

# ROCKBUSTER'S ONLINE MARKET ENTRY EVOLUTION

DATA-DRIVEN LAUNCH STRATEGY FOR THE NEW 2020  
ONLINE VIDEO SERVICE .

Javiera Quezada.

## Goal, questions and objectives.

**Rockbuster Stealth LLC** has been a successful movie rental company worldwide to the date . Now facing stiff competition from streaming services such as Netflix and Amazon Prime, it becomes imperative to raise de bar and adapt to the new streaming tendencies.

The management team is planning to use its existing movie licenses to launch an online video rental service in order to stay competitive.

The business intelligence department (BI) has taken mission to help with the launch strategy for the new online video service and deep in the possibilities through the analysis of our available data.

## Key Questions.

- Which movies contributed the most/least to revenue gain?
- What was the average rental duration for all videos?
- Which countries are Rockbuster's customers based in?
- Where are customers with a high lifetime value based?
- Do sales figures vary between geographic regions?



Through a descriptive analysis we are going to describe the main features of the available data summarizing and interpreting historical data to create a first starting point snapshot.



Answering the key questions to be able to generate new ideas of general catalogs, based on most popular titles, client segmentation and spending tendencies, so we can generate prototypes of prices and user experience.

# Data Overview

ROCKBUSTER'S DATA BASE CONTAINS A LARGE AMOUNT OF INSIGHTFUL DATA RANGING FROM INVENTORY TOTALS, ACTOR DETAILS, AND PAYMENT AMOUNTS. BELOW IS A DATA OVERVIEW OF KEY POINTS FROM WITHIN THE FILM AND CUSTOMER DATA. HERE A SUMMARY OF THE MOST IMPORTANT TABLES IN THE ANALYSIS.

Summary :Numerical and Non numerical values .

Category	Metric		
	Min	Max	Avg
Release Year	2006	2006	2006
Rental Duration	3	7	4,985
Rental Rate	0,99	4,99	2,98
Replacement Cost	9,99	29,99	19,984

	Modal Create Date / Modal Rating February 14, 2006 PG-13
Modal Active	1
Modal Customer Id	1
Modal Language Id	1
Modal Store Id	1

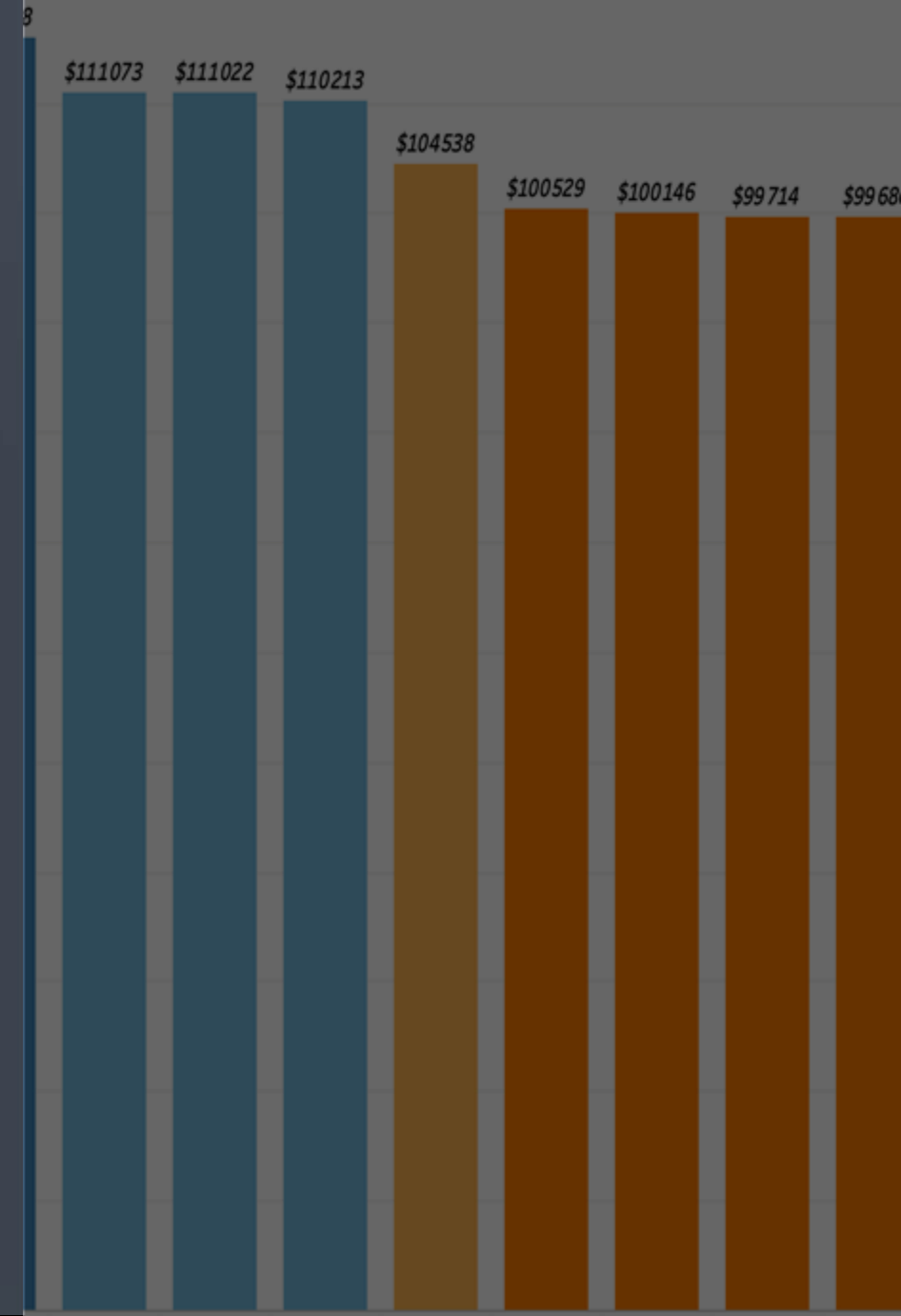
\*\* Only releases and data entries from 2006.

\*\*\* Values taken from a total of 599 customers.

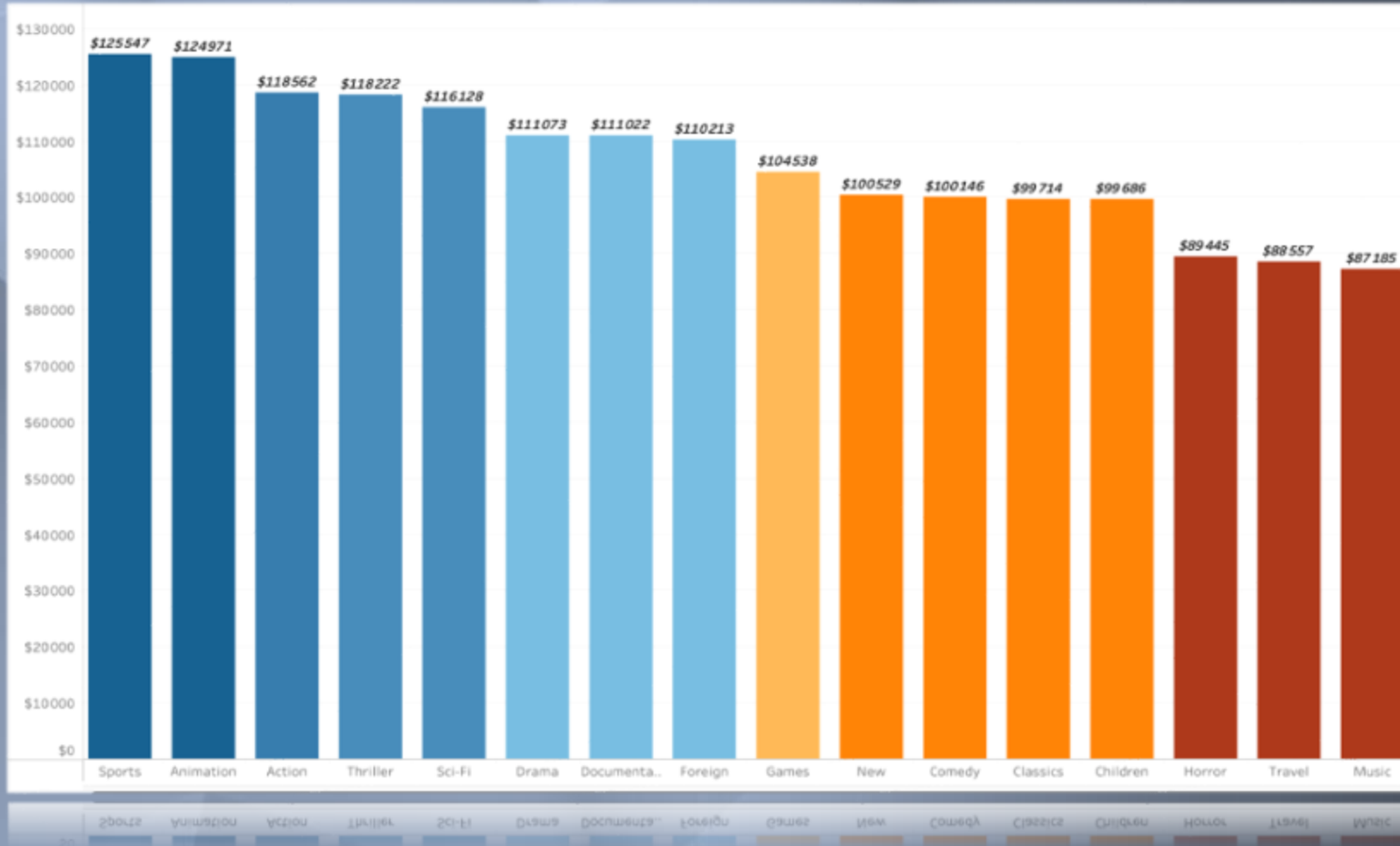
\*Modal language Id corresponds to English.

# Movies and Revenue

OUR MOVIE CATALOG IS DIVIDED INTO 16 DISTINCT CATEGORIES, EACH CONTRIBUTING DIFFERENTLY TO THE TOTAL REVENUE.



# Total Revenue

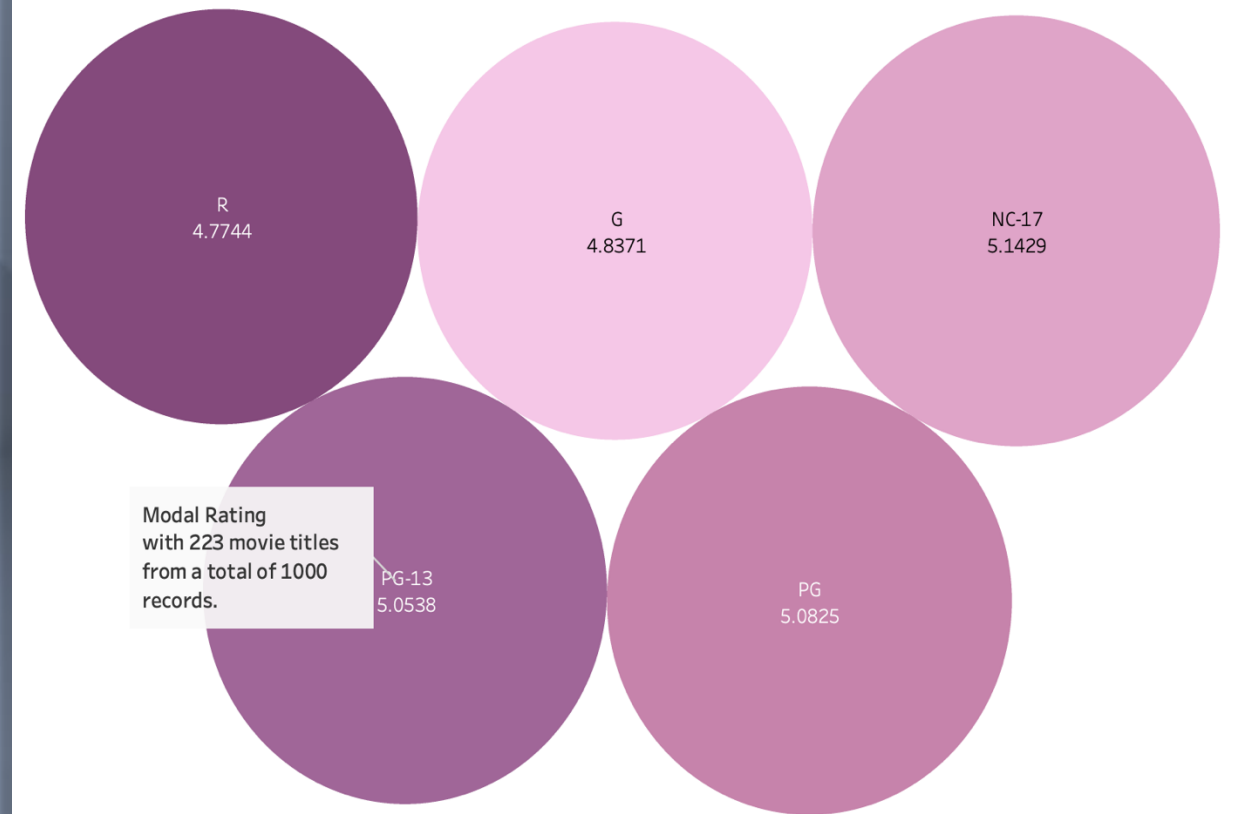


- Based on our catalog our best performance categories are Sports and Animation with an average of \$12k in 2007. Followed by Action, Thriller and Sci-Fi.
- By analyzing the revenue per category, we gain valuable insight into customer preferences and which genres drive the most value.

\*Movie category catalog.

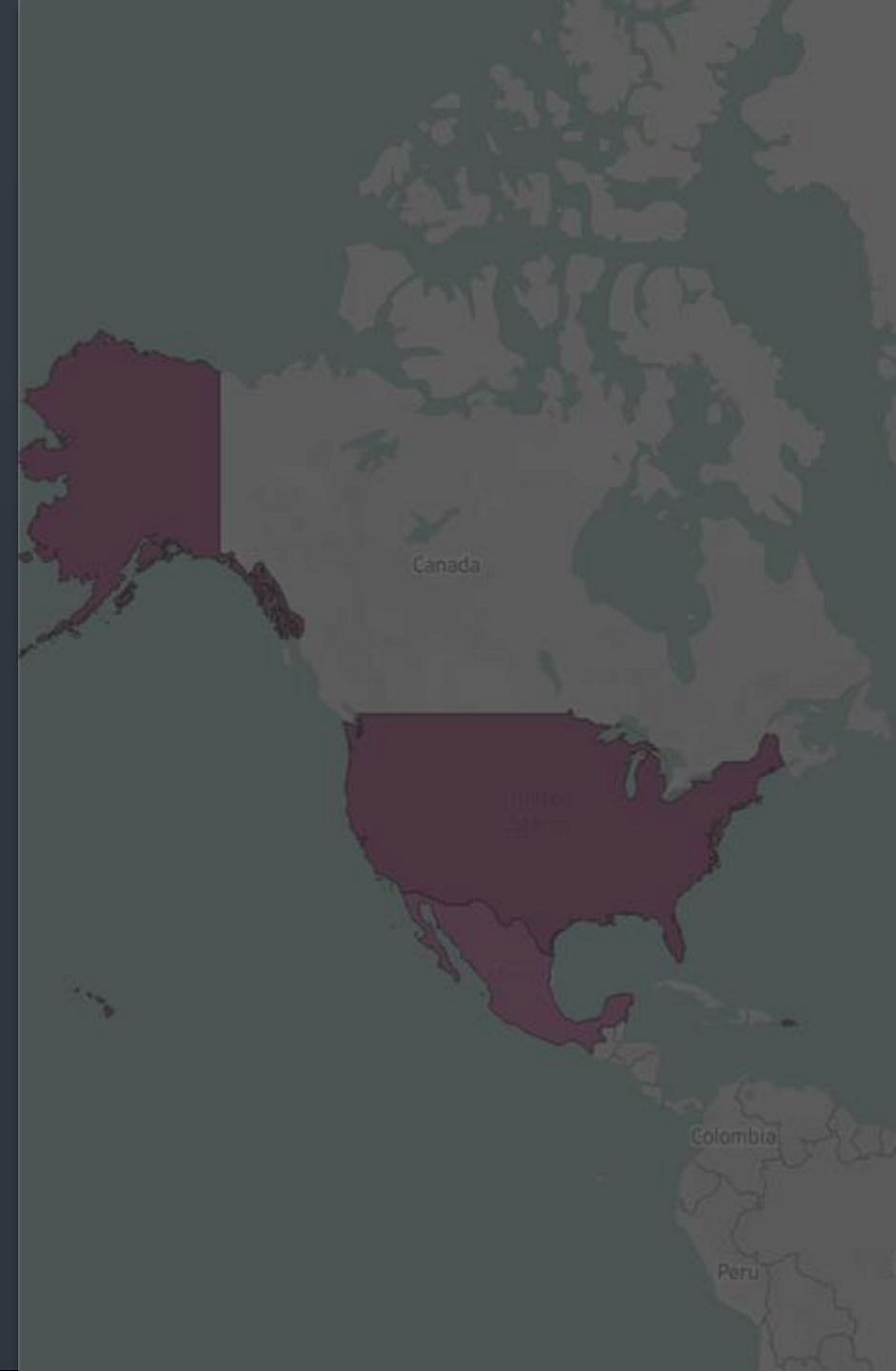
# Rental Duration

ROCKBUSTER'S AVERAGE  
RENTAL TIME BY RATING PER  
CUSTOMER.



---

# Sales and Customers according to Geographic Regions.

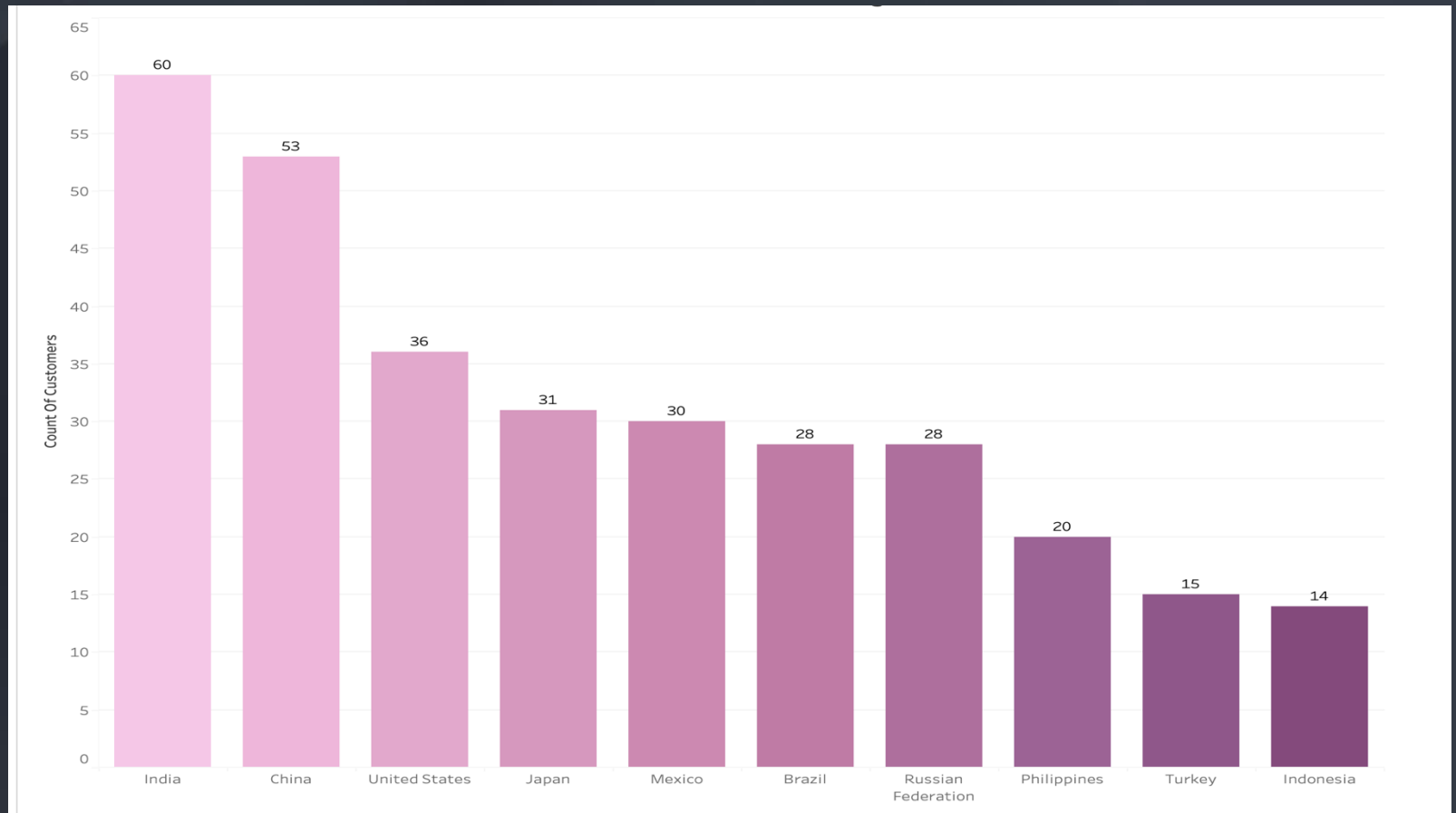




# Top 10 Customers per Country.

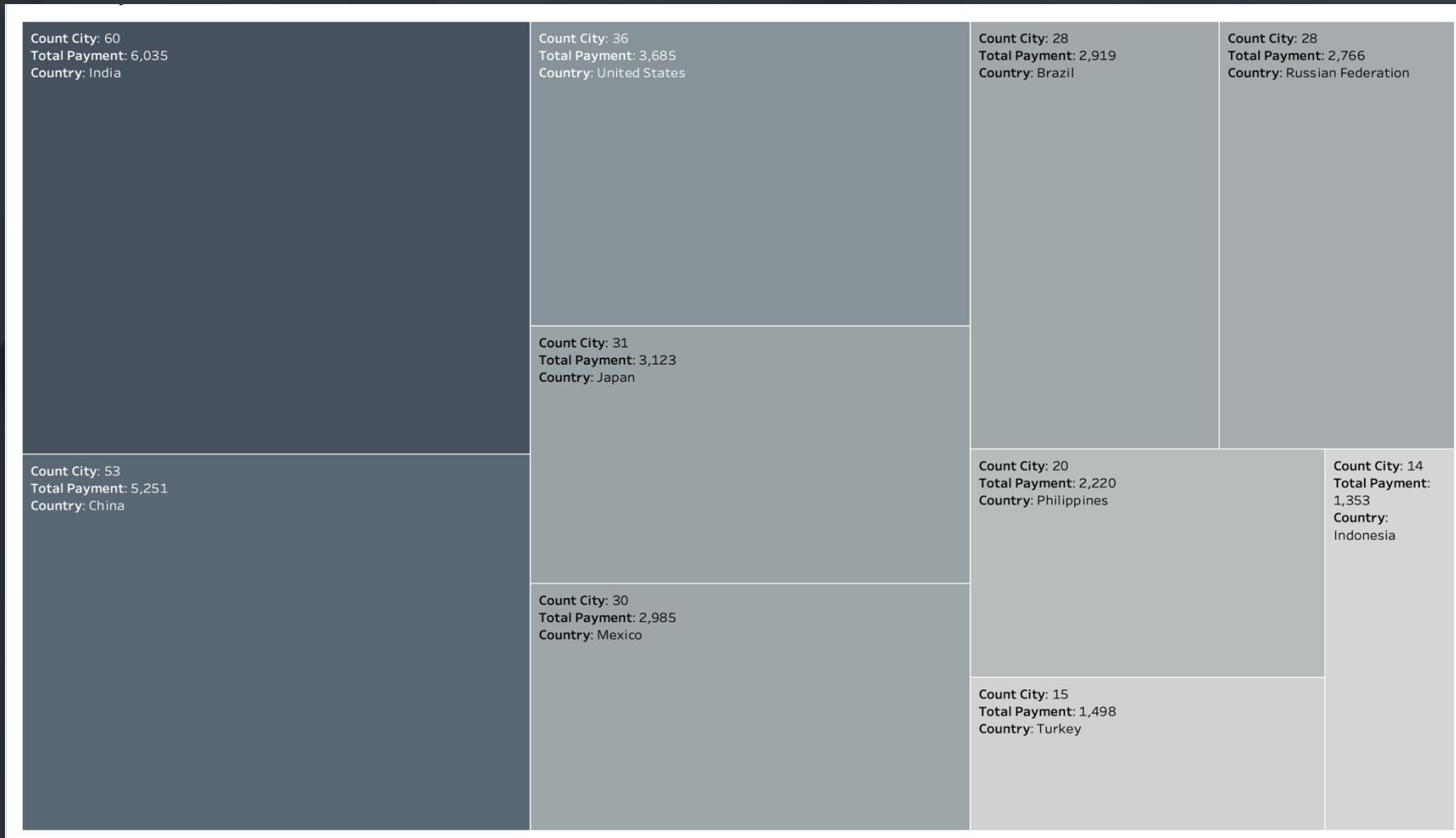
It was found that the number of customers per country was in direct relationship with the country's total revenue .

Suggesting a proportional correlation between customer base and revenue generation which can be a key factor when planning regional investments or expansion of strategies towards the streaming service



# Revenue.

## TOP 10 REGIONS AND COUNT OF CITY RELATIONSHIP.



# Revenue.

## TOP 10 REGIONS AND COUNT OF CITY RELATIONSHIP.



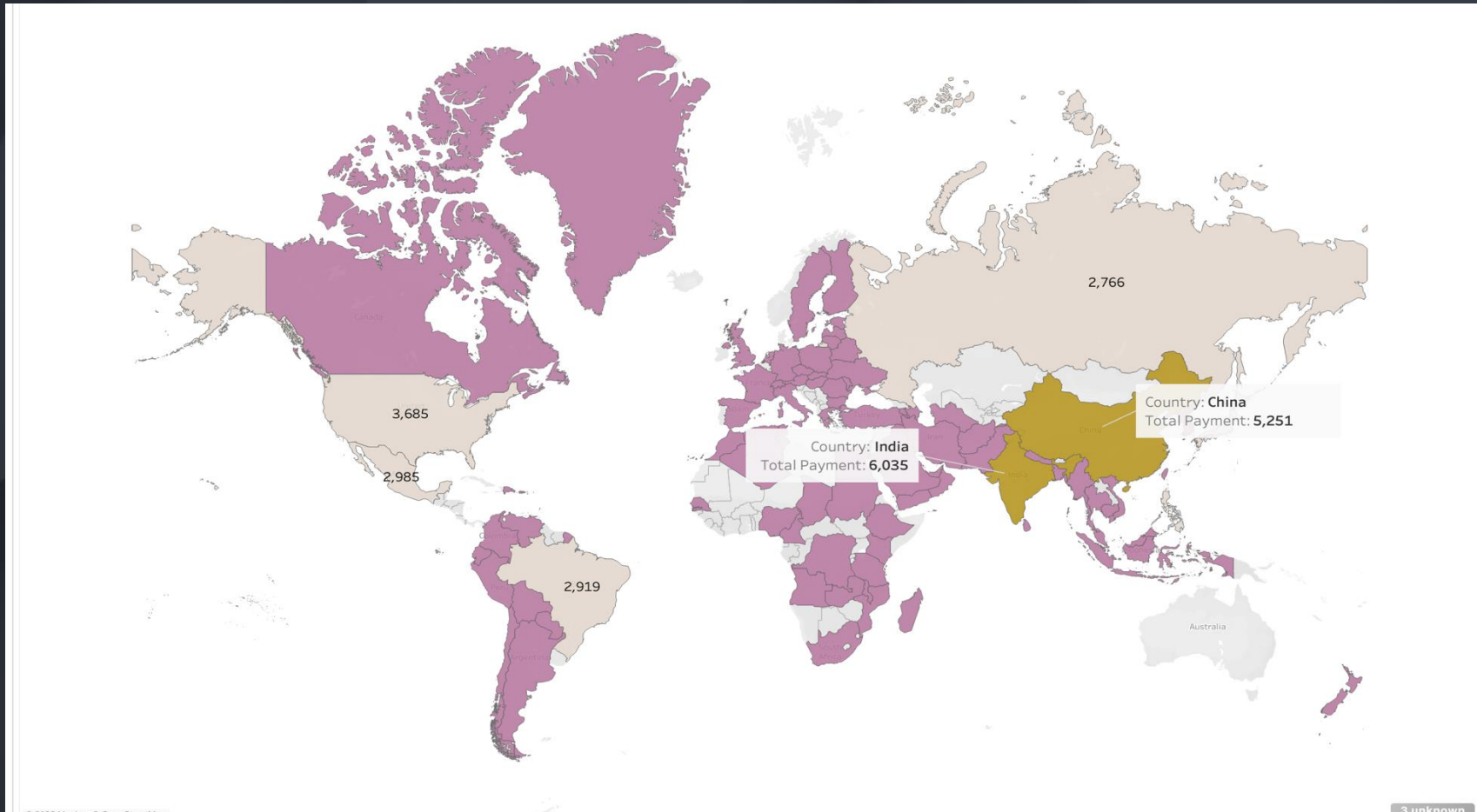
On average, the number of customers represents approximately 0,9% of the country's revenue

Same in the case of cities and their respective countries.

This would easily help to identify high-potential markets for launching the streaming service first.

The streaming platform can scale quickly in regions showing strong rental performance.

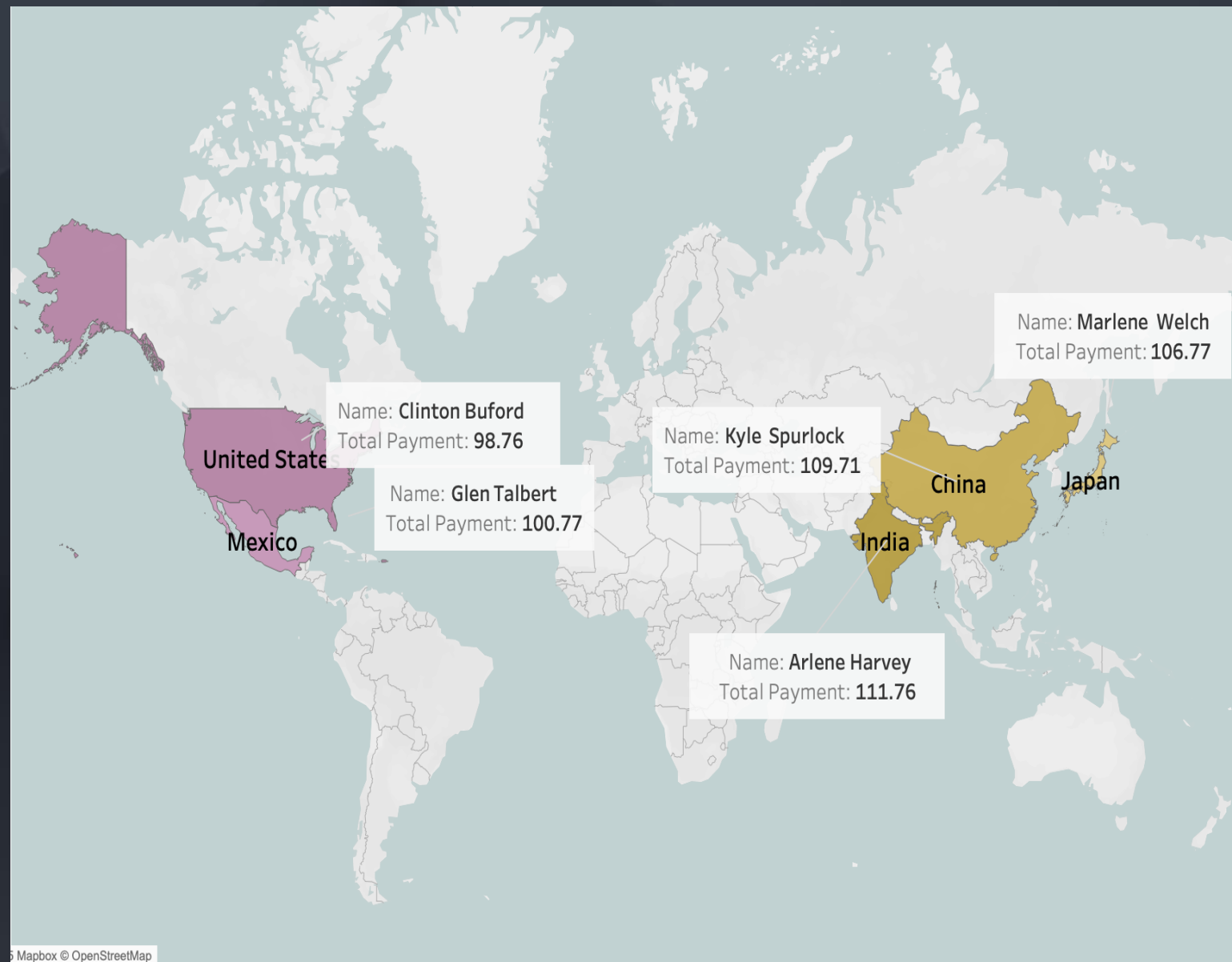
# Revenue.



HERE WE CAN VISUALIZE OUR GLOBAL PERFORMANCE AND OUR BEST CUSTOMERS AND THEIR REVENUES.

# High Lifetime Value Clients.

TOP 5 WORLDWIDE LOYALTY



# From video to Streaming:

AMAZON AND NETFLIX  
SUCCESSFUL TIMELINE.

## Amazon:

- Started as an online bookstore in 1994
- Evolution of their business model started in 2006 incentivized by competition with iTunes and other rental services.
- 2011 Blended streaming into Prime Subscriptions
- 2013 Started original content.

## Netflix:

- Founded in 1997 as a DVD-by-mail rental service.
- Evolving to a subscription model: customers paid a flat monthly fee and could rent a certain number of DVDs at a time.
- Transition to Streaming in 2007 in the U.S. with a limited catalog due content licensing restrictions.

# Conclusions.

## *HOW TO CHOOSE OUR STRATEGY KNOWING THAT...*

- By analyzing the revenue per category, we gain valuable insight into customer preferences and which genres drive the most value. And guide strategic decisions for future streaming offerings.

Sales figures vary between regions in relation to the number of customers that we have on each being approximately around 0.9%

Based on our catalog our best performance categories are Sports and Animation with an average of \$12k. Followed by Action, Thriller and Sci-Fi.

Our customers are based in a total of 599 countries around the world being India and China the highest revenue.

The average replacement cost of our movies is \$19.99

The average modal rental duration of all movies was the PG-13 category with 5.8 days of rental in average

The least popular categories are Travel and Music

Our catalog have mostly movies in English

The highest spending customers are in USA, India, China, Mexico and Japan

Netflix and Amazon had a progressive evolution towards streaming services.

# Recommendations and Next Steps.

STRATEGY AND DATA COLLECTION SUGGESTIONS  
BASED ON OUR CURRENT DATA SET.

- 
- We can confidently use our current rental data to guide a phased and profitable transition into streaming, starting with top performing cities and scaling rapidly across similar markets.

- ✓ Target Marketing campaigns by considering number of customers per region and their preferences.
- ✓ Data driven expansion by creating a monitoring system that can eventually customer choices as a cross- analyzed data.
- ✓ Develop content diversification, by expanding the current 16 genre library.
- ✓ Track user behavior closely by a cross-analyzed data monitoring system (renting/streaming watching)
- ✓ Launch pilot platform and hybrid system (video/ streaming program).



# Thank you.

## For further questions and details:

---

Email: [jbquezada.s@gmail.com](mailto:jbquezada.s@gmail.com)

Presented by: Javiera Quezada

### SOURCES

- CNN - AMAZON PRIME TIMELINE:  
[HTTPS://MONEY.CNN.COM/2018/04/28/TECHNOLOGY/AMAZON-PRIME-TIMELINE/INDEX.HTML](https://money.cnn.com/2018/04/28/technology/amazon-prime-timeline/index.html)
- OXFORD EXECUTIVE NETFLIX CASE STUDY:  
[HTTPS://OXFORDEXECUTIVE.CO.UK/CASE-STUDY-NETFLIXS-TRANSITION-FROM-DVD-RENTAL-TO-STREAMING](https://oxfordexecutive.co.uk/case-study-netflixs-transition-from-dvd-rental-to-streaming)
- TABLEAU  
VISUALIZATIONS: [HTTPS://PUBLIC.TABLEAU.COM/APP/PROFILE/JAVIERA\\_QUEZADA/VIZ/SHARED/2DRSWT6YR](https://public.tableau.com/app/profile/javieraquezada/viz/Shared/2DRSWT6YR)