# 🎬 Movie Rental EDA –MECE Breakdown

## **1. Executive Summary**

The movie rental business shows high revenue potential driven by hit movies and high-value customers (HVCs). However, gaps in customer activation, store performance, and inventory utilization present significant optimization opportunities.

### **Key Business Insights**

* **80/20 Revenue Concentration:** 20% of customers and top 10 movies generate ~80% of revenue.
* **Customer Churn Risk:** ~30–40% of acquired customers never rent.
* **Store Performance Disparity:** Store 2 contributes ~60–65% of total revenue; Store 1 underperforms.
* **Seasonality:** Demand peaks in June–August; early months show low utilization.
* **Operational Inefficiency:** ~15–20% of inventory underutilized.

## **2. MECE Analysis (Mutually Exclusive, Collectively Exhaustive)**

### **2.1 Customers (Acquisition, Retention, Value)**

* **Acquisition & Activation:** High acquisition volume, but ~1/3 inactive → marketing ROI leakage.
* **Retention:** Repeat renters (loyalty segment) drive majority of transactions.
* **Customer Value:** Top 5% HVCs contribute disproportionately → key retention segment.

**Implications:** Segment customers by value, target inactive ones with reactivation campaigns, and build HVC loyalty programs.

### **2.2 Products / Movies (Performance, Demand, Inventory)**

* **Top Performers:** Action & Family genres dominate rentals and revenue.
* **Dead Stock:** ~15–20% titles not rented → inventory inefficiency.
* **Hit-Driven Model:** Top 10 movies generate majority of revenue → risk of revenue volatility.

**Implications:** Focus on stocking high-demand titles, reduce low-demand inventory, cross-sell bundles to diversify revenue.

### **2.3 Stores & Staff (Performance & Productivity)**

* **Store Performance:** Store 2 outperforms Store 1 by ~30–40% in revenue & active customers.
* **Staff Performance:** Jon Stephens achieves higher revenue per rental vs Mike Hillyer → benchmark for training.

**Implications:** Replicate Store 2’s marketing strategy & train Store 1 staff on upselling.

### **2.4 Financials (Revenue, Seasonality, Profitability)**

* **Revenue Seasonality:** Peak demand in summer; lowest in Feb–Mar.
* **Revenue Drivers:** HVCs & hit movies create dependency; diversification needed.

**Implications:** Increase marketing spend in peak months, introduce off-peak discounts, diversify with broader genre promotion.

### **2.5 Operations (Efficiency, Planning)**

* **Inventory Utilization:** Dead stock inflates carrying cost.
* **Demand Planning:** Staff & stock not aligned with seasonal spikes.
* **Cross-Sell Potential:** Repeat renters open to bundle promotions.

**Implications:** Implement demand-based stocking, dynamic staffing, and targeted bundle offers.

## **3. Strategic Recommendations**

### **Quick Wins (0–3 months)**

1. Reactivate inactive customers via email/discount campaigns.
2. Launch loyalty rewards for top 5% HVCs.
3. Retire low-demand titles, increase copies of top 10 movies.

### **Medium-Term (3–6 months)**

1. Train Store 1 staff in upselling & replicate Store 2’s marketing.
2. Roll out cross-sell bundles & family packs.
3. Introduce dynamic pricing for peak periods.

### **Long-Term (6+ months)**

1. Predictive demand modeling for inventory planning.
2. Membership/subscription plans for repeat customers.
3. Expand Store 2’s operational best practices chain-wide.

## **4. Appendix (Supporting Data)**

* Customer segmentation & churn analysis.
* Top movies & revenue contribution.
* Store-wise revenue & activity trends.
* Seasonal demand patterns.