

Data-Driven Launch Strategy for Online Video Service

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Problem Statement

To stay competitive against streaming giants like Netflix and Amazon Prime, Rockbuster Stealth LLC is leveraging its movie licenses to launch a new online video rental service. Data-driven insights will guide us in steering our 2020 company strategy effectively.

Key questions & objectives

1. Which movies contributed the most/least to revenue gain?
2. What was the average rental duration for all videos?
3. Which countries are Rockbuster customers based in?
4. Where are customers with a high lifetime value based?
5. Do sales figures vary between geographic regions?

Importance

Addressing these questions will help our business understand its customer base, optimize content offerings, tailor marketing strategies, and strategically plan its market expansion to maximize revenue.

Initial Data

Customer Data:

Information on customer demographics and locations.

Film Data:

Details about movies, including genres and languages.

Rental and Payment Data:

Transactions related to rentals, payments, and revenue generation.

Geographic Data:

Customer and store locations, including countries and cities.

Approach & Methods

Data Aggregation and Analysis:

Utilize SQL queries to extract and aggregate data related to revenue, rental durations, and customer locations.

Descriptive Statistics:

Analyze rental durations and revenue contributions.

Geographic Analysis:

Map sales figures by region to identify high-value customer bases.

Visualization:

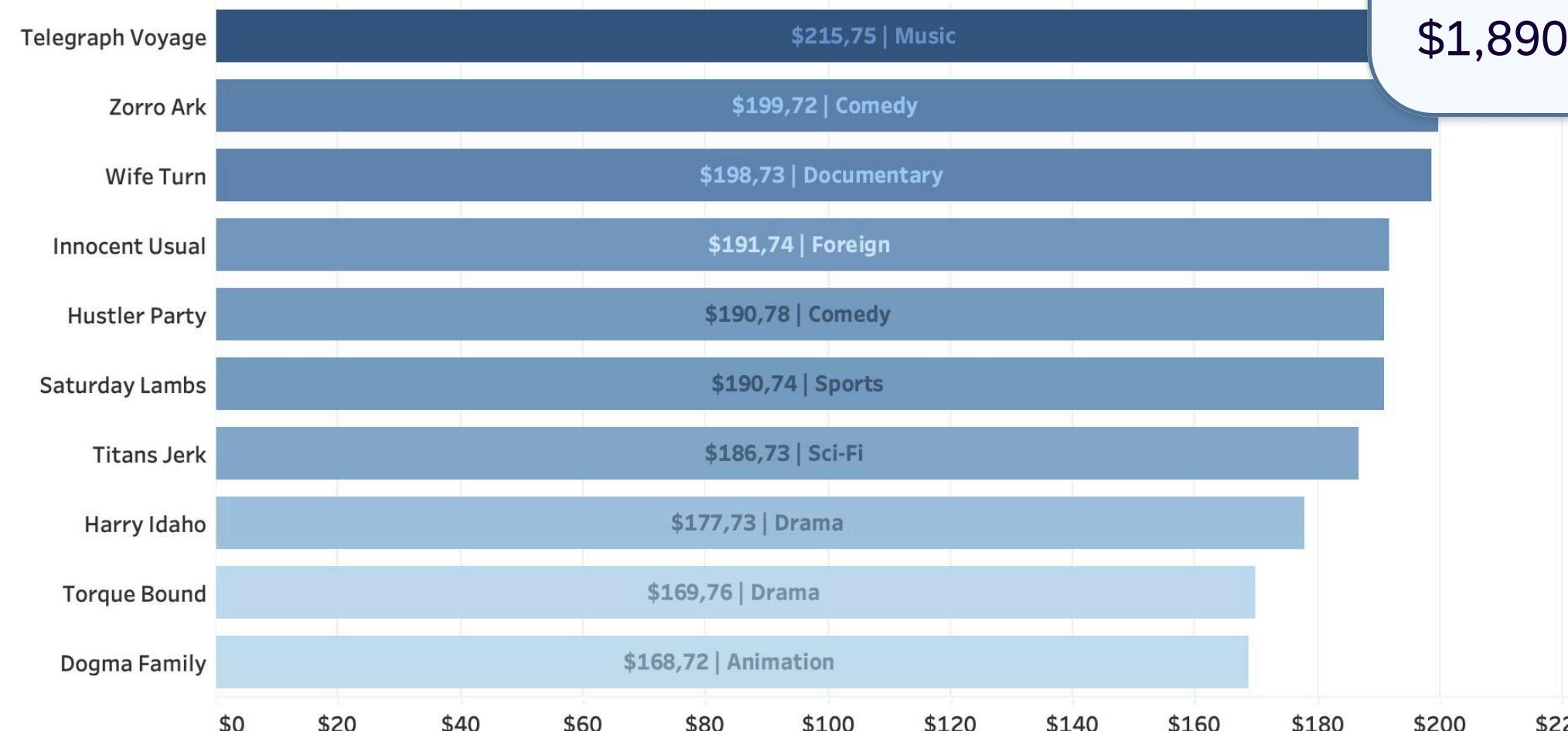
Use tools like Excel or Tableau to create visuals for clear communication of insights to management.

Analysis

Which movies contributed the most and the least to revenue gain?

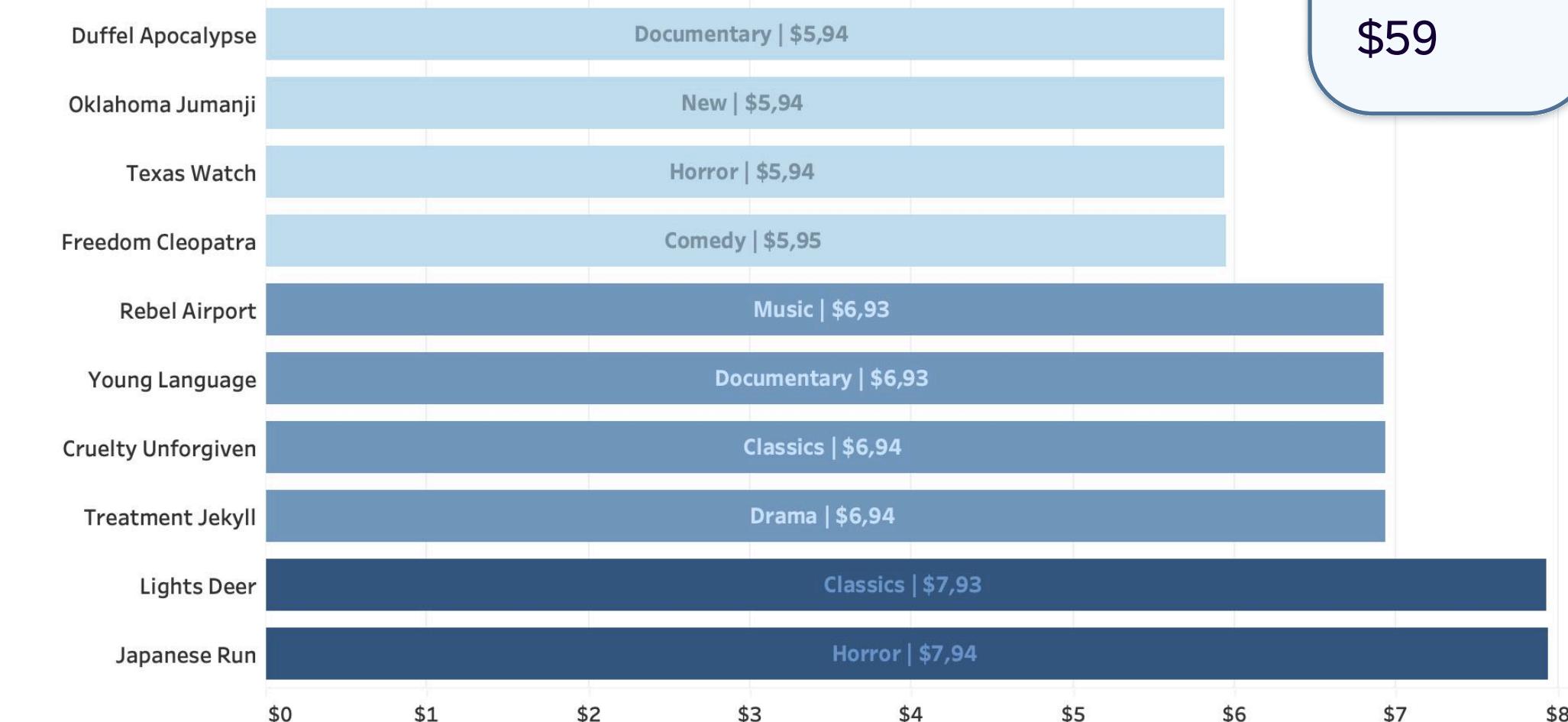
Total Revenue
\$61,312

Top 10 Movies by Revenue



Revenue
3.1%
\$1,890

Bottom 10 Movies by Revenue



Revenue
0.1%
\$59

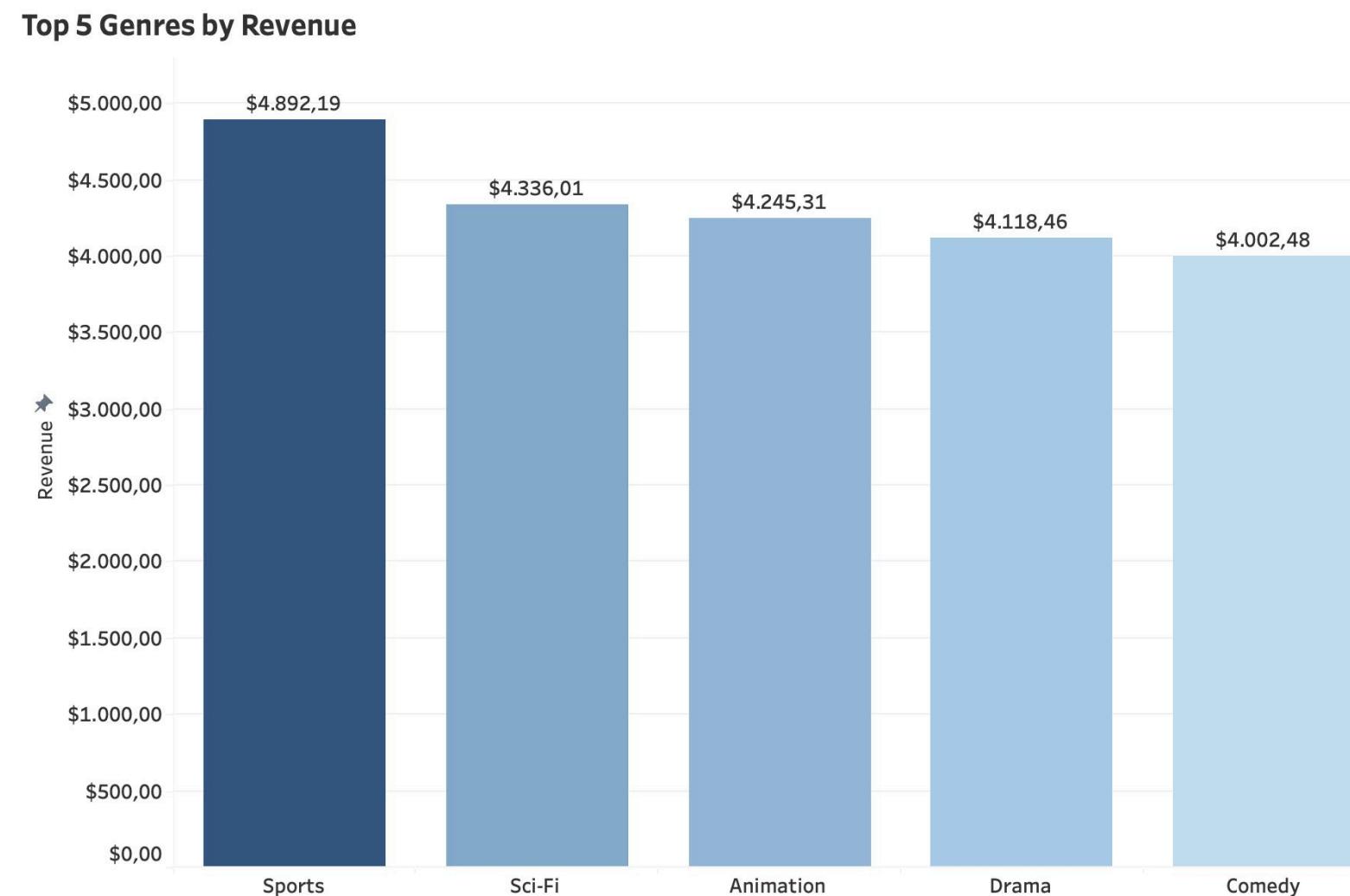
The top 10 movies contributed only 3.1% to the total revenue, suggesting that no single movie or small group of movies dominates revenue. Revenue is likely spread across a wider range of titles.

The bottom 10 movies contributed only 0.1% to the total revenue, indicating that these movies have minimal impact on overall revenue, possibly due to low rentals or demand.

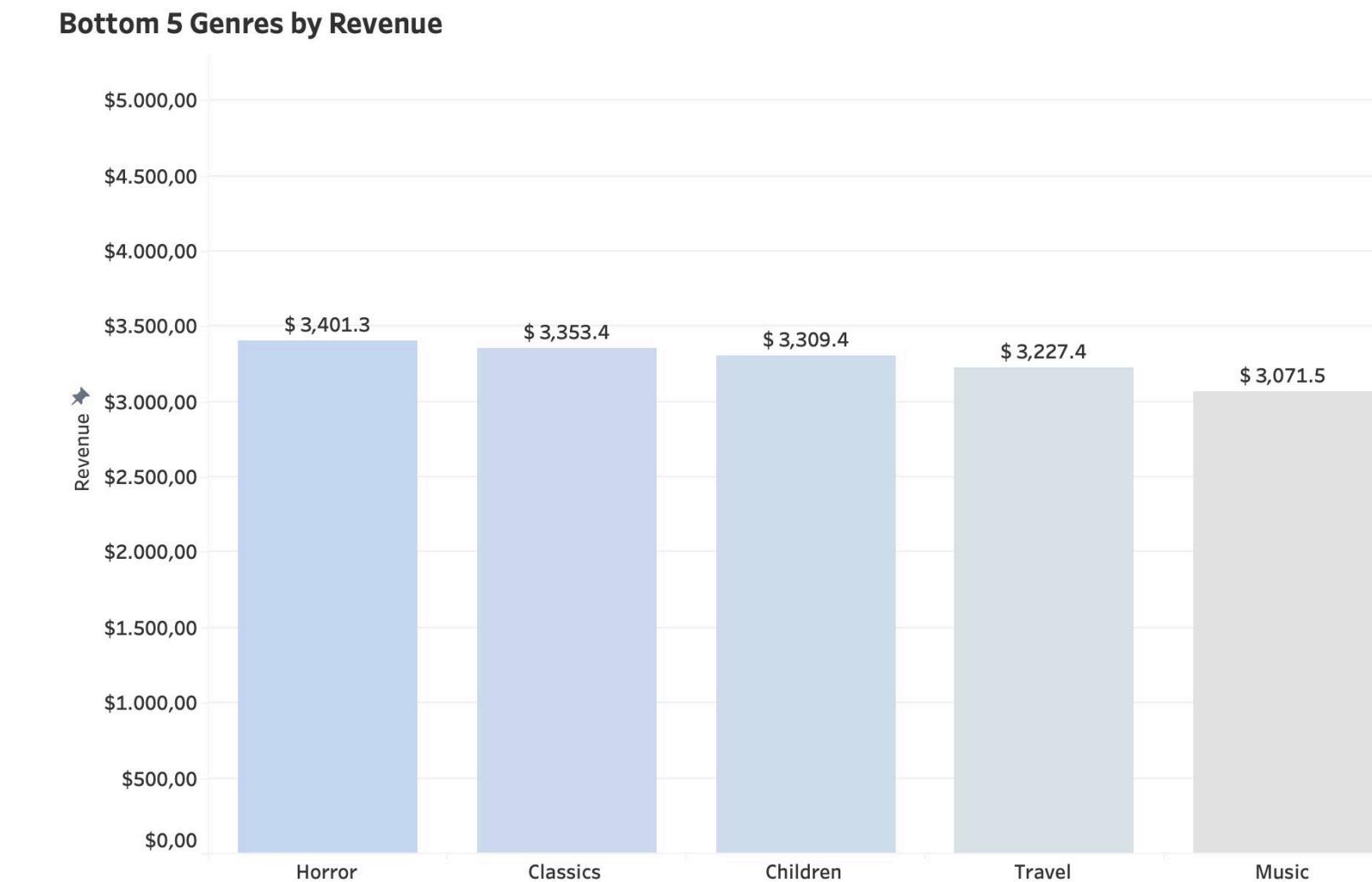
The small percentage contribution from both top and bottom suggests that a variety of movies drive business. This points to a diverse customer base with varied preferences.

Which genres contributed the most and the least to revenue gain?

Total Revenue
\$61,312



Revenue
35.2%
\$21,594



Revenue
26.7%
\$16,363

The top 5 genres contributed 35.2% to the total revenue, with "Sports" contributing the most. The difference between revenues of the top genres is not significant.

The bottom 5 genres contributed 26.7% to the total revenue, with "Music" contributing the least, while the difference between bottom genres is not significant.

While the genre "Sports" contributed the most, the delta between top genre and bottom genre is only 8.5%, indicating that all genres can be profitable.

What was the average rental duration for all videos?

Minimum

3 days

Median

5 days

Average

5 days
4.985

Maximum

7 days

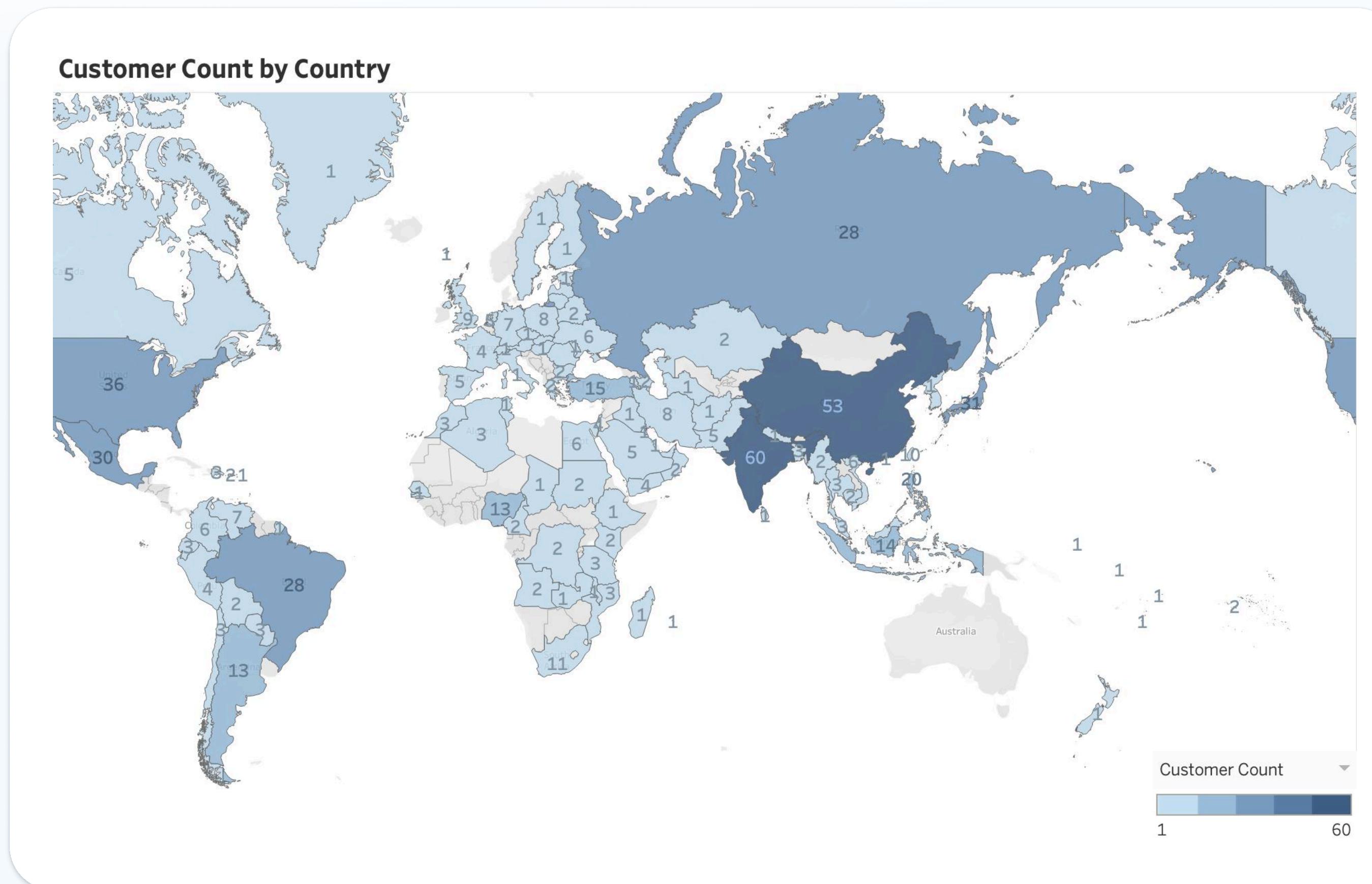
The average rental duration for all videos was 5 days, with 3 days being the shortest, and 7 days being the longest. By encouraging shorter rental durations, the turnover rate of the movies can be increased, allowing each movie to be rented more often within a given time frame.

While decreasing rental duration is highly relevant for physical in-store rentals, it might not have the same implication for a digital streaming service.

Which countries are Rockbuster customers based in?

Total Customers
599

Top 1: India
60



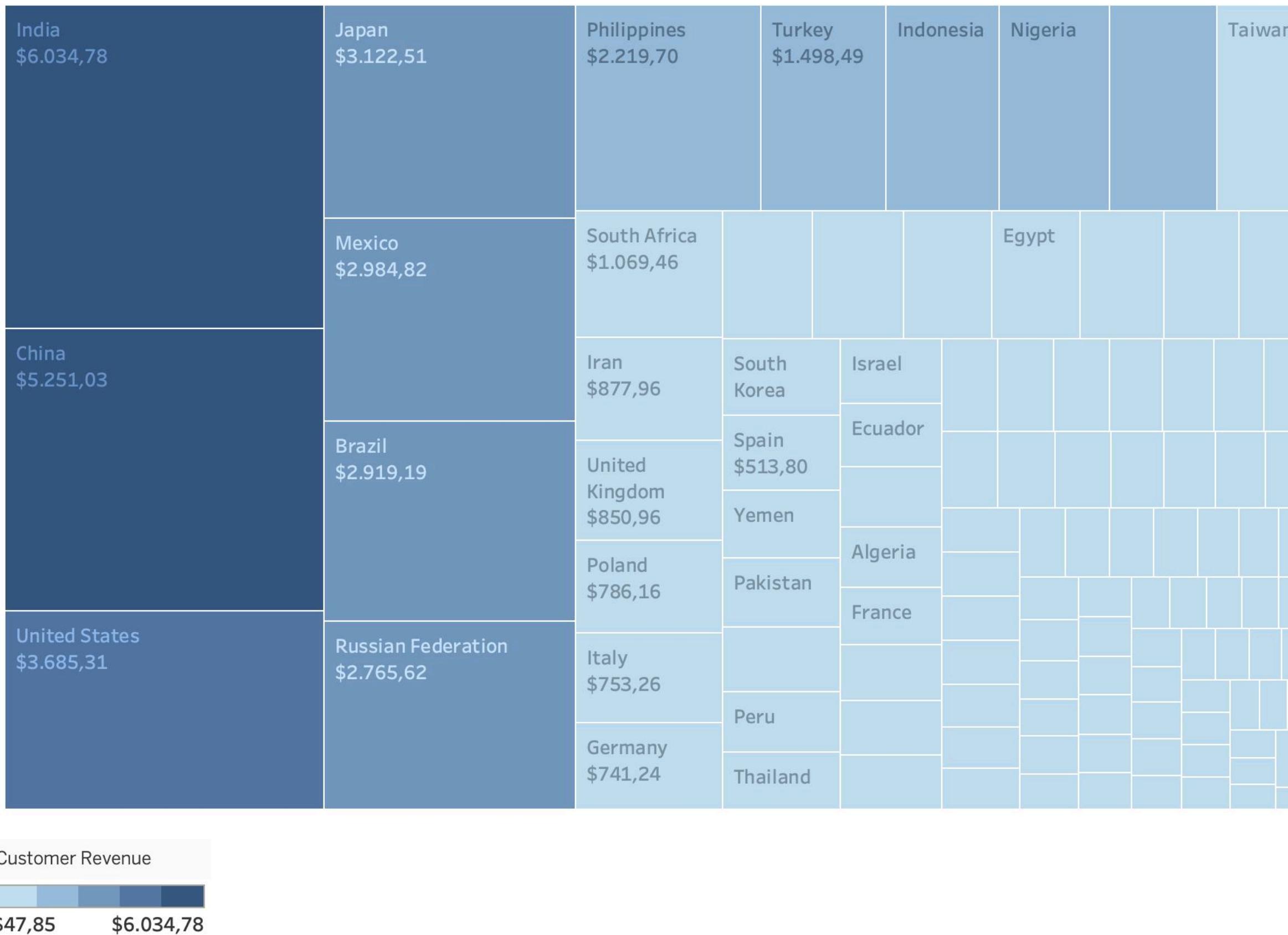
In which countries do customers have the highest total spending?

Total Revenue
\$61,312

#1: India
9.8%
\$6,035

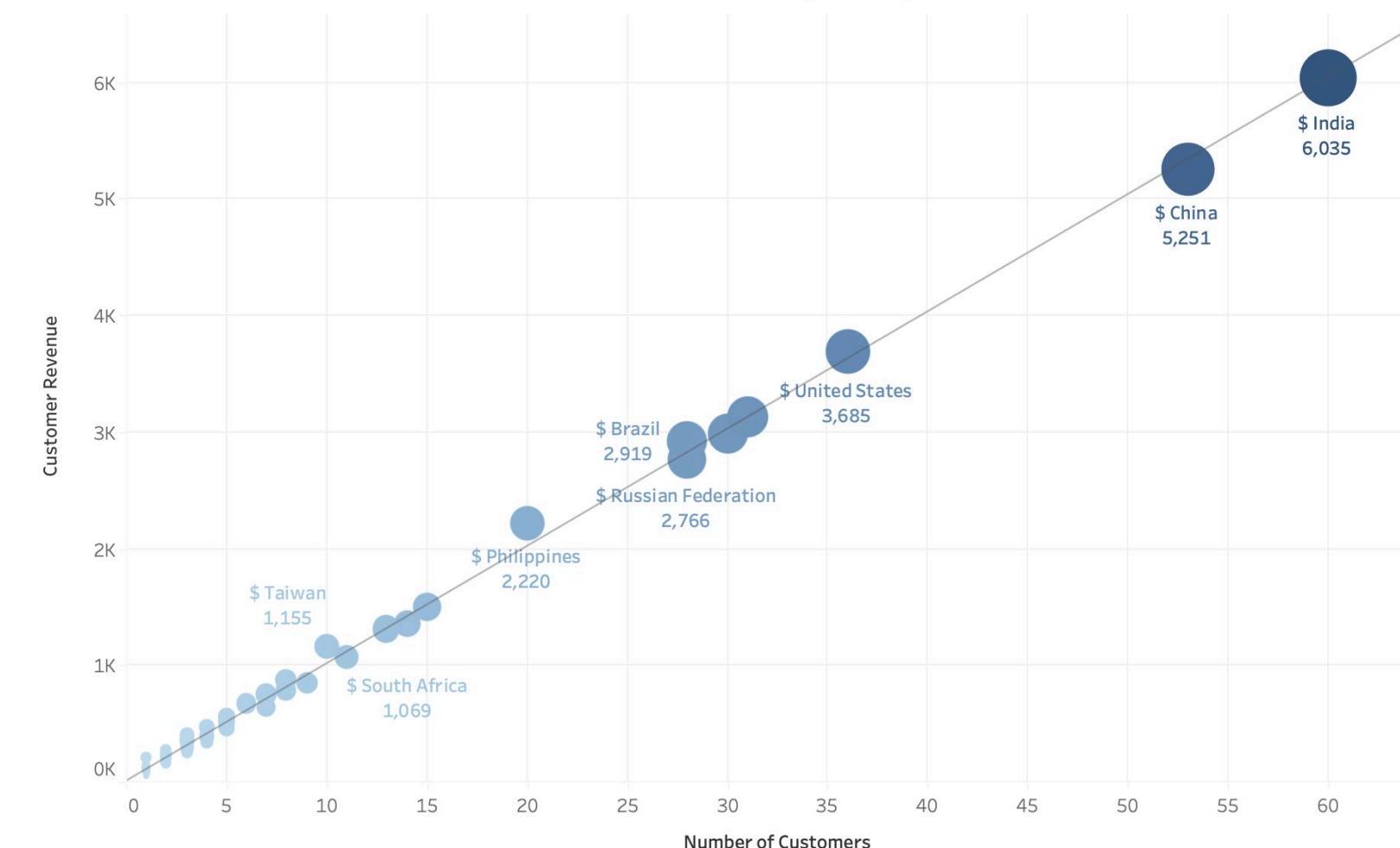
#2: China
8.6%
\$5,251

Customer Revenue by Country



The countries with the highest total spending are also the countries with the most amount of customers, indicating that in general customers can be considered equally profitable, regardless of their location.

Correlation between Number of Customers and Customer Revenue by Country



Where are the top 10 customers with the highest total spending based?

Among the top 10 customers with the highest total spending, 50% are based in countries with high customer number. The other half is based elsewhere.

This confirms, that customer spending is not impacted by geographic location.



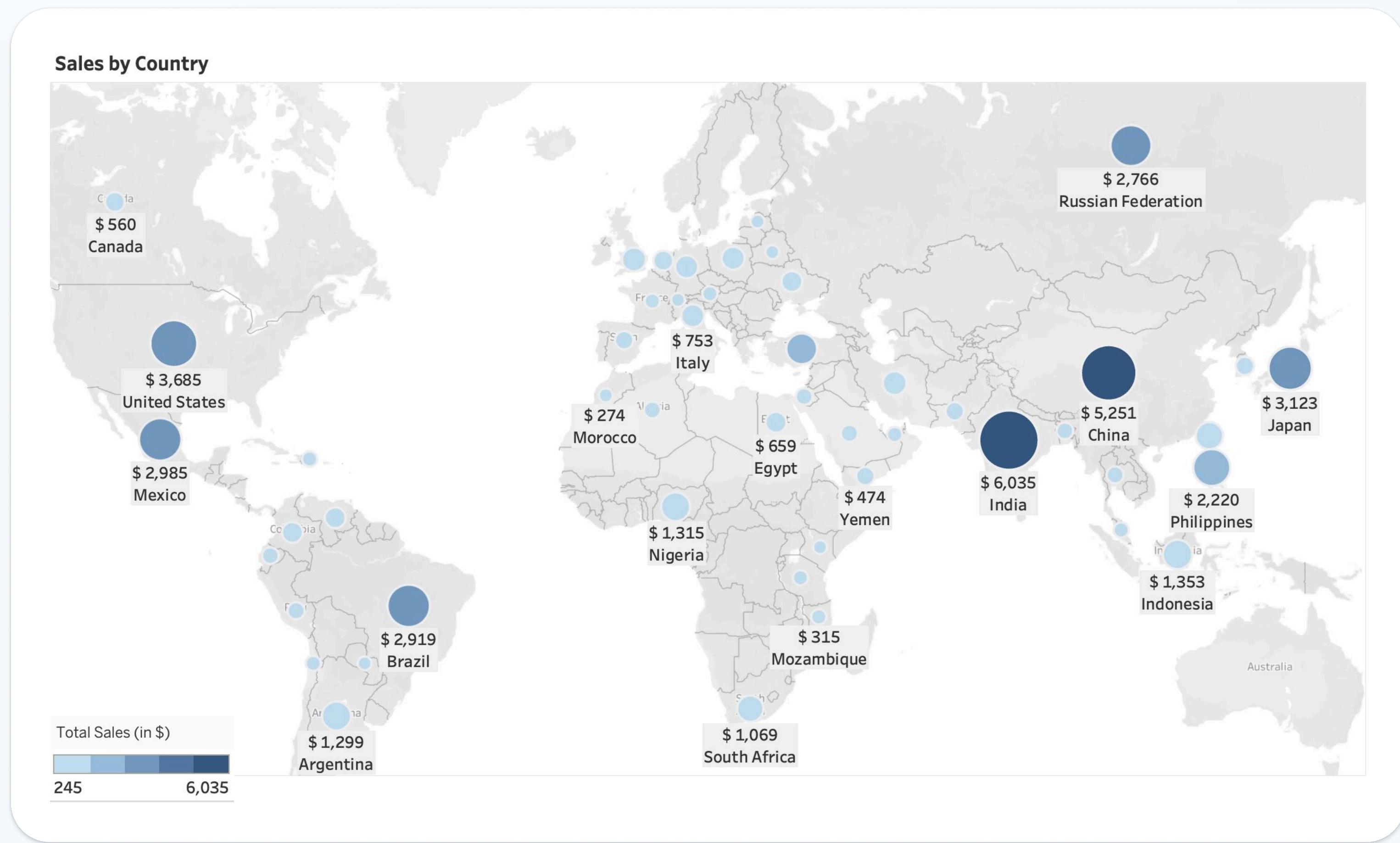
Highest Single Customer Spend
\$211.55
Country: Reunion

How do sales figures vary between countries?

The top 10 countries contributing 51.9% of all sales indicates a significant concentration of sales in a few key markets. This highlights the importance of these countries to the overall business performance.

Total Sales

\$61,312



Top 10 Countries	
India	6,
China	5,
United States	3,
Japan	3,
Mexico	2,
Brazil	2,
Russian Federation	2,
Philippines	2,
Turkey	1,
Indonesia	1,

Sales
51.9%
\$31,834

Bottom 10 Countries	
American Samoa	47.85
Lithuania	63.78
Saint Vincent and the Gre..	64.82
Tonga	64.84
Afghanistan	67.82
Tunisia	73.78
Finland	78.79
Slovakia	80.77
New Zealand	85.77
Ethiopia	91.77

**Sales
1.2%
\$720**

Conclusions & Recommendations

Revenue Distribution Across Movies and Genres

- The data suggests a broad, diverse customer base with no single movie or genre dominating revenues. This diversity indicates the necessity to maintain a wide variety of films and genres to cater to varied customer preferences.
- While "Sports" is the top-performing genre, the small difference among genre performances emphasizes the importance of offering a diverse catalog to capture different market segments.

Expand and Maintain Diverse Content Library

Continue to offer and market a broad range of movies and genres, emphasizing variety to attract and retain subscribers with diverse interests.

Rental Duration

The average rental duration is 5 days, with a range from 3 to 7 days. However, this insight holds less relevance as Rockbuster transitions to a digital model, where continuous access is preferred.

Focus on Digital Transition

Prioritize developing a user-friendly online streaming service that provides on-demand access, moving away from rental duration constraints.

Geographic Customer Distribution and Spending

The presence of customers in 108 countries, dominated by India, China, and the USA, shows strong international reach. Countries with high customer numbers also show high spending, confirming consistent profitability across geographies.

Enhance Customer Engagement

Develop loyalty programs to enhance customer lifetime value.

Invest in Data-Driven Personalization

Use customer data to drive personalized recommendations and marketing efforts, enhancing user experience and increasing engagement.

Leverage Multinational Reach

Utilize the global customer base to develop unique content offerings and partnerships that could attract diverse viewer segments across geographies.

Sales Concentration in Key Markets

A small number of countries contribute significantly to sales, pointing to potentially untapped growth opportunities in less dominant markets.

Target Key Markets with Tailored Strategies

Focus marketing efforts on top-performing countries, ensuring that local preferences and cultural nuances are considered to optimize engagement and revenue.

Explore Growth in Emerging Markets

Identify and implement strategies to engage customers in countries outside the top performers, potentially unlocking new revenue streams.

Next Steps

Detailed Market Analysis

Conduct a deeper analysis of customer preferences in top and bottom-performing countries to tailor marketing strategies.

Online Platform Development

Initiate the build and launch of the online streaming platform, ensuring it is scalable and adaptable to ongoing technology advancements and consumer trends.

Customer Insight and Feedback Loop

Establish a mechanism for continuously collecting customer feedback and use it to refine offerings and customer experience.

Competitor Benchmarking

Compare content offerings, pricing, and customer engagement strategies with competitors like Netflix and Amazon.

Content Acquisition and Licensing Strategy

Develop strategic partnerships and licensing agreements to secure a compelling content library, offering exclusivity where possible.

Performance Monitoring and Adjustment

Leverage customer data for predictive analytics to improve future sales forecasts and develop data-driven marketing initiatives.

Marketing and Launch Strategy

Design a comprehensive marketing campaign emphasizing the transition to streaming, targeting existing customer bases in major markets and enticing new demographics.

Establish key performance indicators to monitor the success of the streaming service post-launch, maintaining agility to adjust strategies based on real-world data and insights.

Get in touch for feedback & questions



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