

Social 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.

Social factors - Society is continually changing. For example, tastes and fashions constantly change. As an example, consider the growing popularity of social media such as Facebook, especially among younger people. Unlike their parents, young consumers have been brought up in an age where mobile phones and computers are used every day. Young customers are more likely to use digital technology, to shop online and to prefer online methods to print images. Older generations are more likely to stick to traditional methods. For example, they are more likely to want to have their photos developed and printed in-store. Jessops must meet the needs of all customer types. It is important that Jessops caters for more traditional customers, as 65% of the photo business is still associated with producing standard prints. However, the company is responding to the younger demographic by delivering its multi-channel strategy using modern technologies. For example, iPhone, Android and iPad apps which allow customers to order and print gifts directly from their phone/tablet. Customers can upload and download images from Facebook to use in a single-image premium product, such as a high-quality print or wall art. They can produce photo books – a collection of their images presented in a personal book. A challenge for Jessops is to increase customer awareness of this product. Its research shows the 80% of people in the UK have not come across the idea of a photo book. As well as meeting the needs of the different generations, Jessops is also developing products for niche markets. It offers:

- services for students who need to produce portfolios, including art and design work
- short print runs of personalised products such as headed notepaper, business cards and calendars
- products designed specifically for professional and amateur photographers.

Consumers' expectations are higher than ever. Today's customers want products and services on demand.

They are not prepared to wait. To respond to this social change, Jessops now offers a 25-minute service for prints or a one-hour imaging gift service for products such as photographic wall art, posters, banners and photo books. Many consumers like to try a product before they make a purchase, so customer interaction with products is a key feature of its stores. To underpin the new focus on multi-channel delivery and gift products, Jessops has invested heavily in staff training and development. As a specialist retailer, Jessops seeks to provide the best possible service to its customers. High levels of customer service will help to provide competitive advantage and create loyal customers.



Questions

1. What does PEST stand for?

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

3. Explain what is meant by social external factors.

4. Analyse how social factors have impacted upon the operations of Jessops in recent years.

Task

Choose a business that you know, preferably one that is quite different from Jessops. In small groups, discuss how it might have been affected by social factors over the past decade. Feedback to the rest of the group.

What have you learned?

In exactly thirteen words, explain something you have learned from this session about external social factors.