

# Linear Regression

Machine Learning Algorithm for Thrillers

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### Business Situtation

A newly emerged production studio plans to make movies in the thriller genre and would like to know which characteristics of thrillers are predictors of US Box Office Gross.

#### **Key Questions:**



Does a set of features do a good job in predicting US Gross for thrillers?



Which features are significant predictors of US Gross for thrillers?



## **Project Steps**

#### **ACTION**



#### **WEBSCRAPING**

- · Scraped IMDB Thrillers for target and feature data
- 1100 thriller titles, 16 potential predictor variables



#### **EDA & REGRESSION VIABILITY**

- Ensure data correct and appears as expected.
- · Data cleanup, address missing values, etc
- Correlation matrix, reg plots, R^2 score
- · Feature engineering



#### **DETERMINE BASELINE MODEL**

- Tested log transform vs no transform
- Tested regularization methods
- Identified features with meaningful coefficients



#### TRAIN - VALIDATE - TEST

- Utilized cross validation
- · Tested two models

#### **TOOLS USED**

Request Module, BeautifulSoup Library

Pandas, Seaborn, Statsmodels
cpi library (to apply inflation to budget based on year)

Pandas, Sklearn

Sklearn

### Features Scraped From Thriller List IMDB

IMDB: Thrillers Categorized by Genre

### Thriller (Sorted by US Box Office Descending)



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Discuss key insights from each phase of the Linear Regression process.







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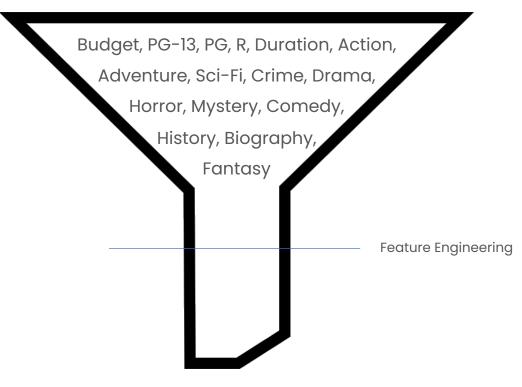






### Determine Features for Model Inclusion

#### **All Features**



#### **Strongest Features**

Budget | PG-13 | Duration | Action-Adventure | Adventure-SciFi

#### Methodology:

- Correlation Heatmap
- Features must have strong correlation with US Gross
- Addressed collinearity amongst action + adventure by combining







### Tested Log Transform vs No Transform

No Transform performed slightly better than Log Transform

R^2 of model with cross validation

Log Transform

R^2
0.184

No Transform

R^2
0.195

Predictor Variables Included:

- Action\_Adventure
- Budget
- PG-13
- Duration

### Does Lasso increase performance?

Linear Regression	Train R^2 Score	Test R^2 Score
	0.213	0.178

 While there's not obvious overfitting of the model, Lasso was conducted to determine if score could be made better

#### Regularization

Lasso	Train R^2 Score	Test R^2 Score
	0.212	0.179

 Lasso made a very small improvement in prediction equation

#### Predictor Variables Included

- Action\_Adventure
- Adventure\_Scifi
- Budget
- PG-13
- Duration

### How well is the model predicting?

How close the prediction is against the real value

**Linear Regression** 

MAE
(Mean Absolute Error)

\$52,916,385

- Tells us the average difference between the actual data value and the value predicted by the model
- Establishes baseline metric to be used in further model testing
- · Goal is to improve this model by reducing this error

# While the model may be far from perfect, let's see what we've learned...











## Does a set of features do a good job in predicting US Gross for Thrillers?

**Answer:** The current set of features do not do a good job of accurately predicting US Gross.



### Which features are significant predictors of US Gross?

**Answer:** The current set of features do a partial job in predicting US Gross



### Coefficient Analysis Provides Meaning

### When reviewing movie projects:

- A PG-13 rating should be preferred over R Rating
  - When possible + When it works with larger business strategy
- Lean more into Thrillers that are Action-Adventure and Adventure-SciFi versus other genres
- Budget and Duration also indicated positive per-unit impact on US Gross. Further analysis required to provide actionable insight

Positive Per-Unit Impact on US Gross

Feature Coefficient

PG-13 1.02 Action\_Adv 8.17

Adv\_Scifi 2.76

Categorical variables - binary values

- US Gross prediction to increase by \$1.02MM with PG-13
- US Gross prediction to increase \$8.17MM with Action\_Adv
- US Gross prediction to increase \$2.76 with Adv\_Scifi

Positive Per-Unit Impact on US Gross

Feature Coefficient

Budget 5.09

Dollars - Continuous values

US Gross prediction to increase by
 \$5.09MM for every dollar increase in budget given all variables remain the same

Positive Per-Unit Impact on US Gross

Feature Coefficient

Duration 9.34

Minutes - Integer

- US Gross prediction to increase by \$9.34MM for every minute increase.

Will likely remove from final – practicing interpretation here

