

# Report on Bachelor Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

<b>Student:</b>	<b>Martin Derco</b>
<b>Advisor:</b>	<b>RNDr. Michal Červinka, Ph.D.</b>
<b>Title of the thesis:</b>	<b>Determinants of overall performance of a motion picture at the domestic film market</b>

## **OVERALL ASSESSMENT** (provided in English, Czech, or Slovak):

*Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.*

### **Contribution**

The thesis considers analysis of the film market in North America and related territories (so called domestic market) and pays attention to the factors contributing to the overall revenues in movie theaters. As there have been several analyses of this type over the past three decades, one of the main contributions of the author is the creation of his own data set of motion pictures released between years 2005 and 2019 containing more than 2300 items. Motivated by previous research and his own intuition about the current trends, the author formulated various research hypotheses to which he provides thorough answers based on his own data analysis and subsequently provides their interpretation in a broad context, crossreferencing the previous results. Although some of the results were expected and provided just a plain confirmation in line with previous results, I find the answers to H4 (MPAA rating seems to decrease its impact on films' performance) and H5 (films with running time way beyond 120 minutes are not discouraging the potential viewers anymore and running time up to 240 minutes positively contributes to the domestic revenues) in particular as the most interesting results uncovered by this study.

### **Methods**

The main workhorse of the analysis is the multiple regression model which is the standard knowledge of a bachelor student at IES. Despite using just standard methods covered in mandatory courses throughout the study program, I find the data analysis in this thesis performed carefully and in proper detail to verification of various assumptions, and where needed, the author points out the caveats and potential risks in blind interpretation of the achieved results. I find this approach acceptable based on the claims that majority of the literature uses analogous methodology, which improves the potential to compare the achieved results and make an interpretation in a broad context.

At the same time, the author is aware of a line of literature applying more advanced methods such as simultaneous regression models or neural networks. Although the latter is beyond the standard knowledge of a student at the bachelor level at IES, the former one was suggested by me as a supervisor. It would make sense to assume that some of the factors affect both domestic box office and domestic opening weekend box office while at the same time the latter predominantly affects the former. The simultaneous regression models and e.g. 2SLS method, however, was not implemented in the thesis due to insufficient time before the deadline for the thesis. Thus, the author at least makes a short note at the end of the thesis.

### **Literature**

The author divides the list of literature to academic works and to website/online sources which, although for me a bit unusual, works very well for the reader.

The literature review is thorough and summarizes both overview of the used methodological tools and key results. Also, the author made an effort to emphasize the chronological notion of the research

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contributions in this field. Furthermore, the used citation style is near flawless (except for occasional typos) and the extent of use of links to online sources and refereed journal articles is well balanced.

## Manuscript form

The development of the text in the manuscript follows a logical notion. The length of each section is ballanced throughout the manuscript and in my opinion, the reader can swiftly proceed though the manuscript and at every point of the manuscript be fully aware of the message the author presents there. Sections 2 and 3 serve as a kind and thorough introduction to the key specifics of the so called domestic film market. Sections 4 and 5 present a thorough motivation for inclusion of key variables to the model described in Section 7, and the author formulates and justifies six main reseach questions. Section 6 illuminate the specifics of the data set and Section 8 provides answers to the research questions.

The graphical form of the manuscript is on a high level and tables and figures are in high resolution. The author has a decent English with an acceptable low frequency of typos and misprints, occasionally corrupted by Czech grammar rules for long sencences (especially the use of commas). Throughout the manuscript the author uses phrases which seem like literal translations from Czech (e.g. „such are“ instead of „such as“, or „to our best concern“ and „at our first sight“).

There are few inconsistencies the author should clarify, possibly during the thesis defense,

- Page 4, Table 1: The sum of shares in 2019 of the MPA studios (thus excluding „Lionsgate“ and „Other“) in Table 1 adds up to 81.9%, while in the text the author claims 83.7% (page 4, line 6). Which one is correct?
- Page 12, line 1 from below and Page 13, line 1: The author refers to two metrics but the list in the subsequent sentence contains three items.
- Page 14, line 2 from below: Does the author refer to the second model's stage or to the model's second stage?
- Throughout the manuscript the author uses MPA for „Motion Picture Association“ and MPAA for „Motion Picture Association of America's“. The latter is first fully explained on page 20, line 1, although frequently used in the text prior page 20. For the reader it may be unclear if MPA and MPAA refers to the same institutional body.

## Summary and suggested questions for the discussion during the defense

The presented manuscript is a solid work with a minor but undisputed original contribution by the author.

The results of the Urkund analysis **do not** indicate significant text similarity with other available sources. Occasional matches of the text in the first half of the thesis with pieces of manuscript by Dvorakova, especially in the case of the literature overview section, are understandable and can be tolerated as her work was highlighted already in the proposal of the thesis. On the other hand, there is no match with other texts in the part of the thesis containing author's own results of the data analysis.

In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University. Taking into account the above, I recommend the thesis for the defense and I suggest to award the thesis **grade B (81%)** depending on the performace during the thesis defense.

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Suggested question for the defense:

- 1) Why did you choose to not to consider a qualitative variable which would distinguish the original standalone film or the first film in the film series from sequels or films which are part of some shared cinematic universe (including prequels)?

**SUMMARY OF POINTS AWARDED** (for details, see below):

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution</i> (max. 30 points)	26
<i>Methods</i> (max. 30 points)	20
<i>Literature</i> (max. 20 points)	17
<i>Manuscript Form</i> (max. 20 points)	18
<b>TOTAL POINTS</b> (max. 100 points)	<b>81</b>
<b>GRADE</b> (A – B – C – D – E – F)	<b>B</b>

**NAME OF THE REFEREE:** RNDr. Michal Červinka, Ph.D.

**DATE OF EVALUATION:** August 10, 2020

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**Referee Signature**

**EXPLANATION OF CATEGORIES AND SCALE:**

**CONTRIBUTION:** *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

**METHODS:** *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

**LITERATURE REVIEW:** *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

**MANUSCRIPT FORM:** *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

**Overall grading:**

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F