

A blue parallelogram and a light green parallelogram are positioned in the upper left corner of the slide.

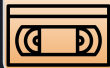
# Rockbuster

## *State of the Business*

*February 2020*



# Digital Transition



## Current Business Model

- Rockbuster has relied on its global network of stores to rent physical copies of the movies it holds.
- Times have forever changed and we need a strategy as we look to our digital streaming future



## Future Business Model

- How do we translate our existing success to a digital platform template?
- We'll need to understand:
  - Who our customers are
  - Where our customers are
  - Which movies are hits
  - How often movies are consumed

# Movie Metrics



Total Rental Revenue:  
\$61,312



Total Movie Titles  
1000



Highest-Grossing Film  
Telegraph Voyage  
\$215.75



Lowest-Grossing Film  
Texas Watch  
Oklahoma Jumanji  
Duffel Apocalypse  
\$5.94



Average Rental Rate  
\$2.98



Revenue-to-Replacement  
Cost Ratio:  
3.07



Average Replacement  
Cost:  
\$19.98



Replacement Cost  
Range  
\$9.99-\$29.99



Average Rental  
Duration  
4.98 Days

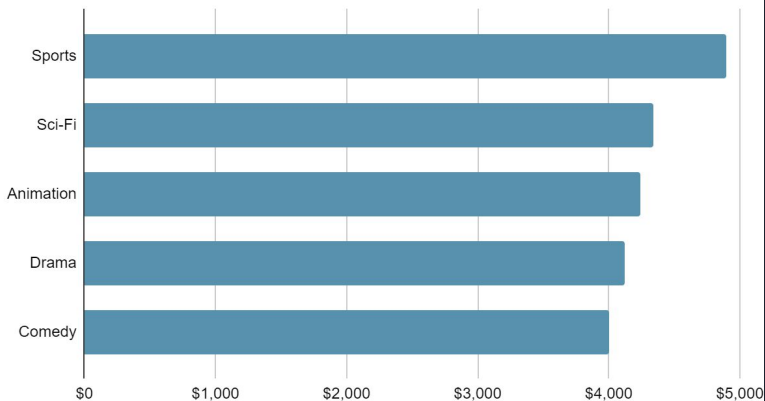


Rental Rate Range  
\$0.99-\$4.99

# Movie Metrics

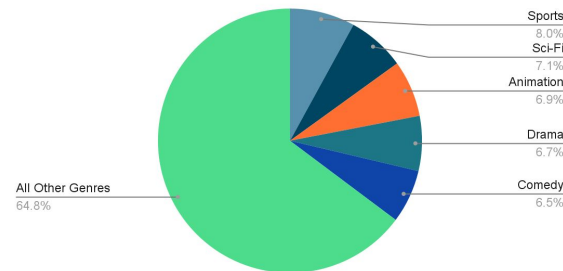
- The largest genres in the film library are Sports, Foreign, Family, Documentary, and Animation films but only one of those genres, Sports, is a top-five revenue producer
- Sports, Sci-Fi, Animation, Drama, and Comedy films were the top revenue-generating film genres
- All 1000 film titles are in English

Top 5 Film Genres by Revenue (\$)



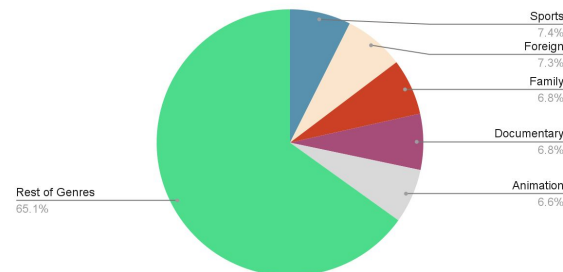
Top Genres by Revenue (%)

(Total: \$61,312 in Gross Revenue)

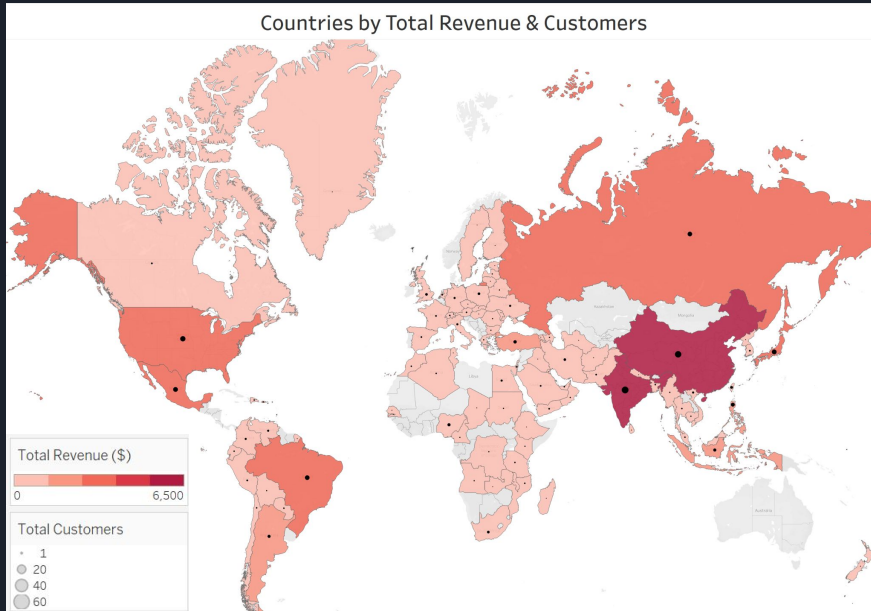


Library by Genre

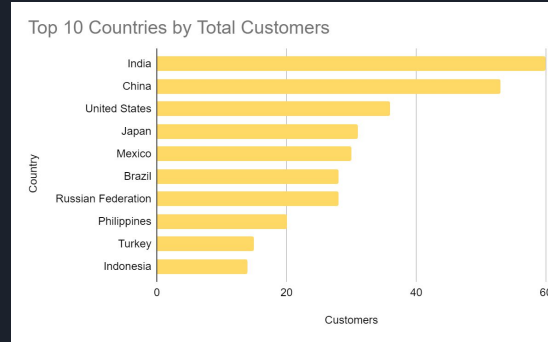
(Total: 1000 titles)



# Our Market



Above: Click on the image above to view the map in Tableau Public



Top 10 Cities by Total Customers		
City	Country	Total Customers
Aurora	United States	2
Atlixco	Mexico	1
Xintai	China	1
Adoni	India	1
Dhule(Dhulia)	India	1
Kurashiki	Japan	1
Pingxiang	China	1
Sivas	Turkey	1
Celaya	Mexico	1
So Leopoldo	Brazil	1

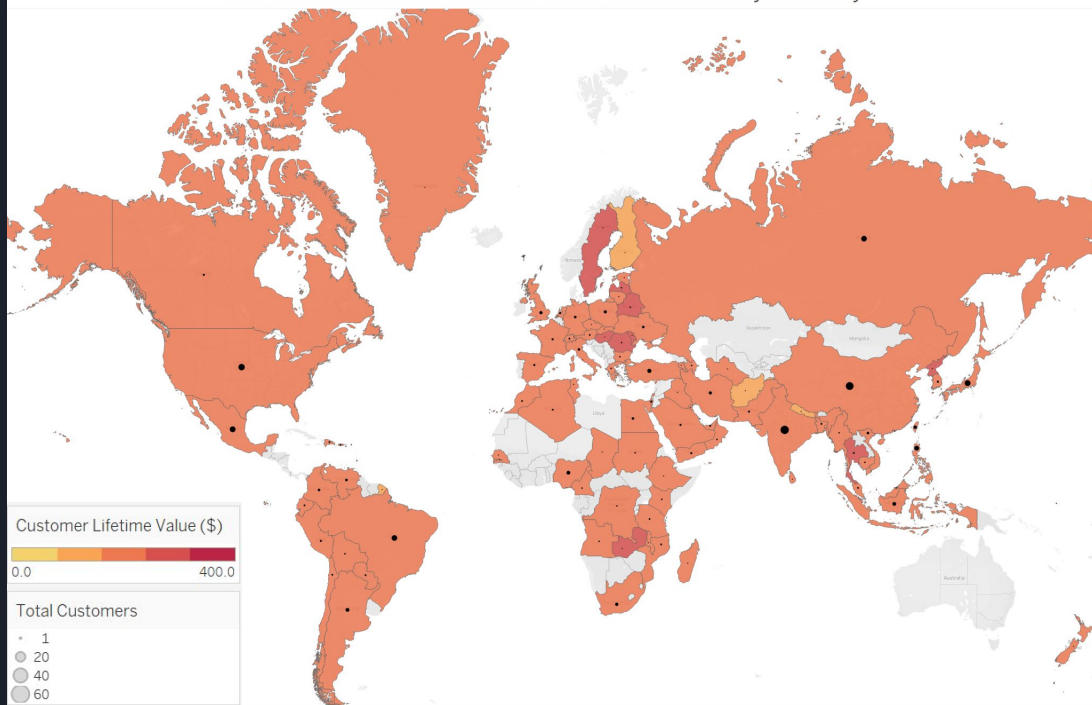
- India, China, USA, Japan, and Mexico account for 34.4% of total revenue
- European sales were relatively weak and Australia is completely missing
- The average customer rented 26.8 titles in a year
- The customer base within our most important national markets, is evenly distributed as indicated by the top 10 cities by total customers

$$16,044 \text{ Rentals} \div 599 \text{ Customers} = 26.8 \text{ Rentals per Customer}$$

# Customer Lifetime Value

Top 5 Highest-Grossing Customers				
First Name	Last Name	City	Country	Total Amount Paid
Sara	Perry	Atlixco	Mexico	\$128.70
Gabriel	Harder	Sivas	Turkey	\$108.75
Sergio	Stanfield	Celaya	Mexico	\$102.76
Clinton	Buford	Aurora	United States	\$98.76
Adam	Gooch	Adoni	India	\$97.80

Customer Lifetime Value & Total Customers by Country



Above: Click on the image above to view the map in Tableau Public

- Customer Lifetime Value is a measure of a customer's revenue potential to a firm over the course of a business relationship, not just a single purchase
- $CLV = \text{Average Value of a Purchase} \times \text{No. Purchases per Year} \times \text{Average Length of Customer Relationship}$
- Customer Lifetime Value is relatively consistent across all markets.
- There are pockets of smaller markets with higher-spending customers. These are probably early adopters ushering in our entrance into a particular country.

# Where We Go Next

- The chart below contains the top 16 countries by revenue and captures important metrics of customer behaviors in those markets.
- Revenue is a function of the number and the pricepoint of the movies customers choose to rent. In some of our top-performing markets, customers rent lots of cheap of movies in a year, like Taiwan where customers rent an average of 29 movies per year at a rate of \$2.89 while in other markets such as the UK, where customers rent 22.6 movies per year at a rate of \$3.00

<u>Country</u>	<u>Total Customers</u>	<u>Total Revenue</u>	<u>Revenue per Customer</u>	<u>Avg Rental Duration</u>	<u>Avg Rental Rate</u>	<u>Annual Rentals per Customer</u>	<u>Avg Annual Days of Rental</u>	<u>CLV (Assuming 2 years)</u>
India	60	\$6,032.79	\$100.55	4.91	\$2.97	23.7	116.4	\$201.09
China	53	\$5,247.04	\$99.00	4.91	\$2.84	24.5	120.1	\$198.00
United States	36	\$3,694.27	\$102.62	4.91	\$2.92	24.1	118.5	\$205.24
Japan	31	\$3,121.52	\$100.69	4.89	\$3.01	24.1	118.1	\$201.39
Mexico	30	\$2,984.82	\$99.49	4.96	\$2.99	23.9	118.7	\$198.99
Brazil	28	\$2,919.19	\$104.26	4.89	\$2.94	24.3	118.8	\$208.51
Russian Federation	28	\$2,765.62	\$98.77	4.98	\$3.02	22.8	113.5	\$197.54
Philippines	20	\$2,219.70	\$110.99	4.96	\$2.92	26.5	131.5	\$221.97
Turkey	15	\$1,498.49	\$99.90	4.90	\$3.01	23.4	114.6	\$199.80
Indonesia	14	\$1,352.69	\$96.62	4.87	\$2.84	23.6	115.1	\$193.24
Argentina	13	\$1,314.92	\$101.15	5.03	\$2.84	24.6	123.7	\$202.30
Nigeria	13	\$1,298.80	\$99.91	4.92	\$2.94	23.7	116.5	\$199.82
Taiwan	10	\$1,155.10	\$115.51	5.09	\$2.89	29.0	147.5	\$231.02
South Africa	11	\$1,069.46	\$97.22	4.98	\$2.90	23.1	114.9	\$194.45
Iran	8	\$877.96	\$109.75	4.97	\$2.95	25.5	126.8	\$219.49
United Kingdom	9	\$848.97	\$94.33	4.75	\$3.00	22.6	107.2	\$188.66

*\*Customer Lifetime Value (CLV) was calculated with the assumption of a two-year relationship which comes from a [study of subscription length for streaming service subscribers](#). Netflix led the pack at 48 months, which is a standard Rockbuster will aspire to reach.*



# Recommendations

- There is a relatively even mix of different film genres, except for the Thriller category with only a single title. We should experiment with a larger selection of Thriller movies, to gauge traction (or lack thereof) with audiences.
- Make a larger selection of cheaper film titles available in high-volume, cost-conscious markets and make more high-cost titles available to consumers in low-volume, high-cost markets
- Alter the mix of film genres to reflect the top revenue-generators. This means more Sci-Fi, Animation, Drama, and Comedy films
- Make a concerted effort to enter the Australian market as entering this affluent, English-speaking country requires little change in our library
- Acquire more foreign language titles to expand in our most customer-dense markets, specifically:
  - Spanish
  - Russian
  - Chinese Mandarin/Cantonese
  - Japanese
  - Tagalog
  - Portuguese





# Questions?

- Please Contact [david@rockbuster.com](mailto:david@rockbuster.com)
- Visualizations Stored in Tableau Public