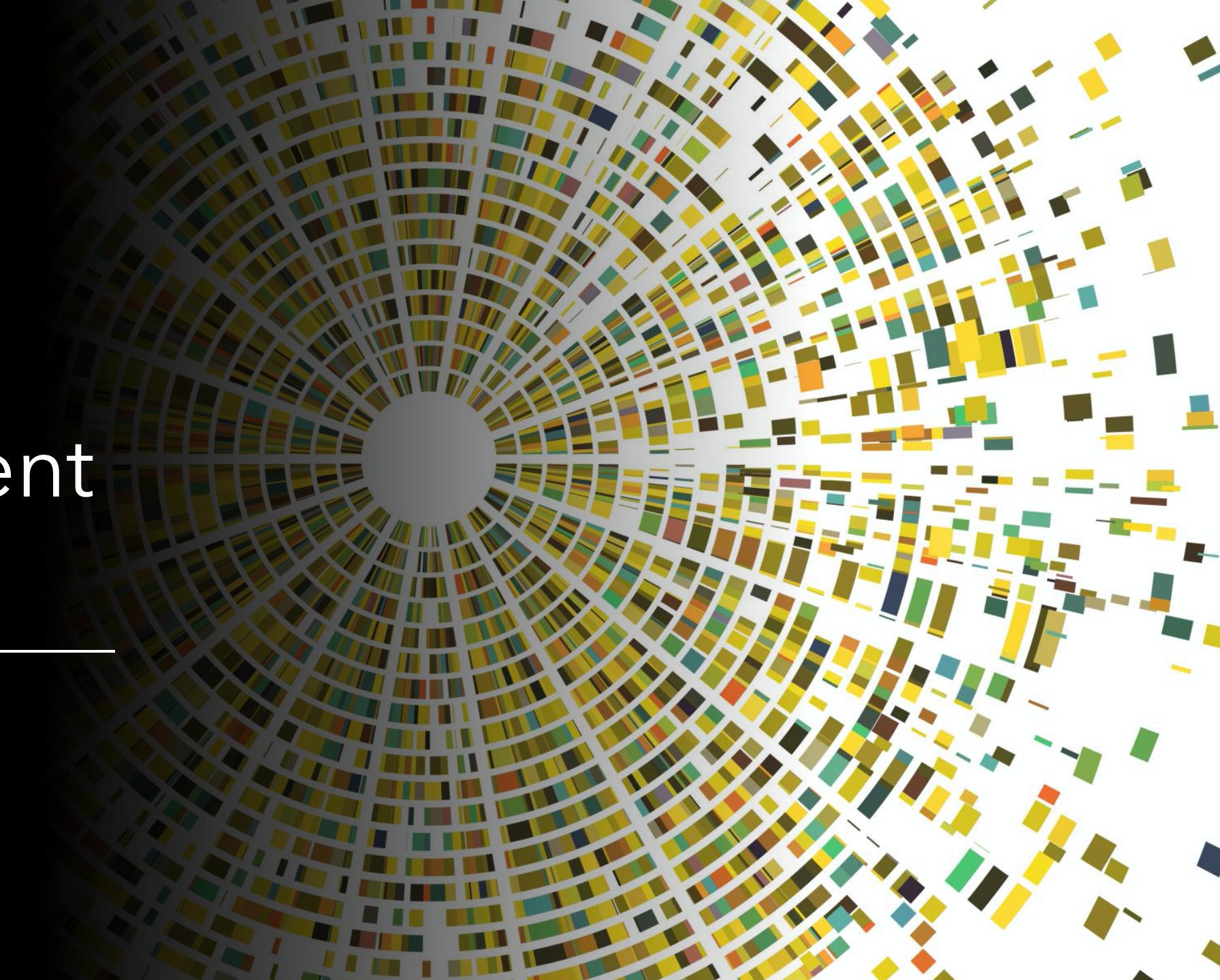


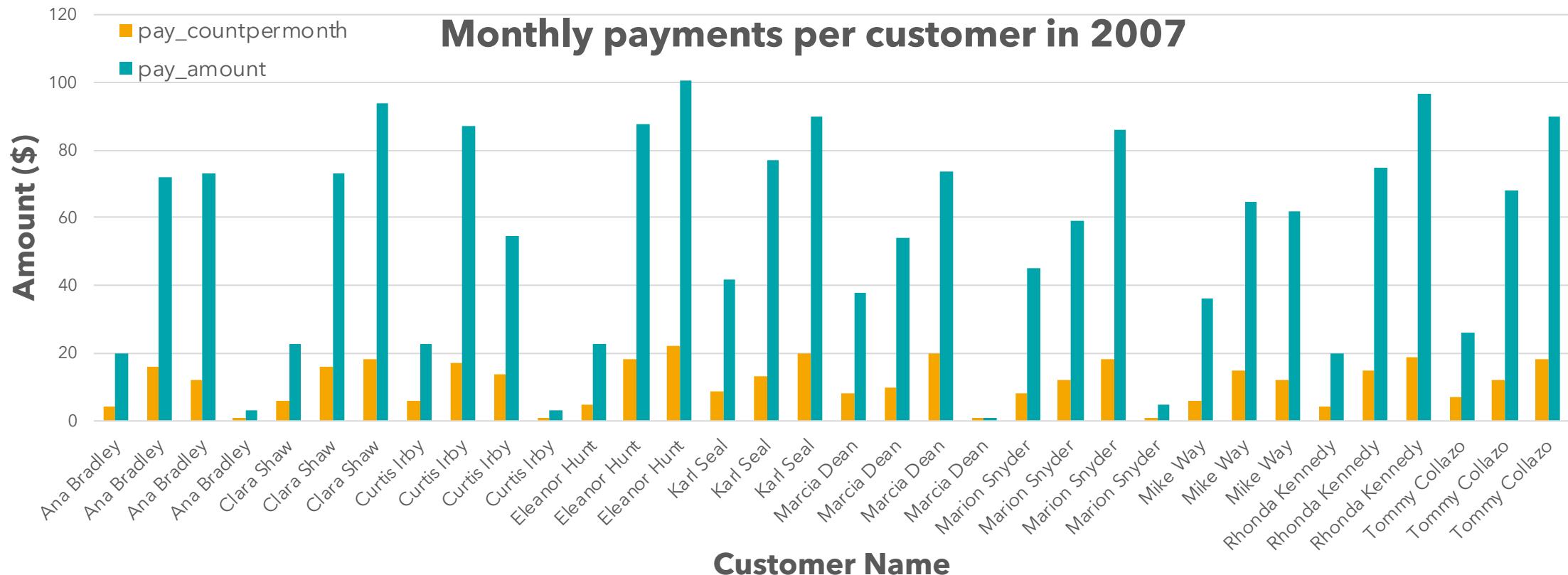
Sakila - Business Improvement Analysis

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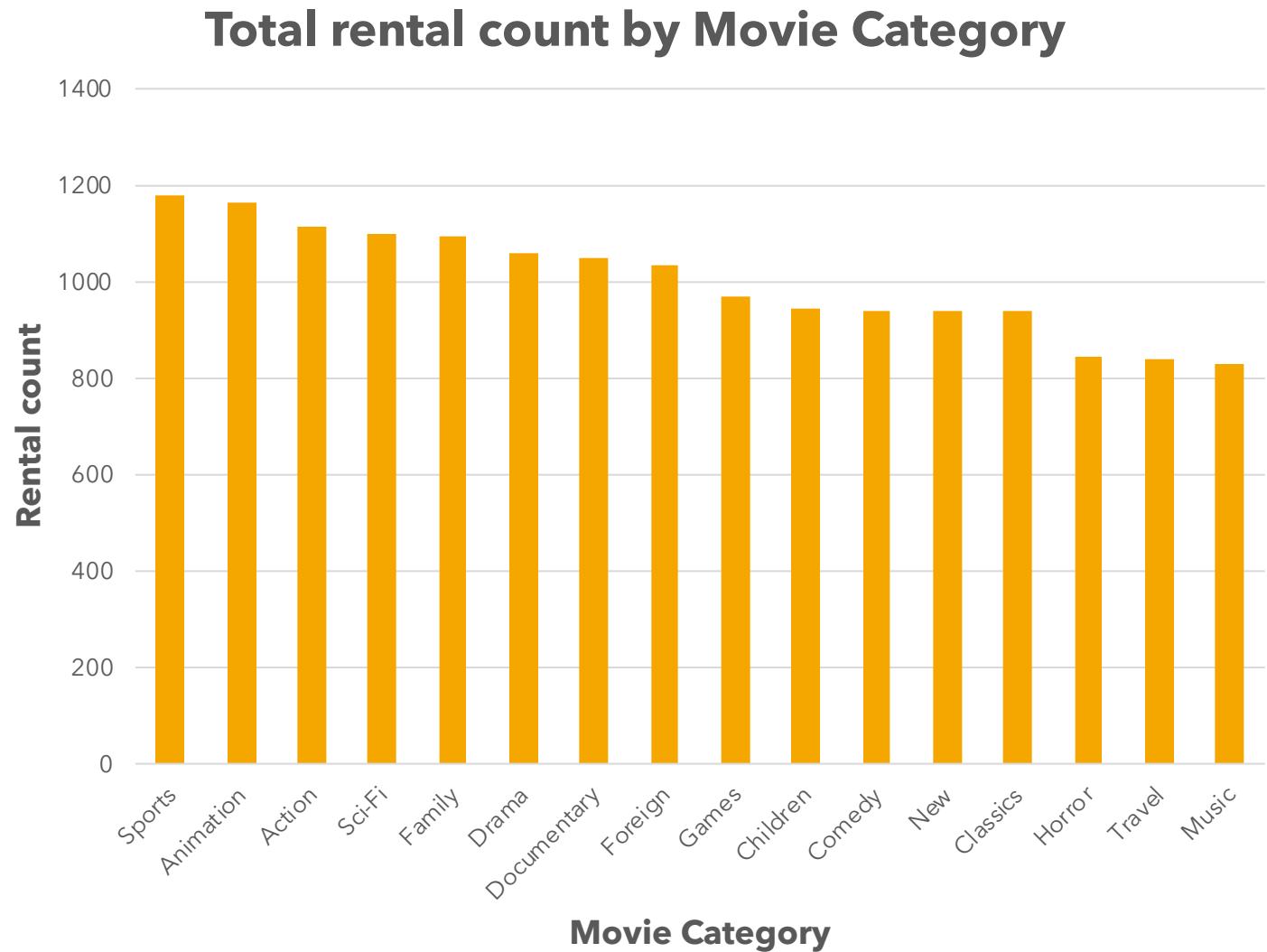
1. To test a customer rewards program, we asked: who were the top ten paying customers per month in 2007; how often did they rent movies and what was the accompanying amount spent per month on rentals by these customers?

- From the chart we see that the top ten renters had at least one month in 2007 where they spent at least \$60.
- The customer with the highest amount spent in one month in 2007 was Eleanor Hunt, while Marcia Dean had the month with the lowest amount spent.
- We recommend rewarding the ten customers proportionately, and to expand the rewards program if future analysis shows these ten customers spent more as a result.



2. To ensure we are purchasing the most demanded movie types, we asked: which category of movies in general are the most popular as determined by the number of times they have been rented?

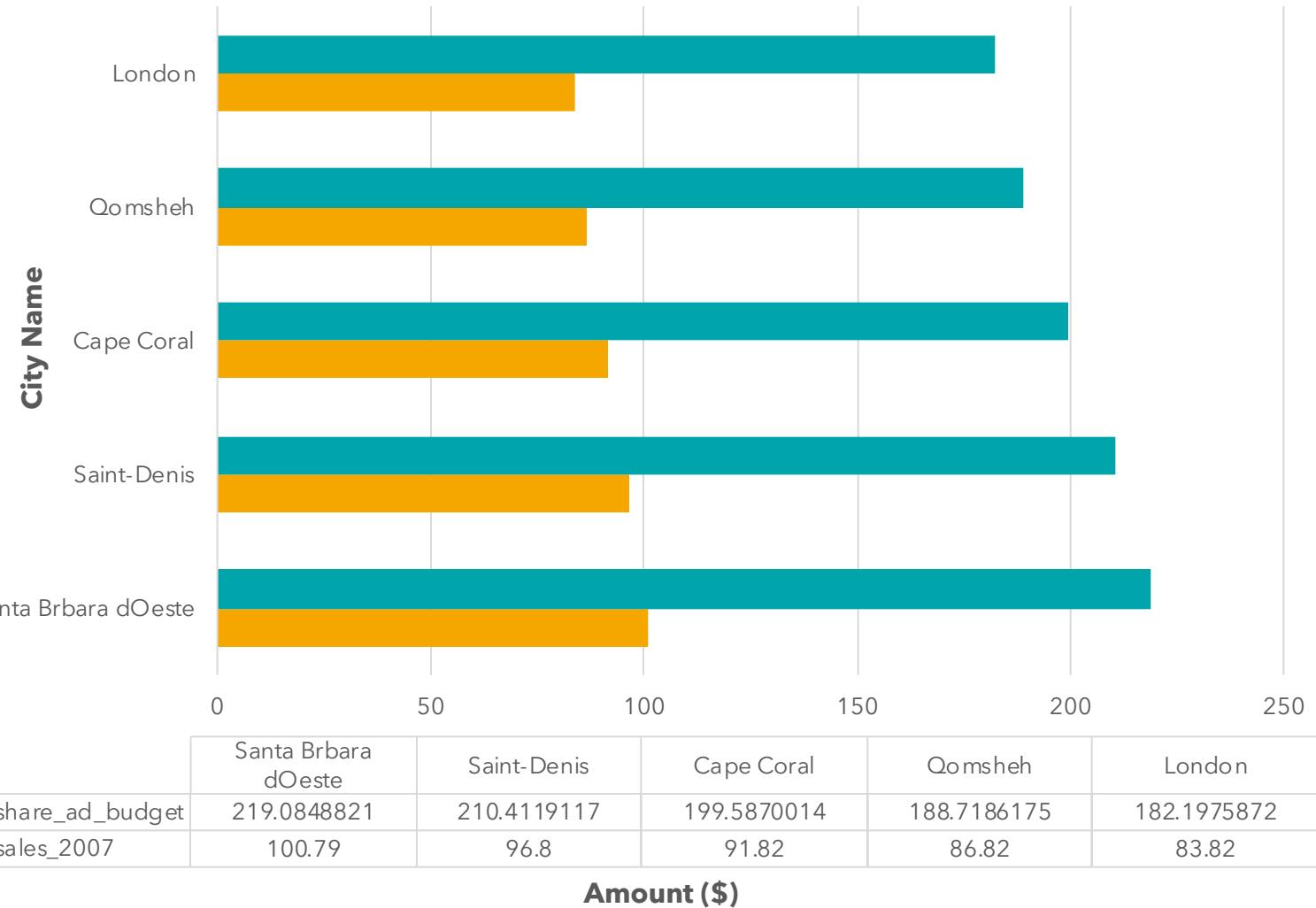
- The chart shows that Sports films or movies are the most popular with Animation coming a very close second; both categories were rented nearly 1200 times.
- The least popular movie categories are Travel, Music and horror with a little over 800 rentals a piece.
- We recommend buying more sports and Animation movies as this would likely be more profitable for Sakila.



3. To run a \$1000 Ad campaign highly targeted at the cities spending the most money of the top 25 cities who rented from both stores, how should the Ad campaign budget be distributed?

- After filtering through the top 25 cities spending the most money at both stores, the five cities shown on the chart were found to have generated the most revenue for Sakila in 2007.
- The share of each of the five cities Ad budget was determined by the percentage of 2007 sales generated by the cities respectively. Santa Barbara dOeste gets the lions share of Ad dollars.
- We recommend spending Ad dollars distributed as shown on the chart. The model can be adjusted for number of cities and Ad budget as needed.

2007 Sales and \$1000 Ad Budget Share for top renting cities



Effect of movie rating and length on rental price



- 4. To help predict which movies are most profitable and maximize our profits, we investigated whether the rating and length of a movie has any effect on the rental price of the movie.

- The chart was created using average movie lengths and average movie rental costs across all five movie ratings. For three of the ratings, PG-13, NC-17, and G, the lengthier movies appear to rent at a higher average cost per movie.
- The trend did not hold for R rated movies, while the PG rated movies trend loosely with the curve. PG-13 movies have the highest average rental price of about \$4.27, while the R rated movies have the longest running movies on average.
- We will examine the trend on movies with shorter run times in the future. But for now, we recommend buying more PG-13, NC-17 and G movies with a slight bias for movies with longer running time.