# Rockbuster Stealth LLC.

PLANNED ONLINE VIDEO RENTAL LAUNCH

#### **DISCUSSION FLOW**

Setting the stage for Rockbuster

**Product Overview** 

Product Analysis

Global Reach

Genre Review

Film Overview

Recommendations

## Crucial Talking Points



## Setting the stage for Rockbuster LLC

WHAT DOES THE CURRENT PLATFORM LOOK LIKE?

Rockbuster Stealth LLC is a movie rental company that used to have stores around the world. Facing stiff competition from streaming services such as Netflix and Amazon Prime, the Rockbuster Stealth management team is planning to use its existing movie licenses to launch an online video rental service in order to stay competitive.

**Our aim:** to determine where Rockbuster holds relevance in the market. Which product genres hold popularity & generate consistent revenue for Rockbusters, Finally, at what price point will we see success?

#### Setting the stage



Number of film copies



Number of Customers



Number of Stores



Number of Cities



Number of film titles



Average rental rate



Rentals Processed



Total Revenue

#### Descriptive stats

MINIMUM RENT MAXIMUM RENT **AVERAGE RENT Rental Rate** \$0.99 \$4.99 \$2.98 MINIMUM FILM MAXIMUM FILM **AVERAGE FILM** Film length LENGTH LENGTH LENGTH 46 minutes 185 minutes 115.27 minutes MINIMUM RENTAL AVERAGE RENTAL MAXIMUM RENTAL Rental DURATION DURATION DURATION duration 3 days 7 days 5 days **MAXIMUM MINIMUM** AVERAGE Replacement REPLACEMENT COST REPLACEMENT COST REPLACEMENT COST costs \$9.99 \$29.99 \$19.98

#### Customer Overview

GLOBAL REACH

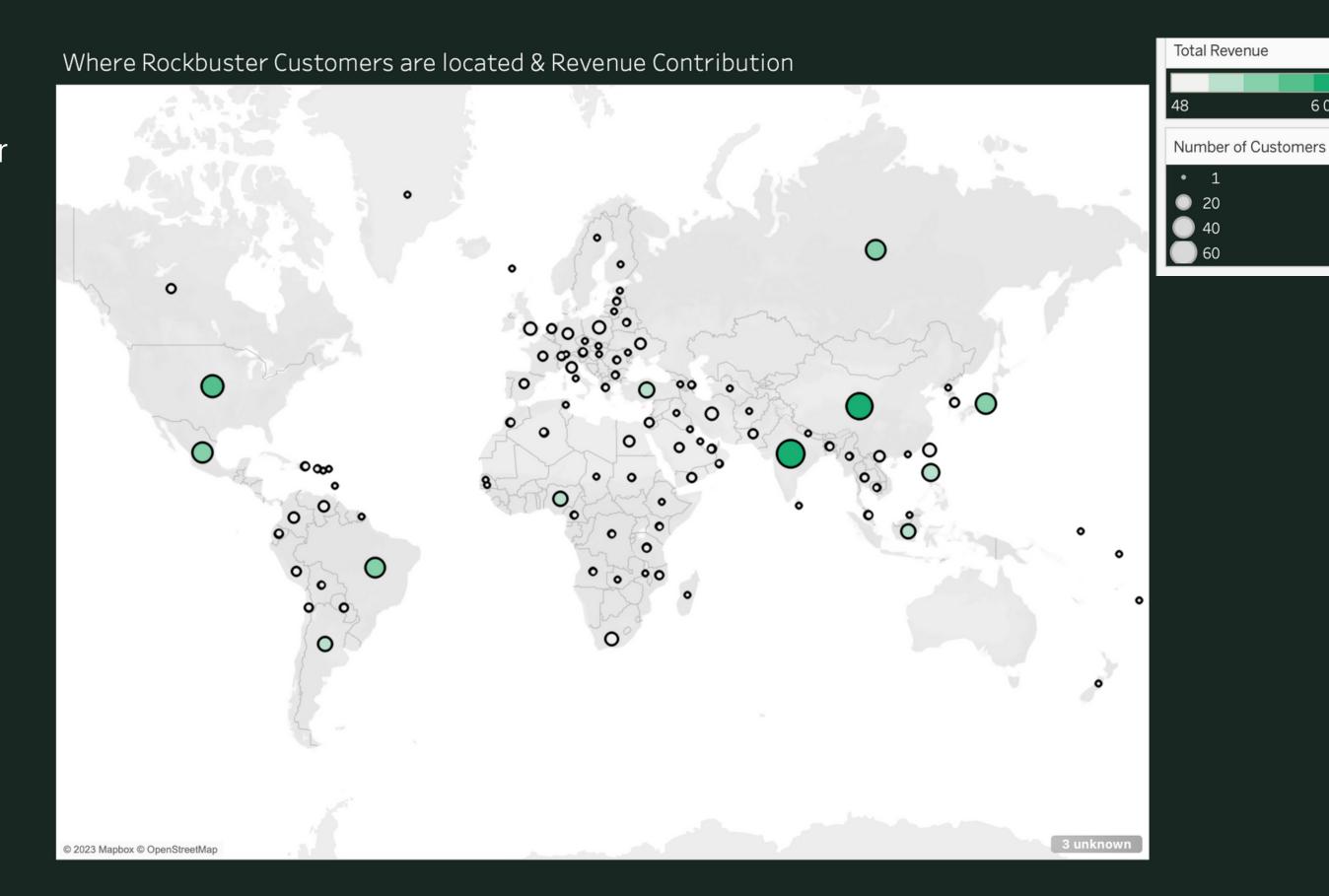
TOP 15 COUNTRIES

TOP CUSTOMERS

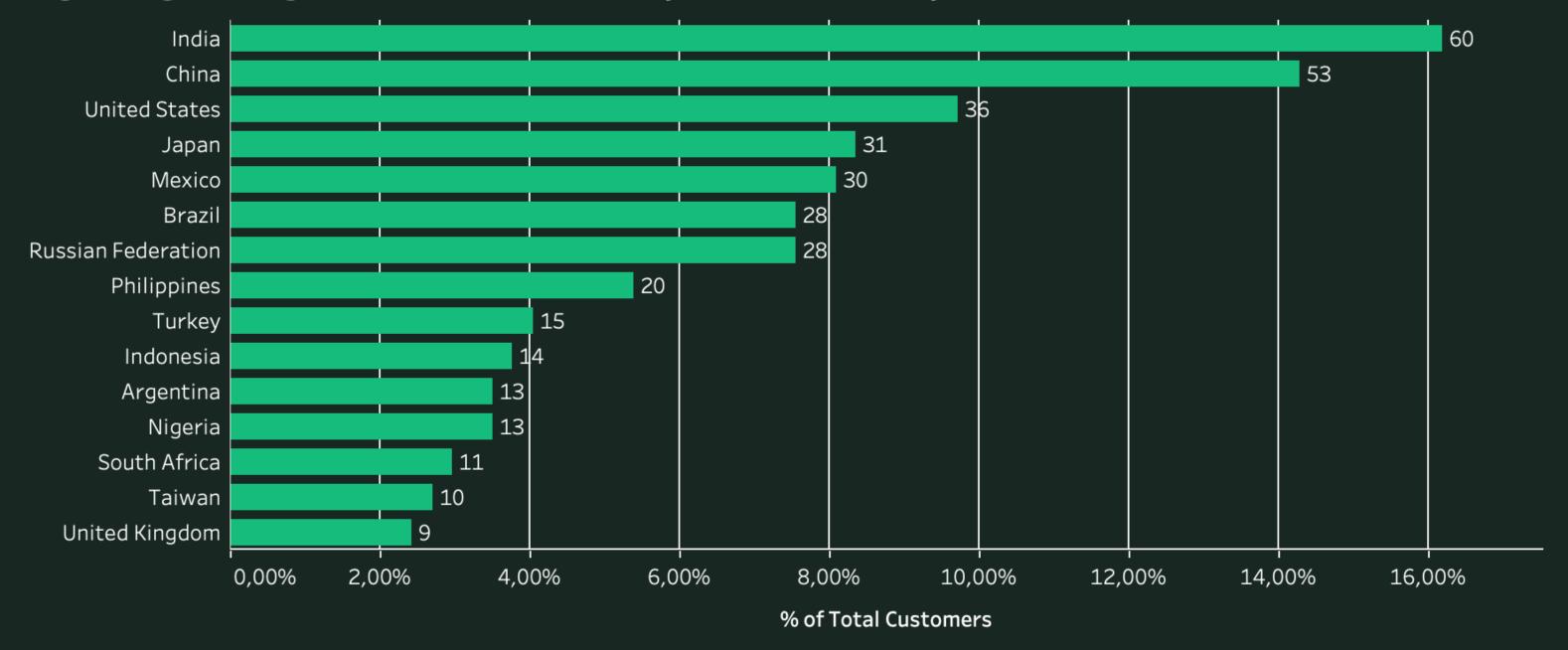
CUSTOMER PRICE BREAKDOWN

#### Global reach

Located globally,
Rockbuster forms a
strong customer basis for
expansion. There is a
strong performing
presence in India, China,
Japan, United States &
Brazil



#### Highest grossing countries & how many customers they have



India & China contribute 30.46% to overall revenue and holds a large portion of the customer base, however, we cannot assume that they are our most valuable customers. A retargeting strategy should be implemented for the countries that hold a large portion of customers to ensure we retain them in the switch to streaming.

#### Top 5 Customers & Total Contribution

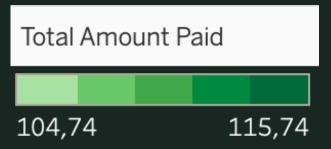


Cecil Vines is ranked as our top customer with a total of 26 orders at an average of \$4.45 per order, contributing a total of \$115.75. Kyle Spurlock hod the higher order amount of 29 films, but at a lower average order rate.

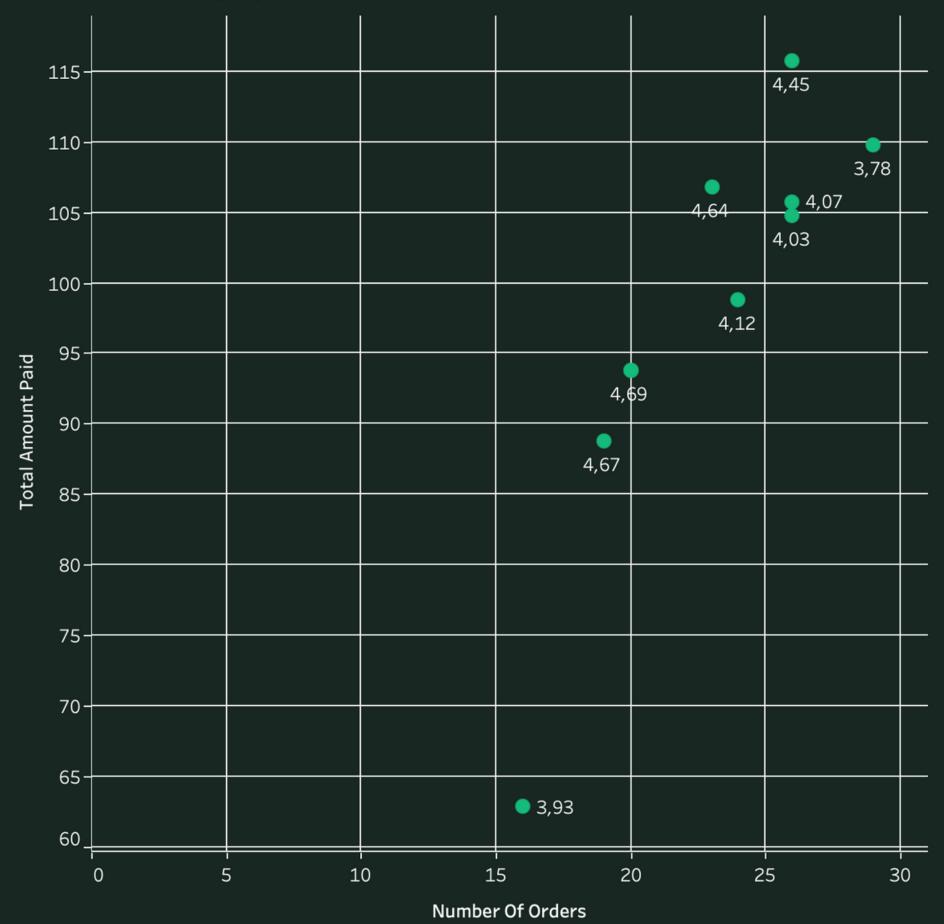
#### Top 5 customers in Top 10 cities who have highest paying accounts



Kyle & Marlene are the only 2 individuals in the top 5 countries contributing to higher revenue. Reiterating the interest of customers in Top 5 countries may fall on lower value scale.



#### Top customers payment breakdown



When breaking down the payments for each customer we can see that average order value is a contributor to the lifetime value of a customer

A higher average order value makes a bigger contribution to overall revenue vs. increased order numbers.

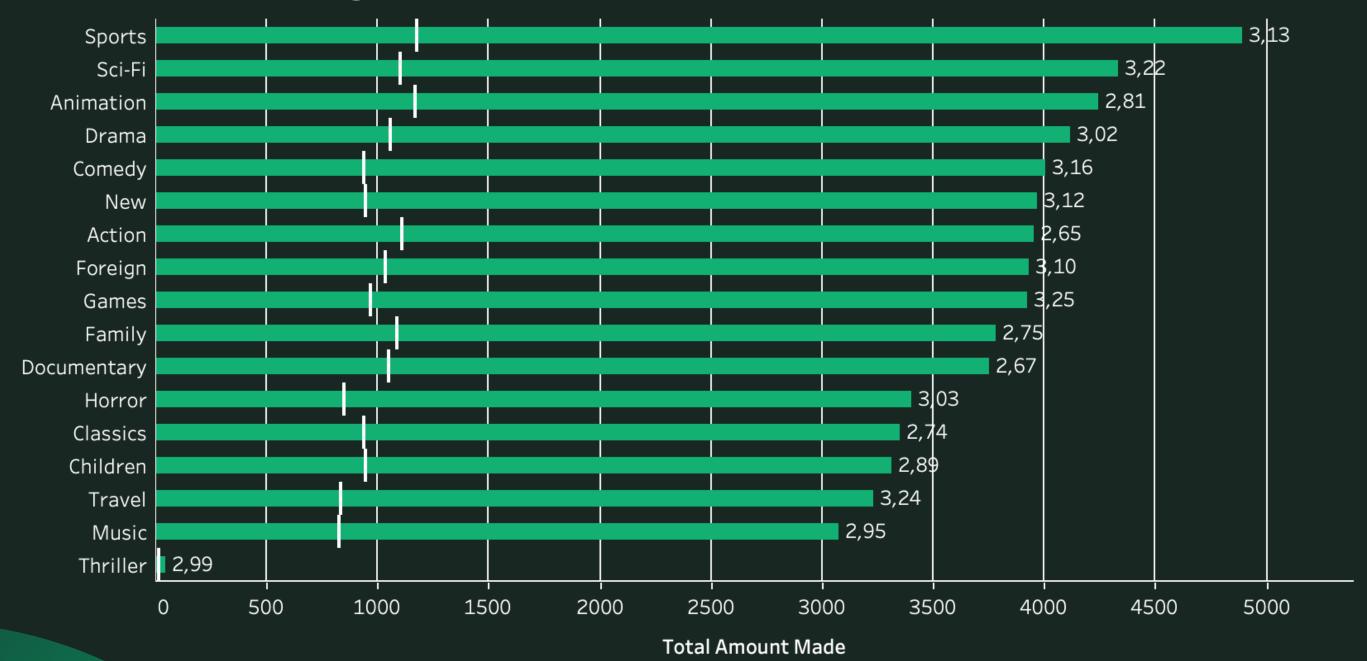


#### Genre Overview

GENRE POPULARITY

GENRE SUCCESS

#### Units rented and average rental rate on Genre Success

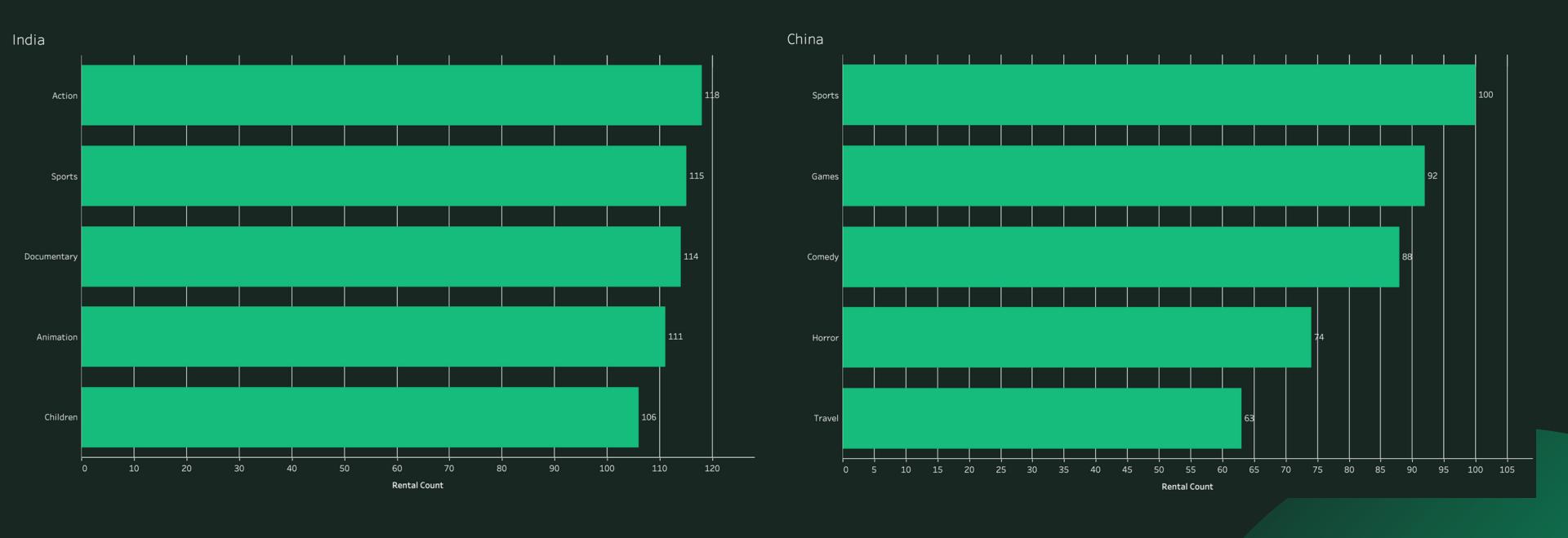


Sports, Sci-Fi, & Animation are the top performing genres from both a units sold perspective and an amount made perspective.

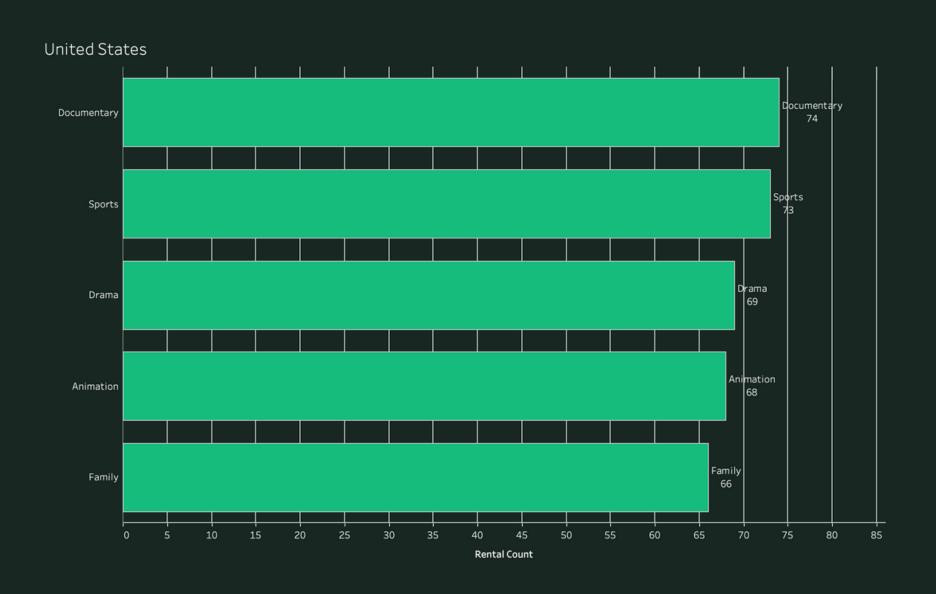
Sports leads animation sales by 13 units, however experiences \$647 more than animation - purely due to rental pricing differences.

Invest in more sports-based films & be sure to have a pricing strategy for the top genres. My recommendation here would be to increase rental rate on animation films to cross that \$3 mark.

#### Genre Popularity for top 3 performing countries



#### Genre Popularity for top 3 performing countries



Based on Genre popularity for countries that have the largest audience 2 things should be focused on.:

- Ensure there is investment into topperforming genres (Sports, Animation, Drama)
- Slightly increase the price on these genres to be incorporated into monthly cost.

#### Film Overview

TOP PERFORMING FILMS

WORST PERFORMING FILMS

PRICE BREAKDOWN VS. UNITS
RENTED



Average rental duration

8 Units

Average Inventory available

\$4.99

Rental Rate

#### Top Grossing Films



The top 10 films have all been rented >20 times.

Does inventory need to be considered if moving to a streaming platform? If inventory needs to be considered - then increase for top performing films.

Top-grossing films have a higher rental rate, pricing will be the main factor in determining success.

#### Worst performing film titles



Reconsider investing in inventory stock for these films if the cost of hosting them on the streaming site outweighs their annual revenue.

Many of the lower-performing films were rented for a longer duration than the higher-grossing films. If the rental duration is no longer going to factor into the streaming platform, the initial costings of these films need to increase.

5.9 days

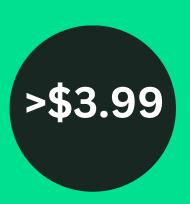
Average rental duration

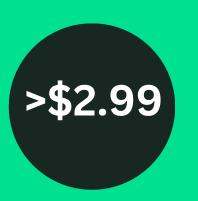


Average Inventory available

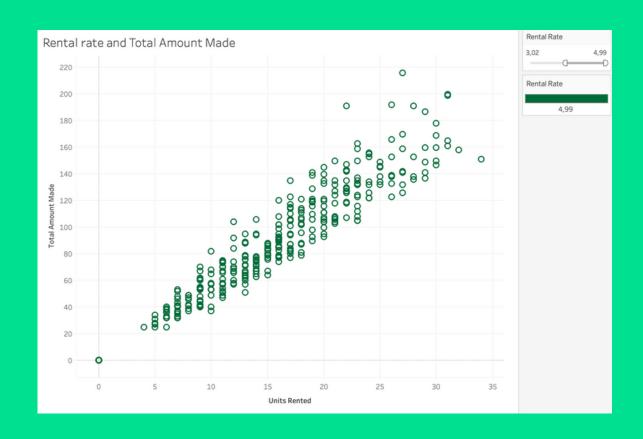
\$0.99

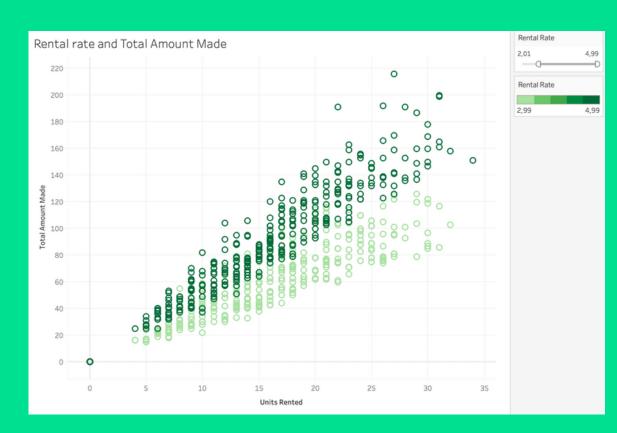
Rental Rate













Lower-order values don't necessarily receive a larger number of orders. From \$0.99 to \$4.99 the general average is between 5 - 20 units.

My recommendation for pricing is to set pricing between \$2.99 - \$3.99 per film.

If the streaming platform is moving to a monthly rental cost.

We need to look at the cost that is competitive with other streaming platforms whilst maintaining customer satisafaction

OUR PROPOSED
RECOMMENDATIONS
BASED ON FINDINGS

Based on the current data this is what we recommend as a starting strategy position for Rockbuster Stealth

### Factors to Consider



Streaming platforms do not work on rental durations. Overdue rental fees and replacement costs will have to be strategised within business model

#### LICENSING

Licensing on a streaming platform works differently from that of a physical store. Streaming globally will need license renegotiation.

#### COMPETITORS PRICING

Pricing needs to remain competitive even though customer count is vastly different.

#### GLOBAL MARKETS

Reinvest in markets with high customer counts. Doube down on their genres of interest and bring up average order value of these films by incorporating it into a monthly pricing plan for a streaming platform.

#### HIGH VALUE CUSTOMERS

Incentivise high-value customers with monthly discounts/offerings. Upon launch create a media PR pack to send to these customers for their loyalty and encourage them to act as ambassadors on behalf of Rockbuster LLC.

#### GENRES

Reinvest in popular genre themes: Sport, Sci-Fi, Animation. Ensure Top 5 popular genres are costed at >\$3.

#### PAYMENT BREAKDOWN FOR CUSTOMERS

If moving to a monthly payment rate - bridge the gap between low order value and high order value - work off average monthly cost that incorporates all popular films at cost of \$3 per film. Include low order value/unpopular films on the platform as an in-app purchase option