

Figure 1
The “Ideal” System. George Eastman’s original roll-film system placed all of the critical functions under the control of a single entity: the Eastman Company (later Eastman Kodak). The company manufactured the cameras, film, and chemicals, and it also provided photofinishing services for the vast majority of photographers.

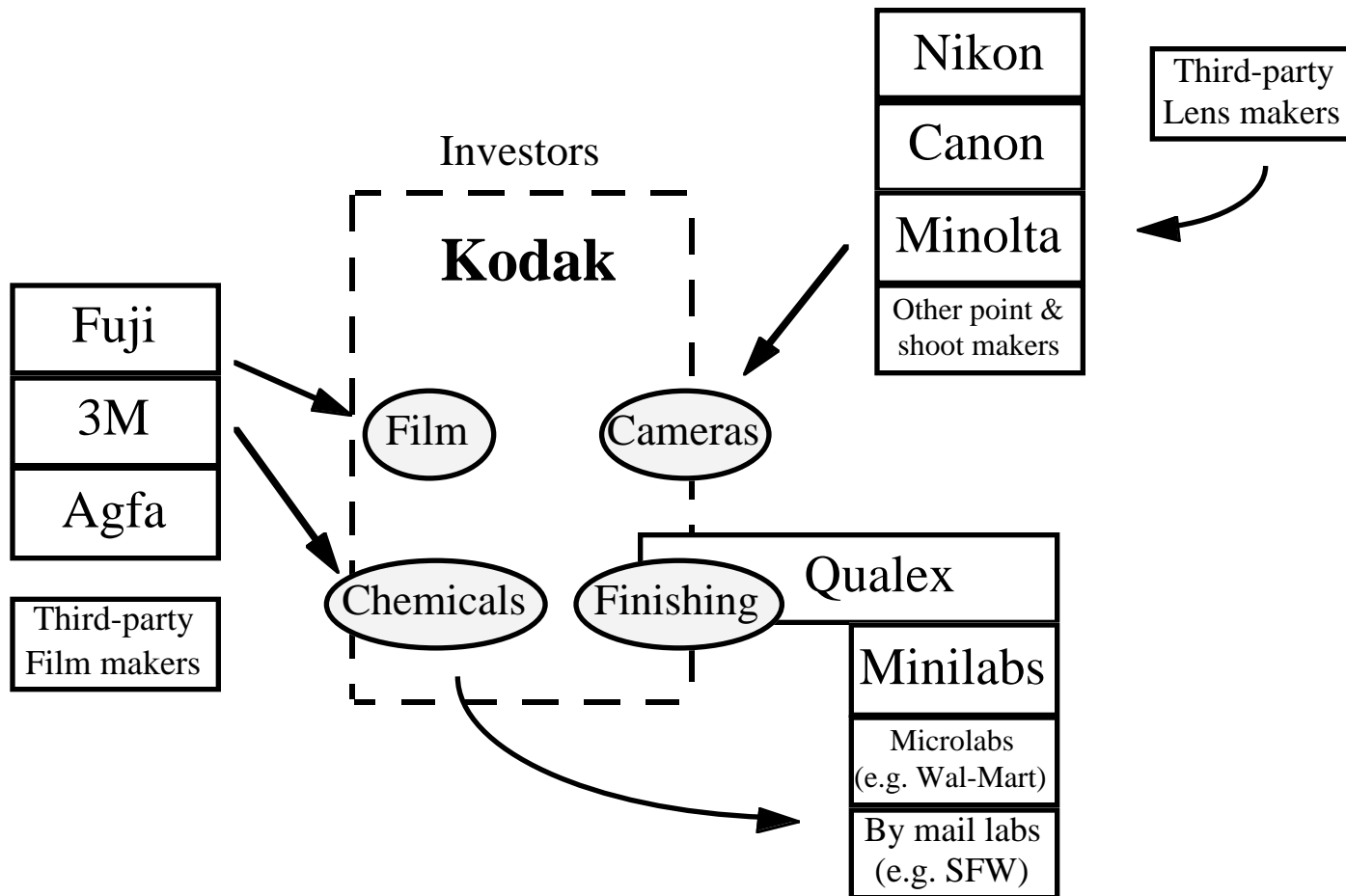


Figure 2
The conventional system. Competition allowed consumers to select non-Kodak products, supplies, and services. However, Eastman Kodak's research and development operations continued to serve as the backbone of the entire system, and Kodak remained the market leader.

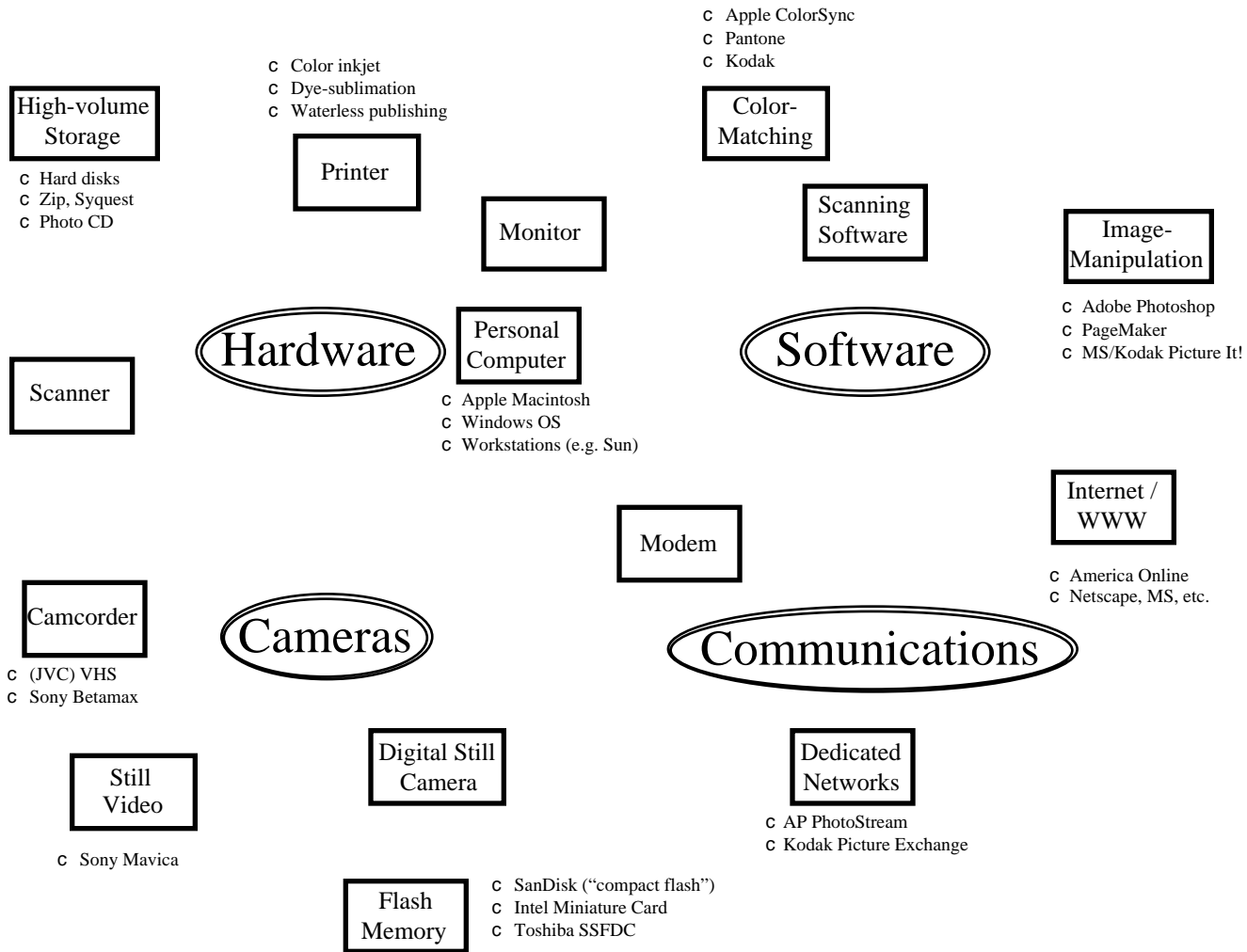


Figure 3
The digital system. The rapid development of computer components fractured the imaging business into “constellations” of technologies.

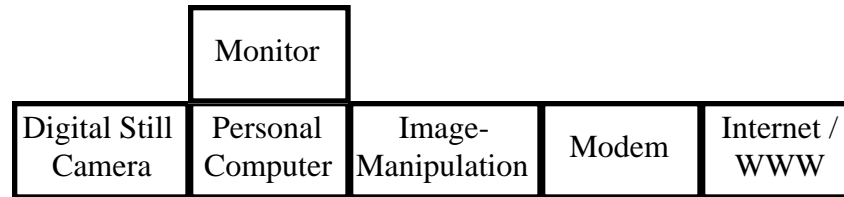


Figure 4a

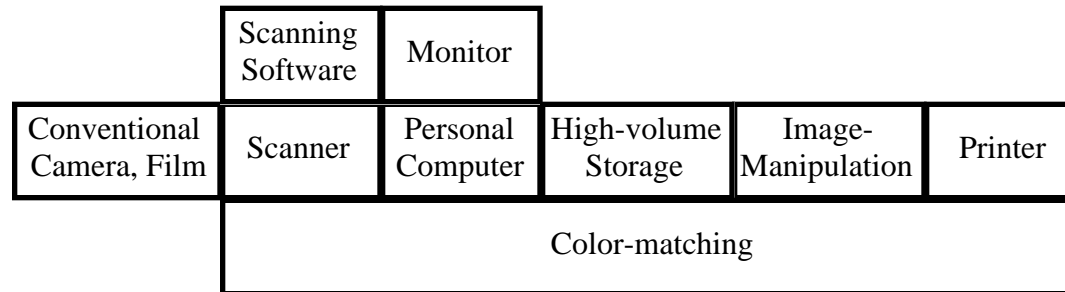


Figure 4b

Figure 4

Order amidst constant change. Kodak managers’ “ideal system” first devolved into a conventional system with multiple price options. In the digital system, users could select products not only based on cost but also on function. Figures 4a and 4b illustrate two “constellations” of artifacts drawn from the digital universe sketched in figure 3. An on-line publisher might opt for the components in 4a, yielding a final image on the World Wide Web in minutes. A commercial photographer or advertiser might create an arrangement as sketched in 4b. This configuration maximized resolution and permanence while still offering the versatility of digital manipulation. By the time these options became commercially available, Eastman Kodak lagged in product development and market conceptualization. For example, managers envisioned the Photo CD project reestablishing the style illustrated in figure 1, rather than as a component as it appears in figure 4b.