Success of Movies

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Introduction

Movies often base their success off of revenue generated in the opening week. However, revenue cannot speak to the success of a movie, as there are often times that a the budget or money spent on the creation of the movie is higher than the revenue. In this analysis, we will look at what contributes to the success of a movie based on the film's profit.

The Data

The original data was retrieved from Kaggle, compiled from The Movie Database. The data contained 20 variables, reporting 4,803 cases. Through the data cleaning process, the data set was narrowed down to 8 variables, to include the variables of interest: ID, Genres, Production Companies, Revenue, Budget, Runtime, Release Date, and Voting Average. These variables were chosen for the following:

- Genres Does the genre of a movie have an effect on success?
- Production Companies Do specific production companies have more success than others?
- Budget Does a higher budget add to the success of a movie?
- Runtime If a movie is in theaters longer, does it contribute to higher profit?
- Release date Does the time of year matter in its success?
- Voting Does a movie's viewer feedback add to the success of a film?

Several new variables were created to aid in the analysis of the research question. To look at the profitability of each movie, a new variable was needed to be created, titled "profit." This calculated the difference between the budget and revenue variables.

One feature that was to be looked at is if the time of year a movie was released plays a part in the success of a movie. The month from the release date was broken out into its own column. From here, the months were grouped by seasons.

- Winter: November January
- Spring: February April
- Summer: May July
- Fall: August October

By looking at the summary of the data frame, the top 5 most frequent genres in the set was revealed. A new variable was created to look at the top 5 which are in order: action, adventure, comedy, drama, and horror.

Insights

The data that was observed was non-parametric. From performing a correlation matrix between budget, runtime, vote average, revenue, and profit, it is interesting to note the findings between the variables. Runtime does not have a strong positive correlation with revenue, profit, or vote average. As well, the budget of a movie is not strongly correlated to the profit of a movie. According to the correlation matrix, as more money is spent, it doesn't necessarily mean that they will have a high profit. This can be visually viewed by the scatter plots, as some points dip into the negative numbers on the profit axis as the budget increases. Profit does show a strong correlation with revenue, as one would believe would account to the success of a movie.

From viewing scatterplots, the regression lines all indicate that budget, runtime, and vote average have a positive relationship, however, with vote average likely being very minimal contribution to the profit due to the very low sloped line.

When looking at budget vs profit by seasons, it is interesting to note that fall seems to be the least profitable. Summer and Winter reflect very similar regression lines, indicating that both those seasons are comparable to the higher profit of a movie when the budget increases. When looking at genre's regression line, action followed by adventure have a stronger positive linear regression line with horror being the weakest. Lastly, looking at budget vs. profit by production company, Paramount comes in with the strongest linear regression line.

By completing simple linear regression models, it is concluded that budget accounts for the most of the contribution to success (profit) of a movie. Results of x predicting profit: Budget: 32.3% of variation in profit

• Run time: 4.9% of variation in profit

• Vote average: 4.8% of variation in profit

Season: 3.3% of variation in profitGenre: 8.2% of variation in profit

When predicting profit based on production company, it resulted in a negative adjusted r-squared. It did not have any affect on the profit of a movie.

In a multiple linear regression model, the best fit model was predicting profit from budget, run time, vote average, and summer as the season. When adding the highest the genre, action, or production company, Paramount Pictures, to the multiple linear regression model, it did not improve the fit of the model. The best fit model produced a multiple R-squared of 0.3638 presenting that the variables accounted for 36.4% of the variability in predicting the profit of a movie. Although this is a low percentage, it was the highest that was fitted based on the variables that were observed. When splitting the data for a training model and a testing model, the root mean square error was high for both cases. Although the test model produced a lower RMSE number than the training model, indicating that the model was not overfitted, it is still concluded that this multiple linear regression model is not the best model to predict the profit of a movie.

Concluding Remarks to the Target Audience

Through this analysis, it is observed that as the budget increases, there is the likelihood that the profit will increase as well. To have a successful movie, one can plan to release their film either in the summer months or winter, as that reveals to be the most successful time of year. The length of time the movie is in theaters does not account for a large variation in the increase of profit as well as the viewership voting. The most successful genre appears to be action, however, when all variables are accounting toward what predicts the profitability of a movie, genre does not seem to have any impact in increasing the profit. Additional factors that were not researched have a large contribution to the profit a movie makes. However, based on this research, in terms of the production company, all have a fair game in creating a successful movie.

Limitations

With the data at hand, a multiple linear regression model of 36.4% accounted in predicting the profit of a movie. There is 63.6% of explanation that is not accounted for in this analysis. This percentage can include how much advertising for the movie was done and the impact it had on the viewership. Lead actors, directors, producers, as well as the franchise could also be factors that account for this variability. Since movies also grab to emotions, there is a possibility that there is not a perfectly fit model to the prediction of the success, as emotion is an anomaly that is always in flux. Overall, there is other research beyond this analysis that needs to be completed to look at the success of a movie.

Analysis Process

Packages

```
library(jsonlite)
library(dplyr)
library(tidyverse)
library(ggplot2)
library(lubridate)
library(car)
library(caTools)
```

Data

```
movies <- read_csv("tmdb_5000_movies.csv")</pre>
```

Data Cleaning

Parsing JSON

```
genres <- movies %>%
  filter(nchar(genres)>2) %>%
  mutate(js = lapply(genres, fromJSON)) %>%
  unnest(js, .name repair = "unique") %>%
  select(id, title, genres=name) %>%
  mutate_if(is.character, factor)
production companies <- movies %>%
  filter(nchar(production_companies)>2) %>%
  mutate(js = lapply(production_companies, fromJSON)) %>%
  unnest(js, .name repair = "unique") %>%
  select(id, title, production_companies=name) %>%
  mutate_if(is.character, factor)
m1 <-
  genres %>%
  group_by(id) %>%
  filter(row_number()==1)
m2 < -
  production companies %>%
  group by(id) %>%
  filter(row number()==1)
movies2 <- merge(movies,m1, by="id")</pre>
movies3 <- merge(movies2, m2, by="id")</pre>
```

Select Variables

```
moviesdf <- movies3[,c("id", "genres.y", "production_companies.y", "revenue",
"budget", "runtime", "vote_average", "release_date")]</pre>
```

```
summary(moviesdf)
##
         id
                        genres.y
## Min.
                5
                    Drama
                            :1095
                            : 958
## 1st Qu.: 8587
                    Comedy
## Median : 13536
                    Action
                            : 727
## Mean : 53186
                   Adventure: 334
## 3rd Qu.: 50837
                    Horror
                           : 279
## Max. :459488
                    Crime
                            : 188
##
                    (Other) : 868
##
                             production_companies.y
                                                      revenue
## Paramount Pictures
                                                          :0.000e+00
                                        : 281
                                                   Min.
## Universal Pictures
                                        : 260
                                                   1st Ou.:0.000e+00
## Columbia Pictures
                                        : 200
                                                   Median :2.522e+07
## Twentieth Century Fox Film Corporation: 177
                                                   Mean
                                                          :8.875e+07
## New Line Cinema
                                        : 157
                                                   3rd Qu.:1.009e+08
## Walt Disney Pictures
                                        : 114
                                                   Max.
                                                          :2.788e+09
   (Other)
                                        :3260
##
       budget
                         runtime
                                      vote average
                                                       release date
## Min.
                      Min. : 0.0
                                      Min. : 0.000
                                                            :1916-09-04
                                                      Min.
## 1st Qu.: 2500000
                      1st Qu.: 94.0
                                      1st Qu.: 5.600
                                                      1st Qu.:1999-02-26
## Median : 17000000
                      Median :104.0
                                     Median : 6.300
                                                      Median :2005-09-05
                      Mean
## Mean : 31273706
                                      Mean : 6.176
                            :108.2
                                                      Mean :2002-09-24
## 3rd Qu.: 41000000
                      3rd Qu.:118.0
                                      3rd Qu.: 6.800
                                                      3rd Qu.:2010-12-23
## Max. :380000000
                             :338.0
                                      Max. :10.000
                                                      Max. :2016-09-16
                      Max.
##
                      NA's
```

Uncovering New Information

Profit Variable

```
moviesdf$profit <- moviesdf$revenue - moviesdf$budget
moviesdf <- na.omit(moviesdf)</pre>
```

Seasons

Genres

Top 5 most frequent genres in the data frame.

Production Companies

Top 5 most frequent production companies in the data frame.

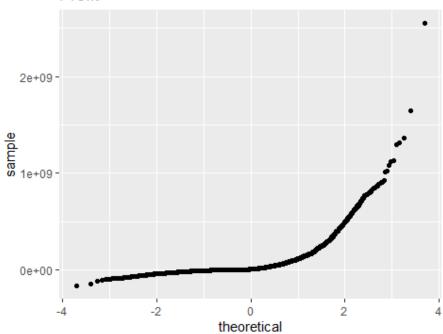
Plots

Q-Q Plots

Looking at the below graphs, all four variables are non-parametric due to the curve in the line.

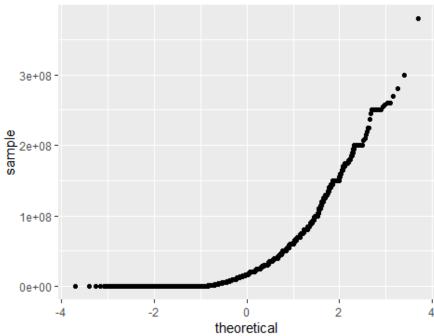
```
qplot(sample = moviesdf$profit, stat="qq") + labs(x = "theoretical", y = "sam
ple", title = "Profit")
```





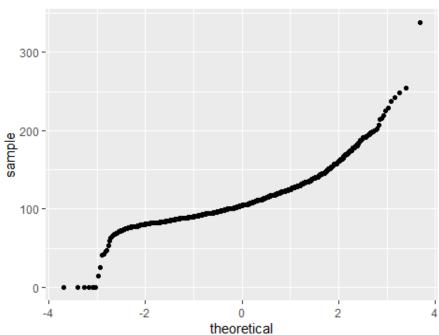
qplot(sample = moviesdf\$budget, stat="qq") + labs(x = "theoretical", y = "sam
ple", title = "Budget")

Budget



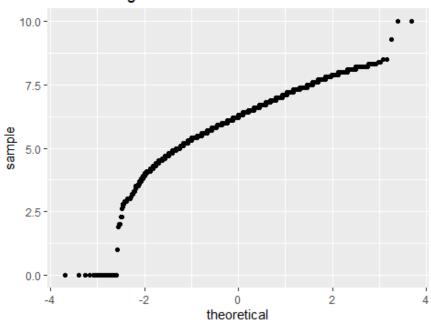
```
qplot(sample = moviesdf$runtime, stat="qq") + labs(x = "theoretical", y = "sa
mple", title = "Run Time")
```





```
qplot(sample = moviesdf$vote_average, stat = "qq") + labs(x = "theoretical",
y = "sample", title = "Vote Average")
```

Vote Average

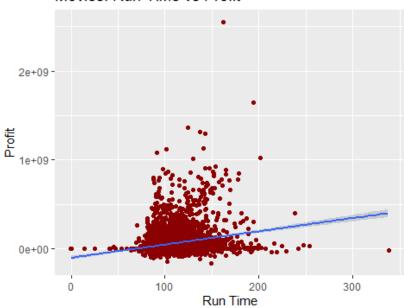


Scatter Plots

Scatter plots with regression line:

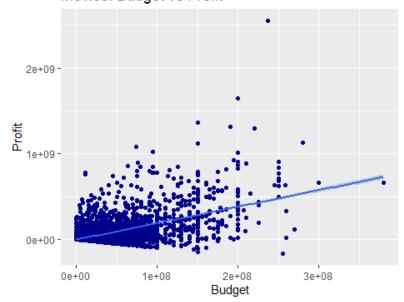
```
ggplot(moviesdf, aes(x = runtime, y = profit)) + geom_point(position = "jitte
r", color = "dark red") + geom_smooth(method = lm) + labs(x = "Run Time", y =
"Profit", title = "Movies: Run Time vs Profit")
```

Movies: Run Time vs Profit



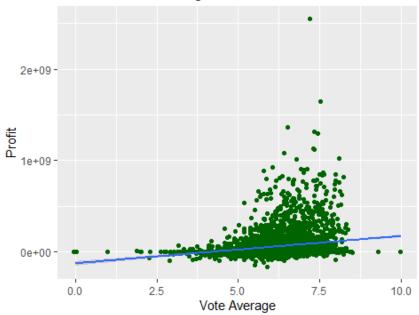
```
ggplot(moviesdf, aes(x = budget, y = profit)) + geom_point(position = "jitter
", color = "dark blue") + geom_smooth(method = lm) + labs(x = "Budget", y = "
Profit", title = "Movies: Budget vs Profit")
```

Movies: Budget vs Profit



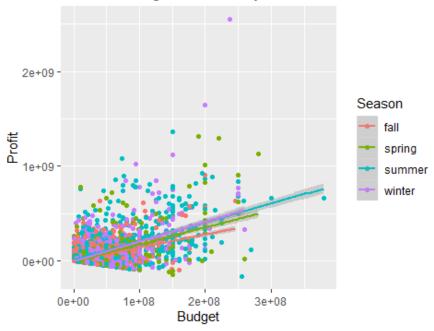
```
ggplot(moviesdf, aes(x = vote_average, y = profit)) + geom_point(position = "
jitter", color = "dark green") + geom_smooth(method = lm) + labs(x = "Vote Av
erage", y = "Profit", title = "Movies: Vote Average vs Profit")
```

Movies: Vote Average vs Profit



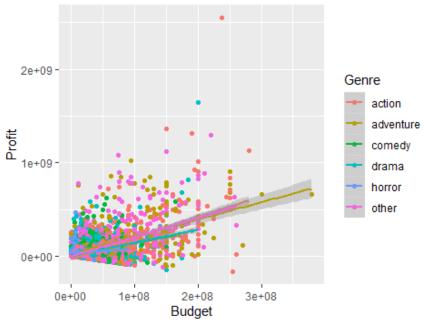
ggplot(moviesdf, aes(x = budget, y = profit, color = season)) + geom_point(po
sition = "jitter") +geom_smooth(method = lm) + labs(x = "Budget", y = "Profit
", title = "Movies: Budget vs Profit by Season", color = "Season")

Movies: Budget vs Profit by Season



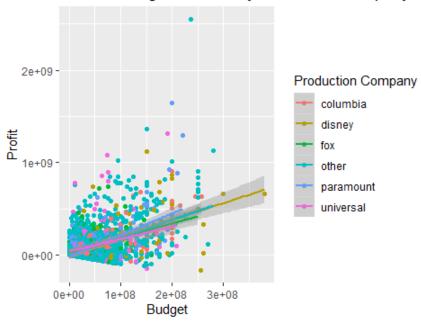
```
ggplot(moviesdf, aes(x = budget, y = profit, color = genre)) + geom_point(pos
ition = "jitter") +geom_smooth(method = lm) + labs(x = "Budget", y = "Profit"
, title = "Movies: Budget vs Profit by Genre", color = "Genre")
```

Movies: Budget vs Profit by Genre



ggplot(moviesdf, aes(x = budget, y = profit, color = company)) + geom_point(p
osition = "jitter") +geom_smooth(method = lm) + labs(x = "Budget", y = "Profit", title = "Movies: Budget vs Profit by Production Company", color = "Production Company")

Movies: Budget vs Profit by Production Company



Correlation Table

```
cor(moviesdf[, c("revenue", "budget", "runtime", "vote_average", "profit")],
method = "kendall")
##
                              budget
                                       runtime vote average
                 revenue
                                                              profit
## revenue
               1.0000000 0.569396790 0.2005507 0.149019299 0.6783035
## budget
               0.5693968 1.000000000 0.2063774 0.006237209 0.2166101
               0.2005507 0.206377440 1.0000000 0.278303944 0.1242596
## runtime
## vote_average 0.1490193 0.006237209 0.2783039 1.000000000 0.1873257
            0.6783035 0.216610061 0.1242596 0.187325735 1.0000000
## profit
```

Linear Models

Simple Linear Regression

With budget predicting profit, budget accounts for 32.3% of variation in profit. When the budget increases by \$1, the profit increases by \$1.92.

```
profitlm1 <- lm(profit ~ budget, data = moviesdf)</pre>
summary(profitlm1)
##
## Call:
## lm(formula = profit ~ budget, data = moviesdf)
##
## Residuals:
                            Median
##
         Min
                     1Q
                                           30
                            -57418
## -653730922 -40284894
                                      11585527 2097583542
##
## Coefficients:
##
                Estimate Std. Error t value Pr(>|t|)
## (Intercept) -2.702e+06 2.169e+06 -1.246
                                               0.213
              1.924e+00 4.174e-02 46.104
                                              <2e-16 ***
## budget
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 115500000 on 4445 degrees of freedom
## Multiple R-squared: 0.3235, Adjusted R-squared: 0.3233
## F-statistic: 2126 on 1 and 4445 DF, p-value: < 2.2e-16
```

When run time predicts profit, it accounts for 4.9% of variation in profit.

```
profitlm2 <- lm(profit ~ runtime, data = moviesdf)
summary(profitlm2)

##
## Call:
## lm(formula = profit ~ runtime, data = moviesdf)
##
## Residuals:</pre>
```

```
Min
                     10
                            Median
                                           30
                                                     Max
## -417129109 -60222573
                         -34760139
                                      8269447 2413249328
##
## Coefficients:
##
                Estimate Std. Error t value Pr(>|t|)
                                    -9.612
                                              <2e-16 ***
## (Intercept) -103705320
                           10789174
## runtime
                 1490254
                              97917
                                     15,220
                                              <2e-16 ***
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 136900000 on 4445 degrees of freedom
## Multiple R-squared: 0.04953,
                                 Adjusted R-squared: 0.04932
## F-statistic: 231.6 on 1 and 4445 DF, p-value: < 2.2e-16
```

When vote average predicts profit, it accounts for 4.8% of variation in profit..

```
profitlm3 <- lm(profit ~ vote_average, data = moviesdf)</pre>
summary(profitlm3)
##
## Call:
## lm(formula = profit ~ vote_average, data = moviesdf)
## Residuals:
                      1Q
##
          Min
                             Median
                                             3Q
                                                       Max
## -214932685 -67177261
                          -38730151
                                       10938197 2462840715
##
## Coefficients:
##
                  Estimate Std. Error t value Pr(>|t|)
                                                 <2e-16 ***
## (Intercept) -127331623
                             12511312
                                       -10.18
## vote_average
                  29924444
                              1998076
                                        14.98
                                                 <2e-16 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 1.37e+08 on 4445 degrees of freedom
## Multiple R-squared: 0.04804,
                                   Adjusted R-squared: 0.04782
## F-statistic: 224.3 on 1 and 4445 DF, p-value: < 2.2e-16
```

When season predicts profit, it accounts for 3.3% of variation in profit.

```
profitlm4 <- lm(profit ~ season, data = moviesdf)</pre>
summary(profitlm4)
##
## Call:
## lm(formula = profit ~ season, data = moviesdf)
##
## Residuals:
##
          Min
                       1Q
                              Median
                                              3Q
                                                         Max
## -264132873 -64465101 -32940604
                                         9888099 2486499986
##
```

```
## Coefficients:
##
               Estimate Std. Error t value Pr(>|t|)
                                     8.119 6.01e-16 ***
## (Intercept)
               30240604
                           3724500
## seasonspring 14203002
                           5795027
                                     2.451
                                             0.0143 *
                           5669753 12.026 < 2e-16 ***
## seasonsummer 68182179
## seasonwinter 34224497
                           5639351
                                     6.069 1.40e-09 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 138100000 on 4443 degrees of freedom
## Multiple R-squared: 0.03404,
                                   Adjusted R-squared: 0.03339
## F-statistic: 52.19 on 3 and 4443 DF, p-value: < 2.2e-16
```

When genre predicts profit, it accounts for 8.2% of variation in profit.

```
profitlm5 <- lm(profit ~ genres.y, data = moviesdf)</pre>
summary(profitlm5)
##
## Call:
## lm(formula = profit ~ genres.y, data = moviesdf)
##
## Residuals:
##
         Min
                      1Q
                             Median
                                            3Q
                                                      Max
## -258512154 -49410367 -30280402
                                      10154483 2473962899
##
## Coefficients:
##
                            Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                            77002188
                                       4994579 15.417 < 2e-16 ***
## genres.yAdventure
                           70502724
                                       8901914
                                                 7.920 2.98e-15 ***
## genres.yAnimation
                           100176058
                                      13222213 7.576 4.30e-14 ***
                                       6623936 -6.213 5.68e-10 ***
## genres.yComedy
                           -41153393
                           -49292633
## genres.yCrime
                                       11018705 -4.474 7.89e-06 ***
                                       19160564 -3.453 0.000559 ***
## genres.yDocumentary
                           -66165662
                                       6443847 -7.251 4.87e-13 ***
## genres.yDrama
                           -46721786
## genres.yFamily
                           48700601
                                      19331519 2.519 0.011796 *
## genres.yFantasy
                           19670781
                                      13514689
                                                  1.456 0.145599
## genres.yForeign
                           -77115888 134761119 -0.572 0.567188
## genres.yHistory
                           -26557947
                                       27939155 -0.951 0.341878
                                        9484093 -4.392 1.15e-05 ***
## genres.yHorror
                           -41657743
                                       23629351 -2.574 0.010097 *
## genres.yMusic
                           -60812225
## genres.yMystery
                           -28914757
                                       21870898 -1.322 0.186215
## genres.yRomance
                           -29087092
                                       14363215 -2.025 0.042916 *
## genres.yScience Fiction 43502172
                                       14691733 2.961 0.003083 **
## genres.yThriller
                           -38429476
                                       11211567 -3.428 0.000614 ***
## genres.yTV Movie
                           -77335521
                                       77911169 -0.993 0.320954
## genres.yWar
                           -46276759
                                       29142613 -1.588 0.112371
## genres.yWestern
                           -50614218
                                       26393848 -1.918 0.055219 .
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

```
##
## Residual standard error: 134700000 on 4427 degrees of freedom
## Multiple R-squared: 0.0842, Adjusted R-squared: 0.08027
## F-statistic: 21.42 on 19 and 4427 DF, p-value: < 2.2e-16</pre>
```

Predicting profit based production companies resulted in a negative adjusted R-squared.

```
profitlm6 <- lm(profit ~ production companies.y, data = moviesdf)</pre>
summary(profitlm6)
##
## Call:
## lm(formula = profit ~ production_companies.y, data = moviesdf)
##
## Residuals:
                      10
                             Median
##
          Min
                                            3Q
                                                      Max
## -540597108 -46827861
                            -163933 3071558 2315676020
##
## Coefficients:
##
Estimate
## (Intercept)
16982922
## production_companies.y101st Street Films
-16982922
## production companies.y1492 Pictures
576153913
## production_companies.y1818
-9750294
## production_companies.y19 Entertainment
-24060756
## production companies.y21 Laps Entertainment
-12628311
## production_companies.yXYZ Films
## production_companies.yYari Film Group
## production companies.yYash Raj Films
## production companies.yYeah
## production_companies.yYoung Medium
## production_companies.yYounggu-Art Movies
## production_companies.yYouth House Productions
## production companies.yZentropa Entertainments
## production companies.yZephyr Films
## production companies.yZininsa Film Production
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 1.43e+08 on 3139 degrees of freedom
## Multiple R-squared: 0.2682, Adjusted R-squared: -0.03654
## F-statistic: 0.8801 on 1307 and 3139 DF, p-value: 0.9967
```

Multiple Linear Regression Model

```
multi_lm1 <- lm(profit ~ budget + runtime + vote_average + summer, data = mov</pre>
iesdf)
summary(multi lm1)
##
## Call:
## lm(formula = profit ~ budget + runtime + vote_average + summer,
      data = moviesdf)
##
## Residuals:
         Min
                     10
                             Median
                                            30
                                                      Max
                           -8807124
                                      24565633 2089659497
## -648988354
              -44327992
##
## Coefficients:
##
                  Estimate Std. Error t value Pr(>|t|)
## (Intercept) -1.704e+08 1.164e+07 -14.645 < 2e-16 ***
## budget
                1.841e+00 4.261e-02 43.203 < 2e-16 ***
## runtime
                8.735e+04 8.887e+04
                                        0.983
                                                 0.326
## vote_average 2.519e+07 1.751e+06 14.387 < 2e-16 ***
## summerTRUE
                2.272e+07 4.024e+06
                                      5.646 1.75e-08 ***
## ---
                  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
## Signif. codes:
##
## Residual standard error: 112100000 on 4442 degrees of freedom
## Multiple R-squared: 0.3638, Adjusted R-squared: 0.3632
## F-statistic: 635.1 on 4 and 4442 DF, p-value: < 2.2e-16
multi lm2 <- lm(profit ~ budget + runtime + vote average + summer + action, d
ata = moviesdf)
summary(multi lm2)
##
## Call:
## lm(formula = profit ~ budget + runtime + vote average + summer +
      action, data = moviesdf)
##
##
## Residuals:
          Min
##
                      10
                             Median
                                            30
                                                      Max
## -644003294 -44166815
                           -8959809
                                      24627277 2095689791
##
## Coefficients:
                  Estimate Std. Error t value Pr(>|t|)
##
## (Intercept) -1.667e+08 1.172e+07 -14.219 < 2e-16 ***
## budget
                1.861e+00 4.331e-02 42.960 < 2e-16 ***
                                        1.021
## runtime
                9.073e+04 8.883e+04
                                                0.3071
## vote_average 2.473e+07 1.759e+06 14.059 < 2e-16 ***
                2.285e+07 4.021e+06
                                       5.682 1.42e-08 ***
## summerTRUE
## actionTRUE
               -1.177e+07 4.654e+06 -2.529
                                                0.0115 *
## ---
```

```
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 1.12e+08 on 4441 degrees of freedom
## Multiple R-squared: 0.3647, Adjusted R-squared: 0.364
## F-statistic: 510 on 5 and 4441 DF, p-value: < 2.2e-16
```

Model Fit

Comparing the fit of both models, adding the strongest regression genre action to the model did not significantly improve the fit from the first model. The first model will be used.

Multicollinearity Test

There seems to be no collinearity within the data.

```
vif(multi_lm1)
##
         budget
                     runtime vote_average
                                                summer
##
       1.107185
                    1.229956
                                 1.147844
                                              1.029423
1/vif(multi_lm1)
##
         budget
                     runtime vote_average
                                                summer
      0.9031912
##
                   0.8130373
                               0.8711985
                                             0.9714180
mean(vif(multi lm1))
## [1] 1.128602
```

Machine Learning

```
set.seed(42)
rows <- sample(nrow(moviesdf))
shuffled_moviesdf <- moviesdf[rows, ]

split <- sample.split(shuffled_moviesdf, SplitRatio = .8)
train_data <- subset(shuffled_moviesdf, split == "TRUE")
test_data <- subset(shuffled_moviesdf, split == "FALSE")</pre>
```

```
train_model <- lm(profit ~ budget + runtime + vote_average + summer, data = t
rain_data)

predict_model <- predict(train_model, test_data)

p <- predict(multi_lm1, moviesdf)
error_p <- p - moviesdf[["profit"]]
sqrt(mean(error_p^2))

## [1] 111989137

error_test <- predict_model - test_data[["profit"]]
sqrt(mean(error_test^2))

## [1] 100866891</pre>
```

Source

The Movie Database(TMDb) (2017). TMDB 5000 Movie Dataset. Kaggle. https://www.kaggle.com/tmdb/tmdb-movie-metadata#tmdb_5000_movies.csv