DON'T TAKE MY KODACHROME AWAY!

EASTMAN KODAK AND THE LOSS OF SYSTEM CONTROL IN THE DIGITAL ERA

by

Joseph J. Kestel

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APPROVED:

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Richard Hirsh, Chair

_____ _____

Gary Downey Albert E. Moyer

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ABSTRACT

Photography is inherently technological, based as it is on intricate chemical processes. George Eastman famously created the conventional photographic system, making the technology widely available to a mass market. Using the systems approach, I show how the Eastman Kodak Company consolidated critical photographic technologies through acquisition and research in the beginning of the twentieth century. Once the company achieved predominance in the industry, it set about expanding its markets. However, as the non-chemical elements of the technology advanced in the 1970s and beyond, the market changed. At the same time, foreign competitors matched and even surpassed Kodak’s production efficiencies, threatening the company as never before.

Just as Kodak began facing serious price competition in the 1980s for the first time in decades, electronics manufacturers introduced video camcorders and, later, digital still cameras. Dismissed by Kodak managers as inferior, the radical technology advanced far more rapidly than Kodak’s chemical research. Computers in particular guided consumers to embrace new values, emphasizing a means of imaging that the conventional system could not match. Eastman Kodak’s success with the older system created a protective mindset that led its managers to focus very narrowly on the survival of film. They viewed the new competitive landscape skeptically, and as a result they stifled innovation and prevented the company from aggressively competing in emerging technologies.

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