



Location, Location, Location

- Choosing where to locate a business is vital
- There are a number of factors to consider:

Availability of
Workers

Cost &
Availability
of Premises

Where The
Suppliers Are

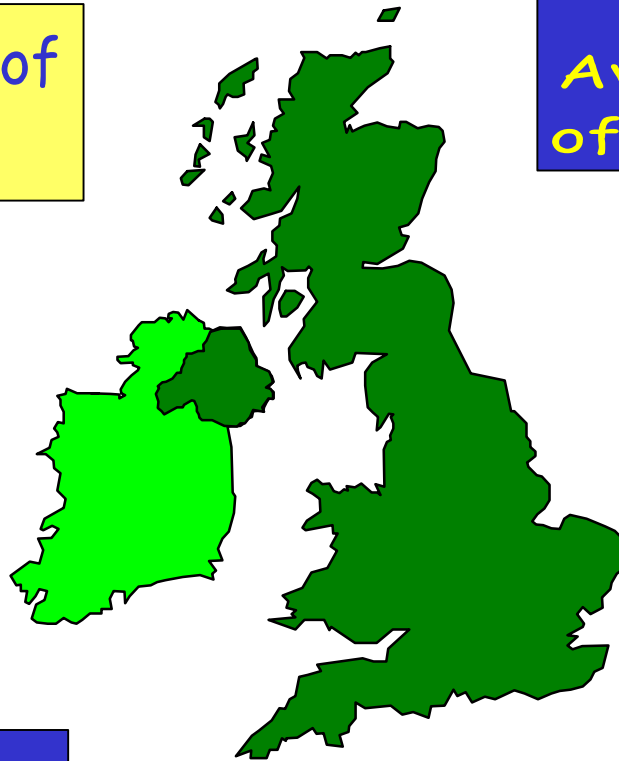
Where The
Customers Are

Where The
Competitors Are

Transport
Links

Government
Help

History &
Tradition





The Availability of Workers

- Businesses need workers!
- This means that they must ensure that they can get all of the workers they need in the place they locate
- To do this they must consider:
 - The population statistics in the area
 - The number of people who are looking for a job
 - The skills that workers will need to have
 - The wage or salary that people in that area will expect





The Cost of Premises

- Businesses also need premises
- The cost of premises can vary enormously, depending upon their availability
- This is shown by the following newspaper article:



Office space in London is very expensive—approximately £425 per square metre. This compares with £75 per square metre in Middlesborough in the North East. So, why aren't firms moving out of London? There are two possible reasons:

- ◆ They need to be close to their customers, who are in London
- ◆ Moving is an expensive business, and is estimated to cost about £30,000 per worker!



The Availability of Premises

- City Centres sites are often most costly
- Use is regulated by **planning permission**
- Sites need to be the right size
- Out-of-town developments are popular





Where the Suppliers Are

- Some businesses need to locate near to their suppliers
- This may be because:
 - The products produced are very large so moving them is costly
 - They need to be close to **NATURAL** resources
 - E.g. they are in the **PRIMARY** Sector





Where the Customers Are

- Some businesses need to locate near to their customers
- This applies to **RETAIL** businesses
- This may be because:
 - Their customers have to go to them
 - They need to visit their customers regularly
e.g. a window cleaner





Where the Competitors Are

- Some businesses will locate near to their competitors

- E.g. Electrical stores tend to locate close to each other on retail parks.



- Why do you think this is?

- Other businesses will locate away from their competitors so that their customers have less choice

- E.g. Newsagents will try to locate where there aren't other newsagents too close



Transport Links

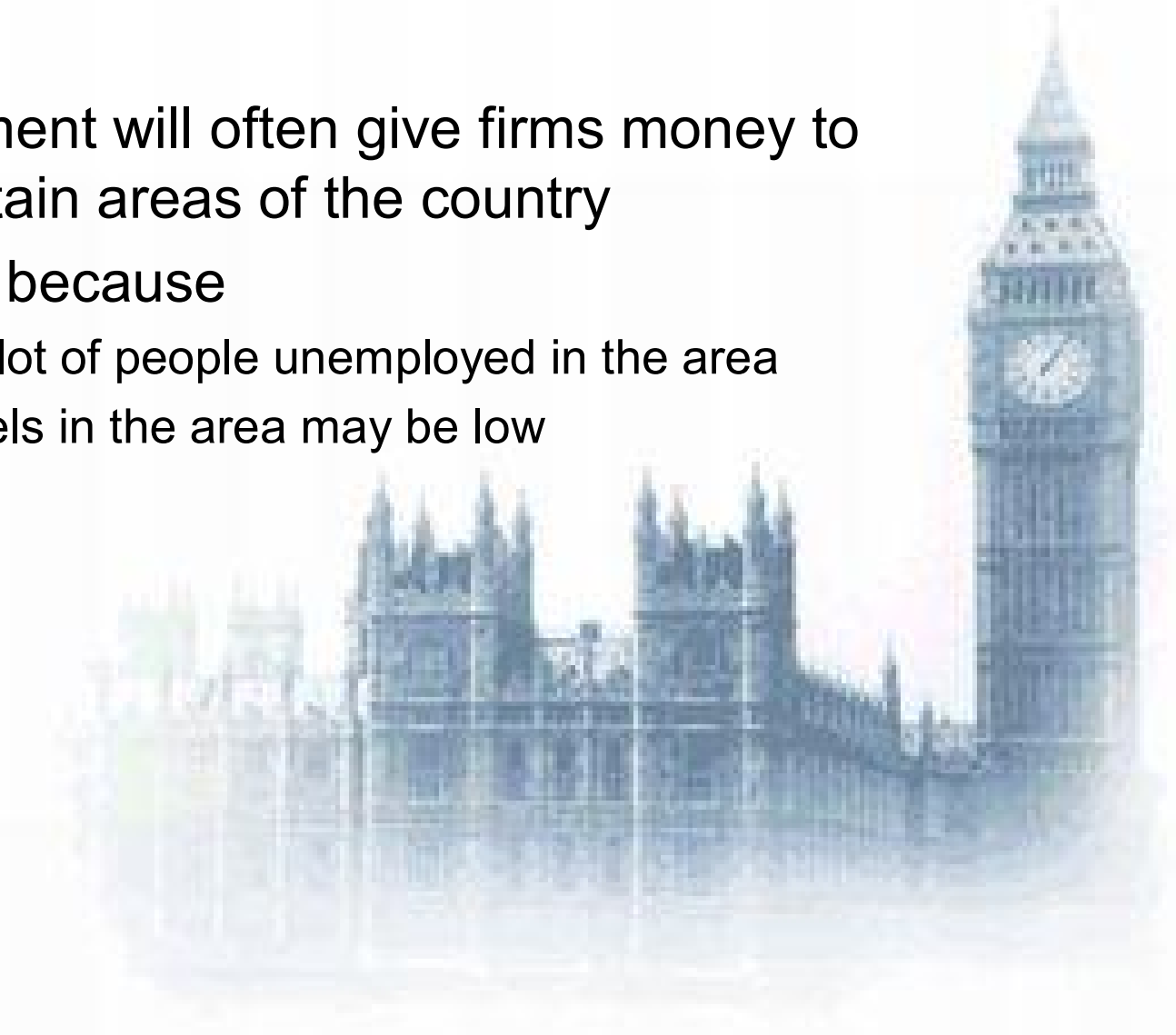
- Some businesses need to locate near to roads, railways or ports
- This is because:
 - They need to get their products to their customers as quickly as possible
 - Eg FMCG products such as bread or yoghurts
 - Their customers need to be able to get to them easily





Government Help

- The government will often give firms money to locate in certain areas of the country
- This may be because
 - there are a lot of people unemployed in the area
 - Income levels in the area may be low





History & Tradition



- Sometimes businesses will locate in a certain town because there is a history of that type of business in the area
- This may be because
 - People in the area have the skills that are needed
 - Local colleges provide special training for the type of work required