

Subject Content	What students need to learn?
1.4.2 Business location	Factors influencing business location: <ul style="list-style-type: none"> ● proximity to: market, labour, materials and competitors ● nature of the business activity ● the impact of the internet on location decisions: e-commerce and/or fixed premises.

Location

This is where the business is based e.g. high street, shopping centre, online.

Fixed premises

Buildings that have to be where they are (for example, the high street, e-commerce buildings can be located anywhere).

Proximity

How near a business is to key factors that might influence their success. For example, suppliers and competitors.

Factors influencing business location, proximity to:

Market

How near are they to their customers? E.g. for a physical service like a shop, restaurant or hotel, customer convenience will be critical to revenue.

Labour

Are there staff nearby who are willing and able to work for you?

Competitors

Lots of a businesses want a location far away from competitors e.g. local corner shop. However, some businesses e.g. restaurant chains find it better to be on the busy high street where other competitors are.

Nature of activity

Depending on what the business is will influence what is the most important factor to consider. For example, a manufacturer would need to be near materials, whereas a shop will want to be near the market (consumers).

Impact of the internet

If the business is online, location is not as important as customers can access their products no matter where the head office is based. E.g. ASOS head office is in North London, while their distribution depot is in Barnsley.

