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## Individual Assignment Business Reporting

### Company Overview Sakila

The Sakila Company offers a wide variety of DVDs, coming all the way from music videos and concerts to family movies, comedy, and sports. A total of 1,000 films and 16 categories can be found at the store and customers from all over the world enjoy the service. More about the company following.

#### 1. Financial Status

Total sales of Sakila sum up to \$67,416 during five months in 2005 and one in 2016. Sales by month are shown in the following table:

	Year	Month	TotalSales
1	2005	05	4824.43
2	2005	06	9631.88
3	2005	07	28373.89
4	2005	08	24072.13
5	2006	02	514.18

There was notable growth for the months of July and August during our 2005 period. By February 2006 sales fell by 97.8%, which shows a huge decline on sales and may mark the end of the company. This can be due to new online streaming services on the rise.

As for the rentals made from our stores, there have been a total of 16,044 during the same months of 2005 and 2006:

	Year	Month	TotalRentals
1	2005	05	1156
2	2005	06	2311
3	2005	07	6709
4	2005	08	5686
5	2006	02	182

This table follows the same relation in term of numbers and show a special growth for July and August.

#### Stores

Currently we have two main stores located in Canada and Australia respectively, which serve to people all over the worlds.

	store id	country	TotalSales
1	1	Canada	37001.52
2	2	Australia	30414.99

The following tables show each store revenue per month:

	store id	Year	Month	TotalSales
1	1	2005	05	2694.62
2	1	2005	06	5148.57
3	1	2005	07	15739.22
4	1	2005	08	13136.09
5	1	2006	02	283.02

	store id	Year	Month	TotalSales
1	2	2005	05	2129.81
2	2	2005	06	4483.31
3	2	2005	07	12634.67
4	2	2005	08	10936.04
5	2	2006	02	231.16

Store 1, located in Canada, generated more sales than Store 2, located in Australia. Besides the little difference presented in sales, both stores follow the main pattern of the company in general.

Additional to the sales we have total rentals by store:

	store id	Year	Month	TotalRentals
1	1	2005	05	638
2	1	2005	06	1243
3	1	2005	07	3677
4	1	2005	08	3091
5	1	2006	02	98

	store id	Year	Month	TotalRentals
1	2	2005	05	518
2	2	2005	06	1068
3	2	2005	07	3032
4	2	2005	08	2595
5	2	2006	02	84

## 2. Customers

Our customer base sums up to 599 different ones that have rented at least one film since the start. Most of the customers started ordering since May of 2005, which means that more than the 80% of our clients are loyal and kept making orders in the following months. The next table shows the number of customers by the first date they have made a rental:

	Year	Month	TotalCustomers
1	2005	05	520
2	2005	06	78
3	2005	07	1

This means that 520 customers started renting films since May 2005, then 78 started in June and one from July.

Even if no new customers have been added since 2005, and the time that has passed since the last purchase is 15.66 years, 584 have still have an Active status:

	Customers	Active
1	15	Not Active
2	584	Active

Regarding customer spending and frequency of rentals, during the analysis period, customers rented on average 6.51 films each month and spent \$27.34 on average.

	Year	Month	AvgFreqRent
<b>1</b>	2005	05	2.22
2	2005	06	3.92
3	2005	07	11.2
4	2005	08	9.49
5	2006	02	1.15

	Year	Month	AvgSpent
<b>1</b>	2005	05	9.28
2	2005	06	16.33
3	2005	07	47.37
4	2005	08	40.19
5	2006	02	3.25

We can see that the same pattern is found as for the sales. It shows a high average for the months of July and August in 2005 and a steep decline for February 2006. Peak months are both, specifically in July of 2005.

Another important detail about the customers of Sakila, is their location. As said before, customers from all over the world look for rentals at the company and coming from over 100 countries. The top 10 countries with more customers are shown:

	country	Customers
<b>1</b>	India	60
2	China	53
3	United States	36
4	Japan	31
5	Mexico	30
6	Russian Federation	28
7	Brazil	28
8	Philippines	20
9	Turkey	15
10	Indonesia	14

These countries account for 315 total customers, which means that 52% of the total are located there. As for sales, the top 10 is almost the same, excepting Nigeria, which takes the place of Indonesia.

	country	TotalSales	SalesPerc
1	India	6630.27	9.83
2	China	5802.73	8.61
3	United States	4110.32	6.1
4	Japan	3471.74	5.15
5	Mexico	3307.04	4.91
6	Brazil	3200.52	4.75
<b>7</b>	Russian Federation	3045.87	4.52
8	Philippines	2381.32	3.53
9	Turkey	1662.12	2.47
10	Nigeria	1511.48	2.24

With this table, we can also see the percentage that each country takes from the total sales. There is a large market concentrated in Asia, where 3 out of the top 5 countries are in Asia.

To represent this, a new classification was made with 4 main groups of countries:

	Market	TotalSales	SalesPerc
1	Asia	29434.32	43.66
2	Americas	16257.53	24.12
3	Africa and others	12764.86	18.93
4	Europe	8959.8	13.29

All the countries in Asia take account for the 43.66% of total sales, which means Asia is our largest market. Middle markets are followed by the Americas with 24.12%, Africa and Others with 18.93% and the smallest market is Europe with just the 13.29% of the total. This shows important opportunities to create a even stronger market in Asia and see why Europe is having less rentals.

### 3. Internal Business Processes

Now, reviewing the films we have rented the most and that have generated the most sales and rents are shown below:

	title	Category	Language	TotalRents	TotalSales
1	BUCKET BROTHERHOOD	Travel	English	34	180.66
2	ROCKETEER MOTHER	Foreign	English	33	116.67
3	SCALAWAG DUCK	Music	English	32	172.68
4	RIDGEMONT SUBMARINE	New	English	32	130.68
5	JUGGLER HARDLY	Animation	English	32	96.68
6	GRIT CLOCKWORK	Games	English	32	110.68
7	FORWARD TEMPLE	Games	English	32	128.68
8	ZORRO ARK	Comedy	English	31	214.69
9	WIFE TURN	Documentary	English	31	223.69
10	TIMBERLAND SKY	Classics	English	31	123.69

The most rented film of all is Bucket Brotherhood which is within the travel category and has a total of 34 rentals during 2005 and 2006. It is important to note that, even though, it is the most rented film is not the one with the most total sales. In this case, the film with the most sales is Wife Turn, a documentary.

	title	Category	Language	TotalRents	TotalSales
1	HARDLY ROBBERS	Documentary	English	4	15.96
2	MIXED DOORS	Foreign	English	4	15.96
3	TRAIN BUNCH	Horror	English	4	24.96
4	BRAVEHEART HUMAN	Family	English	5	16.95
5	BUNCH MINDS	Drama	English	5	25.95
6	CONSPIRACY SPIRIT	Classics	English	5	16.95
7	FEVER EMPIRE	Games	English	5	33.95
8	FREEDOM CLEOPATRA	Comedy	English	5	5.95
9	FULL FLATLINERS	Children	English	5	16.95
10	GLORY TRACY	Games	English	5	14.95

The least sold movies are shown above, which involve films from different categories and no clear pattern can be find.

By the other side, we categorized the categories by the total sales each one has. A total of 16 categories are shown in order of total sales:

	name	TotalRents	TotalSales	Performance
1	Sports	1179	5314.21	High
2	Sci-Fi	1101	4756.98	High
3	Animation	1166	4656.3	High
4	Drama	1060	4587.39	High
5	Comedy	941	4383.58	Average
6	Action	1112	4375.85	Average
7	New	940	4351.62	Average
8	Games	969	4281.33	Average
9	Foreign	1033	4270.67	Average
10	Family	1096	4226.07	Average
11	Documentary	1050	4217.52	Average
12	Horror	846	3722.54	Low
13	Children	945	3655.55	Low
14	Classics	939	3639.59	Low
15	Travel	837	3549.64	Low
16	Music	830	3417.72	Low

The performance score that appears in the table, indicates how good are the sales considering the average of sales per category, which is \$4,212. A special consideration was made, such that the categories can be classified with a high, average or low performance a range of values was used. This range was defined from the average (\$4,212) minus \$300 to the average (\$4,212) plus \$300.

As we can see from the table above, the best-selling category is Sports, followed by Sci-Fi, while the least sold are Travel and Music.

There were 42 films that did not have any rental during the analyzed period. Categories that repeat the most within these 42 movies are Foreign (6 times) and Documentary (5 times).

A fraction of 7 movies that were not sold is shown below:

	title	Category	Language	rentals
1	ALICE FANTASIA	Classics	English	0
2	APOLLO TEEN	Drama	English	0
3	ARGONAUTS TOWN	Animation	English	0
4	ARK RIDGEMONT	Action	English	0
5	ARSENIC INDEPENDENCE	Travel	English	0
6	BOONDOCK BALLROOM	Travel	English	0
7	BUTCH PANTHER	New	English	0

On the actors' side, a similar analysis was made where the best-selling artists above average plus 500 have a high performance and the least selling actors below the average minus 500 have a low performance.

This resulted in the following classification of actors:

	Performance	Count
1	Average	164
2	High	20
3	Low	15

As expected, most of the actors are within the average performance category, while only 20 are in the high and 15 in the low performance rank.

The following tables show the top 10 and the bottom 10 actors.

	first name	last name	TotalRents	TotalSales	Performance
1	SUSAN	DAVIS	825	3538.74	High
2	GINA	DEGENERES	753	3442.49	High
3	MATTHEW	CARREY	678	2742.19	High
4	MARY	KEITEL	674	2689.25	High
5	SCARLETT	DAMON	572	2655.28	High
6	WALTER	TORN	640	2620.62	High
7	ANGELA	WITHERSPOON	654	2614.46	High
8	CHRISTIAN	AKROYD	552	2611.49	High
9	HENRY	BERRY	612	2602.88	High
10	WOODY	HOFFMAN	560	2546.4	High

	first name	last name	TotalRents	TotalSales	Performance
1	EMILY	DEE	216	883.85	Low
2	SISSY	SOBIESKI	235	902.65	Low
3	ADAM	GRANT	281	974.19	Low
4	JUDY	DEAN	255	976.47	Low
5	SANDRA	PECK	287	1040.12	Low
6	JENNIFER	DAVIS	274	1052.27	Low
7	JULIA	ZELLWEGER	221	1064.79	Low
8	JULIA	FAWCETT	255	1189.42	Low
9	PENELOPE	GUINNESS	305	1230.94	Low
10	RUSSELL	CLOSE	296	1251.05	Low

There is a big difference between the top selling and the least selling actors. For example, we can see that the best-selling actress (Susan Davis) has almost four times more rentals and sales than the least selling actress (Emily Dee).

#### 4. Employees

There are two employees in the company, one for each store:

	first name	last name	store id	email	country	TotalSales
1	Mike	Hillyer	1	Mike.Hillyer@sakilastaff.com	Canada	37001.52
2	Jon	Stephens	2	Jon.Stephens@sakilastaff.com	Australia	30414.99

Mike attends the store addressed in Canada, while Jon is in charge of Australia.

## **5. Conclusions**

- It is safe to say that the business has been down for the last 15 years, considering that the last rental made was in 2006. New and upcoming services for streaming movies online may have been one of the reasons, sales have stopped for so long.
- The largest market for the company is concentrated in Asia, as it takes account almost 44% of all sales and more efforts can be made to gain strength in European markets.
- A recommendation is to start eliminating movies that have never being rented and have a low performance and start to acquire more movies that involve top actors and top categories.