Business location decisions

Discuss the various factors affecting the location decisions of the businesses described in Situations 1–8. Using the continuum and the cards provided, arrange the relevant factors in order of importance for each business.

Situation 1

A large supermarket chain wants to enter the Indian retail market. Its superstores sell a wide variety of imported and locally produced food products as well as housewares and electrical goods, such as microwaves and TVs.

Situation 2

A manufacturer of electrical appliances is currently producing household fridges and freezers in Thailand. However, an increase in the national minimum wage has made it more expensive to produce its products there. It is considering whether to move production to another country.

Situation 3

An information technology firm that specialises in providing ‘cloud’ computing services to business is looking for a location to build a new data storage centre. The new facility will store important information for domestic and international clients.

Situation 4

A leading international clothing label wishes to open a *flagship* (leading) retail outlet on Orchard Road in Singapore (famous for shopping). It is hoped that the store will attract plenty of customers and help to promote its brand and latest designs.

Situation 5

A telecommunications company is looking for a suitable place to locate its international customer helpline call centre.

Situation 6

A bakery that specialises in making fresh bread is expanding and requires larger premises. The company will use the new premises to produce and package its bread. The bread will then be delivered to various stores and supermarkets throughout the local area where it will be sold to customers.

Situation 7

A computer software company designs and produces computer games for the international market. It is looking for a new location to set up its operations. In order to remain competitive, the firm must employ highly skilled workers with experience in the industry.

Situation 8

A large US car manufacturer wants to increase its automobile sales in South East Asia. South East Asian countries impose
a high tariff (a tax on imports) on cars imported from outside the region. The car manufacturer is considering setting up a production plant in either the US, Vietnam, Cambodia or Thailand.

