



THE TIMES 100

BUSINESS CASE STUDIES

Technological external factors - Jessops

Jessops has been a leader in the photographic business for over 75 years. Today, the company is the UK's premier photographic retailer. The modern photographic industry has changed radically. As a result, traditional film printing in the UK is declining by around 30% year on year. To sustain and grow the business, they must develop ideas and plans to combat the changing market and stimulate new demand. External factors have had an impact on Jessops' operations and **strategy**. Managers study the company's external environment through a PEST analysis. This involves identifying the political, economic, social and technological factors in the external environment that could impact on the business. This information is then used to assess the company's current position within the market. The findings of the PEST analysis can be used to reassess business strategy and **tactics** and decide what changes should be made to business operations to respond to external **environmental changes**. In this way, Jessops has been able to develop new business opportunities.

The photography and imaging business has experienced considerable change in recent years. Technology has been at the forefront of this change. The digital camera market has expanded rapidly as a result. It is also quickly changing. For example, as more mobile phones come fitted with good quality built-in cameras, sales in standalone digital cameras have begun to fall. The development of the internet is also having an impact on the market. Young consumers are also much more willing and confident to experiment with new media. More customers are using the internet for shopping. The development of these new selling channels has helped to push down prices. Modern photographic equipment is much more affordable. High specification cameras can now be bought at relatively low price. The increased use of the internet has also started to change the way people use photographs. Increasingly, people use social media to share images online on sites such as Facebook and Flickr. By consuming and sharing images in this way, there is less demand for print copies. Sales of digital prints are declining by approximately 10% year on year in the UK.

Jessops has come up with technological solutions in response to these changes. Customers are now able to print images taken from social media or other websites. These images can be printed in a variety of sizes and shapes. They can be compiled in photo books. Selected



images can be printed on canvas, acrylic and aluminium. Customers can incorporate their images in gifts such as calendars, posters and greetings cards. Jessops offers a range of new opportunities for printing images and for uploading and downloading images to

Facebook. New developments include being able to create photo books and gifts from images generated through Flickr and **Picasa**.

Customers can also order their digital prints online and collect them from their local store. Jessops' .com business has trebled in size over the last 3 years. New **kiosk technology** will enable customers to convert old videos and films to digital formats, with results saved to Blu-ray Disc or DVD. Jessops also offers customers a free 10gb storage facility that can be accessed in store via a kiosk or online. This allows customers another way to save their images. These images can then be accessed online, in stores or through smart phone applications.



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Questions

1. What does PEST stand for?

2. Describe what is meant by the 'external business environment'?

3. Explain how the Internet has impacted on businesses like Jessops.

4. Analyse how technological advancements have been a challenge for Jessops

Task

Create a mind-map of the learning from the session on technological external factors.

What have you learned?

Ready, steady, GO...write as many things as you can about social external factors in 60 seconds.