The Mental Map of Entrepreneurs

Comparisons in space and time

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Agenda

• Background: firm migration research
• Less informed migration decisions
• Mental maps of entrepreneurs
• Comparisons in space
• Comparisons in time
• Analysing the data
• Conclusions
Firm migration research

- Popular research theme since the 1960s (target of regional policy)
- Firm migrations good source of information for grounding firm location theory
- Firm migration motives and information about alternatives: not very rational
- Entrepreneurs choose locations not because they are the best locations, but because they think they are the best locations
Albert Einstein

“Facts are facts….. but perception is reality!”
Locations to be valued as possible firm sites

Give a value for each place as a possible location for your company:

++ very good
+ good
+/- neutral
- bad
-- very bad
## Valuation (Ranking) of Locations

At the time of the first survey, in 1983

<table>
<thead>
<tr>
<th>Rank</th>
<th>Location</th>
<th>Score</th>
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<tr>
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AVERAGE VALUATION OF LOCATIONS

1ST SURVEY, 1983

Bron: Meester en Pellenbarg
Diverse publicaties
ENTREPRENEURS IN: FRIESLAND UTRECHT

Bron: Meester en Pellenbarg
Diverse publicaties

ENTREPRENEURS IN: Z-HOLLAND N-BRABANT

Bron: Meester en Pellenbarg
Diverse publicaties
Rating of locations and distance

(modified exponential)

Afstand (in km)

blauw: 1993
rood:  2003
Comparisons in space:

other countries, or parts of countries
SURVEY OF LOCATION VALUATION IN GERMANY

Bron: Meester 1999 Dissertatie
AVERAGE VALUATION OF LOCATIONS IN GERMANY, 1996

Bron: Meester 1999
Dissertatie
AVERAGE VALUATION OF LOCATIONS IN HUNGARY, 1997/1998
AVERAGE VALUATION OF LOCATIONS IN THE CZECH REPUBLIC, 2004
SURVEY OF LOCATION VALUATION IN NORTH NETHERLANDS, 1986

Bron:
Meester en Pellenbarg
Diverse publicaties
AVERAGE VALUATION OF LOCATION IN NORTH NETHERLANDS, 1986

Bron:
Meester en Pellenbarg
Diverse publicaties
Comparisons in time:

*repeating the surveys at regular time intervals*
AVERAGE VALUATION OF LOCATIONS

2ND SURVEY, 1993
5-DIMENSIONAL REPRESENTATION OF THE AVERAGE VALUATION OF LOCATIONS IN 1993

Bron: Meester en Pellenbarg
Diverse publicaties
AVERAGE VALUATION OF LOCATIONS

3rd SURVEY, 2003
CHANGE IN AVERAGE VALUATION

1983-1993

1993-2003
INTERPROVINCIAL FIRM MIGRATION
(balance of in- and outgoing migrations)


Source: Kemper and Pellenbarg 1993, 1997
Firm migrations in 1999-2006, national picture

Migration surplus between COROP regions (jobs)
LOOKING FOR STRUCTURES IN THE DATASET

- TREND SURFACE ANALYSIS
- CORRELATION ANALYSIS
- CLUSTER ANALYSIS
- REDUCING THE DISTANCE FACTOR
- FACTOR ANALYSIS (PCA)
Trend surface analysis (1993)

Expected values

Residuals

Meester (1999)
Reducing values/ratings (per respondent) with the part that is a distance effect
Valuation of locations without the distance effect (values 1993)

Observed ratings

Adjusted ratings

Meester (1999)
Adjusted ratings in 2003

Bron:
Meester en Pellenbarg
Diverse publicaties
Adjusted ratings for different sectors

Manufacturing

Wholesale

Meester (1999)
Adjusted ratings for different sectors

Services

Meester (1999)
Principal components analysis, ratings of 1993

Factor 1
Transport location

Factor 2
Residential/landscape preference

Factor 3
Agglomeration diseconomies
Principal components analysis, ratings of 2003

Factor 1
Agglomeration?

Factor 2
??????

Factor 3
Transport location?
PCA 2003, with 4 factors

Factor 1

Factor 2

Factor 3

Factor 4
PCA 1993, with 4 factors
The dimensions of meaning
(according to Osgood, Suci & Tannenbaum)

- **EVALUATION**
  
  good/bad, beautiful/ugly
  
  the subjective element
  
  >> *preference for landscape and culture*

- **POTENCY**
  
  big/small, tall/short
  
  objective: what can be measured
  
  >> *transport location*

- **ACTIVITY**
  
  quick/slow, active/passive
  
  dynamism
  
  >> *agglomeration*
Conclusions

• Comparisons in time + factor analysis create hypotheses about the *nature of locational preferences*

• Comparisons in space should inform us whether such preferences are *general or country-specific*

• Italy as a large and diversified country is a very interesting *next case* in this longitudinal and international research project