

# Rockbuster Stealth LLC's New online video service project

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## Why online video rental service?

To stay competitive in the fierce competition against the online streaming companies such as Netflix, Amazon prime, Rockbuster Stealth LLC needs to evolve its existing business model with physical stores around the world to online rental service.

Video streaming market size, 2021 to 2030 (USD Billion)



Source: [Precedence research 2023](#)

# Current business overview

## Rental

Minimum rental fee	0.99\$
Maximum rental fee	4.99\$
Average rental fee	2.98\$
Minimum rental duration	3 days
Maximum rental duration	7 days
Average rental duration	4.9 days

## Replacement

Minimum replacement cost	9.99\$
Maximum replacement cost	29.99\$
Average replacement cost	19.98\$

## Film

Most frequent release year	2006
Most frequent film language	English
Most frequent film rating	PG-13
Minimum film length	46 min
Maximum film length	185 min
Average film length	115 min

## Customer

Total number of members	599
Number of active members	599

# Customer base

599 members over108 countries

Top 10 **countries** by number of customers

Country	Number of customers
India	60
China	53
United States	36
Japan	31
Mexico	30
Brazil	28
Russian Federation	28
Philippines	20
Turkey	15
Indonesia	14

Top 10 cities by **number** of customers

City	Country	Number of customers
Aurora	United States	2
Atlixco	Mexico	1
Xintai	China	1
Adoni	India	1
Dhule (Dhulia)	India	1
Kurashiki	Japan	1
Pingxiang	China	1
Sivas	Turkey	1
Celaya	Mexico	1
So Leopoldo	Brazil	1

Top 5 customers & their base

Customer ID	City	Country	Total amount
148	Saint-Denis	Runion	212\$
526	Cape Coral	United States	209\$
178	Santa Brbara dOeste	Brazil	195\$
137	Apeldoorn	Netherlands	192\$
144	Molodetno	Belarus	189\$

## Key questions

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

## Best/Worst revenue generating movies & rental duration

Following lists presents top/bottom 10 revenue contributing movies. There is no apparent pattern found amongst the top/bottom 10 movies other than rental duration. Considering that the **average rental duration of total movies is 4.9 days**, the top 10 movies average falls far shorter than the total average.

### 10 **best** revenue contributors

Genre	Title	Amount	Rental Duration
Music	Telegraph Voyage	215.75	3
Comedy	Zorro Ark	199.72	3
Documentary	Wife Turn	198.73	3
Foreign	Innocent Usual	191.74	3
Comedy	Hustler Party	190.78	3
Sports	Saturday Lambs	190.74	3
Sci-Fi	Titans Jerk	186.73	4
Drama	Harry Idaho	177.73	5
Drama	Torque Bound	169.76	3
Animation	Dogma Family	168.72	5

Average: 3.5 days

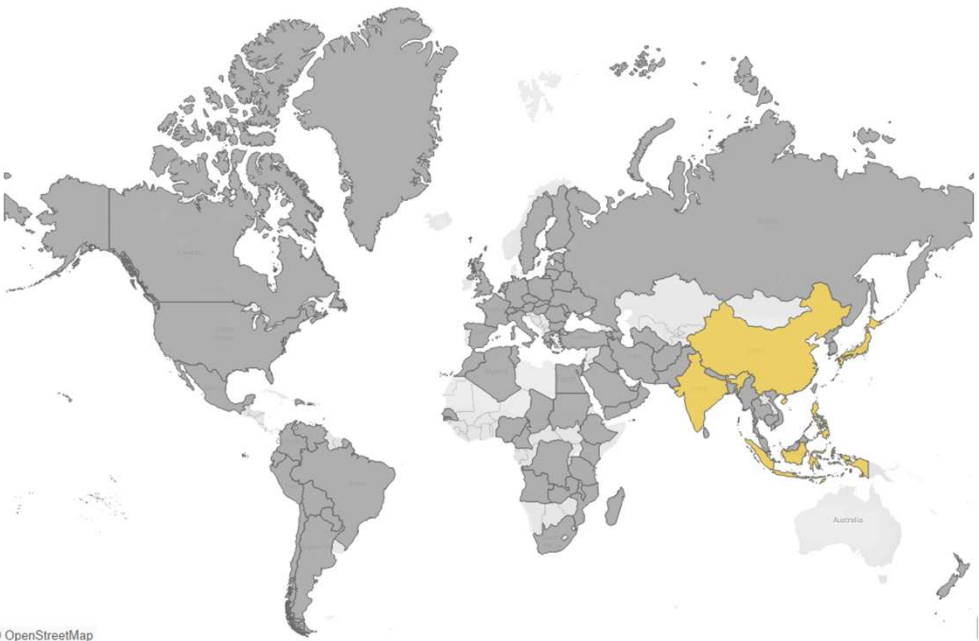
### 10 **worst** revenue contributors

Genre	Title	Amount	Rental Duration
New	Texas Watch	5.94	7
Documentary	Oklahoma Jumanji	5.94	7
Horror	Duffel Apocalypse	5.94	5
Comedy	Freedom Cleopatra	5.95	5
Music	Young Language	6.93	6
Documentary	Rebel Airport	6.93	7
Classics	Cruelty Unforgiven	6.94	7
Drama	Treatment Jekyll	6.94	3
Classics	Lights Deer	7.93	7
Sci-Fi	Stallion Sundance	7.94	5

Average: 5.9 days

## Rockbusters customer base

Rockbusters has a global presence over 108 countries with particular strong presence in **APAC** region as half of the top 10 countries by size of member base is in APAC.



Top 10 countries by size of member base

Country	Number of customers
India	60
China	53
United States	36
Japan	31
Mexico	30
Brazil	28
Russian Federation	28
Philippines	20
Turkey	15
Indonesia	14

## Customers with a high lifetime value & their base

There are a few ways to define “customers with a high lifetime value”. One way is to go by purchase value, and another is by purchase frequency. When it goes by *total purchase value* (revenue generated), the top Clist would be as shown on the left table. However, by *purchase frequency*, the list on the right shows new customers that did not appear on the left table.

Top 10 customers by revenue gained

Customer id	Country	Total amount
148	Runion	211.55
526	United States	208.58
178	Brazil	194.61
137	Netherlands	191.62
144	Belarus	189.6
459	Iran	183.63
181	United States	167.67
410	Canada	167.62
236	Philippines	166.61
403	India	162.67

Top 10 customers by number of rentals

Customer id	Country	Rental count
148	Runion	46
526	United States	45
236	Philippines	42
144	Belarus	42
75	Taiwan	41
469	Spain	40
197	China	40
178	Brazil	39
468	India	39
137	Netherlands	39



## Recap & Suggestions



- Top 10 revenue generating movies are purely based on customers preference (no apparent pattern found). However, the rental duration for the movies in high demand was significantly shorter than the average. Therefore, sales promotion to encourage quick return with a small incentive rather than pushing certain type of films may be more appealing to customers.
- Current customer base is widely spread with stronger presence in APAC region. Due to technical issue, the information of store coverage in countries is not available to analyze the reason for stronger presence in a region. In any case, the new online business should compensate low store coverage in underdeveloped markets.
- How to define customers with high lifetime value should be discussed to set a direction for the strategic decisions. On a hypothesis that rental price is not the main selection criteria for majority of customers but their preferences, valuing customers with high purchase frequency (total rental count) rather than purchase value (total amount) may help Rockbuster to retain true loyal customers.

## Questions & feedback

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If you have any questions or feedback, please feel free to contact me by email ([hb.XXXX.jung@gmail.com](mailto:hb.XXXX.jung@gmail.com)). Thank you.