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Theme 1 - part 2

Making the business effective

Marketing mix

- What?
  - promotion
  - place
  - price
  - product
- influences on marketing mix
  - competition
  - consumer needs
  - technology
    - e-commerce
    - digital communication

Influences on location

- nature of the business
- proximity
  - materials
  - market
  - labour
  - competitiors
- internet
  - e-commerce
  - fixed premises

Ownership

- franchising
  - franchisor
  - franchisee
- Limited liability
  - private limited companry
    - memorandum of association
    - articles of association
- unlimited liability
  - sole trader
  - partnership
    - deed of partnership

Business plan

- business idea
- aims
- target market
- market research results
- forecast revenue, costs, profit
- cash-flow forecast
- sources of finance
- location
- marketing mix
- why write one?
  - reduces risk
  - obtaining finance

External influences on business

Stakeholders

- Who?
  - pressure groups
  - suppliers
  - customers
  - owners/shareholders
  - employees
  - managers
  - local community
  - government
- issues
  - how business affects stakeholders
  - how stakeholders affect business
  - conflicts between stakeholder groups

Economy

- consumer income
  - affects level of demand for the product
- interest rates
  - affects cost of repaying loans
- exchange rates
  - SPICED
- size of economy
  - shrinking economy = recession
  - fast growing economy = boom
- taxation
  - affects business costs
  - affects consumer income
- inflation
  - affects costs of raw materials
  - workers ask for higher wages
- level of unemployment
  - affects ease of recruitment
  - affects consumer income

Legislation

- consumer law
  - quality
  - consumer rights
- employment law
  - discrimination
  - helath and safety
  - recruitment
  - pay
- impacts of laws
  - consequences of not meeting legal obligations
  - costs
  - consequences of complying with law

Technology

- Types
  - e-commerce
  - social media
  - payment systems
  - digital communication
- Impacts
  - on sales
  - on costs
  - on the marketing mix