

INTRODUCTION

The goal of my project is to find the ways in which the rise of Streaming Services have impacted major production companies.

- Timeline will be from 2008 to 2021
- Two major events:
- 2013: Netflix produced their first original content
- 2020: Beginning of the COVID-19 Pandemic

RESEARCH METHODOLOGIES

- As a way to narrow down the scope of my research, I am using **Warner Bros.** to represent the film industry as a whole.
 - I am choosing Warner Bros. because it is a company that has **experienced all of the shifts** throughout the film industry since its inception in the early 1920s.
- I am researching key financial figures such as **Average Budget Cost, Annual Income, Number of Movies produced per year, and Profit Margin.**
- I will also be researching the change in critical reviews over the years using **metacritic score** from each year's median earning film to eliminate any outliers.

What is **Metacritic**?

- I am choosing metacritic because it has a **more accurate scale of the average review** than other review websites such as Rotten Tomatoes.
- The reviews is more accurate because the reviewer can rate their opinion on a **scale of 1-100** rather than a scale of **Like** or **Dislike**.

DISCUSSION, ANALYSIS, AND EVALUATION

1. Average Budget Cost (Top Left)

- Disney is an extreme outlier, however the average budget cost per movie **remains relatively the same** throughout the timeline, until it dramatically **dropped** due to the COVID-19 pandemic.

2. Number of Films Produced (Top Right)

- There are a couple outliers, however the number of films produced per year **increased** after the rise of netflix, likely **to combat** the increasing library that they had obtained.

3. Profit Margin (Bottom Left)

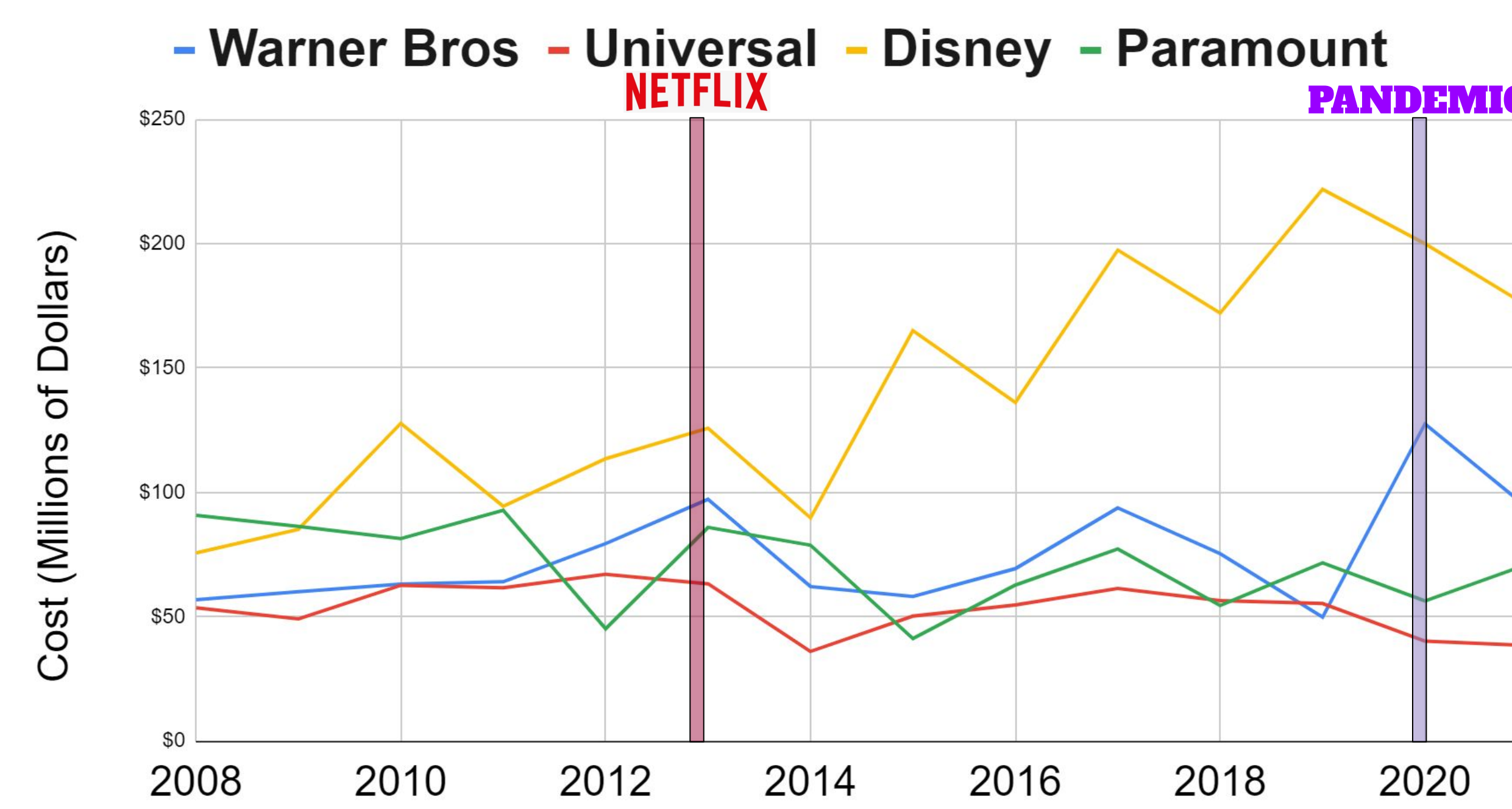
- The profit margins remained relatively the same at around 300% for each year until 2013 when the average profit margin **increased to around 400%**.
- When the **Covid-19 pandemic** hit in 2020, the profit margins for all all four companies dropped under 100%, causing the companies to **lose money on all of their movies**.

4. Median Critic Reviews (Bottom Right)

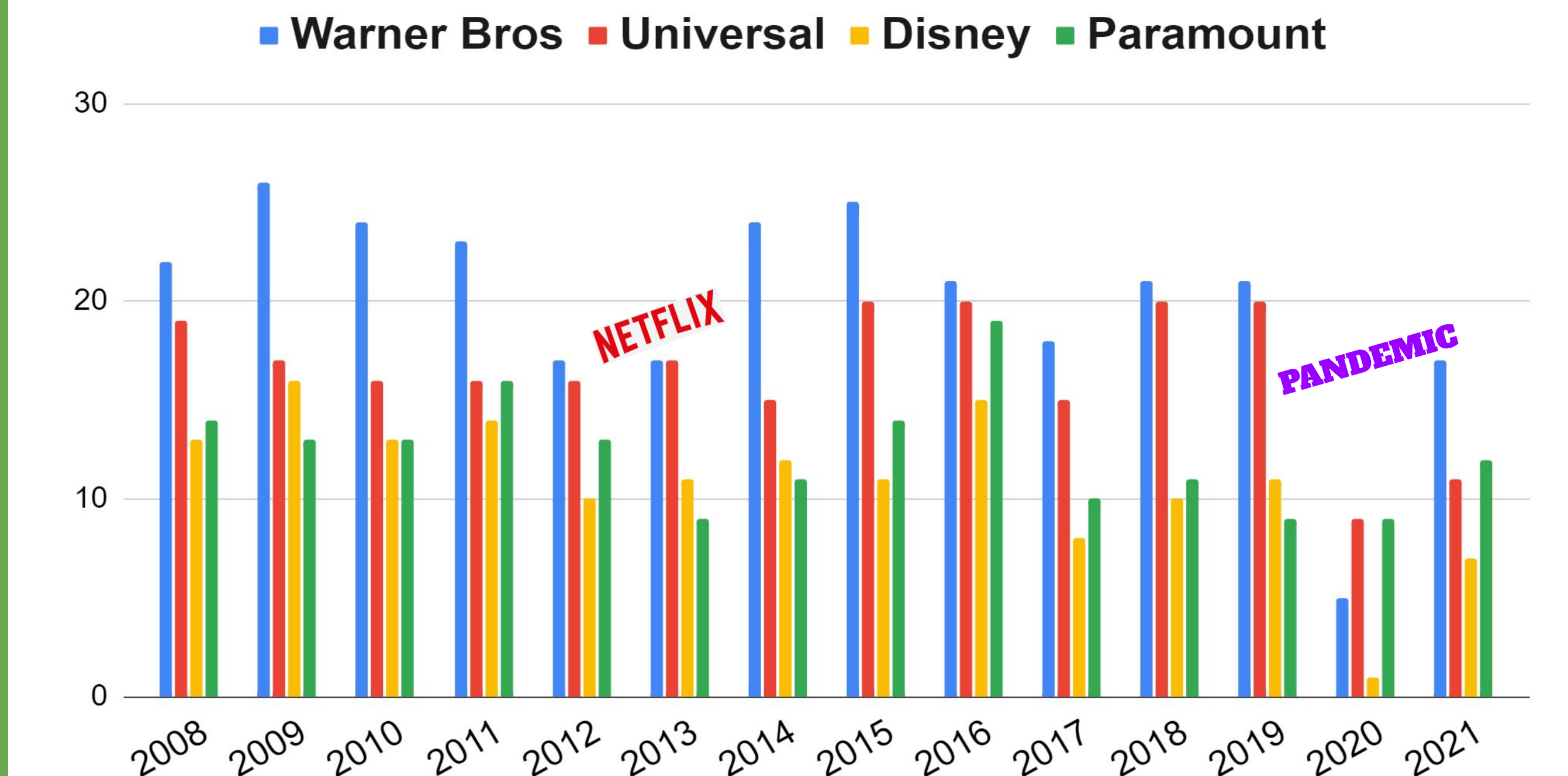
- Prior to the rise of streaming services in 2013, the average metacritic score between production companies rested at a score of 50-70
- After the rise of streaming services, the **scores become more more volatile** with the **averages dropping** to a score of 30-60.

DATA AND FINDINGS

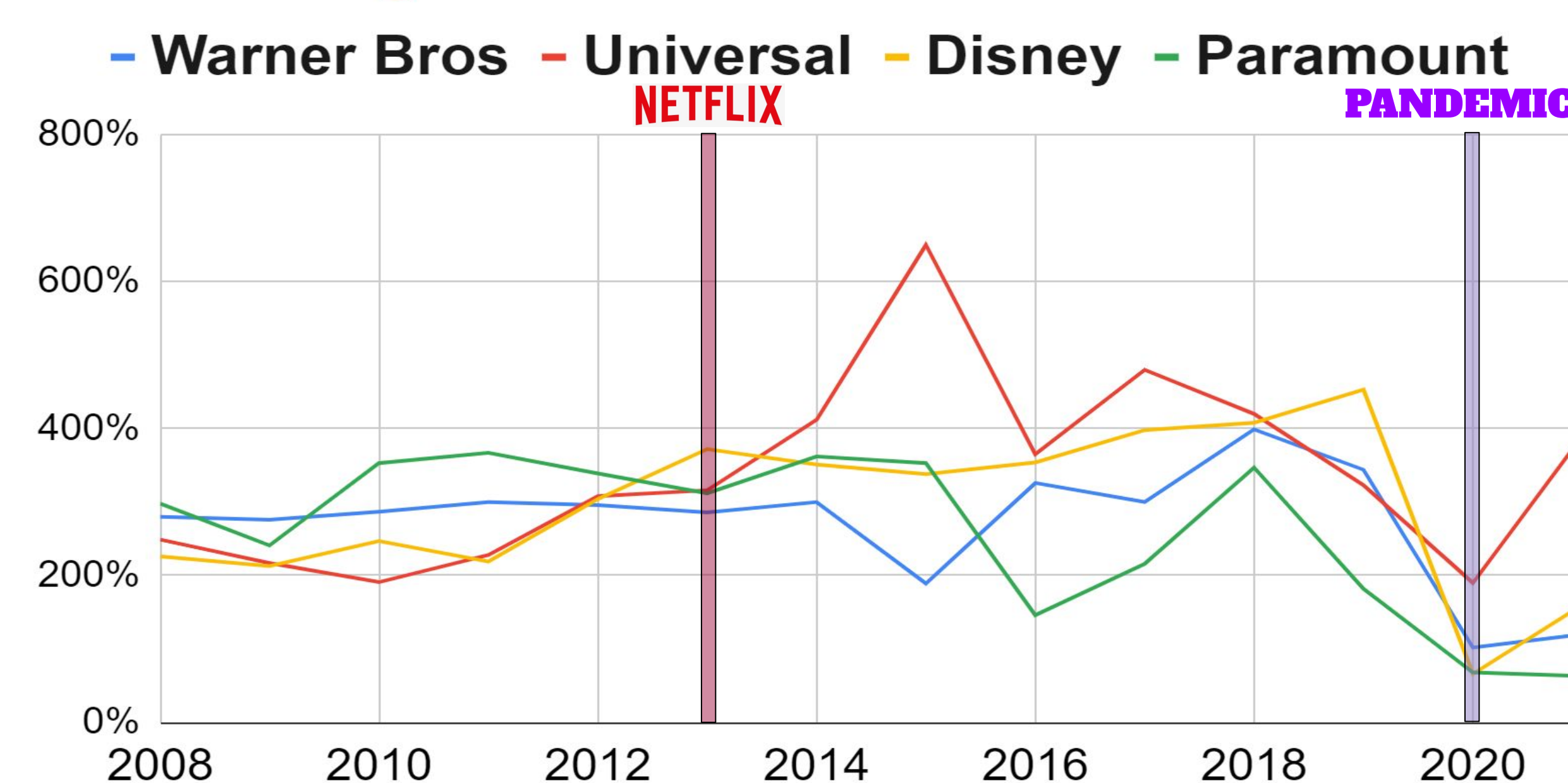
Average Budget Cost



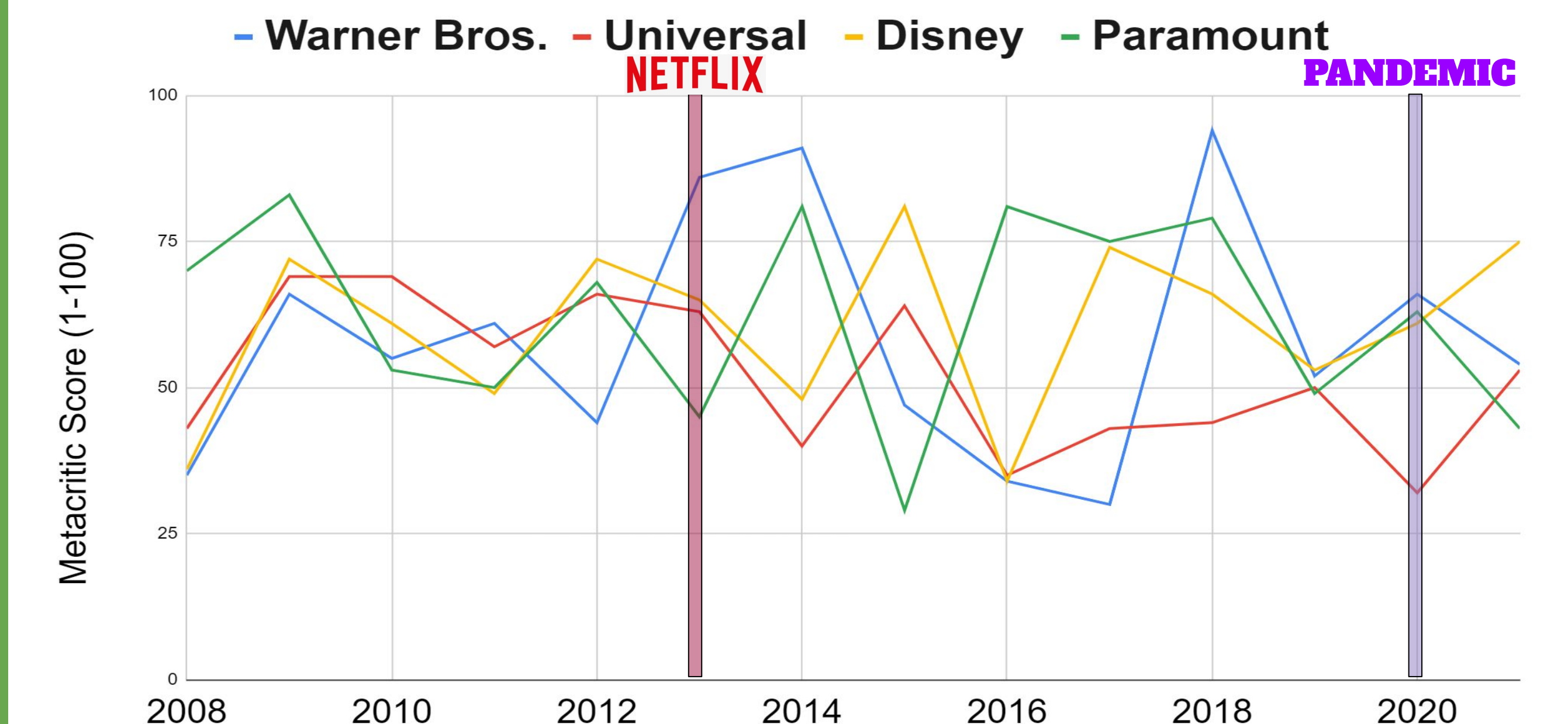
Number of Movies Produced



Profit Margin



Median Critic Reviews (Metacritic)



CONCLUSIONS:

Based on the data collected throughout this project, it is clear the rise of streaming services in 2013 had a profound impact on the way film studios produce movies. When **netflix proved that quantity and accessibility to content is valued to the consumer more than the quality of the content**. Because of this, Film studios increased the number of films per year, while keeping their budget the same. This “**shotgun**” approach to producing content made the studios profit margins as well as critical reviews to become much more volatile on average because more good movies were being greenlit, and more bad movies were being greenlit. This instability in the film industry has caused many people to wonder what it will look like over the next decade.

The Future of the Film Industry:

This transitional period over the last decade for the film industry has changed the way film studios produce content, and the way people consume content. Based on the data it is clear that the only incentive to produce movies for a theatrical release are blockbuster movies. **Independent films will likely only be able to find funding through a streaming service** for exclusive online distribution. People in the coming years will likely only go to the theater because they want a blockbuster experience and not an independent film, **regardless of how good the film is**.