

Rockbuster Stealth

Translating Rental Trends into Insights for a
Successful Streaming Launch

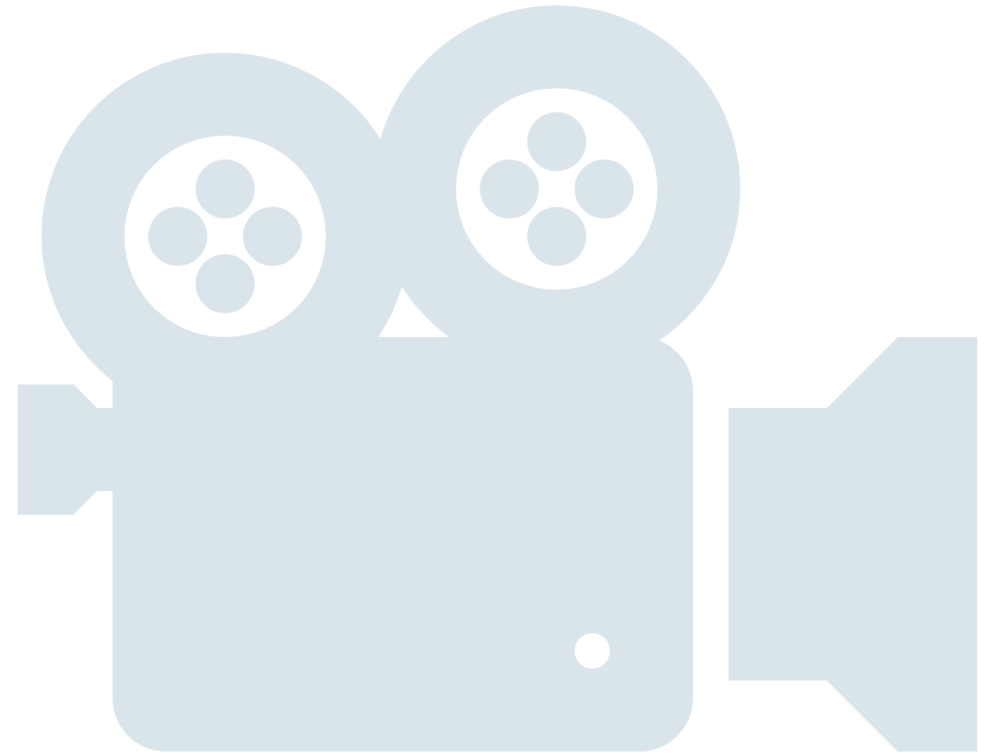
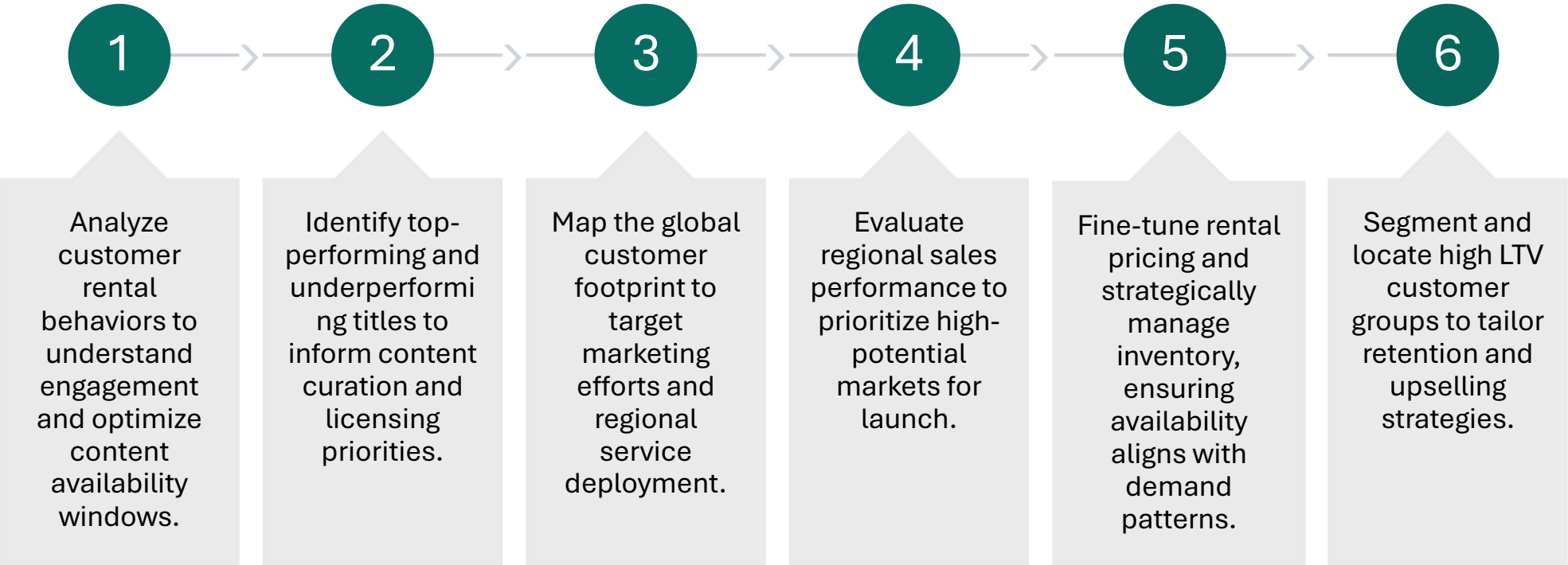


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In response to rapidly evolving consumer preferences and intensifying competition from major streaming platforms, Rockbuster Stealth LLC is poised to transition its successful global video rental business into the digital streaming market. Leveraging our extensive movie licensing portfolio and rich customer data, this presentation outlines critical insights to drive an informed launch strategy.

**Key
Business
Objectives**

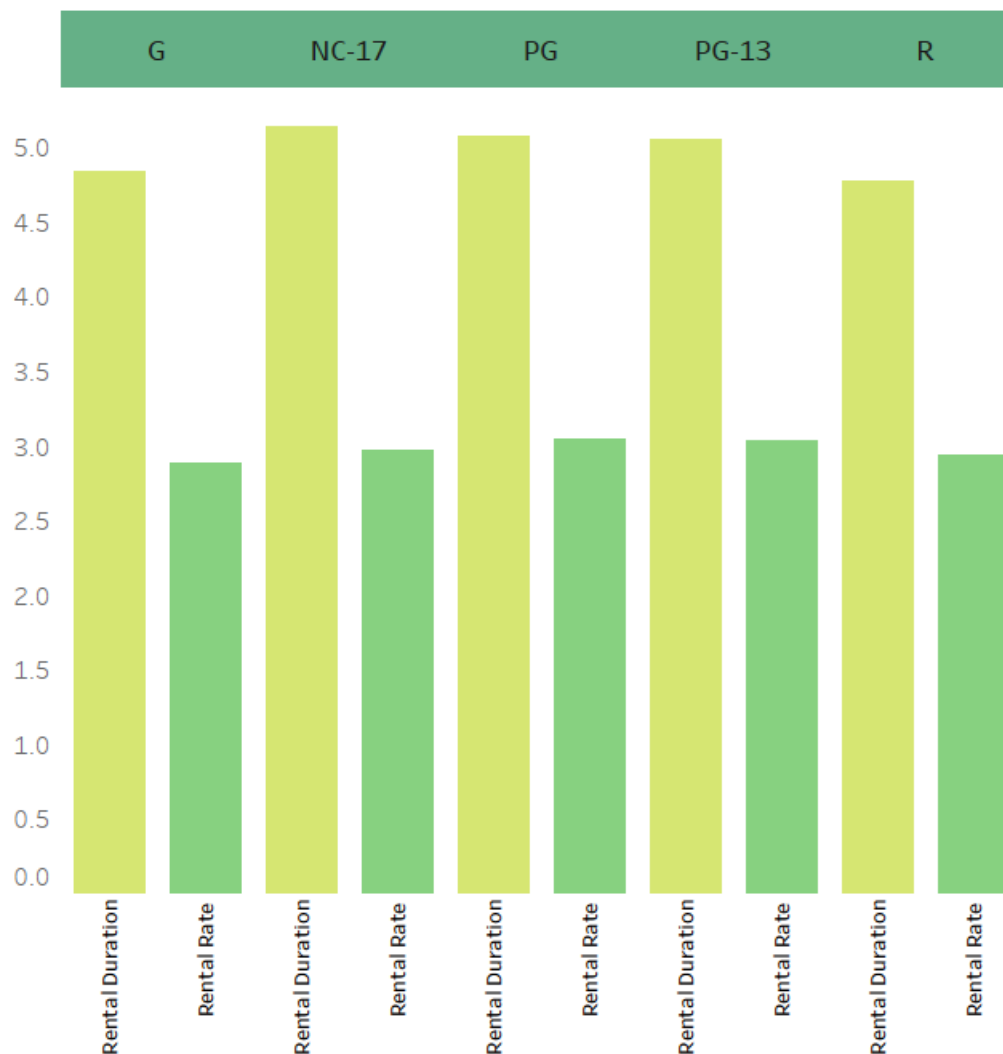


1

Initial Movie Rental Statistics

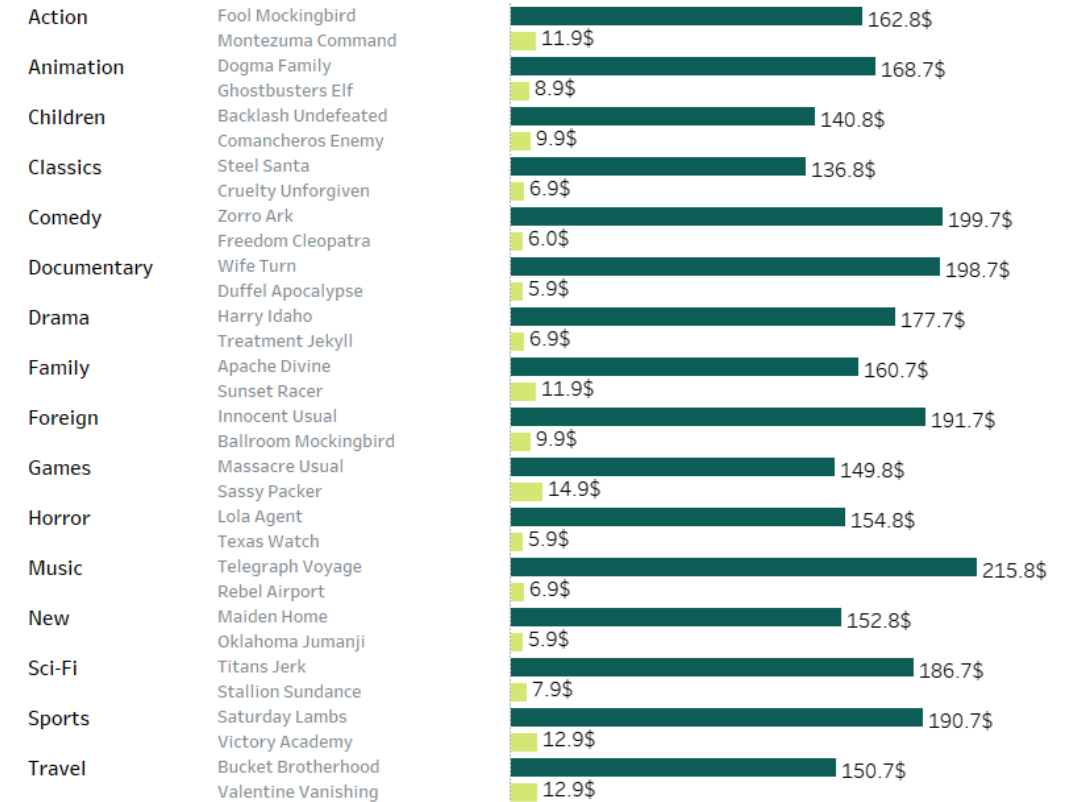
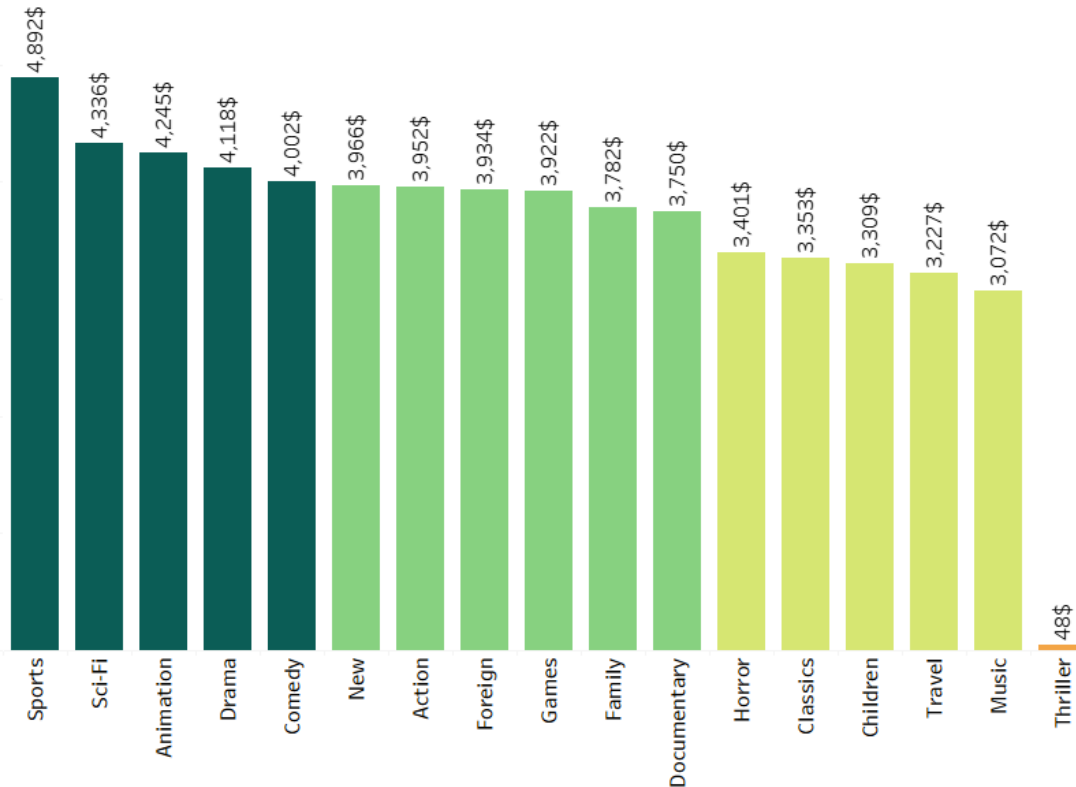
Consumer behavior appears predictable and rating-independent:

- Movies are typically rented for an average duration of 4.77 to 5.14 days indicating consistent customer engagement across all content ratings.
- The average rental price ranges from \$2.88 to \$3.05 per movie showing limited price sensitivity based on content rating.
- An optimal rental period of approximately 5 days is appropriate.
- Differentiated pricing by rating may not be required. Instead, rental prices can be adjusted based on factors like *rental count*, *regional popularity*, and *Revenue*.



2

Top and Bottom Genres by Revenue



The **highest** grossing revenue are in **Sports** and **Sci-Fi** films, followed by **Animation**, **Drama**, and **Comedy** categories, while **Thrillers** generated the **lowest** revenue.

However, **New**, **Action**, **Foreign**, **Games**, **Family** and **Documentary** fall in the mid-range and offer opportunities for growth and strategic investment.

3

Rockbuster Revenue by Customer & Location



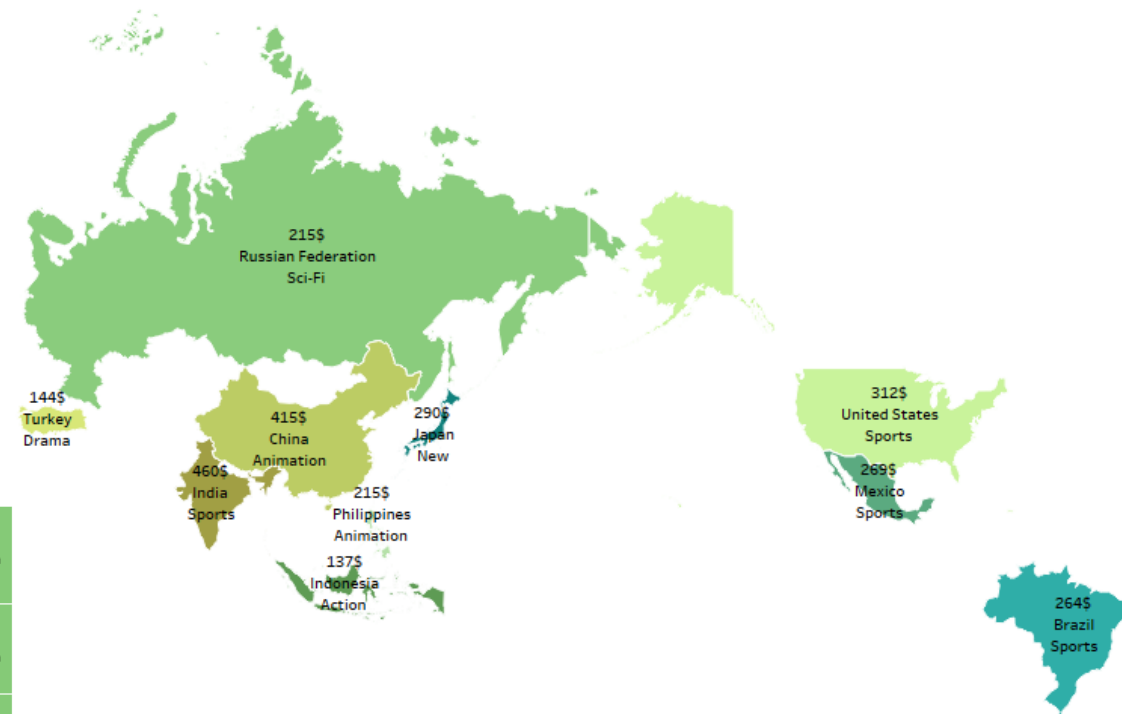
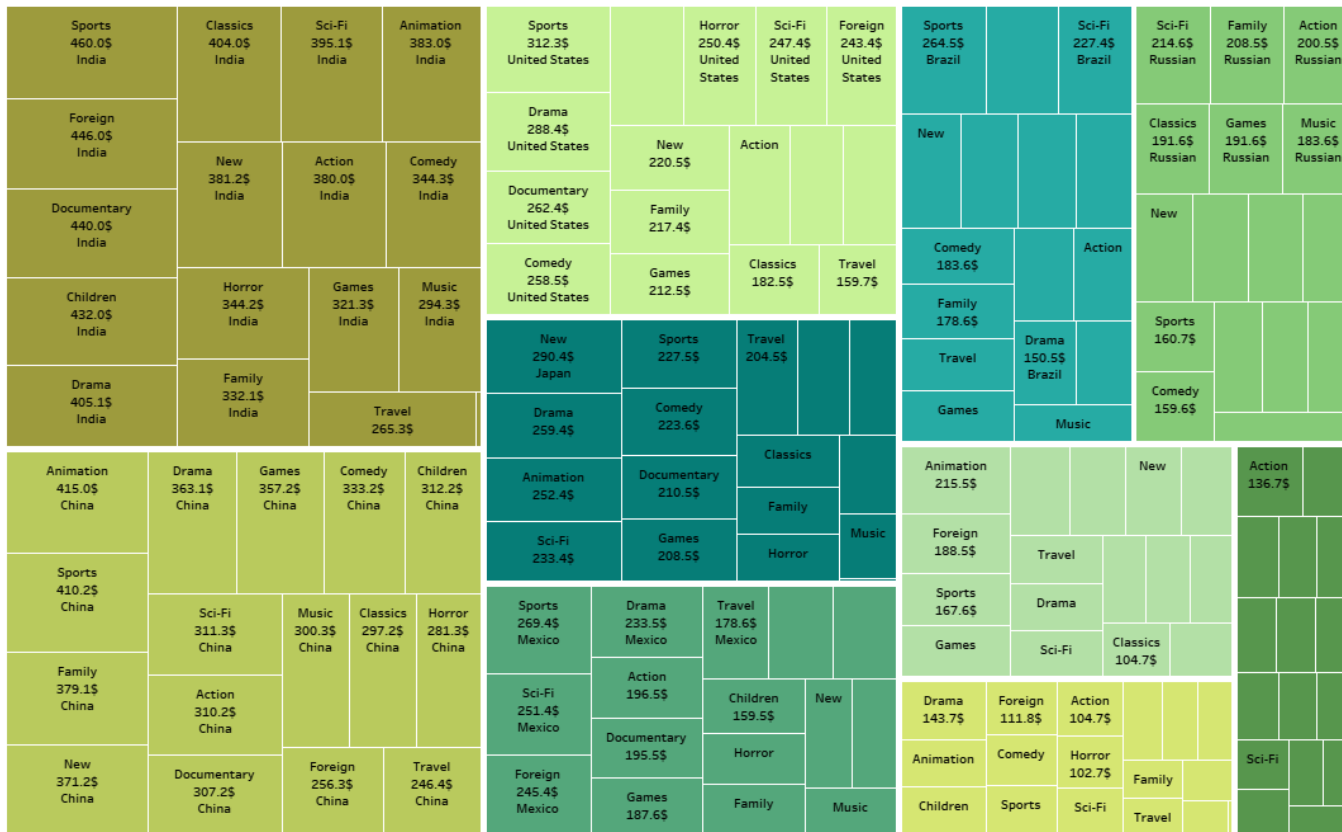
China, India, and **USA** remain the largest markets in terms of customer base and revenue.

A cluster of countries including **Russia, Philippines, Japan, Mexico, Brazil, Indonesia,** and **Turkey** also show strong potential for expansion.

These markets clearly demonstrate interest in the business and possess substantial potential to achieve the success. Thus, the marketing team need to prioritize these countries for customer acquisition and growth initiatives.

Genre Trends in High-Value Customer Markets

While **animation** leads in **China** with 415\$, **sports** dominates in both **India** and **the United States**, with revenues of 460\$ and 312\$ respectively.



Mexico (\$269) and **Brazil** (\$264) are dominated by **Sports**.

Russia (\$215) leads with **Sci-Fi** , while **Philippines** (\$215) is strong in **Animation**.

Turkey (\$144) shows a preference for **Drama** , and **Indonesia** (\$137) for **Action**.

For **Japan** (\$290), the leading genre is categorized as **"New"** .

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Optimizing Movie Rental Pricing and Inventory Based on Cluster Analysis



This scatter plot shows the relationship between the number of movie rentals and the revenue generated.

Cluster 1: These movies have high rental volumes but generate less revenue than expected. Raising their rental prices can boost income without hurting demand, as their popularity suggests customers are willing to pay more.

Clusters 4: Prices for this cluster should stay stable since their current pricing aligns well with their rental and revenue patterns.

Cluster 2: These titles show low demand and revenue. Reducing their stock or phasing them out can free up resources. The savings could be reinvested in promoting new, high-demand movies to maximize future revenue.

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High Lifetime Value Customers

These customers represent the **ideal demographic**, as they are the top-paying customers within the top-performing countries.



- Given their high spending, these customers can be prime candidates for upselling (premium tiers) and cross-selling (complementary products and services).
- By analyzing the specific needs and preferences of these ideal customers, such as their consistently purchased products, future development can be directly informed and deepened.

Conclusion

- 1 Best performance categories are Sports and Sci-Fi films. Followed by Animation, Drama, and Comedy.
- 2 The least popular categories are Music and Thrillers.
- 3 It was found that the number of customers per country was in direct relationship with the country's total revenue
- 4 The highest spending customers are in USA, India, China, Russia, Philippines, Japan, Mexico, Brazil, Indonesia, and Turkey.
- 5 Differentiated pricing by rating may not be required.
- 6 Rental prices should be adjusted according to rental volume and popularity to maximize revenue, while low-demand titles require inventory reduction to improve resource allocation.

Key Strategic Recommendations:



LOCALIZATION IS CRUCIAL:

Tailor content and marketing to local genre preferences, moving away from a one-size-fits-all approach.



GENRE-SPECIFIC MARKET ENTRY:

Focus efforts on specific genres with proven high value in particular markets, rather than broad entries.



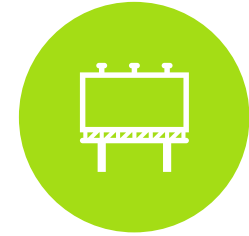
DEEP CUSTOMER INSIGHT & LOYALTY:

Conduct informational interviews with top customers to gain qualitative insights into preferences. Develop a loyalty program to reward these customers, incentivizing continued spending.



DYNAMIC RENTAL PRICING:

Review and adjust movie rental costs based on total revenue, number of rentals, and popularity within different regions and genres.



TARGETED MARKETING:

Implement marketing and promotion campaigns in major markets that show growth potential based on demographic analysis.



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