



ROCKBUSTER STEALTH

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OBJECTIVES

“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.” - Rockbuster Stealth Management Team

By analyzing our existing business operations and market trends we will detail where our current strengths and weaknesses lie and identify opportunities for growth as we transition toward an online movie rental platform.

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OPERATIONS OVERVIEW

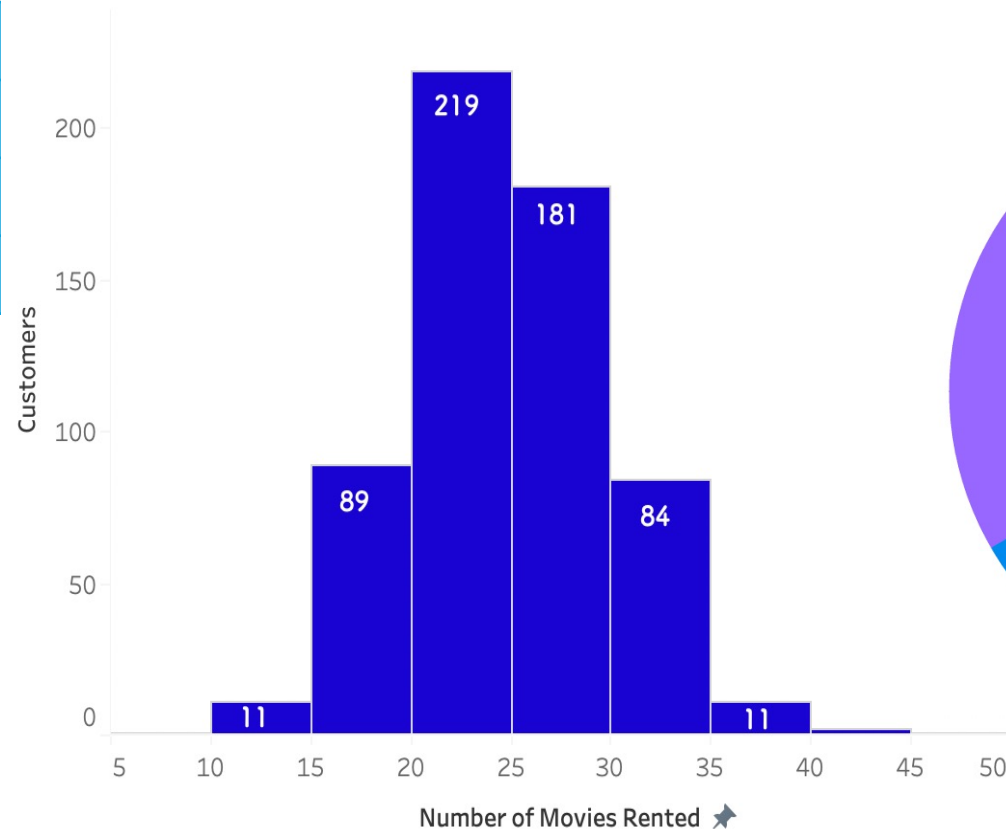
Customers

Active Customers	599
Total Spent (\$)	61312.04
Movies Rented	16044
Nationalities	108

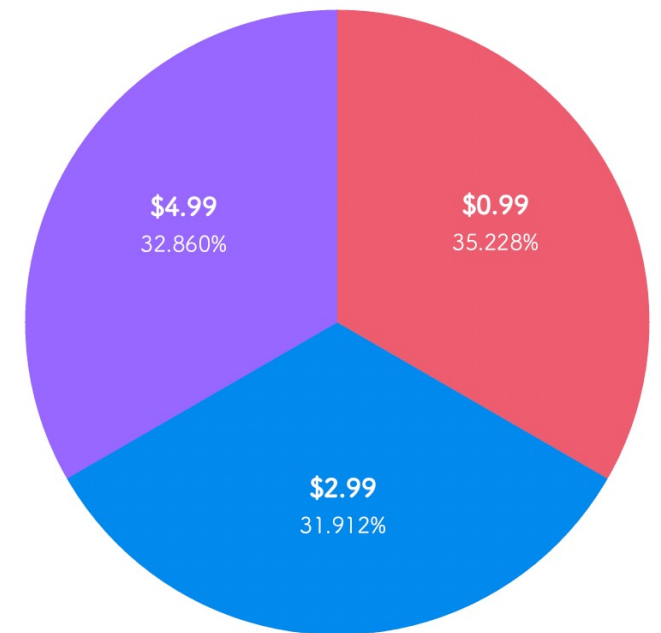
Inventory

Movies	1000
Stores	2
Average Movies Rented	27
Genres	17
Languages	1

Number of Movies Rented by Customers (2006)

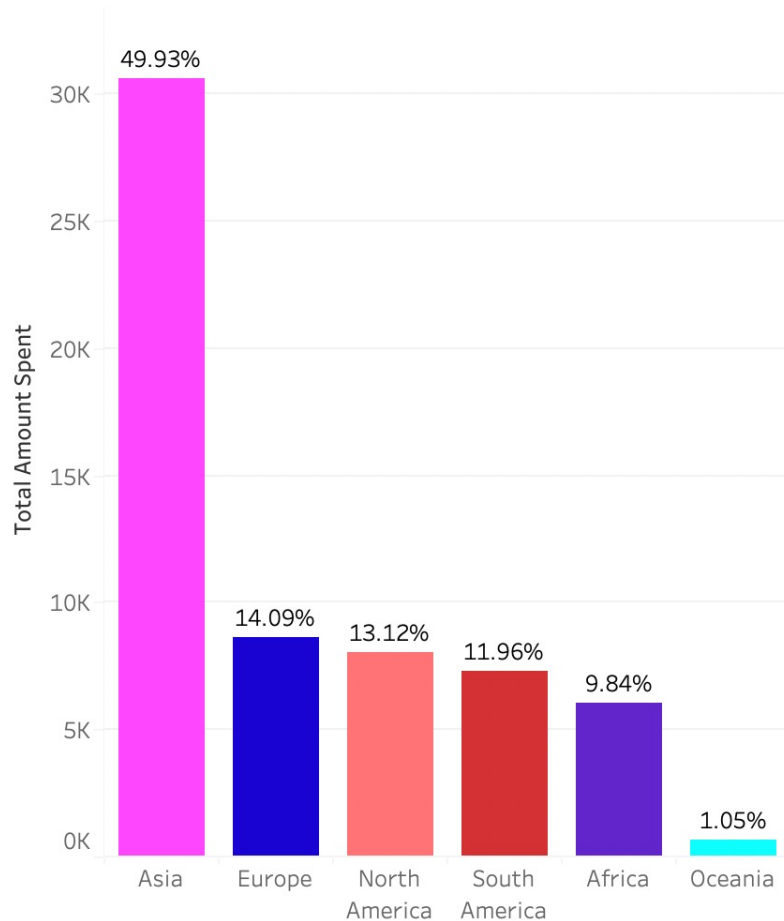


Total Movie Rentals by Price



LEADING MARKETS

Total Sales by Continent (\$)

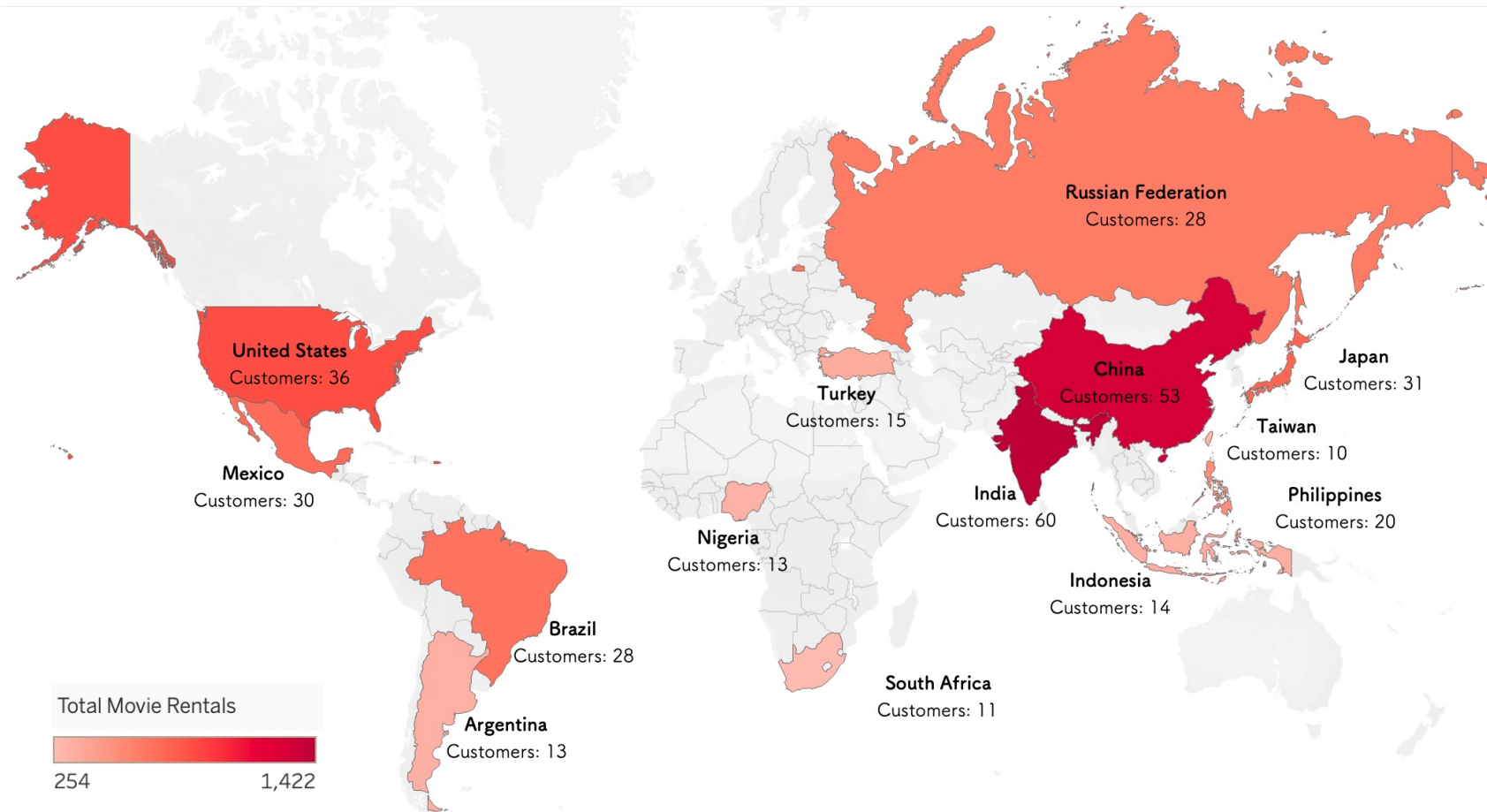


Rank	Country	Total Rental Sales (\$)
1	India	6034.78
2	China	5251.03
3	United States	3685.31
4	Japan	3122.51
5	Mexico	2984.82
6	Brazil	2919.19
7	Russia	2765.62
8	Philippines	2219.7
9	Turkey	1498.49
10	Indonesia	1352.69

- Asia dominates the share of our current customers with almost 50% of sales coming from the continent.
- This is largely due to our two largest customer bases in India and China.
- The other continents have between 10% and 14% share of sales with Oceania with only 1%.

LEADING MARKETS

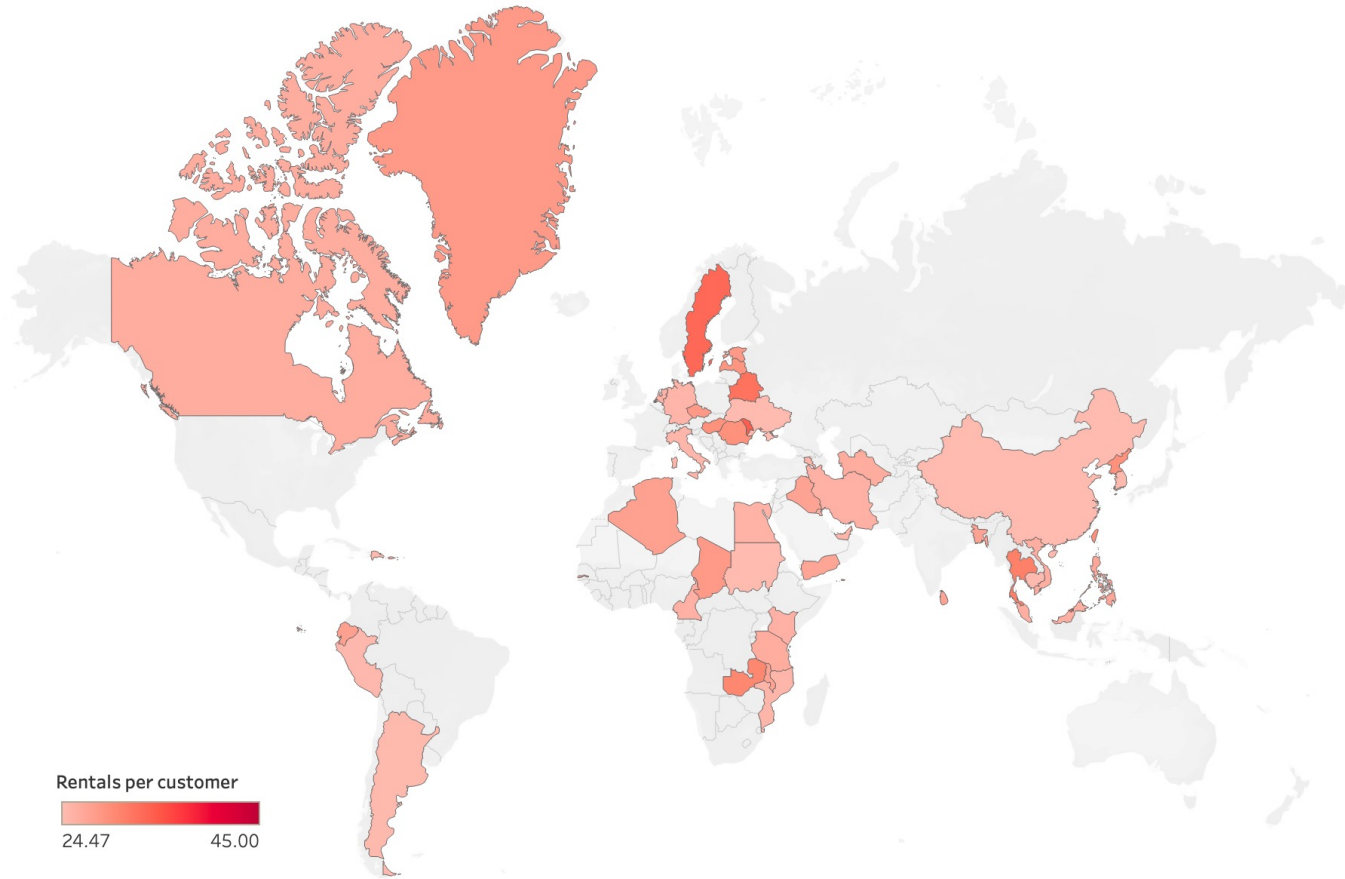
Total Rentals (2006) - Countries with 10 + Customers



As would be expected given the sales figures, Asia is well represented on the map showing countries with 10 or more customers. However, the other continents, particularly Europe, Africa, and the Americas have only a couple of countries with at least 10 active customers. Providing plenty of opportunities to target new customers in these regions.

MARKET OPPORTUNITIES

Rental Rate - Top 30 Countries (Rent per Customer)



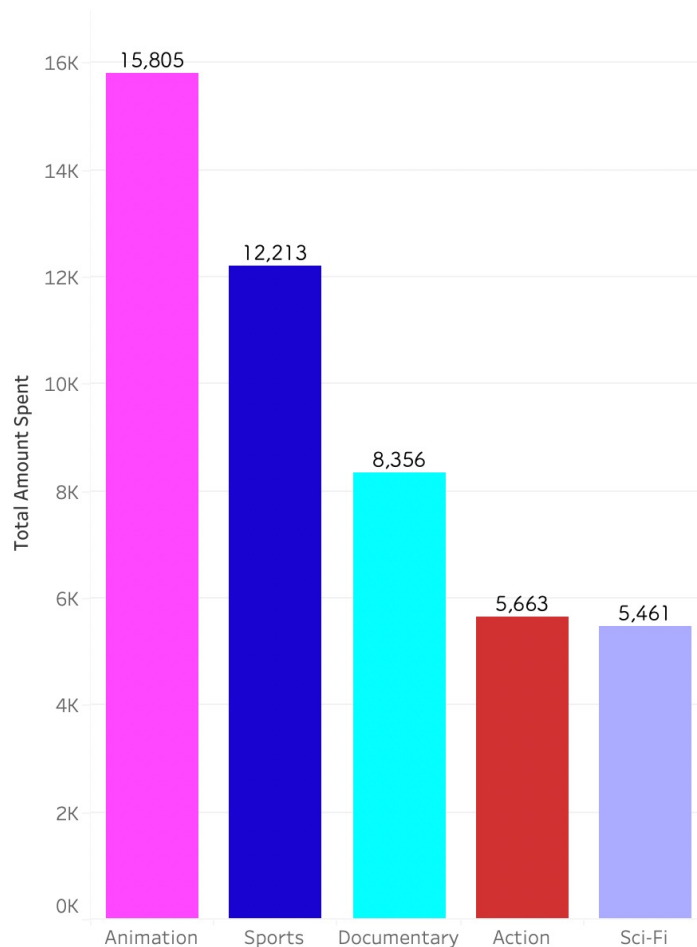
Top 10 Rental Rates (Countries > 1,000,000 Population)

Rank	Country	Rentals Per Customer
1	Moldova	34.00
2	Sweden	33.00
3	Belarus	32.00
4	Thailand	30.67
5	Zambia	30.00
6	Taiwan	29.00
7	Romania	29.00
8	Hungary	29.00
9	Latvia	28.50
10	Czech Republic	28.00

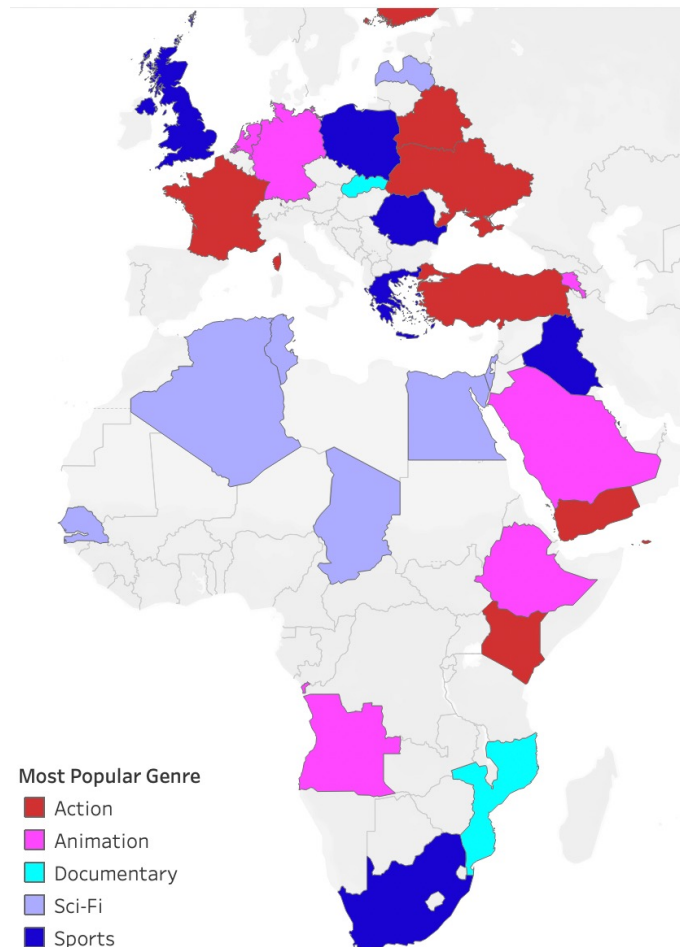
- Many of the countries that are renting the most movies per customer are nations in which we have relatively low numbers of active customers.
- The map shows that many nations in Europe and Africa that did not appear on the previous map have high rates of rentals per customer.
- If we can increase the number of customers in these countries, we can expect a significant boost in sales.

GENRES AND RATINGS

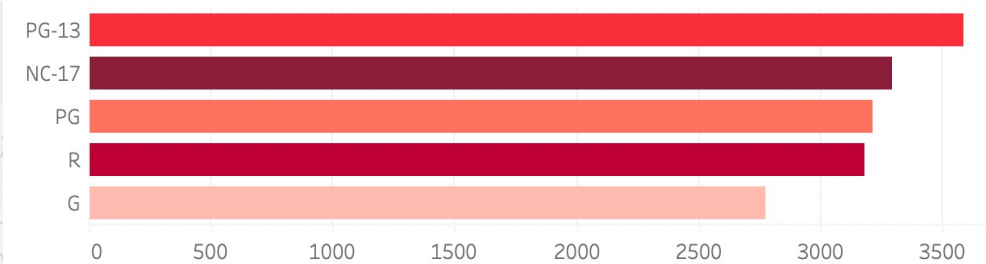
Top 5 Genres by Total Sales (\$)



Map of Top 5 Genres in Europe and Africa



Total Rentals by Rating



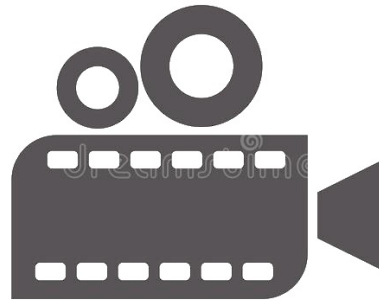
- The top 5 genres represent almost 80% of our total sales worldwide with Animation, Sports, and Documentaries accounting for almost 60%
- These top 5 genres are also very popular among nations in Europe and Africa, which are key regions for expansion.
- The most rented movie ratings are PG-13 and NC-17, with G-rated movies the least rented.
- This suggests that most of our customers are adults or adolescents and there are fewer movies being rented for children.

CONCLUSIONS



Market

- Our current stronghold is in Asia and we would be wise to concentrate on transitioning our current customer base in this region to our online platform
- Africa and particularly Europe represent the greatest opportunity for expansion. We currently do not have a large number of customers in these regions but the customers we do have are extremely active.



Content

- Our most popular content is our Animation, Sports, and Documentary programs.
- We have more rentals for adult-rated movies than for movies targeting children.
- We should look to curate our online platform to serve our adult and adolescent audiences first and foremost. Concentrating on the genres that have proved most popular



Pricing

- Our three price points for rentals (\$0.99, \$2.99, and \$4.99) each represent around a third of total rentals.
- To compete with the likes of Netflix and Amazon we should transition to a subscription model for our top users.
- While many of our customers will benefit from a subscription service, some of our customers only rent a few movies per year and thus we could offer a pay-per-movie option for our less active customers.

