

# Case Assignment

## Redbox DVD Rental Kiosks

*Rent a DVD at McDonald's? Sure!*



*McDonald's sees Redbox kiosks as way to make their restaurants more convenient for customers, but company executives are not limiting Redbox to just McDonald's locations. Plans are underway to expand the test to 1,200 kiosks by year's end.*

*The company is looking for the best locations and the best communications plan to grow this business nationwide. Teams will be challenged to uncover potential locations and to develop a marketing communications plan for Redbox in test markets.*

### Why Not?

McDonald's launched Redbox last summer. Of the 550 Redbox kiosks, 181 are in Houston, 145 are in Minneapolis and the balance are in Salt Lake City, Denver, Las Vegas, Hartford, CT and Washington, DC.

Redbox charges a dollar a day, plus local sales tax. All renters need is a credit card to swipe in the kiosk. No registration is required and renters can return their DVD to any Redbox location in the US.

Most Redbox units are located in McDonald's, but the company is testing them in alternative locations, including drugstores and supermarkets. So far, users have rented 2.5 million movies through Redbox and about 80% are repeat customers. See [redbox.com](http://redbox.com) for more information.

### CASE REQUIREMENTS

1) Research the DVD rental industry including marketing and consumer data to help develop a situation analysis, a SWOT and to identify target locations/consumers for the Redbox campaign.

2) Develop a sound communications strategy to grow awareness of Redbox by 20% in the target market and grow DVD rentals to 5 million rentals for

the period of January-May 2006 with a budget of \$3.5 million.

3) Write and produce a campaign plans book and present the campaign to the class utilizing computer technology and superior oral presentation skills.

4) Be sure to follow the general format as described on page 24 of Parente's book.