

# Providing Goods and Services

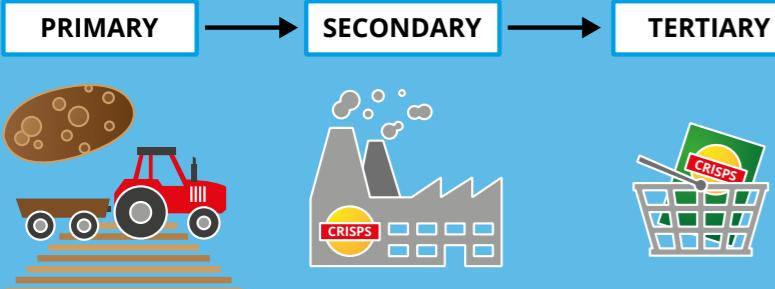
## Sectors of Industry

**Primary:** Where the raw materials are produced, e.g. farming, mining, forestry.

**Secondary:** Where the raw materials are manufactured into goods, e.g. factory.

**Tertiary:** Businesses in this sector provide a service, e.g. retailer, hotel, school.

**Chain of Production:** This process links the primary, secondary and tertiary sectors together in the production process.



## Factors of Production

**Land:** The natural resources that are needed to produce goods.

**Labour:** Physical and mental element that is needed to produce goods and services.

**Capital:** The money (working capital) and fixed capital that is needed to produce goods and services.

**Enterprise:** These people have the ideas to start a business and organise the other 3 factors of production.

## Consumers

**Definition:** Are the final users of goods and services. They are at the end of the distribution channel.



## Needs

**Definition:** Items that you have to have in order to survive.



**Examples:** Food, Water, Warmth, Clothing, Shelter

## Wants

**Definition:** Items that you would like to have but are not necessary to your survival. They enhance your lifestyle.



**Examples:** TV, mobile phone, holidays, cars

## Goods

**Definition:** These are tangible items that you can physically touch.

**Consumer Goods:** Goods which are produced for the final consumer.

**Examples:** cars, food, clothes

**Producer (Capital) Goods:** Goods which are produced for other businesses to be able to produce other goods and services.

**Examples:** vehicles, computers, robots, furniture & fixtures



**Durable:** Are consumer goods which are not used at once and do not have to be bought frequently because they last for a long time.

**Examples:** TV, mobile phone, washing machine

**Non-Durable (Single Use):** are goods which are immediately consumed or which have a lifespan of less than three years.



## Services

**Definition:** Things you cannot touch; they are non-physical intangible items.



**Examples:** hairdressing, taxi service, education

**Personal Services:** Services provided for individuals. They include services for personal grooming, house maintenance, car repair etc.

**Commercial Services:** Services that provide mainly to businesses such as transport and warehousing, but they may also be available to individuals such as insurance and banking.

## Markets

**Definition:** Where buyers and sellers meet in order to exchange goods and services, often for money.



## Retailers

**Definition:** Sells goods to consumers. Small retailers buy their stock from wholesalers but large-scale retailers buy directly from manufacturers.



### Functions of a Retailer:

- Display goods
- Promote goods
- Sell to consumers / sell goods and services
- Give customers advice / provide customer service
- Deal with faulty goods / complaints
- Distribute goods / deliver goods
- Buy from wholesalers / manufacturers / suppliers
- Break bulk / buy in large quantities and sell in small quantities
- Closer to consumer / Local
- Can offer credit