

# **Lights, Camera, Action! - Predicting Gross Revenue of Movies**

Rated R: Carlie Scheer, Christina Lee, Jerry Lin, Samir Travers

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## **Introduction**

Movies have been at the heart of pop culture for nearly a century. And while movies have changed a lot over the years, varying in length, theme, due to technological advances, and more, one thing has never changed—movies have remained as a dominant part of the entertainment industry. Yet, ever since the COVID-19 pandemic, the North American box office for movies has not recovered—it seems that people just aren't going to movies as much as they used to. As mentioned in [@boxofficemojo2024], domestic box office gross revenue in 2019 reached nearly \$11.4 billion, while the yearly total from 2023 topped off at \$8.9 billion after a very slow two years in 2020 and 2021. With moviegoers back on the rise, the film industry and box offices are hopeful to end the decade on a high note and return back to their original state. As such, we are interested in investigating the trends in gross revenue for top movies and how various elements impact the amount of money that a movie makes.

Research Question: What are the key factors and metrics that most significantly influence a movie's gross revenue?

Motivation: As a group of movie enthusiasts, movie popularity has always been a large source of curiosity. We've seen terrible movies whose popularity we find puzzling, and unknown masterpieces that do not get the attention they deserve. What is it that separates the two? Is it primarily the “goodness” of the movie that determines the money it brings in, or are there other factors that are equally influential? Is the 1.4 billion dollar success of Alvin and the Chipmunks (an objectively pretty bad movie) just an outlier, or reflective of a deep and complex relationship between a movie's characteristics and its gross profit? Through our analysis, we hope to get to the bottom of these questions, and gain a deeper understanding of what truly drives a movie's success or failure in the box office.

Hypotheses: We hypothesize movies that have high popularity scores and ratings, substantial budgets, and broad audience appeal will be more likely to generate higher gross revenue. We also hypothesize movies with more than one genre will be more likely to generate higher gross

revenue. Movies with a runtime between 1.5-2 hours will be more likely to generate higher gross revenue.

## **Data description**

The source of the dataset is taken from TMDb (The Movie Database), which is an online, public database for movies that contains information such as ratings, runtime, cast, director, and box office performance. We discovered this dataset on Kaggle, and it is updated daily by user asaniczka, who takes the data from TMDb [@asaniczka2023].

There were 953629 observations in the original dataset, each representing a single film. There were 24 columns in this dataset, with some of the most important being the name (an identifier), release year, runtime, genres, rating, votes, and revenue.

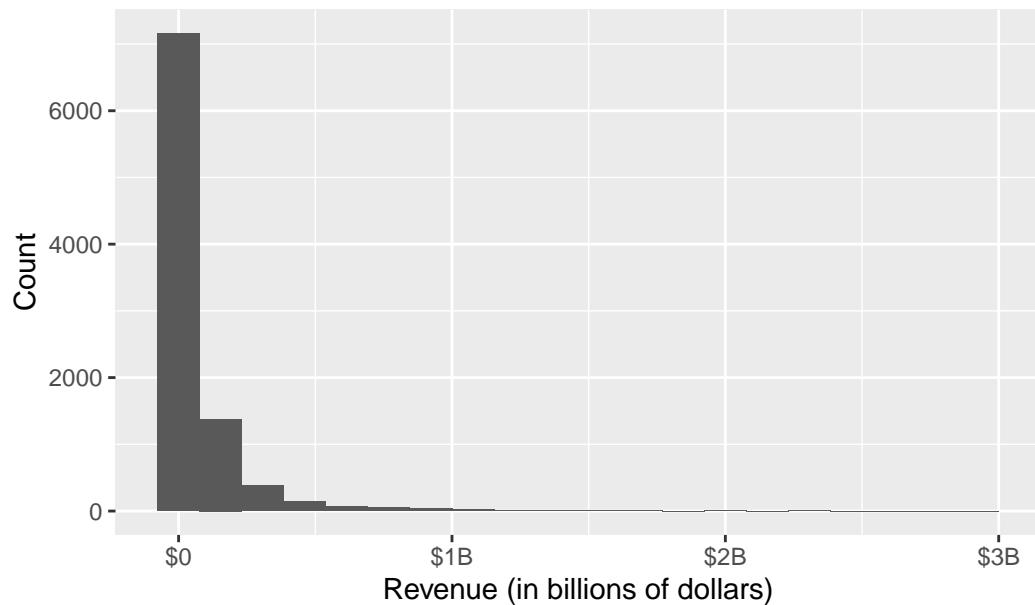
## **Exploratory data analysis**

We filtered the original dataset outside of this project first because the original dataset of almost 1 million rows was far too large to be able to run efficiently in RStudio; as such, we filtered for where the movies had more than 100 votes, meaning more than 100 people submitted ratings for the movie. After filtering, there are now 18086 observations, and we were able to import this filtered dataset into Rstudio (The file name was “final\_vote\_filtered\_movie\_data.csv”).

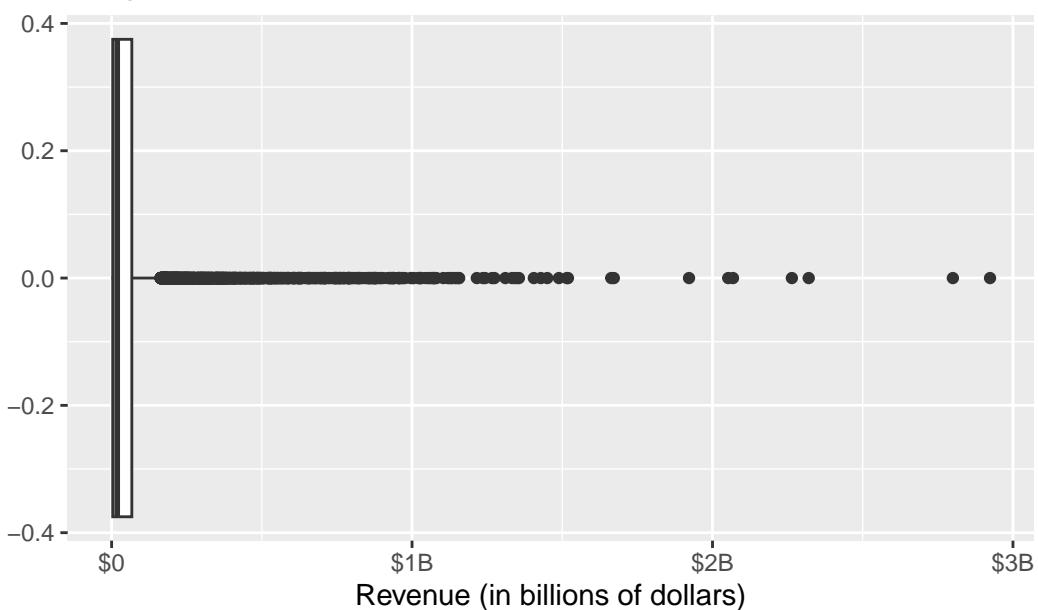
We are going to transform the variables spoken\_languages and genres. For spoken\_languages, we want to make a categorical variable based on whether more than one language is spoken in the movie or not (True = more than one language, False = just one language). For genres, we want to take a similar approach to see whether the movie is tagged for more than one genre (True = more than one genre, False = just one genre). Additionally, we want to transform the month, date, year format of the release date to just be the year. Lastly, before we begin EDA and further analysis, we are going to remove all 0s in the revenue column because we are not able to accurately impute the values; we have evidence to suggest that the original author of the dataset just put 0s instead of NAs.

Below is basic initial EDA of our untransformed response variable, revenue.

### Histogram of Revenue



### Boxplot of Revenue



	min	q1	median	q3	max	mean	sd
1	3663700	18553131	67342885	2923706026	72680813	160477958	

The distribution of revenue is strongly skewed to the right. The boxplot suggests that we have a significant amount of outliers. The median is \$18,553,131 and our interquartile range is \$48,844,861.

## **Analysis approach**

Variables of interest:

vote\_average: This is the average rating given to the movie by viewers. We expect this to be correlated with the response variable, as good ratings will encourage more people to go see the movie, and if someone likes the movie they will be more likely to recommend it to their friends

spoken\_languages: This is the number of different languages spoken in the movie. We hypothesize that if a movie has more languages in it, it will appeal to a broader audience and therefore earn greater revenue.

budget: This is the amount of money spent on producing the movie. We expect movies with a larger budget to earn more revenue, as the production company has more resources to put into the movie.

runtime: This is the length of the movie. We think that people may be more willing to see shorter/average length movies, as it is less of a time commitment for them.

release\_date: This indicates the day, month, and year that the movie was released. We expect that the year will greatly impact gross revenue because, for instance, movies released right before or during the pandemic will have very low gross revenue as no one was able to go to the theaters.

genres: This is a genre or list of genres associated with the movie. We expect movies tagged with more than one genre to appeal to a wider audience, thus driving up the number of people who go to see the movie and increasing gross revenue.

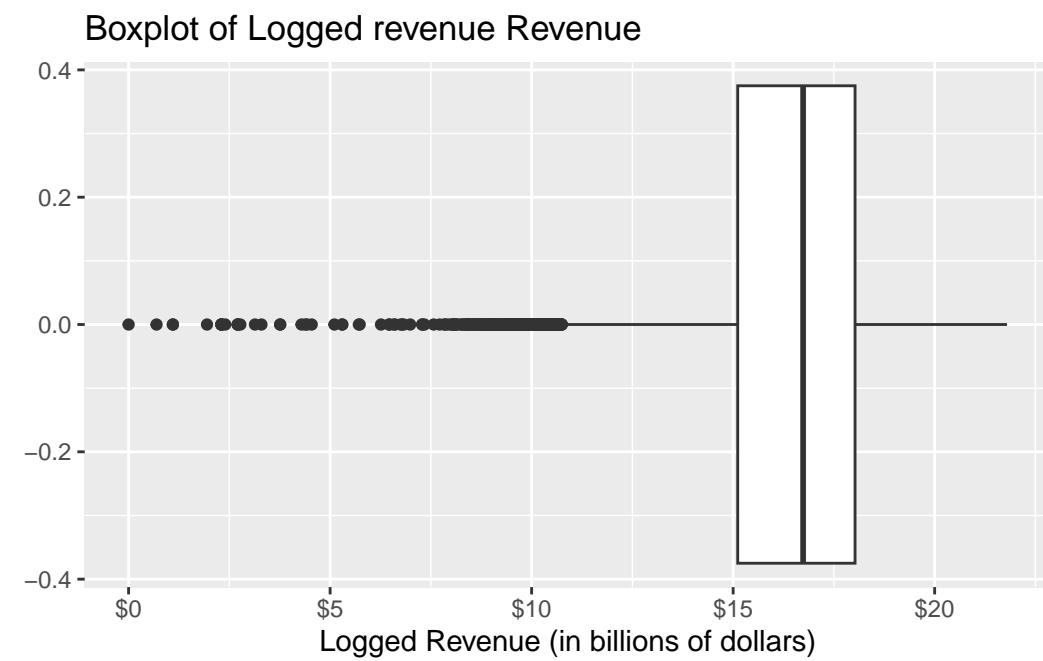
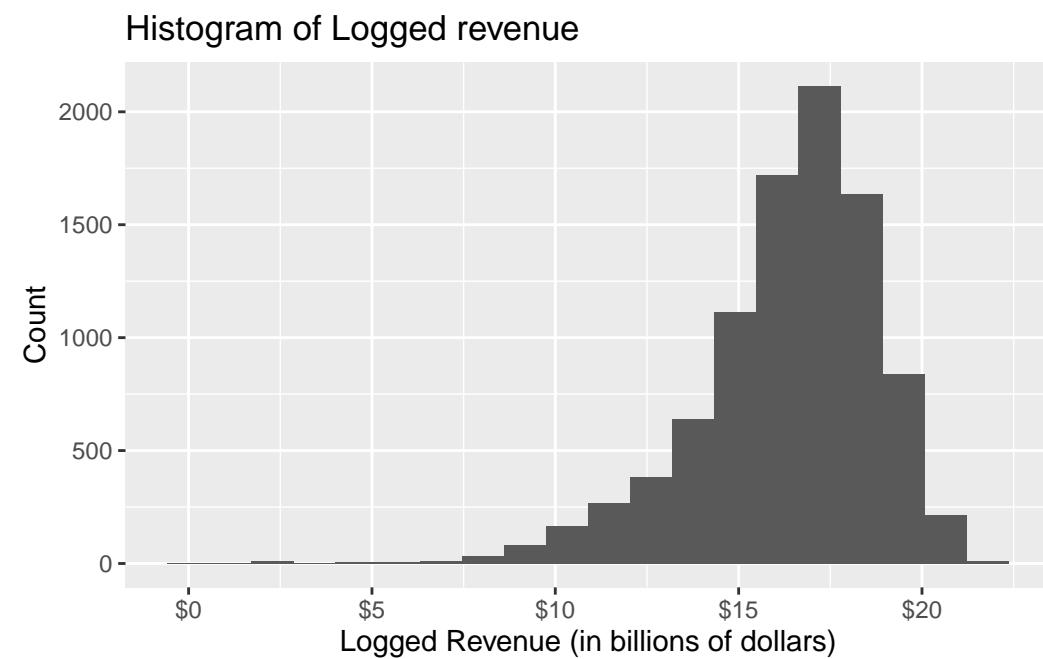
Method of approach:

We plan to use multiple linear regression to predict gross revenue, but we will log transform gross revenue because we can see from our EDA that revenue is extremely skewed in its original form.

## **Data dictionary**

The data dictionary can be found here: [data/README.md](#)

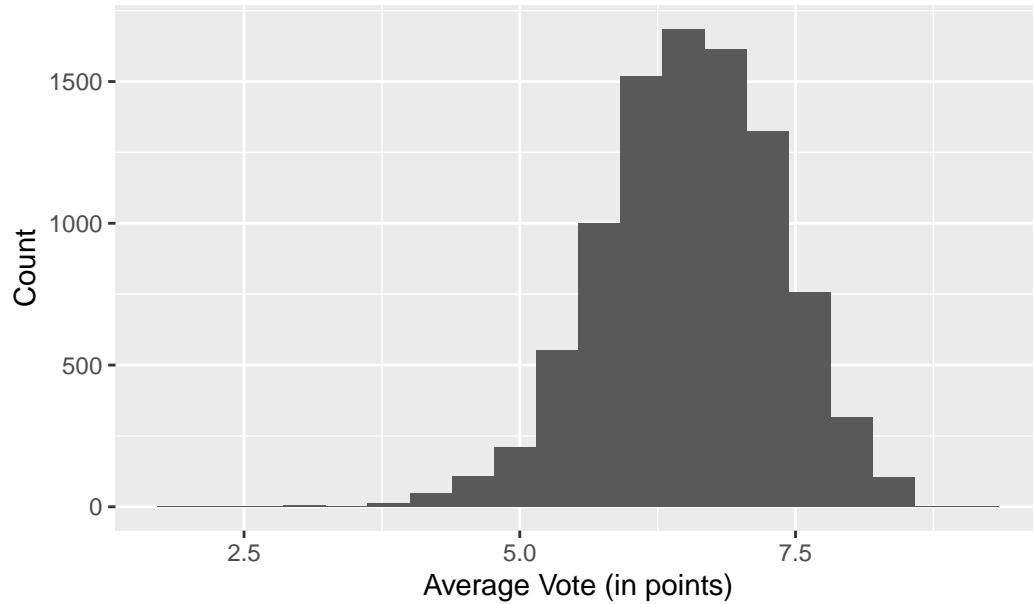
## Univariate EDA



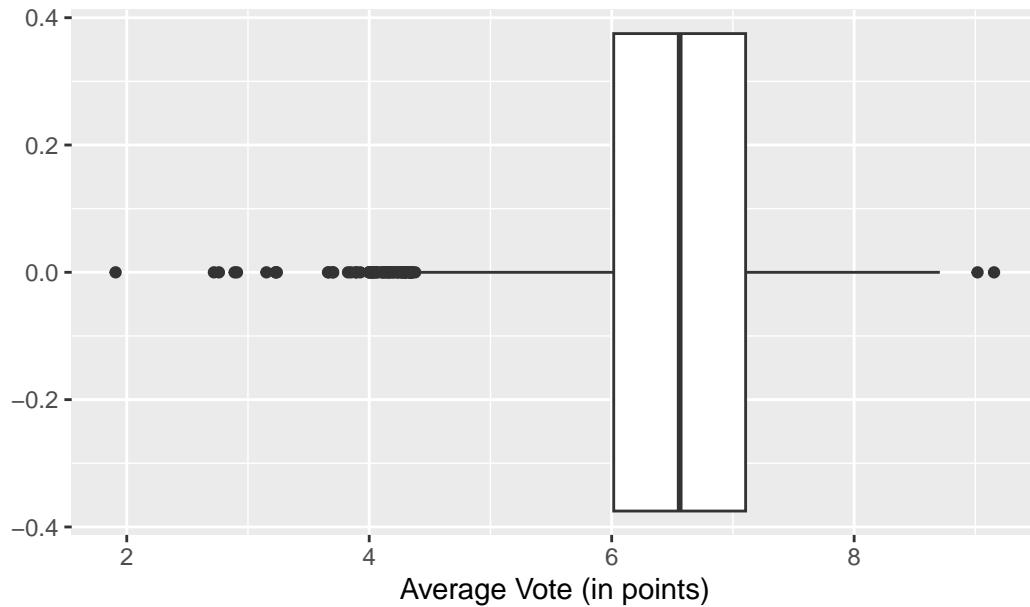
min	q1	median	q3	max	mean	sd	IQR
0	15.114	16.736	18.025	21.796	16.342	2.471	2.911

Following a log transformation, our response variable, logged revenue, has a slight left skew but is unimodal and very roughly normal. It has a significant number of outliers on the left side, and has a median of 16.74 logged billions of dollars and an IQR of 2.91.

Histogram of Average Votes



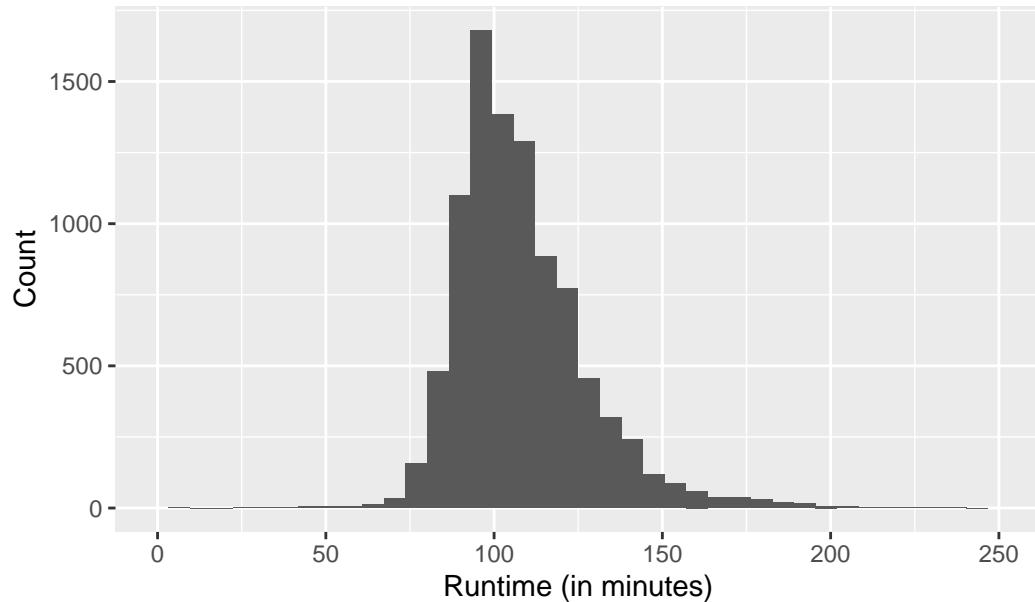
Boxplot of Average Votes



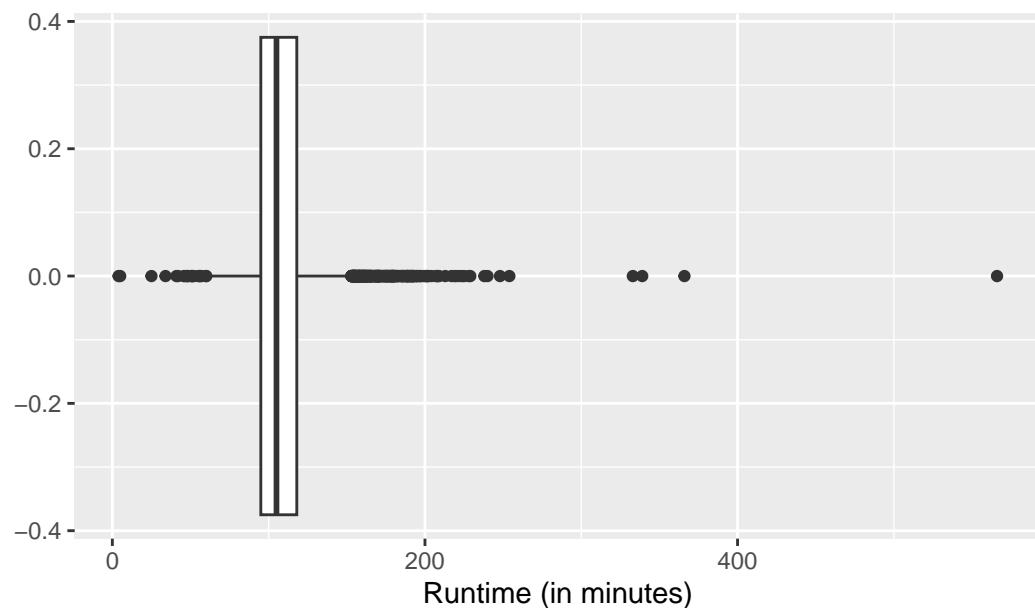
min	q1	median	q3	max	mean	sd	IQR
1.908	6.017	6.561	7.105	9.154	6.537	0.794	1.088

The predictor variable `vote_average`, measuring the average rating given to a movie by users, is roughly normally distributed and is unimodal. It has a few outliers on the right side, and has many on the left. The median is 6.56 points (out of ten), and the IQR is 1.09.

### Histogram of Movie Runtimes

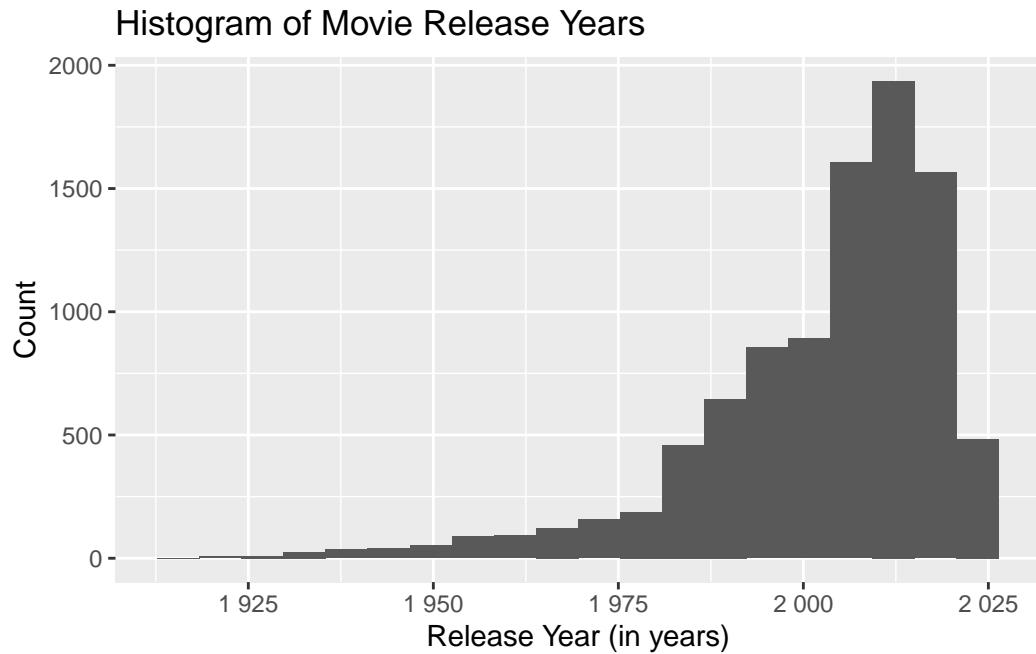


### Boxplot of Movie Runtimes

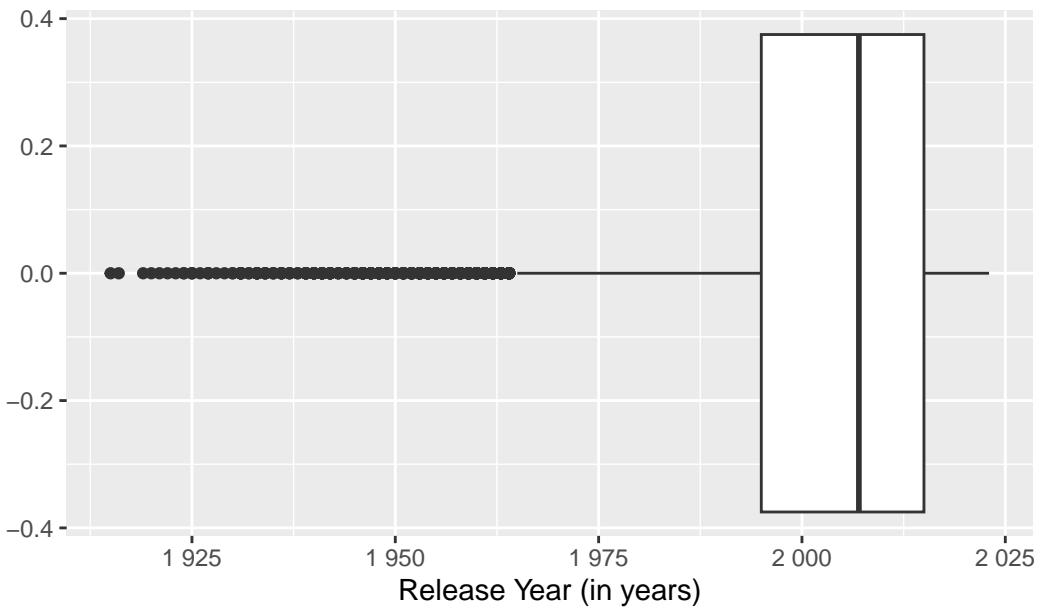


min	q1	median	q3	max	mean	sd	IQR
4	95	105	118	566	108.203	20.855	23

The predictor variable movie\_runtime, is roughly normally distributed and unimodal, however it has a right skew. There are numerous outliers on both the left and right, including one very large outlier of 566 minutes. The median is 105 minutes, and the IQR is 23.



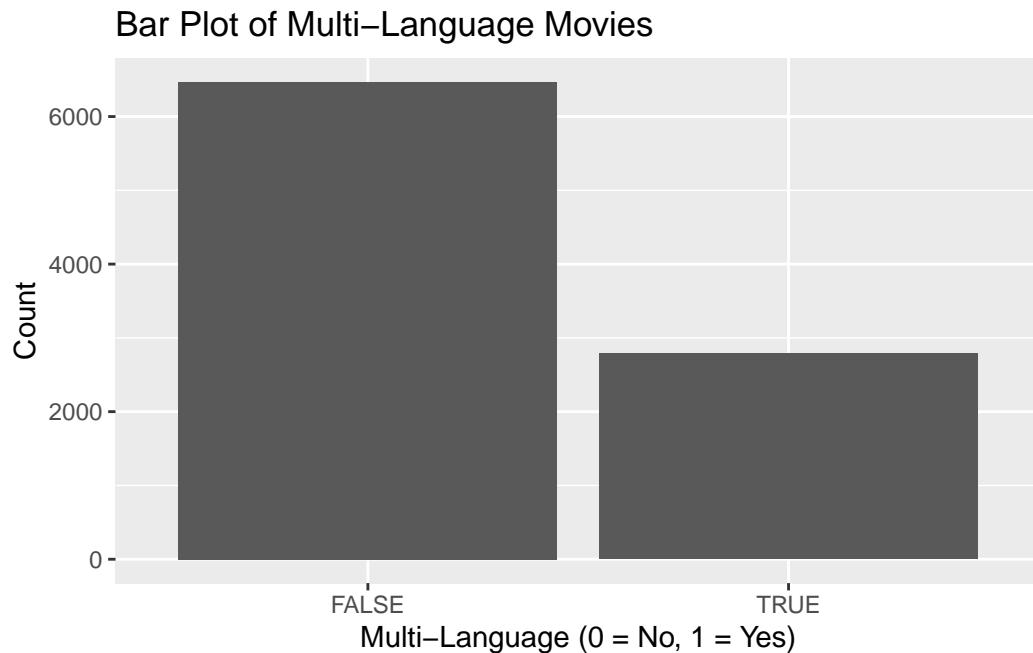
Boxplot of Movie Release Years



min	q1	median	q3	max	mean	sd	IQR
1915	1995	2007	2015	2023	2002.852	16.495	20

The predictor variable year has a strong left skew, and is unimodal. There are a significant number of outliers on the left. The median release year is 2007, and the IQR is 20.

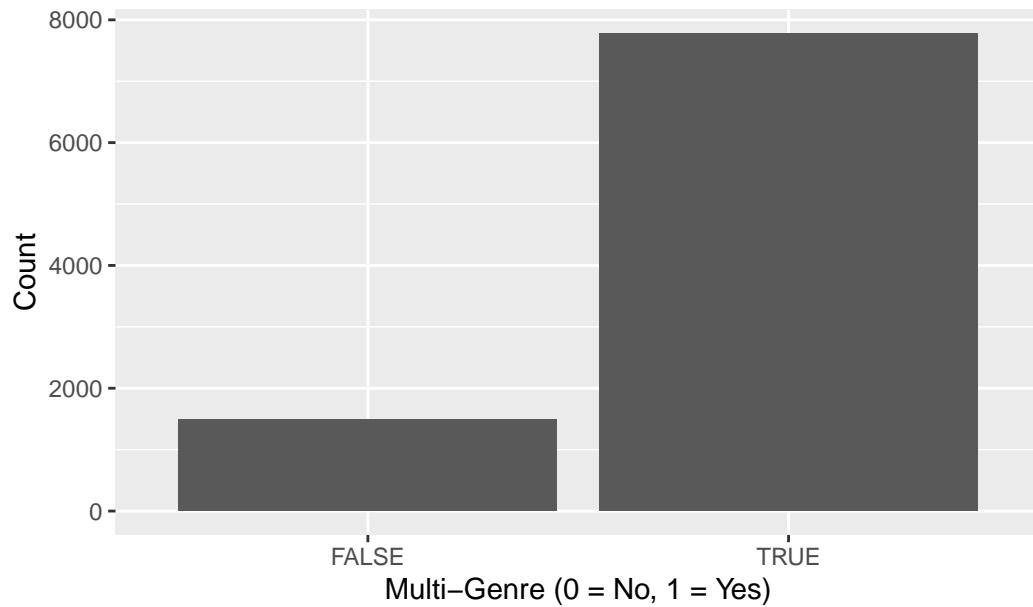
multi_language	n	proportion
FALSE	6471	0.699
TRUE	2791	0.301



About 70 percent of the data is in just English, and 30 percent features other languages.

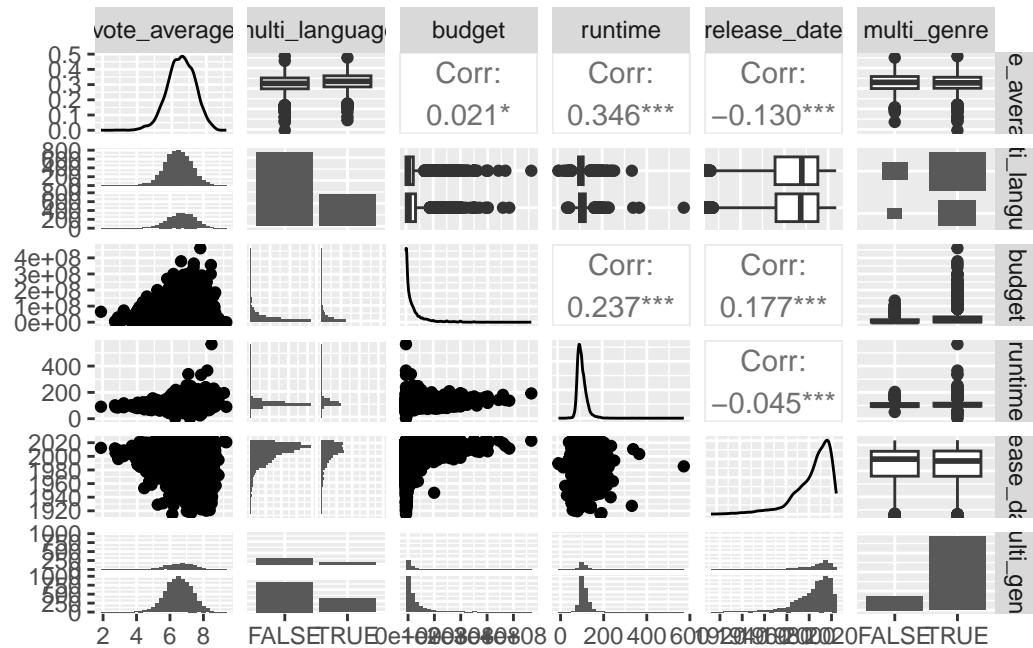
multi_genre	n	proportion
FALSE	1486	0.16
TRUE	7776	0.84

## Bar Plot of Multi–Genre Movies



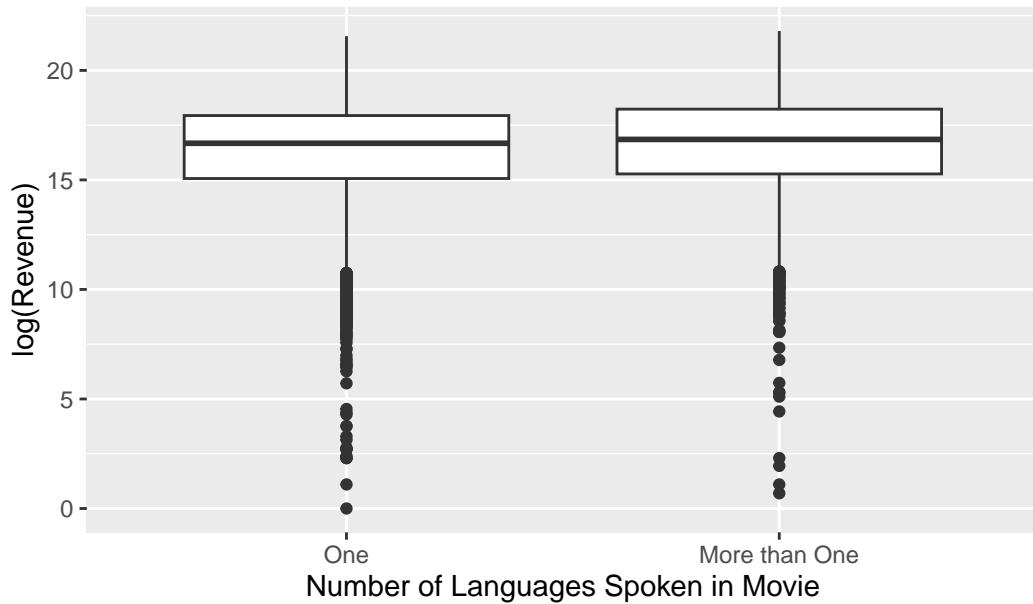
About 84 percent of the movies are classified as more than one genre.

## Bivariate EDA

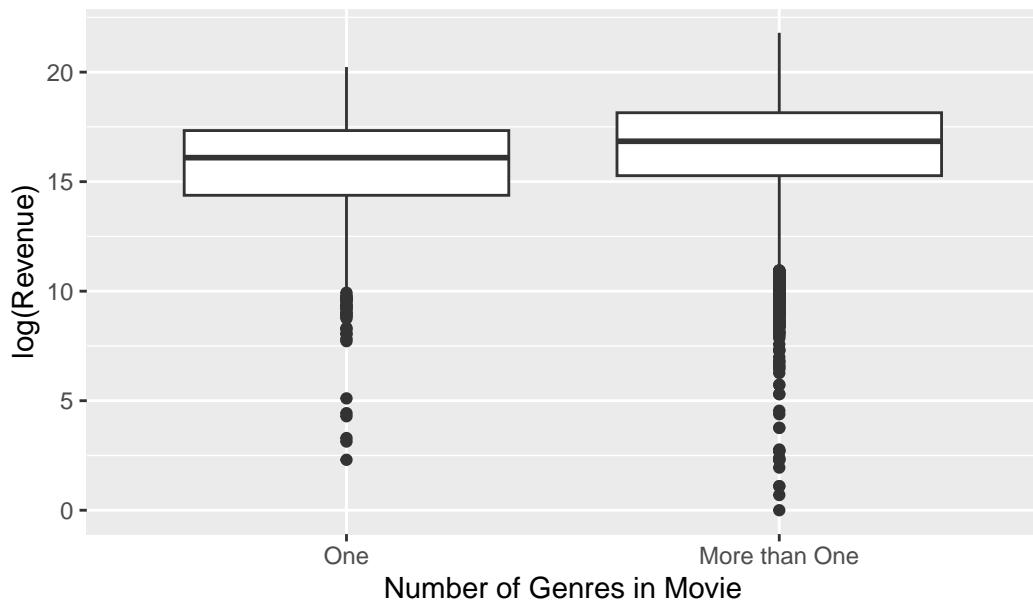


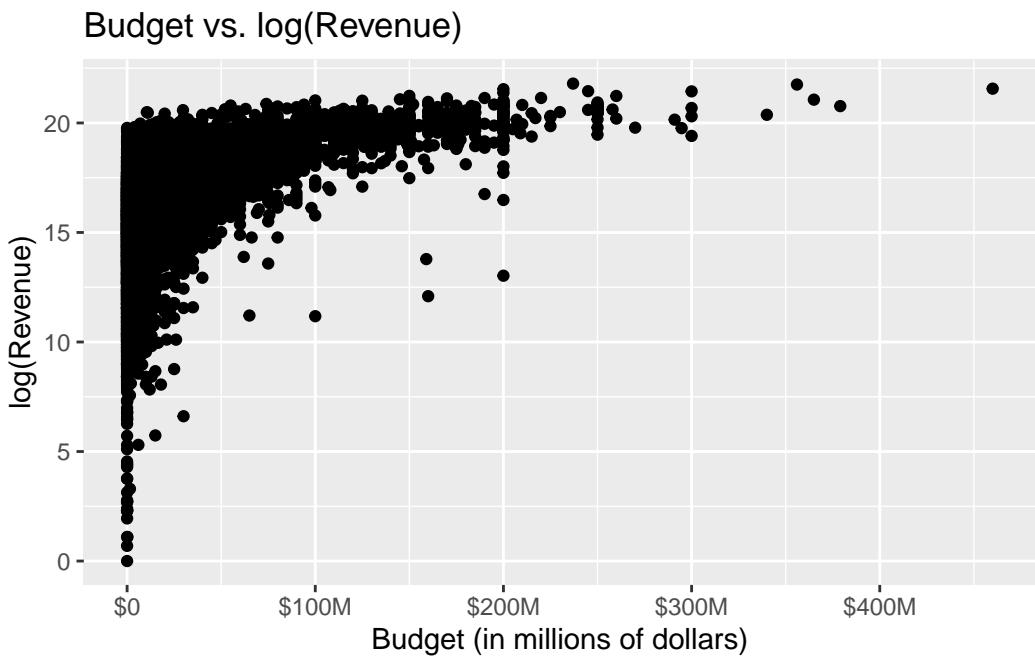
## Carlie Section

Spoken Languages in Movie vs. log(Revenue)



Genres in Movie vs. log(Revenue)





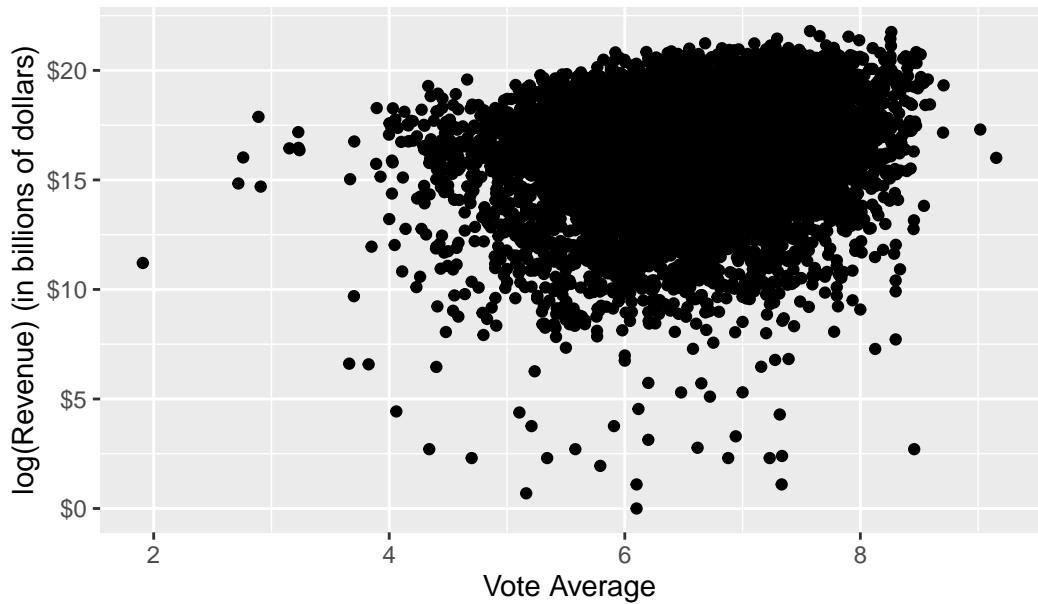
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Range:

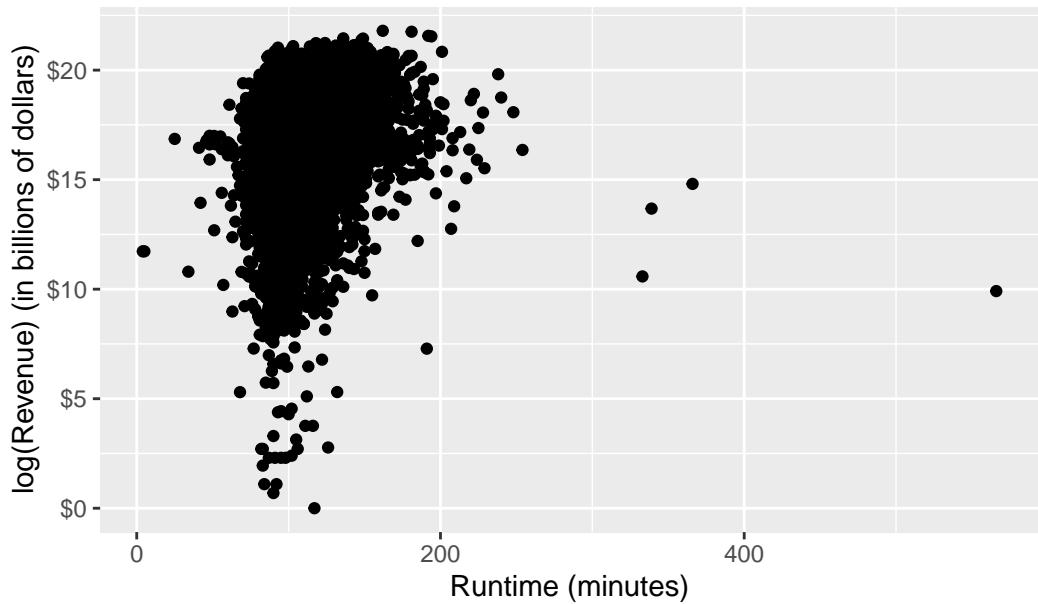
Limits: 0 -- 1

## Chrisie Section

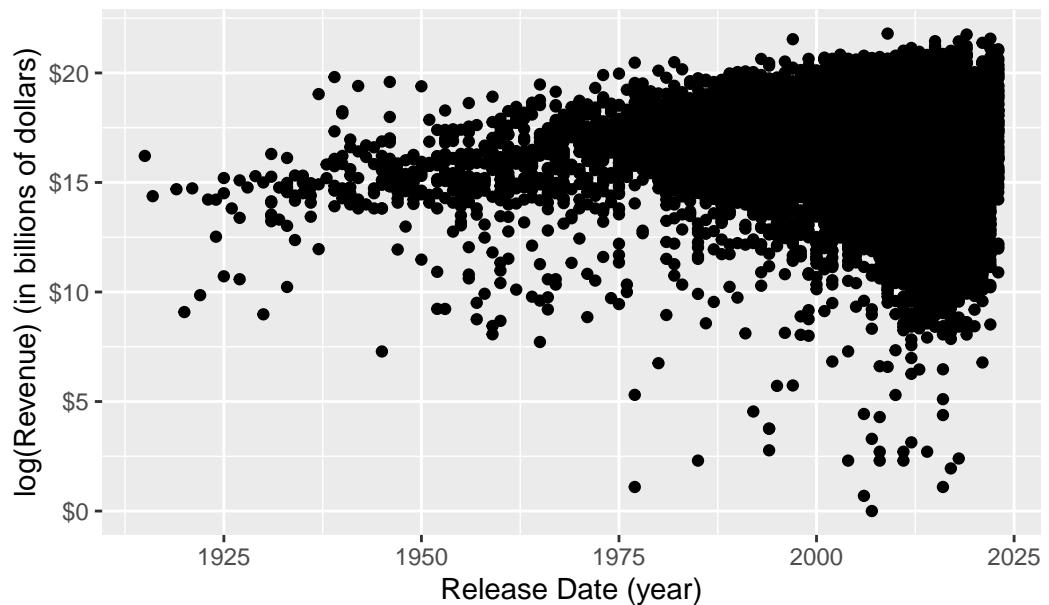
Vote Average vs. log(Revenue)



Runtime vs. log(Revenue)



Release Date vs. log(Revenue)



## Interaction

! Important

Before you submit, make sure your code chunks are turned off with `echo: false` and there are no warnings or messages with `warning: false` and `message: false` in the YAML.