



Microsoft Studios

Movie Development Research





Overview

At the request of Microsoft Studios, I have conducted research into the modern day movie industry. Using Data from IMDB, Box Office Mojo, and TheMovieDB.org, I have compiled a few insights that should help the burgeoning studio get started along its path to success and relevance.





Problems to solve

1

How do we define a successful movie? Is it how much money it makes? Is it the profitability of the movie? Should a successful movie be judged by its rating?

2

What genres are the most successful, and how much does it cost to make the movies of the top most successful genres? Which genre has the greatest margin for profit?

3

What movies are the easiest to make? How many crew members does it require, and how much will it cost? Are the easiest movies to make the most successful?

4

Using the answers to questions 2 and 3, what are the first few movies that the production company should make?



Defining a Successful Movie



Defining a Successful Movie

- Is it defined by how much money it makes?
- Is it defined by the profitability of the movie?
- Should a successful movie be judged by its rating?

Client Implications:

Defining a successful movie in the early stages of this project will allow it to be used as a measurable metric going forward





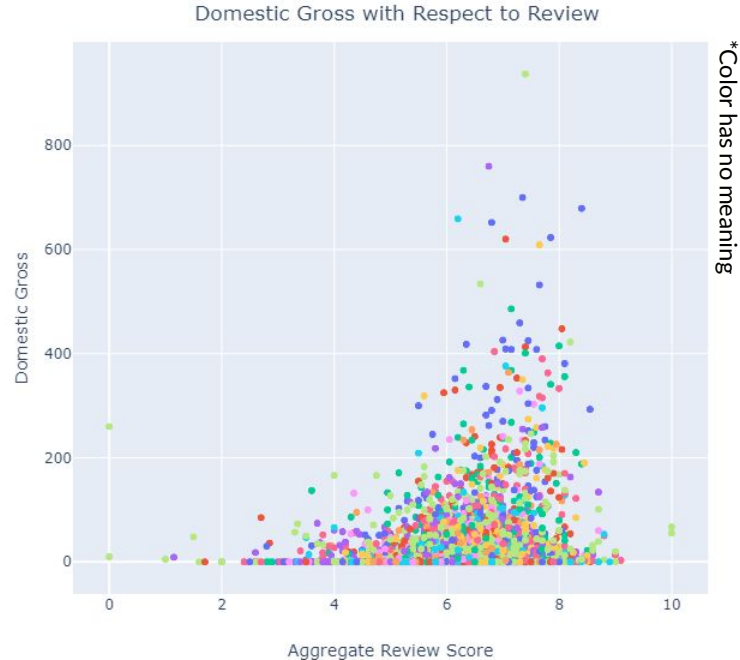
Defining a Successful Movie

How Much Money Does it Make?

The plot to the right demonstrates the relationship between review score and domestic gross in millions of 3888 different movies.

Client Implications:

Generally, movies that are the most financially successful fall between the review scores of 6 and 9. While review score is an unknown metric while producing a movie, it can provide a clear goal.



Defining a Successful Movie

Is it the Profitability of the Movie?

The plot to the right demonstrates the relationship between production budget and profit in millions

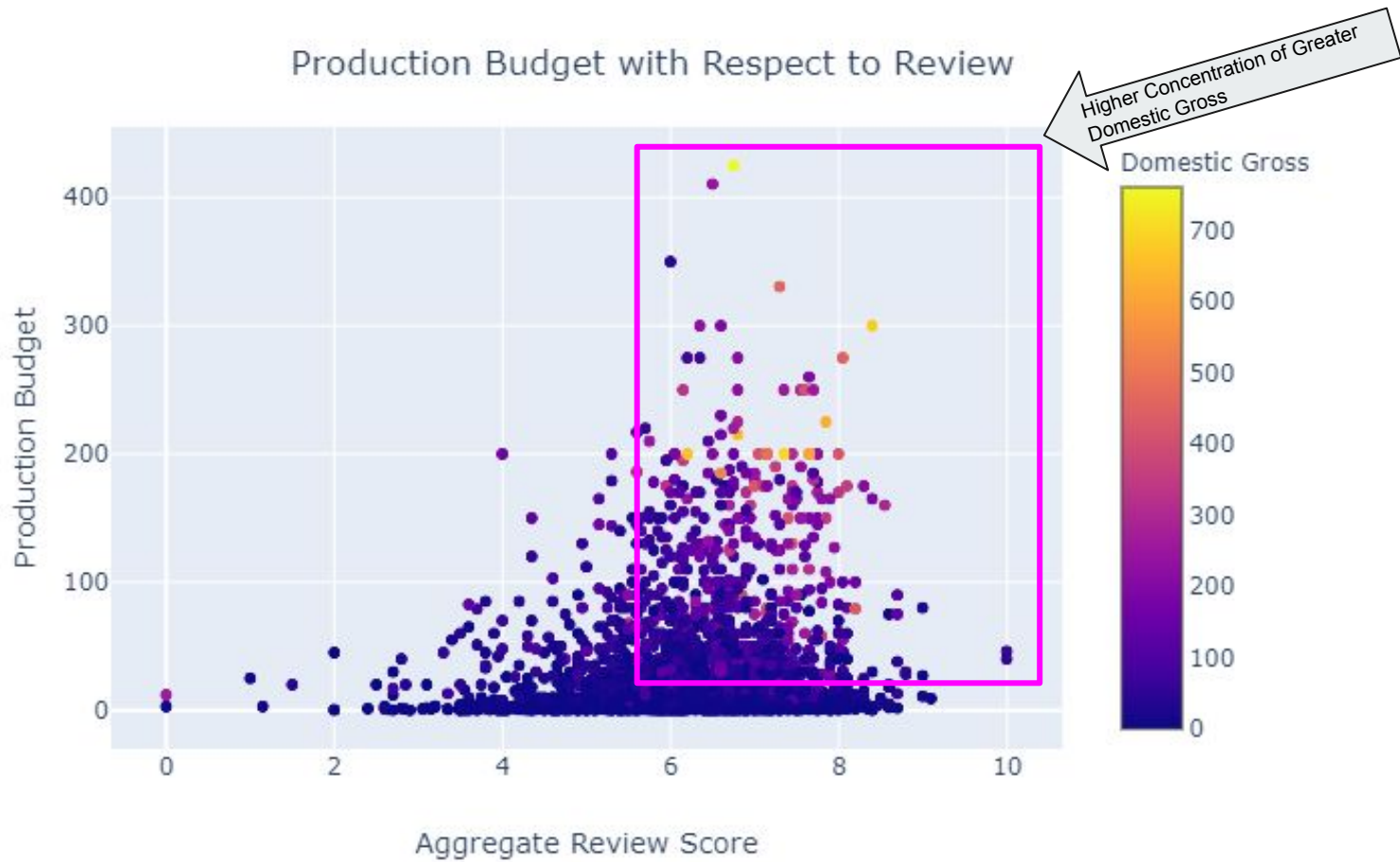
Client Implications:

Obviously, Microsoft Studios should not set out with the goal of making movies that lose money, therefore profitability should be a factor or type of sought after success.

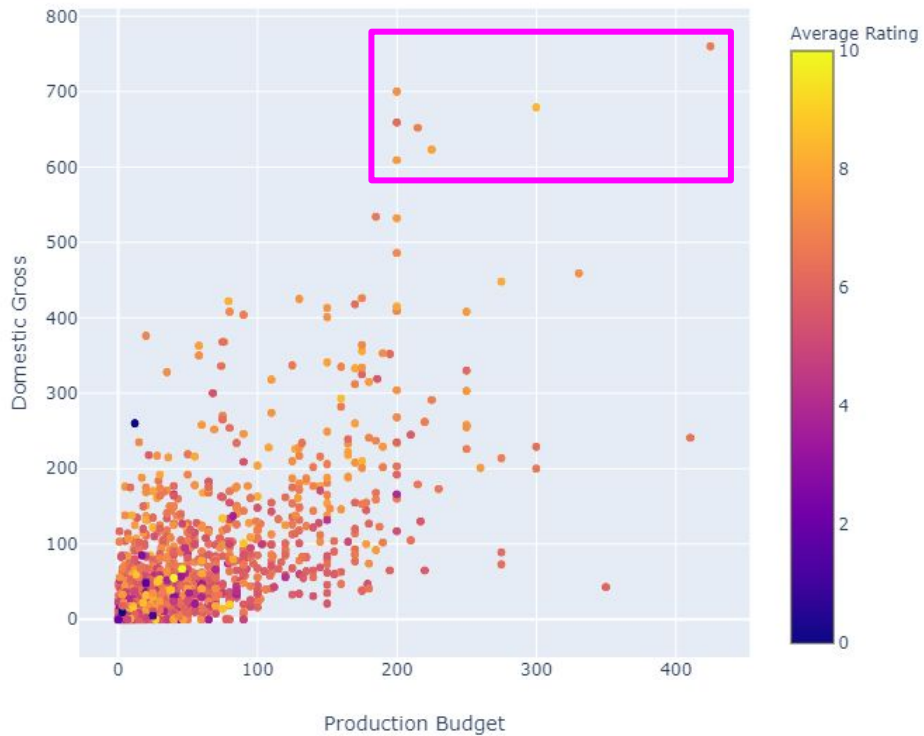


Domestic Gross with Respect to Review

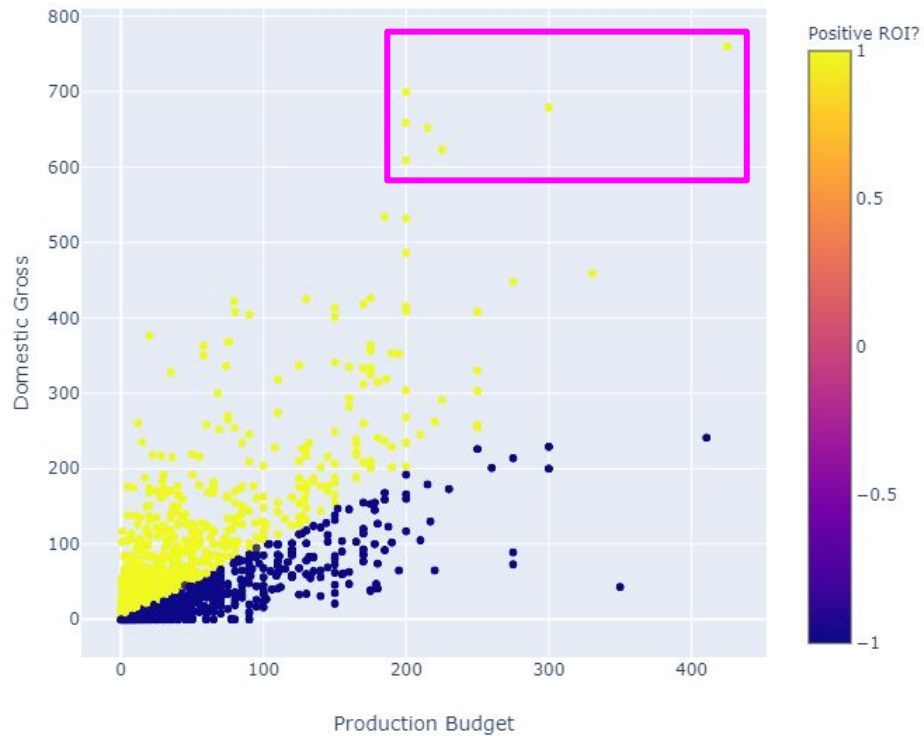




Domestic Gross with Respect to Production Budget



Domestic Gross with Respect to Production Budget





So What Does Make a Successful Movie?

For the purposes of this study, a successful movie will be defined as a movie that has an average rating of at least 6, and a domestic gross of at least 600 million dollars. Outside of that, if a movie is profitable, it is a financial success, rather than a cultural success.



Most Successful Genre





Which Genres are the Most Successful

- How much does it cost to make a movie within the most successful genre?
- Which genre has the greatest margin for profit?

Client Implications:

Determining which genres are most successful will help influence the decisions on which types of movies to make.



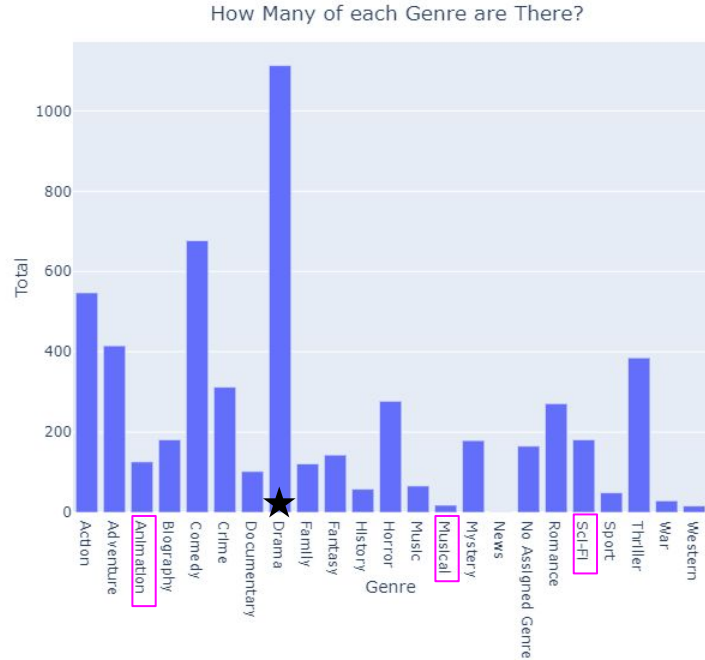
What are the Most Successful Genres?

Which Genres are the Most Prolific?

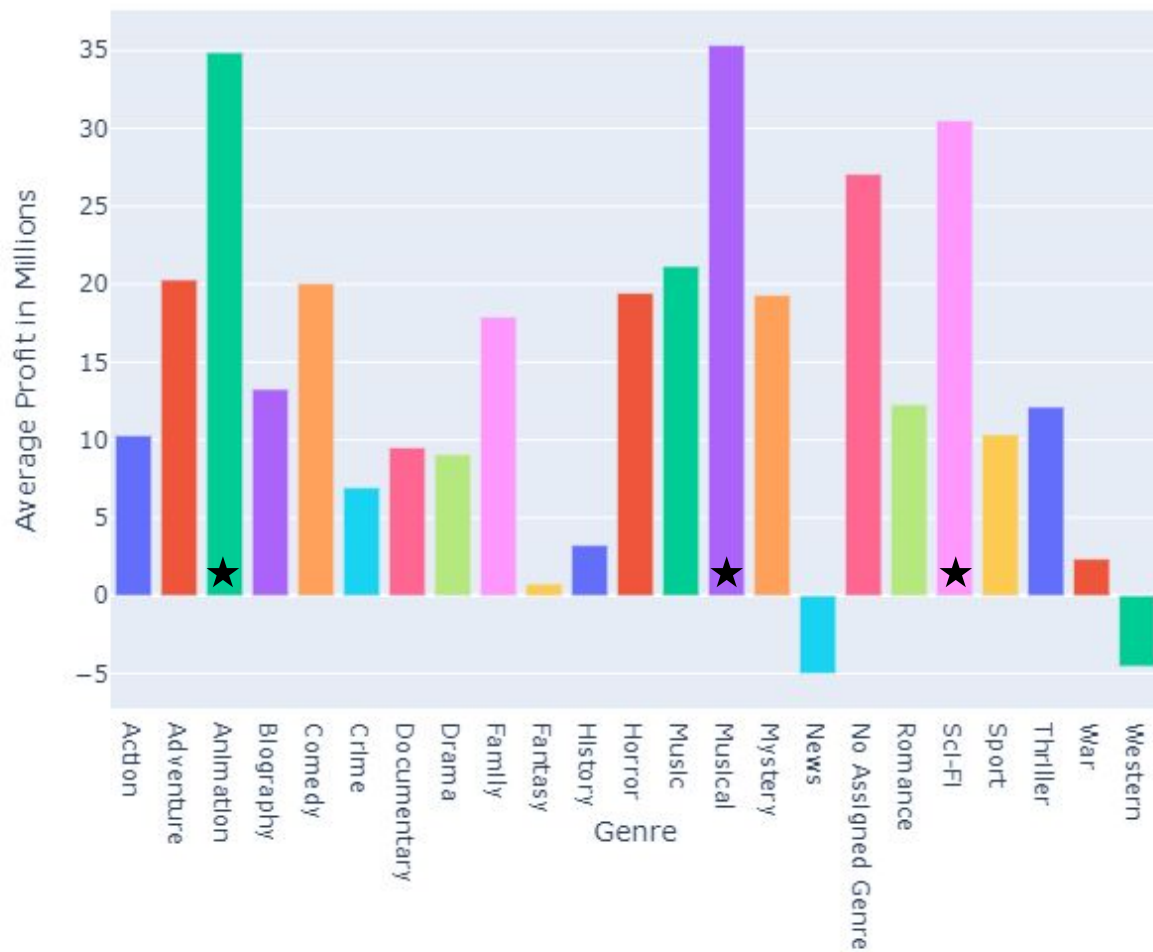
The plot to the right shows the popularity of each genre as it relates to market saturation.

Client Implications:

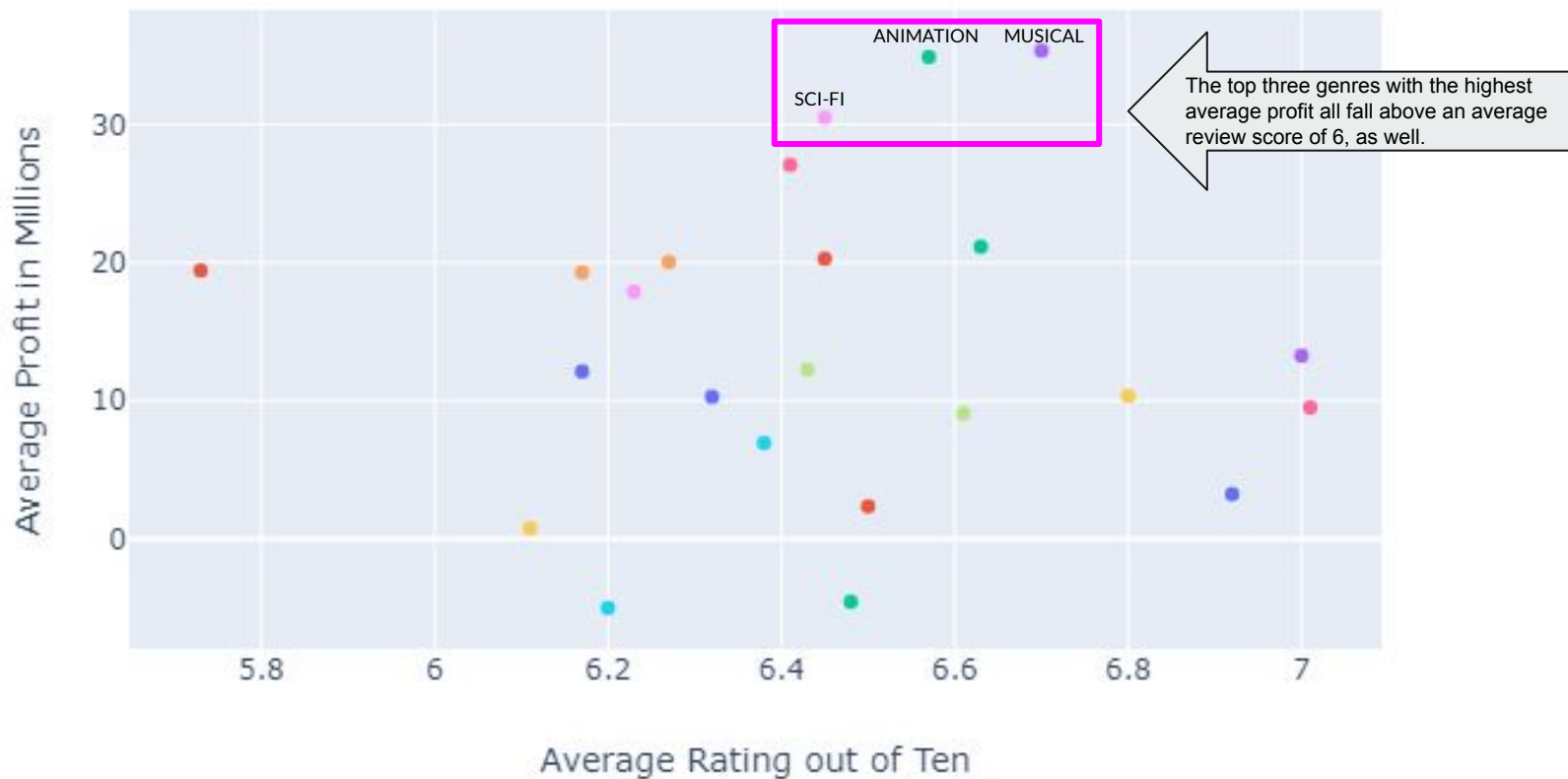
This is the first item in determining which genres are the most successful, and it will influence the data that we find in regards as to whether to make certain types of movies or not.



Genre by Profit



Genres by Rating and Profit





So What Genres are the Most Successful??

The genres that on average make the most money, are musical, animation, and science fiction.



Easiest Movies to Make



Which Movies are the Easiest to Make?

- How many people does it take?
- How much does it cost to make?
- Are the easiest movies to make the most successful?

Client Implications:

If feasible, the movies that Microsoft Studios should make for its first round of production should be movies that are generally not that difficult to make, as far as movies go.

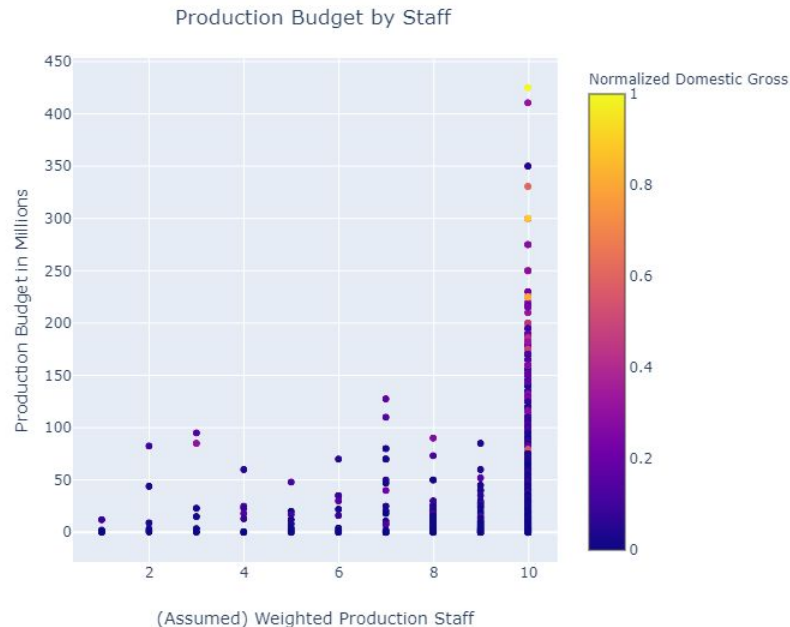




Which Movies are the Easiest to Make?

How Many People Does it Take?

Unfortunately, the data for a Movies' staff is skewed. The given values are only between one and ten, and it's safe to assume that no movie was made with at most ten people. At least, the amount of movies that were actually made by ten people are too small a sample to be relevant.

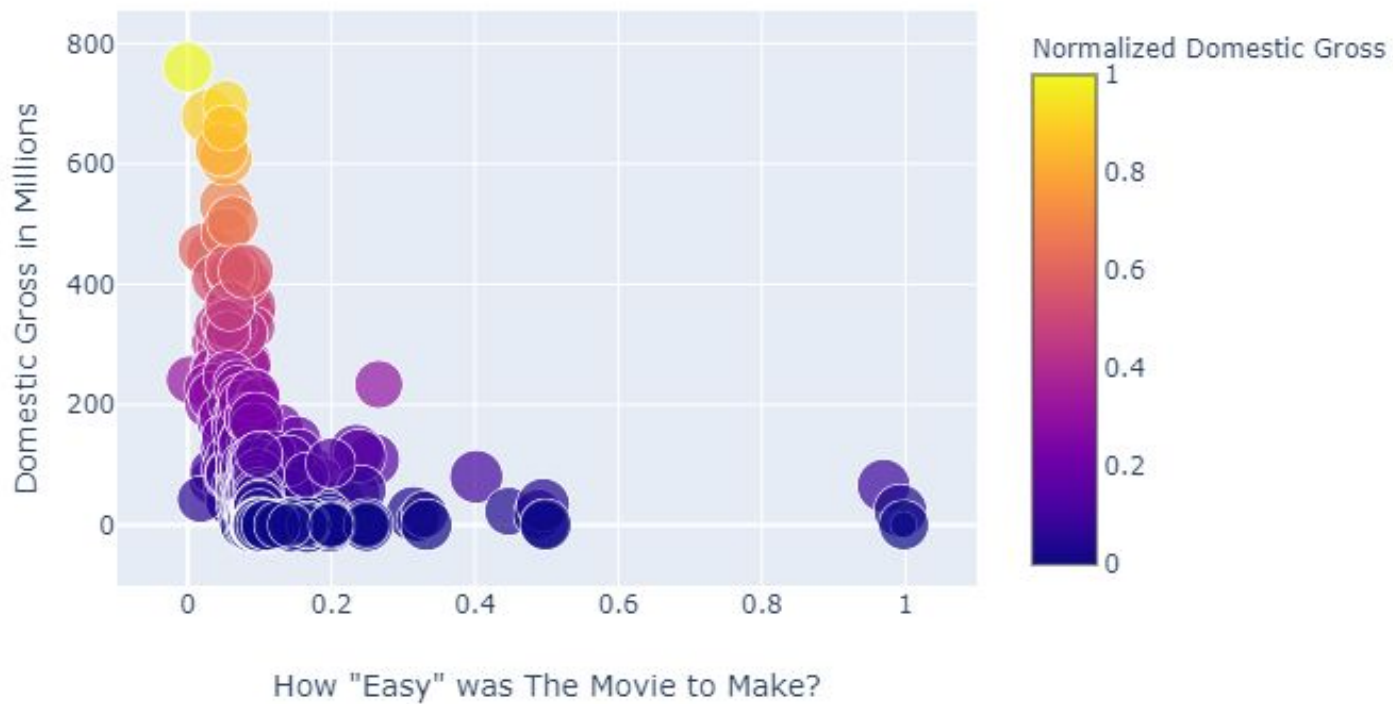




Creating an 'Ease of Make' Value

1. Normalize all the production budget values:
 - a. This meant scaling all values so they fell between 1 and 0
2. For example, let's say a movie with a production budget of \$350 mil becomes 0.7 on our normalized scale
3. Then I subtracted that value from 1, because I wanted the movies that were easiest to make to end up with the largest numbers on this new scale
 - a. $1 - 0.7 = 0.3$
4. Next, I divided our number by the staffing value
 - a. Our example movie has a staffing value of 8, therefore we are looking at $0.3 / 8$
5. All together, the formula for getting 'Ease of Make' is:
 - a. $(1 - \text{Normal Production Budget}) / \text{Staffing Value}$
 - b. Our example movie has an ease of make of 0.0375

Ease of Making a Movie by Domestic Gross





So What Movies are the Easiest to Make?

Movies are generally difficult to make, and apart from a few small indie films, it takes a lot of money and people to make a successful movie. Therefore, Microsoft Studios should expect to put a lot of money into the first few movies it makes.



Conclusions

Having gone through the data and crunched some numbers, I can safely recommend that the first movies that Microsoft Studios should make should be a science fiction movie, and an animated musical. The goal will be to have both of these movies meet the criteria defined earlier for a Successful Movie. In order to ensure that resources are not spread too thin and the movies can receive the full attention of the studio, Microsoft Studios should limit itself to just these two movies.

Going forward, I would like to look into release date patterns to determine when best to release the two movies, as well as looking into foreign markets, as this project focused solely on the domestic market.





Thank you.

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