**A2 Business Studies Unit 3: Location**

**Facebook & Energy Bills!**

Where to locate? A crucial decision taken by organisations both at the start of a business venture and when considering expansion.



When making decisions about location, businesses have traditionally had to consider factors such as:

***• Availability and cost of suitable premises
• Availability of labour
• Transport and communication links
• Market and proximity to customers
• Competition and suppliers
• International and/or cultural issues***

There is no magic formula for deciding upon the relevant importance of the above factors and in recent years, virtual and online firms have placed a different emphasis on the significance of some of these factors.

Facebook has just announced that it’s heading to Lapland, not just for Christmas, but for the climate! Lulea, where Facebook have planned to locate their first non-US data centre, has **‘electricity prices which are some of the cheapest in Europe’**. Interestingly **‘More companies are placing their data centres in Northern Europe because the climate works well for the cooling systems necessitated by racks of huge servers’.**

In a world where electricity costs and technology-driven requirements are crucial in a firm’s location decision, will we see a shift towards Northern Europe for these types of organisations?