

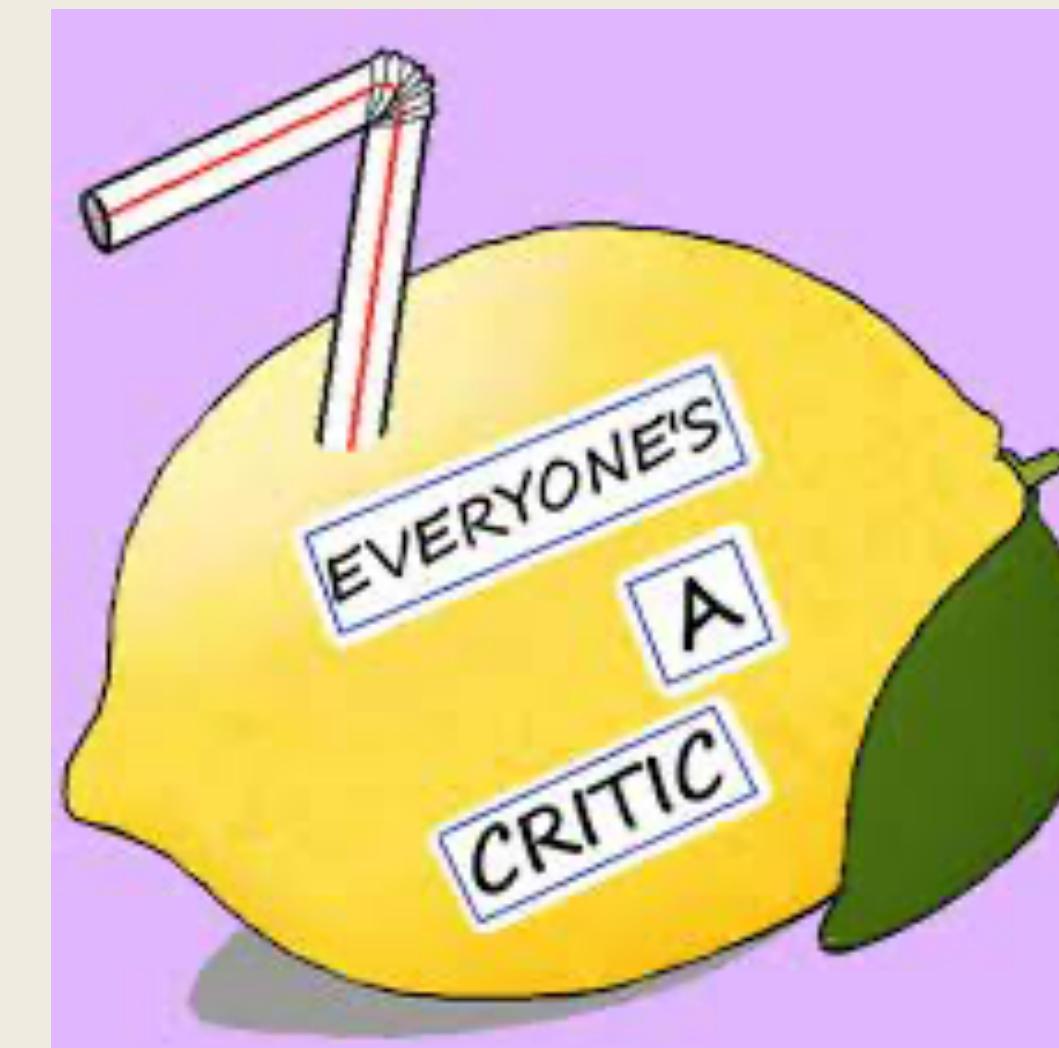
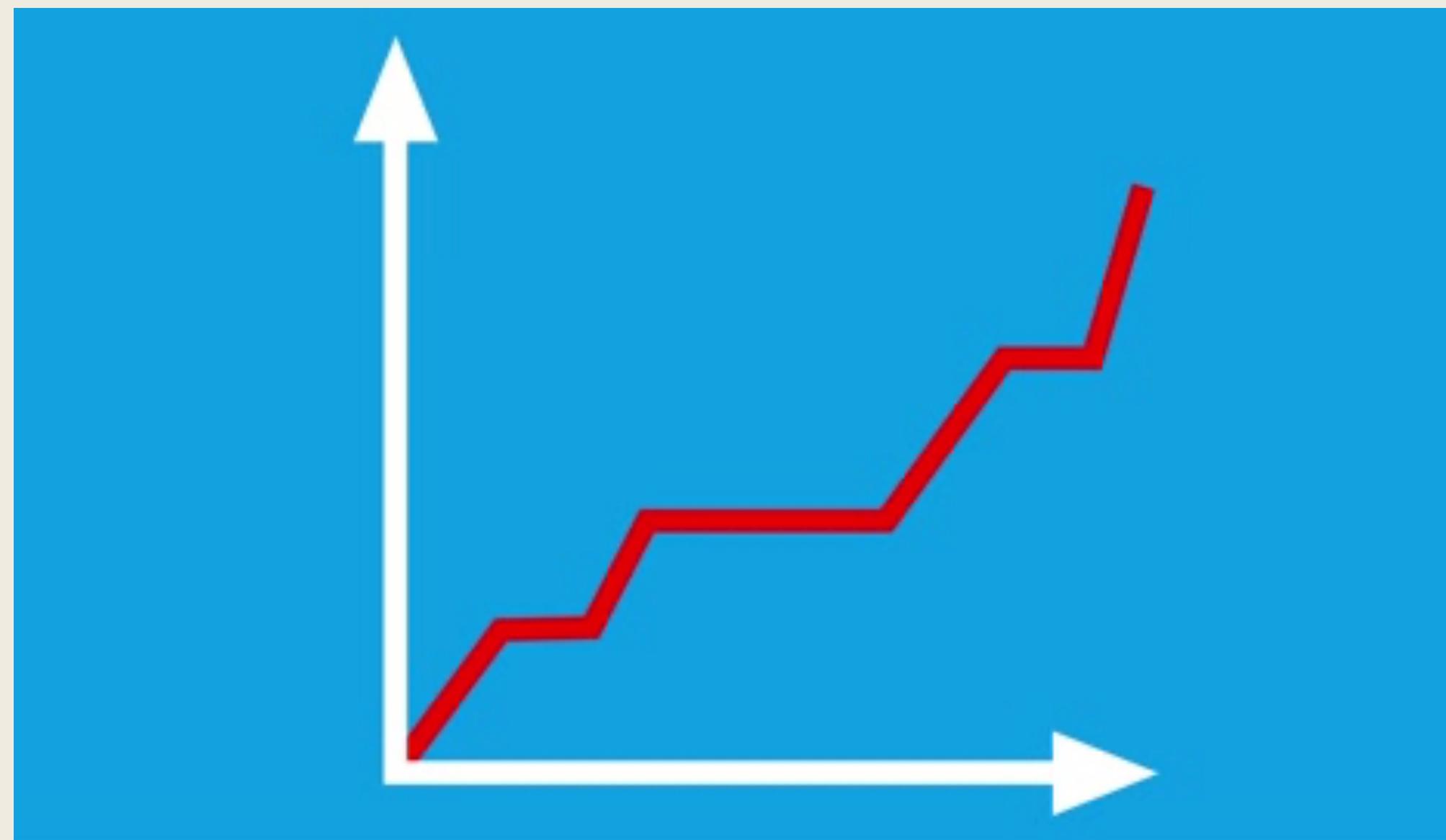


Launching a New Movie Studio

Identifying drivers to maximize profit

Overview

In launching a new studio, we need to **identify** the **profit drivers** & 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**

Release Schedule 📅

⌚ **Run length**

.. and more



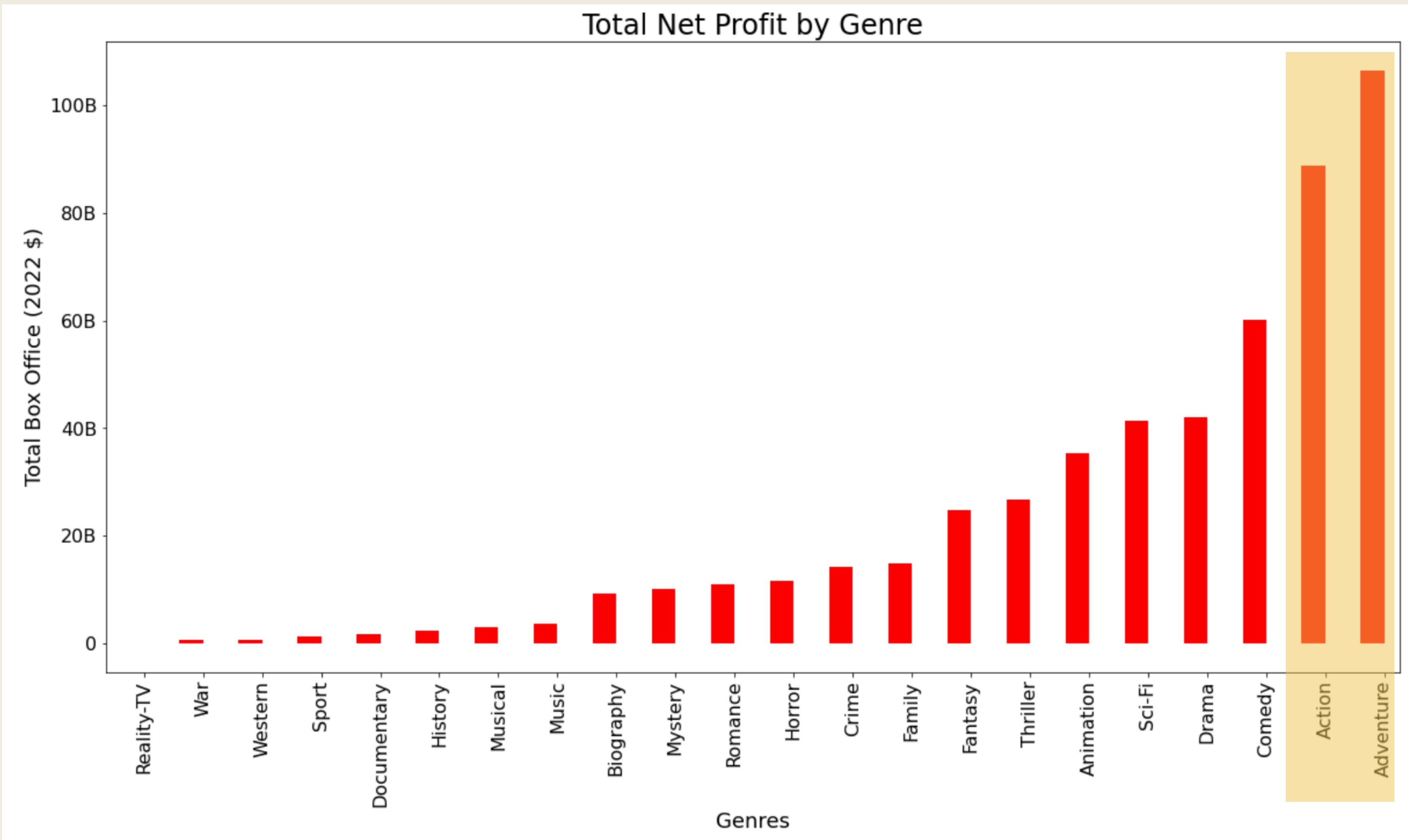
Data Understanding

- Analyzed decades of box office sales and budgets data
- Looked at the **genres**, release **schedules**, **budgets**, and runtimes of movies and how they correlated with box office **sales**, net **profit** and **ROI**
- Adjusted all dollar figures to 2022 dollars using official Fed inflation data
- Limiting our analysis to US market theatrical releases



Data Analysis

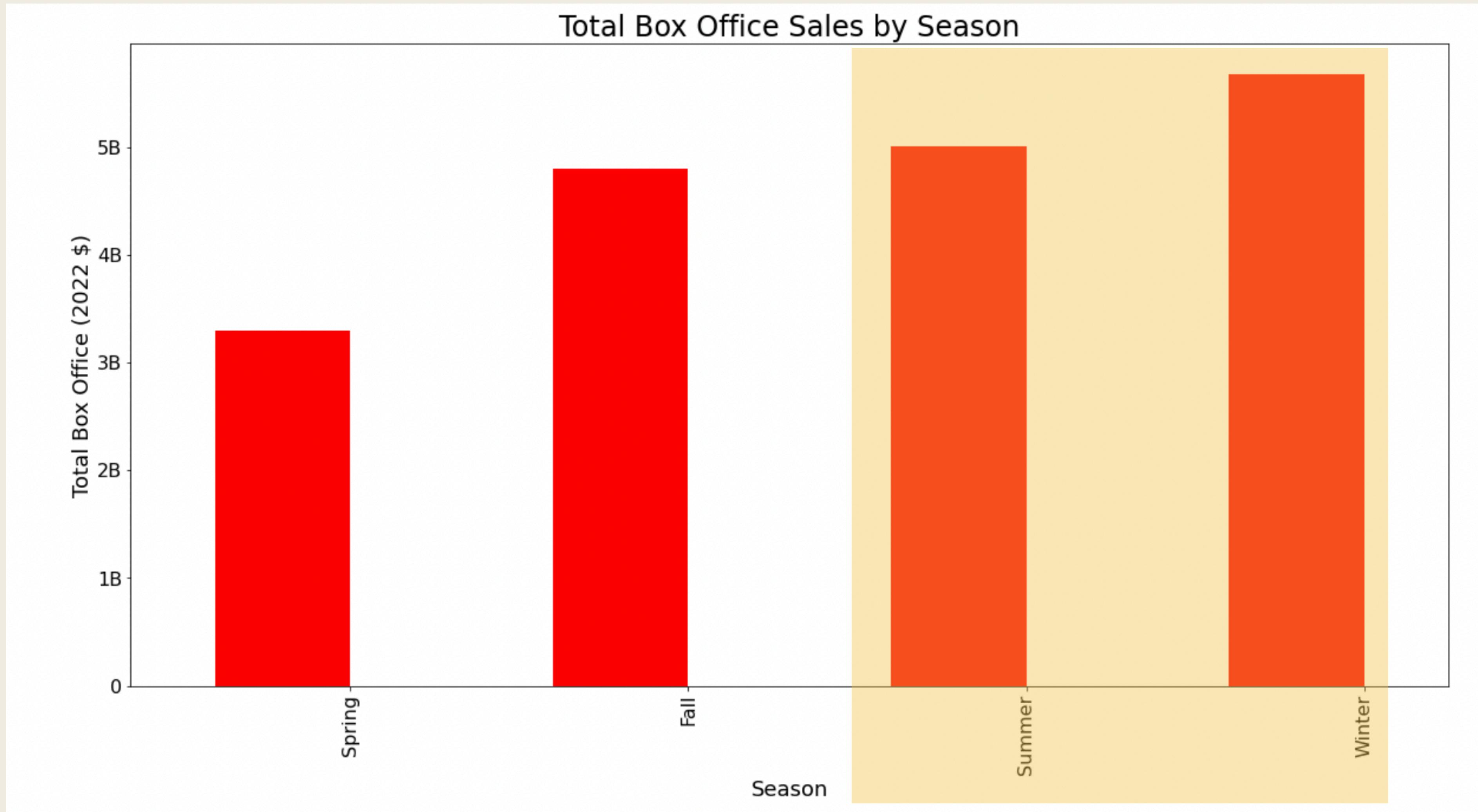
Action & Adventure
are by far the
most profitable genres



Data Analysis

Release when more people watch movies!

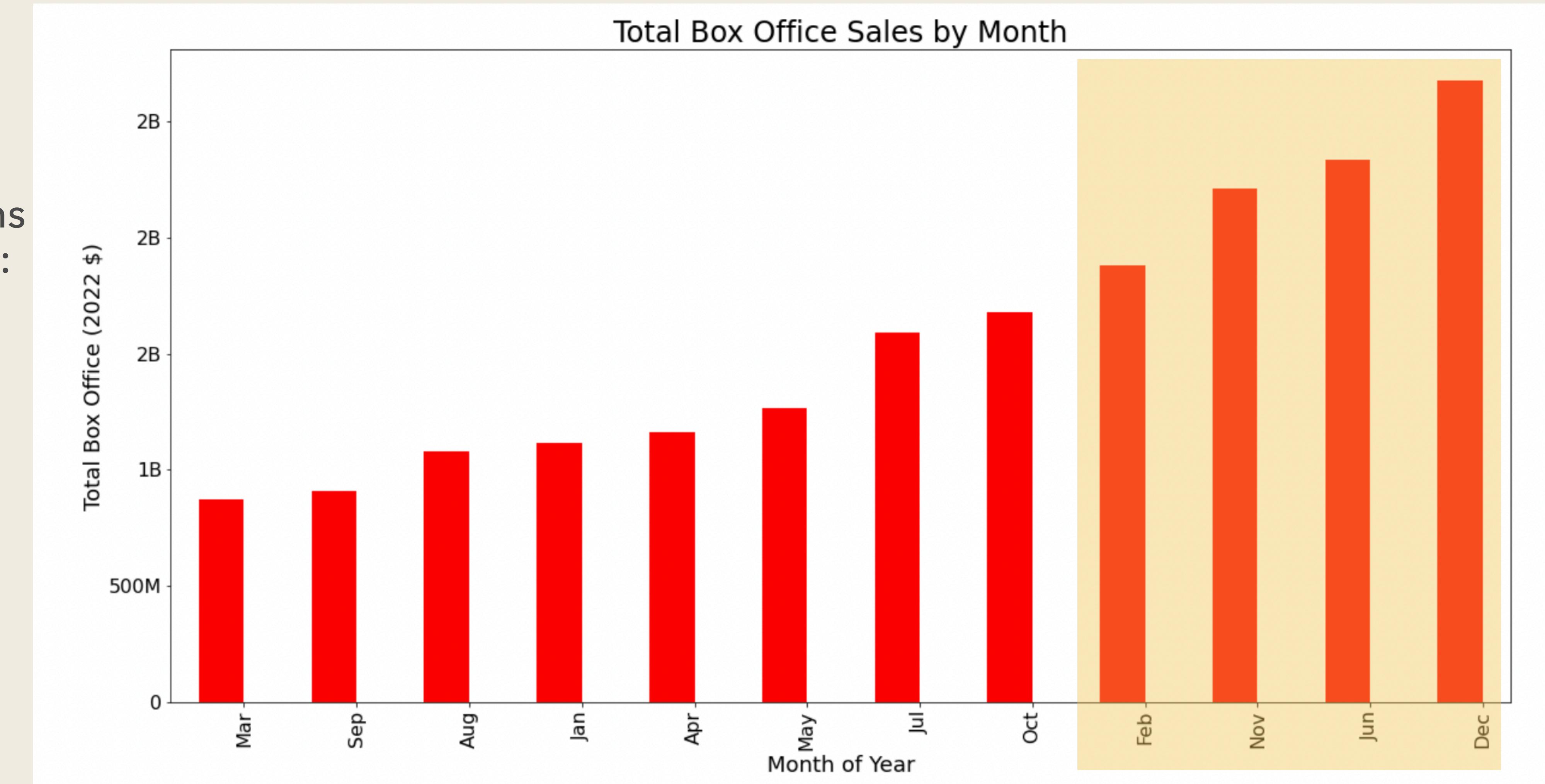
Summer or Winter,
never Spring



Data Analysis

Best release months
for box office sales:

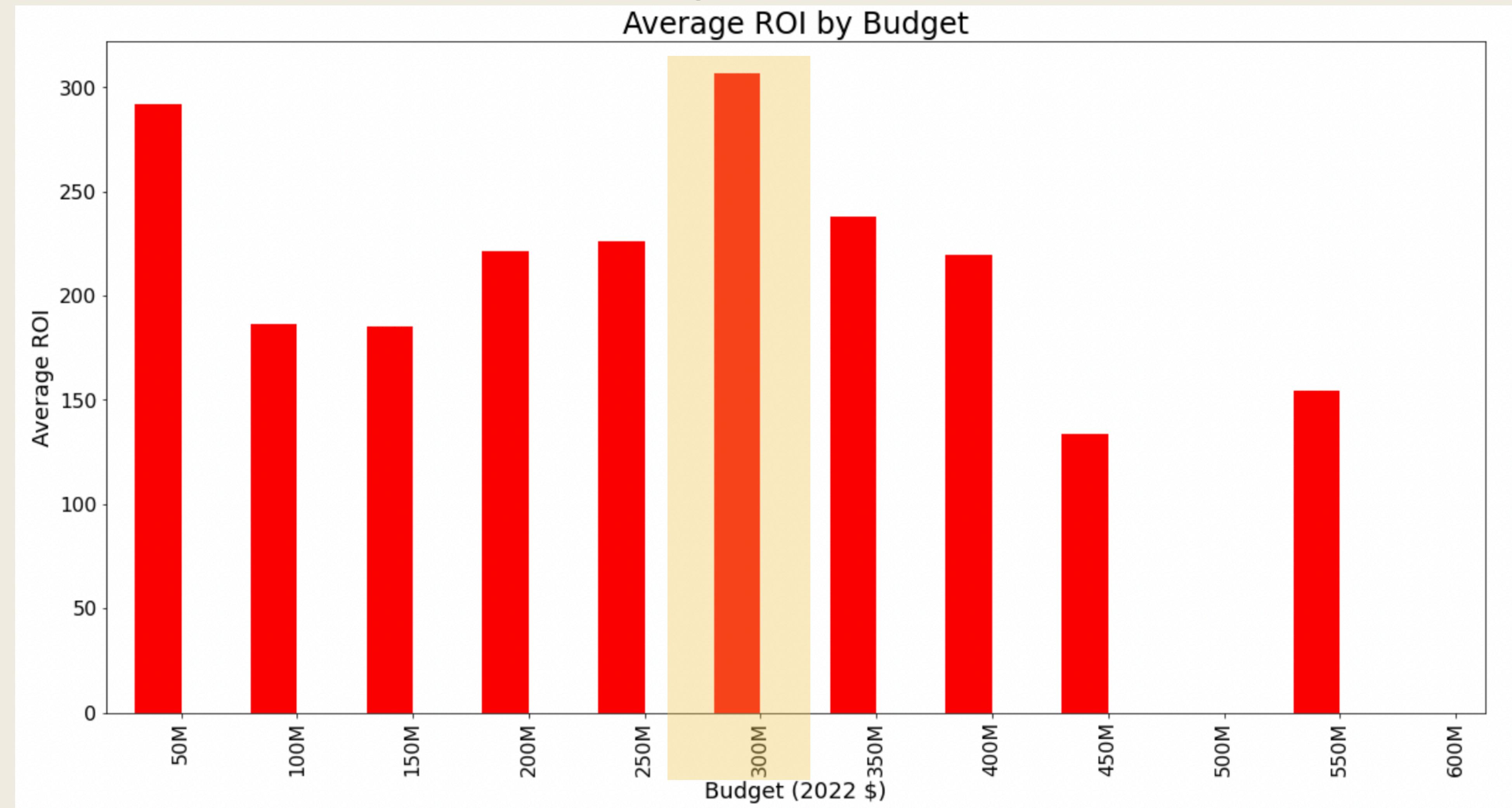
November
December
June
February



Data Analysis

Budget no more than
\$300M per film

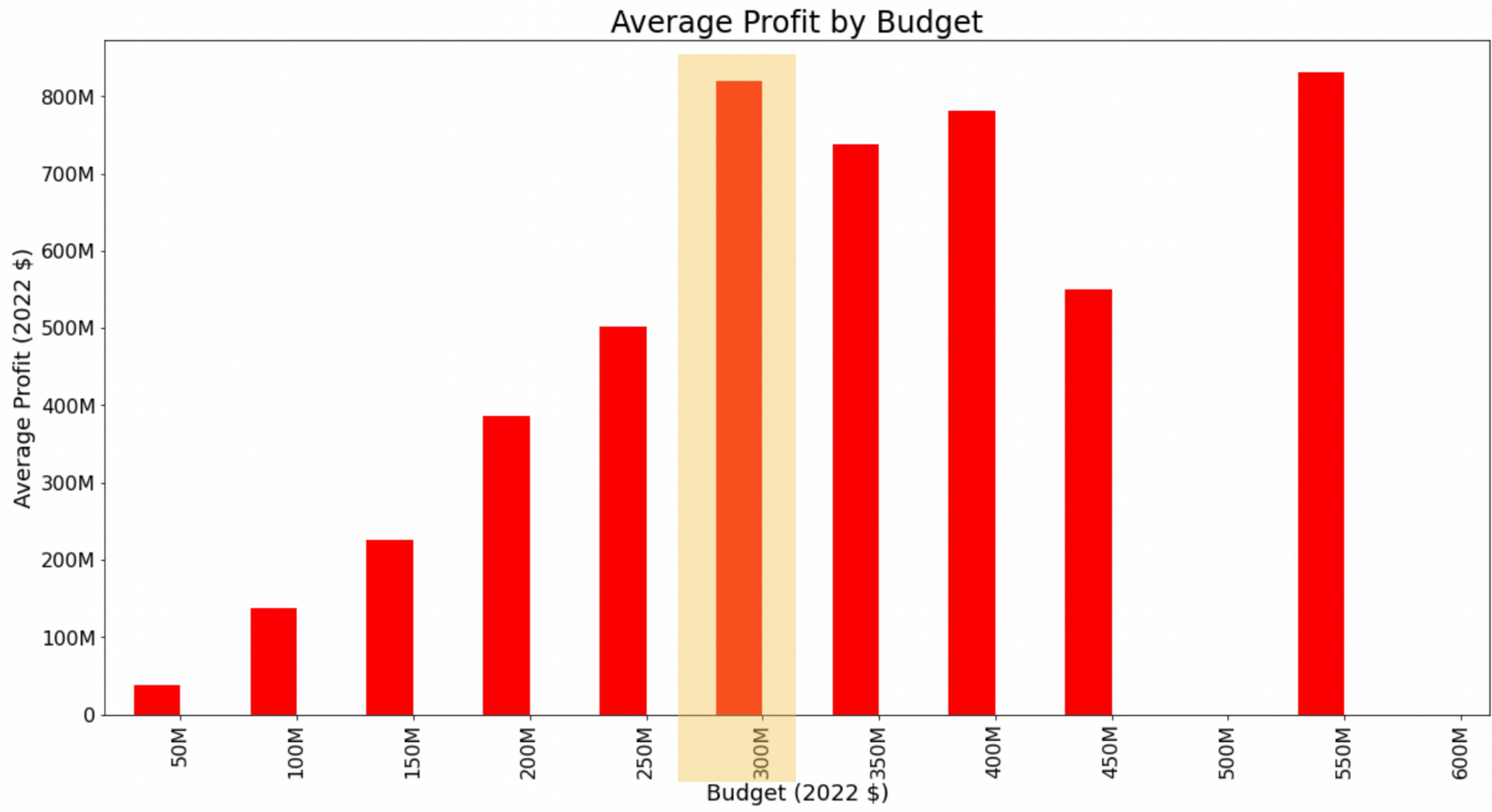
ROI drops off above **\$300M** budget



Data Analysis

Budget no more than
\$300M per film

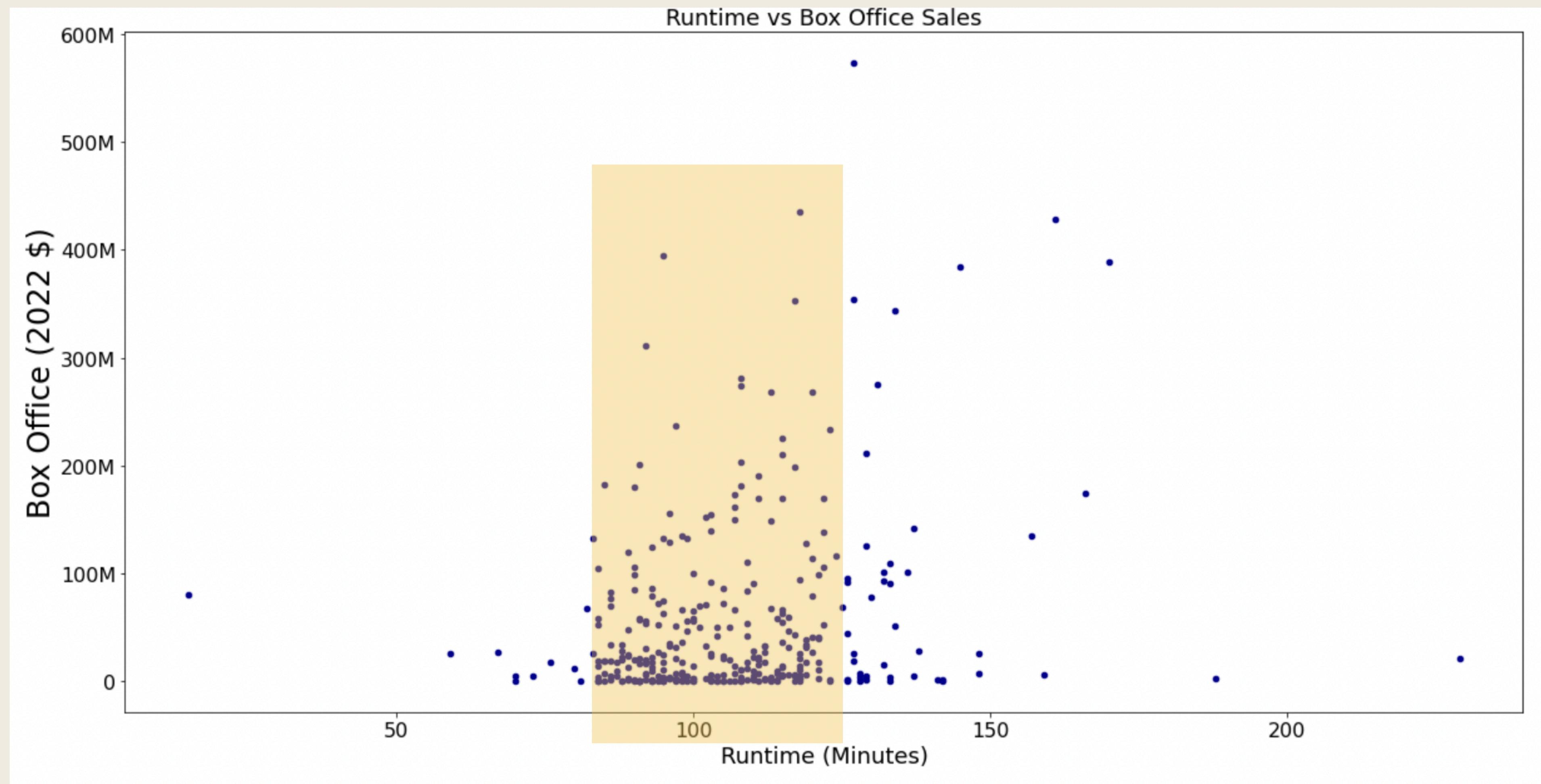
Profit also drops off above
\$300M budget



Data Analysis

Keep the runtime
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 2 Adventure films during Winter holidays, 1 each in November & December targeting school children, on the shorter end of the 90-120min 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



JAKE-CLARK.TUMBLR

Thank You & Questions

Contact me, Stephen Gomes
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