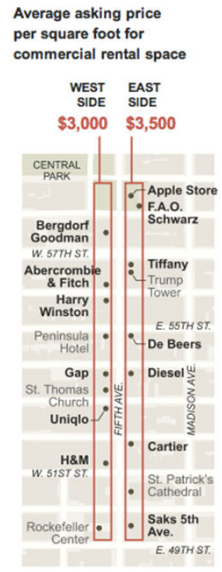


# 5th Avenue

Rents on the east side are US\$3500 per square foot but (only!) US\$3000 square foot on the west side

Why?



# Location

*The geographical position of a business.*

- Choice of location has direct effect on **operational costs**
- Location also potentially affects ability to generate **sales** and deliver **customer service**
- A poor choice of location is costly to change

**“The three most important things in retailing are – location, location and location”**

*Lord Sieff  
Ex Boss of M&S*

# Main location factors



<b>Supply factors</b>	These are mainly concerned with the <b>operating costs</b> of the location
<b>Demand factors</b>	These factors mainly affect customer service and revenues

# Supply-v-Demand Factors

