



# ROCKBUSTER STEALTH

## **Transforming Rockbuster Stealth LLC for the Digital Era**

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Reporting to business intelligence department

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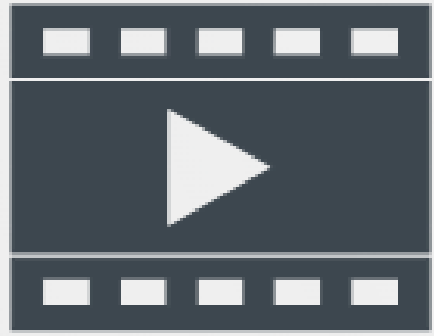
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# ROCKBUSTER STEALTH

Introduction



# Introduction

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## Snapshot of Rockbuster Stealth LLC's Current Standing and Future Direction

Former movie rental company with **global stores**.

Facing tough **competition** from streaming services like Netflix and Amazon Prime.

Planning to **launch an online video rental service (streaming)** using existing movie licenses.



# Introduction

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## Brief on New Strategic Direction - The Online Video Rental Service

Enforcing data analytics to assist the BI department for the online service **launch strategy**.

BI department assists other departments with **data-related queries**.

Online service to **counter industry shifts and competition**.



# Introduction

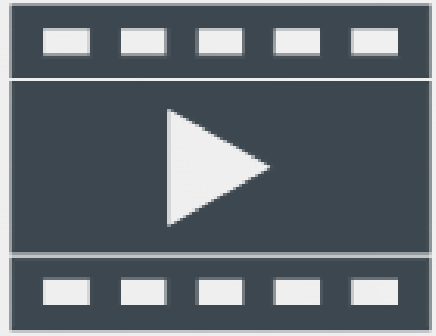
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## Role of Data Analysis and Its Potential Impact on This New Venture

Using **SQL**, delving into the data to address ad-hoc business questions from various departments and perform **in-depth analysis**.

A **thorough understanding** of various data points is necessary before embarking on complex business question analysis.

Present the results of the analysis, compiled in a user-friendly format, and offering **data-driven insights** for strategic decisions.



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The Role of Data Analysis



# The Role of Data Analysis

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## How data analysis will provide answers to crucial business questions

Data analysis will help answer pressing business questions, which in turn will guide the company's strategy for the new online video rental service.

For instance, by analyzing customer rental history data, we can determine which movies contribute the most to revenue and which contribute the least. This information is invaluable in deciding the kind of content to prioritize on the new platform. Similarly, an analysis of rental duration can provide insights into customer behavior and preferences, which can then inform the user experience design of the online service.

Understanding our customer base's geographic spread can inform our marketing and localization strategies. For example, if a substantial number of high-value customers are from non-English speaking countries, it might be beneficial to include more foreign films or provide subtitle options in various languages. Moreover, sales figures across different regions can reveal lucrative markets, enabling us to allocate our resources more efficiently.





# The Role of Data Analysis

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Introduction of key business questions to be answered through data analysis



1. Which movies contributed the most/least to revenue gain?



2. What was the average rental duration for all videos?



3. Which countries are Rockbuster customers based in?



4. Where are customers with a high lifetime value based?



5. Do sales figures vary between geographic regions?



# ROCKBUSTER STEALTH

Detailed Data Analysis and  
Key Insights



# Detailed Analysis and Key Insights

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## Summary Statistics

Scope: May 2005 – August 2005

2 stores

serving 599 customers

in 599 cities

in 109 countries

with 1,000 film titles

managing 4,581 copies (2-8 per title)

processed 14,596 rentals (1-29 per title)

generating \$61,312 in revenue



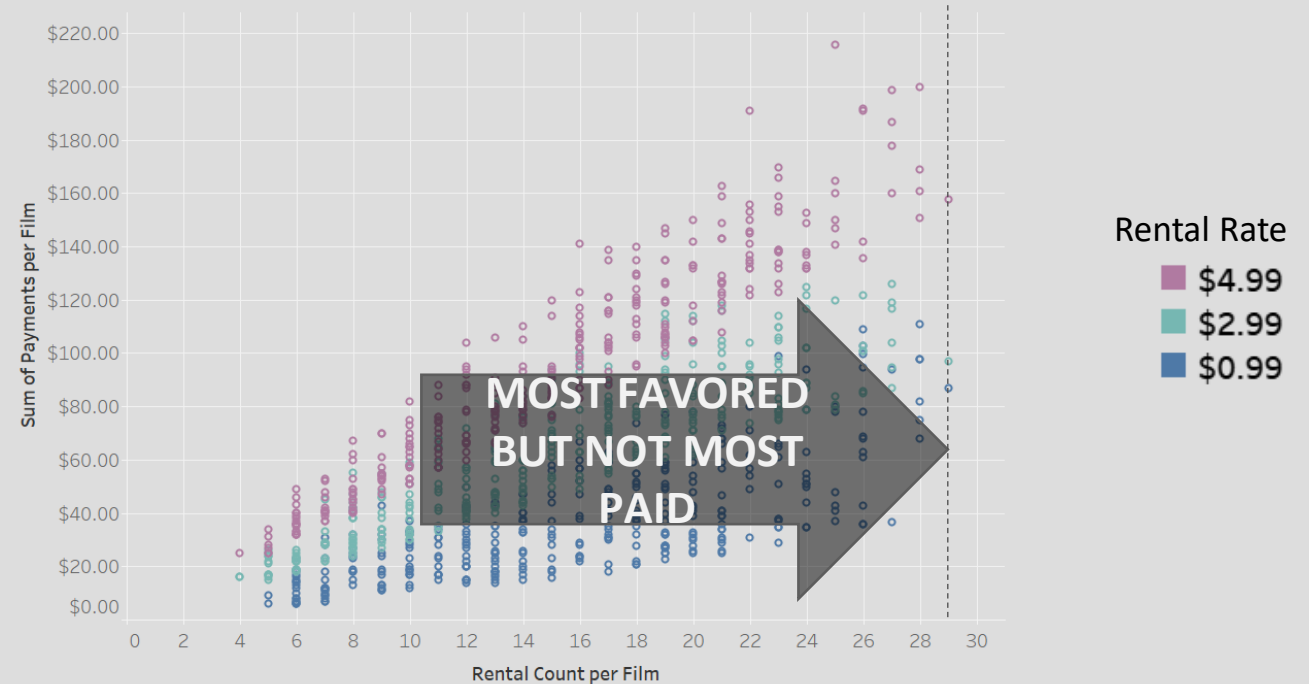
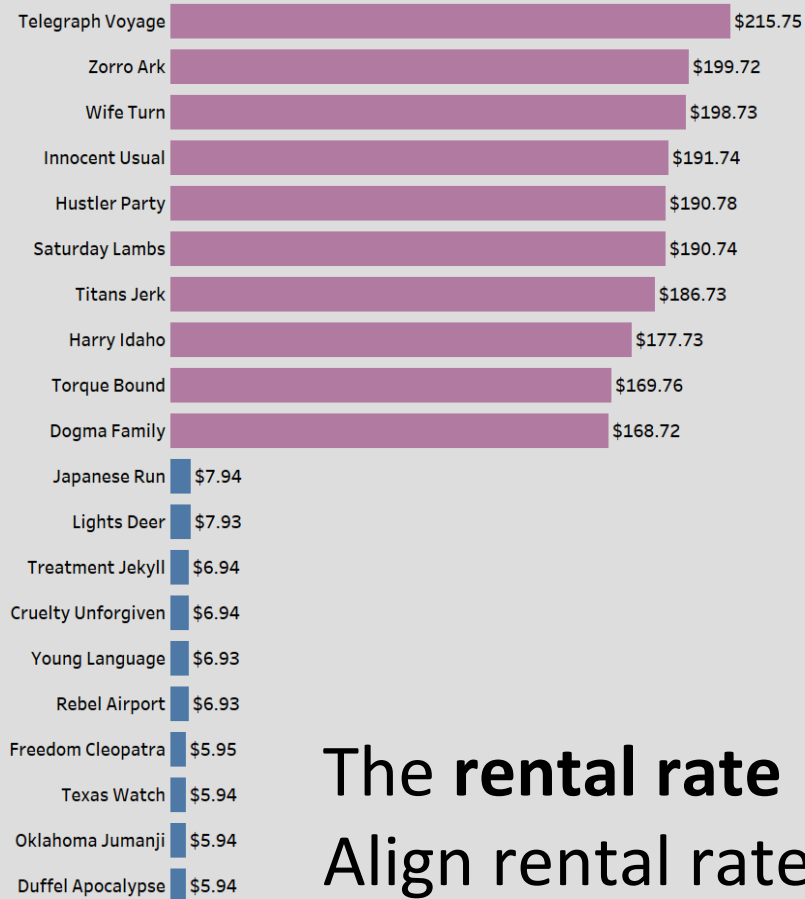
# Detailed Analysis and Key Insights

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KEY QUESTION 1



Which movies contributed the **most/least** to revenue gain? Why?



The **rental rate** plays a significant role in generating revenue. Align rental rates with rental counts to maximize revenue.



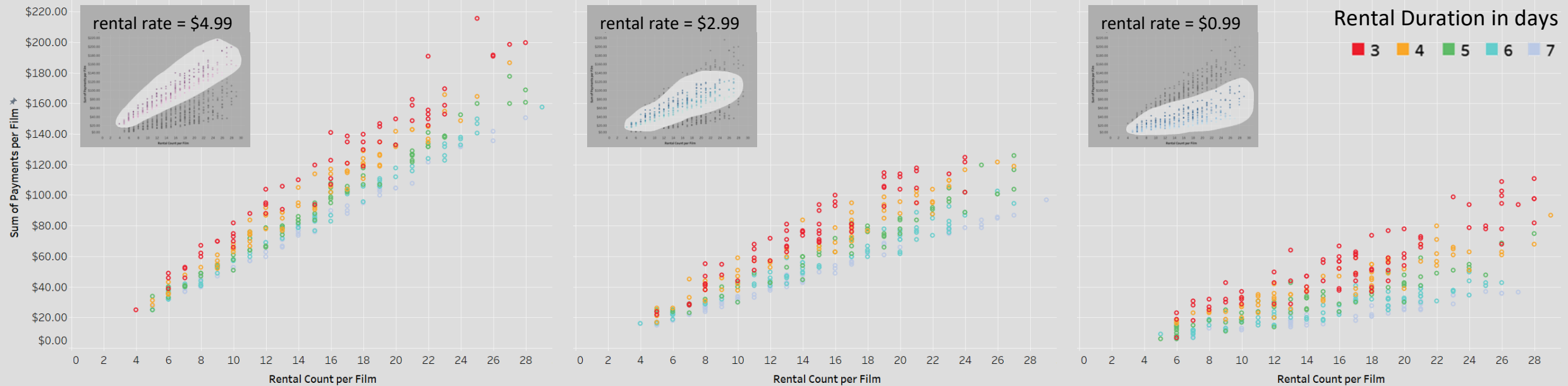
# Detailed Analysis and Key Insights

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KEY QUESTION 1



Which movies contributed the most/least to revenue gain? Why?



Across all rental rates, a **shorter rental duration** also increases earnings.



# Detailed Analysis and Key Insights

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KEY QUESTION 1



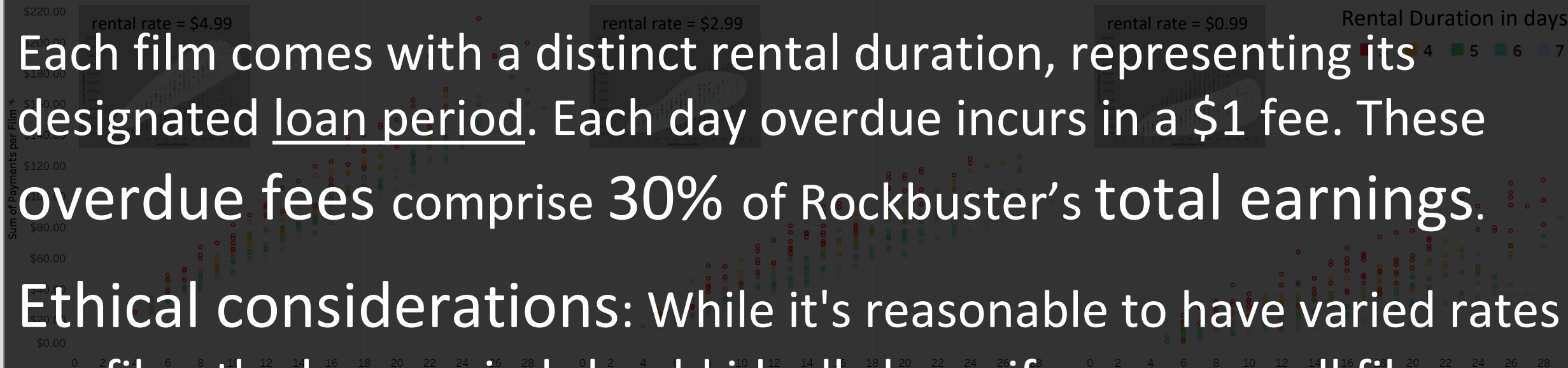
Which movies contributed the **most/least** to revenue gain?

**WAIT!** What does the rental duration entail?

Each film comes with a distinct rental duration, representing its designated loan period. Each day overdue incurs in a \$1 fee. These **overdue fees** comprise 30% of Rockbuster's total earnings.

**Ethical considerations:** While it's reasonable to have varied rates per film, the loan period should ideally be uniform across all films.

Customers might argue that Rockbuster Stealth LLC intentionally sets shorter loan periods as a strategy to boost their revenue.





# Detailed Analysis and Key Insights

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KEY QUESTION 2



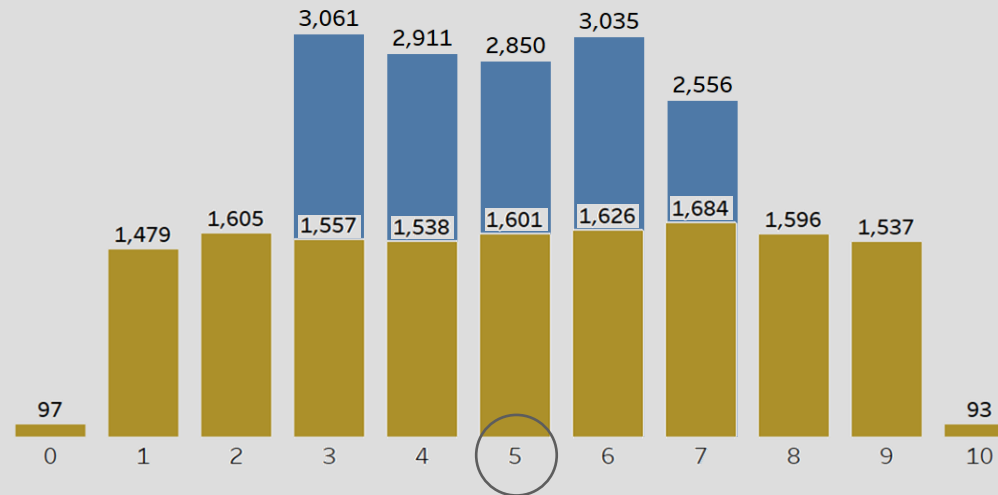
What was the average rental duration for all videos?

Histogram of Rental Duration (Loan Period) / Histogram of Actual Rental Duration

average rental durations

4.93 days loan period

5.03 days actual rental duration



The average loan period aligns closely with the actual rental duration.

**But** the underlying distributions present a notable concern.



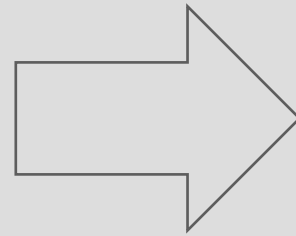
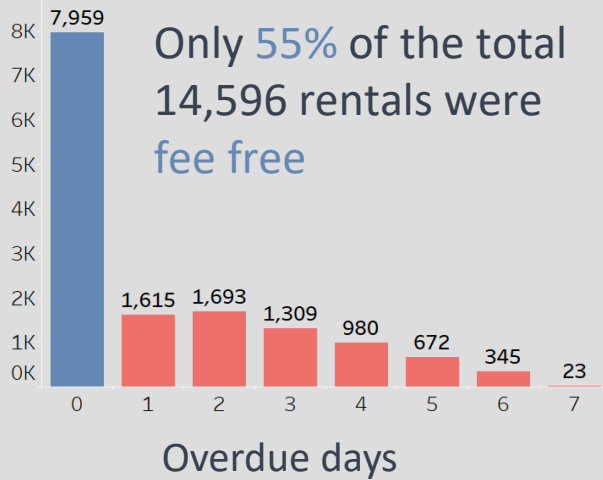
# Detailed Analysis and Key Insights

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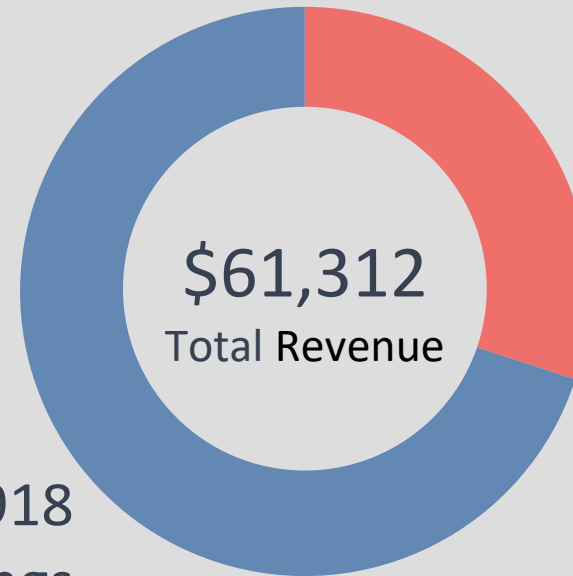
KEY QUESTION 2



## What is the Problem with the Current Loan Periods?



\$42,918  
70% Regular Earnings



\$18,394  
30% Overdue Fee Earnings

High fee charges due to short loan periods could harm Rockbuster's image.





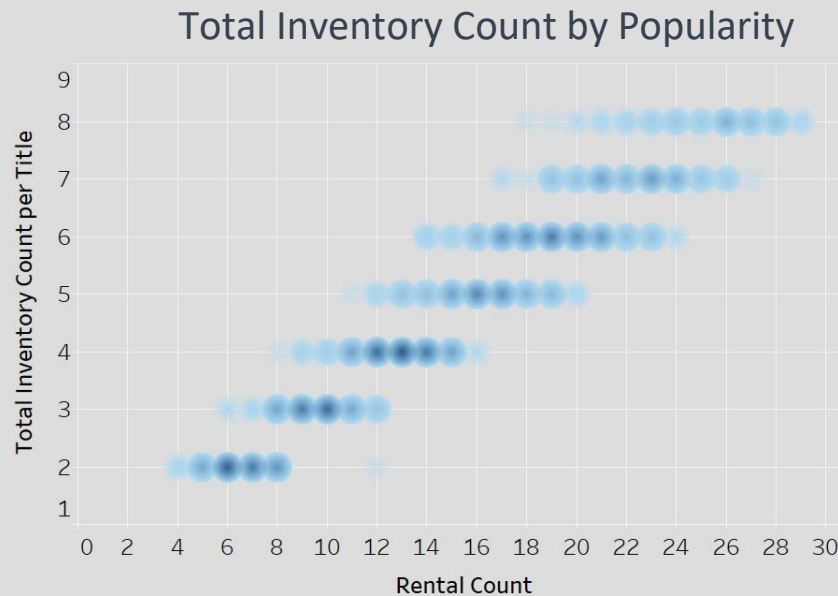
# Detailed Analysis and Key Insights

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KEY QUESTION 2

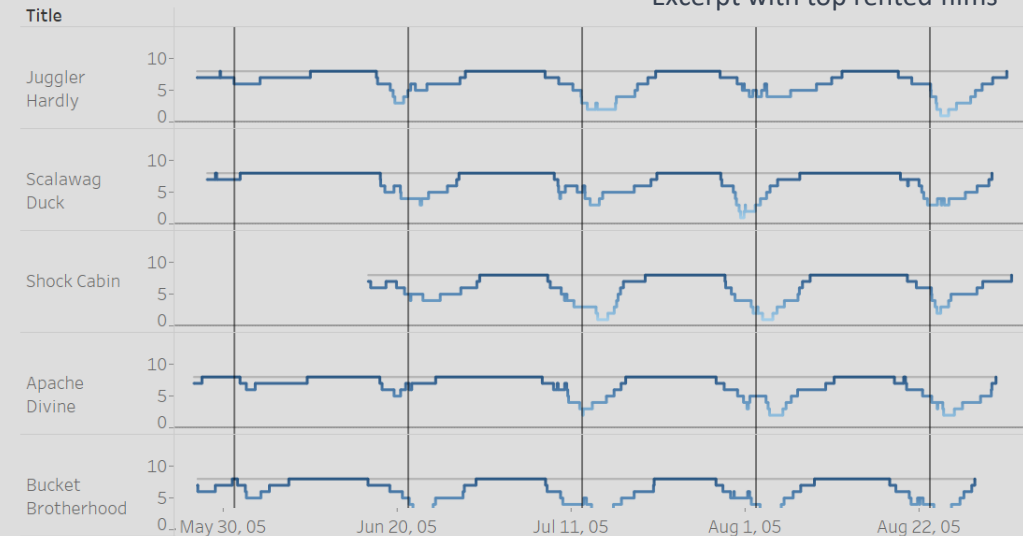


We could handle longer loan periods



Change over Time of Inventory Count per Title

Excerpt with top rented films



Current inventory management correctly allocates more copies for frequently rented films.

There were only 5 distinct rental periods lasting 3 weeks each. Consider a continuous rental service.



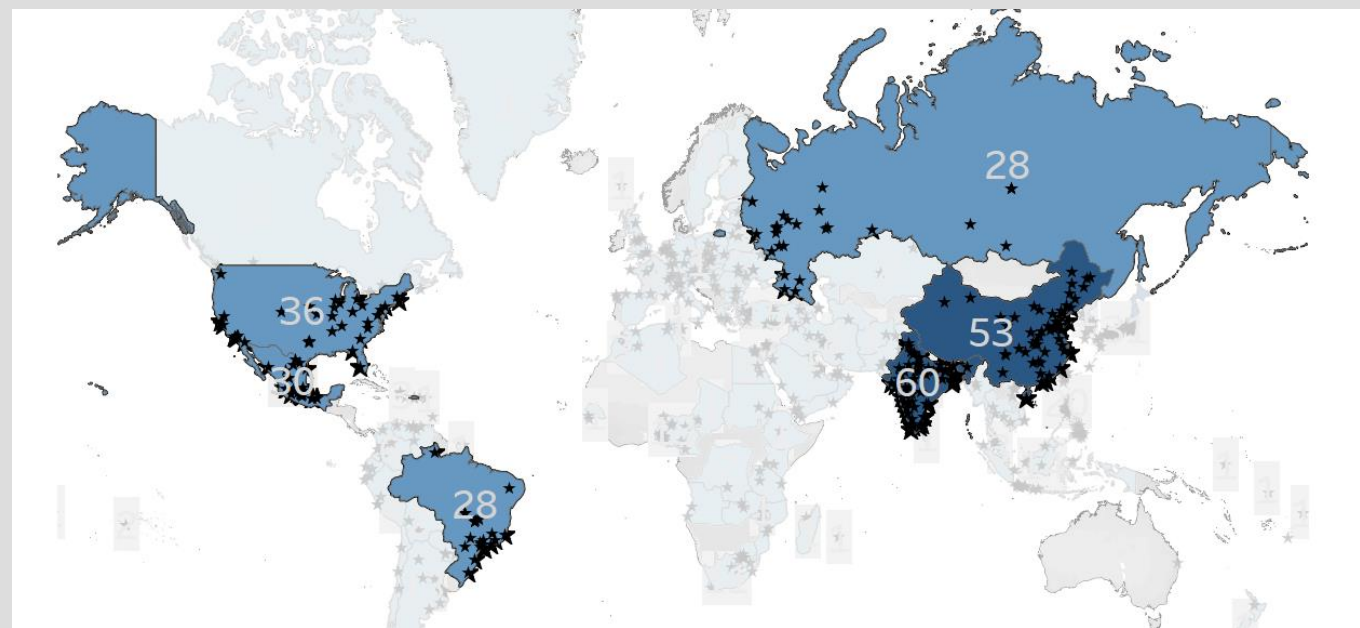
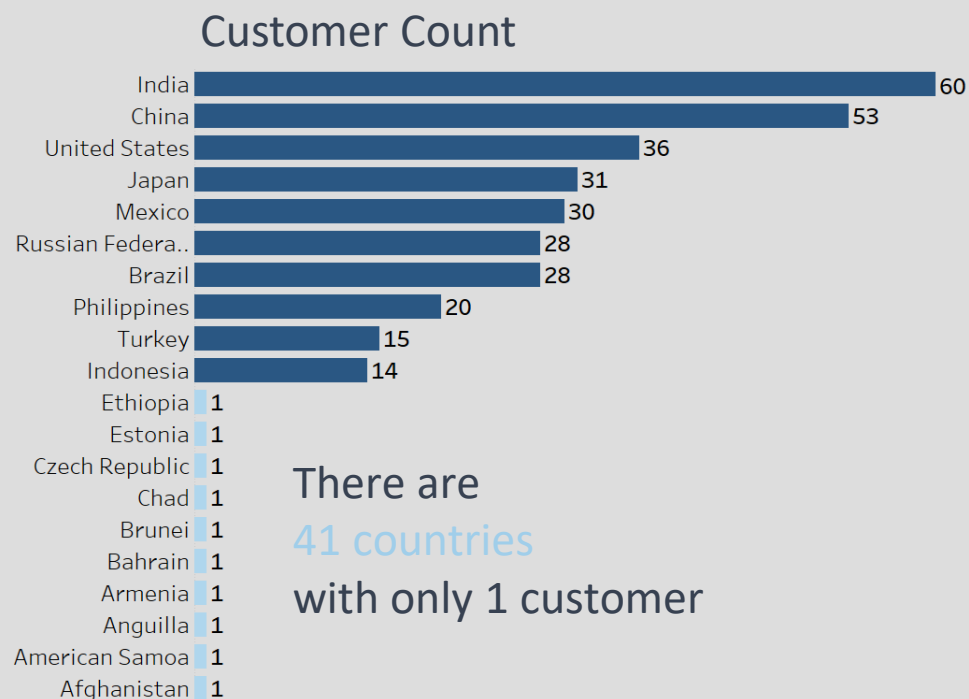
# Detailed Analysis and Key Insights

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KEY QUESTION 3



Which countries are Rockbuster customers based in?



Focus on license contracts for the countries with the most customers.



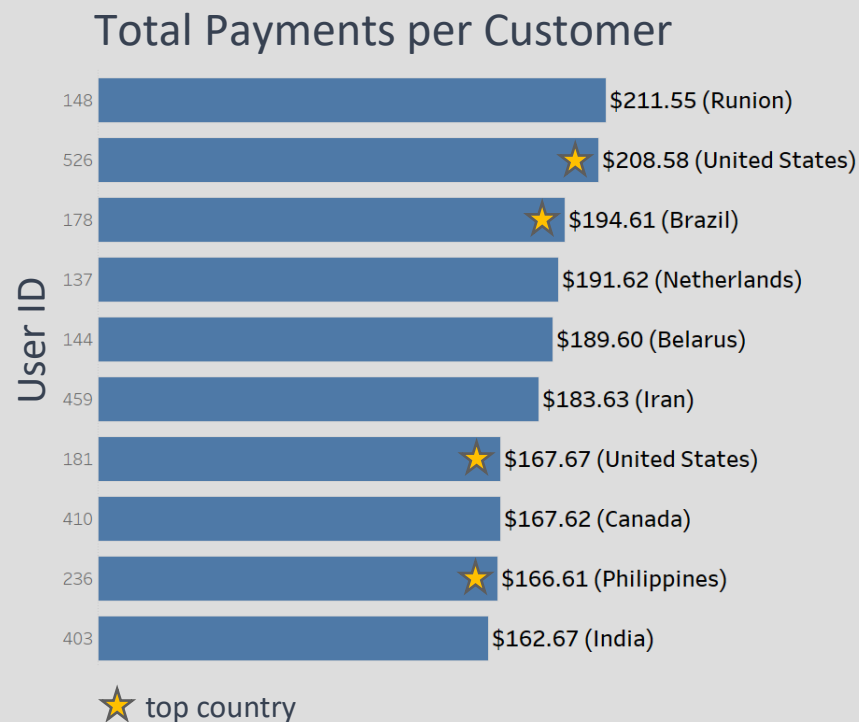
# Detailed Analysis and Key Insights

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KEY QUESTION 4



Where are customers with a high lifetime value based?



Not all top paying customers are based in our top countries.

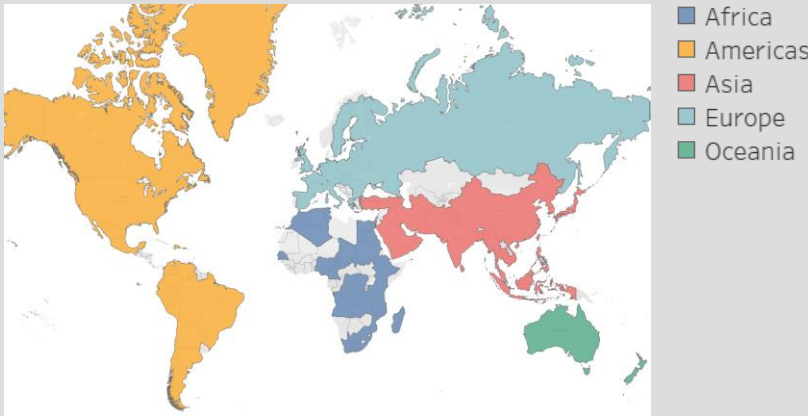
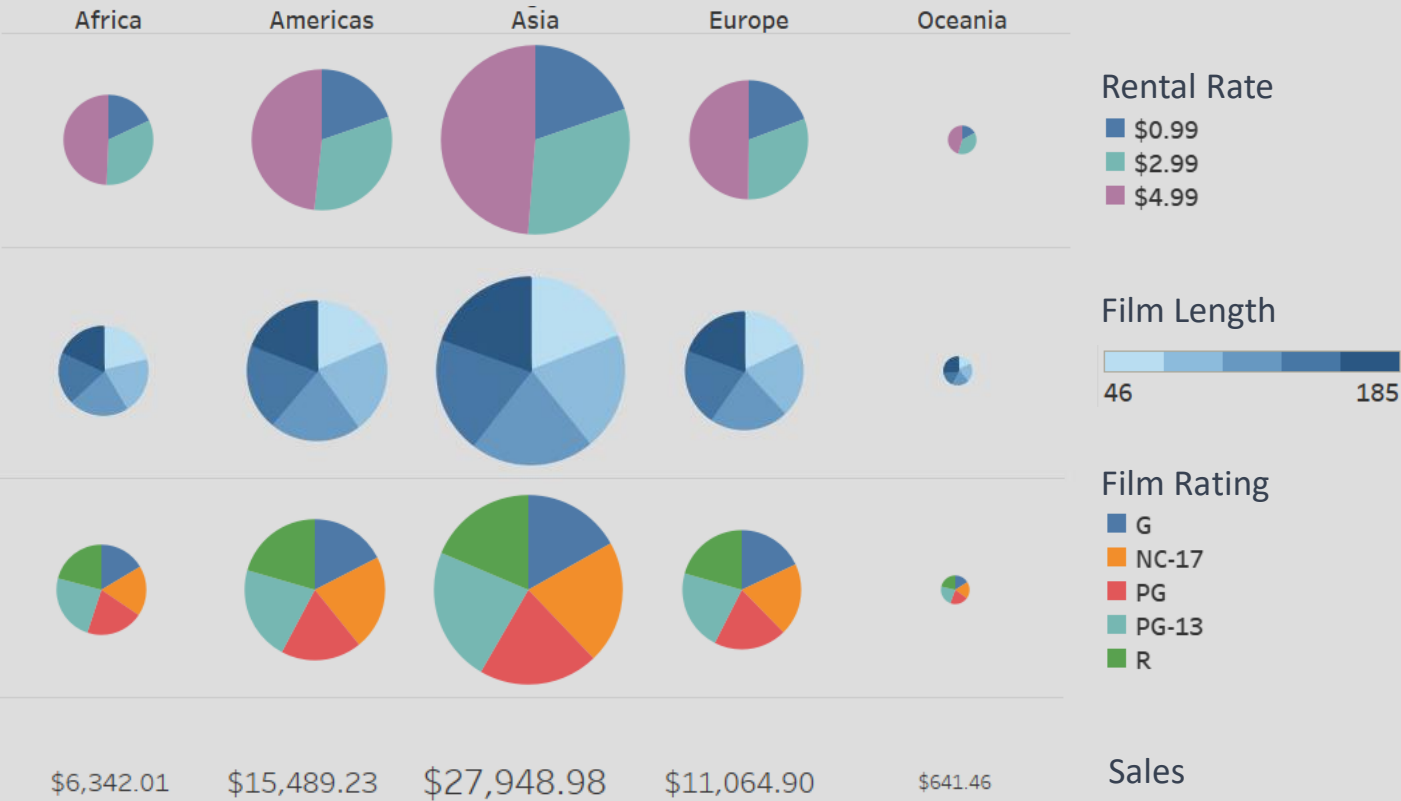


# Detailed Analysis and Key Insights

KEY QUESTION 5



Do sales figures vary between geographic regions?



Region grouping according restcountries.com

Sales figures do not vary between geographic regions.



# ROCKBUSTER STEALTH

Summary and  
Recommendations



# Summary and Recommendations

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## Possible Licensing Challenge

Rockbuster Stealth LLC is transitioning from a physical movie rental model to a streaming model.

This transition necessitates a renegotiation of existing content licenses.

Renegotiations will likely include the method of content distribution, shifting from physical rental to streaming.

Renegotiations will also need to address geographical restrictions in licenses, determining in which countries content can be streamed.



# Summary and Recommendations

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## Recommendations (1)

### 599 customers in 599 cities

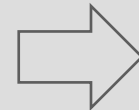
- ⚠ More complex customer service and marketing efforts
- ✓ Foundation for a strong referral program

### Revenue Key Factors



#### Rental count

- ✓ Prioritize acquiring and promoting popular movies



#### Rental rate

- ✓ Implement dynamic pricing model according to popularity.
- ⚠ Within reasonable limits. Avoid customer dissatisfaction.



#### Rental duration (loan period)

- ⚠ Avoid short loan periods. 30% of current revenue come from overdue fees. Transparency in pricing and loan terms is crucial to maintain customer trust and satisfaction



# Summary and Recommendations

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## Recommendations (2)

### **30% grossings from overdue fees.**

Not applicable to streaming industry. Access will be restricted after loan period.

☒ Offer tiered rental periods: Short-term, medium-term and long-term rentals

### **Data showed a balanced number of available copies**

Not applicable to streaming industry.

### **With rental periods offered only every three weeks, Rockbuster could boost earnings by providing continuous rental service**

Not applicable to streaming industry.





# Summary and Recommendations

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## Recommendations (3)

### **Rockbuster might need different license models for different countries**

- ☒ Focus on countries with most customers and revenue

Top 5 countries with the most customers are India, China, USA, Japan and Mexico

### **Not all top customer live in the top countries**

- ☒ Devise a strategy to retain our highest-paying customers located in weaker countries.

### **Sales figures do not vary across regions**

- ☒ Implement global marketing strategy
- ☒ Continue diverse content offering



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Thank You!