

# Rockbuster

## Online Store Launch Strategy

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# Agenda



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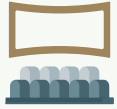
**06**

Appendix



# 01. Launch of Online Store

Rockbuster will be launching online video rental service using existing movie licenses to stay competitive with other streaming services such as Amazon Prime and Netflix.



In 2019 subscription streaming represented **63%** of home entertainment market share, increasing by **23.7%** from 2018



Digital movie rentals via internet services saw a **9%** increase in sales in the U.S



From 2015 to 2019, Netflix's revenue increased from **7 to 25 billion dollars**



In US, video rental spending dropped by **12.3% to \$3.4 billion** in 2019

# Film Data Summary

Below is the summary of film data used to conduct the analysis.

## Films



1,000 Films



\$2.98 Avg rental price



\$0.99 common rental price



5 days avg rental duration



Movies are in English language

## Genres & Actors



20 genres



200 actors

## Payments



14,596 payments



\$61,312 total revenue

## Customers



599 customers



108 locations



584 active customers



16,044 total rentals

## 0.2 Top 10 Countries by Revenue

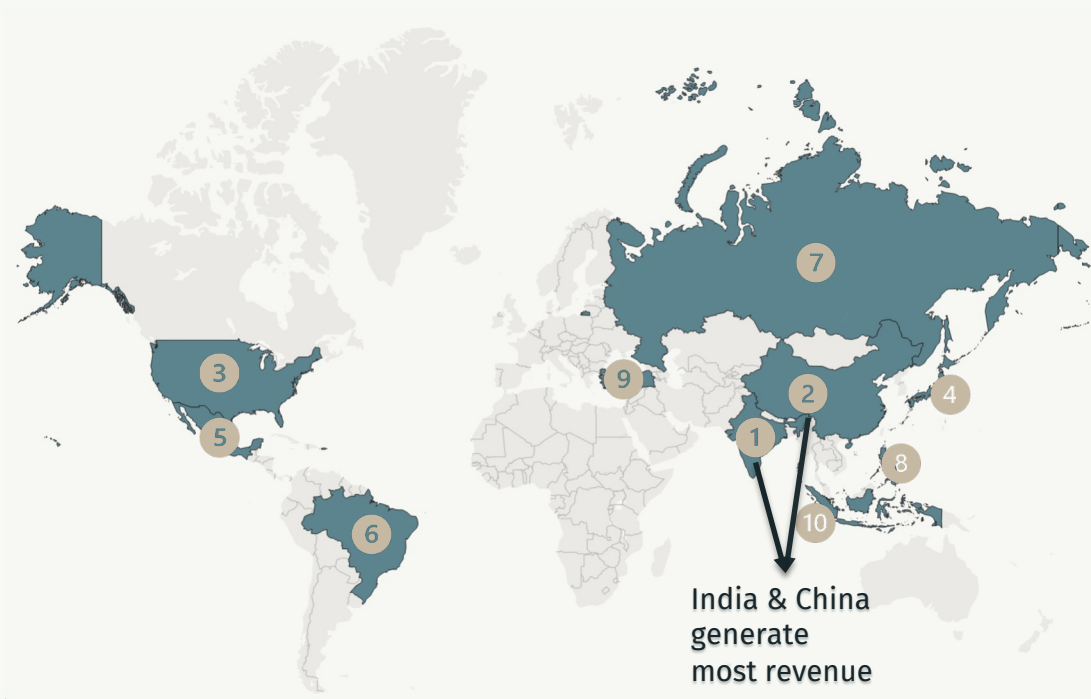
1 **India**  
10%

2 **China**  
9%

3 **U.S**  
6%

4 **Japan**  
5.2%

5 **Mexico**  
5%



6 **Brazil**  
4.7%

7 **Russia**  
4.7%

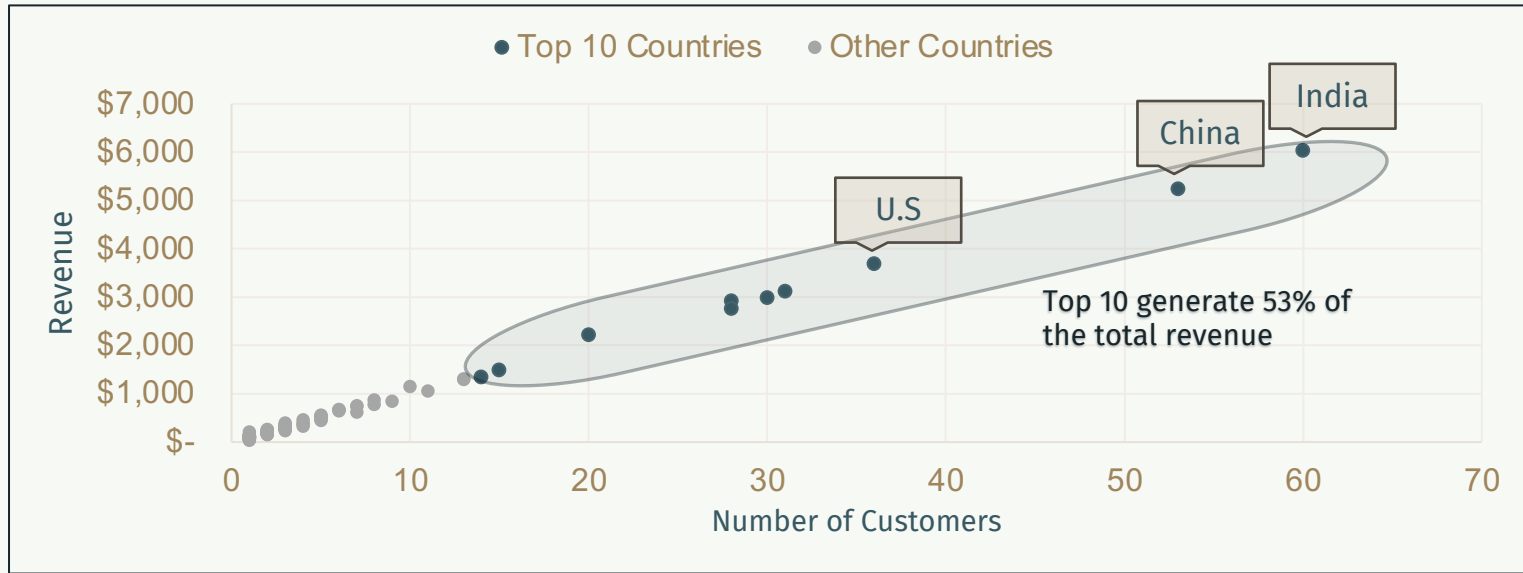
8 **Philippines**  
4.3%

9 **Turkey**  
2.5%

10 **Indonesia**  
2.3%

# Revenue & Customer Distribution by Country

A **strong relationship** exists between customer count and revenue. As the customer base grows in a country, so does the revenue.



# Top 10 Cities in Top 10 Countries

Country	City	Customers	Revenue
United States	Aurora	2	\$159.58
United States	Cape Coral	1	<b>\$208.58</b>
Brazil	Santa Brbara dOeste	1	\$194.61
United States	Memphis	1	\$167.67
Philippines	Tanza	1	\$166.61
India	Valparai	1	\$162.67
Philippines	Santa Rosa	1	\$161.68
Philippines	Tanauan	1	\$156.66
India	Halisahar	1	\$154.70
India	Bijapur	1	\$154.66

- **Aurora** is the only city with more than 1 customer
- **Cape Coral** city generates the most revenue
- **United States, Philippines and India** each hold 3 of the top 10 cities that generate the most revenue
- Top 10 cities in the top 10 countries contribute **2.75%** of the overall **revenue**

# Top 5 High Value Customers

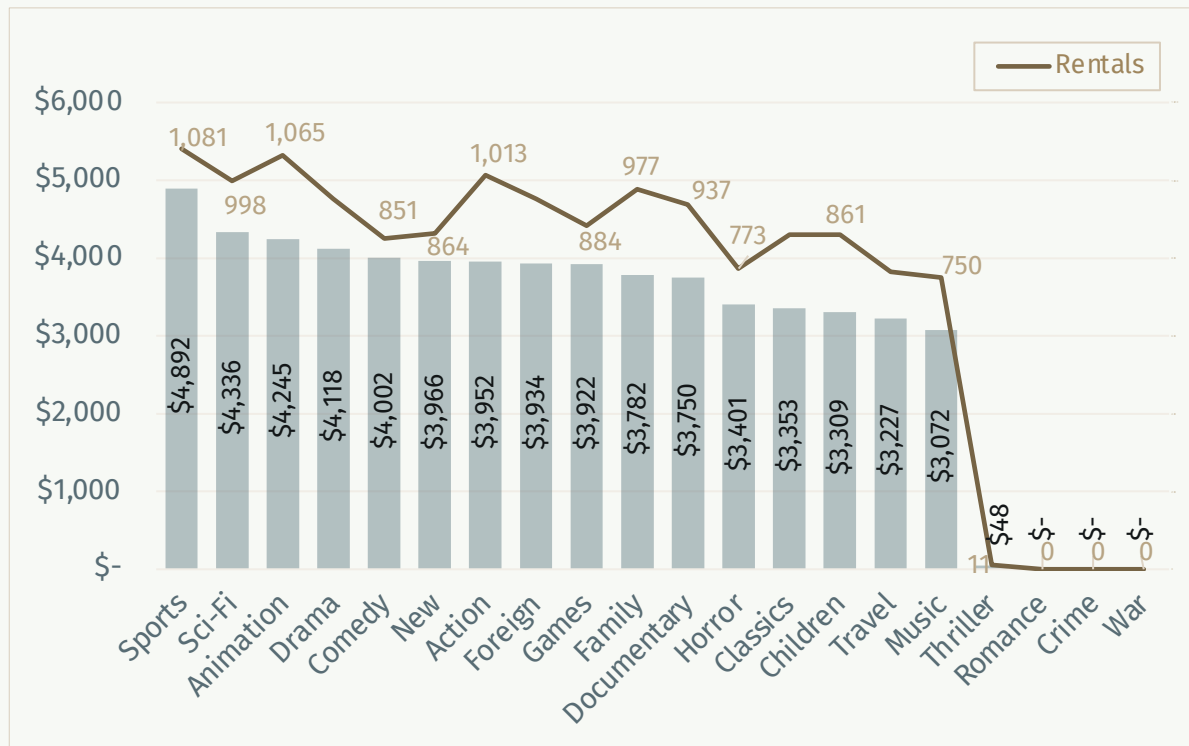
Below high value customers contributed **1.5% to total revenue**

First Name	Last Name	City	Country	Revenue
Karl	Seal	Cape Coral	United States	\$208.58
Marion	Snyder	Santa Brbara dOeste	Brazil	\$194.61
Ana	Bradley	Memphis	United States	\$167.67
Marcia	Dean	Tanza	Philippines	\$166.61
Mike	Way	Valparai	India	\$162.67



## 03. Rentals & Revenue by Genre

- **Sports** films led in rentals and revenue
- Top Revenue Generators: **Sports, Sci-fi, Animation** films
- Popular Rentals: **Sports, Animation, Action** films
- **Sci-fi** outperforms Animation and Action in revenue due to its higher average rental rate
- **Action** ranks top 3 in rentals but 7th in revenue, due to its lower rental rate
- Low Popularity and Revenue Generators: **Thriller, Romance, Crime** and **War**

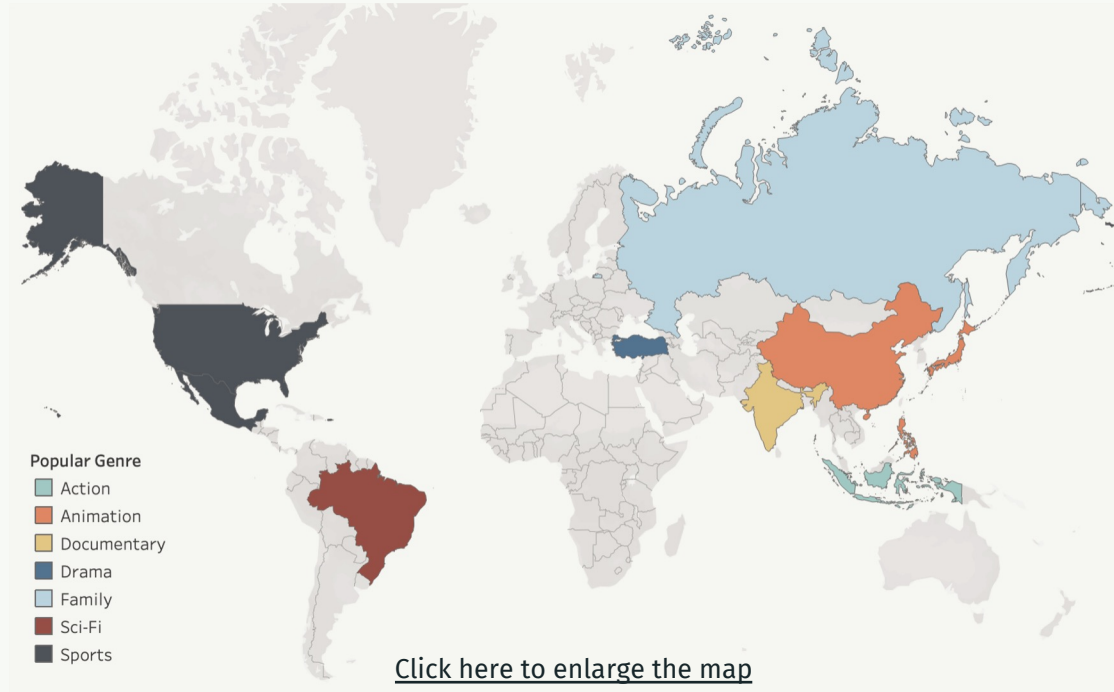


# Top Genres in Top 10 Countries

Sports is preferred genre in U.S and Mexico

Sci-fi is preferred genre in Brazil

Drama is preferred genre in Turkey



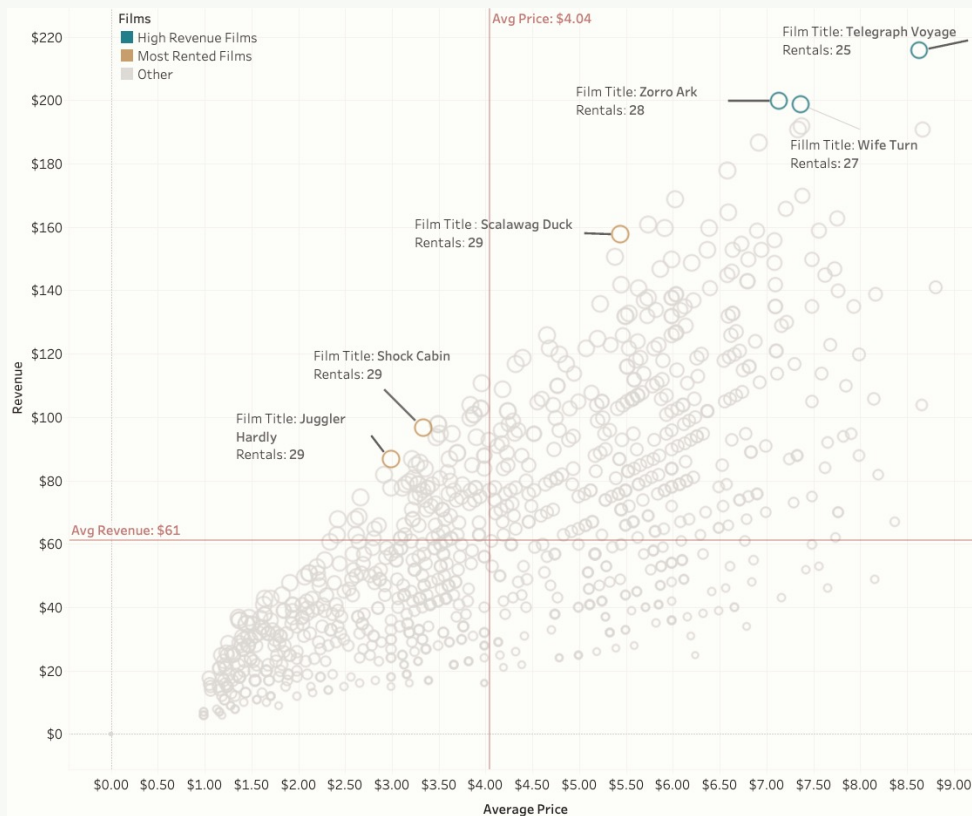
**Family** is preferred genre in Russia

**Animation** is preferred genre in Japan, China Philippines

**Documentary** is preferred genre in India

**Action** is preferred genre in Indonesia

# Avg. Rental Price, Rentals & Revenue Correlation

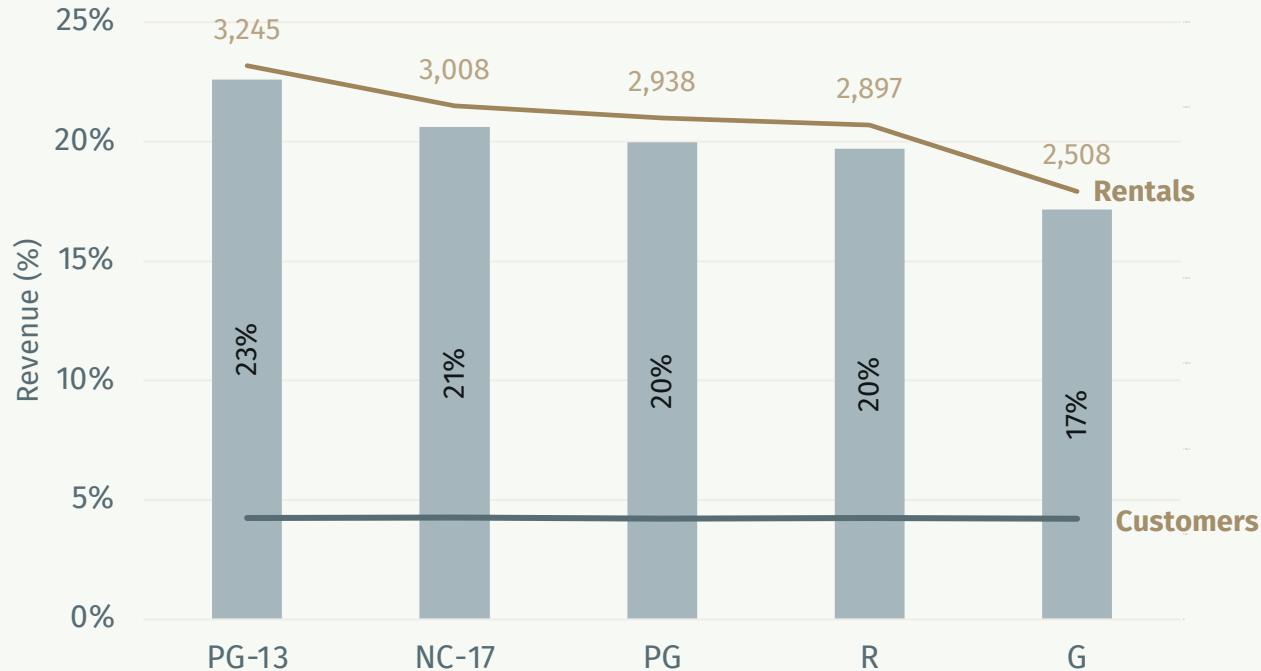


[Click here to enlarge the graph](#)

- A **strong correlation** between average rental price and revenue. When the average price rises, revenue also climbs
- Films such as **Telegraph Voyage**, **Zorro Arc** and **Wife Turn** generate more revenue despite lower rental frequency compared to **Shock Cabin** and **Juggler Hardly**
- 2005-2006 average rental price was **\$4.04**
- Rental frequency and revenue share a **moderate positive correlation**, indicating that as a film is rented more frequently, it generates higher revenue.
- 2005-2006 on average films were **rented 15 times**

## 04. Rentals & Revenue by Film Ratings

PG-13 film are most popular globally and generate the most revenue



## 05. Recommendations



Concentrate the online store launch on **the top 10 countries** with substantial customer bases and revenue generation.



Our analysis indicates that **different regions have unique genre preferences**. We recommend tailoring the product and marketing to match these regional preferences. Please note that the data used for this analysis is for rentals in 2005-2006 and we recommend gathering more recent data to accurately identify region-specific genre preferences for 2020 marketing strategies.



The data indicates that higher rental prices, along with more frequent rentals, lead to increased revenue. We recommend testing price elasticity by **raising the rental fees for movies rented over 15 times and priced under \$4.04 by 10%**. This will help identify optimal rental rate to maximize revenue. Additionally, to set prices tailored to specific regions, we recommend obtaining updated rental data and understanding local video rental and streaming market trends.



There exists a **strong correlation between the number of customers and overall revenue**. To boost revenue, it's advisable to direct marketing efforts towards expanding the customer base in the top 10 countries. Further region-specific market research is required.



# Next Steps

1. Gather and analyse the top 10 countries' markets to determine:
  1. Size of the home entertainment market in terms of revenue in 2019. This includes market share held by digital rental, subscription streaming services and video purchases
  2. Profit margin on sales in the digital rental market
  3. Share of the market Rockbuster will need to hold to become profitable
  4. Region specific customer segments using more recent data (2018-2019)
  5. Barriers to enter each country's market.
2. Analyse Rockbuster's resources, investment and ROI:
  1. What costs will be required to launch the online store in each country?
  2. What type of resources will be required for the launch? Does Rockbuster have these resources?
  3. How long will it take to payback investments
  4. How long will it take to breakeven



## 0.6 Appendix

1. Rockbuster Stealth Data Analysis Project Brief
2. Rockbuster Explorative Data Analysis
3. Rockbuster Data Dictionary
4. Map & Scatterplot graph in the presentation
5. 2019 U.S Home Entertainment Statistics

The image features several decorative swirls of varying sizes and orientations scattered around the central text. These swirls are drawn in a simple, hand-drawn style with thin black lines. They are located in the corners and along the edges of the frame, creating a festive or celebratory atmosphere.

**Thank YOU**