
| RESEARCH ARTICLE

Location and Its Effect on Business Sustainability

Junalyn M. Amoguis¹, Angelo T. Flores², Lovely Joy B. Perocho³, Ariela J. Razalo⁴ ✉ and Cherry Rafer Teh⁵

¹²³⁴⁵*Bukidnon State University – Baungon Campus, Philippines*

Corresponding Author: Ariela J. Razalo, **E-mail:** 2202100234@sc.buksu.edu.ph

| ABSTRACT

Location is a major factor influencing the sustainability and success of small businesses, especially in rural areas where infrastructure and economic opportunities are limited. This study examined small grocery stores in Barangay Imbatug, Baungon, Bukidnon, to determine how four location-related factors—customer, competition, transportation efficiency, and cost of resources—affect business sustainability. The purpose of the study is to provide enterprise development in rural communities. A descriptive-correlational research design was used to assess the relationship between location factors and sustainability outcomes. Twenty-eight registered grocery store owners from Zone 4, Barangay Imbatug, participated as respondents. Data were gathered using a validated researcher-made questionnaire that measured perceptions on location factors and three sustainability dimensions: economic sustainability, environmental sustainability, and social responsibility. Statistical tools such as frequency counts, weighted means, standard deviations, and Pearson's r were applied in data analysis. Findings showed that customers received the highest mean score ($M=3.56$), highlighting its importance in attracting and maintaining customers in rural areas. In contrast, the cost of resources obtained the lowest score ($M=3.34$), indicating financial challenges common among store owners. Environmental sustainability had the lowest mean ($M=3.41$), suggesting limited awareness of eco-friendly practices. A very strong positive correlation ($r=0.8340$) was found between location factors and business sustainability, showing that favourable location characteristics significantly contribute to business viability. The results also indicated that longevity in business does not guarantee sustainability without proper strategic planning. In conclusion, the study confirms that location is a crucial determinant of small success in rural areas such as Barangay Imbatug. Customer accessibility and transportation efficiency contribute greatly to business performance, while environmental practices require further improvement. The study recommends that entrepreneurs conduct community needs assessments and ensure long-term planning to strengthen their sustainability efforts.

| KEYWORDS

Business sustainability, location, customer, competition, grocery store.

| ARTICLE INFORMATION

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1. Introduction

Business sustainability has become a critical aspect of modern business development as organizations try to balance profitability with long-term stability and social responsibility. One of the influential factors that determines a business's sustainability and success is its location. The strategic selection of a business site influences customer, competition, transportation efficiency, and cost of resources—all of which are essential in maintaining profitability and operational continuity (Buchanan, 2016). According to Becker et al. (2017), location is not merely a geographic

consideration but a strategic decision that shapes customer behavior, cost efficiency, and a firm's overall sustainability.

In today's competitive market environment, businesses are compelled to adapt to various environmental, social, and economic pressures. Studies have shown that a favorable location enhances visibility, strengthens market reach, and fosters community engagement (Oppong, 2023). On the other hand, poor site selection can hinder growth and limit access to essential resources and customers. Dunne (2020) emphasized that location directly affects a business's financial health and sustainability, particularly in small and medium-sized businesses where operational flexibility is often limited. Therefore, determining the ideal location is fundamental to ensuring long-term business survival and development.

Business sustainability refers to the capacity of enterprises to meet present needs without compromising future opportunities, integrating three major dimensions: economic viability, environmental stewardship, and social responsibility (Change et al., 2017; Svenson, 2026). In regard, the Triple Bottom Lines Theory of John Elkington (1994), as cited by Nica, Chirita & Georgescu (2025), highlights that true business success extends beyond financial profit—it also includes social equity and environmental care. Through this framework, businesses are encouraged to balance profit with purpose, ensuring that growth aligns with both societal and ecological well-being.

Furthermore, this study is based on Alfred Weber's Industrial Location Theory (1909) as cited by Ahn and Juraev (2023), which explains that businesses choose their location to reduce costs and increase efficiency. According to this theory, important factors such as transportation cost, labor supply, and business group influence where a business should be built to achieve success. In addition, the Triple Bottom Line Theory by John Elkington (1994), as cited by Nica, Chirita & Georgescu (2025), supports this idea by emphasizing that business success should not only focus on profit but also on people and the planet. It highlights that a good business location can help a company become more socially responsible and environmentally friendly while still earning income. Lastly, the 4Ps Marketing Theory by E. Jerome McCarthy in 1960. As cited by Alalnazi et al. (2024), this also relates to this study, as it points out that Place (location) is one of the key elements in attracting customers and maintaining sustainability. These theories together explain how the right location helps businesses reduce costs, serve customers better, and achieve long-term growth.

In the Philippines, small business enterprises play a vital role in local economic growth, yet many rural entrepreneurs face persistent challenges due to limited access to transportation, infrastructure, and competitive markets. This is evident in Barangay Imbatug, Municipality of Baungon, Bukidnon, where small grocery store owners rely heavily on customer proximity, affordable resources, and efficient logistics to sustain their operations. However, some studies have been conducted to explore how these location-related factors influence business sustainability in rural communities, where environmental and economic constraints differ significantly from those in urban areas.

Thus, this research, entitled "Location and Its Effect on Business Sustainability," aims to determine the influence of location-related factors—specifically customer, competition, transportation efficiency, and cost of resources—on the sustainability of a small grocery store in Barangay Imbatug, Baungon, Bukidnon. The findings of this study will serve as a valuable reference for local entrepreneurs, policymakers, and development planners in formulating strategies that promote sustainable enterprise growth and enhance economic resilience in rural communities.

1.1 Research Questions:

This study seeks to answer the following core question: *How does location affect the business sustainability of small businesses in Barangay Imbatug, Baungon, Bukidnon?* Supporting questions examine the demographic profile of the respondents in terms of average monthly income and number of years in business; the respondents' assessment of location in terms of customer, competition, transportation efficiency, and cost of resources; and the respondents' assessment of business sustainability in terms of environmental sustainability, economic sustainability, and social responsibility. The study also explores whether there's a significant difference in the effect of location on business sustainability when the respondents are grouped according to profile, and whether there's a significant relationship

between the effect of location and business sustainability, and what action plan can be implemented based on the findings of the study.

1.2 Purpose of the Study:

The main objective is to determine how location affects business sustainability in Baungon. Thus, the output of the study will be the basis for an action plan that will enhance the business owner's knowledge of choosing a location for their business.

1.3 Significance:

The results of the study will benefit the researchers, business owners, future researchers, and students. Researchers can use the findings to explore new location information and use this study as a basis for searching for advantageous locations for business, while business owners may use these insights to make effective location strategies and identify the location advantages, and make a proper decision on choosing a location more efficiently. Future researchers may utilize the study as a reference for future studies, as it presents new methods and research data, and students can better understand the effects of location on a business's success, which is important for their studies and future careers.

2. Methods

2.1 Research Design

The study used a descriptive quantitative research design that emphasizes the importance of a clear plan for data collection, analysis, and interpretation (Creswell's, 2014). This type of research design ensures that research questions are systematically addressed through carefully structured methodologies. By employing a descriptive quantitative approach, the study was able to capture and quantify the characteristics of the population under investigation (Kumar, 2019).

2.2 Participants and Sampling Method

The respondents of this study were the business owners of grocery stores in zone 4, Barangay Imbatug, Baungon, Bukidnon. This study utilized the total enumeration sampling method. This was based on 28 total businesses in zone 4 Imbatug, municipality of Baungon.

Inclusion criteria included:

- (1) Registered grocery store owners in zone 4, Barangay Imbatug, Baungon, Bukidnon.
- (2) Business owners who are currently operating a grocery store.
- (3) Business owners who have operated a grocery store for at least 6 months.

These respondents were selected as they operate their businesses in zone 4, Barangay Imbatug.

2.3 Research Instrument

Data were gathered using a structured questionnaire with two main sections:

- **Part I:** contained items pertaining to the demographic profile of the respondents, such as the average monthly income and number of years in the business.
- **Part II:** covered questions relating to the study of location and its effect on business sustainability.

The questionnaire on the assessment of the effects of location on business sustainability was adapted from a previous study by Nilay Kumar and Oscar Nieto Michelis (2024), which was modified to align with the variables of the current study. The researchers sought permission from the rightful owners of the instrument before utilizing it for the research.

2.4 Data Gathering Procedure

The researchers sought approval from the research adviser and the campus head, and the endorsement letter from the adviser was then forwarded to secure permission to administer the survey among the selected grocery store owners. Data collection was conducted through face-to-face surveys, complemented by key informant interviews with selected business owners. These surveys provided valuable additional insights and a more comprehensive understanding of how store location affects business sustainability in Baungon.

2.5 Ethical Considerations

The study ensured ethical compliance by:

- Securing informed consent from participants,
- Guaranteeing anonymity and confidentiality of responses,
- Allowing voluntary participation with the option to withdraw at any time.

2.6 Data Analysis

Collected data were encoded and analyzed using SPSS software and Microsoft Excel. The following statistical tools were used:

- **Descriptive statistics:** Frequency, percentage, mean, and standard deviation to describe the demographic profile and assess responses.
- **Pearson r:** To examine the relationship between the effect of location and business sustainability.
- **T-test and ANOVA:** To determine a significant difference based on demographic profiles.

Responses were quantified using a **four-point Likert scale**, interpreted as follows.

Scale	Range	Description	Interpretation
4	3.26-4.00	Strongly Agree	Very Good
3	2.51-3.25	Agree	Good
2	1.76-2.50	Disagree	Poor
1	1.00-1.75	Strongly Disagree	Very Poor

3. Results

Table 1. Frequency Distribution of Respondents' Profile

Profile	Frequency (F)	Percentage (%)
Average Monthly Income		
Php10,000.00 and below	15	54
Php10,001.00 – Php30,000.00	3	11
Php30,001.00 – Php50,000.00	0	0
Php50,001.00 and above	10	35
Number of Years in the Business		
Less than 1 year	2	7
1 – 3 years	6	21
4 – 6 years	4	14
7 years and above	16	58

Table 2. Summary of the Average Distribution of Respondents Assessments on Location in Terms of Customer, Competition, Transportation Efficiency, and Cost of Resources

Location	Average Mean	Average Std	Description	Interpretation
Customer	3.56	0.75	Strongly Agree	Very Good Location
Competition	3.31	0.76	Strongly Agree	Very Good Location
Transportation Efficiency	3.29	0.72	Strongly Agree	Very Good Location
Cost of Resources	3.34	0.74	Strongly Agree	Very Good Location
Overall mean	3.76	0.74	Strongly Agree	Very Good Location

Table 3. Summary of the Average Distribution of Respondents Assessments on Business Sustainability in Terms of Environmental Sustainability, Economic Sustainability, and Social Responsibility

Criteria	Average Mean	Average Std	Description	Interpretation
Environmental Sustainability	3.41	0.78	Strongly Agree	Very Good Business Sustainability
Economic Sustainability	3.44	0.70	Strongly Agree	Very Good Business Sustainability
Social Responsibility	3.59	0.63	Strongly Agree	Very Good Business Sustainability
Overall mean	3.48	0.70	Strongly Agree	Very Good Business Sustainability

Table 4. Significant Relationship Between the Effect of Location and Business Sustainability

Variables	Business Sustainability	
	r	P
Location Strength Interpretation	0.83400	< 0.05
		Very Strong Significant

Legend STRENGTH:

0.00-0.19 Very Weak

0.20-0.39 Weak

0.40-0.59 Moderate

0.60-0.79 Strong

0.80-1.00 Very Strong

INTERPRETATION

$p \leq 0.05$ → Significant

$p \leq 0.01$ → Highly Significant

$p \leq 0.001$ → Very Highly Significant

Table 5. Significant Difference in the Effect of Location on Business Sustainability When the Respondents are Grouped According to Profile

Profile	Business Sustainability				
	Environmental Sustainability		Economic Sustainability		Social Responsibility
	<i>p-value</i> <i>H0</i>	<i>Decision on</i>	<i>p-value</i>	<i>Decision on H0p-value</i>	<i>Decision on H0</i>
Average Monthly Income	< 0.05	Reject	< 0.05	Reject	< 0.05 Reject
Number of Years in the Business	< 0.05	Reject	> 0.05	Accept	> 0.05 Accept

Significant if P-value <0.05
Legend: Ho is rejected if Significant
Ho is accepted if Not Significant

4. Discussion

The study shows that location affects business success and sustainability. A good location brings more customers, smoother operations, and stronger community ties. However, businesses also need to assess community needs to match their service. Overall, the right location and understanding of the community are key to long-term success.

4.1 Interpretation of Results

The results of the study show that most of the respondents are small business owners with modest income, while some earn higher amounts. Many have been in business for several years, showing experience and stability. Most respondents rated their business locations as very good, especially in terms of their customers. Other factors like transportation efficiency, competition, and cost of resources were also positive, meaning that the locations of their business help them attract customers and manage their business efficiently.

The findings also showed that most businesses practice sustainability well. Social responsibility was rated the highest, meaning that many businesses care about their customers and community. Economic and environmental sustainability were also rated positively, showing that the respondents value profit while protecting the environment. This means they try to balance making money, helping others, and caring for nature.

Lastly, the study found a strong relationship between business location and sustainability. Businesses in better and more accessible areas tend to be more successful and sustainable. Income level also affects sustainability, as higher-earning businesses can apply more sustainable practices. Experience in business mainly helps with environmental efforts. Overall, the results show that having a good location, enough income, and years of experience helps businesses become more sustainable and successful.

4.2 Comparison with Existing Literature

The results of this study support many previous findings that show how location strongly affects business sustainability. Mokhonoana (2024) and Oppong (2018) stated that a good business location helps improve customer access and reduces costs, which agrees with the present study’s finding that grocery stores in Barangay Imbatug benefit from being located near customers and transportation routes. This proves that accessibility plays a big role in attracting buyers and maintaining stable sales.

In line with Bennett (2024) and Kebbe (2023), this study also found that competition encourages small businesses to improve their products and services. Many respondents said that having nearby competitors helps them become more creative and motivated to serve customers better. Likewise, the importance of transportation mentioned by Tomita (2022) and Nair (2017) is confirmed here, as store owners with better transport access experience smoother deliveries and operations.

The study also agrees with Leskur (2017) and Pheng (2018), who explained that the cost and availability of resources influence a business's profit. Respondents noted that being close to affordable supplies helps them manage expenses, although rising process still remain a challenge. Lastly, the findings support Elkington's Triple Bottom Line Theory (1994) as cited by Nica, Chirita & Georgescu (2025), which focuses on profit, people, and the planet. Similar to Svenson (2016) and Chang et al. (2017), this study found that social responsibility is highly valued among rural business owners, but environmental awareness still needs improvement.

Overall, this study confirms that a good location improves business success. However, it adds new insight by focusing on small rural businesses, showing that while accessibility and competition help, challenges in costs and environmental practices still need attention for long-term sustainability.

5. Conclusion and Implications of the Findings

The study shows that location has a positive effect on the sustainability of small grocery stores in Barangay Imbatug, Baungon, Bukidnon. Businesses that are easy to reach and located near customers tend to perform better and last longer. This means that business owners should carefully select their business sites, considering factors like accessibility, transportation, and community proximity. Local government units can also use this information to plan and develop areas that support small businesses through better infrastructure and zoning.

The results also show that competition and transportation efficiency have positive impacts on business sustainability. Having competitors nearby encourages business owners to improve their products and services, while efficient transportation reduces delivery delays and operating costs. These findings imply that improving local road conditions and maintaining fair business competition can help small enterprises become more stable and successful. Business organizations and local leaders should work together to create a supportive environment that promotes innovation, fair trade, and collaboration among entrepreneurs.

Finally, the study found that while business owners are socially responsible and involved in their communities, they still need to improve their environmental practices. This implies that sustainability programs and training on waste management and eco-friendly practices should be introduced to help businesses operate responsibly. Overall, the results suggest that combining good location planning, infrastructure improvement, and sustainability awareness can greatly enhance the growth and long-term success of small rural businesses.

5.1 Limitations

This study examined the effect of location on business sustainability among grocery store owners in Barangay Imbatug, Baungon, Bukidnon. The scope of the research was limited only to selected small businesses within the area, focusing on four main factors: customer, competition, transportation efficiency, and cost of resources. Because the study was conducted in a single barangay and involved only a small number of respondents, the findings may not be fully generalizable to other types of businesses, larger enterprises, or different locations. Since the research concentrated on a specific group and used a descriptive-correlational method, the results reflect only the experiences and perceptions of the respondents, thereby limiting the extent to which the conclusions can be applied to broader populations.

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