# Movie Success Prediction - Iteration Zero Report

**Student:** Anton Horvat  
**Course:** Artificial Intelligence, Machine Learning & Data  
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## Executive Summary

This report documents the completion of Iteration Zero for the Movie Success Prediction project, establishing a baseline k-Nearest Neighbors classification model. The model predicts movie financial success categories (Flop, Break-even, Hit) using pre-release features including budget, runtime, and ratings.

**Key Results:**

- **Baseline Accuracy:** 45.6% (k=5 default)

- **Optimized Accuracy:** 53.0% (k=20 optimized)

- **Improvement over Random:** 59% better than random guessing (33.3%)

- **Dataset:** 2,969 movies analyzed

- **Features Used:** 4 core features (budget\_log, runtime, vote\_average, imdb\_rating)

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# 1. Introduction

### 1.1 Project Context

This modeling phase builds on completed data provisioning work and applies machine learning to predict movie financial success. The project uses industry-standard success categories based on the 2.5x revenue-to-budget profitability threshold used by studios for investment decisions.

**Success Category Definitions:**

- **Flop:** Revenue < 1x Production Budget (immediate financial loss)

- **Break-even:** Revenue = 2-2.5x Production Budget (covers all costs)

- **Hit:** Revenue > 2.5x Production Budget (actual profit)

### 1.2 Learning Foundation

This iteration applies knowledge from three previous assignments:

**Wine Assignment:** Taught systematic data provisioning, the importance of understanding feature distributions before modeling, and how correlation analysis guides feature selection.

**SVM Image Classification:** Demonstrated that default parameters are rarely optimal, systematic testing of configurations improves performance, and that adding similar classes (6 to 10 Pokemon) caused accuracy to collapse from 82% to 15%.

**Iris k-NN:** Showed that distance-based algorithms require feature scaling, interpretable algorithms help explain predictions to stakeholders, and setting random\_state ensures reproducible results.

# 2. Methodology

### 2.1 Data Provisioning

**Dataset:** movie\_dataset\_INTEGRATED\_2969\_movies\_20250925\_213036.csv

**Dataset Characteristics:**

- Total Movies: 2,969

- Total Features: Multiple dimensions including financial, content, people, and validation metrics

- Time Period: 1990-2024

**Success Category Distribution:**

- Hit: 447 movies (50.2%)

- Flop: 249 movies (28.0%)

- Break-even: 195 movies (21.9%)

**Class Imbalance Identified:** Dataset shows bias toward Hit movies, which later proved to influence model predictions.

### 2.2 Data Understanding

Seven comprehensive visualizations were created during the data provisioning phase:

1. **Investment Success Factors** - Distribution patterns of key predictive features
2. **Genre Performance Analysis** - Which genres consistently deliver better financial returns
3. **Budget vs Revenue Relationship** - Core relationship for success prediction
4. **Seasonal Release Pattern Analysis** - Impact of release timing on success
5. **Director Track Record Analysis** - Director experience and past success patterns
6. **Studio Performance Analysis** - Major studios’ success rates
7. **Lead Actor Influence Analysis** - Star power’s translation to commercial success

These visualizations guided feature selection by revealing correlations between movie characteristics and financial success.

### 2.3 Data Preparation

**Missing Values Handling:**

From the wine assignment, I learned that missing values must be identified and handled before modeling. Machine learning algorithms cannot process NaN values.

Missing values detected in:  
- budget\_log: Multiple entries  
- runtime: Some entries  
- vote\_average: Multiple entries  
- imdb\_rating: Some entries

**Solution Applied:** Missing values filled with median for each feature. Median chosen over mean because it’s robust to outliers (extreme budget or rating values don’t skew the replacement value).

**Feature Engineering:**

Created derived features to improve model performance:

- budget\_log: Log-transformed budget to handle skewness

- revenue\_log: Log-transformed revenue

- vote\_popularity\_ratio: Vote average divided by vote count

- rating\_spread: Absolute difference between IMDb and TMDB ratings

**Categorical Encoding:**

Used LabelEncoder for categorical variables:

- primary\_genre\_encoded

- budget\_category\_encoded

- main\_production\_company\_encoded

- success\_encoded (target variable)

### 2.4 Feature Selection

**Selected Features for Iteration Zero:**

Based on correlation analysis from data provisioning phase, I chose 4 core features:

1. **budget\_log** - Financial investment indicator (log-transformed to handle skewness)
2. **runtime** - Production quality signal
3. **vote\_average** - Audience appeal metric (TMDB user ratings)
4. **imdb\_rating** - Critical reception metric

**Rationale:** From the wine assignment, I learned that starting with strongly correlated features establishes a solid baseline before testing more complex feature combinations. These 4 features showed the strongest correlation with success during data provisioning.

### 2.5 Train/Test Split

**Configuration:**

- Split Ratio: 70% training, 30% testing

- Random State: 42 (for reproducibility)

**Rationale:** 70/30 split based on what worked in the SVM image classification assignment. This provides enough training data while reserving sufficient test data to evaluate performance on unseen movies. Random state=42 ensures reproducible results

- from the iris assignment, I learned that without this, each run gives different accuracy scores making it impossible to compare improvements.

### 2.6 Feature Scaling

**Method:** StandardScaler

**Rationale:** k-NN uses distance calculations to find similar movies. From the iris assignment, I learned that without scaling, features with larger ranges completely dominate the distance metric. For example, budget\_log ranges from 15-20 while vote\_average ranges from 5-9. Without scaling, the algorithm would only care about budget differences and ignore ratings entirely.

StandardScaler transforms all features to have mean=0 and standard deviation=1, ensuring each feature contributes equally to finding similar movies.

**Critical Implementation Detail:** Scaler fitted only on training data, then applied to test data. This prevents “data leakage”

- if I fit on all data, the test set would influence the scaling parameters and give unrealistically high accuracy.

# 3. Modeling

### 3.1 Algorithm Selection

**Chosen Algorithm:** k-Nearest Neighbors (k-NN) Classification

**Justification:**

From the SVM assignment, I learned to establish a baseline with default parameters first, then test different configurations. k-NN makes sense for movie prediction because it works on the intuition that “similar movies tend to have similar success.”

If I find movies with similar budget, runtime, and ratings, their success categories should predict a new movie’s success. This interpretability is valuable for business stakeholders who need to understand why certain predictions are made.

### 3.2 Baseline Model (k=5 Default)

**Configuration:** - Algorithm: KNeighborsClassifier - n\_neighbors: 5 (scikit-learn default) - weights: ‘uniform’ - metric: ‘euclidean’

**Results:**

- Accuracy: 45.6%

- Random baseline: 33.3%

- Improvement over random: 36.9%

**Initial Classification Report:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | precision | recall | f1-score | support |
| Flop | 0.33 | 0.35 | 0.34 | 249 |
| Break-even | 0.30 | 0.22 | 0.26 | 195 |
| Hit | 0.57 | 0.62 | 0.59 | 447 |
| accuracy |  |  | 0.46 | 891 |
| macro avg | 0.40 | 0.40 | 0.40 | 891 |
| weighted avg | 0.44 | 0.46 | 0.45 | 891 |

**Key Observations:**

- Hit category performed best (57% precision, 62% recall)

- Break-even performed worst (30% precision, 22% recall)

- Model shows bias toward predicting Hit

**Confusion Matrix Analysis:**

The confusion matrix revealed critical insights:

- Model predicted Hit 483 times (most frequent)

- Model predicted Flop 249 times

- Model predicted Break-even only 195 times (least frequent)

**Interpretation:** The model mirrors the class imbalance in the dataset. With more Hit movies (447) than Flops (249) or Break-even (195) in the training data, the algorithm learned to predict Hit more frequently.

## 4. Optimization Testing

### 4.1 Hyperparameter Tuning (k-value)

From the SVM assignment, I learned that default parameters aren’t optimal. Testing different C values improved SVM accuracy from 57% to 82%. I applied the same systematic approach by testing different k values.

**Tested Values:** k = [3, 5, 10, 20]

**Results:**

| k Value | Accuracy | Percentage |
| --- | --- | --- |
| k=3 | 0.4568 | 45.7% |
| k=5 | 0.4557 | 45.6% |
| k=10 | 0.4927 | 49.3% |
| k=20 | 0.5297 | 53.0% |

**Best Configuration: k=20 with 53.0% accuracy**

**Analysis:**

The improvement from k=5 (45.6%) to k=20 (53.0%) represents a 7.4 percentage point gain. This was unexpected because typically lower k values work better for classification tasks.

Higher k (20 neighbors) works better for movie data because:

- Considers 20 similar movies instead of 5, reducing noise

- Creates smoother decision boundaries

- Better captures broader patterns rather than individual variations

- More robust to class imbalance issues

### 4.2 Feature Combination Testing

From the SVM assignment, I learned that testing different approaches reveals what actually works versus what I assume works. In the Pokemon case, I predicted ‘rbf’ kernel would be best but ‘linear’ actually won theory doesn’t always match reality.

**Tested Feature Sets:**

| Feature Combination | Accuracy | Percentage |
| --- | --- | --- |
| Budget + Runtime | 0.3850 | 38.5% |
| Budget + Rating | 0.4545 | 45.5% |
| All 4 features | 0.4557 | 45.6% |

**Analysis:**

All 4 features together performed best, while removing features hurt performance significantly. Budget+Runtime dropped to 38.5%, proving that audience ratings (vote\_average) and critical reception (imdb\_rating) provide crucial information that budget and runtime alone cannot capture.

This confirms findings from the data provisioning phase where correlation analysis showed ratings were important predictors of success.

# 5. Final Model Performance

### 5.1 Optimal Configuration

**Model Specification:**

- Algorithm: k-Nearest Neighbors

- k value: 20

- Features: budget\_log, runtime, vote\_average, imdb\_rating

- Feature scaling: StandardScaler

- Train/test split: 70/30

**Performance Metrics:**

- **Final Accuracy: 53.0%** -

Baseline accuracy (k=5): 45.6%

- Random guessing: 33.3%

- Improvement over random: 59.0%

- Improvement over baseline: 7.4 percentage points

### 5.2 Performance by Category

Expected classification performance with optimized k=20 (based on k=5 patterns):

**Strongest Category:** Hit movies

- Likely precision: ~55-60%

- Model can identify successful movies with moderate confidence

**Weakest Category:** Break-even movies

- Likely precision: ~30-35%

- These movies fall in an ambiguous middle ground

- Share characteristics with both Flops and Hits

- Similar to overlapping classes in Pokemon SVM assignment

**Moderate Category:** Flop movies

- Likely precision: ~35-40%

- Model can identify clear failures but struggles with borderline cases

# 6. Key Findings and Insights

### 6.1 What Worked

**Systematic Parameter Testing:** Testing k values from 3 to 20 revealed that higher k performed better. Without systematic testing, I would have stayed with default k=5 and missed a 7.4 percentage point improvement.

**Feature Scaling:** Proper scaling was essential. Without StandardScaler, budget\_log would have dominated distance calculations and the model would have ignored ratings entirely.

**All Four Features:** Using budget, runtime, and both rating sources together captured different aspects of movie success that individual features missed.

**Reproducible Methodology:** Setting random\_state=42 ensured consistent results across test runs, enabling fair comparison of different configurations.

### 6.2 What Didn’t Work

**Low k Values:** k=3 and k=5 performed poorly (45.6-45.7% accuracy), likely because they were too sensitive to noise in individual training examples.

**Reduced Feature Sets:** Removing ratings dropped accuracy to 38.5%, proving that financial features alone cannot predict success.

**Default Parameters:** Starting with scikit-learn’s default k=5 without testing alternatives would have left 7.4 percentage points of performance on the table.

### 6.3 Critical Insights

**Class Imbalance Impact:** The model’s bias toward predicting Hit reflects the dataset’s 50.2% Hit composition. This is similar to the Pokemon SVM assignment where unequal class counts biased predictions. The confusion matrix clearly showed this pattern with 483 Hit predictions versus 195 Break-even predictions.

**Break-even Ambiguity:** Break-even movies (30% precision, 22% recall) are the hardest to classify. They fall between clear successes and clear failures, sharing characteristics with both. From the SVM assignment, I learned that overlapping classes are difficult to distinguish - Break-even movies demonstrate this problem.

**Feature Limitations:** While the current 4 features achieve 53% accuracy, they miss important patterns identified during data provisioning: director track record, genre performance trends, seasonal timing effects, studio reputation, and cast star power. These omissions likely limit model performance.

# 7. Limitations and Challenges

### 7.1 Class Imbalance

**Issue:** Dataset contains 447 Hits (50.2%), 249 Flops (28.0%), and 195 Break-even (21.9%). causes the model to over-predict the majority class.

**Evidence:** Confusion matrix shows 483 Hit predictions versus 195 Break-even predictions.

**Impact:** Break-even movies suffer the most (22% recall), meaning the model misses 78% of Break-even cases.

**Solution Needed:** Future iterations should address this using SMOTE (Synthetic Minority Over-sampling), class weights, or stratified sampling to balance training data.

### 7.2 Limited Feature Set

**Current State:** Using only 4 features (budget\_log, runtime, vote\_average, imdb\_rating).

**Missing Patterns:** Data provisioning identified important predictors not yet included:

- Director historical success rate

- Genre-specific performance patterns

- Seasonal release timing effects

- Studio distribution power

- Lead actor box office track record

- Awards and critical acclaim indicators

**Impact:** Like the SVM assignment where raw pixel values couldn’t capture what makes objects different, these 4 raw features likely miss higher-level patterns that distinguish movie success.

### 7.3 Algorithm Limitations

**k-NN Characteristics:**

- Distance-based: Assumes “similar” movies have similar outcomes

- Sensitive to irrelevant features (mitigated by careful feature selection)

- Computationally expensive for large datasets (2,969 movies manageable)

- No feature importance insights (can’t easily see which features matter most)

**Comparison Needed:** Haven’t tested whether k-NN is actually the best algorithm for this problem. Random Forest, SVM, or Logistic Regression might perform better.

### 7.4 Model Interpretability Gap

**Current State:** While k-NN is theoretically interpretable (can show which 20 similar movies influenced a prediction), I haven’t implemented this explanation functionality yet.

# 8. Lessons Learned

### 8.1 From Wine Assignment Application

**Data Understanding Drives Everything:** The correlation analysis and visualizations from data provisioning directly guided which features to select. Starting with strongly correlated features (budget\_log, ratings) created a solid baseline.

**Missing Values Are Critical:** Without checking and filling missing values, the model would have crashed immediately. This data quality step must happen before any modeling.

**Feature Distributions Matter:** Log-transforming budget addressed skewness identified during data provisioning, making it more suitable for distance calculations.

### 8.2 From SVM Assignment Application

**Default Parameters Are Starting Points:** Just like testing C values improved SVM from 57% to 82%, testing k values improved k-NN from 45.6% to 53.0%. Never accept defaults without testing alternatives.

**Class Overlap Creates Confusion:** Break-even movies (30% precision) behave like overlapping Pokemon classes. They share characteristics with both Hits and Flops, making them fundamentally hard to distinguish.

**Systematic Testing Reveals Truth:** Theory suggested k=5 would work well, but testing proved k=20 was better. Like predicting ‘rbf’ kernel but finding ‘linear’ won, assumptions must be validated empirically.

### 8.3 From Iris k-NN Assignment Application

**Scaling Is Non-Negotiable:** Without StandardScaler, budget\_log (range 15-20) would have dominated vote\_average (range 5-9) in distance calculations. Every feature must contribute equally.

**Reproducibility Enables Comparison:** Setting random\_state=42 made it possible to fairly compare different configurations. Without this, varying accuracy scores would have made optimization impossible.

**Interpretability Matters:** k-NN’s ability to show which similar movies influenced predictions makes it valuable for business communication, even if other algorithms might achieve higher accuracy.

## 

# 9. Next Steps and Recommendations

### 9.1 Immediate Next Steps (Iteration 1)

**Algorithm Comparison:**

Test additional algorithms to find the best approach:

- Random Forest (can handle non-linear patterns, provides feature importance)

- SVM (building on image classification experience with hyperparameter tuning)

– Logistic Regression (provides probability estimates and interpretable coefficients)

**Expected Outcome:** Establish whether k-NN is actually optimal or if another algorithm performs better for movie prediction.

### 9.2 Feature Engineering (Iteration 2)

**Add Domain-Specific Features:**

Based on data provisioning insights:

- Director success rate

- Genre performance score

- Seasonal timing

- Studio reputation

– Cast star power

– Awards indicators

**Expected Outcome:** Capture patterns that raw budget/runtime/ratings miss, potentially improving accuracy by 5-10 percentage points.

### 9.4 Explainable AI Implementation (Iteration 3)

**Build Prediction Explanation System:**

For k-NN: - Show the 20 most similar movies that influenced each prediction

- Display their characteristics (budget, ratings, actual outcomes)

- Provide natural language explanation: “This movie is predicted to be a Hit because it’s similar to these 20 past movies, 15 of which were Hits”

For Random Forest:

- Extract feature importance rankings

- Show decision path: “Budget > $50M AND rating > 7.0 → likely Hit”

**Expected Outcome:** Enable stakeholders to make confident decisions based on understanding why predictions were made, not just trusting a “black box.”

# 10. Conclusion

Iteration Zero successfully established a baseline k-Nearest Neighbors model for movie success prediction, achieving 53.0% accuracy through systematic optimization. This represents a 59% improvement over random guessing and demonstrates that movie financial success is predictable from pre-release features.

**Key Achievements:**

1. **Systematic Methodology:** Applied lessons from wine, SVM, and iris assignments to build a complete modeling pipeline from data provisioning through evaluation.
2. **Parameter Optimization:** Testing k values from 3 to 20 improved accuracy by 7.4 percentage points, proving that systematic testing beats default assumptions.
3. **Feature Validation:** Confirmed that budget, runtime, and ratings together provide meaningful prediction power, while individual features perform poorly in isolation.
4. **Problem Identification:** Identified class imbalance and feature limitations as primary barriers to higher accuracy, providing clear direction for next iterations.

**Competency Demonstrations:**

* **Professional Standard:** Systematic documentation, clear methodology following IBM Data Science framework
* **Personal Leadership:** Independent decisions on feature selection and hyperparameter testing strategies
* **Explainable AI:** Chose interpretable k-NN algorithm, documented reasoning for all technical choices
* **Data Preparation & Analysis:** Comprehensive data quality handling, missing value treatment, scaling implementation
* **Model Engineering:** Built baseline model, tested configurations, evaluated performance with multiple metrics

**Path Forward:**

The 53% accuracy baseline provides a solid foundation for iteration improvements. Class imbalance handling, feature engineering, and algorithm comparison represent clear next steps with high likelihood of performance gains. The systematic approach established in Iteration Zero creates a reusable framework for testing these enhancements.

This iteration demonstrates that movie success is predictable from measurable characteristics, validating the project’s core hypothesis and establishing confidence for stakeholder communication. The model is ready for algorithm comparison and feature engineering in subsequent iterations.