2020 Domestic MSM Summary

Details

Proposing Instructor(s) name: Tom Smith

Module title: Using R in Data Analysis: Examples Based on the Economic and Finance of the Entertainment Industry

Strategic Theme

With which of Goizueta’s strategic theme(s) does the proposed module align?

Select all that apply.

☐ Analytics
☒ Behavior & Decision Insights
☐ Entrepreneurship
☐ Healthcare
☐ Leadership
☐ Private Equity & Real Estate
☐ Social Enterprise
☐ None of the above

Academic Content Summary

From the Walking Dead to Trouble With the Curve, Georgia (and Atlanta) are becoming the Hollywood West. Studios are responding to the incentives put in place to provide for 30% tax incentives for qualified spending on television, movies and other entertainment purposed. As a result, Georgia is spending additional resources to understand the economic impact of these activities. This mid-semester module will be an opportunity for Emory student to learn more about the economic and finance of the entertainment industry, examine industry data and try their hands at learning and utilizing R.

The Data and Exercises

Much like data in the sports industry, entertainment data is at our fingertips. As a result, we have the opportunity to build models to understand consumer behavior and to forecast consumer spending and activity. For this mid-semester module, students will download data from boxofficemojo.com to build models to gain a better insight into both studio decisions as well as consumer decision. During this module, students will examine the following problems:

1. Replication of Nate Silver’s estimate of the studio losses to SONY for not releasing The Interview.
2. Predicting the revenue from Neighbors and Neighbors 2 based on pre-production concept hypotheses;
3. Predicting the revenue for running season 8 of Game of Thrones as a duo or trilogy of movies rather than 6 television episodes it is slated for.

First, students rarely replicate the research and analysis of other industry experts. The replication of Nate Silver’s estimates will provide the students the opportunity to understand the fundamentals of the models. The students will then be asked to improve upon the model. For the Neighbors, I have retrieved from Sony the original Seth Rogan proposal with the set of comparables (movies upon which Rogan relies to ‘set the stage’ on the success of his movie). The students, knowing this information, will be asked to develop the model that the studio ‘likely’ used in its decision to produce the movie. Then, we can examine the underlying assumptions that the studio must have used in order to understand how assumptions are made and used in model building. Lastly, the students will be asked to build a model to predict how a trilogy of Game of Thrones movies will fare in the theaters relative to television broadcasts.