

What is a business ?

- A **business** is any organisation that makes **goods** or provides **services**.
- There are many types of business in the UK. These range from small firms owned and run by just one self-employed person, through to large **companies** which employ thousands of staff all over the world.

Businesses exist to provide goods or services.

Goods are physical products such as burgers or cars.

Services are non-physical items such as hairdressing.

Customer needs are the wants and desires of buyers.

Nearly half a million businesses start up each year. A business start-up is a new firm operating in a market for the first time.

The vast majority of businesses are very small and operate in the service sector.

Suppliers, customers and markets

Businesses buy the products they need from **suppliers** – firms selling products to other businesses - and sell to **customers**. The individual who uses the product is called a **consumer**. Sometimes the customer and consumer are different people - for example, parents buy a pen for their child to use at school.

Businesses sell to customers in **markets**. A market is any place where buyers and sellers meet to trade products - this can be a high street shop or a website.

Businesses are likely to be in **competition** with other firms offering similar products.