

**BUSINESS**: ***Creating informed, discerning employees, consumers and future leaders***

**Topic 1.4.2 Business Location**

**Key Vocabulary**

**Location** – where a business operates

**Proximity –** nearness to; how near you are to something

**Market** – the customers / people and businesses who will buy your products

**Labour** – staff who work for you

**Raw materials** – the things a business needs to make its products

**Primary sector** – businesses that extract and provide raw materials from the land, sea or air

**Secondary sector** – businesses that convert raw materials into a finished product

**Tertiary sector** – service-based businesses

**Don’t be a “man on the street”**

* Not all retailers sell online as well
* Ebay is for business sellers as well as second hand items
* Cheapest location is not always best

**Core Knowledge**

Business location is where the business operates. This may be a fixed location on online.

For some businesses the location is more important than others. A business will need to consider

* The nature of the business
* What sector it operates in
* The market / customers’ needs
* Type and amount of labour required, i.e. near to labour if skilled labour is needed, and concentrated in a specific area
* Type, size, amount of materials required to produce the product
* Competitors – locate close when customers visit an area for a specific purpose, e.g. a town centre for a night out
* Costs – city centre locations are more expensive than out of town locations

The internet has had a significant impact on location. Small businesses can now use online sites such as ebay and etsy.

Using e-commerce can reduce fixed costs, and allow a business to offer a greater choice, but the business must have efficient distribution systems and an effective returns service

**Wider Business World**

**Amazon** – arguably the most successful internet based business

**Primark** – most of the stores in large town centres to benefit from being near customers

**Beauticians / hairdressers** – often set up close to competition to benefit from passing trade

**Medical research** – often located near to a large university

**Synoptic Links**

**Technological influences** – the introduction of the internet meant that businesses no longer needed a fixed premises

**Marketing mix** – location costs can affect price; internet affects the place element

**Globalisation** – some businesses can now choose to locate in different parts of the world