Online Launch Analysis

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ROCKBUSTER STEALTH LLC.

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MOVING MOVIE RENTALS ONLINE

PREFACE

Technological progress demands a presence in the digital movie rental market.

Entering the digital market comes with unavoidable costs.

An analysis of past trends reveals easier entry points reducing costs and mitigating risk.

DELIVERABLES

o   Which films generated the most and least revenue?

o   What was the average rental duration for all videos?

o   In which countries are Rockbuster's customer base?

o   Where do the customers with the highest lifetime value reside?

o   Do sales figures vary by region?

THE DATA

The data used comes from Rockbuster's internal database with sales records from **Feb. 15, 2007 to May 15, 2007** and 15 tables of data containing records of:

o $61,312.04 of payments
o 14,596 payment transactions
o 4,581 inventory items
o 1,000 films
o 600 cities
o 599 customers
o 200 actors
o 109 countries
o 21 genres
o 6 languages
o 5 MPAA ratings

FILM ANALYSIS

An examination of the profitability of films by:

- Category
    - Rental rate - the cost to rent a film for its given rental period
    - Rental period - the number of days before a film is due back
    - MPAA rating
- 10 most profitable film titles
- 10 least profitable film titles

CATEGORICAL ANALYSIS

TAKEAWAYS

o Films with a **rental rate of $4.99** per rental period generated the most income - $29,944.19 in 3 months.

o Films with a **3 day rental period** were rented more and earned more than all other rental periods.

o Films with a **PG-13 rating** were rented more and generated more income than all other ratings.
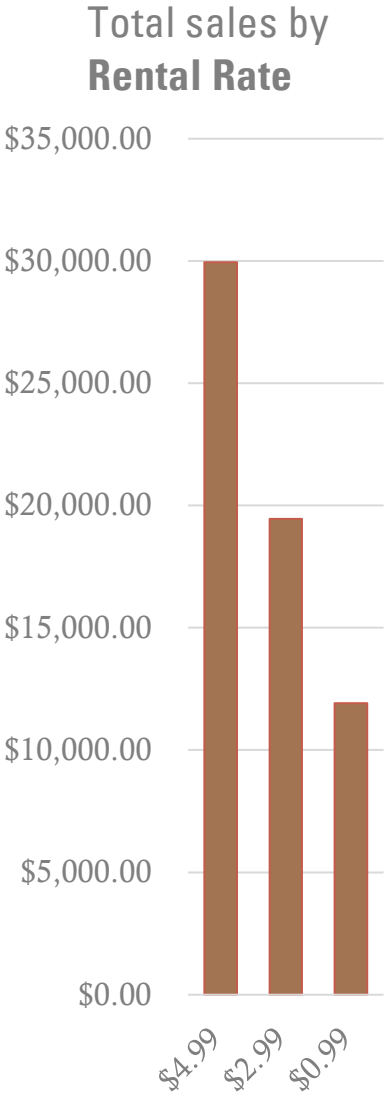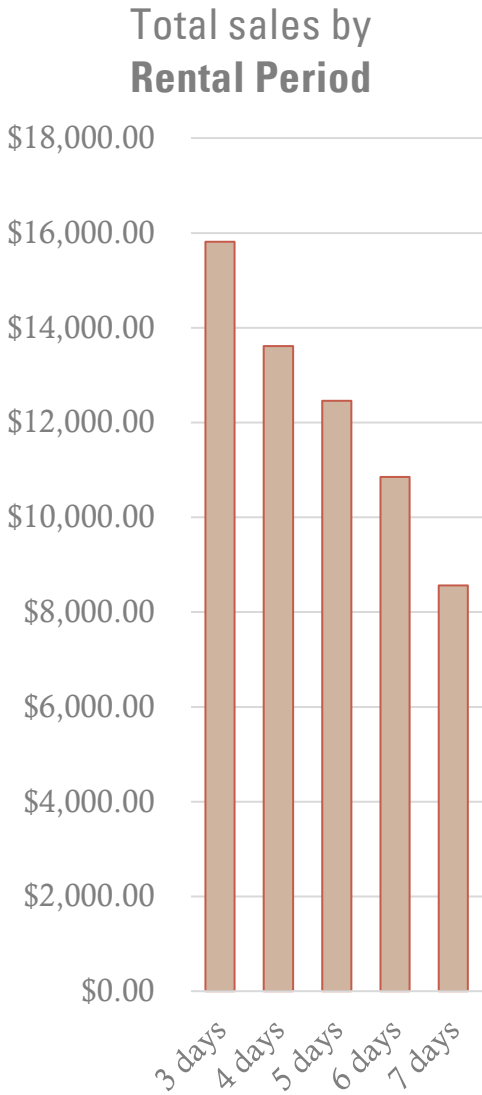
Total sales by Rental Rate

Table 1

Total sales by Rental Period

Table 2

Total sales by MPAA Rating

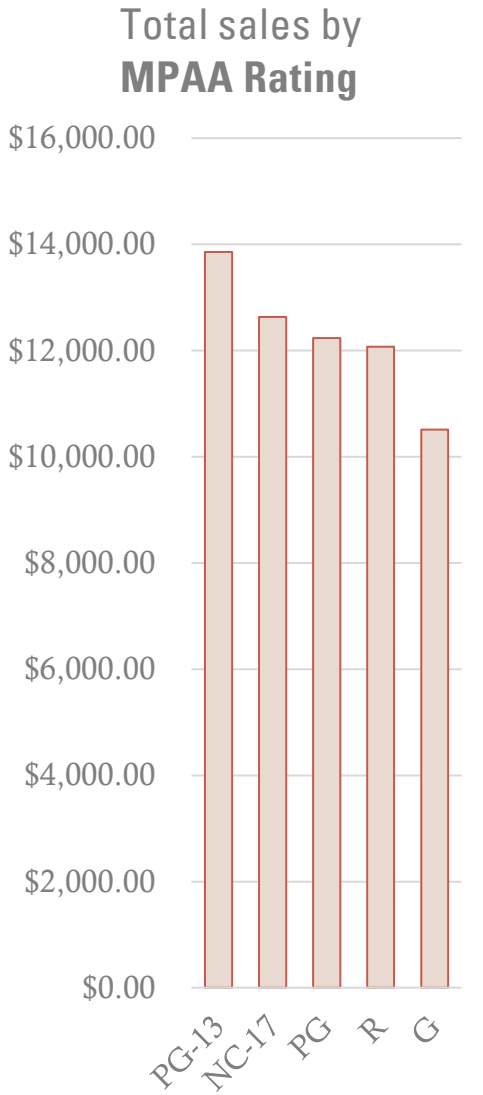Table 3

10 MOST PROFITABLE FILMS

1. Telegraph Voyage
2. Zorro Ark
3. Wife Turn
4. Innocent Usual
5. Hustler Party
6. Saturday Lambs
7. Titans Jerk
8. Harry Idaho
9. Torque Bound
10. Dogma Family

Average Earnings per Film: Top 10

All Films	$64
Top 10	$189.04

$0.00 $20.00 $40.00 $60.00 $80.00 $100.00 $120.00 $140.00 $160.00 $180.00 $200.00
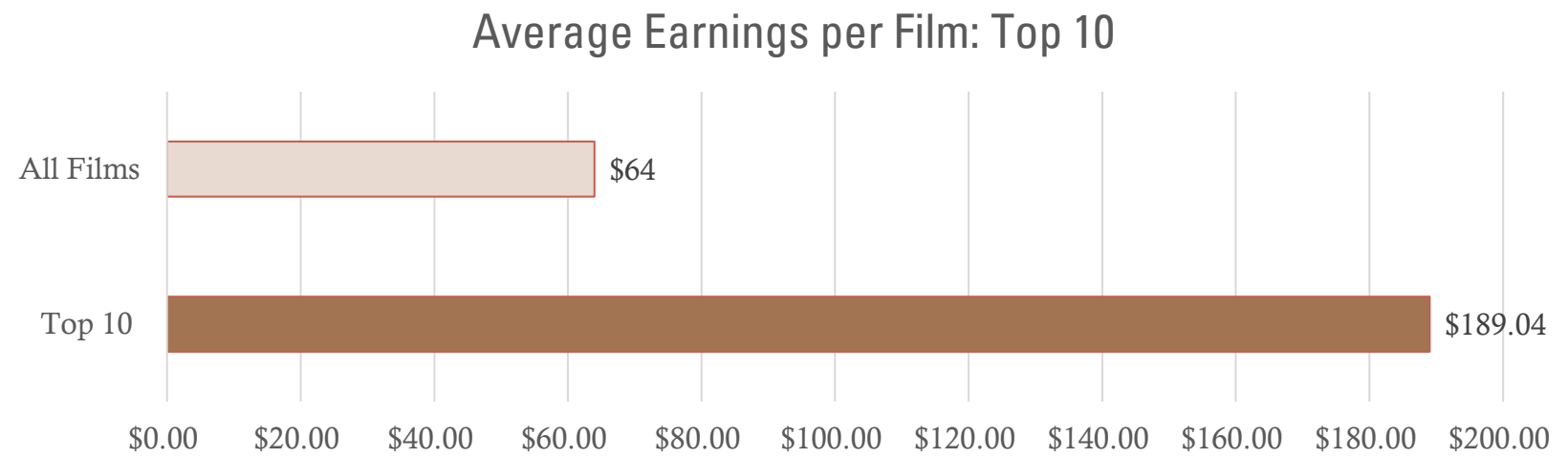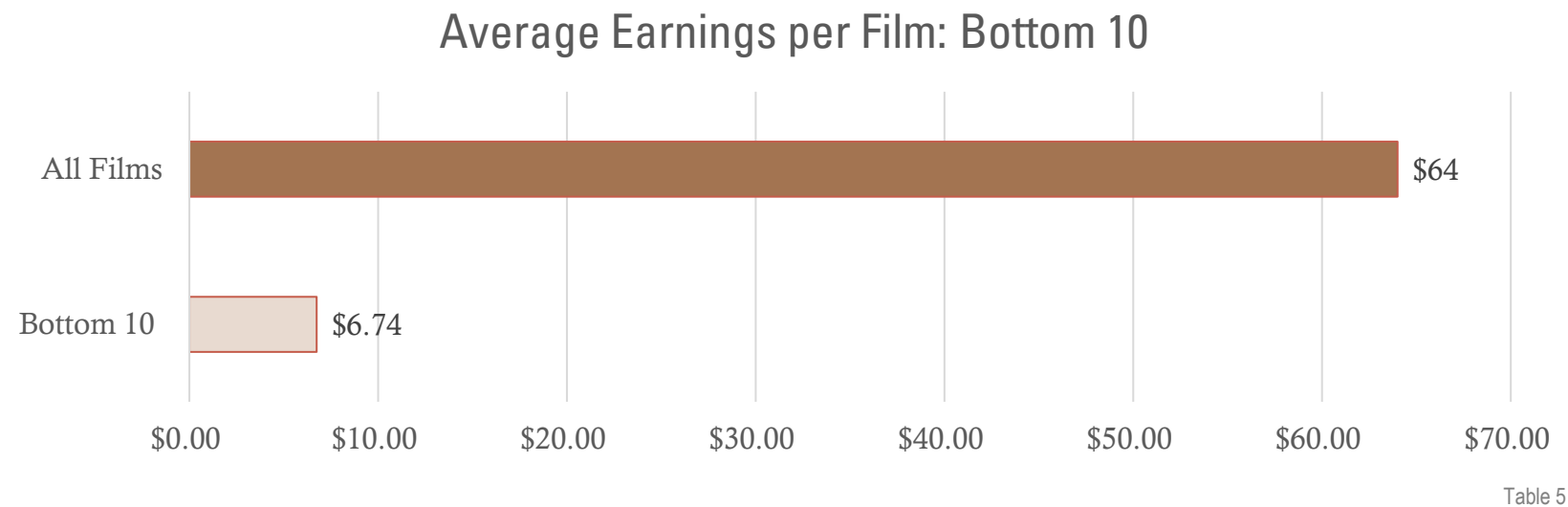
Table 4

TOP 10 TAKEAWAYS

o These films are **good candidates for income** from online movie rentals

o **Comedy** and **Drama** are the most common genres

o All 10 have a rental rate of **$4.99**

o The most common rental period is **3 days**

o Top 10 films **earned 3 times more** than the average film

10 LEAST PROFITABLE FILMS

1. Oklahoma Jumanji
2. Duffel Apocalypse
3. Texas Watch
4. Freedom Cleopatra
5. Rebel Airport
6. Young Language
7. Treatment Jekyll
8. Cruelty Unforgiven
9. Lights Deer
10. Japanese Run

Average Earnings per Film: Bottom 10

All Films — $64

Bottom 10 — $6.74

$0.00 $10.00 $20.00 $30.00 $40.00 $50.00 $60.00 $70.00

Table 5

BOTTOM 10 TAKEAWAYS

o These films are **poor candidates for income** from online movie rentals

o **Documentary**, **Horror**, and **Classics** are the most common genres

o All 10 have a rental rate of **$0.99**

o The most common rental period is 7 **days**

o Bottom 10 films **earned 9.5 times less** than the average film

GEOGRAPHIC ANALYSIS

An examination of the profitability of films by:

- Regional distribution
  - Number of customers
  - Total income earned
- Top customers per country
- Top 10 cities

REGIONAL DISTRIBUTION

Sales per country ranges from **$47.85 to $6,034.78**. The top 10 countries -India, China, the United States, Japan, Mexico, Brazil, Russia, the Philippines, Turkey, and Indonesia - earn **51.9% of all revenue** and are home to **52.6% of customers**.

Rockbuster Geographic Spread
Number of customers per country (total people)
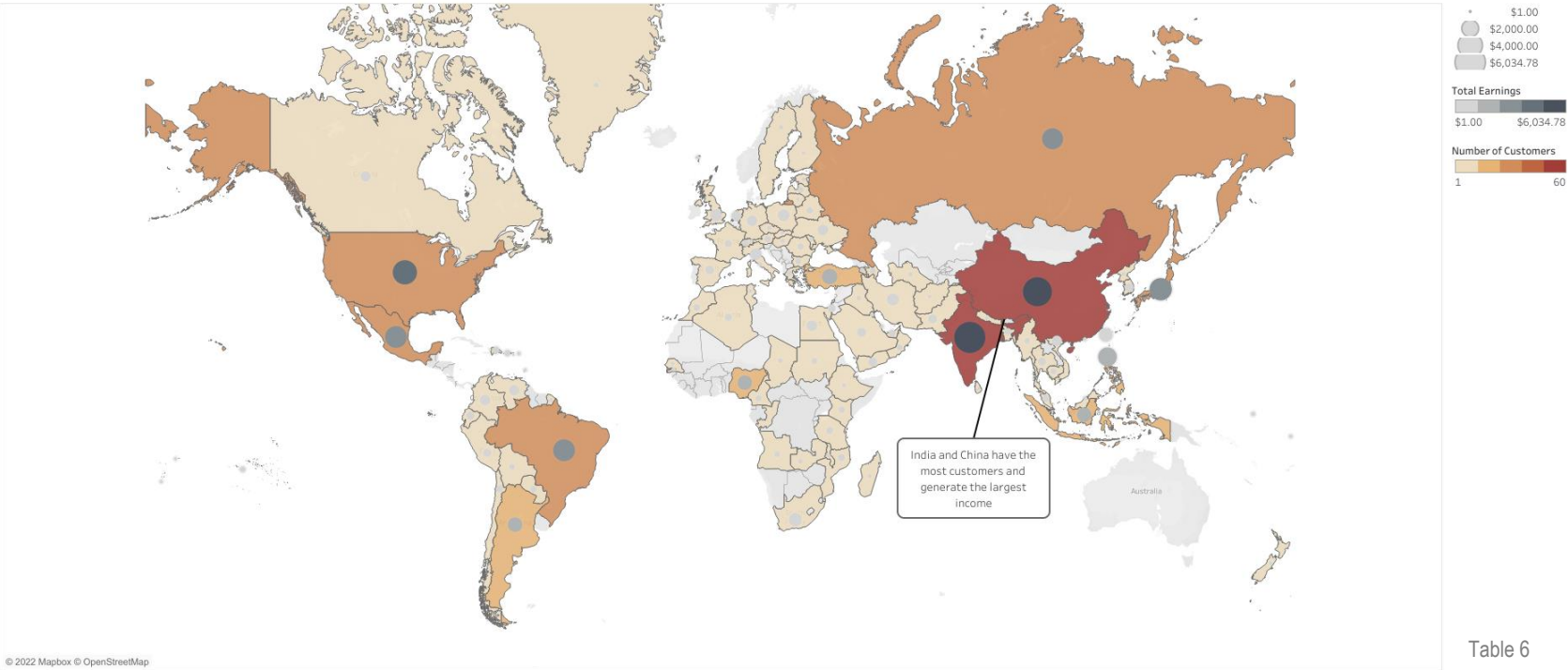Total earnings per country (total USD)

India and China have the most customers and generate the largest income

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Table 6

Interactive Customer Base map: https://public.tableau.com/views/RockbusterSpread/Sheet1?:language=en-US&:display_count=n&:origin=viz_share_link

Top Customers per Country
A count of how many of Rockbuster's top customers live in each country. Established by top 10% of total earnings from each customer.

India has the most high-earning customers.

Customer Count
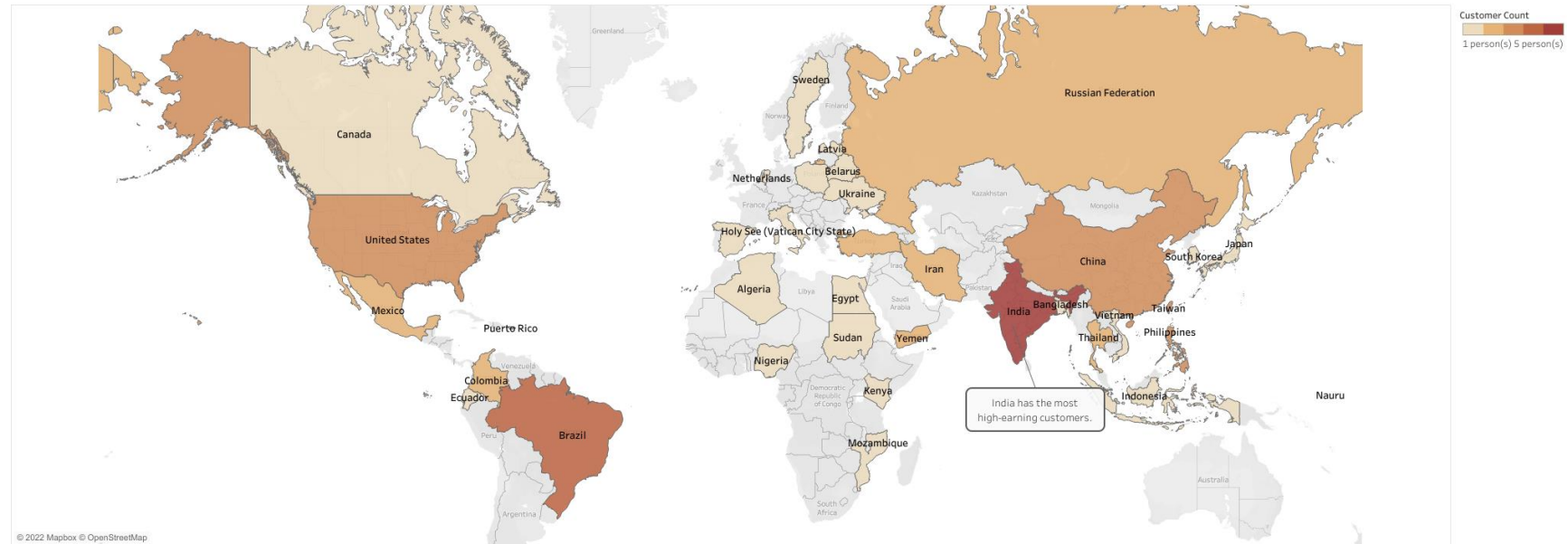1 person(s) 5 person(s)

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Table 7

TOP CUSTOMERS PER COUNTRY

Rockbuster's **top 10%** of customers (by total amount spent) live in these 38 countries. 25% of the top 10% live in **India, Brazil, China,** and the **United States.**

Interactive Top Customers map: https://public.tableau.com/views/RockbusterCustVal/Sheet1?:language=en-US&:display_count=n&:origin=viz_share_link

TOP 10 CITIES

TAKEAWAYS

These 10 cities are the top earning regions within the top earning countries. **They will make good candidates for marketing deployment.**

Top 10 Cities within the Top 10 Countries

Aurora, US

Atlixco, Mexico

Xintai, China

Adoni, India

Dhule (Dhulia), India

Kurashiki, Japan

Pingxiang, China

Sivas, Turkey

Celaya, Mexico

So Leopoldo, Brazil

KEY POINTS

Films with a **$4.99 rental rate**, **3 day rental period**, and **PG-13 MPAA rating** tend to generate the most revenue.

The **top 10 films** should be the first included in the online inventory to increase profits.

The **bottom 10 films** should be deferred until later or disbanded to reduce costs.

India, Brazil, China, and the **United States** have the largest customer bases and generate the most income. They will make the most suitable locations for successful online launches.

The **top 10 cities** will make ideal locations for targeted advertising.

Sales per country range from under $50 to over $6035.