

Worksheet 5: Applying understanding to physical and ecommerce location features answers

Location factor	Description of type of commercial enterprise which might find it the most important location factor
Availability of raw materials	<p><i>Commercial enterprises which depend on processing perishable goods, such as vegetable or fruit, will locate near these raw materials.</i></p> <p><i>(Another example is commercial enterprises which depend on bulky raw materials, such as steel producers.)</i></p>
Distance to markets	<p><i>Commercial local enterprises, such as butchers and garages, who deal directly with their customers need to be near them.</i></p> <p><i>(Another example is commercial enterprises which add bulk to their raw materials or producers of fresh, unprocessed produce such as egg producers.)</i></p>
Labour	<p><i>Commercial enterprises which require many workers, such as banks, or requiring high specialised skills such as technology specialists.</i></p> <p><i>(Another example is a chocolate factory, which might require unskilled labour.)</i></p>
Transport costs	<p><i>Tend to attract most businesses but especially commercial enterprises who transport finished goods over long distances, such as exporters.</i></p> <p><i>(Another example is freight forwarders who may have sites at various ports to reduce transport costs.)</i></p>
Power	<p><i>Commercial enterprises such as manufacturers who operate 24 hour shifts in their factories.</i></p> <p><i>(Another example is agriculture where a consistent water supply is essential.)</i></p>
Competition	<p><i>Property selling agents and jewellery shops tend to group together as people often wish to compare the services they offer.</i></p> <p><i>(Another example is bakeries or chemists who tend not to open their shops near to another bakery or chemist.)</i></p>
Suppliers	<p><i>Suppliers offer raw materials and components for production. The cost of transporting some raw materials to a factory for processing may be very high, especially if they are bulky raw materials. Bulk-reducing manufacturers, e.g. metal industries or petroleum refining, often locate near to suppliers of raw materials to reduce the cost of transporting.</i></p>
Logistics	<p><i>Logistics is important for ecommerce enterprises, such as large online retailers to deliver the product to the customer. The ecommerce enterprise may wish to locate near to the external contractor's depot so that parcels can be collected quickly to dispatch to customers.</i></p>