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# The Correlation between Business Location and Consumers Patronage: Implications for Business Policy Decisions

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## Authors' contributions

This work was jointly carried out by authors EFJ, OBE and UJA. Author EFJ designed the study, sourced and arranged for the resources. Author OBE did the field survey and wrote the report. Author UJA did the literature searches and data analyses. All authors read and approved the final manuscript.

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## ABSTRACT

The study undertook a critical appraisal of the relationship between business locations and consumer patronage, with a view to pinpointing the implications on business policy and decision-makings. The study sought to: Determine the effect of business locations on consumers' repeat-purchases; and evaluate the effect of proximity of business locations on consumers' patronage. Survey design was employed. The area of study was University of Calabar, while the study frame were photocopying operators, consumers of their services and the school's business regulatory body. The sample size of the study was 100 and structured questionnaire was the instrument used for data collection. The instrument was content-validated, while the test-retest method was used to confirm the reliability. Data analysis was done electronically by the use of Statistical Package for Social Science (SPSS) version 21. Among the findings highlighted in the study were; business location affects a business performance very significantly; it also has a significant effect on the repeat purchases of consumers. Also proximity of the business to customers and competitors has

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significant benefits to business performance in the University. The implications for business policy and decision-making are that intending entrepreneurs must undertake business location feasibility studies before citing their businesses.

*Keywords: Business location; consumers; patronage; policy; decisions; photocopying.*

## 1. INTRODUCTION

By business location in this study, the authors refer to where a business or commercial enterprise's operations are carried out. The study is motivated by the debate that the location of a business has good or dire consequences to its profitability, growth and survival, hence, a crucial priority point to be factored into the business policy and decisions. It is expected that companies will search for locations that increase revenues and reduce costs because high revenue and low cost will result in high profit [1]. Choosing a business location require some serious work which include: Precise planning and research, surveying the demographics, checking sources of material supplies, doing competitors' appraisal, being abreast of community issues, understanding the state laws and taxes, and much more. Choosing a business location require some serious work which include: precise planning and research, surveying the demographics, checking sources of material supplies, doing competitors' appraisal, being abreast of community issues, understanding the state laws and taxes, and much more. Careful determination of new sites is critical for most retail and consumer service businesses. A business's location is key to successful operations and overall growth [2]. This implies that rational location decision attracts favourable opportunities to the operators, long term success and goal achievement of the business.

This implies that rational location decision attracts favourable opportunities to the operators, long term success and goal achievement of the business. The occurrence of stores locating near other retail stores is known as 'agglomeration'. Stores of various types irrespective of their product line commonly co-locate in shopping centers and malls and this is known as 'inter-type agglomeration' (Fox, Postrel and McLaughlin, 2007 in [www.managementparadise.com](http://www.managementparadise.com)) [3]. Also, stores carrying similar product lines, as in the case of restaurants, hotels, furniture stores, and automobile dealerships frequently locate closely to each other. This situation is known as 'intra-type agglomeration' [3]. Though agglomeration may be driven by retailers' need

to be near consumers, it can also be intrinsically beneficial for retailers [3]. Photocopying businesses in the University of Calabar can be said to belong to intra-type agglomeration as they are usually concentrated in a particular location and offer the same services such as photocopying, printing, binding and laminating. Fox et al. [3], advocated that net profits/losses from agglomeration depend on the balance of two countervailing forces. The first force captures the incremental attractiveness of stores located close together compared to the attractiveness of those same stores individually. This incremental attractiveness reflects a reduction in consumers' costs of searching among stores and multi-purpose shopping. In effect, an agglomeration of stores becomes a shopping destination. Miller, et al. [4], termed this positive force 'symbiosis'. The second force reflects competition for consumer purchases among stores that sell similar products (even if they sell different products, stores compete for consumers' disposable income). Miller, et al., [4] called this negative force 'Darwinism', evoking the process of natural selection. The balance of these two forces can result in either a positive, neutral or negative effect of agglomeration on retailer performance [4]. How does this play out for business centre operators at the University of Calabar? This study was aimed at finding out.

Meanwhile, recently, photocopying business in the University of Calabar has become increasingly agglomerated as a result of service providers' objective to move closer to the consumers as well as the school policy of organizing and galvanizing business locations to avoid nuisances. This has led to increased competition thus provoking an in-depth understanding of retail location and its impact on consumers' patronage.

## 2. REVIEW OF RELATED LITERATURE

In this literature review, the works of other scholars and relevant sources of information on attributes of business location and its implications on consumers' patronage and business performance are examined. It embodies the following: the concept of business

environment; location and localization of business; importance of business locations, factors affecting business location; and finally, how business location affects consumers' patronage.

## 2.1 The Concept of Business Environment

Understanding the environment within which the business has to operate is very important for running a business unit successfully at any place. Because, the environmental factors influence almost every aspect of business, be it its nature, its location, the prices of products, the distribution system, or the personnel policies. According to Macro and Micro Economic Factors Researchomatic (2012) the environment is a complex combination of the economic system, political system, legal restraints, society, industry, labour relations, customer expectations, markets, competition, technology, culture, history, infrastructure, state of the economy, shareholder demands, natural environment, labour conditions, and so on. The business environment includes all the external factors that affect an organization, but which it cannot control. The most important factors of a business environment include the overriding economic system, the industry in which the organizations chooses to work, and the market that it serves. Although an organization cannot change these, it can choose the area in which it works, and it particularly wants to choose an attractive industry and market. The business environment can be classified into five categories- the physical environment, political and legal environments, economic environments, socio-cultural environments, and technological environment [5].

According to the National Institute of Open Schooling [6], the term 'business environment' implies external influences, factors and institutions that cannot be controlled by the business and which significantly impact on the operations of the business enterprise directly or indirectly. The business environment comprise of customers, competitors, suppliers, government, and the social, political, legal and technological factors etc.

## 2.2 Location and Localization of Business

Location of a business should not be confused with the localization of a business. They are two different concepts. The location of a business simply refers to where a business is located. That is, where it carries out its operation. This

has to do with the physical environment in which the business finds itself. It is the physical space where the business exists. Whereas, localization as defined by the Globalization and Localization Association as "the process of adapting a product or a content to a specific locale or market [7]. Business Dictionary [8] defines localization as the practice of adjusting a product's functional properties and characteristics to accommodate the language, cultural, political and legal differences of a foreign market or country.

## 2.3 Importance of Business Location

It is essential for business operators to put location at the top of their minds. If you're preparing to open a food or retail business with a storefront, putting your business in the proper location might be considered the most important factor during startup. Of course you need a winning product, too, but how will anyone know about that product unless you get them through the door? Hence, the three most important decisions you'll make are: "location, location and location," affirms Overbo [7]. Careful determination of new sites is critical for most retail and consumer service businesses [9].

Locations of retailers must be accessible to the potential target group of customers [10]. A far distance has a negative effect on the selection of a retail store through reducing frequency of customers visiting a store [11]. Stores located in the centre of a city benefit from their next door to remote customers [12]. Therefore, distance from home and distance from workplace would have a relationship with the amount of purchase from retail stores [13].

## 2.4 Push and Pull Factors Affecting Business Location

As explained by [1], in the course of time there are a number of push and pull factors drawing firms towards certain locations and away from others:

### 2.4.1 Push factors

Which include rising competition in an area, rising costs, poor communications systems, falling demand.

### 2.4.2 Pull factors

Which include Government incentives, low labour costs, good communication systems, developing markets.

In siting a business, Business Case Study [1], advises firms to consider the following push and pull factors:

- 2.4.3 Closeness to market.
- 2.4.4 Communications links. Such as transportation and technology.
- 2.4.5 Closeness to raw materials.
- 2.4.6 Availability of skilled and efficient workforce.
- 2.4.7 Appropriate waste disposal system.
- 2.4.8 Availability of power supplies (electricity).
- 2.4.9 Availability of land.
- 2.4.10 Government incentives. (Business Case Study, 2014 [1]; Nyandat (2013).

## **2.5 Business Location, Consumers' Patronage and Repeat Purchases: An Empirical Review**

The factors which Jere, Babatunde and Albertina [14] identify as important influencers of store patronage: Store image, product (merchandise), price, promotion, and location (place). Expanding on the influence of location, they assert that for consumers, location of and access to the retail store are important factors in the store choice decision. Location which is mainly perceived in terms of time and distance is a particularly compelling value proposition that retailers offer low-income consumers who tend to shop more frequently and make small purchases because of their limited and unstable cash flows. Consumers tend to prefer stores that are easily accessible to them [15]. While some authorities argue that location is a major determinant of the success or failure of retail stores [16]; some studies show that location does not account for most of the variance in the store choice decision [17]. They contend that instead of emphasizing location, consumers seek to optimize their "total shopping costs" [18]. This suggests that in some instances (e.g., bulk shopping); consumers may pay more consideration to other factors (e.g., price promotions) than location in determining the store of purchase.

On the other hand, in a multiple regression analysis to assess the importance of the predictors of customer satisfaction, Jere, Babatunde and Albertina [14] report that only location (place) was found to be a significant predictor. This finding implies that it is important for retailers catering for low-income consumers to make place decisions that meet customer expectation; particularly proximity and attractiveness and hygiene. An assessment of

the importance of the predictors of store loyalty shows that three of the six independent variables; store image, promotion, and location; are significant predictors. Therefore, to encourage customer satisfaction retailers need to focus on location, but to encourage loyalty and repeat purchases they need to emphasize location, store image, and promotion as well.

In another study, Fox, Postrel and McLaughlin [3] found out that a retail location's worth is affected by both its nearness to the end-users and to competitors which comprise of other retailers; the latter influence varies across arrangements and may be positive or negative, symmetric or asymmetric. "Retail gravitation".

Reilly, [19]; Huff, [20] implies that consumer's choice of stores is motivated by the centers' desirability, which increases with a center's size but decreases with its proximity from the consumer's location. This implies that when a store is bigger in size, consumers are attracted to it but this attraction is played down if the distance between the consumer's location and the store is not close enough. This is in line with Christaller's "Central place theory," which holds that shoppers will choose the closest retail center conditional on the availability of the types of products sought [21] in Fox, Postrel and McLaughlin [3]. These theories implicitly assume that consumers would want to reduce travel costs so as to obtain their desired goods [22]. Several studies based on empirical evidence has revealed that shoppers actually patronize the nearest store less than half of the time [23,24].

In other studies consumers claim that spatial accessibility is the most important factor which they consider when choosing a store (Arnold, Ma and Tigert, [25]; Arnold, Oum and Tigert, [26]. Again, Bell, Ho and Tang [17] in Fox, Postrel and McLaughlin [3] modeled choice of store as being dependent on the fixed and variable costs of shopping. Travel distance from the consumer's home to the store was the primary fixed cost of shopping in their panel-data study and was found to be an important factor of store choice. Fox, Montgomery, Lodish [27] used the amount of time it takes the consumer to navigate from his home to the store to predict their patronage and spending at stores of different retail set ups. Purchasing products at grocery, drug, and discount retailers were found to be highly sensitive to travel time [3].

The implication of all these is that consumers of photocopying services at the University of

Calabar would be drawn more by proximity or nearness, low-cost, service efficiency and concentration of the services in one point, than when they are scattered all over the University, thereby increasing service time and stress from accessing one service to the other.

### 3. STATEMENT OF THE PROBLEM

Despite its advantages, business location is one of the most expensive and long-term marketing decision that a retailer face. Debates have been raging over the years that a poor location adversely affects retailers' performance, while a good location enhances it. It is observed that retailers will mostly prefer to site their business operations close to consumers, but this comes with the implication of being exposed to competition with other operators whose aim is also to be nearer to the consumers. Most retailers are aware that nearness to consumers means nearness to other stores. According to Fox, Postrel and McLaughlin [3], consumers' spending is a function of two of retail location factors which are: (a) Closeness of stores to the end-users and (b) Closeness of stores to competitors.

Despite the fact that the University of Calabar has created a market forum where buyers and sellers could meet, several photocopying operators have refused to take cognizance and advantage of the designated business location for fear that they may not make the desired profit. Would photocopying businesses enjoy more consumers' patronage if located anywhere around the campus? Or could their business be more successful if they operate in the location specified by the university? The study sought to examine the effect of location on the business performance of the photocopying operators.

### 4. OBJECTIVES OF THE STUDY

The broad objective of the study is to determine the effect of business location on consumers' patronage.

The specific objectives include:

1. To examine the effect of business location on repeat purchases by consumers of photocopying services.
2. To evaluate the effect of proximity of business location on consumers' patronage.

### 5. RESEARCH QUESTIONS

In view of the objectives outlined above, this study was guided by the following research questions:

1. Does business location affect repeat purchases of photocopying services?
2. Does the proximity of a business affect consumers' patronage?

### 6. RESEARCH HYPOTHESES

The following null-hypotheses were tested in the study:

1. There is no significant relationship between business location and repeat purchases of photocopying businesses.
2. The proximity of a business does not significantly affect consumers' patronage of photocopying services.

### 7. SIGNIFICANCE OF THE STUDY

The study will be useful to owners and managers of small and medium scale enterprises (SMEs) in Nigeria and those still wishing to go into the SMEs sub-sector on the need to take business location very serious in the company policies and decisions. It will provide them with relevant information on the impacts location of a business could have on the patronage of their products and services as well as their revenues. Additionally, the study will assist government and policy makers to make suitable policy regarding business location for the SMEs, because small and medium scale enterprises has a lot to offer to the economic development of the nation and therefore their profitability will be of immense benefit to the country, especially in the area of curbing unemployment. Finally, the study will provide future researchers with secondary data and relevant information to support their further research on this area.

### 8. SCOPE OF THE STUDY

The study encompassed the location of business, retail locations and consumers' shopping behaviour, retail location and other stores or competitors, business location and retailers' revenue, agglomeration of businesses, consumer satisfaction, consumers' patronage and the implications on business policies, decisions and profitability in general. The study

frame was photocopying operators, consumers of their services and the school's business regulatory body at the University of Calabar located in Calabar metropolis of Cross Rivers State.

## 9. METHODOLOGY

The study employed survey research design. The area of study was University of Calabar in the Calabar metropolis of Cross River State. Various small scale businesses can be found in the University such as photocopying, printing, binding, bookshops, cybercafés, photographing, and convenience kiosks. The population of the study consists of the photocopying business operators in the University of Calabar campus, consumers of their services and the regulatory body in the school. The consumers of the photocopying services consist mainly of staff and students in the university. According to the CISBOC database [28], the total number of photocopying businesses at the university is one hundred and ten (110); the number of students is estimated at sixty-thousand (60,000); while the management and staff of CISBOC, the regulatory body, is twenty-four (24). Thus, the total population for this study is sixty thousand, one hundred and thirty-four (60,134). The Taro Yamani's formula for known populations was used to determine the sample size, and this gave  $99.833 \approx 100$ . This was proportionately allocated to the 3 cluster groups: Regulatory body, photocopying operators and students in the ratio 10:30:60 respectively. The main instrument for data collection was structured questionnaire. Content-validation was used for the validity, while test-retest method was used to confirm the reliability. Data analysis was done electronically by the use of Statistical Package for Social Science (SPSS) version 21.

## 10. DATA PRESENTATION AND ANALYSIS

At this point the presentation, analysis, and interpretation of data collected from the field are given here as follows:

### 10.1 Respondents Demographic Data

Table 10.1 shows that out of the 100 respondents surveyed, 60 representing 60 per cent are consumers of photocopying services in the University of Calabar; 30 representing 30 per cent are photocopying business operators and

10 representing 10 per cent are staff of Committee on Illegal Structures and Business Operations in Campus (CISBOC).

From Table 10.2, out of 100 respondents that responded to the item, 5 representing 5 per cent strongly disagreed that the facility is located in an area zoned for photocopying businesses; 20 representing 20 per cent disagreed; 10 representing 10 per cent were undecided; 40 representing 40 per cent agreed; and, 25 representing 25 per cent strongly agreed.

From Table 10.3, out of 100 respondents that responded to the item, 5 representing 5 per cent strongly disagreed that the facility is relatively remote from the customer base; 75 representing 75 per cent disagreed; 0 representing 0 per cent were undecided; 10 representing 10 per cent agreed; and, 10 representing 10 per cent strongly agreed.

From Table 10.4, out of 100 respondents that responded to the item, 5 representing 5 per cent strongly disagreed that customers find the existing utilities convenient and comfortable; 20 representing 20 per cent disagreed; 15 representing 15 per cent were undecided; 30 representing 30 per cent agreed; and, 30 representing 30 per cent strongly agreed.

From Table 10.5, out of 100 respondents that responded to the item, 0 representing 0 per cent strongly disagreed that competitors are located close to the facility; 0 representing 0 per cent disagreed; 0 representing 0 per cent were undecided; 30 representing 30 per cent agreed; and, 70 representing 70 per cent strongly agreed.

From Table 10.6, out of 100 respondents that responded to the item, 0 representing 0 per cent strongly disagreed that the facility is easily accessible to potential customers; 0 representing 0 per cent disagreed; 0 representing 0 per cent were undecided; 60 representing 60 per cent agreed; and, 40 representing 40 per cent strongly agreed.

From Table 10.7, out of 100 respondents that responded to the item, 5 representing 5 per cent strongly disagreed that the location is convenient for them; 10 representing 10 per cent disagreed; 30 representing 30 per cent were undecided; 25 representing 25 per cent agreed; and, 30 representing 30 per cent strongly agreed.

From Table 10.8, out of 100 respondents that responded to the item, 5 representing 5 per cent strongly disagreed that the trade area is heavily dependent on seasonal business; 10 representing 10 per cent disagreed; 5 representing 5 per cent were undecided; 35 representing 35 per cent agreed; and, 45 representing 45 per cent strongly agreed.

From Table 10.9, out of 100 respondents that responded to the item, 10 representing 10 per cent strongly disagreed that the facility will be able to accommodate the growth in customer base if the business expands in future; 40 representing 40 per cent disagreed; 15 representing 15 per cent were undecided; 10 representing 10 per cent agreed; and, 25 representing 25 per cent strongly agreed.

From Table 10.10, out of 100 respondents that responded to the item, 5 representing 5 per cent strongly disagreed that the level of patronage by customers is impressive because of the location; 5 representing 5 per cent disagreed; 5 representing 5 per cent were undecided; 40 representing 40 per cent agreed; and, 45 representing 45 per cent strongly agreed.

**10.2 Hypotheses Testing**

Ho<sub>1</sub>: There is no significant relationship between business location and repeat purchases of photocopying businesses.

Table 10.10 indicates that the results of correlation analysis carried out to test Ho<sub>1</sub>, the results show that there is a significant relationship between business location and

repeat purchases of photocopying businesses services. (r = 0.331, t-cal. > t-crit; 0.001<0.01).

Therefore, Ho<sub>1</sub> is rejected and the alternative hypothesis is accepted.

Ho<sub>2</sub>: The proximity of a business does not significantly affect consumers' patronage of photocopying services.

Table 10.11 indicates that the results of correlation analysis carried out to test HO<sub>2</sub>, the results show that the proximity of a business significantly affect consumers' patronage of photocopying services. (r = 0.399, t-cal. > t-crit; 0.000<0.01). Therefore, HO<sub>1</sub> is rejected and the alternative hypothesis is accepted.

**11. DISCUSSION OF RESULTS**

**11.1 Hypothesis 1 and Research Question 1**

As shown in Table 10.10, the study reveals that there is a significant relationship between business location and repeat purchases of photocopying businesses services. This is supported by the findings of Jere, Babatunde and Albertina [14] which identifies the location among other variables (store image, product (merchandise), price and promotion) of a business as one of the important influencers of repeat store patronage. In expatiating on the influence of location, they assert that for consumers, location of and access to the retail store are important factors in the store choice decision. Location which is mainly perceived in

**Table 10.1. Distribution of respondents by category**

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Consumer	60	60.0	60.0	60.0
	Photocopying operator	30	30.0	30.0	90.0
	CISBOC	10	10.0	10.0	100.0
	Total	100	100.0	100.0	

Source: Fieldwork, 2015

**Table 10.2. Distribution of respondents by their responses to item 1: The facility is located in an area zoned for photocopying businesses**

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly disagree	5	5.0	5.0	5.0
	Disagree	20	20.0	20.0	25.0
	Undecided	10	10.0	10.0	35.0
	Agree	40	40.0	40.0	75.0
	Strongly agree	25	25.0	25.0	100.0
	Total	100	100.0	100.0	

Source: Fieldwork, 2015

**Table 10.3. Distribution of respondents by their responses to item 2: The facility is relatively remote from the customer base**

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly disagree	5	5.0	5.0	5.0
	Disagree	75	75.0	75.0	80.0
	Undecided	0	0.0	0.0	80.0
	Agree	10	10.0	10.0	90.0
	Strongly agree	10	10.0	10.0	100.0
	Total	100	100.0	100.0	

Source: Fieldwork, 2015

**Table 10.4. Distribution of respondents by their responses to item 3: Customers find the existing utilities (generating set, lighting, cooling) convenient and comfortable**

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly disagree	5	5.0	5.0	5.0
	Disagree	20	20.0	20.0	25.0
	Undecided	15	15.0	15.0	40.0
	Agree	30	30.0	30.0	70.0
	Strongly agree	30	30.0	30.0	100.0
	Total	100	100.0	100.0	

Source: Fieldwork, 2015

**Table 10.5. Distribution of respondents by their responses to Item 4: Competitors are located close to the facility**

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly disagree	0	0.0	0.0	0.0
	Disagree	0	0.0	0.0	0.0
	Undecided	0	0.0	0.0	0.0
	Agree	30	30.0	30.0	30.0
	Strongly agree	70	70.0	70.0	100.0
	Total	100	100.0	100.0	

Source: Fieldwork, 2015

**Table 10.6. Distribution of respondents by their responses to Item 5: The facility is easily accessible to potential customers**

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly disagree	0	0.0	0.0	0.0
	Disagree	0	0.0	0.0	0.0
	Undecided	0	0.0	0.0	0.0
	Agree	60	60.0	60.0	60.0
	Strongly agree	40	40.0	40.0	100.0
	Total	100	100.0	100.0	

Source: Fieldwork, 2015

terms of time and distance is a particularly compelling value proposition that retailers offer low-income consumers who tend to shop more frequently and make small purchases because of their limited and unstable cash flows. Hence, consumers tend to prefer stores that are easily accessible to them and this encourages repeat purchases. So, the same result played itself out with consumers' patronage of photocopying services at the University of Calabar in Southern part of Nigeria.

## 11.2 Hypothesis 2 and Research Question 2

As shown in Table 10.11, the finding of this study reveals that the proximity of a business significantly affect consumers' patronage of photocopying services.

Fox, Postrel and McLaughlin [3] found out that the value of a retail site is affected by both its nearness to consumers and to competitors (other



retailers); the latter influence varies across layouts and designs and may be positive or negative, symmetric or asymmetric [3]. If the business location is near to the consumers, there will be increased patronage of the service. Also the nearness of the business to fellow competitors would motivate the service providers to improve their service quality so as to meet up the competition. When quality of service is high, the consumer will be encouraged to patronize the business often and also find satisfaction. Thus, there is actually a significant relationship between proximity of a business and customer patronage and satisfaction.

**Table 10.7. Distribution of respondents by their responses to item 6: The location is convenient for you**

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly disagree	5	5.0	5.0	5.0
	Disagree	10	10.0	10.0	15.0
	Undecided	30	30.0	30.0	45.0
	Agree	25	25.0	25.0	70.0
	Strongly agree	30	30.0	30.0	100.0
	Total	100	100.0	100.0	

Source: Fieldwork, 2015

**Table 10.8. Distribution of respondents by their responses to item 7: The trade area is heavily dependent on seasonal business**

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly disagree	5	5.0	5.0	5.0
	Disagree	10	10.0	10.0	15.0
	Undecided	5	5.0	5.0	20.0
	Agree	35	35.0	35.0	55.0
	Strongly agree	45	45.0	45.0	100.0
	Total	100	100.0	100.0	

Source: Fieldwork, 2015

**Table 10.9. Distribution of respondents by their responses to item 8: If the business expands in the future the facility will be able to accommodate the growth in customer base**

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly disagree	10	10.0	10.0	10.0
	Disagree	40	40.0	40.0	50.0
	Undecided	15	15.0	15.0	65.0
	Agree	10	10.0	10.0	75.0
	Strongly agree	25	25.0	25.0	100.0
	Total	100	100.0	100.0	

Source: Fieldwork, 2015

**Table 10.10. Distribution of respondents by their responses to item 9: The level of patronage by customers is impressive because of the location**

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Strongly disagree	5	5.0	5.0	5.0
	Disagree	5	5.0	5.0	10.0
	Undecided	5	5.0	5.0	15.0
	Agree	40	40.0	40.0	55.0
	Strongly agree	45	45.0	45.0	100.0
	Total	100	100.0	100.0	

Source: Fieldwork, 2015

**Table 10.11. Summary of correlation analysis results testing Ho<sub>1</sub>**

		<b>Business_location</b>	<b>Customer_patronage</b>
Business_location	Pearson	1	.331**
	Correlation		
	Sig. (2-tailed)		.001
Customer_patronage	N	100	100
	Pearson	.331**	1
	Correlation		
	Sig. (2-tailed)	.001	
	N	100	100

\*\* Correlation is significant at the 0.01 level (2-tailed)

**12. CONCLUSION AND RECOMMENDATIONS**

When the authorities at the University of Calabar introduced the agglomeration policy of locating all the photocopying and other business centre operators in the school in one location, there was a protest from these small scale business holders, who were scattered here and there, all over the school. The University authority believed that locating them in one central place will have many advantages that included: Enhancing the environmental essence of the school, easing the problem of students accessing those services from different locations in one hand, and on the other hand boosting the profitability of the business operators through improved patronage arising from a consequent increase in patronage and repeat purchases from their customers, majority of whom are students who are mainly time and price conscious, due to the proximity of the new location to their classes and the ease of accessing all the services from one point. Contrary, the business centre operators nursed the fears that the movement from one location to another would make them lose customers. This study was an attempt to put that debate to rest by assessing the veracity in both sides of the argument. The study proved the school authority's position right, and today, the photocopying and other business centre operators in the school are enjoying improved patronage and repeat service purchases from the university community than before. Even those who formerly sourced for those services from outside the school gate, now patronize them due to the advantage of accessing all the diverse documentation services from one central location, thus, proving the agglomeration theory right again in this local African environment.

**COMPETING INTERESTS**

Authors have declared that no competing interests exist.

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