

## CHAPTER 5

### SUMMARY AND CONCLUSION

#### 5.1. Summary

In this research, the results showed that the research data was normally distributed. This can be seen from the normality test, multicollinearity test, and heteroscedasticity test which indicate that there are no variables that deviate from the classical assumption test. This indicates that the data collected through the questionnaire has met the requirements to use the multiple regression equation model.

This research tries to examine whether Location Cost, Availability of Infrastructure Facilities, and Business Environment affect the choice of location for the success of small micro service businesses around Universitas Andalas Limau Manis campus. By paying attention to the results of the analysis, the discussion that was carried out previously and the results of this research are the same as those of previous studies, that is, all independent variables (X) have a positive effect on the dependent variable (Y), so some research conclusions can be drawn as follows:

1. Based on the results of multiple regression analysis using Standardized Coefficients, the regression equation is obtained as follows:  $Y = 0.209X_1 + 0.355X_2 + 0.462X_3$ . From this equation it can be seen that each independent variable has a regression coefficient with a positive sign (+). This means that any increase in the independent variable will be followed by an increase in the dependent variable, and vice versa, any decrease in the independent variable will be followed by a decrease in the variable dependent. From this equation, it can be seen that the variable that has the greatest influence in choosing a business location on business success is the Business Environment with a Beta value of 0.462. The Availability of Infrastructure Facilities variable has an effect of 0.355 and the variable with the smallest level of influence is the Location Cost variable which is only 0.209.

2. Based on the results of the T-test, the three independent variables namely Location Cost, Availability of Infrastructure Facilities, and Business Environment have a significant effect on the dependent variable of business success. Likewise with the results

of the F-test, the three independent variables together significantly affect the dependent variable.

3. The magnitude of Adjusted R<sup>2</sup> is 0.419, this means that 41.9% of the variation in business success can be explained by variations of the three independent variables namely Location Cost, Availability of Infrastructure Facilities, and Business Environment. While 58.1% of the variation in business success is influenced by other variables that are not examined or do not include in the model of this research.

4. From the three independent variables proposed in this research, the Business Environment variable is the variable that has the greatest influence on the dependent variable, namely the success of small micro service businesses around the Universitas Andalas Limau Manis campus.

## **5.2. Research Implications**

### 5.2.1. Practical Implications

The practical implication of this research is providing an overview and explanation to prospective entrepreneurs regarding to the things that need to be prepared and considered in starting a service sector business that they will manage by looking for the attention to the what factor when choosing location choice that will affect the success of business.

### 5.2.2. Theoretical Implications

The Theoretical implications of this research is to give an insight to the reader about the factors that influence the choice of location, especially in choosing the location of the service sector business. And also, this research can be a new reference for the community and students to develop research on the selection of service business locations in the future.

### 5.3. Recommendations

#### 1. Recommendations for Small Micro Service Business Owners Around the Universitas Andalas Limau Manis Campus

The results of this research can be implied by entrepreneurs who wish to open a business in the service sector to pay attention to the factors that can make the business to be carried out successful, including paying attention to factors in choosing a location. Based on the research results, the business environment factor has the greatest influence of 46.2%, and the factor of location costs has the lowest influence of 20.9%. From these results, it is suggested to entrepreneurs who will choose a location, to pay more attention to the location cost variable.

In choosing a business location, a business owner should pay attention to the costs incurred to obtain the location of the business. A strategic business location will be easily seen by consumers, so that many consumers will come to the business. The increase in the number of customers will result in an increase in the net profit of the business. The amount of the initial investment that must be incurred by the business owner, such as the price of renting a building if the business owner rents a place for his business or tax costs and building permit fees if the owner is going to build his business in his own place, must be the main concern of the business owner because it will affect the length of time to achieve breakeven point.

#### 2. Recommendation for Future Research

This research still has many shortcomings and it can be a reference for further research that will take the same variable, that expected to add another several variables. Based on the research results, the R square value is 41.9%, which means that the Location Cost, Availability of Infrastructure Facilities, and Business Environment variables have a 41.9% influence on business success. There are still 58.1% influenced by other factors outside the model. This is what should be known for future researchers.