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Assignment One
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Prof. David Vogt

MOVIESTORM

A VENTURE ANALYSIS

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Screenshot from a Moviestorm film. Image Source: http://www.moviestorm.co.uk/hub/press

Technical instruction: To maximize your understanding of this analysis, please use a QR reader to view video references.

Moviestorm

Preamble

A Brief Introduction to Filmmaking

It is critical to understand what is involved in filmmaking, at a basic level, in order to understand the value of the product, *Moviestorm*, which is the focus of this venture analysis. Traditional filmmaking is an art and a craft, where crews of varying sizes collaborate through the phases of pre-production, production and post-production to create films. Pre-production entails preparing everything you need to make the film, including breaking-down the script (into elements that are needed to make it), shopping for props and wardrobe, set building, testing camera equipment, casting and rehearsing with actors, production meetings, managing the budget, and scheduling. Production of the film entails the actual recording of the scenes, on set, with the help of the Director of Photography who lights, the Camera Operator, the 1st Assistant Director (who keeps all on schedule), the Director, the Sound Recordist and several other crew members in the respective departments. In post-production, the Editor splices the footage together in a non-linear editing system and collaborates with the Director to refine the cut to a final film version. This process can take anywhere from a few months to several years, depending on the length, budget, and complexity. Most films have budgets that start in the thousands and increase into the millions. An average student film budget is about $6000-10,000, paid by students on top of tuition.

The Potential Promise of Moviestorm

This venture analysis will introduce an alternative or complement to traditional film production, namely a software called, *Moviestorm,* which eliminates relatively all of the costs and yet allows students to complete *most* aspects of filmmaking. The CUBE analytic framework will be employed to critically present the advantages and challenges of using *Moviestorm* as a tool for teaching filmmaking. From both the perspective of an Educational Venture Analyst and as a film professor/program coordinator (a potential buyer), specifically looking at the market of film production education (online and on-campus), the potential use of *Moviestorm* in film education appears promising.

What is *Moviestorm*?

Moviestorm is a software application that allows any person to create 3D animation movies on their computer. Some of the features of this program include, a ‘game-style

interface' and a large library of characters, props and animations. The software does not require the user to have expertise in animation or art. The software allows you to import and export with ease, it is customizable, and the company boasts a highly supportive filmmaking community ("Moviestorm").

1. Type of Market

Moviestorm is intended for the Higher Education, K-12 and Commercial markets. In the context of education, *Moviestorm* is targeted to educators of all subjects for the purpose of unique engagement, and more specifically niche educators in film and media production.

Higher education would be a primary target for *Moviestorm*, as film programs are usually offered at this education level. Both on-campus and online courses would benefit from using *Moviestorm* to teach film production. On-Campus film production programs would benefit from this program, as it would offer an alternative way to produce films, especially for those interested in animation without acquiring 3D modeling skills. Additionally, it can be used to practice making films, by individuals who may have learning disabilities who cannot work on set or in crews and for those who may not have the funds to contribute to large budgets. An emerging market in higher education would be, *Online Film Production* courses, which would only be possible through a program such as *Moviestorm*. *Moviestorm* enables virtual online filmmaking, and therefore would become a highly marketable and competitive application given the increasing pressures to migrate courses to the online format.

In the **K-12 market**, *Moviestorm* would be primarily suited for high-school communication-technology ("Com-tech") courses, as these students are already creating films and using multi-media programs to create motion graphics. *Moviestorm* would be an appropriate and very engaging tool for these students. Secondarily, many other subjects, such as English, History and even Language courses could benefit from incorporating *Moviestorm* into a project, whereby the students could express themselves in the form of a short film.

In the **commercial consumer market**, *Moviestorm* has vast potential. Combining the increasing demand for video content, as well as, filmmaking tools with the low-cost and minimal skill required to use *Moviestorm*, it has the potential to attract a large market of consumers (film enthusiasts) and 'prosumers' (low-budget professional film and media makers). Furthermore, any creative professionals, and those interested in unique

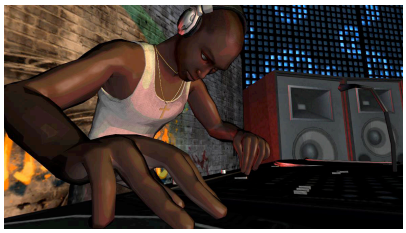
modes of business communication could use *Moviestorm* to create alternative motion graphic videos.

2. Type of Offering

Moviestorm offers software that is available for download. The buyer has the option to purchase different packs. For example, the *Moviestorm Max* is "the full suite of movie-making tools plus 39 content packs," ("Moviestorm"). This package is essentially the starter package and provides enough content to shoot in a variety of genres. Additionally, there is the possibility to purchase "theme bundles" which contain niche content to shoot "music videos, kids shows, fantasy films, and more." The company offers a 14-day free trial of the full suite.


Medium-wide shot of Zombie characters

Wide-shot of Bedroom


CU of DJ in music video

Once you have created an account that connects you to the *Moviestorm* community and you have downloaded your software and installed it on your computer, the user should be ready to start creating a movie. The first step is to create a new movie. The first step is to choose a set, which you can adjust and customize. Following this, you would cast your production and dress your actors. Then, you place your actors on the set. If you wish that your actor interacts with a prop, you place the prop in front of the actor and tell them what to do (by selecting a command). You can provide the actor with lines to say to other actors, by typing them into the interface provided or recording your own voice. Following this, you would film the scene as many times as you wish. Finally, you would go into the editing mode and you can select and order any shots you created. Uniquely, you can go back to shots and fix any element. An introduction video can be viewed here:

To most film professors, film students or professional filmmakers this suite would be highly attractive, especially at first glance, due to its seemingly comprehensive simulated filmmaking capabilities. This one-minute short film entitled, *Darren*,

exemplifies effective use of this medium.

However, there is a major challenge using *Moviestorm,* as the company does not provide technical support via the phone. If at any stage you have issues, such as installing the software or other, the only mode of 'help' is a forum or wait for an email return, which does not occur in a timely fashion. Upon investigating a technical block through this forum, it became apparent that without more dedicated technical help that is accountable to the customer/user, it is very difficult to proceed. This is an issue that would need to be rectified before this venture is truly viable, especially to support institutions.

3. Who is the Buyer?

The buyers of *Moviestorm* are educational institutions offering film and media programs for their students, instructors (who wish to experiment in order to lobby within their institution to purchase *Moviestorm*) and film students/recent grads, (who purchase their own license outside of school). Beyond the educational market, independent film and media makers, corporate video producers, and film enthusiasts are also direct buyers. Therefore, the predominant model of the buyer would fall under "learning bought for learner" and in some instances, "learner buys personally" according to the CUBE analysis ("What is a,"). The buyer is identifiable as s/he is targeted through *Moviestorm*'s website purchase options, including educational package prices, as well as, individual regular-priced packages. The price point of $225.00 USD indicates the target buyer is not required to make a large investment for the base package.

4. Global Target

In terms of the global market, the primary target would be any country with excellent Internet infrastructure. This includes Anglophone countries and most western EU countries, where English is readily used.

Until *Moviestorm* offers versions in other languages, markets where English is not readily used would remain untapped. The global market potential will increase significantly once the company translates its content.

In order to estimate the profits globally, North America will serve as an example. According to www.filmmaking.net, there are over 300 in the USA. To provide an actual example, based on the Film & Television Program at Humber College, Ontario, Canada, there are 300 students in the program. For a program of this size, as an initial trial, the department would likely purchase 30 licenses, since most labs are limited to about 27 seats, with a few workstations in other areas. Calculating the departmental license price at $60/seat, plus the $400 fee for student home-use, the total cost would be $2200 annually per department. Assuming that most colleges would purchase the same conservative starter package, the potential US revenue from higher education in film production alone is $660,000. An estimate would be that 60% of Higher Ed would purchase, bringing the revenue to $396,000. Approximating the total high schools in the USA at 18,435 ("High schools in," 2006), and with an estimate that only 50% have "Com-Tech" courses, therefore 9217 high schools, would equal $20,277,400.

US Education Market Profit Projection

Type	Number	# of Seats	Seat Price (USD)	Home Fee (USD)	Total (USD)
Higher Ed – Film Schools	359	30	$60.00	$400.00	$396,000
Estimated US High Schools with Com-Tech**	9217	30	$60.00	$400.00	$20,277,400
Total					$20,673,400

**To render this more realistic, the estimate is that only 50% of the schools with "Com-Tech" would purchase this system, the amount would remain considerable at approximately $10 million USD, per year.

5. Market Status

Moviestorm is situated in a local market that "supports export oriented learning technologies and substitution of imports" (ETEC 522). The *Moviestorm* website indicates that over 130,000 people have used *Moviestorm*, and that over 10,000 videos have

been uploaded, of which some have won awards in film festivals. Estimating that an average price of 142.50 (assuming half are educational licenses and the other half are individual), the revenue for the company may have been roughly $18,525,000 world-wide, to date. *Moviestorm* was released in 2008 and therefore, it has grossed approximately $4,631,250 annually. If this rough estimate number is compared to the potential annual market projections of the US market alone (as listed above), it is apparent that a *much greater market share* is plausible. However, without inquiring with the company for a closer accounting of their profits and existing customer base, there numbers are speculative and very much rough estimates.

6. Competition

Moviestorm is a learning technology that would fit within a sector that already has a 'well-developed learning system'. For example, most film schools or high schools with existing "Com-Tech" courses already use similar software and the only requirements to implement *Moviestorm* would be installation on existing computers in these classrooms and training the instructor.

In terms of competition, there is another process of filmmaking that is akin to *Moviestorm*. *Machinima,* is not a software, but rather a *mode* of filmmaking where the creator (or machinimator) records footage within any virtual world or game. For example, the machinimator would use screen-capture software to 'record' the action taking place with their own avatar in a virtual world such as, *Second Life*. Machinima has a few major advantages over Moviestorm, including, it possible to replicate the collaborative nature of filmmaking through *Machinima* by working with other avatars (controlled by real people) to create a collective work of art. Secondly, *Machinima* is free in most cases. Conversely, *Moviestorm* is superior to *Machinima*, in that the users have licensed the copyright of the content of *Moviestorm,* whereas in virtual worlds and games, the content is owned by others. *Moviestorm* is more streamlined, as it is geared to filmmakers.

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