

The Influence of Restaurant Location on Customer Satisfaction and Business Profit: A Case Study in South Tangerang and Bintaro

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Abstract. The culinary industry in urban areas such as Bintaro and South Tangerang is highly competitive, where location selection is a key determinant of restaurant business success. The background of this study is based on the importance of strategic location not only in attracting customers but also in improving operational efficiency and business profitability. This study aims to analyze the effect of restaurant location on customer satisfaction and business profit and to test the mediating role of customer satisfaction in this relationship. The research method uses a quantitative approach with a survey technique. Data were collected through questionnaires distributed to 100 respondents consisting of customers and restaurant managers in the Bintaro area. Data analysis was conducted using descriptive statistics, Pearson correlation, simple linear regression, and path analysis with the assistance of SPSS software. The results show that restaurant location has a positive and significant effect on customer satisfaction ($\beta = 0.65$; $p < 0.001$) and business profit ($\beta = 0.59$; $p < 0.001$). Furthermore, customer satisfaction acts as a mediating variable that strengthens the relationship between location and profit, with an indirect effect of 0.47. The most influential location factors are accessibility, parking availability, and restaurant visibility from the main road. The study concludes that a strategic location is a critical determinant of restaurant success, both directly and through enhanced customer satisfaction. These findings contribute theoretically to the development of location–performance models in the culinary business context and provide practical implications for entrepreneurs and area developers in location-based planning and decision-making.

Keywords: Restaurant location; Customer satisfaction; Business profit; Bintaro; Business strategy.

INTRODUCTION

The culinary industry in urban areas is experiencing rapid and competitive growth, so the choice of business location is a strategic factor that greatly determines restaurant success (Pezenka & Weismayer, 2020; Han et al., 2024). Location serves not only as a geographical point but also includes aspects of accessibility, visibility, proximity to activity centers, and environmental comfort (Morkunas et al., 2020; Kim & Kim, 2022) that collectively affect customer satisfaction and business financial performance (Uddin, 2019).

The Bintaro area in South Tangerang has experienced significant development in the culinary sector (Winarno & Sulisty, 2019). With dynamic demographic characteristics, high purchasing power, and a consumptive lifestyle, Bintaro is an attractive location for restaurant business actors (Putra et al., 2021; Nugroho & Sihotang, 2020). However, not all restaurants operating in this region survive or achieve optimal profitability (Parsa et al., 2018). This phenomenon shows that a strategic location does not necessarily guarantee culinary business success (Gagić et al., 2018).

Customer satisfaction is an important indicator for maintaining loyalty and increasing sales volume (Fauziyyah, 2022; Hussain et al., 2025; Imam, 2024). An easily accessible, safe, and convenient restaurant location contributes to a positive customer experience. On the other hand, operating profit—as a measure of financial success—is influenced by operational efficiency and customer visit numbers, both closely related to location.

Several previous studies have examined the relationship between location and business performance. Research by Ariyani and Fauzi (2023) shows that location has a significant positive effect on consumer satisfaction in the culinary business context. Similar findings were reported by Yusuf et al. (2023), who emphasized that location feasibility is a key determining factor in restaurant business feasibility analysis in Bintaro. Additionally, a study by Andika (2023) confirmed that the physical environment—including location aspects—significantly contributes to restaurant customer satisfaction. Meanwhile, Muhammad (2020) highlighted the importance of technology-based culinary location distribution and mapping in optimizing market potential.

Nevertheless, a research gap remains, particularly regarding the direct relationship between location and restaurant profitability in urban areas such as Bintaro, as well as the mediating role of customer satisfaction in this relationship. Therefore, this study aims to analyze the relationship between restaurant location, customer satisfaction, and business profit in the Bintaro area. Using a quantitative approach, this research is expected to contribute to the development of business location management theory and provide practical recommendations for culinary entrepreneurs in location-based strategic decision-making.

MATERIALS AND METHOD

This study uses a quantitative approach with the type of associative research. The main purpose of this study is to analyze the relationship between restaurant location variables and customer satisfaction and operating profit. This approach was chosen because it is able to measure and test the relationship between variables objectively and measurably.

The research was carried out in the Bintaro area, South Tangerang, Banten, which is known as an urban area with rapid growth in the culinary sector. The time for the research will take place in November 2025.

The population in this study consists of two main groups, namely:

1. Restaurant customers who have visited and made transactions at restaurants in the South Tangerang and Bintaro areas.
2. Restaurant managers (owners, operations managers, or financial staff) who have data and understanding of business performance.

The sampling technique used purposive sampling, with a total of 100 respondents, consisting of customers and restaurant managers who have been operating for at least one year.

Primary data was collected through the distribution of questionnaires to respondents.

The questionnaire consists of two parts:

1. Customer questionnaire: measures perceptions of location and satisfaction.
2. Manager questionnaire: measures aspects of business profit and location strategy.

The research instrument is tested for validity and reliability before it is widely used.

Table 1. Operational Definition and Measurement of Variables

Variable	Operational Definition	Indicator	Measurement Scale
Restaurant Location	The restaurant's geographical location which includes ease of access, visibility, and environment	Accessibility, parking, environmental comfort, visibility, availability,	Likert (1–5)
Customer	Satisfaction level with the comfort	Ease of access, convenience,	Likert (1–5)

Satisfaction	and convenience of the restaurant's location	return visit intention, recommendations	
Profit	The level of financial gain from restaurant operations	Monthly revenue, number of customers, operating costs, net profit ratio	Likert & Rasio

Source: Processed from research questionnaire (2025)

Data were analyzed using descriptive statistics to summarize respondent characteristics and data distribution. Validity and reliability were tested using Pearson Product Moment correlation and Cronbach's Alpha. To examine variable relationships, Pearson correlation analysis was conducted, while simple linear regression analysis was employed to test the influence of location on customer satisfaction and profitability. All data processing was performed using statistical software such as SPSS.

RESULTS AND DISCUSSION

This study involved 100 respondents consisting of customers and restaurant managers in the Bintaro area. Data is collected through questionnaires that have been tested for validity and reliability. The analysis was performed using descriptive statistics, Pearson correlation, and simple linear regression.

Main results obtained:

1. Restaurant location has a significant relationship to customer satisfaction (positive and significant correlation values).
2. The location of the restaurant also has a direct effect on the profit, especially through increasing the number of customers and operational efficiency.
3. Customer satisfaction has proven to be a mediating variable that strengthens the relationship between location and business profit.

The most influential location factors:

1. Ease of access (near main roads and public transport)
2. Parking availability
3. Restaurant visibility from the street
4. Safe and comfortable environment

The results of this study support the theory of Expectation Confirmation (ECT) which states that customer satisfaction is formed when expectations of service, including location, are confirmed by actual experience. A strategic location provides convenience and convenience for customers, which in turn increases loyalty and frequency of visits.

From a managerial point of view, a good location not only increases sales volume but also operational efficiency. Restaurants that are in the center of activity have high customer traffic potential, so they break even faster and generate greater net profits.

This finding is also in line with Weber's location theory, where the agglomeration of culinary businesses in Bintaro creates a synergistic effect that attracts more customers. Restaurants in areas with a concentration of culinary business have a greater chance of being known and visited.

Practically, these results provide recommendations for culinary business actors to consider location factors strategically in business planning. The right location can be a sustainable competitive advantage, especially in a dynamic urban area like Bintaro.

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Academically, the results of this study contribute to the operational and marketing management literature by demonstrating the mediation mechanism of customer satisfaction in the location–financial performance relationship. These findings are consistent with previous research by Ariyani & Fauzi (2023) that highlighted the importance of location, but expands on it with quantitative evidence on the effects of mediation. However, in contrast to Andika's (2023) study, which emphasizes more on the physical environment in general, this study specifically measures and validates the contribution of each location dimension.

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CONCLUSION

Based on the results of data analysis and discussion, it can be concluded that restaurant location has a significant influence on customer satisfaction, with factors such as accessibility, visibility, and environmental comfort improving the overall customer experience. In addition, the location of the restaurant also has a direct effect on business profits, both through an increase in the number of customers and operational efficiency, where restaurants in strategic locations tend to have better financial performance. Customer satisfaction acts as a mediating variable that strengthens the relationship between location and business profit, as satisfied customers are more likely to make repeat purchases and provide recommendations, which has a positive impact on restaurant revenue. The location factors that contribute the most to the success of a restaurant business in Bintaro are the ease of access, availability of parking, and the visibility of the restaurant from the main street. As a suggestion, culinary business actors are advised to consider location as part of a long-term business strategy, as choosing the right location can be a sustainable competitive advantage. For local governments and regional developers, the results of this research can be used as a reference in designing a more structured culinary business zoning and supporting local economic growth. Further research is suggested to expand the scope of the region and consider additional variables such as service quality, price, and promotion, in order to gain a more comprehensive understanding of the factors that influence the success of a restaurant business.

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