

Revenue and Customer Insights for a DVD Rental Business

1. Business Context

The DVD rental industry is facing significant pressure from streaming services. To remain competitive, this project analyzes the company's data to uncover opportunities for revenue growth, customer retention, and operational optimization.

2. Objectives

- Identify the most popular and profitable film categories
- Analyze customer value and retention frequency
- Evaluate store and staff performance
- Understand rental and revenue trends across time and geography
- Detect underperforming inventory

3. Key insights

Film & Category Performance

- **Top film:** *Bucket Brotherhood* (34 rentals)
- **Top category:** *Sports* (1,179 rentals, \$4,892 revenue)
- *Insight:* Films in **Sports**, **Sci-Fi**, and **Animation** are high earners and should be prioritized in future inventory purchases.

Customer Value

- **Top customer:** Eleanor Hunt (\$211.55 total payments)
- **599 customers** made **repeat rentals**, indicating strong retention.
- *Insight:* High-value customers should be targeted with loyalty perks.



Store & Staff Performance

- **Store 1** outperformed with \$30,252 in revenue
- **Top staff:** Jon Stephens (7,304 payments processed)
- *Insight:* Store 1's success may be linked to staff efficiency — their practices could be standardized across locations.



Geographic Trends

- **Top cities by revenue:** Apeldoorn, Molodetno, Qom
- **Top countries:** Spain, Yemen, Pakistan
- *Insight:* Regional promotion in these countries/cities may yield high ROI.



Customer Retention Frequency

- Some customers rented **every 2 days on average**, indicating strong engagement
- *Insight:* Create loyalty campaigns for frequent renters to maintain their momentum.



Monthly Trends

- Revenue peaked in **April** (\$28,559.46) with **6,754 rentals**
- *Insight:* Use April's trend to plan campaigns and staffing for next year.



RFM Component Recap



Platinum (96 customers)

Profile: Most loyal, high-spending, recently active

Strategy:

- Offer exclusive early access to new releases or promotions
- Provide VIP-tier perks (e.g., free rentals, bonus points)
- Send personalized thank-you emails or anniversary rewards
- Invite to referral or brand ambassador programs

Gold (157 customers)

Profile: Valuable customers but with slightly less engagement

Strategy:

- Send reactivation emails or special limited-time offers
- Upsell high-rated or premium category movies
- Offer rewards for increasing rental frequency or referring friends

Silver (203 customers)

Profile: Recently active or average spenders with lower frequency

Strategy:

- Promote loyalty points for consistent rentals
- Bundle deals (e.g., “rent 3, get 1 free”)
- Highlight trending or category-specific films to nudge frequency

Bronze (143 customers)

Profile: Least engaged or lapsed users

Strategy:

- Re-engagement campaign with a free trial or heavy discount
- Personalized "We miss you" emails with best-rated picks
- Offer a reward for their next rental to reignite behavior

Next Steps:

- Create email lists based on each segment
- Track the performance of targeted campaigns using open and conversion rates
- Monitor RFM score changes over time to evaluate campaign impact