
STEPHEN GOMES - 2022.10.26

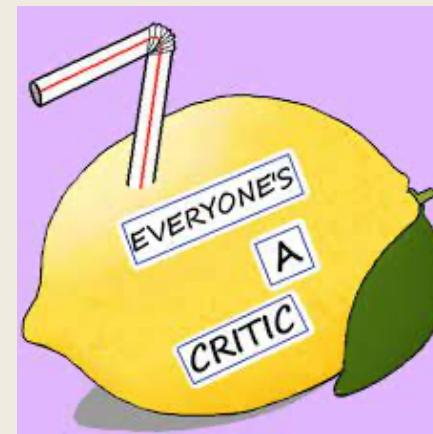


Launching a New Movie Studio

Identifying drivers to maximize profit

Overview

In launching a new studio, we need to identify the drivers of profit and how to maximize ROI



Good reviews are nice..
BUT they don't pay the bills

Business Understanding

There are many levers we can pull when deciding on making a movie - Budget, Genre, Staffing, Scheduling, Run length, and more



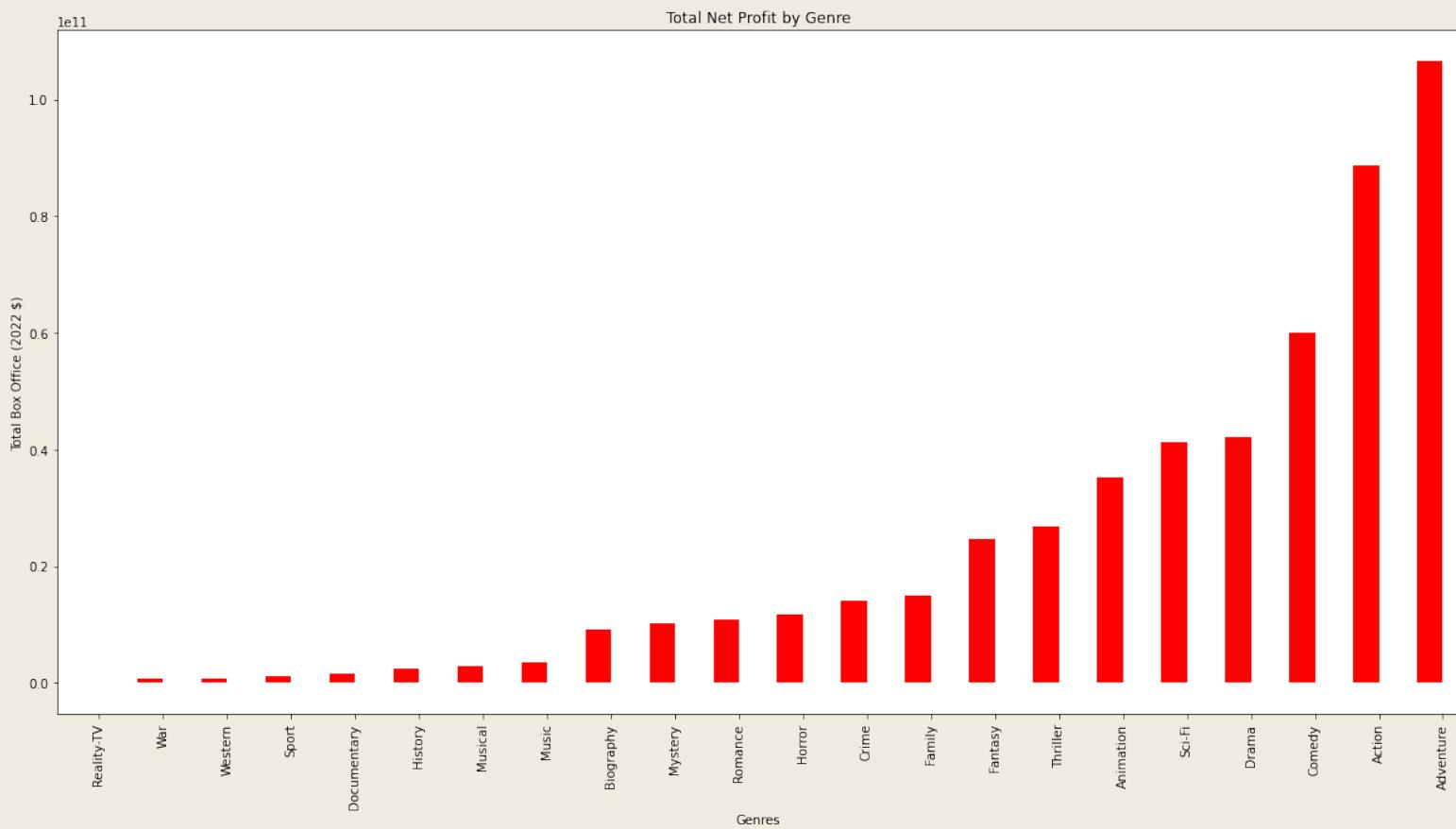
Data Understanding

- Analyzed decades of box office sales and budgets data
- Adjusted all dollar figures to 2022 dollars using official Fed inflation data



Data Analysis

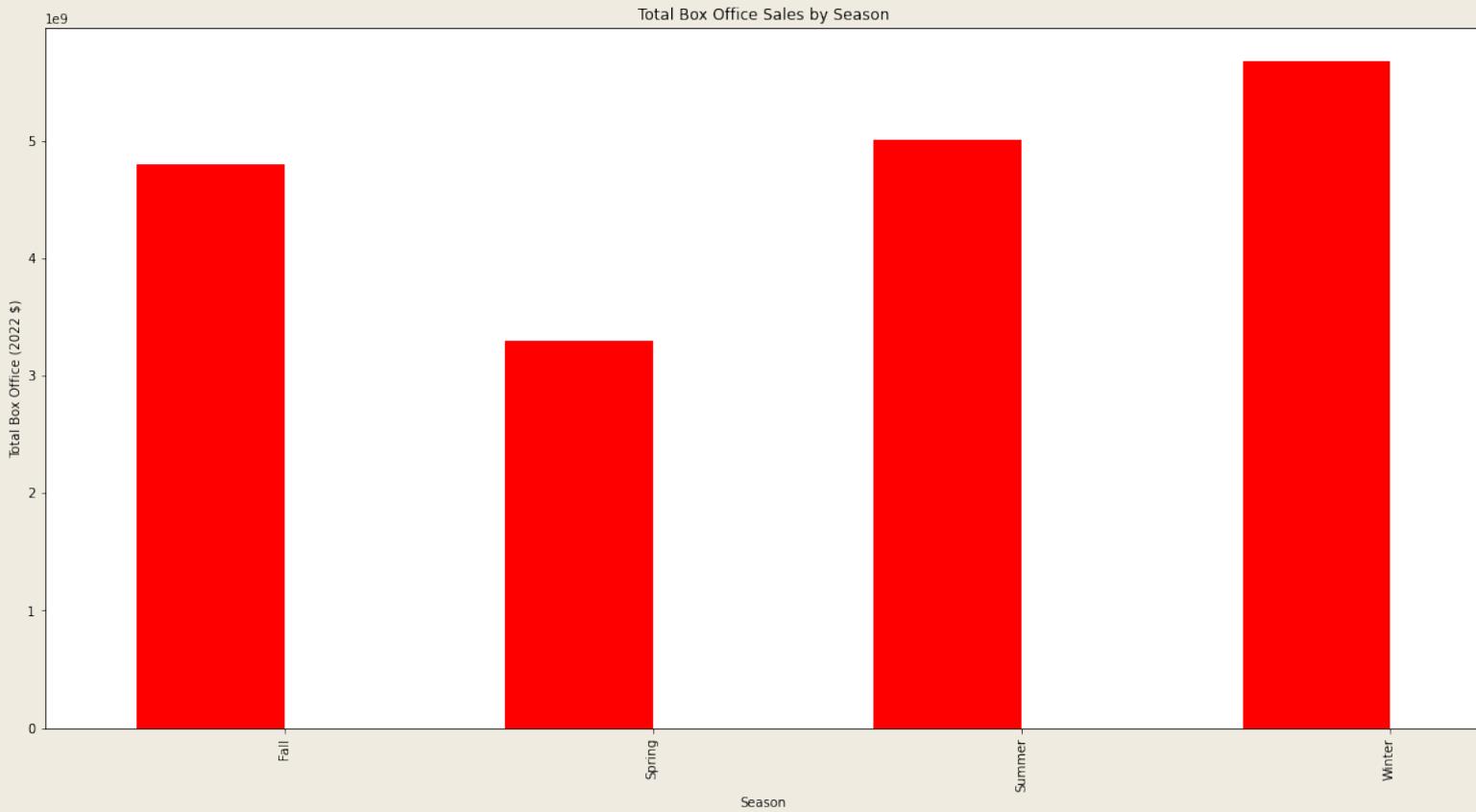
Action & Adventure
are by far the
most profitable genres



Data Analysis

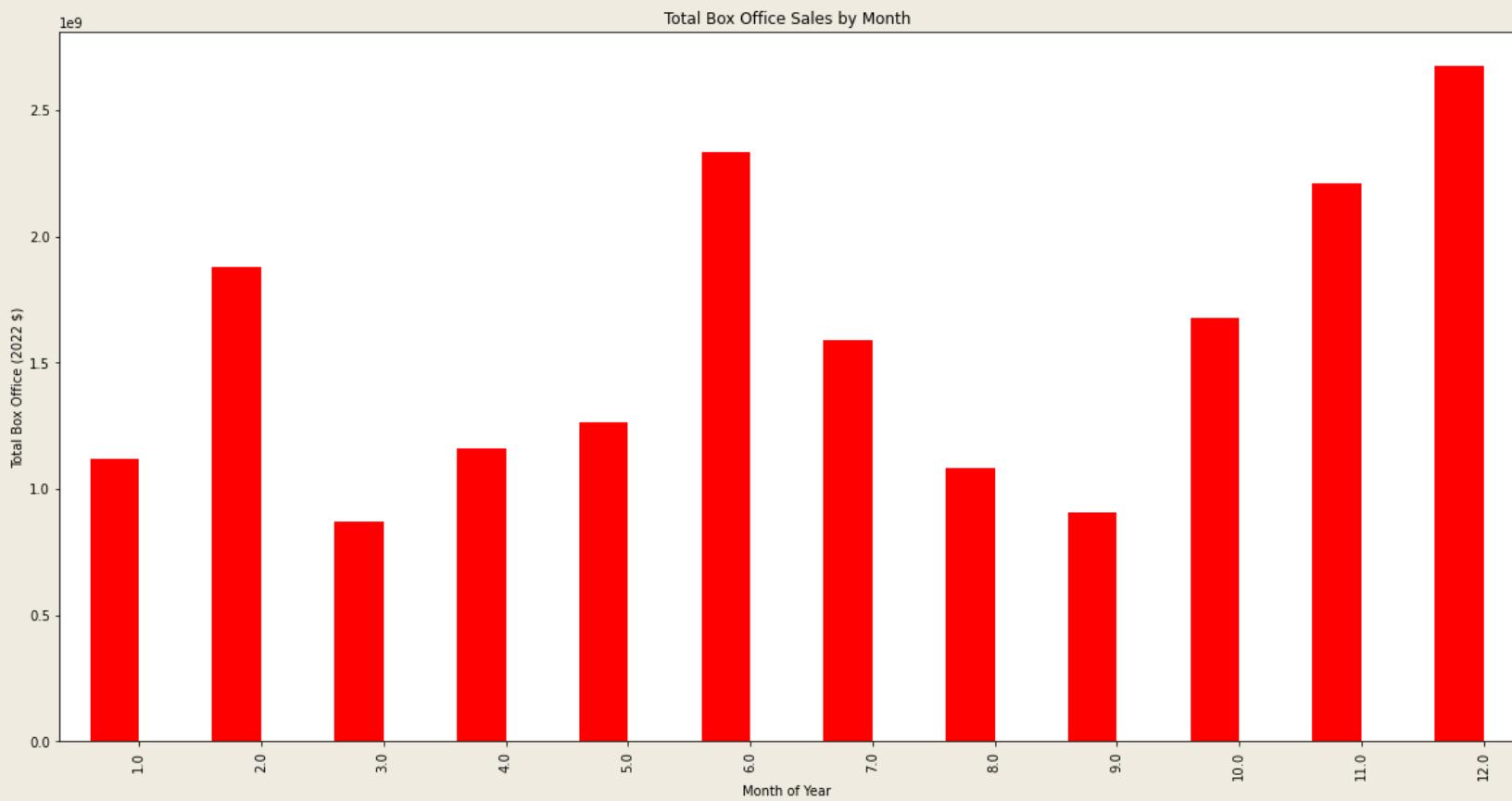
Release when more
people watch movies!

Summer or Winter,
never Spring



Data Analysis

Best release months
for box office sales:
November
December
June

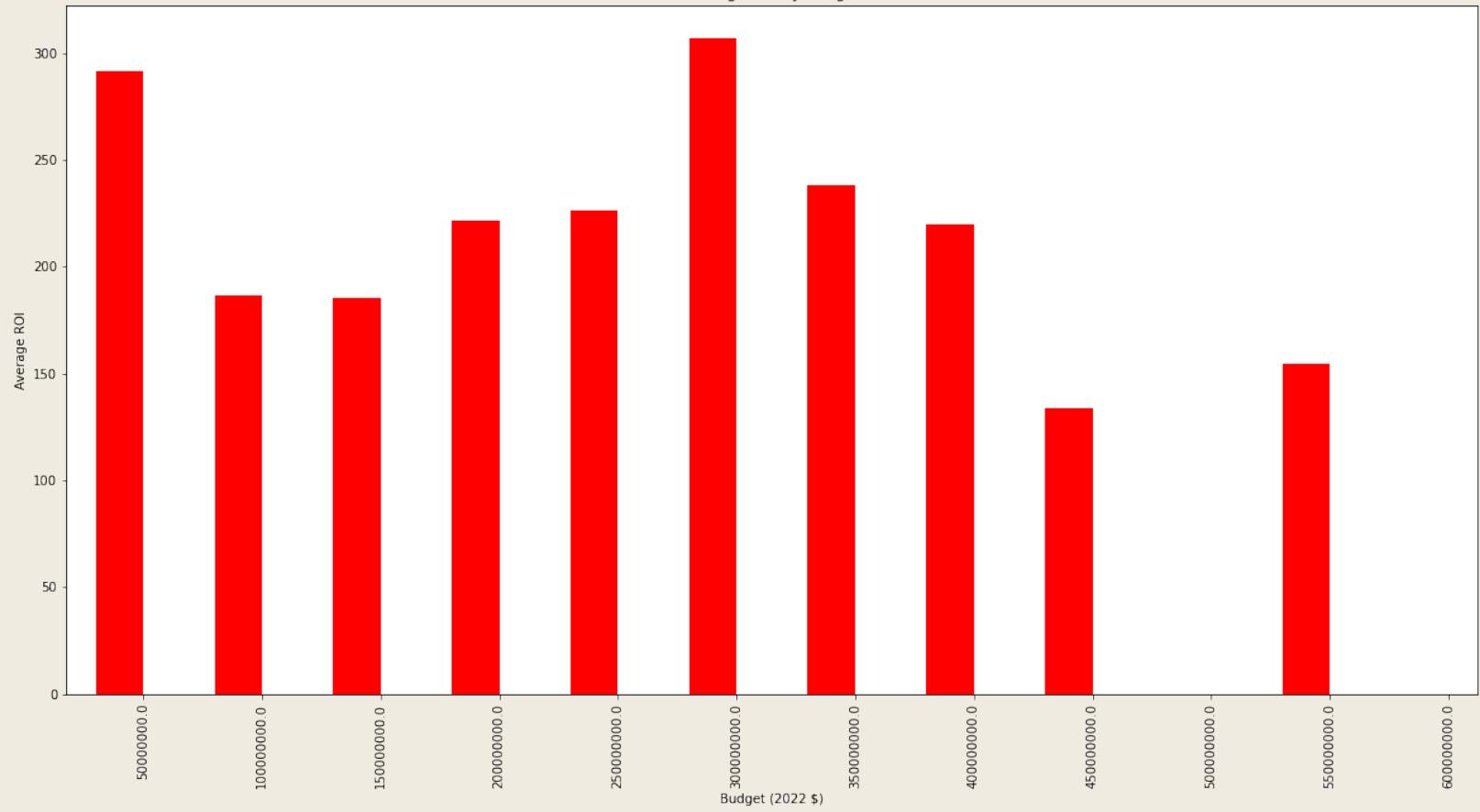


Data Analysis

Average ROI by Budget

Budget no more than
\$300M per film

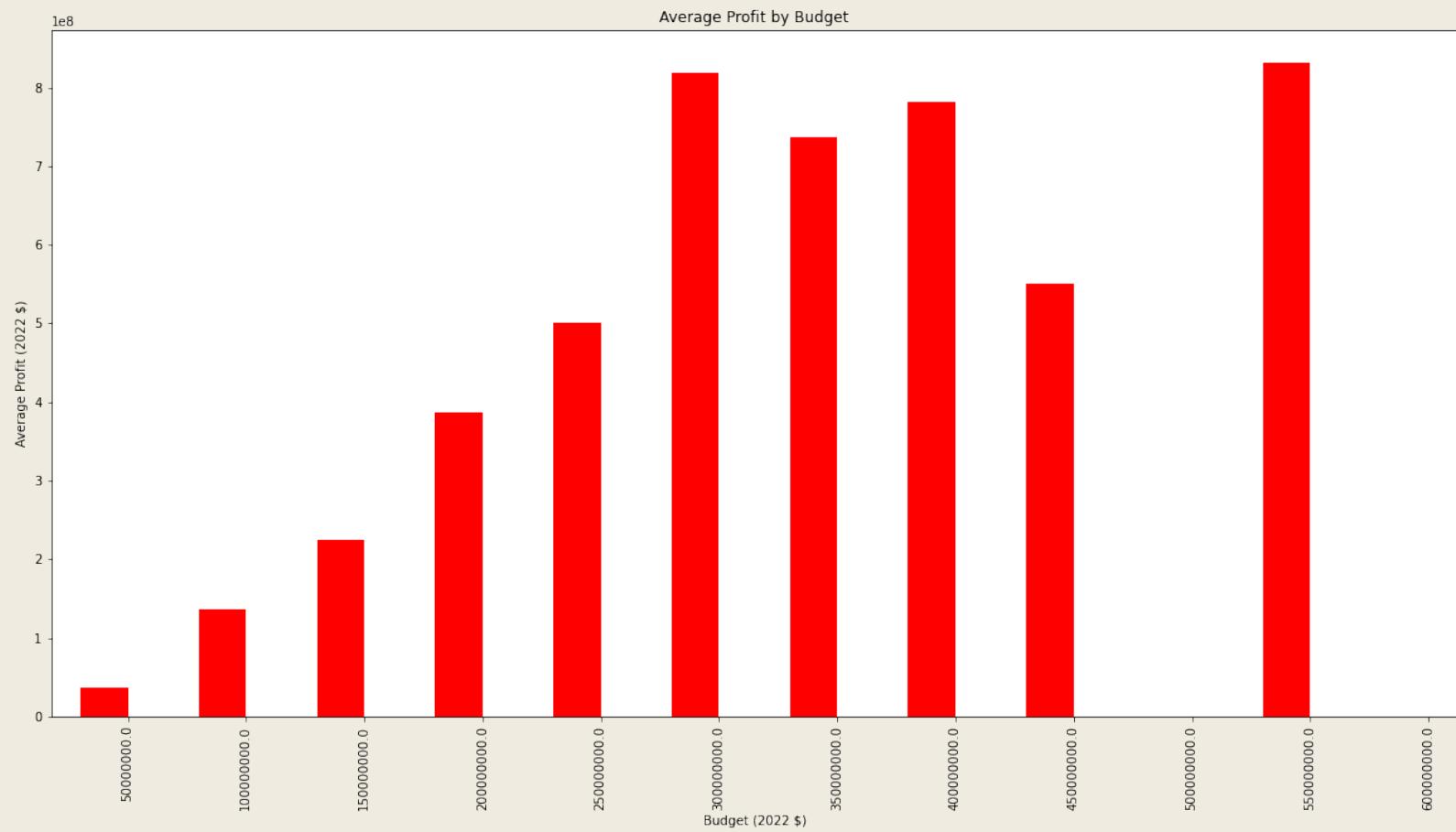
ROI drops off sharply
after \$300M budget



Data Analysis

Budget no more than
\$300M per film

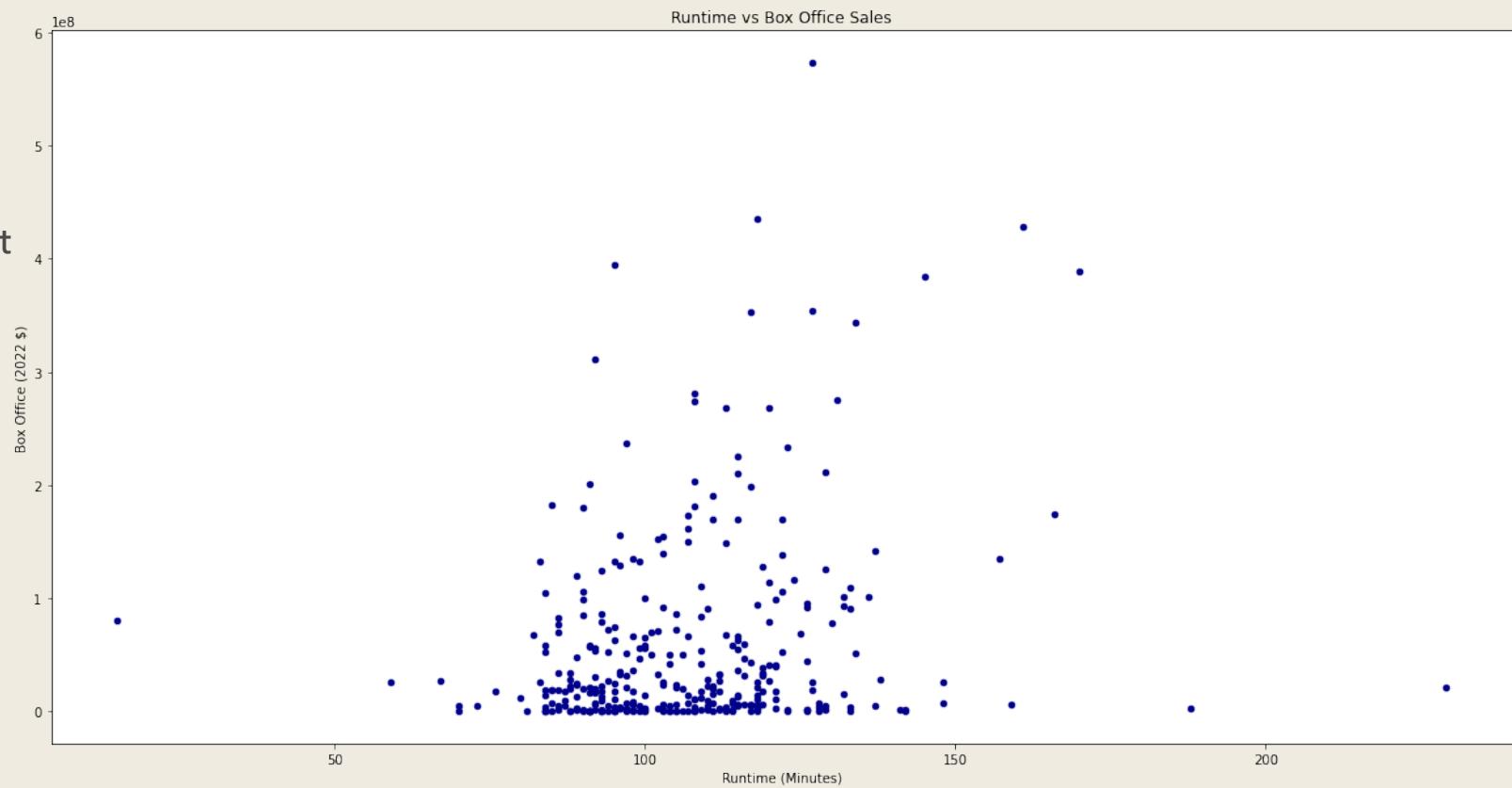
Profit falls off past
that point



Data Analysis

Keep the runtime tight
in the 90-120 minutes
range

Extra runtime is
NOT rewarded



Movie recommendations

- Release a Summer block buster action film in June, with a full \$300M budget, roughly 120 minutes runtime
- Release two Adventure films during the Winter holidays, one each in November & December targeting school children, on the shorter end of the 100-120min recommended range, in the \$150-200M budget range
- The third best release time is February, so release any films that don't make the holiday cut then

Next Steps

Multi-factor drill downs such as:

- Optimal budget for each genre
- Drill into day-of-week and week-of-year time slices
- Look at how time of year & budget interact
- Trends - evolution of popularity by year
- Identifying hit makers in targeted genres
- Etc



Thank You & Questions

Contact me, Stephen Gomes
on [Linkedin](#)

