Confidential Customized for **Gowtham & Company** Version 1.

Movie Success Factor Analysis



Overview

The film industry has seen steady growth this decade and further growth is projected thanks to the rise of streaming platforms and growing international markets (particularly China). The barriers of entry are high, however, and making successful films is a challenge that has no easy answers.

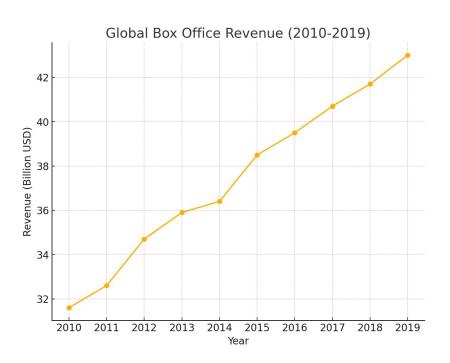


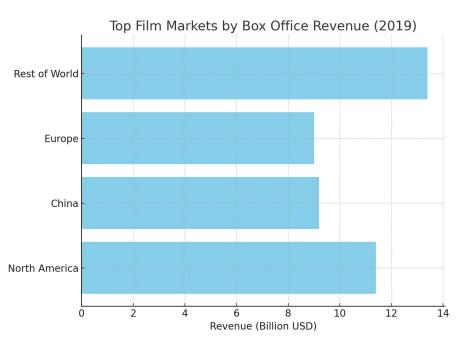
Project objective

Finding the factors that positively affect a movie's ROI.



Market Overview





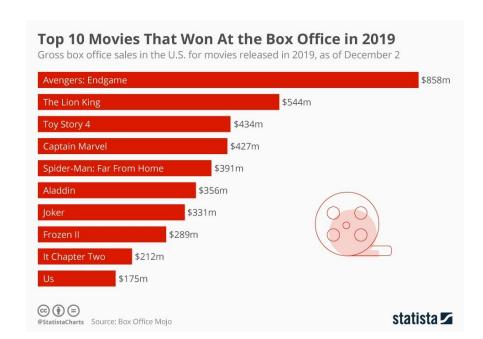
Rise of Streaming and Direct-to-Consumer

- Streaming already a dominant force in film consumption
- Streaming platforms investing more and more in their own original content production Netflix had a production budget of over \$15 billion in 2019
- Disney+ and Apple TV+ both launched in November this year



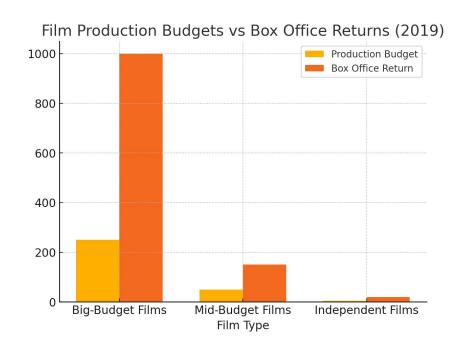
Franchise Dominance

Franchises and sequels are driving the box office both domestically and globally.



Shift Toward Tentpole Productions

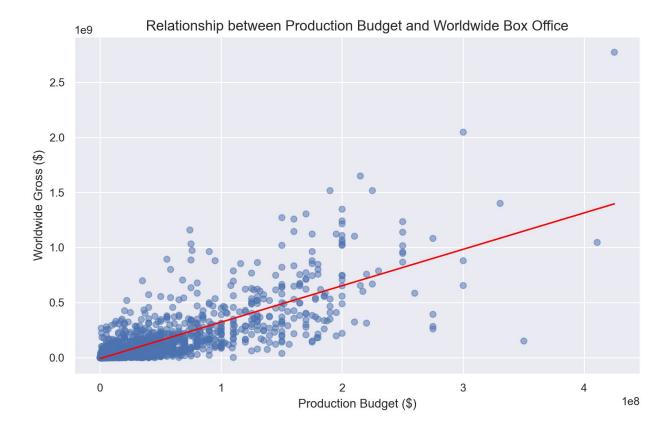
- Movie studios increasingly focus on large-budget tentpole productions, especially established IP or cinematic universes
- Smaller mid-budget films being squeezed out of theaters and finding their home with smaller distributors or on streaming platforms



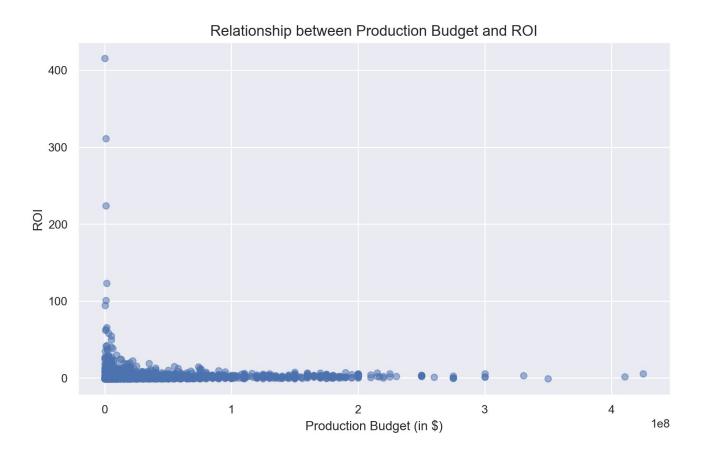
Analysis & Results

Data & Methodology

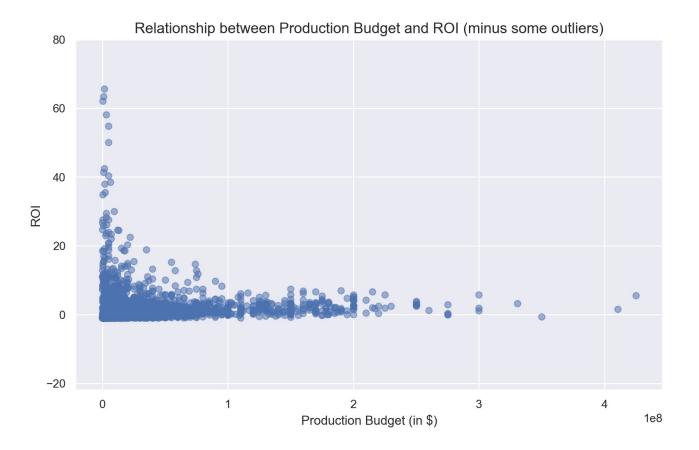
- Production budget and box office data from The Numbers
- Movie information from IMDb
- Ordinary least squares (OLS) regression with return on investment (ROI) as dependent variable and movie-based features (genre, premiere month, and runtime) as independent variables



This aligns with common sense and intuition.

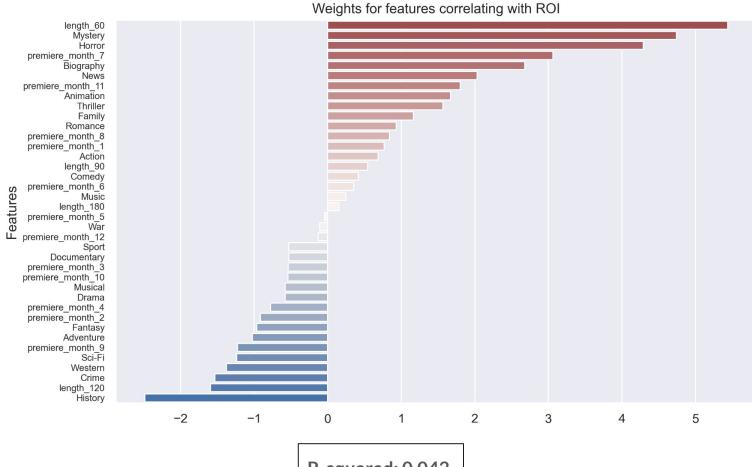


No clear linear relationship.

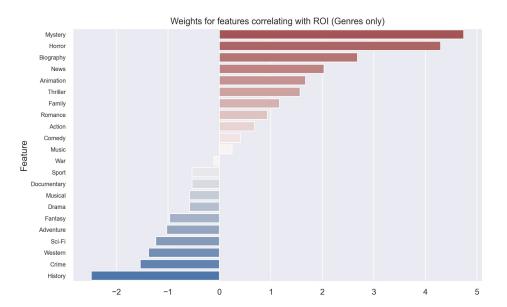


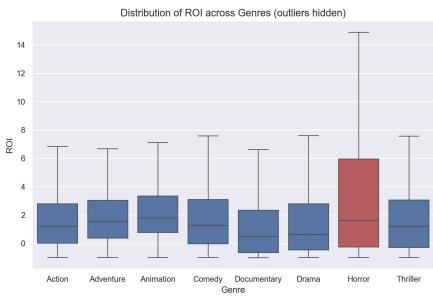
Zooming in shows a lot of variance of ROI in lower budget movies.

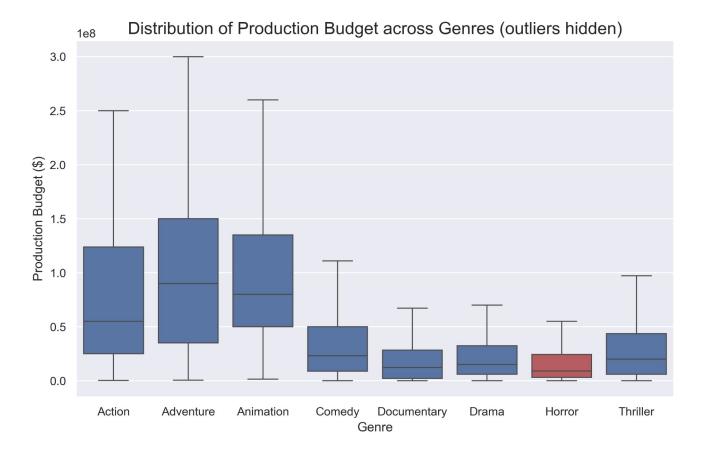
Results



R-squared: 0.043







Horror movies also tend to be low in production cost.

Proposed solution

- Produce a high volume of low-budget horror movies. Quantity over quality.
- Release dates in summer or winter.
- Length 60-90 minutes.

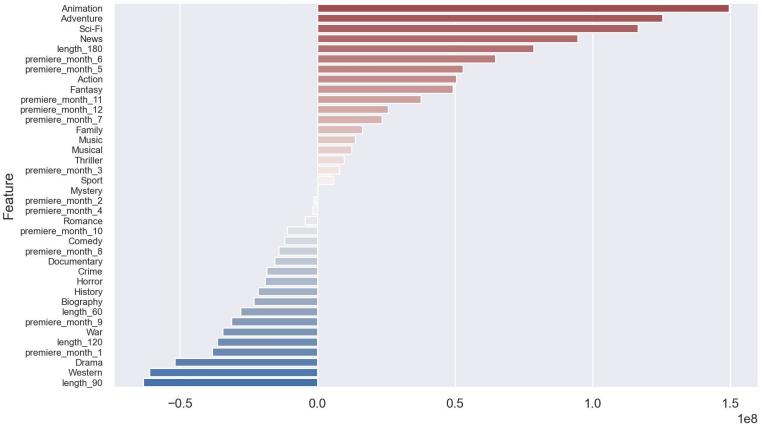
Thank you.



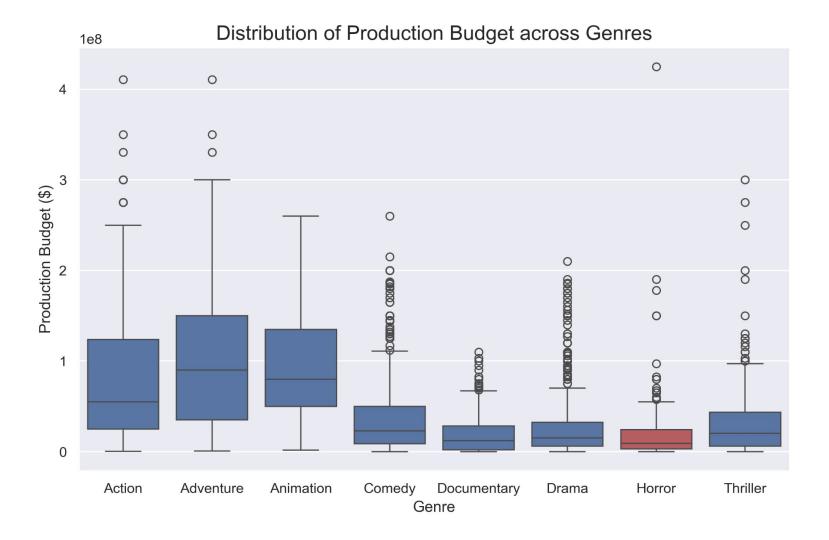


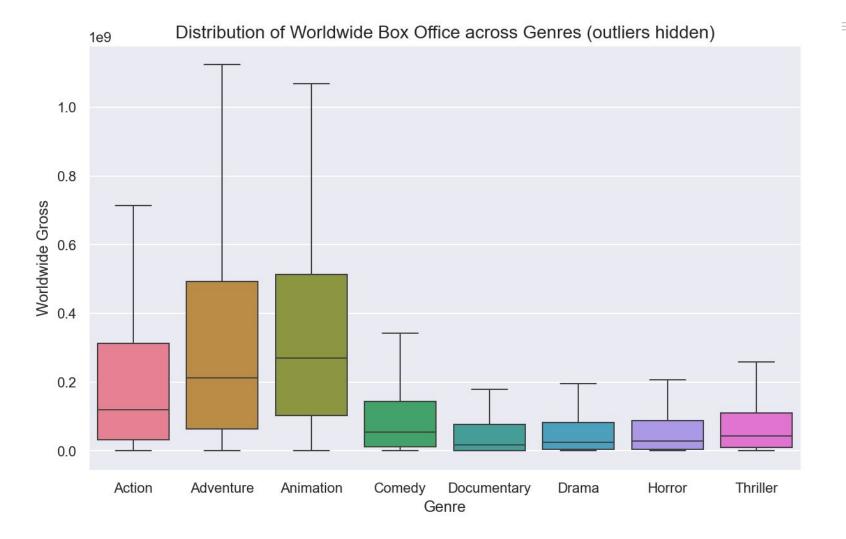
Premiere month and movie length weights



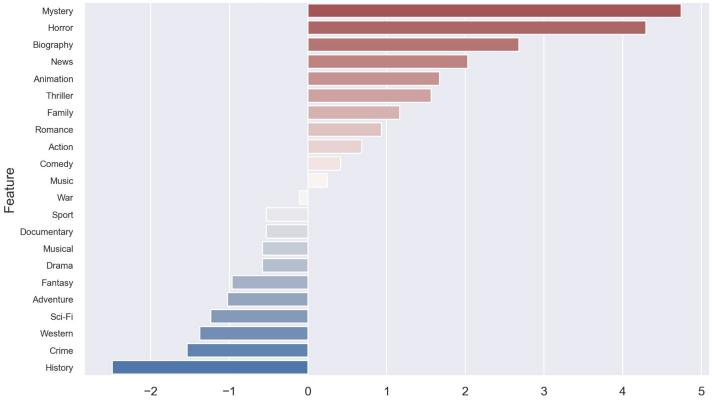


How the same factors affect global box office.





Weights for features correlating with ROI (Genres only)



Closer look at genres.

Distribution of ROI across Genres (outliers hidden)

