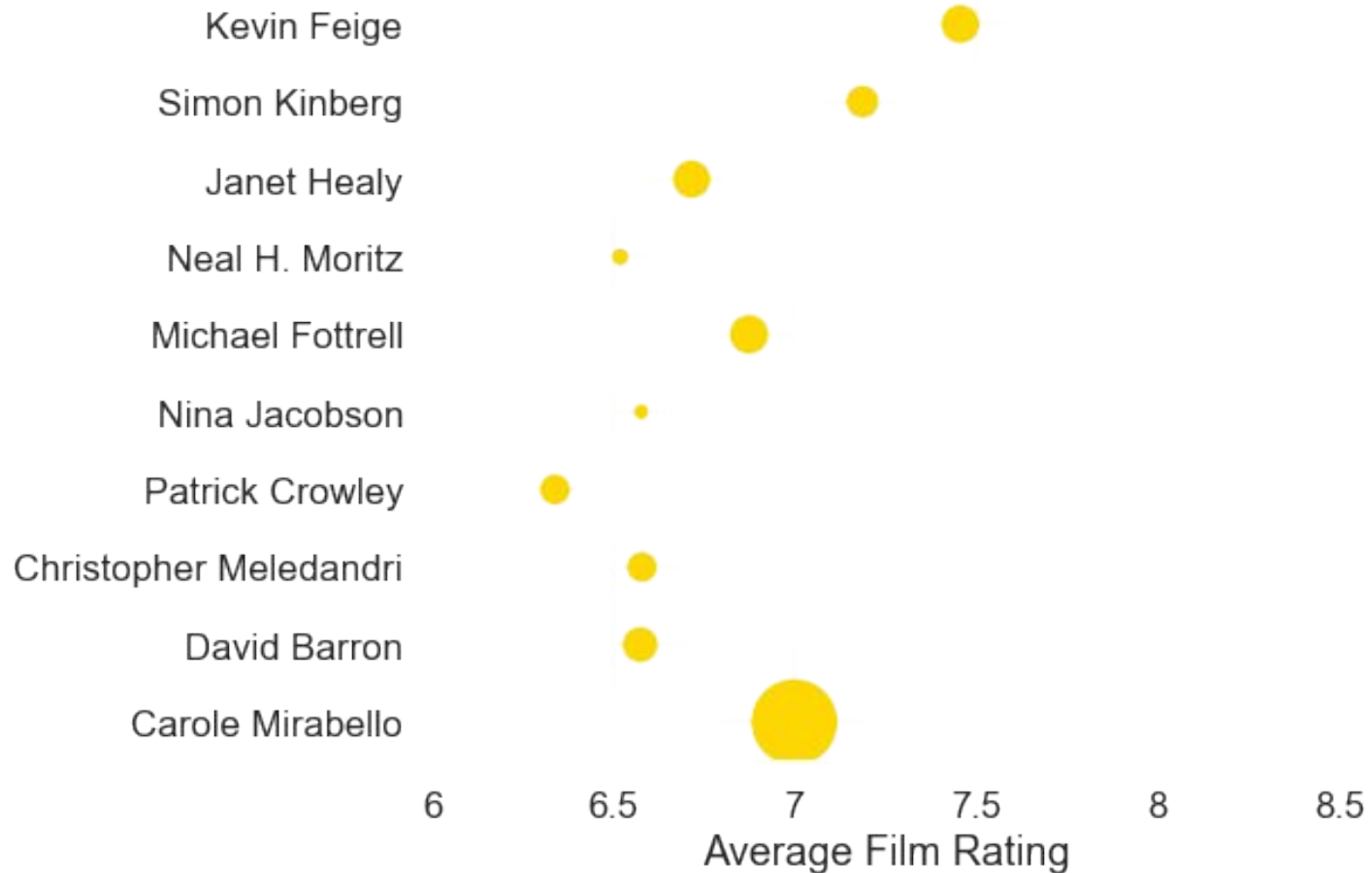
10 Most Profitable Actresses



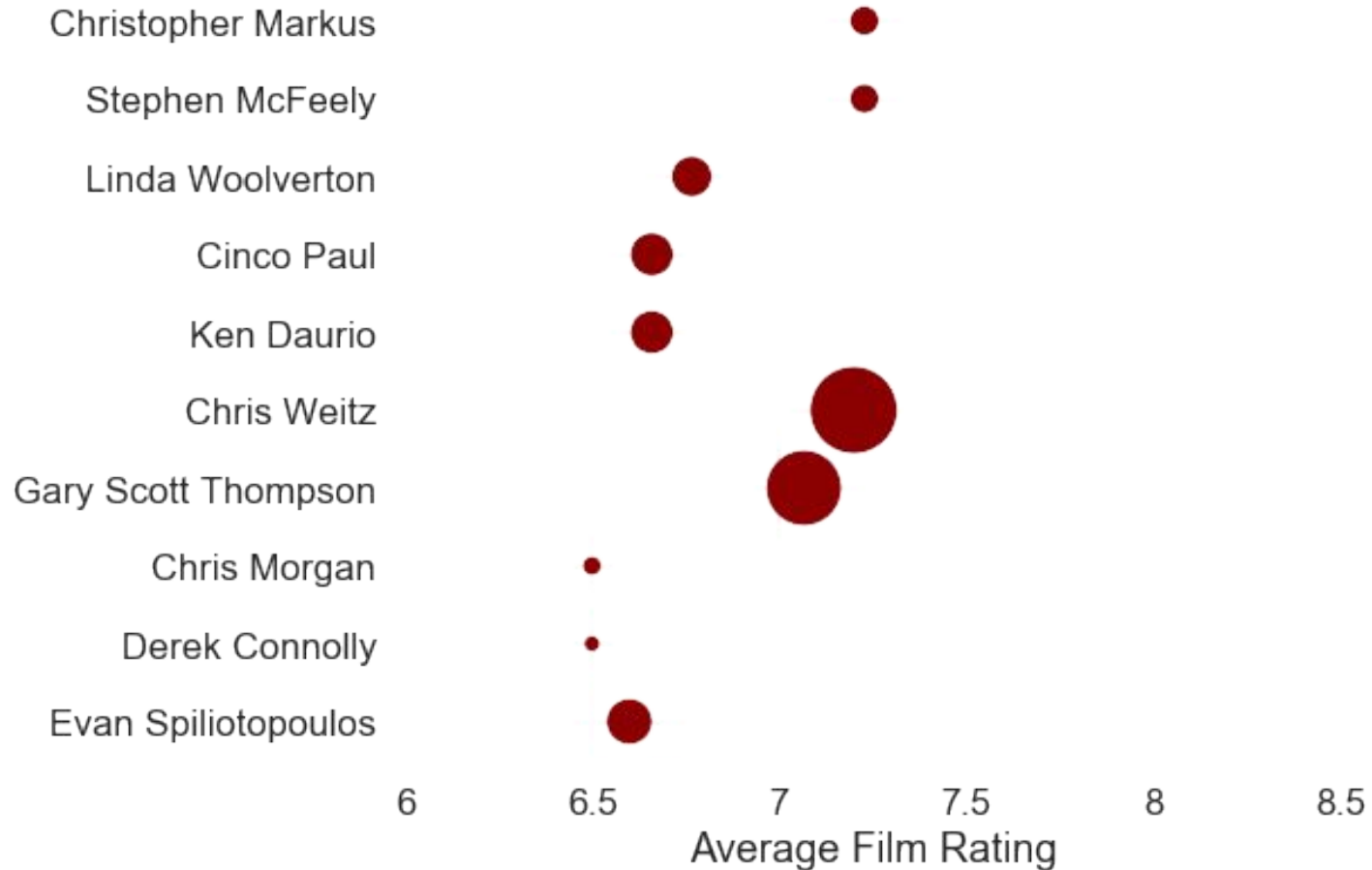
10 Most Profitable Directors



10 Most Profitable Producers



10 Most Profitable Writers



Recommendations

Use the figures to select crew from the most profitable creators.

Due to systemic biases it is important to note that the use of historical data should not be the only factor we use to hire cast and crew for a film. Although we can use the data to make a recommendation, it is also important to recommend that we seek out diverse viewpoints and perspectives. This analysis is limited by the data it uses to automatically include historical biases that influence who has created successful films.

Future Projects

- A significant market is films based on previously existing IP. We could gather more data from bestseller lists and other story sources to determine stories that could be adapted into popular movies.
- A more detailed look at Return On Investment, the beginnings of which are attached as an appendix.
- Tiered success rate of crew based on rating
- Analysis of foreign box office by region
- Analyzing cross samples of genres like Romance/Comedy versus Romance/Drama
- Analyze trends over time for cast and crew as well as genre to predict what kinds of films, made by who might be worth making next



Thank You!

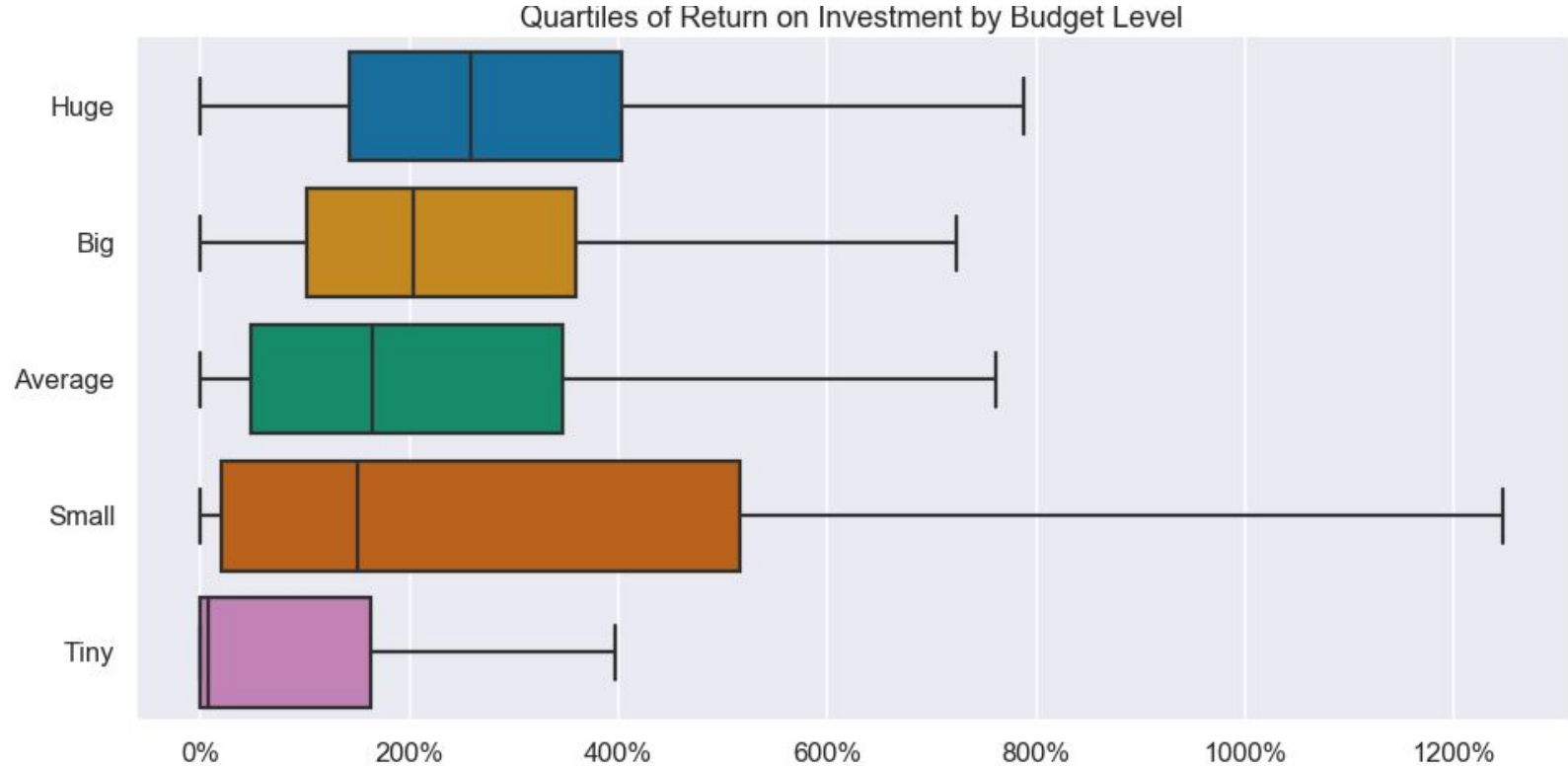
Send any questions to shsobieski@gmail.com



APPENDIX 1



APPENDIX 2- Outliers removed



APPENDIX 2- Outliers included

Quartiles of Return on Investment by Budget Level

