

Teacher guide

Economic external factors - Jessops

Where does the lesson fit?

This session would fit in a Business Environment or External Influences Module. It could follow a general introduction to external influences and be used alongside other sessions to explore the PEST factors in more detail.



Suggested resources & activities related to economic factors and Jessops

- Full Jessops case study
- External Factors PowerPoint
- Political, Social and Technological Factors lesson resources
- Jessops crossword
- Jessops word search

Suggested timings for the session

10 mins	Starter e.g. Jessops crossword
5 mins	Use the External Factors PowerPoint to discuss the topic
5 mins	Read the case study
10 mins	Questions
25 mins	Task – report
5 mins	What have you learned?

Answers to questions

1. What does PEST stand for?
 - Political (includes legal)
 - Economic
 - Social (includes environmental)
 - Technological



THE TIMES 100

BUSINESS CASE STUDIES

2. What is meant by the 'external environment'?
The external environment refers to those things outside of the operations of an organisation which impact upon it but over which the business has no control.
3. Explain how the recession of 2008-2009 affected Jessops.
Camera sales declined and the profit margins on hardware sold fell. This forced the business to restructure, for which it was forced to obtain additional funding.
4. Using Jessops as an example, analyse how organisations are affected by competition.
 - Increased competition can make trading more difficult for organisations
 - Sales can decline
 - Competition can encourage organisations to offer good service and differentiate their products in order to compete with rivals
 - Competition can lead to greater efficiency
 - Firms can exploit any competitive advantage they have e.g. Jessops would not be able to compete with supermarkets based on price, but they have specialist knowledge and expertise that the supermarkets do not have.

What have you learned?

Expected learning is likely to include:

- Definition of the external business environment
- PEST factors
- Use of PEST analysis to develop marketing strategy
- How organisations respond to external factors
- Economic factors affecting businesses
- Examples of these factors