Module 1 - Final Project

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Project Goals

How do **Budget** and **Genre** influence the **profitability** of a **film production**?

- **Return on Investment** vs. **Net Revenue**

- **Worldwide** vs. **Domestic** contexts

- Over **Recent Years** (i.e. 2000-2020)

Question 1

Films' budgets (from the-numbers.com) can be evenly split into categories of:

- $0-5 Million
- $5-20 Million
- $20-50 Million
- $50-Million

What are the distributions of their ROI (budget / revenue), for domestic and worldwide contexts?

- Domestic:
  - Most films are not profitable

- Worldwide:
  - $5+ Million are mostly profitable
  - The more spent, the more made

Distribution of Films' ROI, 2000 - 2020
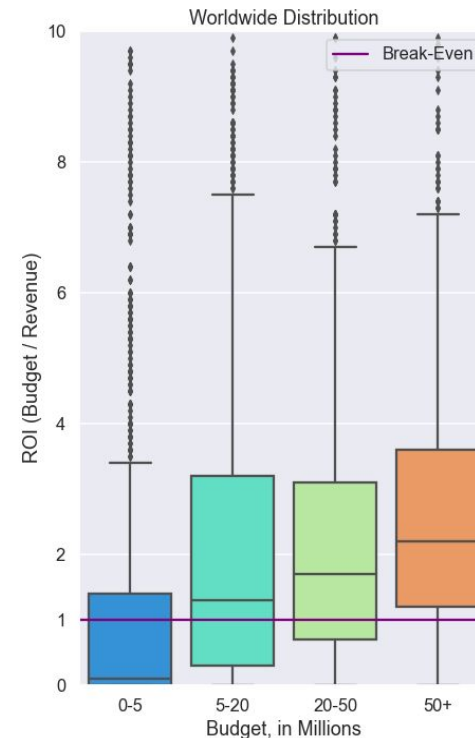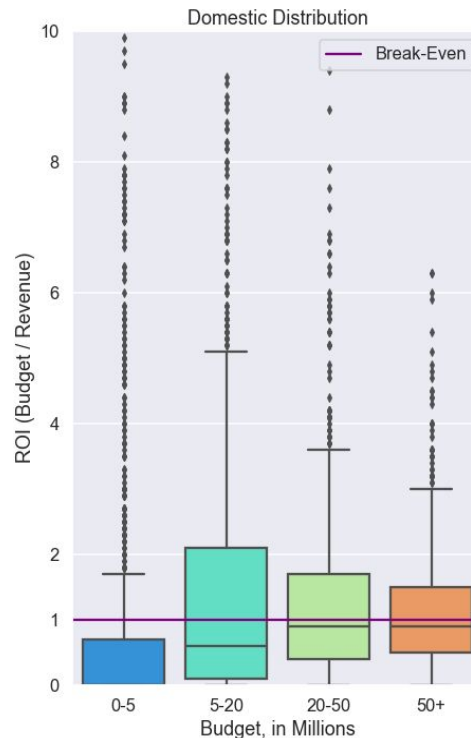
Data source: *the-numbers.com*

Question 2

Are there any trends or clear winners in:

- Worldwide ROI
- Net Revenue

in the period from 2000-2020?

- Again, 5+ million seems to be most profitable.
- There is a big drop just before 2020, most likely because of the pandemic
- The top 3 categories are all roughly equivalent in ROI: what about Net Revenue?

Mean Worldwide ROI for Films 2000-2020, by Budget Category
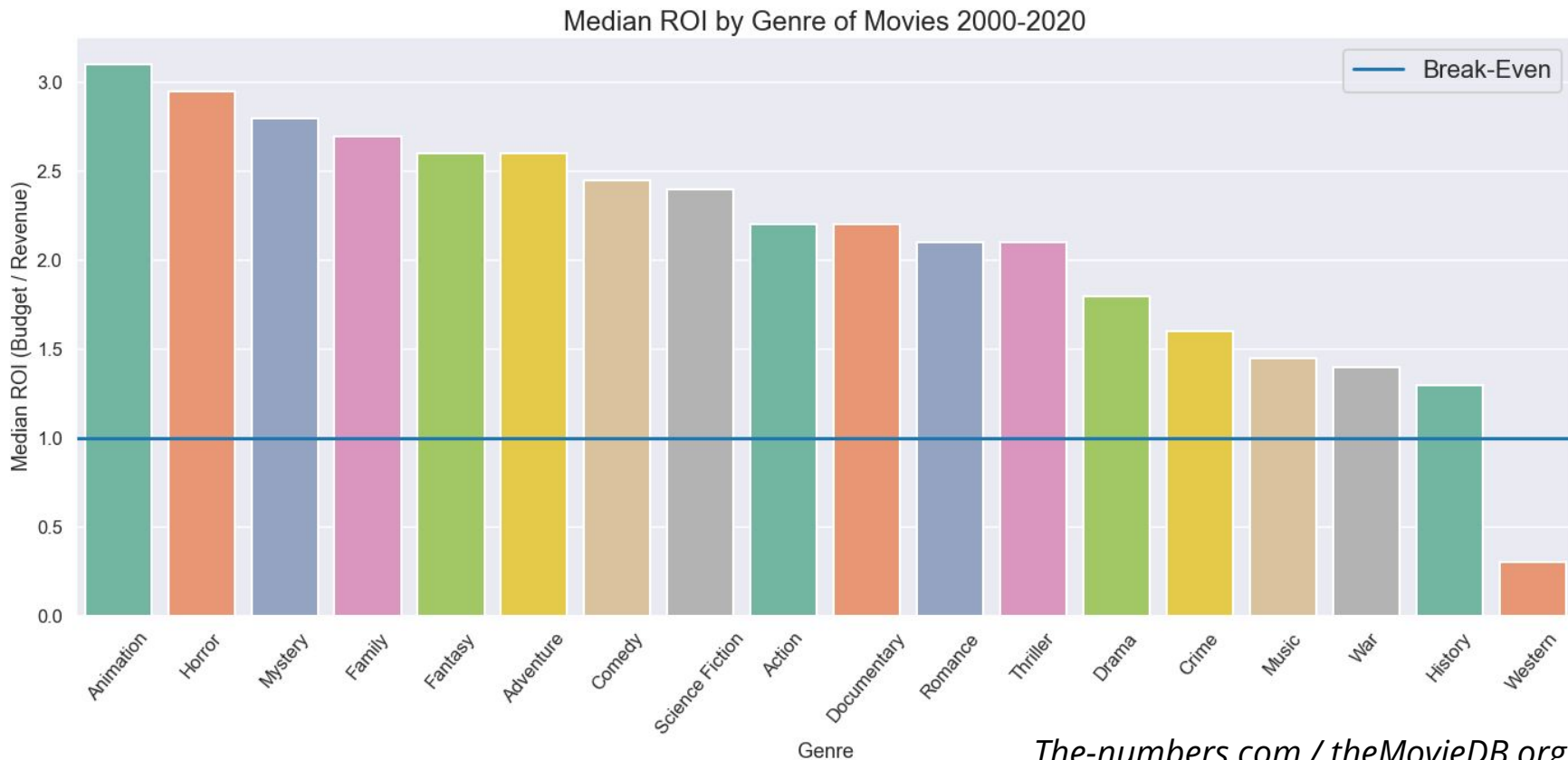Orange line = Break-Even

- In Net Revenue, the bottom 3 categories have low raw profitability
- The top category is vastly higher - again, excepting the large drop just before 2020

Mean Worldwide Net Revenue for Films 2000-2020, by Budget Category
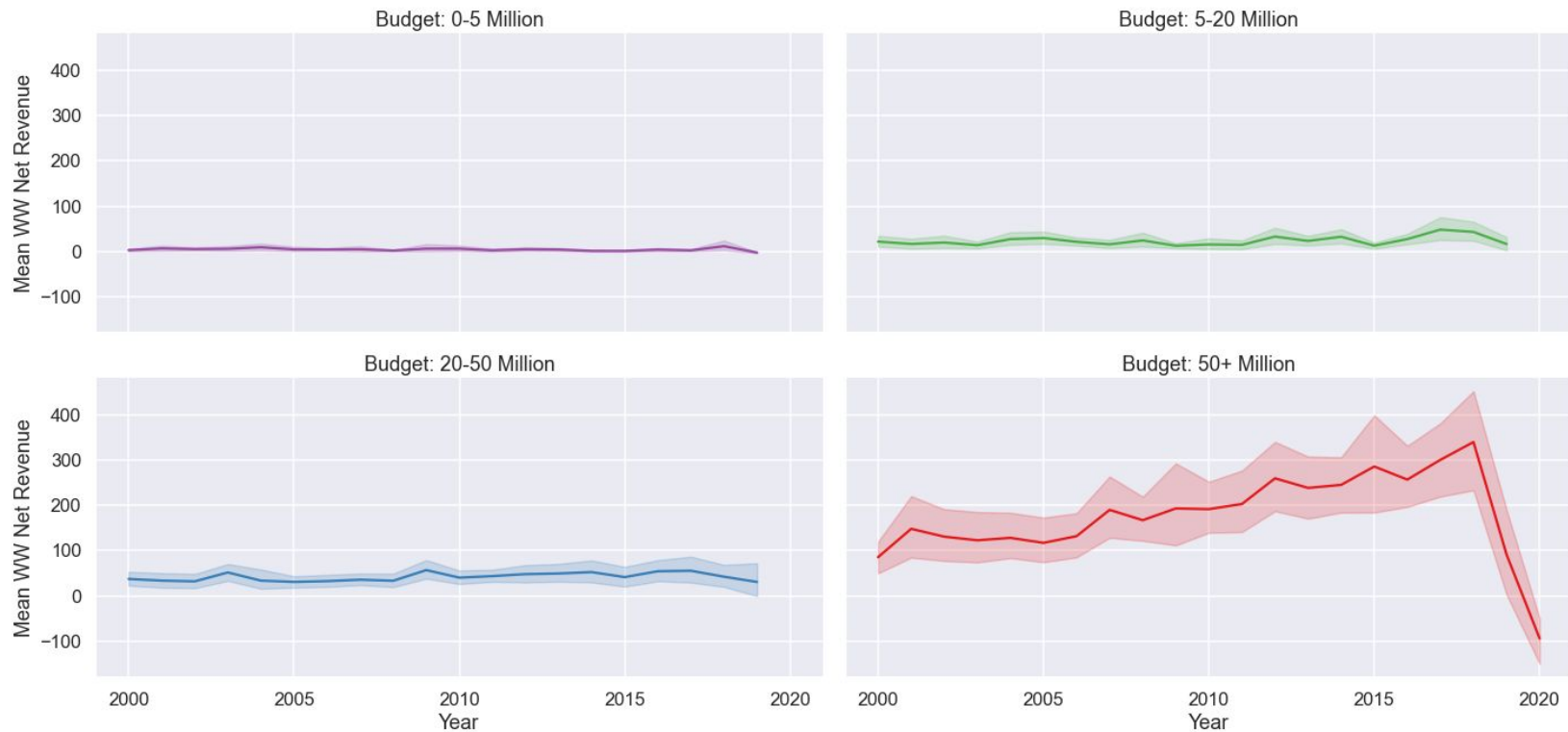
Question 3

What film genres have the highest median Worldwide ROI?

Median ROI by Genre of Movies 2000-2020

The-numbers.com / theMovieDB.org

Question 4

We saw that:

-   Animation, Horror, Mystery, Family, Fantasy, and Adventure

are the top genres.

Are there any trends in these genres from 2010-2018?

Median ROI by Film Genre, 2010-2018

Some are consistent and others are more volatile, but almost all genres stay well north of 'break-even' over this period.

Horror and Mystery are most volatile - they have high peaks, but low valleys.

The-numbers.com / theMovieDB.org

Conclusions

Recommendations based on findings:

- It's very clear that **worldwide** profitability should be prioritized, as most domestic ROI's are below 1.0 (break-even).
- A threshold of **$5 million dollars** is the point at which **worldwide ROI** is above the break-even point; and the **more money invested, the more of a return** is generated.
- We saw that the highest category (**$50 million plus**) is a **clear winner** in terms of **net revenue** over the period 2000-2020, and it is the only with a clear **upward trend**.
- The lowest category, **$0-5 Million**, is the **clear loser** in both measures - or at least, it has **low risk,** but **low reward**.
- In terms of **genre**, questions 3 and 4 show that **most genres** have at least **some profitability potential**.
- **Westerns** are the **clear losers** here, and **History, War, and Music** films aren't much better.
- When looking at the **top genres**, **Animation, Horror, Mystery**, etc are **most profitable**, but some (Horror, Mystery) can be more **volatile** over time.

Future Work

- Because of profitability of Worldwide revenue, investigate reasons for success vs. failure in global marketing and distribution
- Investigate intersection of budget and genre
- Investigate data on streaming platforms, because they exist outside of traditional 'box office' profit framework
- Incorporate data from 2020/2021 and impact of Covid on industry
- Investigate data on impact of films' principals - Directors, Actors, Producers

Thank you!

I hope this presentation has been informative and enjoyable.

Thank you for your attention and consideration!