

# Location Planning as a Success Factor in Automotive Business: a Study at Purnama Mobilindo, Solok City

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Business location planning is a crucial factor influencing business success, particularly in the competitive automotive sector, as strategic location not only determines the number of customers but also impacts operational efficiency and business competitiveness. This study aims to analyze the influence of location on the performance of Purnama Mobilindo in Solok City using a case study method and qualitative and quantitative approaches. Data were collected through interviews with the owner and employees, direct observation of the business environment, and questionnaires with customers to obtain a comprehensive picture of the influence of location on operations, sales, and customer satisfaction. The results show that strategic location selection has a significant impact on business performance, where easy accessibility, proximity to economic activity centers, and visibility from main roads increase the number of customers and their loyalty. In addition, a supportive environment, including supporting facilities and location security, also strengthens the customer experience and encourages increased sales. These findings confirm that location planning is not merely a geographical consideration, but a crucial factor in the success of automotive businesses, as selecting the right location can increase turnover, strengthen the business's position in the local market, and become an important strategy for long-term business development.

**Keywords:** Location Planning, Business Success, Automotive, Purnama Mobilindo

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## 1. Introduction

Business location planning is a strategic factor that plays a crucial role in the success of a business, particularly in the highly competitive automotive sector (Kotler & Keller, 2016). Business location not only influences the number of customers but also impacts consumer perceptions of the credibility, professionalism, and quality of service provided. In the automotive sector, which includes vehicle dealerships, repair shops, and spare parts sellers, business success depends heavily on the ability to attract customers through easy access and optimal business visibility. Therefore, selecting the right location is not only about physical placement, but also involves a thorough analysis of external factors that can influence consumer behavior, interactions with competitors, and potential market growth (Hernandi, 2017).

The growth of the automotive sector in Indonesia shows significant dynamics, particularly for small and medium-sized businesses. According to Gaikindo (2023), motor vehicle sales increase annually, particularly in economically developing mid-sized cities. This growth is driven by rising incomes, increasing mobility, and the need for adequate private vehicles. Meanwhile, competition among automotive businesses is also increasingly fierce, making location strategy a key factor in determining business competitiveness. Businesses that are able to locate their businesses in strategic locations have the potential to reach more customers, strengthen loyalty, and increase turnover. Conversely, suboptimal locations can reduce customer visits, slow growth, and even negatively impact business continuity (Mulyadi & Putra, 2019).

Solok City, a mid-sized city in West Sumatra Province, has unique automotive market characteristics. The city is developing as a center of trade and services with high levels of community mobility. The dense economic activity in the city center and the distribution of surrounding residential areas create both opportunities and challenges for automotive businesses. Potential customers tend to seek services that are not only high-quality but also easily accessible (Ramadhani, 2021). Therefore, business location is a strategic variable influencing customer traffic, sales volume, and long-term customer loyalty (Simamora, 2020).

Purnama Mobilindo, a vehicle dealership and repair shop in Solok City, operates in a dynamic competitive environment that requires a well-thought-out location strategy. A strategic location not only increases business visibility but also facilitates customer access to services and influences their perception of the business's professionalism and credibility (Tjiptono, 2018). Placing a business in a less strategic location has the potential to decrease the number of customers, reduce transaction frequency, and significantly impact revenue. Therefore, location planning must be an integral part of a business strategy, not simply a geographic consideration.

In practice, location planning involves analyzing various important factors, including road accessibility, proximity to economic activity centers, competitor concentration, customer demographics, and the area's growth potential (Rukmana & Sari, 2016). Kotler & Keller (2016) emphasize that selecting an optimal location allows businesses to reach a wider market, retain existing customers, and attract new ones. Furthermore, a good location is also closely related to marketing strategy and operational management, as it can reduce logistics costs, accelerate product distribution, and improve overall operational efficiency.

Feedback from automotive customers indicates that ease of access to a business location is a key consideration in making purchasing decisions and using after-sales services (Prasetyo, 2019). Customers tend to choose dealerships or repair shops that are close to their homes or workplaces, have smooth transportation routes, and are easily accessible. Therefore, a strategic location not only impacts the number of visits but also customer satisfaction, which in turn increases loyalty and sales (Wijaya, 2018). Research by Rahmawati (2018) supports this by showing a positive correlation between business location and sales growth in retail and automotive businesses in small to medium-sized cities.

The geographic and socioeconomic characteristics of Solok City also influence location planning for automotive businesses. High levels of community mobility and trade activity create promising market opportunities, but also present challenges in the form of intense competition for locations and limited strategic land (Andriani, 2022). Entrepreneurs need to conduct thorough planning to maximize existing market potential, including considering environmental factors, infrastructure development, and commercial area growth trends.

In its operational practices, Purnama Mobilindo has taken several strategic steps regarding its business location. Dealerships are located on easily accessible main roads, with adequate parking, and close to shopping centers and residential areas. This strategy aligns with location management theory, which emphasizes the importance of visibility, accessibility, and proximity to target markets (Supriyanto & Nurhayati, 2017). The impact of this strategy is evident in the increase in customer visits, purchase frequency, and customer satisfaction with the service provided (Putri & Siregar, 2020).

However, location planning also faces external challenges. Changes in city infrastructure, new road construction, and the emergence of competitors in strategic locations can impact the effectiveness of the chosen location (Hartono, 2019). Therefore, location planning must be dynamic, with regular evaluations to adapt strategies to changing market conditions. This evaluation is crucial for maintaining competitive advantage, improving operational performance, and sustaining sales growth.

Furthermore, location planning is also related to digital marketing and the integration of online and offline services. In the digital era, a strategic physical location remains crucial, but strengthening an online presence through online bookings, social media promotions, and app-based customer service systems can enhance the effectiveness of a business's location. For example, customers can order vehicle servicing online but still choose a repair shop located in an easily accessible location. This integration of offline and online strategies further emphasizes the importance of location as a determining factor in customer experience and business success (Santoso, 2020).

This research is significant because it provides an empirical overview of how location planning contributes to the success of automotive businesses in a mid-sized city like Solok. By understanding location factors that influence performance, business owners and managers can make more informed strategic decisions, improve operational efficiency, and enhance customer satisfaction (Yuliana, 2021). Furthermore, this research contributes to the academic literature on location management and business strategy in the automotive sector, particularly in the context of small to medium-sized cities in Indonesia.

Overall, the background of this research confirms that location is not only a physical aspect, but is a strategic factor that determines the success of an automotive business. The case study on Purnama Mobilindo provides a concrete illustration of how location affects aspects of customer accessibility, business visibility, and sales performance. Thus, this study focuses on the analysis of location planning as a key factor in the success of automotive businesses in Solok City, with the hope of providing applicable recommendations for business managers and contributing to the development of business location management studies in Indonesia. Appropriate location planning, when combined with effective marketing strategies, efficient operational management, and adaptation to external changes, can become a sustainable competitive advantage, increase turnover, strengthen customer loyalty, and position the business solidly in the local and regional markets.

## 2. Method

### Types of research

This research is a case study with a mixed methods approach, combining qualitative and quantitative analysis. The case study was chosen because it provides an in-depth understanding of a real-world phenomenon within a specific context, namely Purnama Mobilindo in Solok City, and allows for the study of complex variables such as location planning and automotive business success. This approach is relevant for exploring the relationship between location and business performance, including its impact on customer satisfaction, sales volume, and business visibility.

A qualitative approach was used to obtain descriptive information regarding location management practices, strategic considerations in site selection, and challenges faced by business managers. Qualitative data were obtained through in-depth interviews with Purnama Mobilindo management and employees, as well as direct observation of the physical condition of the location, accessibility, and supporting facilities. Qualitative analysis provides contextual insights and understanding of the non-numerical factors that influence the success of a business location.

A quantitative approach was applied to measure the influence of location on customer behavior and sales performance. A Likert-type questionnaire survey was conducted with Purnama Mobilindo customers to assess their perceptions of ease of access, visibility, and location convenience. This quantitative data was analyzed using descriptive statistics and correlation to determine the relationship between strategic location and business success indicators.

By combining these two methods, the research can produce a comprehensive picture, both from a management and customer perspective. Mixed methods also allow for data triangulation, making the findings more valid and providing the basis for strategic recommendations for automotive business managers in mid-sized cities like Solok.

### **Research Location**

The research location was Purnama Mobilindo, a vehicle dealership and repair shop operating in Solok City, West Sumatra Province. This location was selected based on the characteristics of Solok City as a medium-sized city with a growing automotive market, where community mobility is quite high and trade and service activities are the center of local economic growth. Purnama Mobilindo was chosen because it represents a medium-sized automotive business facing real competition in small to medium-sized cities, making it a relevant research object to analyze the influence of location planning on business success.

Purnama Mobilindo's location on a main road with high accessibility allows customers from various areas of the city to easily reach the dealership and repair shop. It is also close to shopping centers, residential areas, and other areas of economic activity, potentially increasing business visibility. Proximity to the target market is crucial for understanding how location influences customer visits and service satisfaction levels.

In addition to physical aspects, Solok City has geographic and socioeconomic conditions that influence customer decisions when choosing a dealer or repair shop. This research uses the Purnama Mobilindo location as a case study to assess how location strategies are implemented in a real-world context and how they impact business success indicators such as sales, customer loyalty, and professional image.

Observations were conducted throughout the entire site, including access roads, parking areas, and strategic points that impact customer visibility and convenience. This research location allowed for comprehensive primary data collection, both through direct observation and interviews with management, allowing the results to provide an in-depth empirical picture of the relationship between location planning and the success of automotive businesses in mid-sized cities.

### **Data collection technique**

The data collection techniques used in this study included a combination of observation, interviews, and questionnaire surveys to ensure comprehensive and in-depth data. Observations were conducted to assess the physical condition of the Purnama Mobilindo location, including road accessibility, business visibility, parking facilities, and proximity to economic activity centers. Observations were also used to assess customer behavior during visits, the frequency of visits, and the access routes they choose, providing contextual information regarding the location's effectiveness.

In-depth interviews were conducted with Purnama Mobilindo management and employees to gain internal perspectives on strategic considerations in site selection, challenges faced, and regular site evaluation efforts. The interviews were semi-structured, allowing respondents to provide extensive information while tailoring their answers to their actual experiences managing business locations.

A questionnaire survey was administered to Purnama Mobilindo customers to assess their perceptions of ease of access, convenience, visibility, and the influence of location on purchasing decisions or after-sales service usage. The questionnaire used a Likert scale, allowing for quantitative analysis to measure satisfaction levels and the relationship between location and business success indicators.

Additionally, secondary data was collected from literature, automotive industry reports, and Purnama Mobilindo's internal documents to support the contextual analysis. This combination of data collection techniques allowed for triangulation, thus increasing the validity of the findings. This method allows the

research to provide a comprehensive overview of how location planning affects automotive business performance in Solok City, from both management and customer perspectives.

### **Data Analysis Techniques**

The data analysis technique in this study uses a combination of qualitative descriptive and quantitative statistics to produce a comprehensive picture of the influence of location planning on Purnama Mobilindo's business success. Qualitative analysis was conducted on observation and interview data to identify patterns, themes, and factors influencing location selection and its impact on operations and marketing strategies. Interview data was analyzed using thematic coding methods, allowing key factors to be systematically classified and interpreted.

Quantitative analysis was conducted on customer survey data. Data from the Likert-scale questionnaire was analyzed using descriptive statistics to determine the distribution of responses, frequency, and percentage of customer satisfaction with the business location. Furthermore, correlation analysis was used to measure the relationship between strategic location and business success indicators, such as the number of customer visits, purchase frequency, and customer loyalty.

Data triangulation was applied to enhance the validity of the study. Qualitative data from interviews and observations were compared with quantitative data from customer surveys, allowing findings to be verified across multiple sources. This analysis enabled the study to not only describe the physical condition of the location but also explain its impact on customer perceptions and overall business performance.

Using this mixed-analysis approach, the study can generate evidence-based strategic recommendations for Purnama Mobilindo management and other automotive businesses in mid-sized cities. This technique also ensures that the research findings cover both managerial and operational aspects, contributing to the literature on automotive business location management in Indonesia, particularly in the context of mid-sized cities with unique market characteristics.

## **3. Results And Discussion**

### **Purnama Mobilindo Location Profile**

Purnama Mobilindo is a vehicle dealership and repair shop operating in the center of Solok City, West Sumatra Province. This location was chosen with careful strategic consideration, considering that Solok City has characteristics of a middle-market area with high community mobility and quite dense trade and service activities. The main roads around Purnama Mobilindo are vital routes connecting various areas of the city, making it easy for customers from various regions to access the dealership and repair shop services. This easy access is a key factor in increasing the number of customer visits, as customers can reach the location quickly without encountering significant transportation barriers.

In addition to road accessibility, Purnama Mobilindo's location is also close to shopping centers, traditional markets, and residential areas. This proximity adds strategic value, as customers can combine visits to the dealership or repair shop with their daily activities. Thus, the business location not only fulfills functional requirements but also enhances convenience and time efficiency for customers. The availability of adequate parking facilities also adds value, as customers can easily park their vehicles without any hassle, resulting in a more positive customer experience.

This location profile demonstrates Purnama Mobilindo's integration of the principles of visibility, accessibility, and proximity to its target market. High visibility from the main road makes it easy for customers to see the business directly, which also serves as a form of passive advertising. Observations

indicate that signs, signage, and the building's facade design add significant visual appeal. Placing the dealership and workshop in this strategic area allows Purnama Mobilindo to stand out from competitors in less strategic locations, making it a top choice for customers seeking convenience and speed of service.

Beyond physical aspects, location also takes into account demographic factors and local consumer behavior. Solok City has a population with a growing need for private vehicles in line with economic growth. Customers tend to prioritize easy access to dealerships and repair shops, as well as a professional reputation. Therefore, Purnama Mobilindo's location strategy relies not only on road access but also on proximity to economic centers and major residential areas, ensuring maximum market reach.

With these characteristics, Purnama Mobilindo's location provides a strategic foundation for increased customer traffic, service optimization, and sales growth. This location profile provides a clear picture of how careful location planning can improve operational effectiveness and competitiveness of automotive businesses in mid-sized cities like Solok.



**Figure 1.** Purnama Mobilindo Solok City

### The Influence of Location on Customers

Purnama Mobilindo's location significantly influences customer behavior and decisions. Based on a questionnaire survey of 100 customers, 85% of respondents stated that ease of access was a key factor in their decision to use Purnama Mobilindo's services. These factors include ease of reaching the dealership from various directions, short distance from home or work, and convenient road access. This ease of access is a crucial consideration, especially for customers who prioritize time efficiency and easy parking.

In addition to access, location visibility also influences customer perception. Dealerships and workshops located on main roads and clearly visible from major traffic routes create an impression of professionalism and trustworthiness. Surveys show that 78% of customers believe location visibility contributes to their

belief that Purnama Mobilindo is a reliable automotive service provider. This aligns with Kotler & Keller's (2016) theory, which states that strategic location influences not only physical access but also customer image and perception of a business's credibility.

Furthermore, proximity to shopping centers and residential areas adds convenience for customers. Many customers combine visits to dealerships or repair shops with their daily activities, so a location close to these routines increases their likelihood of choosing Purnama Mobilindo over competitors. Surveys also show that customers are more likely to return to locations that are easily accessible and convenient, which positively impacts customer loyalty.

These results confirm that strategic locations play a dual role: first, as a practical means of facilitating access, and second, as a marketing element that enhances a business's image. Qualitative analysis of management interviews also supports these findings, emphasizing the importance of location monitoring and regular evaluation to adapt strategies to changing infrastructure and competitive dynamics.

Thus, location's influence on customers extends beyond initial visits to their stores and influences satisfaction, loyalty, and long-term purchasing decisions. Strategic location is a key factor in Purnama Mobilindo's ability to maintain market share in Solok City.

### **Location and Sales**

The influence of location on Purnama Mobilindo's sales is clearly visible in the business's historical data. After the business relocated some of its services to a more strategic location—on a main road near a shopping center and residential area—sales increased by approximately 20% in the first six months. This increase demonstrates that strategic location not only influences the number of customer visits but also directly impacts sales volume.

Factors contributing to increased sales include proximity to the target market, high visibility, and easy accessibility. Proximity to residential areas and economic centers makes it easier for customers to visit the dealership for vehicle purchases or repair services. High visibility from main roads also acts as passive promotion, where potential customers directly see the business and are interested in trying the services. This aligns with the findings of Putri & Siregar (2020) that location visibility is closely related to the frequency of customer visits.

Furthermore, customer survey data shows that strategic location influences purchasing decisions. 82% of respondents stated that they chose Purnama Mobilindo because of its easy access compared to competitors in less strategic areas. This influence is evident not only in new vehicle purchases but also in after-sales services, such as routine maintenance and servicing, which provide a sustainable source of revenue for the business.

Qualitative analysis of management interviews shows that location strategy also impacts operational efficiency. Strategic locations facilitate spare parts distribution, improve inter-unit coordination, and reduce logistics costs, which in turn supports higher profit margins. Regular evaluations are conducted to adapt locations to market dynamics and the emergence of new competitors, ensuring that locations remain a strategic asset supporting business growth.

Overall, the data shows that strategic location plays a significant role in Purnama Mobilindo's sales growth. Selecting the right location strengthens customer relationships, increases visibility, and creates opportunities for sustainable growth. These findings underscore the importance of location planning as a critical factor in the success of automotive businesses, especially in mid-sized cities like Solok.

#### 4. Conclusion

Location planning is a key factor in the success of an automotive business. Strategic location selection not only influences consumer accessibility but also directly impacts a company's image and competitiveness. Easily accessible locations, close to transportation hubs, and in areas with high market potential will increase sales opportunities and customer loyalty. Furthermore, the right location supports operational efficiency, such as product distribution, inventory management, and after-sales service.

To ensure effectiveness, regular location evaluation is crucial. Changes in consumer trends, area growth, and business competition can impact a location's relevance. By conducting regular evaluations, companies can adjust their strategies and make data-driven decisions, such as relocating outlets, developing new branches, or adjusting services.

Furthermore, integrating location planning into marketing strategies will strengthen a brand's position in the market. A strategic location supports promotional campaigns, facilitates branding activities, and enhances consumer interaction. Thus, location is not simply a place of business, but a strategic element in achieving success in the automotive industry.

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