# Redbox Order Processing System

## Final Deliverable

**Presented by:** Alejandro Gomez, Simon Li, Manuel Duenas, Yiwen Li

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**RedBox**
**Order Processing System**

**1. Introduction and Background**

Redbox was founded by Redbox_Automated Retail LLC is a company that provides DVD, Blu-ray Discs and Video game retail through automated retail kiosks. Its kiosks are easily identifiable featuring its signature red color and arched top surface. Redbox's attracts consumers by offering rentals at a low price, while conveniently placing their kiosks in numerous shopping locations.

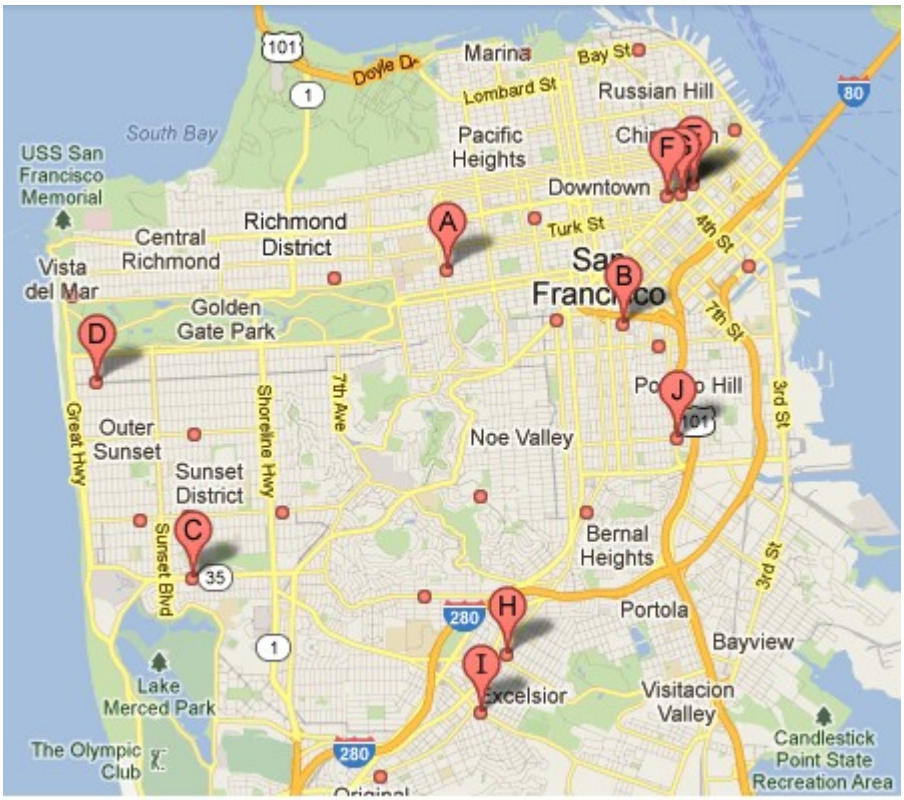
Redbox was originally funded by McDonalds. In 2002 Redbox initially had sold grocery items and DVD's from their first four kiosks. While Redbox withdrew the grocery kiosks within a year, the DVD-rental kiosks it had also installed in the area succeeded, and the company changed its focus to that market.

In 2005 Coinstar bought 47% of the company for 32 million ultimately obtaining the remaining share of the company from McDonald's in February of 2009. Redbox had 34.5% market share of discs rented as 2011.

The company passed Blockbuster in 2007 in number of U.S. locations, passed 100 million rentals in February 2008, and passed 1 billion rentals in September 2010. Competitors include Netflix and Blockbuster. As of Q2 2011, kiosks currently have 36 percent of the disc rental market, with 38 percent to rent-by-mail services and 25 percent to traditional stores, according to the NPD Group. As of Q2 2011, 68 percent of the U.S. population lives within a five-minute drive of a Redbox kiosk.

Redbox began internally testing its own video streaming service, dubbed Redbox Instant, in July 2012. The service is a joint effort between Redbox and Verizon.
The founder of Redbox, Gregg Kaplan, exits Coinstar as president & COO of Redbox. Anne Saunders is the new president of Redbox.

**RedBox Locations in San Francisco**




**How does RedBox Work?**

You don't have to set up an account but you do have to have a credit card. You can go to the kiosk and choose the movie you want, swipe your credit card and it will dispense your movie. Return it by 9:00 pm the next night and only pay $1.00.

The benefit to going online and reserving your movie is you know exactly what that particular redbox has available before you go down to the store. The new releases can be difficult to get so it can be disappointing to go all the way down there only to find out the movie you really wanted is not available.

**Used Movies to Buy**

Redbox sells used movies from their kiosks ranging anywhere from 5-10 dollars. This makes up about 3% of their revenue.

**Pros of Redbox**

- Low Cost - $1 rental
- Promotions
- Conveniently located
- Multiple kiosks at one location
- Easy return process
- New movie releases
- Online access

**Cons of RedBox**

- Keep for one day
- Late fees accrue for late returns up to 25 days then you own the movie
- No actual cashiers to help with check out
- No customer service on site
- Scratches on disc
- No digital service
- Long Lines

**2. Statement of Scope for the New System**

**Problem Description**

- Customers are complaining that their rentals are badly scratched to the point where it is unreadable.
- Returns not accurately recorded by the system.
- Stolen Movies
- Product can be out of stock which is a direct result of the order processing system being inefficient
- Long lines

**Anticipated business benefits (short-term)**

- Reduce out-of-stock inventory
- Improve customer relationship and satisfaction
- Increase internet and mobile reservations to improve customer satisfaction
- Drastically reduce distribution and inventory management cost
- Provide instant customer gratification through consistency of in stock new releases
- Reduce excessive inventory

**Anticipated business benefits(long-term)**

- Increase profit and revenue
- Expand language availability for kiosk instructions
- Increase membership
- Offer an option for subscription
- Reduce Cost, labor, Liabilities
- Expanding kiosk locations
- Increase efficiency of tracking kiosk performance

**System Capabilities**

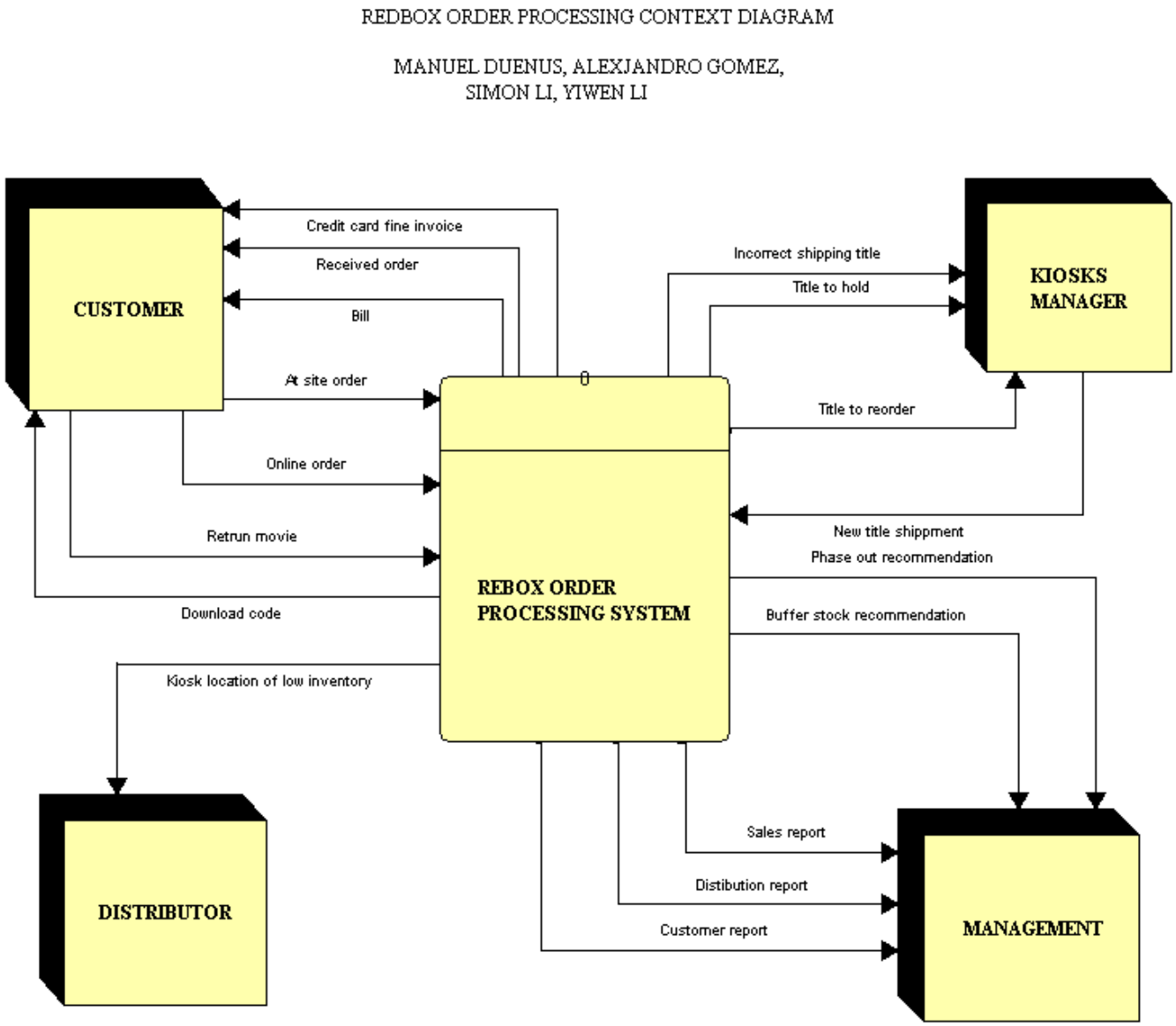
- Improve kiosk performance and design
- Be able to remind customers to return their rentals thru email or text after 10 days
- Fast and easy order process
- Be able to easily expand its products and services on a dynamically changing environment.
- Provide instant sales reports and information for managers and corporate offices to make future sound decisions
- Process credit card payments online in just a few seconds

**Relationship Between Capabilities, Anticipated Benefits and System Functions**

| Capabilities | Anticipated Benefits | System Functions |
|---|---|---|
| Fast and easy order process<br><br>Be able to easily expand its products and services in a dynamically changing environment. | Reduce out-of-stock inventory (waiting time for high demand titles)<br><br>Improve customer relationship and satisfaction<br><br>Increase internet and mobile reservations to improve customer satisfaction<br><br>Drastically reduce distribution and inventory management cost<br><br>Provide instant customer gratification through consistency of in stock new releases | Process Order |
| Fast and easy order process<br><br>Process credit card payments online in just a few seconds | Increase profit and revenue<br><br>Improve customer relationship and satisfaction | Process Payment |
| Be able to easily expand its products and services on a dynamically changing environment corporate offices to make future sound decisions | Increase membership<br><br>Reduce Cost, labor, Liabilities<br><br>Expanding kiosk locations | Inventory Management |
| Be able to easily expand its products and services on a dynamically changing environment corporate offices to make future sound decisions | Reduce Cost, labor, Liabilities<br><br>Expanding kiosk locations<br><br>Increase efficiency of tracking kiosk performance | Manage individual Kiosk Inventory |
| Provide instant sales reports and information for managers and corporate | Reduce excessive inventory<br><br>Reduce out-of-stock inventory (waiting time for high demand titles)<br><br>Increase profit and revenue | Manage Store Report |

## Diagrams:

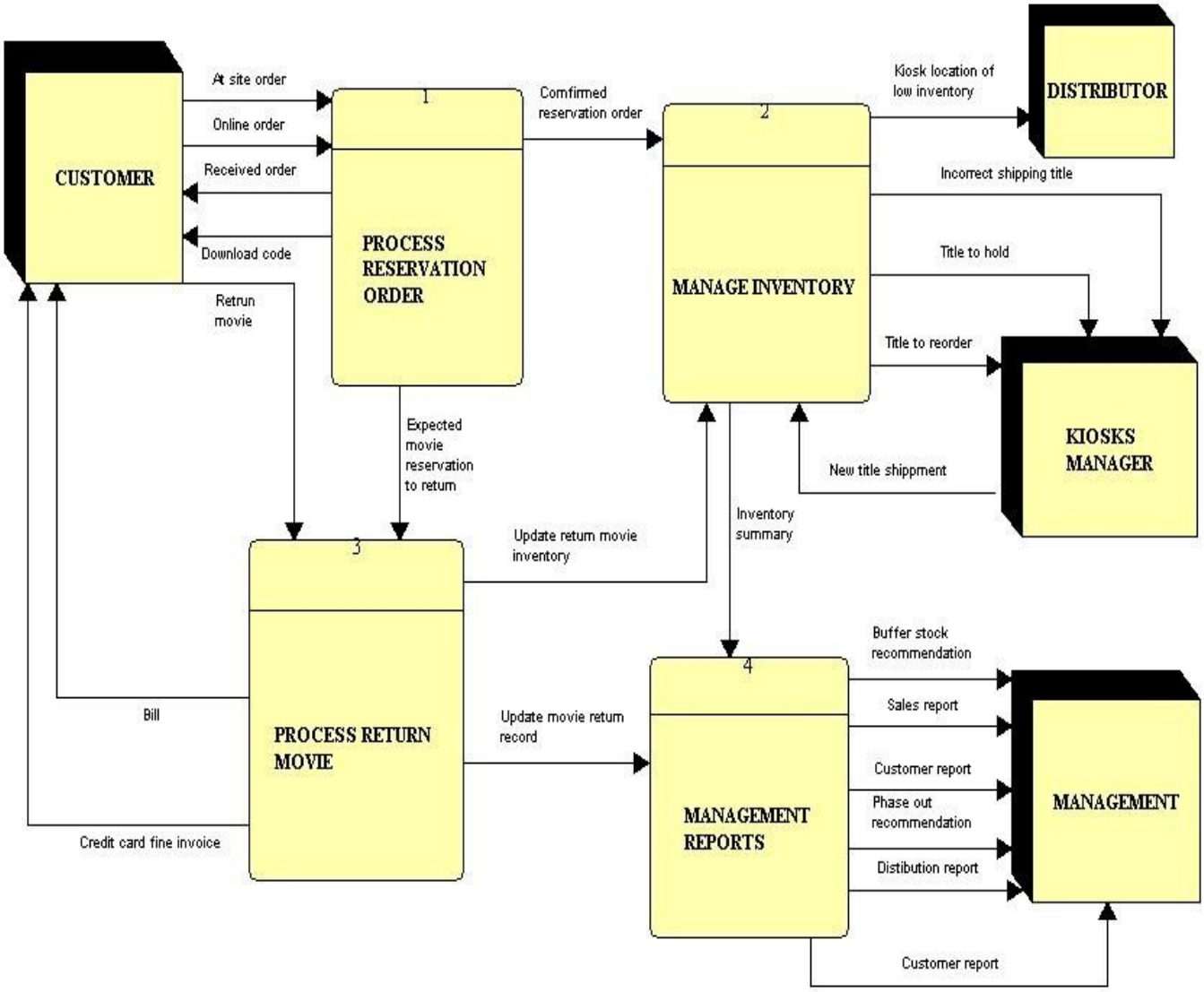
**RedBox Order Processing**
**Context Diagram**



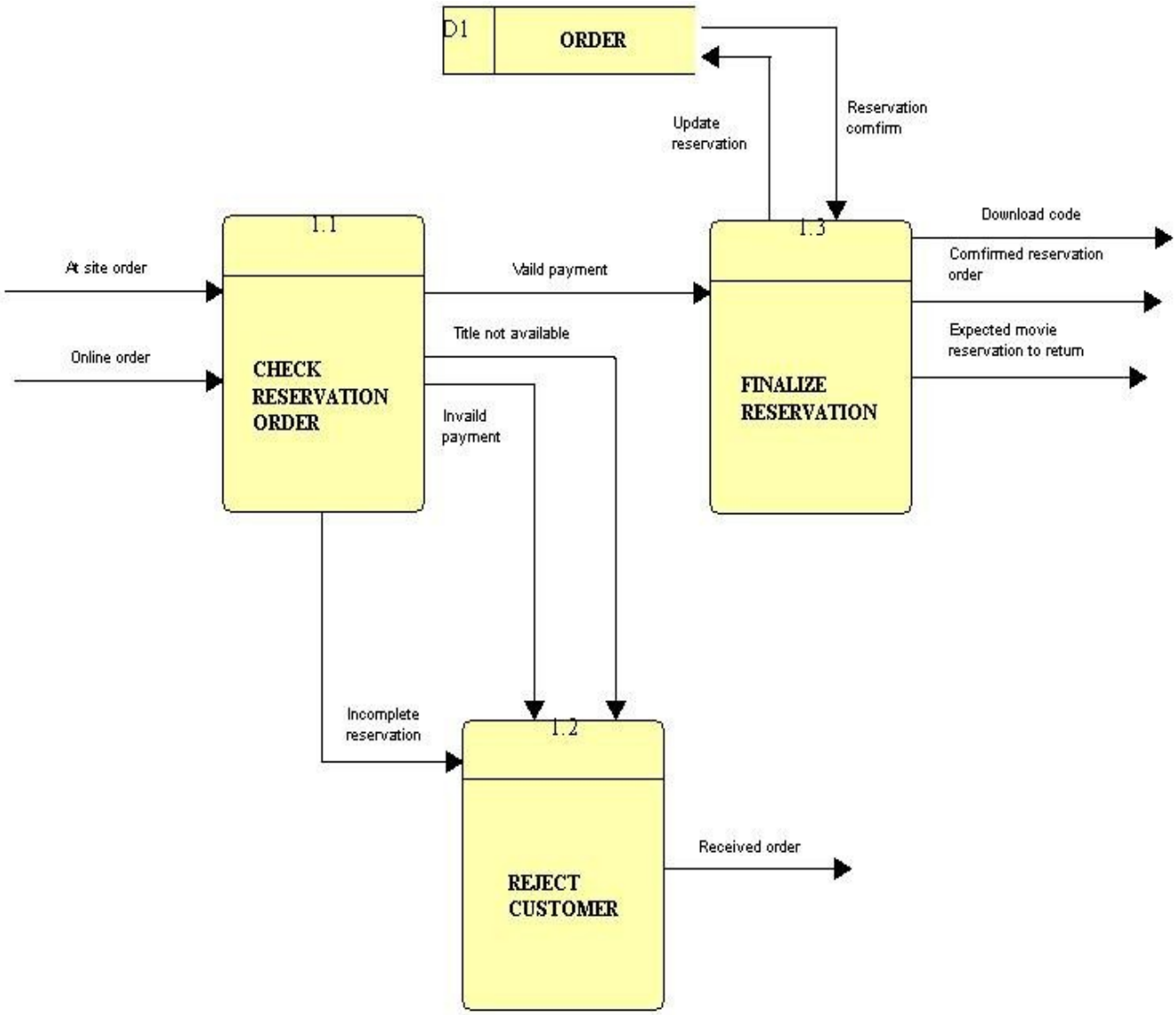
# Event List

| # | Event | Process |
|---|---|---|
| 1. | Customer order is processed | 1 |
| 2. | Customer reservation order is verified | 1.1 |
| 3. | Customer's order rejected | 1.2 |
| 4. | Customer's order finalized | 1.3 |
| 5. | Customer's order check for reservation completeness | 1.1.1 |
| 6. | Customer's order availability is checked | 1.1.2 |
| 7. | Customer's order is checked for valid coupon | 1.1.3 |
| 8. | Customer receives discount | 1.1.4 |
| 9. | Customer payment is checked | 1.1.5 |
| 10. | Customer delivery preference is checked | 1.3.1 |
| 11. | Customer download is approved | 1.3.2 |
| 12. | Customer receives pickup window | 1.3.3 |
| 13. | Management has inventory maintained | 2 |
| 14. | Inventory title buffer stock checked | 2.1 |
| 15. | The system places order of unavailable titles | 2.2 |
| 16. | Kiosk inventory is checked | 2.3 |
| 17. | Distributor is notified | 2.4 |
| 18. | Inventory Check Confirmed | 2.5 |
| 19. | Kiosk manager receives reorder information to place reorders | 2.2.1 |
| 20. | The system checks shipment information | 2.2.2 |
| 21. | The system confirms shipment | 2.2.3 |
| 22. | The system notifies vendor | 2.2.4 |
| 23. | Customer returns are processed | 3 |
| 24. | Customer is billed | 3.3 |
| 25. | Customer's fine is determined | 3.3.1 |
| 26. | Customer's deposit on hold is checked | 3.3.2 |
| 27. | Customer's fine amount is finalized | 3.3.3 |
| 28. | Customer's deposit is deducted | 3.3.4 |
| 29. | Customer's credit card is validated | 3.3.5 |
| 30. | Collection agent is notified | 3.3.6 |
| 31. | Customer is credit card is charged | 3.3.7 |
| 32. | Management has management reports maintained | 4 |
| 33. | The system generates movie recommendation | 4.3 |
| 34. | Inventory's movie rental checked | 4.3.1 |
| 35. | Inventory is issued movie warning | 4.3.2 |
| 36. | Inventory is checked for stock out | 4.3.3 |
| 37. | Inventory generates buffer stock report | 4.3.4 |

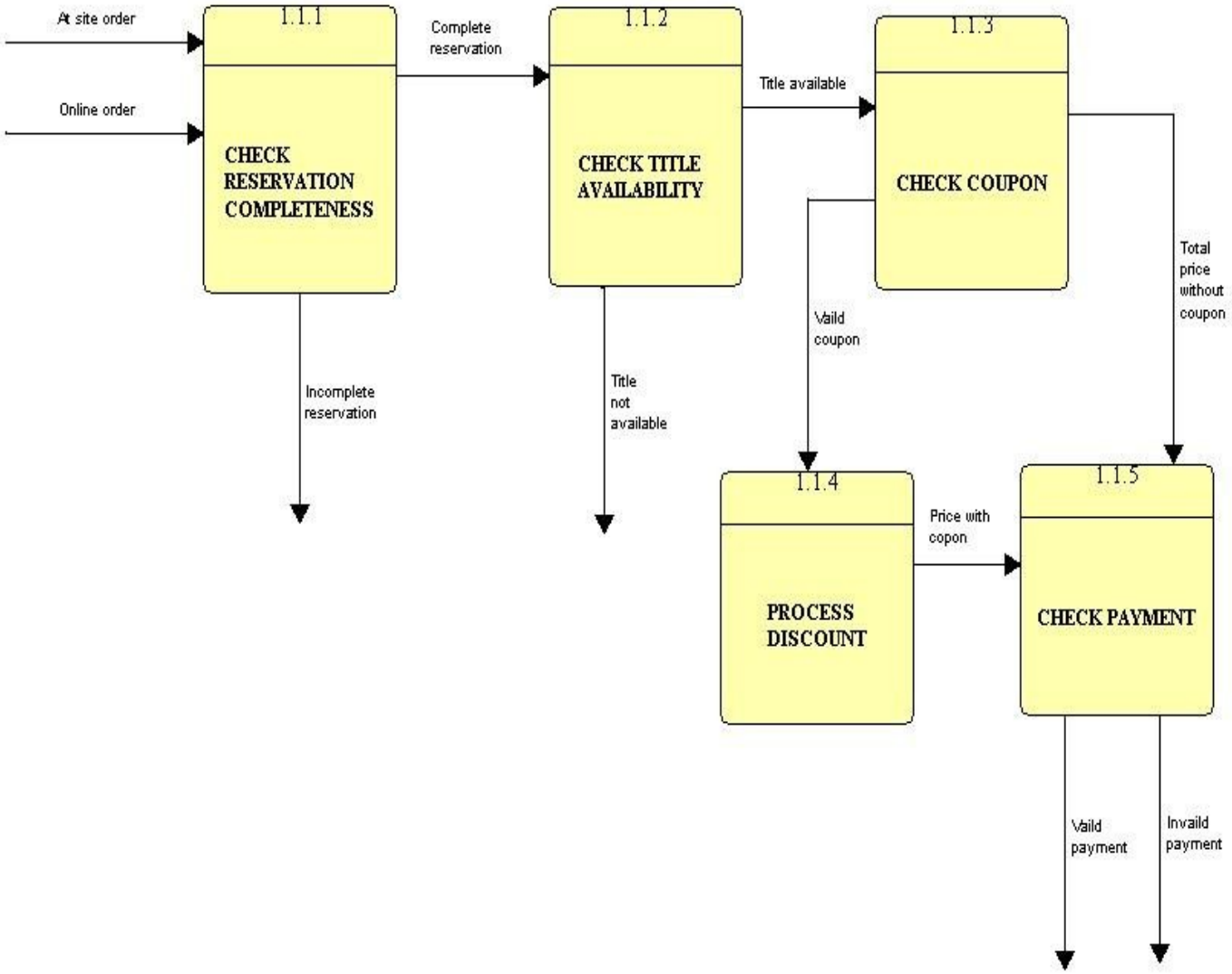
**RedBox Order Processing**
**Zero Level Diagram**



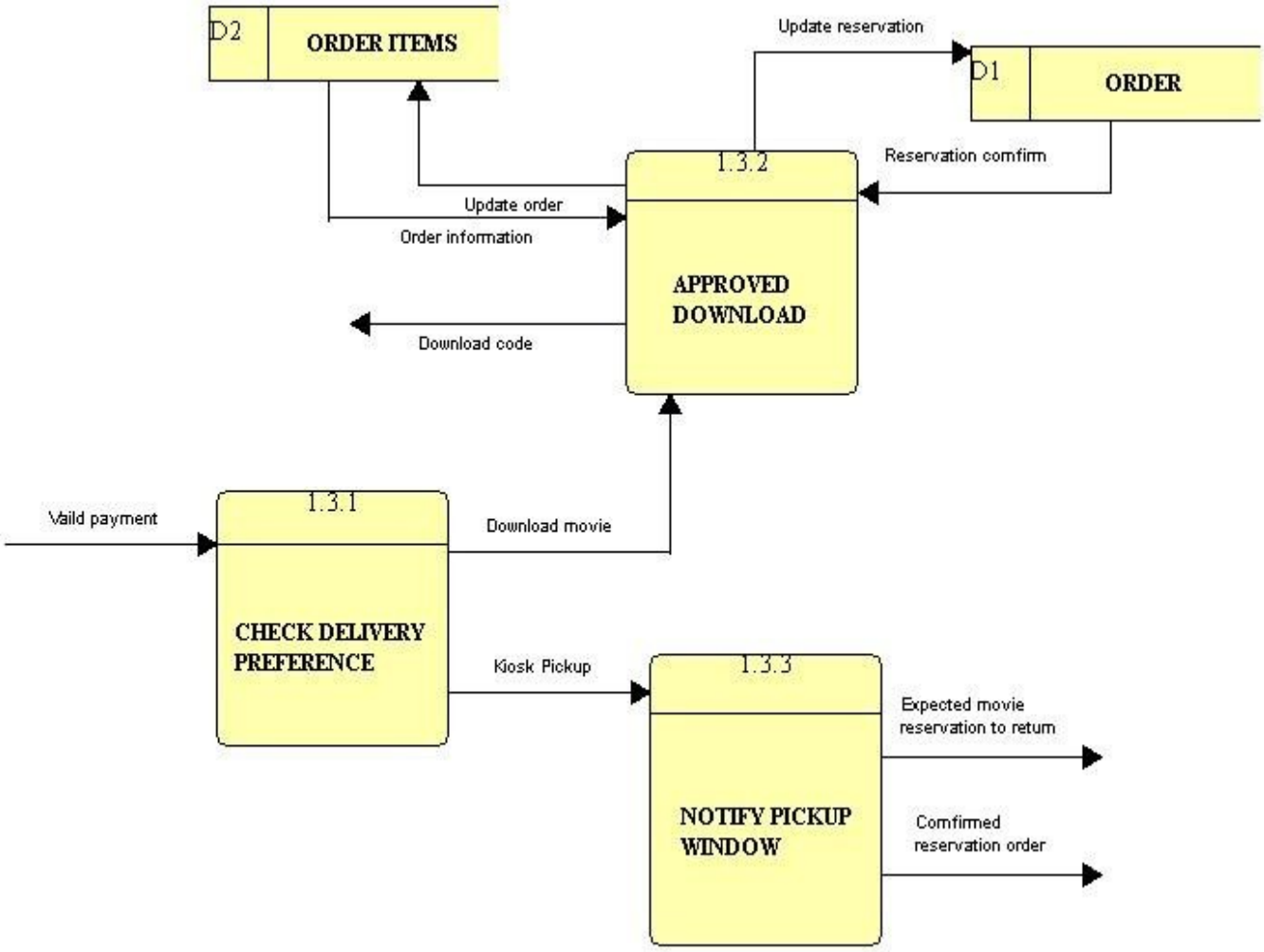
**RedBox Order Processing**
**Diagram 1 - Process Reservation Order**



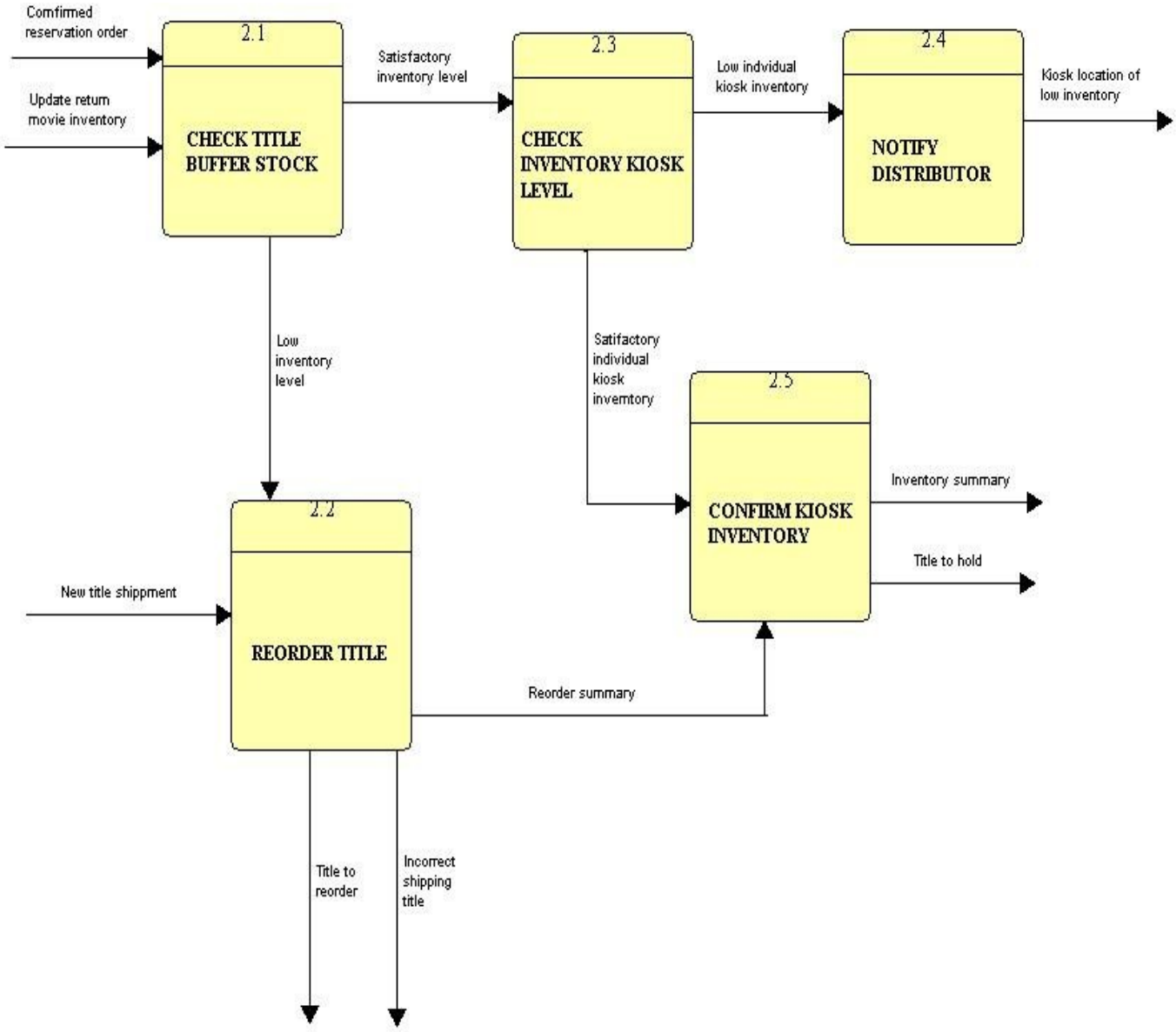
**RedBox Order Processing**
**Diagram 1.1 - Diagram Process**



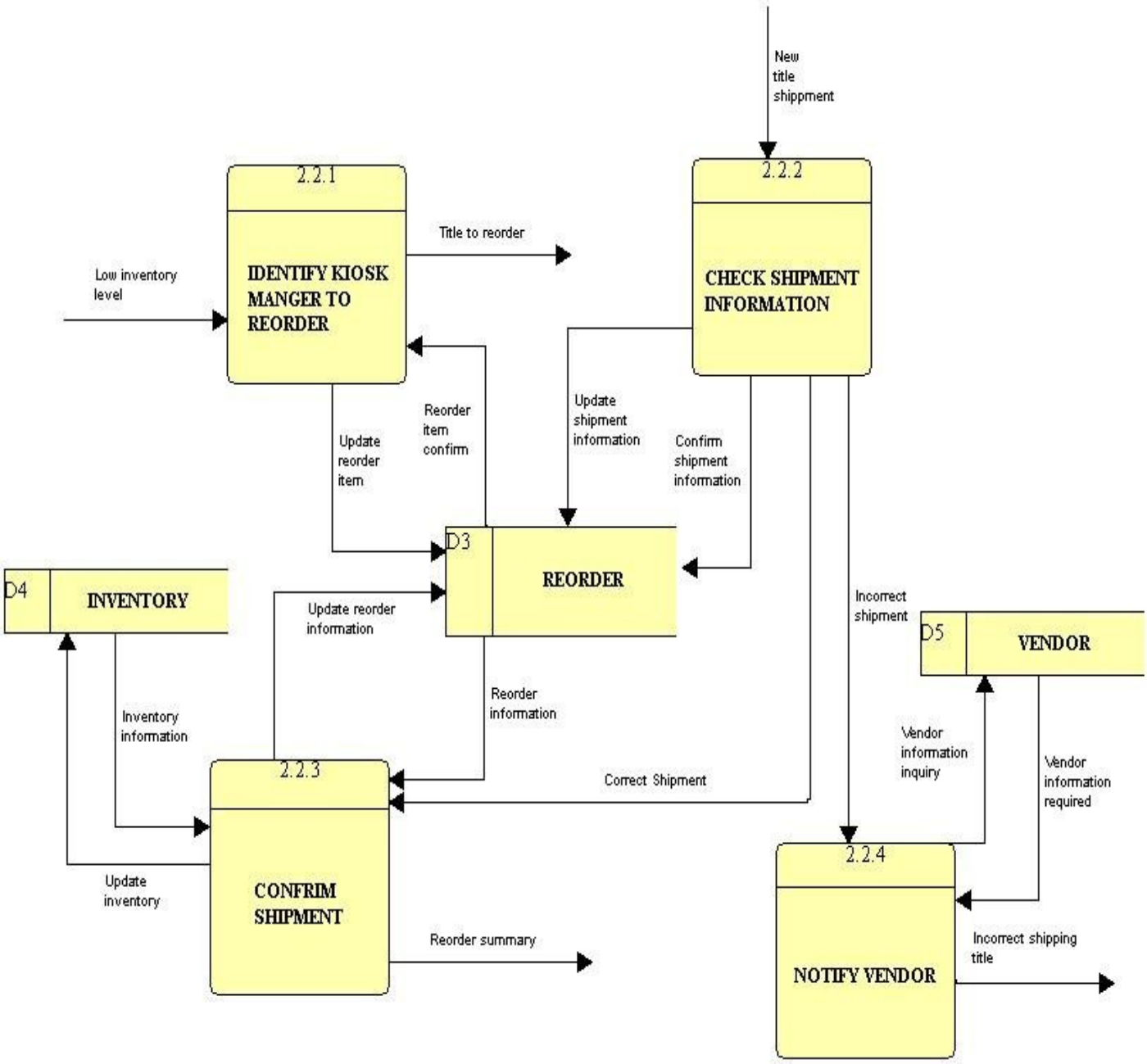
**RedBox Order Processing**
**Diagram 1.3 - Finalize Reservation**



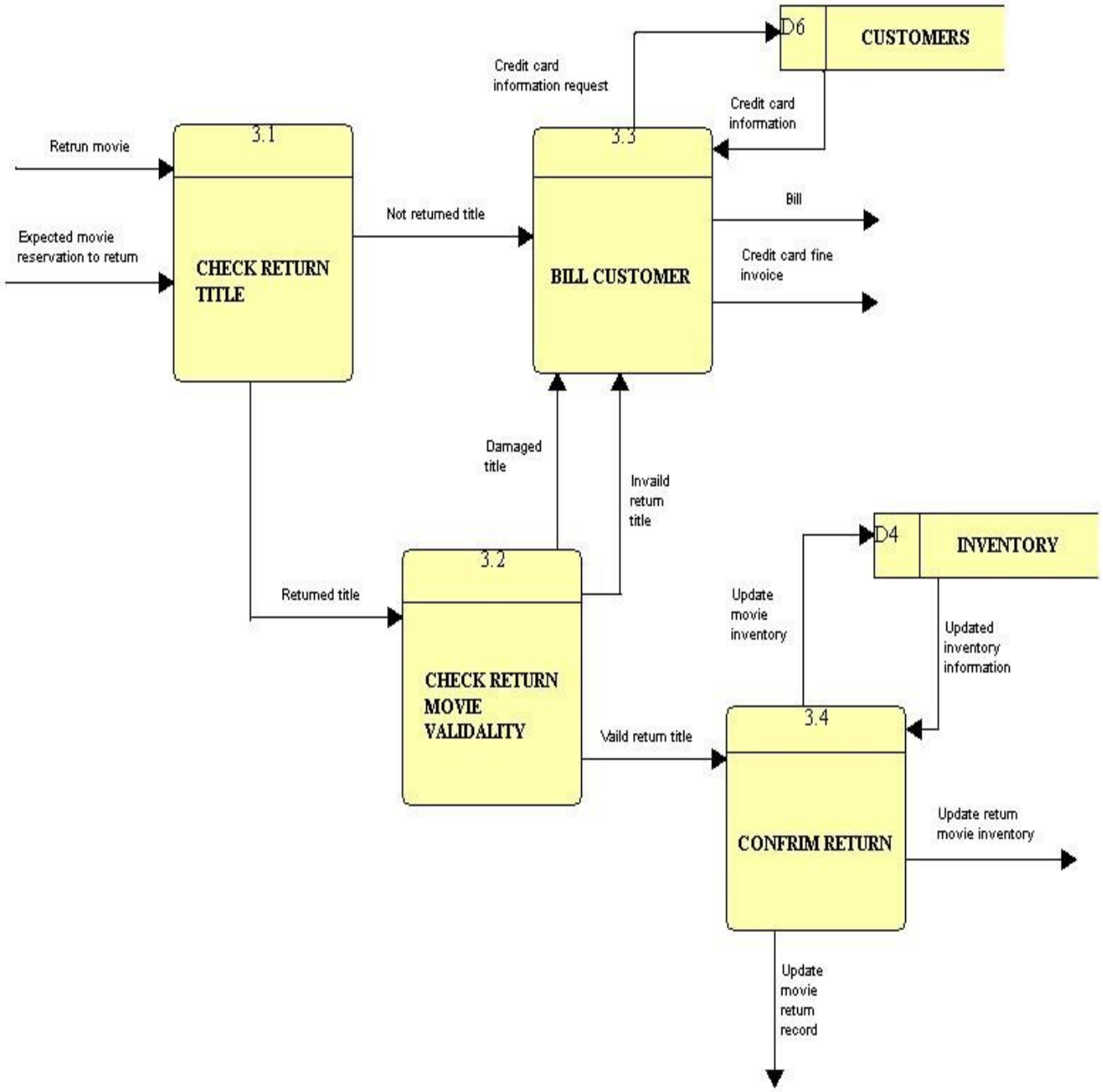
**RedBox Order Processing**
**Diagram 2 - Manage Inventory**



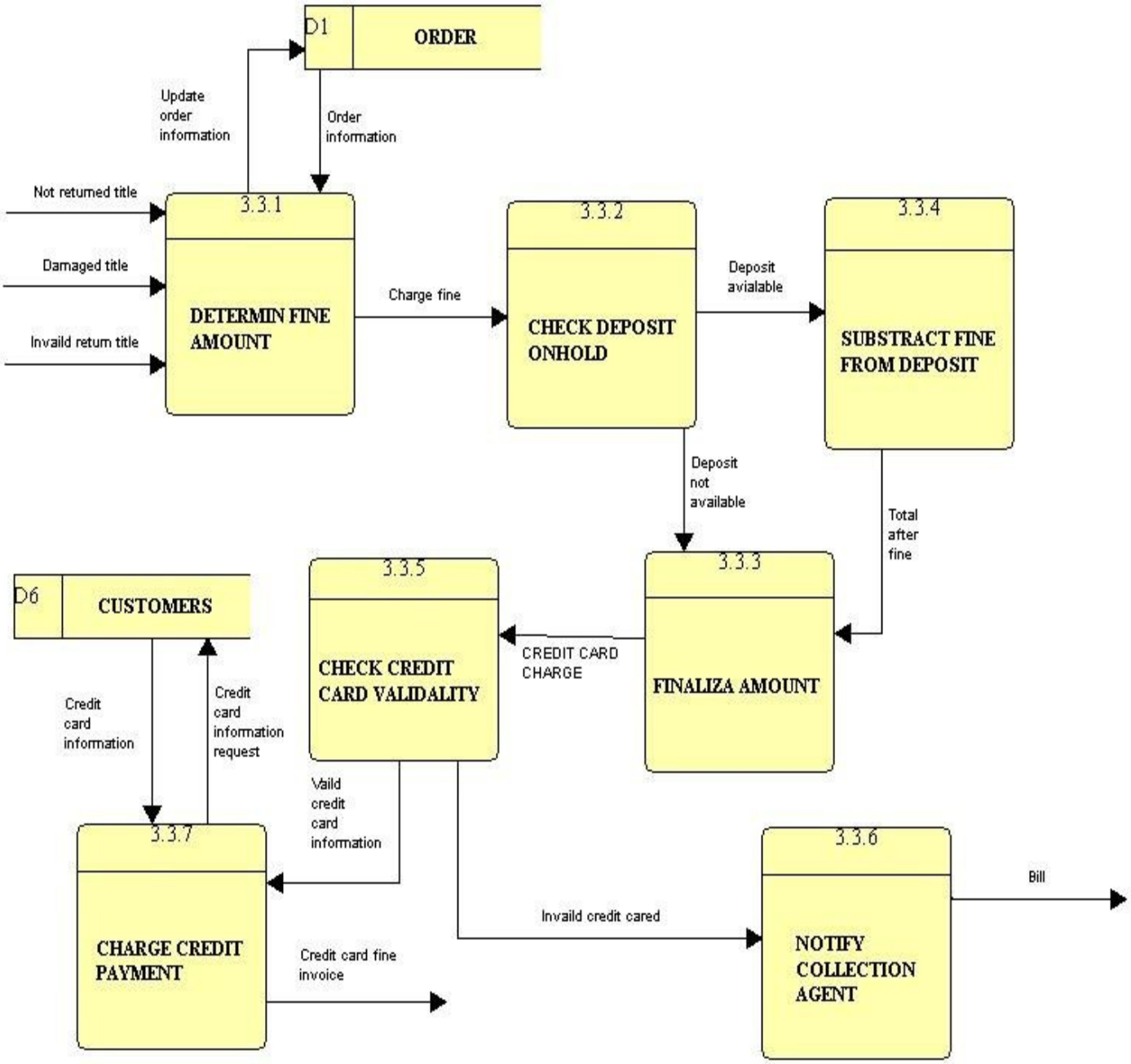
**Redbox Order Processing**
**Diagram 2.2 - Reorder Title**



**RedBox Order Processing**
**Diagram 4 - Process Return Movie**

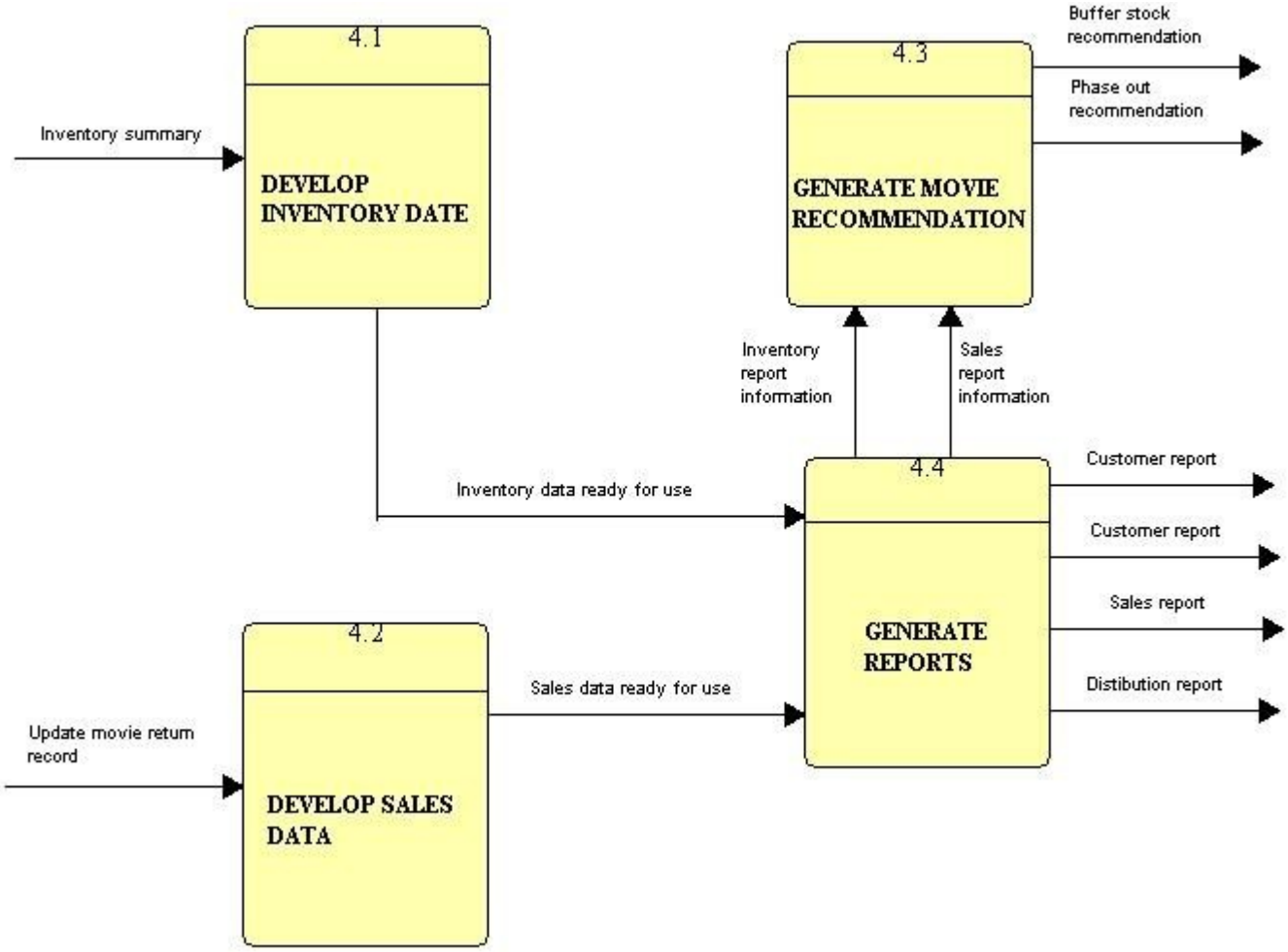


**RedBox Order Processing**
**Diagram 4.4 - Bill Customer**



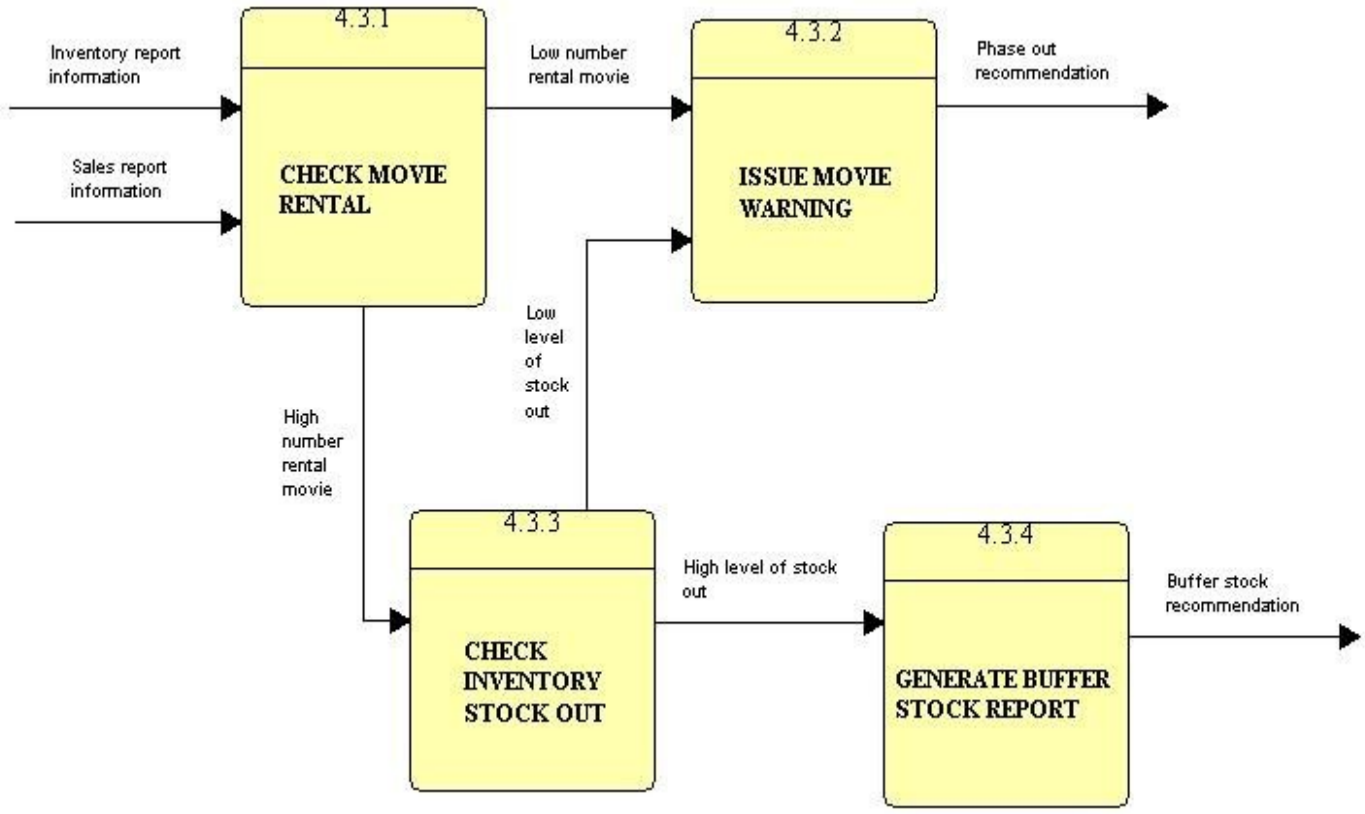
**RedBox Order Processing**

Diagram 4 -- Manager Report

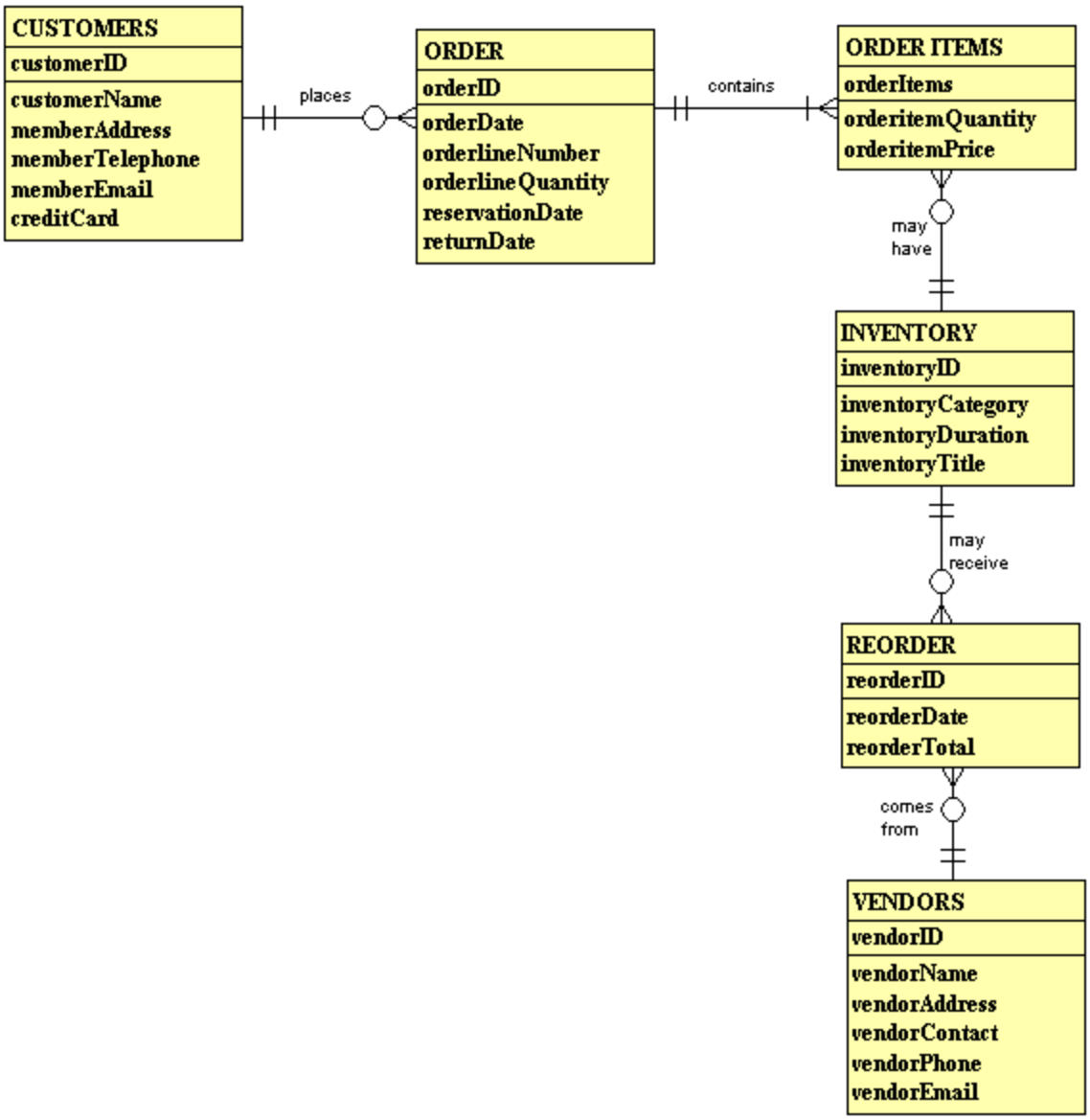


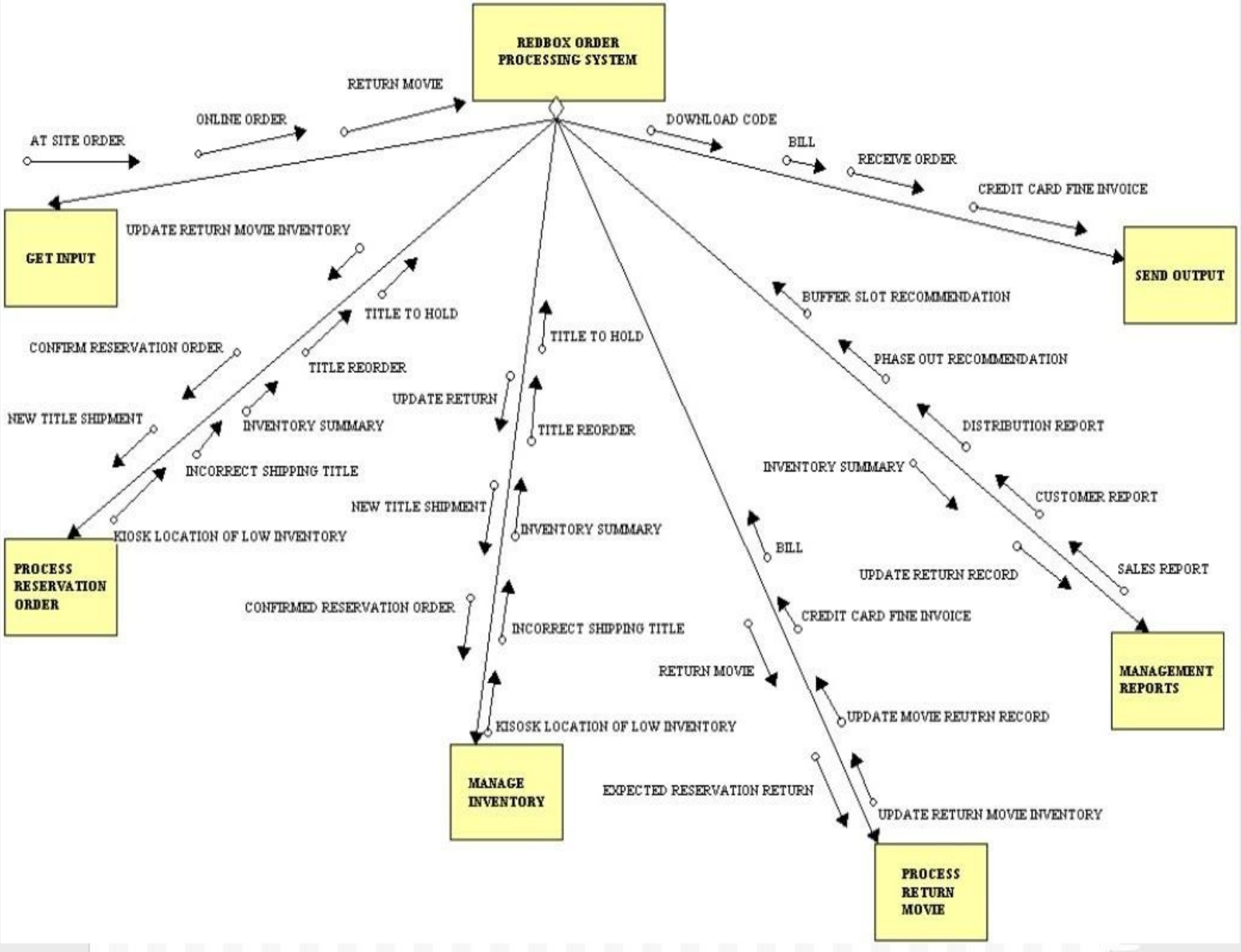
**RedBox Order Processing**

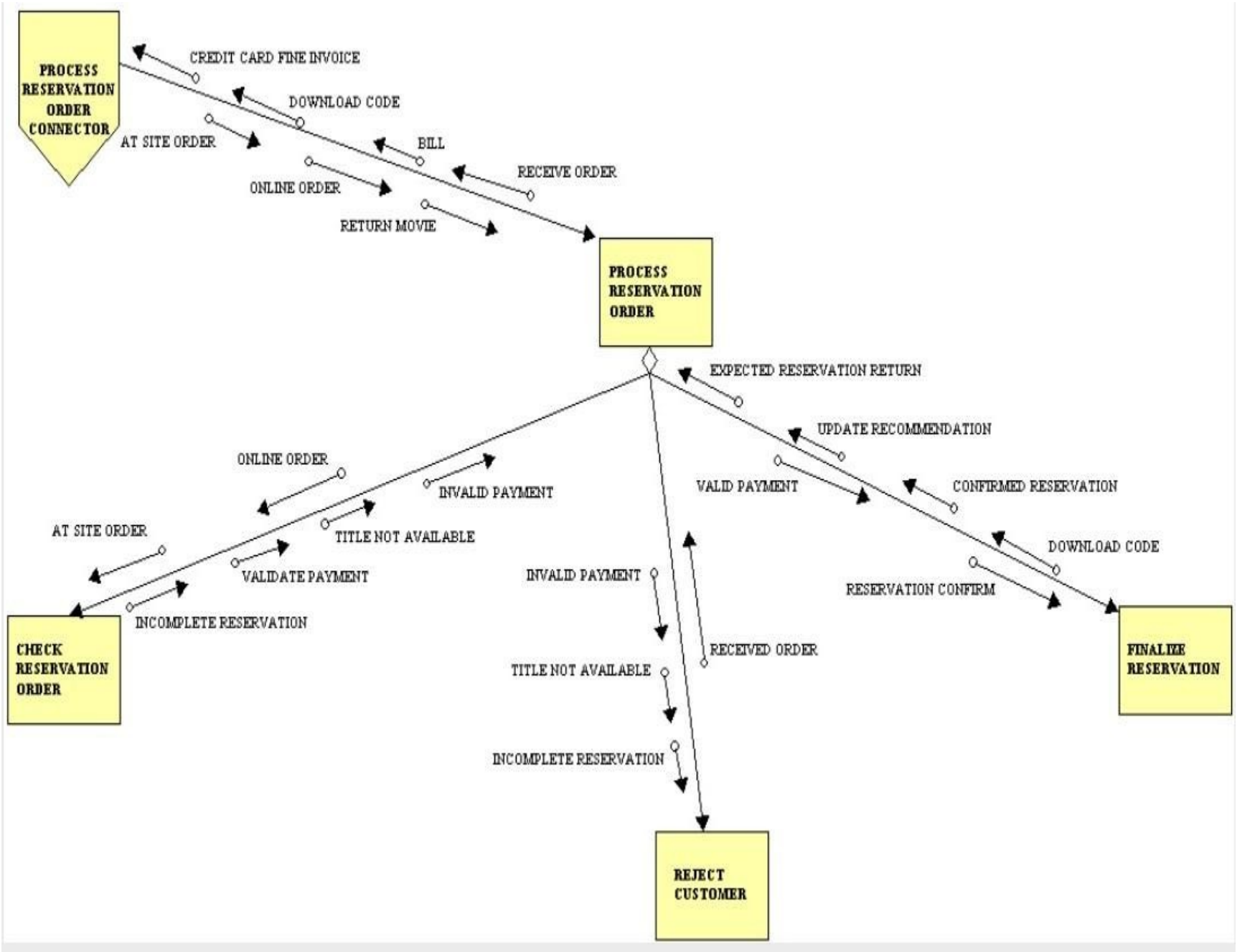
Diagram 4.3 -- Generate Movie Recommendation

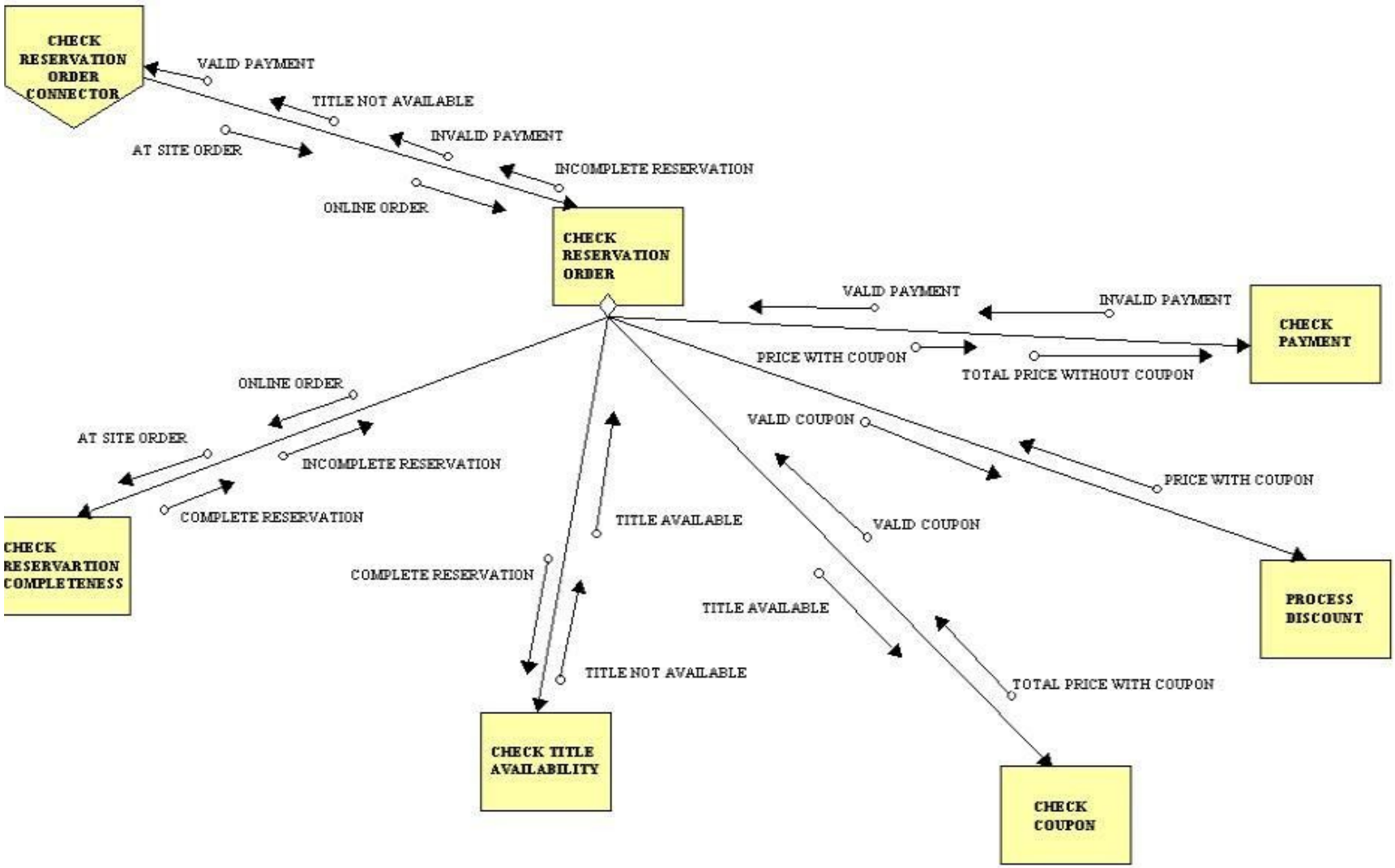


# Redbox Entity Relation Diagram

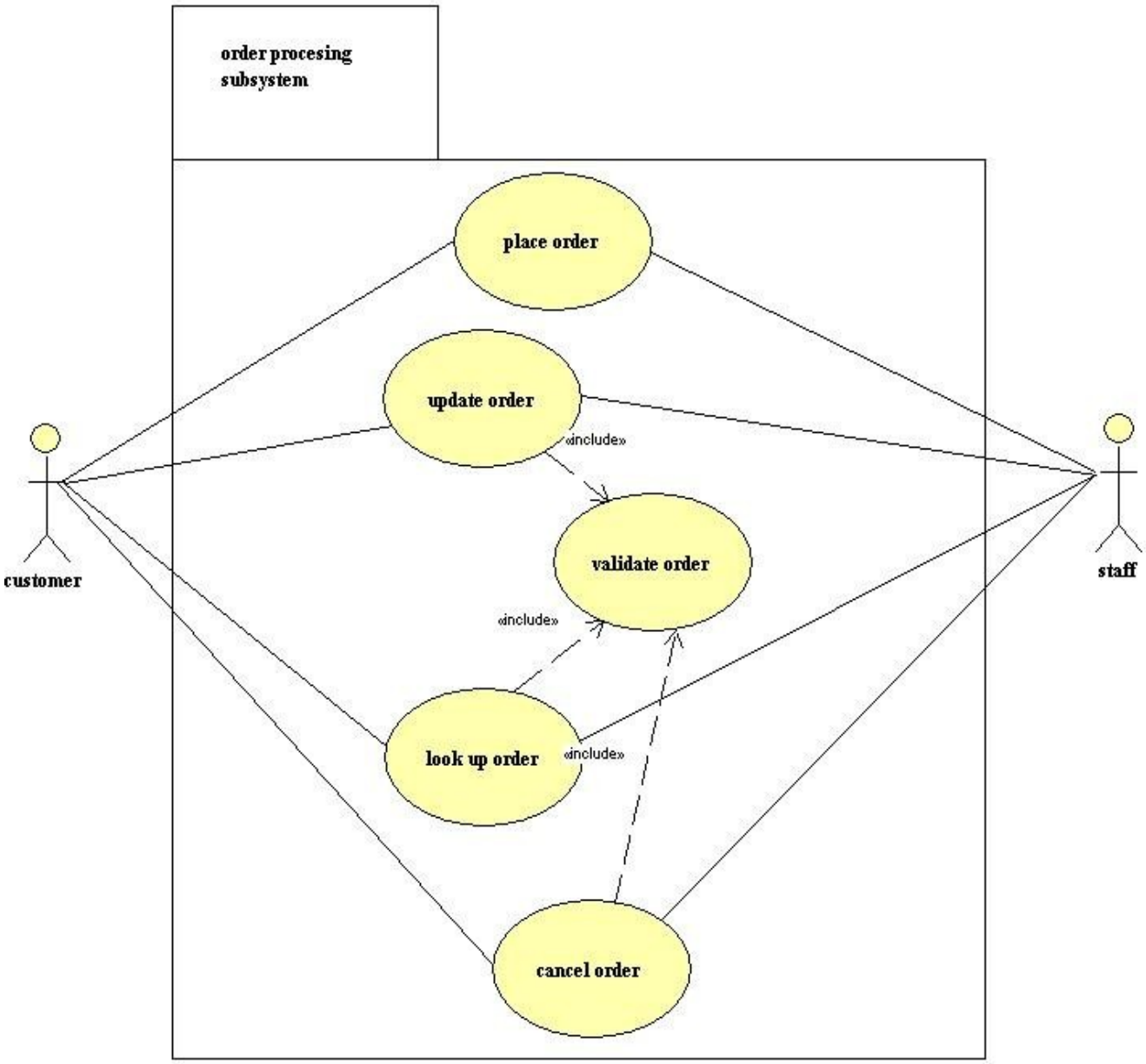



REDBOX ORDER PROCESSING SYSTEM
RETURN MOVIE
ONLINE ORDER
AT SITE ORDER
DOWNLOAD CODE
BILL
RECEIVE ORDER
CREDIT CARD FINE INVOICE
GET INPUT
SEND OUTPUT
UPDATE RETURN MOVIE INVENTORY
TITLE TO HOLD
CONFIRM RESERVATION ORDER
TITLE REORDER
NEW TITLE SHIPMENT
INVENTORY SUMMARY
INCORRECT SHIPPING TITLE
KIOSK LOCATION OF LOW INVENTORY
PROCESS RESERVATION ORDER
TITLE TO HOLD
UPDATE RETURN
TITLE REORDER
NEW TITLE SHIPMENT
INVENTORY SUMMARY
CONFIRMED RESERVATION ORDER
INCORRECT SHIPPING TITLE
KISOSK LOCATION OF LOW INVENTORY
MANAGE INVENTORY
BUFFER SLOT RECOMMENDATION
PHASE OUT RECOMMENDATION
DISTRIBUTION REPORT
INVENTORY SUMMARY
CUSTOMER REPORT
BILL
UPDATE RETURN RECORD
SALES REPORT
CREDIT CARD FINE INVOICE
RETURN MOVIE
UPDATE MOVIE REUTRN RECORD
MANAGEMENT REPORTS
EXPECTED RESERVATION RETURN
UPDATE RETURN MOVIE INVENTORY
PROCESS RETURN MOVIE

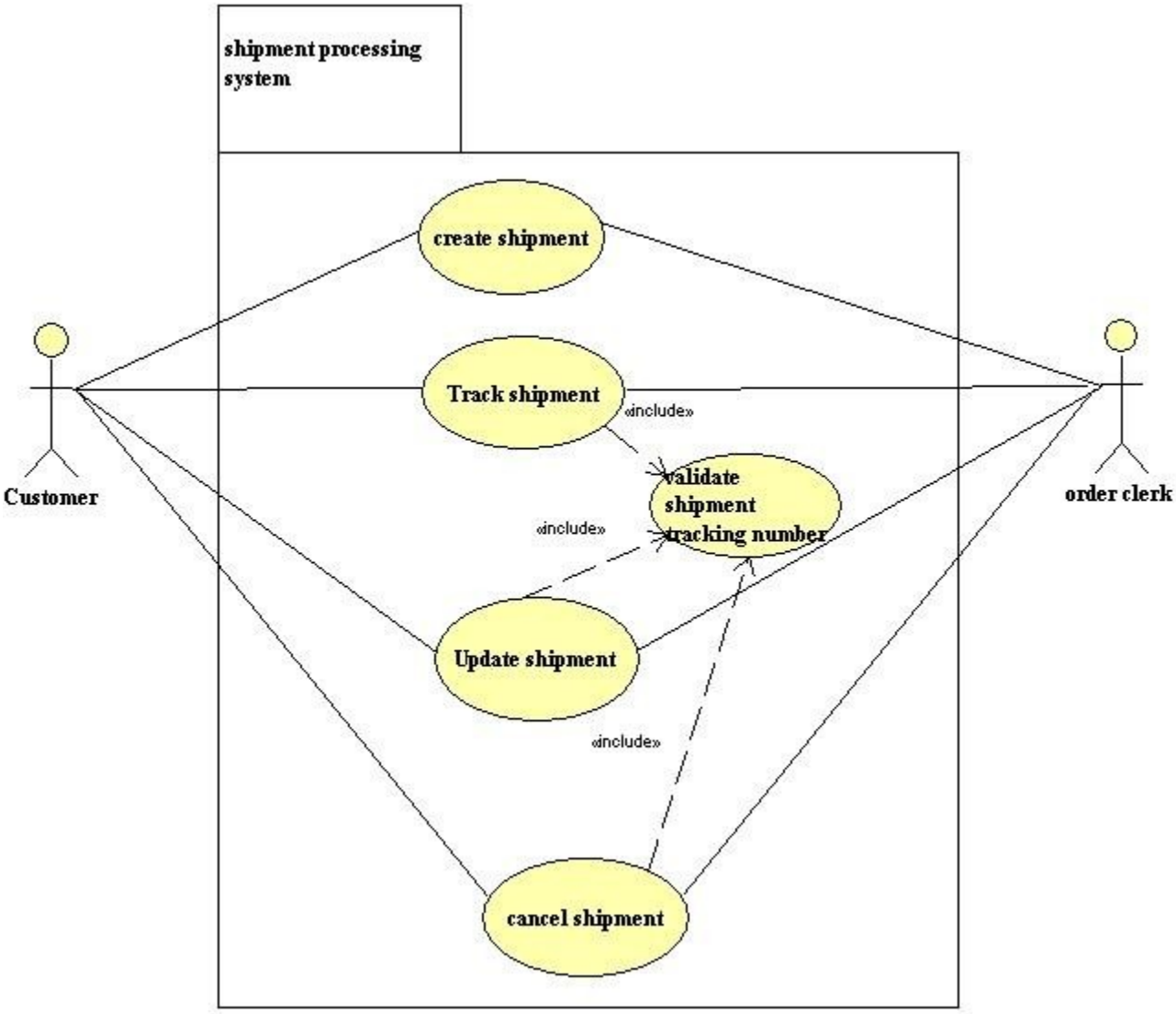

PROCESS RESERVATION ORDER CONNECTOR
CREDIT CARD FINE INVOICE
DOWNLOAD CODE
AT SITE ORDER
BILL
ONLINE ORDER
RECEIVE ORDER
RETURN MOVIE
PROCESS RESERVATION ORDER
EXPECTED RESERVATION RETURN
UPDATE RECOMMENDATION
ONLINE ORDER
INVALID PAYMENT
VALID PAYMENT
CONFIRMED RESERVATION
AT SITE ORDER
TITLE NOT AVAILABLE
DOWNLOAD CODE
VALIDATE PAYMENT
INVALID PAYMENT
RESERVATION CONFIRM
INCOMPLETE RESERVATION
RECEIVED ORDER
CHECK RESERVATION ORDER
FINALIZE RESERVATION
TITLE NOT AVAILABLE
INCOMPLETE RESERVATION
REJECT CUSTOMER


CHECK RESERVATION ORDER CONNECTOR
VALID PAYMENT
TITLE NOT AVAILABLE
INVALID PAYMENT
INCOMPLETE RESERVATION
AT SITE ORDER
ONLINE ORDER
CHECK RESERVATION ORDER
VALID PAYMENT
INVALID PAYMENT
CHECK PAYMENT
PRICE WITH COUPON
TOTAL PRICE WITHOUT COUPON
ONLINE ORDER
AT SITE ORDER
INCOMPLETE RESERVATION
COMPLETE RESERVATION
CHECK RESERVARTION COMPLETENESS
VALID COUPON
PRICE WITH COUPON
TITLE AVAILABLE
VALID COUPON
PROCESS DISCOUNT
COMPLETE RESERVATION
TITLE AVAILABLE
TITLE NOT AVAILABLE
TOTAL PRICE WITH COUPON
CHECK TITLE AVAILABILITY
CHECK COUPON

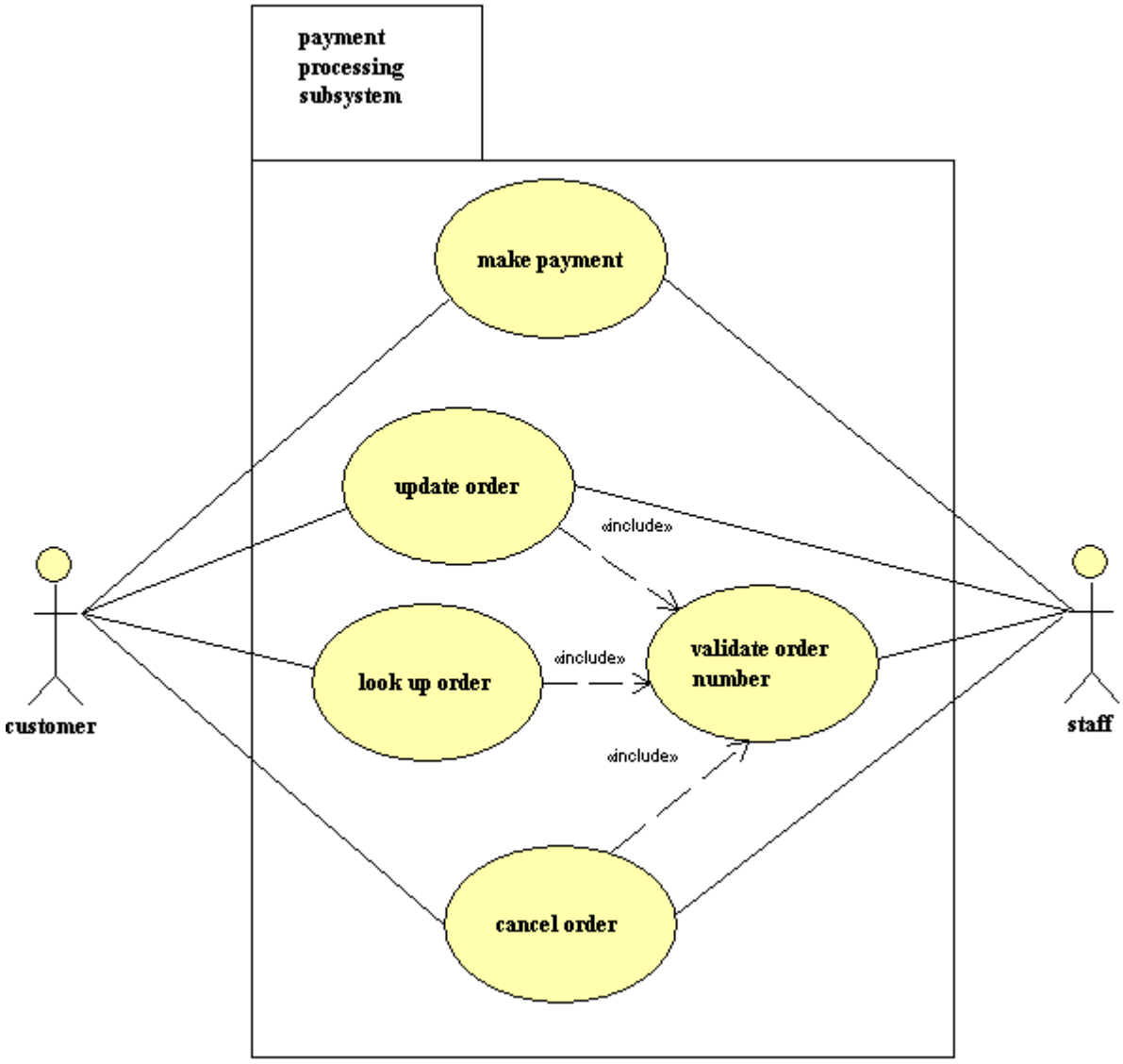
# Use Case Diagram - Order Processing Subsystem



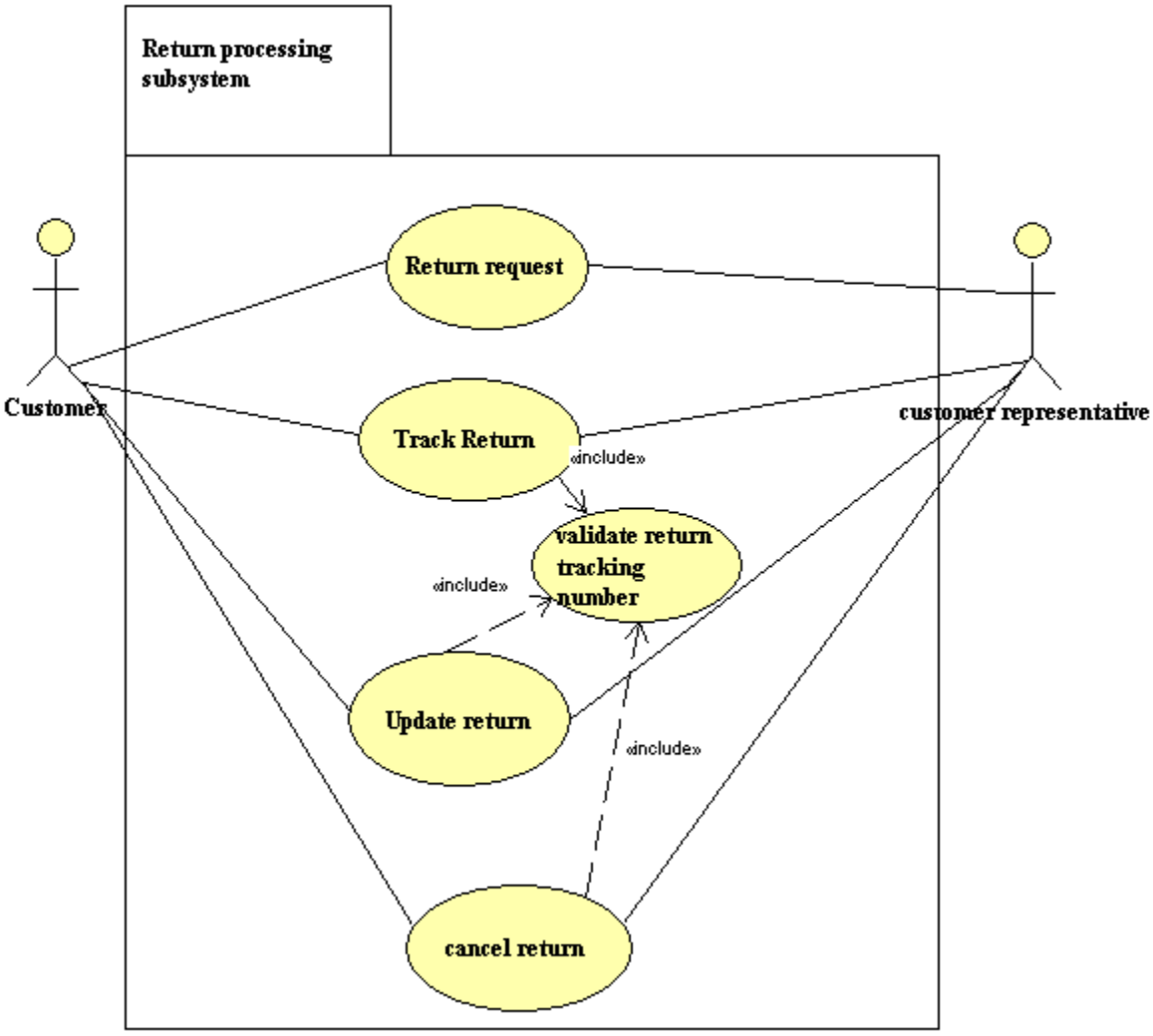
# Use Case Diagram - Shipment Processing Subsystem



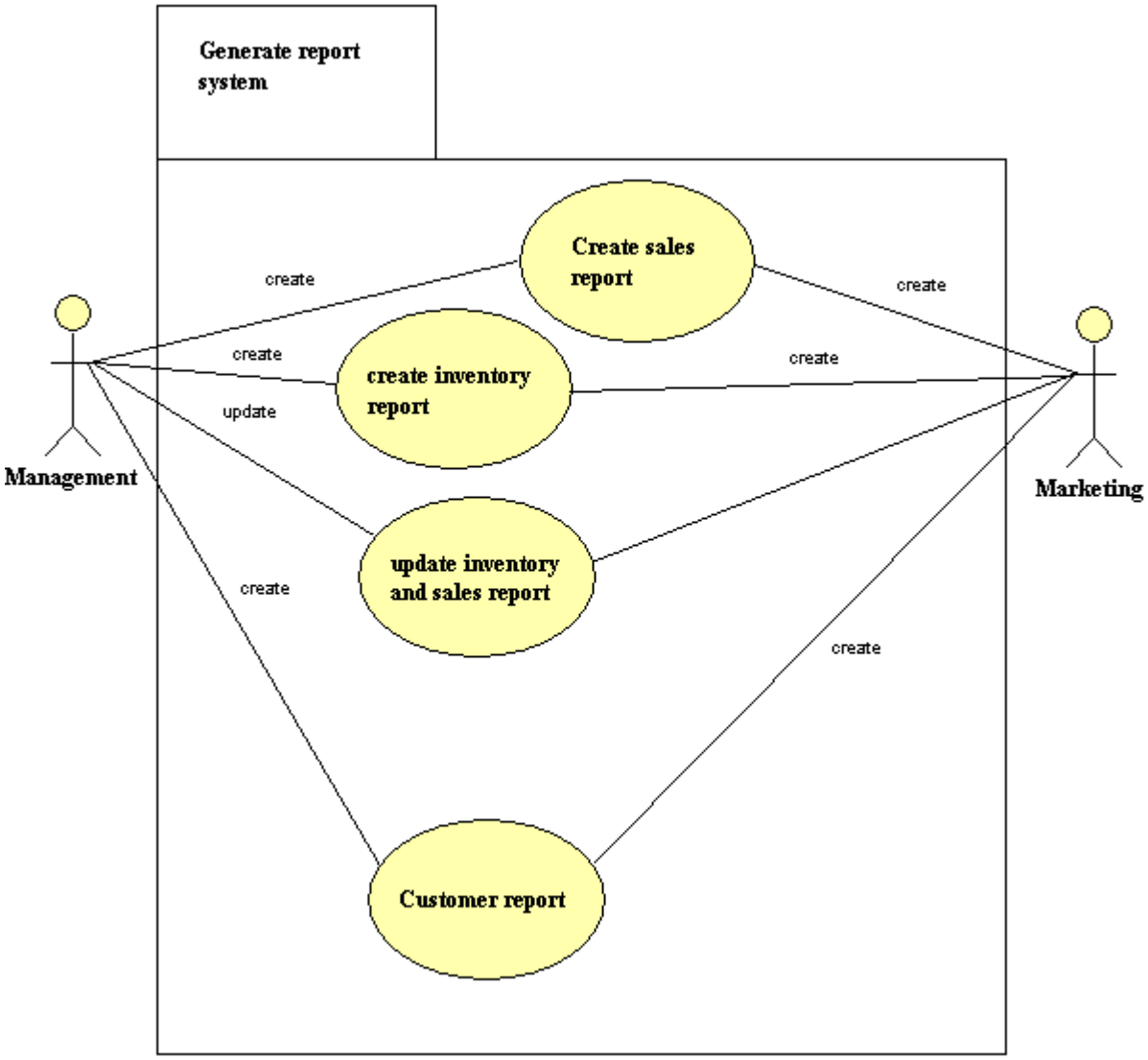
# Use Case Diagram - Payment Processing Subsystem



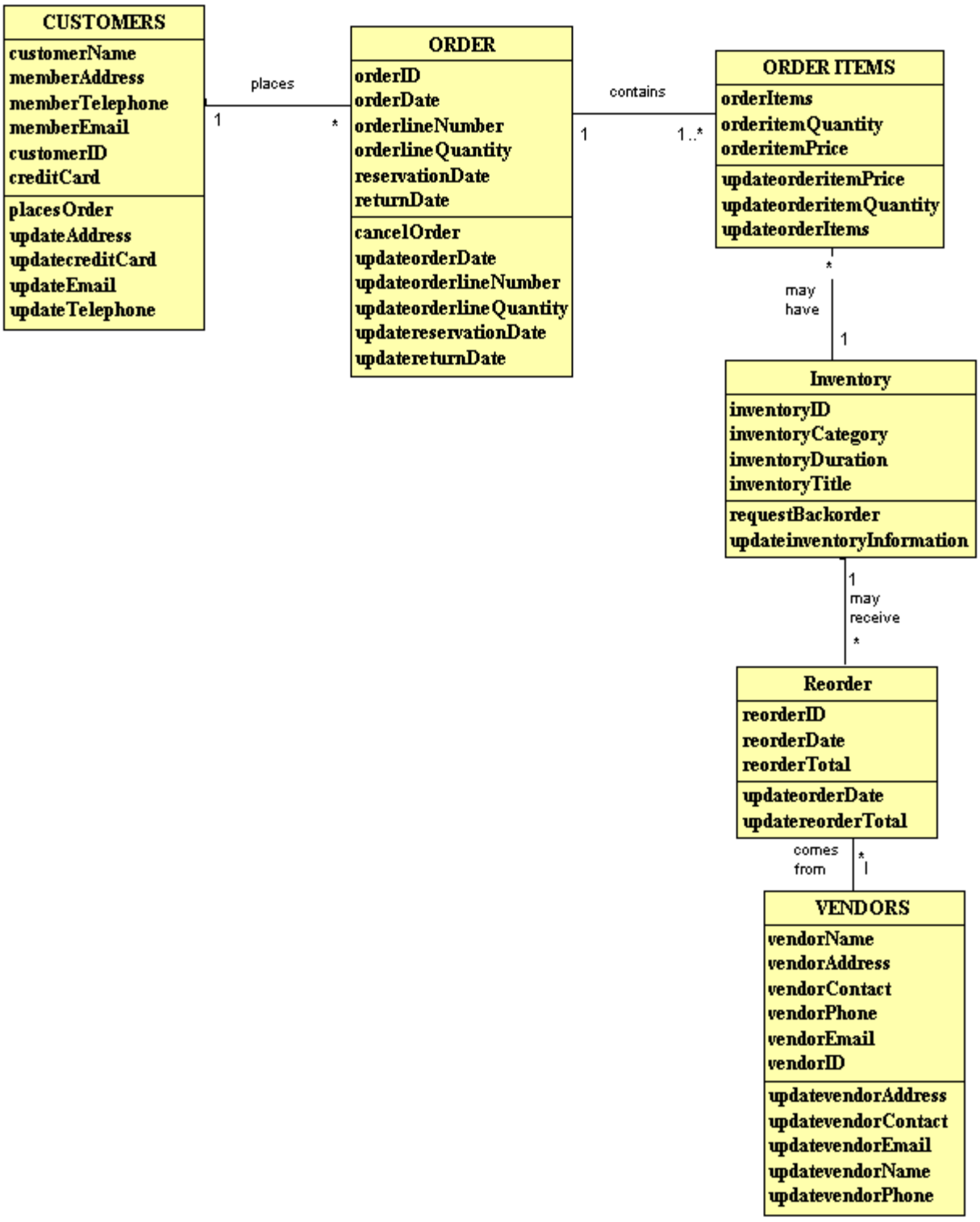
# Use Case Diagram - Refund Processing Subsystem



# Use Case Diagram - Generate Reports Subsystem



# Redbox Class Diagram



## Process Specification

```
1.1.1 Check Reservation Order
SET title_found = false;
WHILE title_found = false and not end of file (reorder STORE)
  GET title_name FROM reorder STORE /*get title name from reorder*/
    IF title_name = vendor new_title /*if title found*/
   THEN title_found = true /*set title_found to true and exit the loop*/
END /*END WHILE LOOP*/
CASE title_found
    WHEN true
  /*the title is correct so we send it to Confirm order process*/
  SET correct_title = new_title
  SEND correct_title TO process 2.3.4 (Confirm Reorder)
 ELSE
  /*the title is incorrect so we send it to Notify vendor process*/
  SET incorrect_title = new_title
  SEND incorrect_title TO Process 2.3.3 (Notify Vendor)
END /*END CASE statement*/
```

**Data Dictionary**

| | |
|---|---|
| Customers | Date store has the entire customer's information |
| Inventory | Date store has all the inventory information |
| Order | Data store contains customer's order information |
| Order Item | Data store contains numbers of items in an order |
| Reorder | Data store contains all the information regarding reorder |
| Vendor | Data store contains the entire vendor's information |
| At site order | Movie is ordered on kiosk |
| Bill | Bill is sent to the collection agent |
| Buffer stock recommendation | The amount of each movie should be order |
| Charge fine | Charge customer for the late fee |
| Confirmed reservation order | Reservation has been approved |
| Complete order | All the require information has been entered |
| Confirmed shipment information | Information regarding an confirmed shipment |
| Correct shipment | Shipment has all the reordered movie |
| Credit card charge | Credit card will be charged |
| Credit card fine invoice | An invoice that contains fine amount |
| Credit card information | Customer's credit card information |
| Credit card information request | Retrieve customer's credit card from data store |
| Customer report | report contains all the information about customers |
| Damaged title | Movie is damaged |
| Deposit available | Deposit has been hold from Credit card |
| Deposit not available | Deposit has not been hold from Credit card |
| Distribution report | Report contains all the movies are distribute |

| | |
|---|---|
| Download code | Code is send to customer to download online |
| Download movie | Movie is downloaded |
| Expected movie reservation to return | Time frame of a movie will be returned |
| High level of stock out | Movie has high level of out of stock |
| High number of rental movie | Movie has high level of rental recorded |
| Incomplete reservation | Reservation has not finished or missing some information |
| Incorrect shipment | Shipment contains wrong titles |
| Incorrect shipment title | Shipping title is incorrect |
| Invalid credit card | Wrong credit card information |
| Invalid payment | Wrong credit card information was entered |
| Invalid return title | Wrong movie title was returned |
| Inventory data ready for use | Inventory information is available for management |
| Inventory Information | Information regarding all the in stock and out of stock title |
| Inventory report information | An inventory report with detail movie titles |
| Inventory summary | A list of in stock and out of stock titles |
| Kiosk location of low inventory | List all the location with low inventory |
| Kiosk pickup | Customer choose to pick up at Kiosk |
| Low individual kiosk inventory | List all the inventory within the same location |
| Low inventory level | List of Location with low inventory |
| Low level stock out | List of low level of stock out titles |
| Low number of rental movie | Movie with low rental history |
| New title shipment | Shipment of new released titles |
| Not returned title | Movie title was not being return |

| | |
|---|---|
| Online order | Customer order a movie online |
| Order information | An invoice contains order information |
| Phase out recommendation | No recommendation was suggested |
| Price with coupon | Price after a discount promotion |
| Received order | Order was entered in the ordering system |
| Reorder information | Information about reorder titles |
| Reorder item confirm | Reorder title has confirmed with vendor |
| Reorder summary | A summary of the reorder titles |
| Reservation confirm | Reservation has been confirmed |
| Return movie | Movie was being returned |
| Returned title | Movie title was confirmed by customer |
| Sales data ready for use | Sales data is available for management to use |
| Sales Report | A report that has all the sales information |
| Sales report information | List of all the rental movie title information |
| Satisfactory individual kiosk Inventory | Kiosks has enough movie title available for customer order |
| Satisfactory inventory level | Enough movie available to rent |
| Title available | Requested movie title is available to order |
| Title available | Requested movie is not available |
| Title to hold | Title has been hold for pick up |
| Title to reorder | List of titles that needs to reorder |
| Total after fine | List of total including fine |
| Total price without coupon | Price without any discount promotion |
| Update inventory | Inventory information has been updated |
| Update movie inventory | Movie title has been updated |

| | |
|---|---|
| Update movie return record | Movie return record has been updated |
| Update order | Customer's order has updated |
| Update order information | Order information has been updated |
| Update reorder information | Newest reorder information is available |
| Update reorder item | Reorder movie title has updated |
| Update reservation | Newest reservation information available |
| Update return movie inventory | A new list of inventory information available |
| Update shipment information | List the newest information about shipment |
| Update inventory information | New list of inventory information |
| Valid coupon | Promotion code has not expired |
| Valid return title | Movie title returned is correct |
| Vendor information inquiry | Request for vendor information |
| Vendor information required | Vendor's information is needed |

**Module: Check Return Movie Title Validity ( 3.2)**
Purpose: To ensure the title returned by customer is valid and in good condition
Input: Returned Title: Object /* This represent the Returned Title going tto 3.2*/
Output: Returned Title: Object

**Pseudo-Code Specification:**

```
ReturnedTitle =Get Returned Title from CUSTOMER
ReturnedTitle.damage = FALSE
ReturnedTitle.wrong = FALSE
IF ReturnedTitle IS wrong
        SET ReturnedTitle.wrong=TRUE
        SEND ReturnedTitle TO process 3.3 bill Customer with Fine
        Return/* Stop execution here, done here*/
ELSEIF ReturneTitle IS damaged
        SET ReturnedTitle.damaged = TRUE
        SEND ReturnedTitle TO Process 3.3 Bill Customer with Fine
ELSE
        SEND ReturnedTitle To Process 3.4 Confirm Return
END/*End ELSELF statement*/
END IF/*End IF statement*/
```

**Program Simplicity:**
This Module gets a returned title from a customer and then checks the returned title to see if the title is wrong or damage. This module works with [ReturnedTitle] object and two boolean attributes. The right title check is first thing we check when a customer returns a title and then the condition of the title. The [ReturnedTitle.missing] attribute is setted to be TRUE when the returned title is missing, and the object is sent to Process 3.3 Bill Customer with a fine. when the title is missing we will set it returned since there will be a fine sent to the customer and it would be meaningless to continue the execute the code to check the condition. When the returned title is present (disc is not missing), the ReturnedTitle object passes to the ELSEIF statement and checks the condition of the title. This ELSEIF statement sets [ReturnedTitle.condition] attribute to be TRUE if the title is damaged and then the object is sent to process 3.3 to Bill Customer with a fine. Because of the following statement is ELSE, there is no need to set the object to be RERURN. The final step of the code is when the title is neither missing nor damage ( Missing and damage are FALSE), the Returned title object will sent to Process 3.4 to confirm the return.

**Coupling:**
This module uses “Control Coupling” because the ReturnedTitle object is passed with TRUE or FALSE flag. The Flag of the ReturnedTitle is used to determine program flow which means the object is sent it to the different processes is dependent of the boolean type referenced by the ReturnedTitle “missing” and “damage” attributes. The module uses an ReturnedTitle object as input/output, so the module uses “Stamp Coupling”. Avoiding querying the database is the main advantage of holding an entire object in memory.

**Cohesion:**
The module uses “ Procedural Cohesion” because there is little data relationship among function elements and data relationships in the flow control ( sequence is important). In the Check Return Movie Title Validity , the module checks the title whether missing or not at first. If it is TRUE, the “IF” statement is will Return, and at the same time, the flow of the program stops the execution. When the “IF” statement returns which means the missing title is FALSE ( Returned Title is correct), the control will passed to the “ELSEIF” statement where the RetuenedTitle goes to the check the title condition. when the either one of the “IF” and “ ELSEIF” statement is FALSE, the object will be sent to the “ ELSEIF” statement to confirm the return is valid.

**Module: Reorder Title ( 2.2.2)**
Purpose: Check order title if is correct
Input: Title: object /*This is represents order title received by Vendor going into the Module*/

Output: Title: Object

**Pseudo-code Specification:**

```
SET Title_found = FALSE;
WHILE Title_found and not end of the file ( reorder STORE)
        GET Title_name FROM reorder STORE /*Get  all the titles name from reorder*/
        IF Title_name = Vendor new_Title /*If title found*/
        THEN Title_found =  TRUE /* When the Title_found to be true, the loop will exit*/
        END /* This is the end of the statement*/
END /*This is the end of the While Loop*/

CASE Title_found
        WHEN TRUE /*This means all the title are correct so we will sent to confirm shipment*/
        SET correct_title = new_title
        SEND correct_title TO Process 2.2.3 ( Confirm shipment)
ELSE /*This happens when the title is incorrect, so it will sent to Notify Vendor*/
        SET incorrect_title= new title
        SEND incorrect_title TO Process 2.2.4 (Notify Vendor)
END /* End of the statement*/
```

**Program Simplicity:**
This module starts with setting the title_found variable to be FALSE, so that the loops will go through the Reorder STORE file until there is a title match otherwise the program will reach the end of the file. In the program, when there is a match, Title_found will be TRUE, otherwise Title_found to set be FALSE. After that, the Title_found variable will be passed to the CASE statement where it evaluated. when the value of the Title_found is true, the CASE statement sends the object to Process 2.2.3 to Confirm Shipment. And when the value is is FALSE, the CASE statement sends the title object to Process 2.2.4 to Notify Vendor.

**Coupling:**
This module also uses the “Control coupling” because the title object is passed with either a TRUE or FALSE flag. The title object is used to determine the program flow. The output of the object is depends on the the title object. When the title is TRUE, it will send to confirm the shipment. This module also uses the “ Stamp Coupling” because the variable passing an entire object instead of some of the attributes.

**Cohesion:**
This module uses “ Sequential Cohesion”  Because of the variable acts as input for the WHILE loop and the output data from the loop will serve as the input for the CASE statement.

## Cost Benefit Analysis

| This Worksheet is a Capital Budgeting Analysis for Redbox Automated Retail LLC | |
|---|---|
| | |
| Author: Yiwen Li | |
| Ranges: none  Macros: none | |
| | |
| | |
| Assumptions | |
| - | |
| Interest rate | 7.0% |
| Salvage value | 58,000 |
| Annual additional income | 178,000 |

| Redbox Automated Retail LLC  Capital Budgeting Analysis | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| | 2004 | 2005 | 2006 | 2007 | 2008 |
| | - | - | - | - | - |
| Annual additional income | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 |
| Salvage value | | | | | 58,000 |
| | - | - | - | - | - |
| Annual cash flow | 178,000 | 178,000 | 178,000 | 178,000 | 236,000 |
| | | | | | |
| Total cash flow | 948,000 | | | | |
| Present value | 771,188 | | | | |
| Cost of investment | 220,000 | | | | |
| Net present value | 551,188 | | | | |

| 551188.34 | 5.0% | 5.5% | 6.0% | 6.5% | 7.0% | 7.5% | 8.0% | 8.5% | 9.0% | 9.5% | 10.0% | 10.5% | 11.0% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 30000 | (44,671) | (47,514) | (50,288) | (52,997) | (55,641) | (58,223) | (60,745) | (63,208) | (65,614) | (67,966) | (70,263) | (72,508) | (74,703) |
| 35000 | (23,024) | (26,162) | (29,226) | (32,218) | (35,140) | (37,994) | (40,781) | (43,505) | (46,166) | (48,767) | (51,309) | (53,794) | (56,223) |
| 40000 | (1,376) | (4,811) | (8,164) | (11,440) | (14,639) | (17,764) | (20,818) | (23,802) | (26,718) | (29,568) | (32,355) | (35,080) | (37,744) |
| 45000 | 20,271 | 16,541 | 12,897 | 9,339 | 5,862 | 2,465 | (854) | (4,098) | (7,270) | (10,370) | (13,401) | (16,365) | (19,264) |
| 50000 | 41,918 | 37,892 | 33,959 | 30,117 | 26,363 | 22,695 | 19,109 | 15,605 | 12,179 | 8,829 | 5,553 | 2,349 | (785) |
| 55000 | 63,566 | 59,243 | 55,021 | 50,895 | 46,864 | 42,924 | 39,073 | 35,308 | 31,627 | 28,027 | 24,507 | 21,063 | 17,695 |
| 60000 | 85,213 | 80,595 | 76,083 | 71,674 | 67,365 | 63,153 | 59,036 | 55,011 | 51,075 | 47,226 | 43,461 | 39,777 | 36,174 |
| | | | | | | | | | | | | | |

Development Costs For Redbox

| Expense Category | Amount |
|---|---|
| Salaries and Wages | 95,000.00 |
| Equipment | 25,000.00 |
| New Kiosk | 30,000.00 |
| Support | 50,000.00 |
| Utilities | 20,000.00 |
| Licenses | 15,000.00 |
| Total Developmen cost | 220,000.00 |

Anual Operating Costs For RedBox

| Recurring Expense | Amount |
|---|---|
| Conectivity | 35,000.00 |
| Technical and Equipment | 35,000.00 |
| Customer Support Center | 20,000.00 |
| Daily Operation | 45,000.00 |
| Amortization and Other | 12,000.00 |
| Total Recurring Costs | 147,000.00 |

Annual Benefit For RedBox

| Benefit/Cost Saving | Amount |
|---|---|
| Incresed Efficiency in Kiosk | 60,000.00 |
| Incresed Efficiency FAQ System | 35,000.00 |
| Increased Earning From Web page | 170,000.00 |
| Saing Due to System Improvement | 60,000.00 |
| Total Anunal Benefit | 325,000.00 |

**Interview Questions:**

**For Manager:**

1. How long have you been working for Redbox? I've been working for Redbox for 3 years.

2. Who are your main competitors? Netflix, Google play, Hulu, Crackle, Amazon, Youtube, iTunes. Blockbuster was a former competitor we acquired in June .

3. What is your company's competitive advantage? The ability to provide $1 DVD rentals and $2.50 Game rentals at a convenient location where customers already shop. . Like Walgreens, Walmart, Kroger, 7-eleven, and CVS.

4. What are your main sources of generating revenue? We generate revenue primarily through fees charged to rent or purchase a movie or video game, and we pay retailers a percentage of our revenue. We obtain our movie and video game content through revenue sharing agreements and license agreements with studios and game publishers, as well as through distributors and other suppliers.

5. What are the major Business processes? Order Process, Payment process, inventory management, management reports and customer relationship.

6. What processes could be improved in the system? Predicting and reacting to relevant business trends, to avoid over-install kiosks in certain geographic areas leading to non-profitable installations.Out of stock Inventory, acquiring New Releases from Manufacturer

7. What is your current position on customer service availability? Customers are our number one priority. The Redbox Customer Care team is available Monday through Sunday: 07:00 AM to 12:00 AM for a live online chat or call. Customers can also go to redbox.com and search the Customer Service Help Center

8. What new innovations does your company plan on having 5 years down the line? To capitalize in Redbox's Limited Liability Company Agreement and related arrangements with Verizon Ventures. For what we hope will be the launch of video distribution services, which will provide consumers with access to video programming delivered via broadband networks to video-enabled viewing devices

**For Staff:**

1. What is your job position? Customer service representative.

2. How long have you been working for Redbox? I've been handling customer service for 2 years now.

3. What type of products does Redbox offer? We offer used Movies and Game rentals, as well as the ability to purchase both.

4. Have you ever rented from Redbox? Why? No, because they do not offer digital service.

5. What are the key differences between Redbox and Netflix? Redbox offers cheap and competitive prices on rentals with location convenience, Netflix are subscription based offering digital service and Movie shipment.

6. What kind of deals do you offer? As a member you get monthly promotions through email and text for free rental codes.

7. How do you do you deal with customers who have problems with out of stock rentals? I look up their location then provided the closest Redbox kiosk that has the product in stock

.

8. How does a customer place an order(phone in/ email/ walk in)? Customer can go to our kiosk then follow instruction on screen to place order as well as reserve the product online to guarantee satisfaction.