



STRATEGY FOR:

Rockbuster Stealth

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Overview

How can Rockbuster Stealth, a movie rental company, transition to an online video streaming company?

Goal: Provide strategic insights for online launch

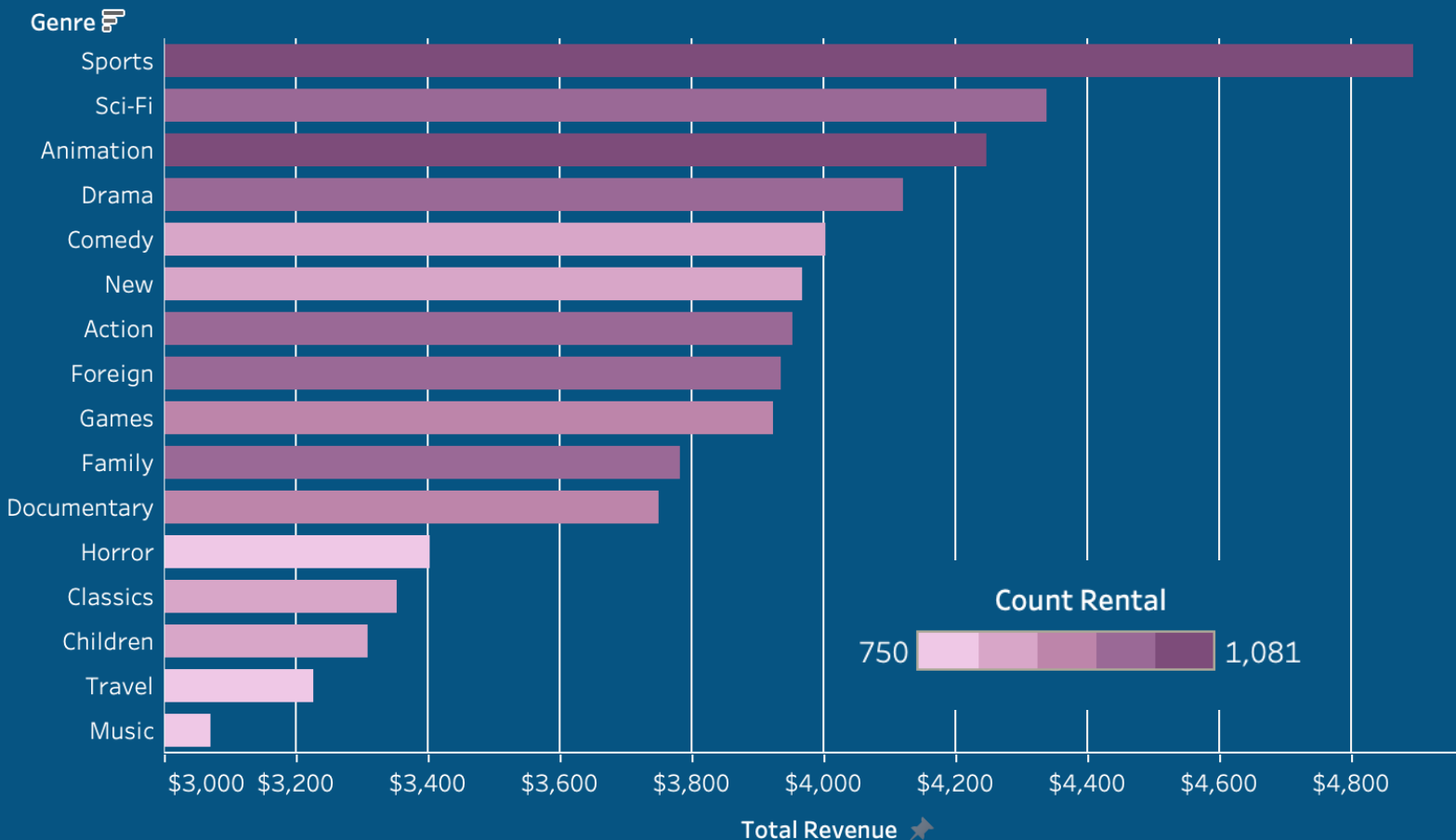
Using:

- SQL to query relational database
- Excel to gather data
- Tableau to visualize data

- ▶ Which movies are rented most?
- ▶ How long do customers keep rentals?
- ▶ How is revenue measured?
- ▶ Which movies yield the most revenue?
- ▶ Where are customers located?
- ▶ Who are the top customers?

Which movies are rented most?

Rental Revenue by Genre



Rentals by Rating

PG-13 22%	PG 20%	G 17%
NC-17 21%	R 20%	

- ▶ PG-13 is the most popular rating, G is least popular
- ▶ Sports movies have the highest revenue & rental count
- ▶ Animation has a higher rental count than Sci-Fi, but less revenue
 - ▶ Animation could have lower rental rate
 - ▶ Or Sci-Fi has higher fees

How long do customers keep rentals?

Days allowed per rental

(film_duration from film table)

Min	Max	Average
3	7	5

Days actually kept per rental

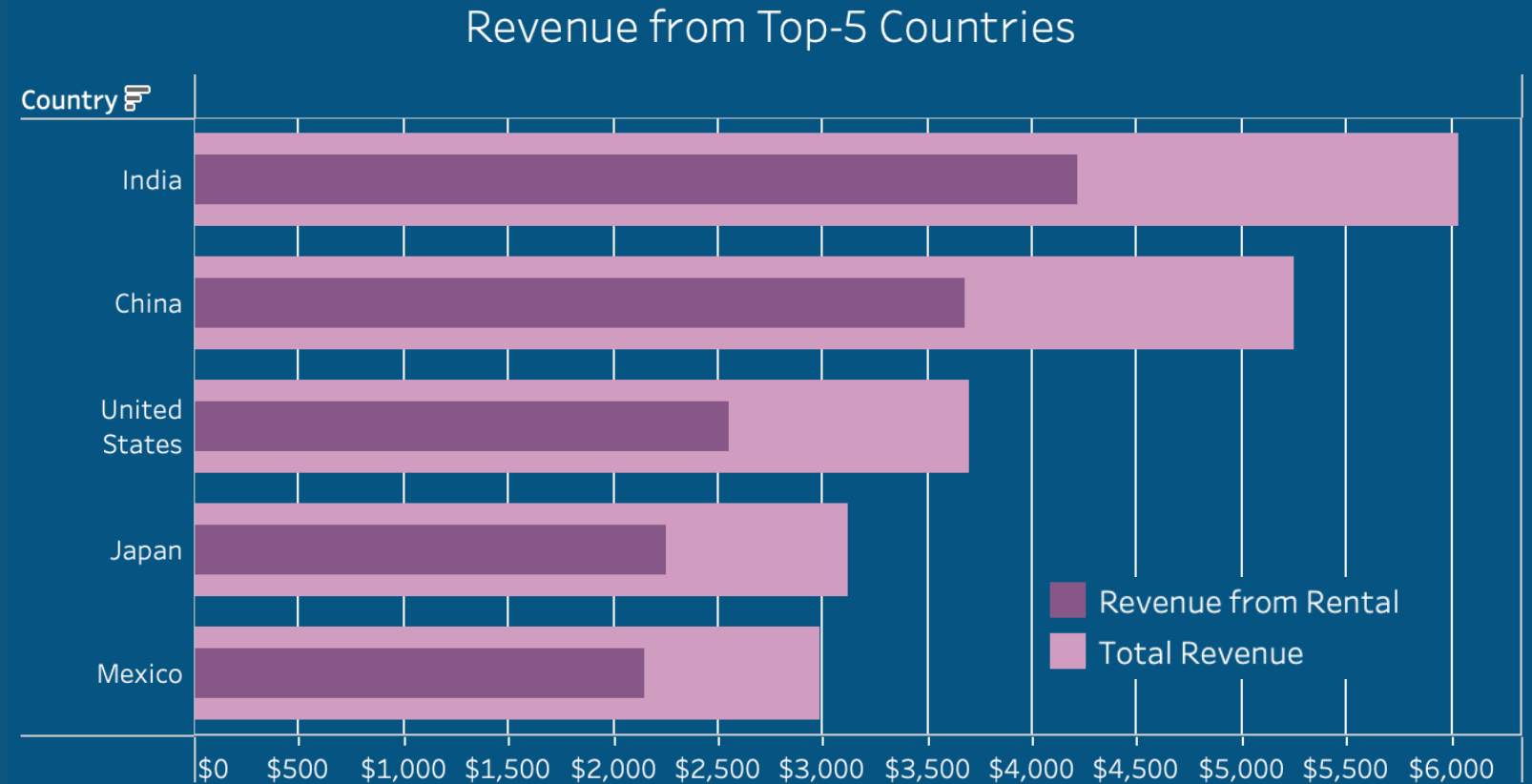
(return_date – rental_date from rental table)

Min	Max	Average
1	10	6

- All movies were rented in 2005 (despite release dates in 2006)
- All partial rental days were rounded up to a whole day
- 183 rentals were not returned
- All 1000 titles have been rented at least once and all customers have made at least one rental
- Because these averages do not match, movies are probably being returned late

How is revenue measured?

- ❖ Revenue from rental is calculated using the rental rate listed for the movie rented
- ❖ Total revenue is the amount actually collected
- ❖ Additional fees account for 30% of all revenue and is roughly the same for all countries, customers, and movies
- ❖ About 45% of rentals have additional fees



Are the additional fees late fees?

Total rentals	14,596
Early return	37%
On time return	11%
Late return	51%
Not returned	1%

- ▶ More than 50% of all rentals are returned late
- ▶ Rentals returned early or on time had **\$0** in additional fees
- ▶ Additional fees are probably due to late fees!

Late return is when:
actual days rented > days allowed to rent

Which movies yield the most revenue?

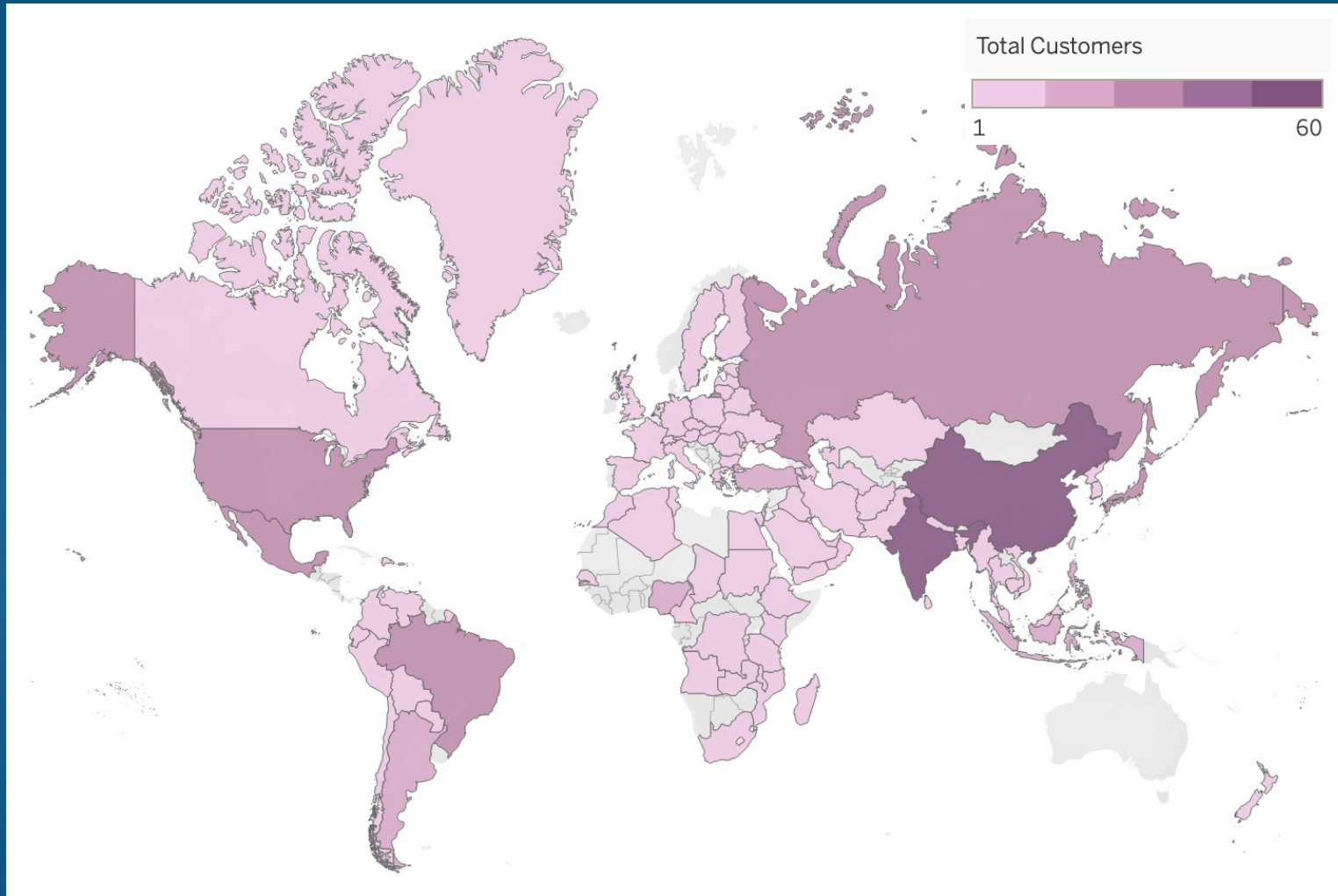
Title	Rental Rate	Total Rentals	Total Revenue	Avg Late Fee
Telegraph Voyage	\$4.99	25	\$215.75	\$3.96
Zorro Ark	\$4.99	28	\$199.72	\$3.33
Wife Turn	\$4.99	27	\$198.73	\$3.20
Innocent Usual	\$4.99	26	\$191.74	\$3.44
Hustler Party	\$4.99	22	\$190.78	\$4.26

- All Top-5 movie titles have above-average late fees
- Only 3 different rental rates: \$0.99, \$2.99, \$4.99
- Most popular titles (3) were rented 29 times, but lower rental rate and less late fees mean lower revenue

Late Fee per Late Rental		
Min	Max	Average
\$0.99	\$7	\$2.78

* Average late fee is calculated only on rentals that were returned late

Where are customers located?



Top-5 Countries	
Country	Total Revenue
India	\$6034.78
China	\$5251.03
United States	\$3685.31
Japan	\$3122.51
Mexico	\$2984.82

- ▶ 2% of customers are flagged as “inactive” in database
- ▶ Because inactive customers make up the same percentage 2% of revenue and rentals, all customers were included in analysis

Who are the top customers?

Top-5 Customers from Top-10 Countries					
Name	Country	# Rentals	% Rentals with late fees	Average late fee	Total Spent
Karl Seal	United States	42	55%	\$3.43	\$208.58
Marion Snyder	Brazil	39	54%	\$2.86	\$194.61
Ana Bradley	United States	33	64%	\$2.81	\$167.67
Marcia Dean	Philippines	39	49%	\$2.84	\$166.61
Mike Way	India	33	45%	\$3.20	\$162.67

- All top-5 customers have at least the average (45%) of their rentals with a late fee
- Two of the top-5 customers are from the United States

Recommendations

Revenue

- ▶ Re-evaluate cost of goods and services
 - ▶ Many rentals have more late fees than rental rate
 - ▶ 30% of revenue is from late fees
- ▶ How does revenue model transition to online streaming?
 - ▶ Subscription?
 - ▶ Pay-per-view?
 - ▶ How to build in revenue that would have been earned through late fees?

Location

- ▶ Pilot online streaming in top countries: India, China, United States, Japan & Mexico

Types of films

- ▶ Current customer base prefers more mature films, not G-rated
- ▶ Most popular genres are Sports, Sci-Fi & Animation