

Topic 1.5.5 Business response to external influences

Key Vocabulary

Obsolete – out of date or not used anymore. An impact of not adapting to new technology

Core Knowledge

Responses to technology:

- Merge with other businesses
- Install similar technology – increasing costs in short term
- Change production methods or product

Responses to changes in legislation

- Employ more staff to deal with paperwork / red tape
- Cut back or scrap an area of business
- Invest in technology to meet requirements

Responses to changes in the economic climate:

- Hire staff, invest in equipment, develop new products during good economic times
- Adjust marketing mix
- Spread risk through operating in more than one country or producing a variety of goods that match different consumer needs

Don't be a "man on the street"

- Remember that businesses have to continually adapt and change in order to be successful
- Not all consumers or businesses will be affected in the same way by changes, so use words such as 'most' when analysing



Wider Business World

Sainsbury – bought Argos in 2016 to take advantage of their 'click and collect' service

Independent newspaper – now only online

Jaguar Land Rover – spread production across world to minimise effect of exchange rates



Synoptic Links

Technology – the way in which technology has changed

Legislation – three main areas of law affect businesses

Economic influences – changes to economic factors can affect consumer income, therefore affecting spending

Globalisation – moving production overseas can be a way to minimise impact