

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master in International Business
Student:	Roman A. Vorobyev
Title of thesis:	Managerial Decision Making in US Motion Pictures Theatrical Distribution Industry: Demand Uncertainty and Real Options Analysis

<p>Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis. Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives.</p>	
<p>Decision-making in motion pictures theatrical distribution industry is extremely important (multi-billion turnover), on one hand, and not very much explored, on another. The idea to use for a new movie the procedures of learning on patterns from the earlier movies is quite attractive. The demand for a movie is quite uncertain. No stars' participation works as guarantee. The goal of the paper is to construct a working model suitable to forecast the demand with high probability. Such model provides an instrument for decision making under demand uncertainty. The setting of goals and objectives is fine.</p>	
<p>Structure and logic of the text flow. Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.</p>	
<p>Chapter 1 provides general theoretical background for this industry in USA, for artificial neural networks and for real options analysis. Chapter 2 is devoted to technical stuff on variable and data choice and neural networks algorithms. Chapter 3 includes all main (and original) results. It consists of description of two approaches to calculations, statistical test, and link to real options analysis. The paper includes theory, decision-making algorithm, decision-making rules, and their verification on cases. The paper is highly original.</p>	
<p>Quality of analytical approach and quality of offered solution to the research objectives. Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives.</p>	
<p>The thesis is a high quality applied paper in management. The problem of forecasting finds its adequate solution. Forecast quality is checked against real-life cases. The paper combines fine knowledge of the industry, modeling, software usage, and advanced decision-making techniques.</p>	
<p>Quality of data gathering and description. Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references.</p>	
<p>The most of cinema specific parameters (and corresponding data) was proposed and found by the author on his own. After just a hint that learning on patterns will be useful the author immediately started to work with neural networks toolbox in Matlab software. It became the main tool of calculation and managerial applications. He found two appropriate American papers on the industry, which were used as a starting point for algorithms. But again I find the author's assumptions deeper (and he knew them before reading).</p>	
<p>Scientific aspect of the thesis. Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives.</p>	
<p>Practical/applied nature of research. Extent to which the theoretical background is related to the international or Russian managerial practice; development of applied recommendations; justification and interpretation of the empirical/applied results.</p>	
<p>The results are of interest for everybody in the industry. I would emphasize that they are extremely interesting and perspective for young Russian motion pictures theatrical distribution industry. On one hand, Russian market for American movies is bigger than American one if we will make adjustment to the wealth. On the other hand, we will have both existing American data for the movie and some Russia-specific patterns from the previous experience. Numerical techniques give a possibility to use real options techniques, which suggests whether to expand, to continue, to contract, or to abandon any particular movie theatrical performances.</p>	

Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defence, correct layout of tables, figures, references.

Layout fulfils the requirements and of good quality.

The Master thesis of Roman A. Vorobyev meets the requirements for master thesis of MIB program thus the author of the thesis can be awarded the required degree.

Date: June 15, 2011

Scientific Advisor:
Professor of Finance



Alexander Bukhvalov