

A small business

Business



A woman named Heather wants to start a small business which makes and sells budget priced jewellery. She is aiming her jewellery to the teenage fashion market. In the following text I will firstly have to recommend where Heather should locate her business (either in Tonbury or Dyton).

Secondly I will have to recommend which method of distribution Heather should take and how she what she will distribute through; shop, market, internet, mixture and finally I will recommend the promotional strategies that Heather should use when starting her business I will also discuss how her promotional methods will need to adapt and evolve as her business grows. Because more people in Tonbury work in lower socio-economic groups they are more likely to want to purchase budget priced jewellery. Tonbury's average annual income per worker is i??

24, 000 (i?? 4000 less than that of Dyton) this again means that they are more likely to purchase budget priced jewellery. Although Tonbury has a smaller population and therefore a smaller population of teenagers (Heather's Target market) Tonbury's population is set to rapidly increase by 9000 for 2012. Out of this 9000 increase the teenage population will increase by 2000 (1500 more than Dyton). My research has shown that most teenagers purchase jewellery for themselves so an increase of teenagers will be good for business.

Another reason for locating in Tonbury is that there is less competition with only 4 other jewellery shops in town. However the population of Tonbury will still be smaller than that of Dyton in 2012 and although it is rapidly increasing it will take a long time for it to equalize and even in 2012 there

will be less teenagers in Dyton than in Tonbury. Another drawback is that the market is only on twice a week and even if you choose not to distribute through a market stall the market would attract more customers to the town.

On an average market day there are only 18, 000 visitors (which is almost half that of Dyton). Brief description of Dyton As you can see as in Tonbury, most of Dyton's population works in the C1 socio economic group however what is different to Tonbury is that the second largest group is B which shows that Dyton's population is angled more towards the better socio-economic groups. Dyton's average annual income per worker is i?? 28, 000 (i?? 4000 more than Tonbury).

Advantages of locating in Dyton Because Dyton's residents earn more money they are more likely to buy larger quantities of jewellery and also but the more expensive jewellery in the store. Another reason to locate in Dyton is that fact there are 3000 more teenagers there than Tonbury it is also estimated that even in 2012 there will be more teenagers in Dyton than in Tonbury. Dyton's market is open 3 days a week and on average attracts about 30, 000 people on a normal market day.

Disadvantages of locating in Dyton Because Dyton's population is richer they are less likely to want to purchase budget priced jewellery. Although the market is on three times a week there are 8 other jewellery shops in the town this would mean you would have a lot of competition from other shops. Heather should locate her business in Tonbury because although Tonbury has a smaller population its residents on average earn less than people from

Dyton this means that they will be much more likely to shop at heathers store than people from Dyton.

Tonbury has a smaller population than Dyton however its growth rate is much faster than Dyton's in 3 years Tonbury's population is expected to rise by 9000 however Dyton will only increase by 3000. Tonbury has only got 4 jewellers in its town this will mean there will be a lot less competition which help the business grow faster on the other hand Dyton has 8 jewellery shops which would make competing in the jewellery market extremely difficult.