



5.4 Location

# Terminology exercise



**Check that you understand the terminology used in this subtopic by dragging the correct word into each space.**

The term \_\_\_\_\_ refers to the geographical position of a business; in other words where the business is positioned or sited. This is different from the term \_\_\_\_\_, which is part of the marketing mix and refers to the distribution channel used by the producer.

There are many internal and external factors that can affect the location decisions of a business.

\_\_\_\_\_ is a good framework for thinking about the external factors affecting location decisions.

In addition to location decisions, businesses often need to consider reorganising production in response to internal and external factors and changing organisational objectives. The term \_\_\_\_\_ refers to a business hiring an external company to carry out a task that it could do itself.

The opposite of outsourcing is \_\_\_\_\_, where a business ends a contract with an external supplier in order to undertake a previously outsourced business function itself.

In addition to hiring other companies to take on some operations, a business may

take on some operations, a business may decide to relocate some of its operations to another country. This is called . However, there may be times when a business needs to bring production back to the home country, for example if economic or political conditions change. This is called .

STEEPLE

place

offshoring

outsourcing

insourcing

location

reshoring

 Check