



ROCKBUSTER STEALTH LLC LAUNCH STRATEGY ANALYSIS

Analysis by Caroline Park



INTRODUCTION

Rockbuster Stealth LLC is a movie rental company that used to have stores around the world.

Facing stiff competition, the Rockbuster Stealth management team plans to use its existing movie licenses to launch an online video rental service.

AGENDA

Summary Statistics

Geographic Analysis

Rental Rate Analysis

Popular Genres

Inventory Analysis

Recommendations



SUMMARY STATISTICS

Total Revenue (2007) - **\$61,312.**

1000 movie licenses in inventory.

584 active customers in 108 countries.

2 Rockbuster stores.

Average revenue per movie - **\$64.**

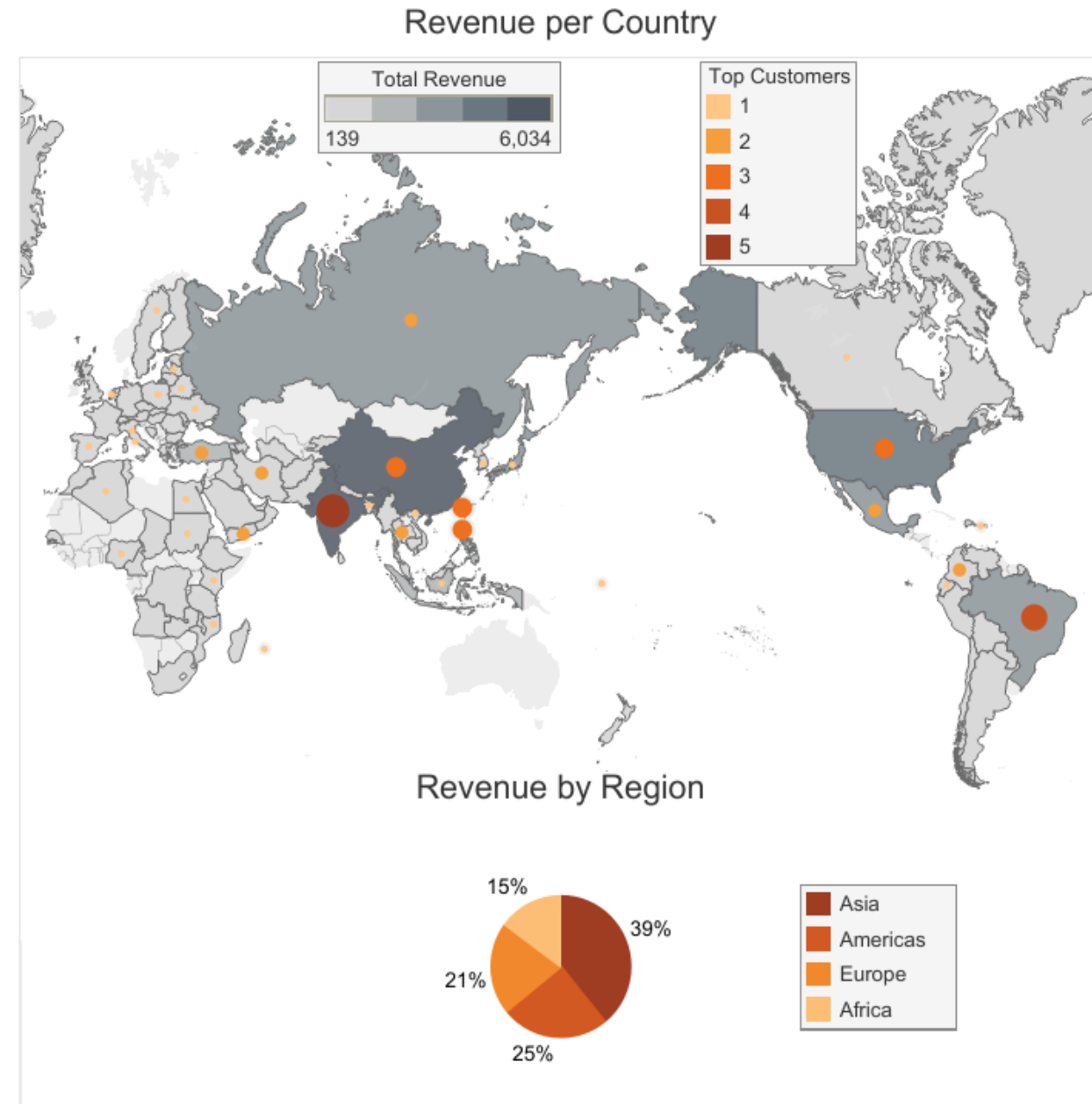
Average rental duration – **5 days.**

Revenue per movie title ranges from \$216 to \$6.

Three rental rates from \$0.99/day to \$4.99/day.

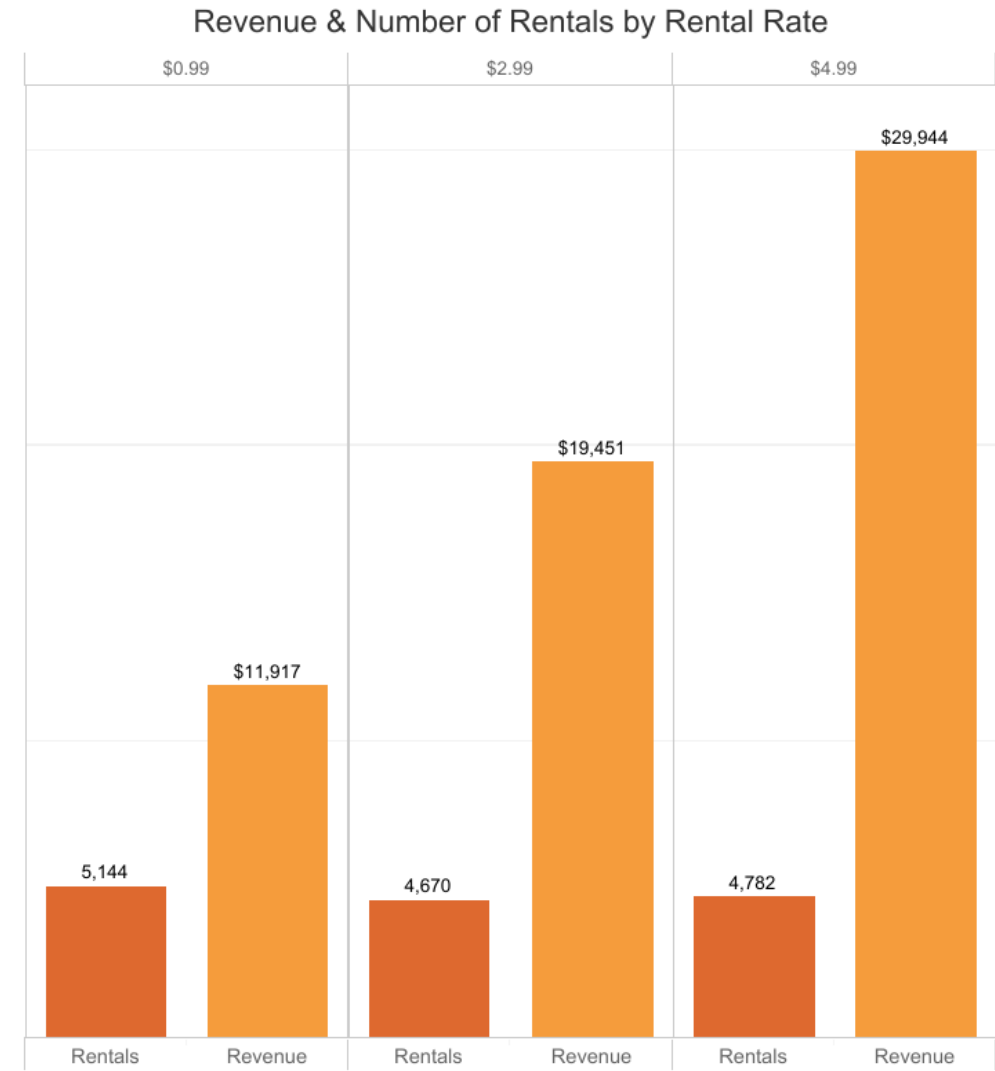
GEOGRAPHIC ANALYSIS

- India, China, US, Japan, and Mexico - make up 35% of the customer base and **one-third of Rockbuster's revenue**.
- These countries with Brazil, Russia, Philippines, Turkey, and Indonesia make up **52% of the customer base and revenue**.
- “Top Customers” – Prolific users of Rockbuster Stealth's current video service.



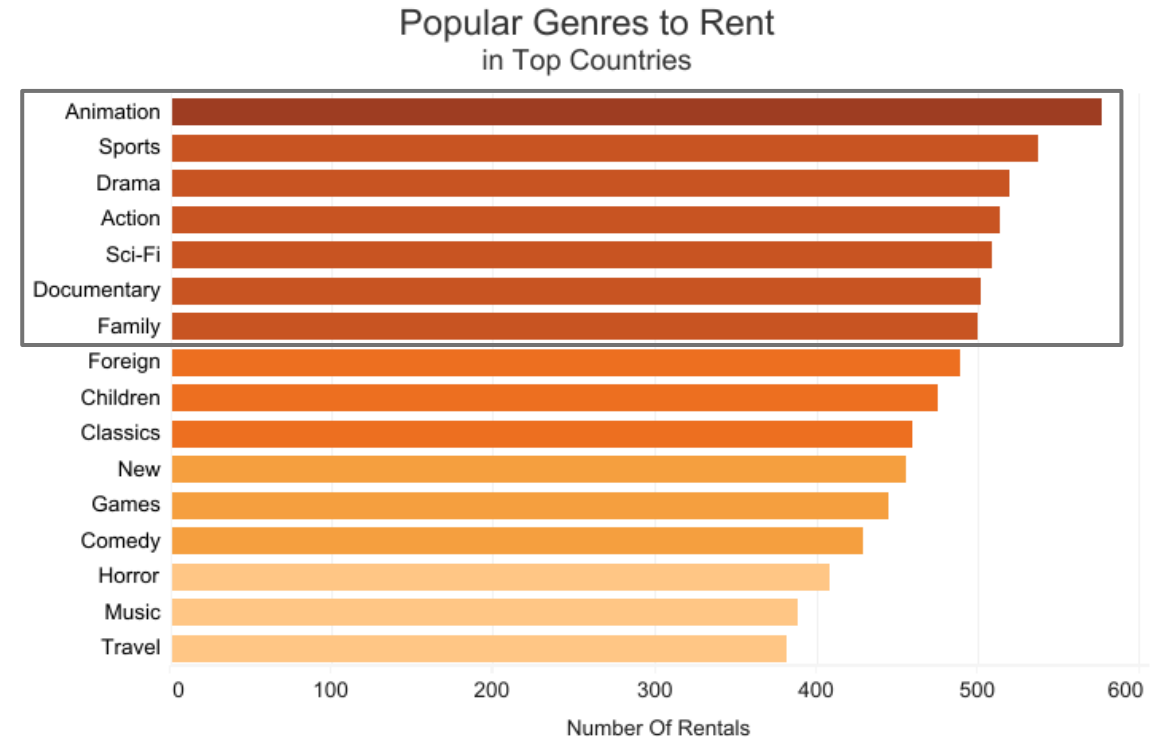
RENTAL RATE ANALYSIS

- **94%** of the highest revenue movie titles are priced at the \$4.99 rental rate.
- **89%** of the lowest revenue generating movie titles are priced at the \$0.99 rental rate.
- Customers most frequently rent movies with the **\$0.99 rental rate**.



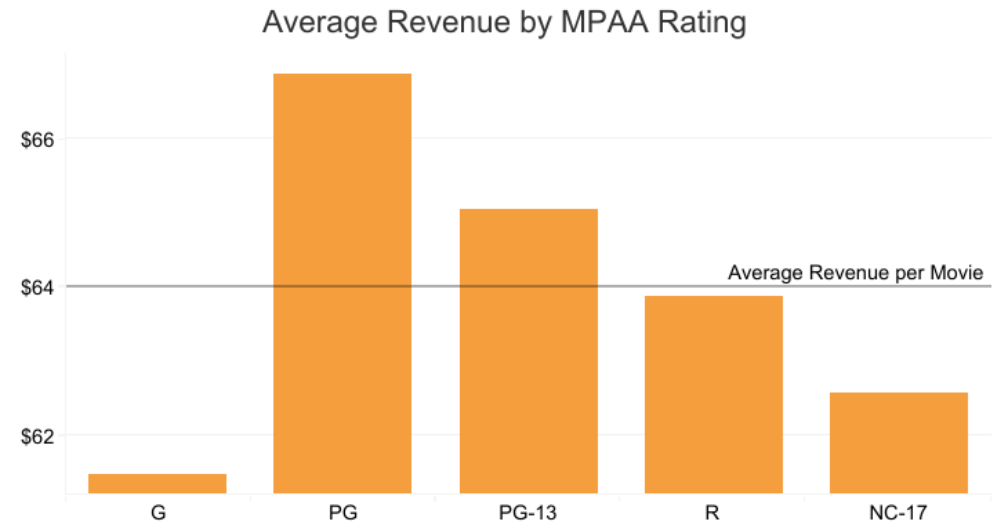
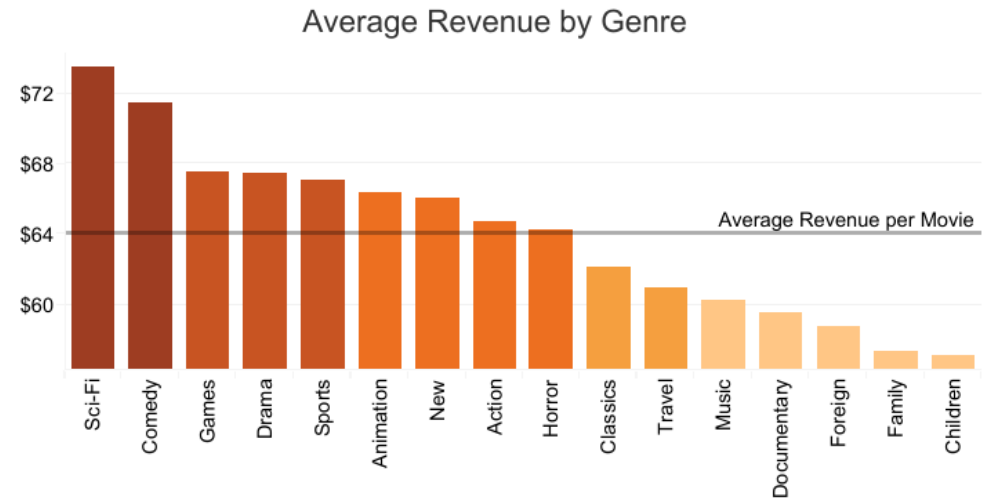
POPULAR GENRES

- The genres highlighted at the top of the graph have the highest number of rentals in countries with large numbers of existing customers.
- When genres were ranked by how frequently movies from that category were rented, the Children and Classics genres were in the second-highest tier.



INVENTORY ANALYSIS

- The Sports genre has the largest total revenue (\$4.9k) but it has the highest number of movies in its genre (73).
- The Sci-Fi and Comedy genres have high total revenues (\$4.3k and \$4k) with below average number of films (59, 56) in the catalog.



RECOMMENDATIONS

LAUNCH STRATEGY

- Conduct a phased rollout of the online video rental service by starting the service in the five countries with the largest current customer base - India, China, US, Japan, and Mexico.
- After an initial period is complete, conduct a survey of customers' experience with the new service. Contact Top Customers for in-depth surveys and reward them for their participation and loyalty.
- Promote the service by highlighting movies from the Animation, Sports, Drama, Action, and Sci-fi genres with PG, PG-13, and R ratings.

PRICING ADVICE

- Rockbuster's current customers most frequently rent movies at the \$0.99/day rental rate. The \$4.99/day rate is the next most frequently rented.
- This indicates that while the low rental rate appeals to customers, they are not opposed to paying more.
- A low introductory price would entice prospective customers. However, to distinguish Rockbuster from competitors, the price structure should be clear and understandable to users. Unexpected changes in cost will damage customer trust.
- More pricing research is recommended.



The End

THANK YOU

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[Tableau Visualizations](#)