

A1 - Describe your 2 chosen businesses covering their activity, location, ownership, aims and objectives

Manchester Airport plc

Business Activity

Manchester airport is a business that provides a service to other businesses and the public. The facilities it provides are: the runways, terminals and also the services it offers to its customers i.e. the airlines.

Manchester airport provides the facilities for other companies to run their businesses from and sell their products from.

The actual airport company provides the main things for other companies like roads, drains, phones, runways, terminals. Its gets its capital from the other companies paying to use their facilities like the airlines paying to use the runway, the handling agents paying for the ticket desks and shopkeepers paying rent.

The airport offers its products and services straight to the airlines and tour operators, so the airport is providing the facilities for the airlines to run their businesses and then sells its products and provides its own services to the passengers.

The chain of production is a series of stages which add value (things have been done to the product/ service so that each customer can make profit before it is given to the consumer/ end-user).

So

Producers	The airport	They provide the services for the airline which have to pay rent.
Wholesalers	Airlines/ Tour operators	The airlines pay rent to the airport so they will raise prices so that they will make profit.
Retailers	Airlines/ Travel agents	These are also paying rent to the airport so they want to make profit so they raise their own prices more.
Consumers	Passengers	The passengers will end up paying top price for the service as each customer is aiming to maximise profit.

For the passengers the airport is providing the check-in desks, baggage handling systems, and many different retail outlets, catering outlets e.g. Burger King, and public areas like toilets, and lounge areas, so the airport makes charges to the passengers for the facilities that they are providing so that these areas are up-kept and still the airport will make profit.

History

The first ever scheduled air service was launched from a small private airfield in Manchester in 1920. The route went to Birkdale Sands in Southport and South Shore, Blackpool.

In 1928 Manchester City Council selected 50 hectares of flat land at Barton, near Eccles, as the location for a new aerodrome. The city council, anxious that no other town or city could lay claim to being the first municipal airport, hurriedly built a temporary airfield in Wythenshawe, this airport opened for business on 2nd April 1929. The Barton airfield finally opened on 1st January 1930.

The airport then moved in 1934 the council chose Ringway to be the new location of the airport because the airport was to set up flights between Manchester and Holland. Ringway was chosen because of its availability and suitability, better weather record and road communications of the city centre. This airport opened on 25th June 1938, operation started on 27th June 1938. In 1954 the airport changed its name from Ringway to Manchester international Airport.

In the 1980s Manchester became the fastest growing major international airport.

Recently £25 million has been allocated to upgrade operations over a number of years to ensure that the airport has facilities to handle expected growth in passenger numbers.

Customers

Manchester Airport Product	Customer	Their Product	Their Customer
Shops	Retailer (WHS)	Books etc	Passengers
Runways & Terminals	Airlines	Seats/ Flights	Passengers
Station	Rail Company	Train Services	Passengers

The main direct customers of the airport are airlines with the passengers being the end-users/ consumers.

The airport charges the retailers for the grounds that they place their business on, like rent to the airport.

Charges are also for airlines for the provision and maintenance of the passenger terminals known as passenger facilities charge. They are also charged for each departing airline.

Ownership

Manchester Airport plc was formed in April 1986. The main owner of Manchester airport is Manchester City Council and then the 9 Metropolitan Borough Councils, Bolton, Bury, Oldham, Salford, Stockport, Rochdale, Tameside, Trafford and Wigan.

Manchester airport is unique in that all the shares in the public limited company are local authority owned so even though it is a plc its shares are not for sale on the stock exchange.

The airport re-invests some of the profit for the future development of the airport. The total of 204,279,999 (£1) shares is divided so that Manchester City Council owns 55% (i.e. 112,353,999 shares) and each of the 9 remaining district councils own 5% each (i.e. 10,214,000 shares each).

These shareholders will have limited liability so they can only lose what they have put into the business.

The advantages of this type of ownership is that it can raise extra finance by issuing shares but the disadvantages are that the accounts of the business are held at the Companies House so everyone can see them so rival companies can find out the profit or sales the airport has made and it is more complicated to set up the business.

Competitors

Manchester Airports competitors are airports and other modes of transport. The biggest threats to Manchester airport are the two other local airports, Blackpool airport and Liverpool airport. I would say Blackpool is a threat because it has low-cost regional flights and Liverpool as it's a fast growing airport which is getting more popular. The other competitors of Manchester airport are Ferry companies, Rail network companies, cruise ships and all alternative modes of transport. These are also threats because many people are choosing different ways to travel because it might be cheaper and quicker.

Sector of the Economy

Manchester Airport is unique as it is a public limited company but its shares are not bought and sold on the stock exchange. It is in the public sector as the government has ownership over the business. The government consider it to be in the public sector even though its shares are not bought and sold on the stock exchange because the shareholders are in the local authorities.

Business Location

There are many factors that effect the location of a business, the main factors are:

- 1 Availability and Cost of Premises or Land,
- 2 Labour,
- 3 Financial Help,
- 4 Transport and Communication,
- 5 Customers, Consumers and Suppliers.

Manchester Airport Location

Manchester airport is located very near to the motorway. It is 10 miles in the direction of south west from the city centre. It is near the M56 so there is easy access to passengers from all over the area. There is also a direct train, bus, coach and metro link services running straight to the airport so this will help passengers get to the airport. The airport is also within a 2 hour drive between over 50% of all UK manufacturing industry, and in the middle of the

UK, halfway between London and Edinburgh. This benefits the airport because the airport will be known nationally which could bring more passengers to the airport, it has easy access and many ways to get to it so passengers will think it's an easy option, it's in the middle of a large city with a big population so many local people will use this airport, it has many facilities to offer, and it has flights flying to all over the world.

Availability and Cost of Premises

This is an important factor in the location of a business because if they are renting the premises the rent will depend on both the location and the type of premises. Where ever they have to pay business rates to the local authority so they want to set up in a place where the rates are low, they need room to expand in case of an increase in the business, and the choice of premises available at the time when the business is buying.

Labour

Labour is a very important factor in the location because it is the biggest cost in a business, because there is a variation of the cost of labour between town and country or different cities so you want a location with a lower wage but still skilled labour. Also they have to see where there is skilled labour for their type of business and the availability of the labour.

Financial Help

A business might decide to locate their business where there are low local taxes. The UK's taxes on labour are among the lowest in Europe so companies would prefer to locate their business in the UK than in any other country in Europe.

Transport and Communication

Transport is an important factor in choosing the location of a business, because the staff need to be able to get to work easily, the customers need to be able to access the premises, the suppliers need to be able to access the premises. Communication is also important because the business will want cheap broadband and phone connection.

Customers, Consumers and Suppliers

This, I would say, is the most important factor for the location of a business. I think this because without the customers, consumers, or suppliers the business wouldn't be able to make profit as the suppliers need access to deliver the goods and the customers and consumers need to be able to access the premises as well to be able to purchase the goods or get the service the business provides.

Aims/Objectives

The Aims and Objectives of a business are the short and long term goals of the business.

Aims are a general, non-specific statement of what a business wants to do. These are long term and some businesses have a mission statement of their main aims.

Objectives are a precise and measurable goal of a business these are short term, have a time limit and are realistic goals.

The main seven aims of a business are:

- Survival - When the business wants to 'stay in business', Most of the time this is new business that have just set up.
- Reputation – When the business wants to be known in the market.
- Maximise Profit – When a business wants to make as much profit as possible or a satisfactory profit.
- Sales Maximisation – When the business wants to maximise sales, which is when they try and sell more products. The managers of the business want to maximise sales so they get paid higher salaries.
- Customer Satisfaction – This is when you keep the customer happy by supplying its need and wants in the business.
- Expansion/Growth – the act or process, or a manner of growing; development; gradual increase.
- Market Share – The proportion of the total available market that is being serviced by a company.

Manchester Airport Aims/Objectives

Manchester Airport has a mission statement, the mission statement reads:

“Manchester airport aims to be the airport of choice – internationally recognised by airlines and tour operators as the preferred partner in the development of their business.”

The mission statement is a general statement of what the airport wants to do as a business over a long period of time. This is an aim as its long term and non-specific and does not have a time limit.

Manchester airport plan to reach this mission statement is to aim to continue in growth in the services it provides, by adding new destinations and adding frequencies to provide the best possible quality of service at a competitive fair.

The objectives of Manchester airport is to:

- Increase passenger traffic by the development of domestic and short - haul international scheduled services and by protecting and increasing the airports share of the inclusive tour and charter market.
- Reduce charges made to the airlines and tour operators.
- Increase the number of retail outlets throughout the airport.
- Develop new revenue streams.
- Improve utilisation of capital assets.

These are the objectives as these are specific, measurable and realistic.

Blackpool Pleasure Beach

Business Activity

Blackpool pleasure beach is a business that provides many different services and products to many different people. The pleasure beach is a:

- Visitor attraction (theme parks),
- Arts and entertainment (theatres, cinemas, gallery, themed evenings),
- Catering (pubs, cafes and restaurants),
- Sports and physical recreation (ice skating).

These are the main components that the pleasure beach says it has to offer, this is what draws people to want to go to Blackpool pleasure beach for the many things they offer.

The products it provides are:

- 145 rides and attractions,
- Over 50 themed restaurants, bars and cafes,
- 3 shows: Hot Ice, Mystique and Eclipse,
- 156 bed roomed 4* Big Blue Hotel,
- Bowling at Bowladrome,
- Ice skating at Arena,
- Venus catering from 2 to 1800 guests,
- Stageworks, the pleasure beaches own Production Company.

These are the products that Blackpool pleasure beach offer to their customers.

The services the pleasure beach provides:

- Lessons and classes,
- Customer service desk,
- Purchase and hire of equipment,
- Corporate hospitality,
- Dress design,
- Civil ceremonies,
- Ride design,
- Left luggage,
- Wheelchair hire,
- Guide book for disabled guests,
- Buggy service offered,
- Bureau De change,

- Public telephone,
- First aid.

These are the services it provides to the customers of the park and to the general public.

History

Alderman William George Bean opened Blackpool Pleasure Beach in 1896. The Pleasure Beach was built in Blackpool as it is a seaside resort/tourist town, it had 42 acres of free land on the coast and it's close to lots of industrial towns. The first ride that was built was the Sir Hiram Maxim's Flying Machines. In 1930 Leonard Thompson took over, the Grand National was built and also the Casino building. In 1976 Geoffrey Thompson took over, he launched the pleasure beach two pronged attack for survival which was marketing and advertising. In Geoffrey years the Pepsi Max Big One was built (the tallest fastest ride in the UK) and the Big Blue hotel so people could go for a package holiday to the pleasure beach. Later in 2004 Amanda Thompson took over the park and started the re-branding of the pleasure beach with the exclamation mark.



Ownership

Blackpool Pleasure Beach is a Private Limited Company. It is a private limited company as it is family owned and no shares are bought and sold on the stock exchange.

Location

Blackpool pleasure beach is located on the front/promenade. It was built here in 1896 because it was a seaside resort and tourist town, it also had 42 spare acres of land on the front/coast of Blackpool and is close to lots of industrial towns. It also had a large variety of employment opportunity of working class residents. It was built close to Blackpool airport, the train station, bus and tram networks, the M55 so these all bring in the customers and if they travel in by car there is a car park that caters for 1000 cars plus coach parking.

Labour

Blackpool pleasure beach employ many different people for different jobs and periods of time because they have permanent (maintenance/mechanics) and seasonal staff (ride operators) and extended seasonal employment.

Transport and Communication

The pleasure beach is in the ideal location for its transport and communication as it's close to Blackpool airport, the train station, bus and tram networks, the M55 and for the people that do drive there is a car park that caters for 1000 cars plus coach parking. This is good as it is easy accessible and will help bring more customers to the park.

Customers

Blackpool airport provides services and products to many different people and so they have many different customers.

Blackpool pleasure beaches markets are:

- Schools,
- Travel trade – coach operators, tour operators,
- Tourist information services,
- Youth groups,
- Promoters,
- Grey markets,
- Corporate clientele.

The people that visit Blackpool pleasure beach are also the customers, these are two different clientele, day and stay. In 2005 62% of the visitors were stay. This shows that more people are taking it as a holi day to the pleasure beach instead of just a day trip and that people are travelling further and are having to stay over.

Aims/Objectives

Blackpool pleasure beach has a mission statement, the mission statement reads:

“To make adults feel like children again!”

The mission statement is a general statement of what the airport wants to do as a business over a long period of time. This is an aim as its long term and non-specific and does not have a time limit.

Blackpool Pleasure Beach’s statement means that th e rides and facilities they offer will make the adults feel more like children by going on the rides.

The objectives of Blackpool Pleasure Beach are to:

- Remain Britain’s number one tourist attraction,
- Provide a first class service in quality leisure ente rtainment to all markets,
- Be at the forefront of amusement park design,
- Entertain visitors through first class, live entertainment,
- Increase footfall – people through the door day per year,
- Increase brand awareness,
- Become a destination in ourselves – a one stop shop.

These are the objectives as these are specific, measurable and realistic.