

Importance of Location Strategy in Running a Successful Food Outlet: A Quantitative Study

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Abstract

The importance of location in running a successful food outlet cannot be overstated. A restaurant's location plays a pivotal role in attracting customers, ensuring profitability, and ultimately determining the longevity of the establishment. This abstract highlights the key factors that make location a critical aspect of running a thriving food outlet. Firstly, the accessibility of a restaurant's location directly impacts its customer base. Restaurants situated in highly visible and easily reachable areas tend to attract a larger number of potential customers. Secondly, the demographic composition of the area surrounding the food outlet influences its success. Understanding the target market and selecting a location that aligns with the preferences and demands of the local population is crucial. Factors such as income levels, cultural preferences, and lifestyle patterns need to be considered to ensure the restaurant can cater to the needs and tastes of the local community. Lastly, the ambiance and atmosphere surrounding the food outlet can significantly influence customer experience and satisfaction. Factors such as aesthetics, nearby attractions, and overall vibe contribute to the overall dining experience. A well-chosen location can create a positive impression, leading to repeat business, positive reviews, and increased brand reputation.

Keywords – Location selection, Food outlet success, Restaurant location, Customer base, Demographic analysis, Competition analysis, Unique value proposition, Ambiance and atmosphere

Introduction

The success of a food outlet is not solely determined by the quality of its cuisine or the expertise of its chefs. While these factors are undoubtedly important, there is another critical element that can make or break the fortunes of a restaurant: its location. The significance of location in running a successful food outlet cannot be overstated, as it directly impacts

customer attraction, profitability, and long-term sustainability. A prime location can act as a magnet, drawing in a steady stream of patrons, while a poorly chosen location can lead to obscurity and financial struggle.

In today's highly competitive culinary landscape, where new restaurants constantly emerge and existing ones strive to retain their customer base, standing out from the crowd is essential. One of the most effective ways to differentiate oneself is through a strategic choice of location. The accessibility of a food outlet plays a pivotal role in its success. Restaurants situated in highly visible and easily reachable areas have a distinct advantage in attracting a larger number of potential customers. Imagine a bustling street with vibrant signage, enticing aromas wafting from nearby kitchens, and ample parking facilities inviting passers-by to stop and savour the delights within. Such a location sets the stage for success by capturing the attention and curiosity of both local residents and visitors alike.

Demographics also play a crucial role in the importance of location for a food outlet. Understanding the target market and selecting a location that aligns with the preferences and demands of the local population is key. Factors such as income levels, cultural preferences, and lifestyle patterns need to be carefully considered. Furthermore, conducting thorough competition analysis is imperative when choosing a location for a food outlet. Examining the presence and performance of competitors in the vicinity provides valuable insights into the market saturation and the potential for growth. Is the area already saturated with similar food establishments, making it challenging to carve out a unique identity? Or does the location offer an opportunity to introduce a new and exciting concept that fills a gap in the market? Assessing the competitive landscape helps identify untapped niches and allows restaurateurs to position themselves strategically, either by offering a distinct value proposition or by catering to a specific culinary need that is currently unmet.

In addition to customer attraction and market positioning, the financial aspect cannot be ignored when considering the importance of location for a food outlet. The cost-effectiveness of a location significantly impacts the bottom line of any restaurant. Rental or leasing costs, utility expenses, and other operational overheads vary depending on the location. Careful evaluation of the return on investment and conducting a thorough cost-benefit analysis are essential to select a location that provides optimal profit margins without compromising on quality or service. Striking the right balance between a prime location and affordable operational costs can be the key to sustainable profitability.

Literature Review

A review highlights the importance of geographical factors such as accessibility, demographics, competition, and urban planning in shaping the presence and success of fast-food establishments. It explores how fast-food outlets tend to cluster in urban areas with high population densities and easy transportation access. The article discusses the influence of socio-economic factors on the distribution of fast-food outlets, noting that they often concentrate in low-income neighbourhoods (Fraser et. al., 2010). A study investigates how this initiative, which aimed to promote local food production and consumption, fostered social innovation at the community level. It analyses the program's impact on various dimensions, including social, economic, and environmental aspects, and examine the factors that facilitated or hindered its success. The article provides insights into the potential of grassroots initiatives in promoting sustainable and locally focused food systems and highlights the importance of supportive policies and networks for their effective implementation (Kirwan et. al., 2013).

A prime location with high visibility and accessibility attracts a larger number of potential customers and increases the likelihood of impulse purchases. The demographic composition of the surrounding area is also crucial, as it determines the target market and consumer preferences. Understanding the local population's income levels, lifestyle patterns, and shopping behaviours helps retailers tailor their offerings and marketing strategies accordingly (Saxena & Hashemi, 2011). Research investigates whether these establishments tend to concentrate in areas with higher levels of deprivation. By analysing the spatial distribution of these outlets and comparing them to area-level deprivation indicators, the study aims to uncover potential disparities in access to these services. The findings of the study provide insights into the potential concentration of "environmental bads" in deprived areas and contribute to the understanding of how socio-economic factors influence the spatial distribution of these outlets in Glasgow City (MacDonald et. al., 2018).

The importance of food location-wise in Tokyo and Minami-Aizu is a key aspect of culinary success in these regions. Tokyo, known for its vibrant food scene, offers a diverse range of

culinary options catering to different tastes and preferences. The city's food locations play a crucial role in attracting customers and creating unique dining experiences. From upscale restaurants in trendy neighbourhoods to street food stalls in bustling markets, the strategic placement of food establishments contributes to their success (Saliha, 2016). A study explores how different types of outlets, such as grocery stores, restaurants, and specialty food shops, contribute to the accessibility of ethnic foods within neighbourhoods that promote active travel, such as walking or biking. The findings shed light on the relationship between outlet types, neighbourhood characteristics, and active travel patterns, highlighting the importance of considering the specific types of outlets when evaluating access to diverse and culturally significant food options within communities (Rybarczyk et. al., 2019).

Research investigates how to allocate these public bads across countries in a way that minimizes welfare loss while ensuring that no country can strategically influence the location to its advantage. By employing a game-theoretic framework, the study aims to develop a strategy-proof mechanism that leads to socially optimal outcomes and prevents countries from engaging in undesirable behaviour, such as offering compensation to avoid hosting the public bads (Lahiri et. al., 2015). An article analyses the evolutionary process of restaurants' decision-making, considering factors such as customer preferences, delivery efficiency, and market competition. By simulating the interactions between restaurants and customers, the research provides insights into the optimal strategies that restaurants can adopt to thrive in competitive online-to-online (O2O) markets. The study contributes to the understanding of the complex dynamics between food quality, location, and competition in the evolving landscape of online food delivery platforms, offering valuable implications for restaurant owners and policymakers in this rapidly growing sector (Li et. al., 2019).

A study examines the concept of buying local food and how shopping practices, place, and consumption networks contribute to the definition of "local" food. Through qualitative research methods, including interviews and participant observation, the study explores how individuals perceive and practice buying local food in their everyday lives. It delves into the social and cultural dimensions of local food consumption, highlighting the importance of place-based relationships and networks in shaping consumers' understanding of what qualifies as local (Blake et. al., 2010). Another study analyses the various factors that contribute to the development of a gastronomic capital, such as culinary traditions, local food culture, renowned chefs, and unique dining experiences. It investigates the role of culinary

tourism in attracting visitors and generating economic benefits for the destination. By examining a case study, it provides insights into the strategies employed to promote and market the city or region as a culinary destination. The findings highlight the importance of culinary tourism in enhancing the overall tourism industry and contributing to the local economy, as well as the challenges and opportunities associated with maintaining and further developing the status of a gastronomic capital (Harrington & Ottenbacher, 2010).

Research also explores the influence of ambience and atmosphere in enhancing the overall dining experience. The findings underscore the significance of personalization and customization, allowing visitors to tailor their culinary experiences to their preferences. Overall, the article provides valuable insights into the various elements that contribute to memorable food, drink, and culinary tourism experiences, offering guidance for businesses and destinations in creating compelling and unforgettable encounters for travellers (Stone et. al., 2018). Tourists often value quality, authenticity, and the opportunity to interact with local food producers and chefs. An article discusses the influence of media, such as food blogs and television shows, in shaping culinary tourists' preferences and destination choices. The findings provide insights into the characteristics of culinary tourists, enabling destinations and businesses to better understand and cater to their needs. By recognizing gastronomy as a tourism resource, destinations can leverage their culinary offerings to attract and satisfy this growing segment of travellers (Canizares & López-Guzmán, 2012).

Objective:

To measure the importance of location strategy in running a successful food outlet

Methodology:

This study is descriptive in nature in which the data were obtained from the 195 respondents to find the importance of location strategy in running a successful food outlet. A checklist question was used to analyse and interpret the data. In a checklist question respondents choose “Yes” or “No” for all the questions.

Data Analysis and Interpretations:**Table 1 Importance of Location Strategy in Running a Successful Food Outlet**

SL No.	Importance of Location Strategy in Running a Successful Food Outlet	Yes	% Yes	No	% No	Total
1	Restaurants situated in highly visible and easily reachable areas tend to attract a larger number of potential customers	167	85.64	28	14.36	195
2	Demographic composition of the area surrounding the food outlet influences its success	173	88.72	22	11.28	195
3	Understanding the target market and selecting a location that aligns with the preferences and demands of the local population is crucial	182	93.33	13	6.67	195
4	Factors such as income levels, cultural preferences, and lifestyle patterns need to be considered to ensure the restaurant can cater to the needs and tastes of the local community	177	90.77	18	9.23	195
5	Ambiance and atmosphere surrounding the food outlet can significantly influence customer experience and satisfaction	180	92.31	15	7.69	195
6	Factors such as aesthetics, nearby attractions, and overall vibe contribute to the overall dining experience	185	94.87	10	5.13	195
7	location can create a positive impression, leading to repeat business, positive reviews, and increased brand reputation	189	96.92	6	3.08	195

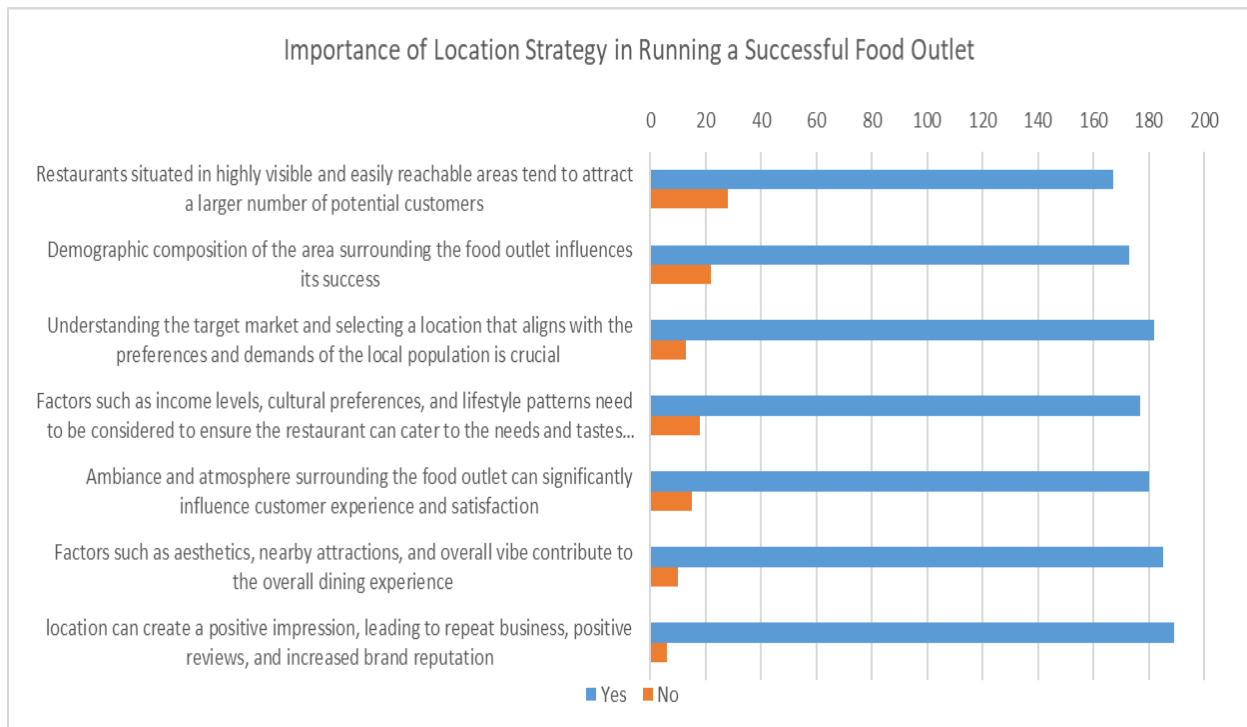


Figure 1 Importance of Location Strategy in Running a Successful Food Outlet

Table 1 and Figure 1 show the importance of location strategy in running a successful food outlet. It was found that around 96.9% respondents believe that location can create a positive impression, leading to repeat business, positive reviews, and increased brand reputation, Factors such as aesthetics, nearby attractions, and overall vibe contribute to the overall dining experience (94.8%), Understanding the target market and selecting a location that aligns with the preferences and demands of the local population is crucial (93.3%), Ambiance and atmosphere surrounding the food outlet can significantly influence customer experience and satisfaction (92.3%), Factors such as income levels, cultural preferences, and lifestyle patterns need to be considered to ensure the restaurant can cater to the needs and tastes of the local (90.7%), Demographic composition of the area surrounding the food outlet influences its success (88.7%) and Restaurants situated in highly visible and easily reachable areas tend to attract a larger number of potential customers (85.6%).

Conclusion

In conclusion, the importance of location in running a successful food outlet cannot be underestimated. The strategic choice of location directly impacts customer attraction, profitability, and long-term sustainability. A prime location with high visibility and accessibility acts as a magnet, drawing in a steady stream of patrons. Understanding the

demographics of the surrounding area is crucial in aligning the food outlet with the preferences and demands of the target market. Thorough competition analysis helps identify untapped niches and allows for strategic positioning. Moreover, the financial aspect, including operational costs and return on investment, significantly affects the bottom line. The ambiance and atmosphere surrounding a food outlet also play a vital role in customer satisfaction and repeat business. Overall, selecting the right location is essential for maximizing the customer base, profitability, and reputation of a food outlet, ultimately contributing to its long-term success in the competitive culinary industry.

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