

Vestron Case Questions

1. What factors determine which films customers choose to watch?
2. What resources does Vestron have and what resources does it lack?
3. Do any firms have market power at any of the following levels of the channel: studios, video distributors, exhibitors, video rental shops?
4. What are the pros and cons of the following strategies?
 - a. Focus solely on harvest profits from the video library
 - b. Focus on distributing B and C grade movies
 - c. Backward integrate and become a mini-major studio

Notes:

- Read the footnotes to the exhibits.
- I do not recommend spending time working on financial projections.