



Applied Economics Letters >

Volume 24, 2017 - [Issue 9](#)

399 | 4  
Views | CrossRef citations to date | Altmetric

Original Articles

# Depth versus breadth in video rental kiosks

Amanda S. King & John T. King

Pages 623-626 | Published online: 10 Aug 2016

Cite this article <https://doi.org/10.1080/13504851.2016.1217301>

Sample our  
Economics, Finance,  
Business & Industry Journals  
**>> Sign in here to start your access  
to the latest two volumes for 14 days**

Full Article

Figures & data

References

Citations

Metrics

Reprints & Permissions

Read this article

Share

## ABSTRACT

We examine data from video rental kiosks for clues about how changes in the video rental industry have altered competition. Traditional video stores competed in availability, with consumer search costs determining the optimal probability of stock-outs. We find evidence that Redbox, the only major renter of physical discs in today's market, competes in either availability (depth) or variety (breadth) depending on the mix of moratorium versus day-and-date titles released each week. Moratorium titles are those for which Redbox has agreed to wait a month or more beyond the street release date before adding them to kiosks, whereas day-and-date titles can be added to kiosks as soon as they are released on DVD. When there are relatively more day-and-date titles, Redbox competes against on-demand services by focusing on providing depth of hit movies at a much lower cost. As the mix of releases turns towards more moratorium releases, Redbox can no longer win over customers willing to pay the higher cost of on-demand streaming to avoid the moratorium. In this situation, Redbox competes with

subscription-based services like Netflix which are also subject to studio moratoriums by offering a greater breadth of titles.

## KEYWORDS:

Competition depth   competition breadth   multichannel distribution   market segmentation  
video rental industry

## JEL CLASSIFICATION:

D22   L82   L11

## Disclosure statement

No potential conflict of interest was reported by the authors.

## Notes

<sup>1</sup> 'Time Warner May Consider Longer Delay for Netflix, Redbox,' by Sarah Rabil, Bloomberg.net, 3 November 2010.

<sup>2</sup> On the first day of data collection, there were 14 brick-and-mortar video stores operating in the two cities.

## Related research

People also read

Recommended articles

Cited by  
4

## Information for

Authors

R&D professionals

Editors

Librarians

Societies

## Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

## Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

## Help and information

Help and contact

Newsroom

All journals

Books

## Keep up to date

Register to receive personalised research and resources  
by email

 Sign me up

  

  

Copyright © 2026 Informa UK Limited Privacy policy Cookies Terms & conditions

Accessibility



Registered in England & Wales No. 01072954  
5 Howick Place | London | SW1P 1WG