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

1. UTRECHT	100	15. DEN HAAG	61
2. AMERSFOORT	90	16. NIJMEGEN	60
3. ROTTERDAM	82	17. LEIDEN	57
4. HILVERSUM	79		
5. GOUDA	73	21. EINDHOVEN	54
6. ALMERE	72		
7. EDE	71	51. MAASTRICHT	20
8. GORKUM	69		
9. AMSTERDAM	68	55. GRONINGEN	14
10. ARNHEM	68		
11. APELDOORN	66	70. WINSCHOTEN	0

AVERAGE VALUATION OF LOCATIONS

1ST SURVEY, 1983
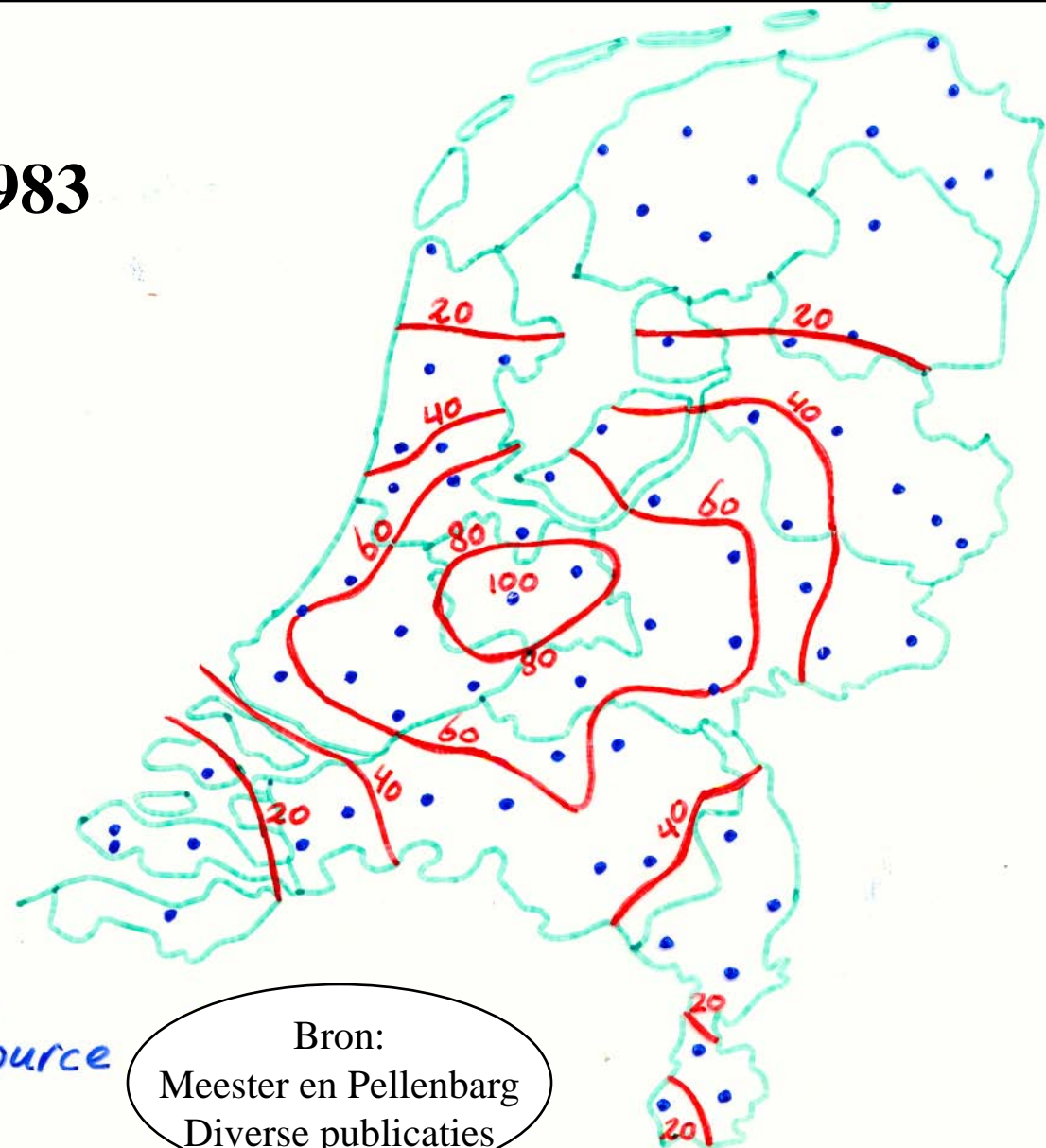
Source

Bron:
Meester en Pellenbarg
Diverse publicaties

ENTREPRENEURS IN :   FRIESLAND   UTRECHT
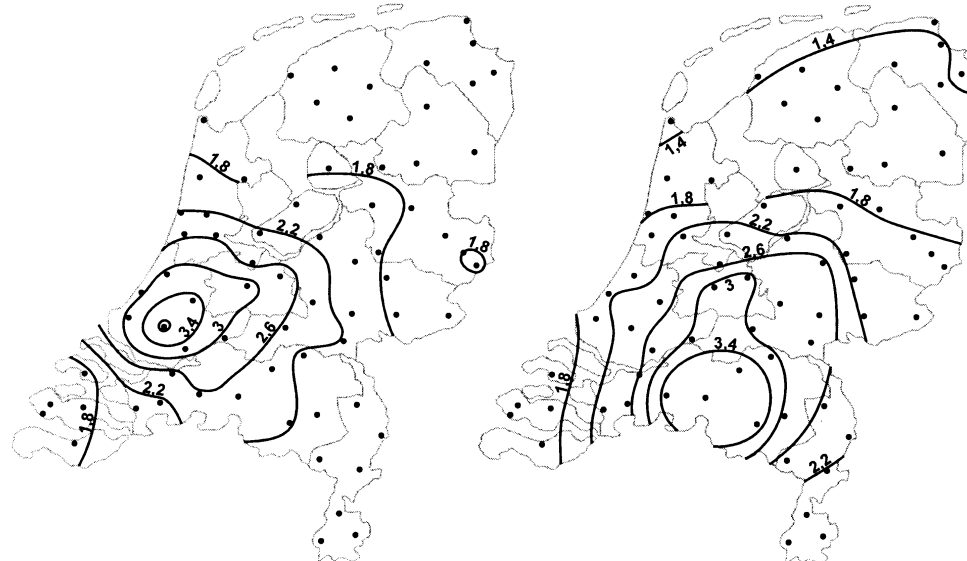
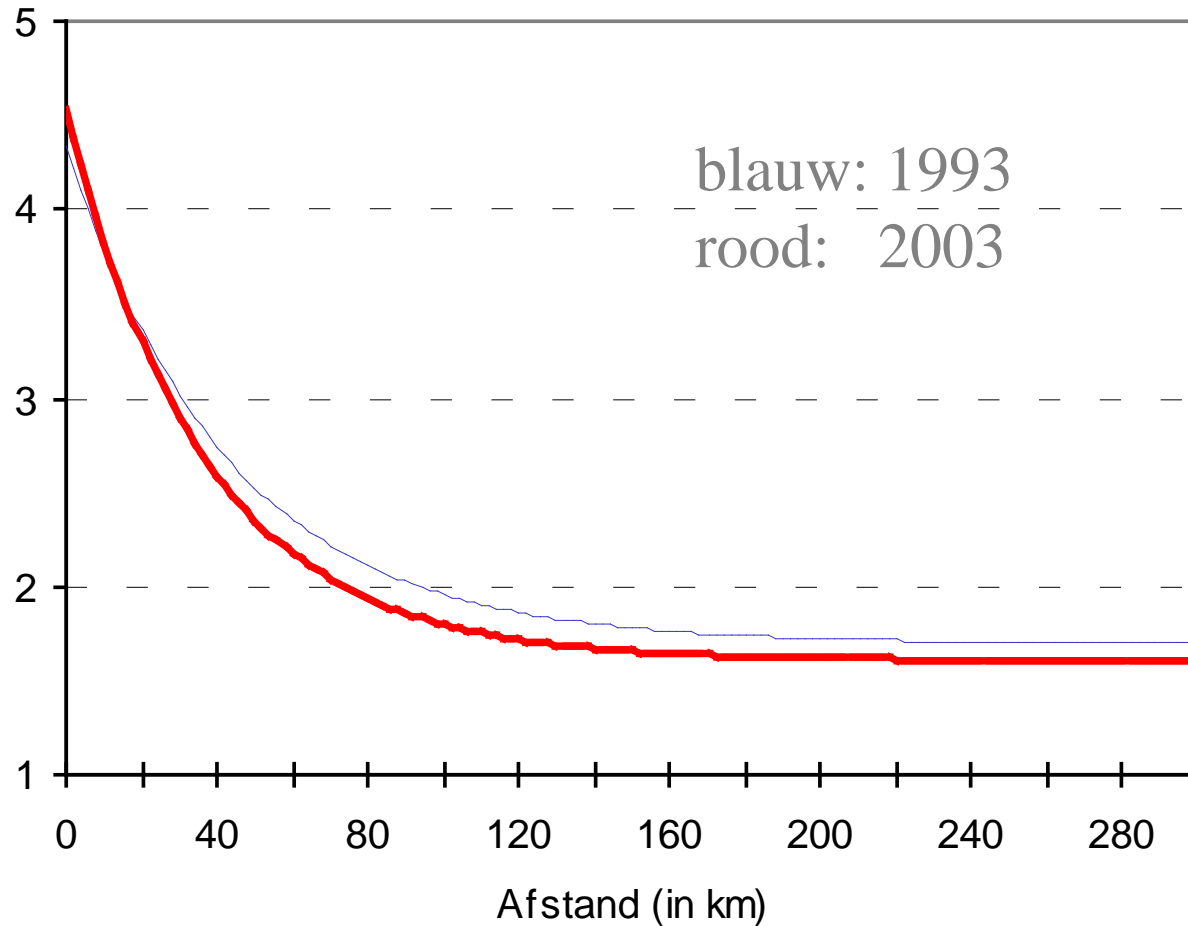**ENTREPRENEURS IN :   Z-HOLLAND   N-BRABANT**

Bron:
Meester en Pellenbarg
Diverse publicaties

Rating of locations and distance
(modified exponential)

Comparisons in space:

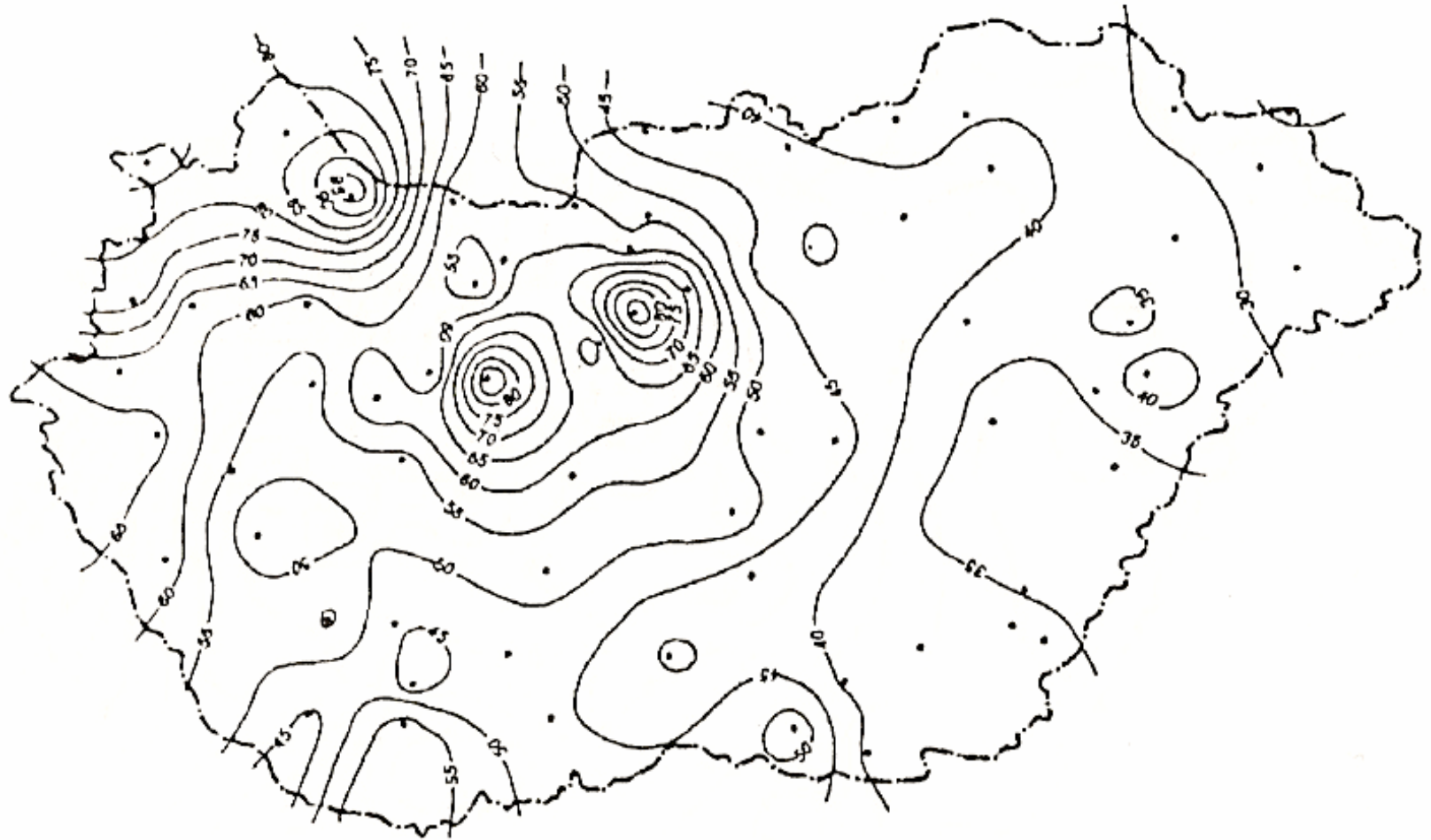*other countries, or parts of countries*

SURVEY OF LOCATION VALUATION IN GERMANY

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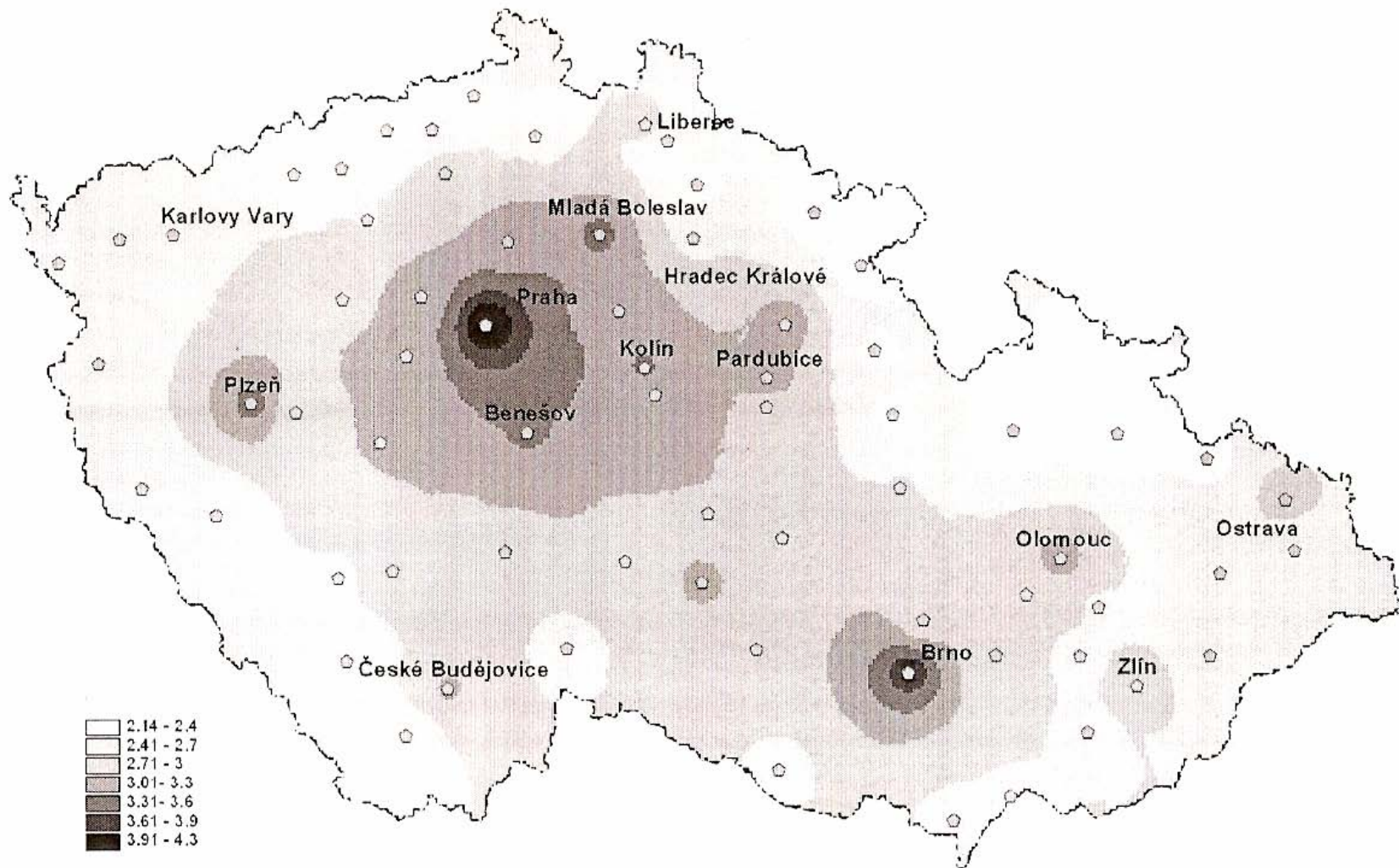
AVERAGE VALUATION OF LOCATIONS IN GERMANY, 1996
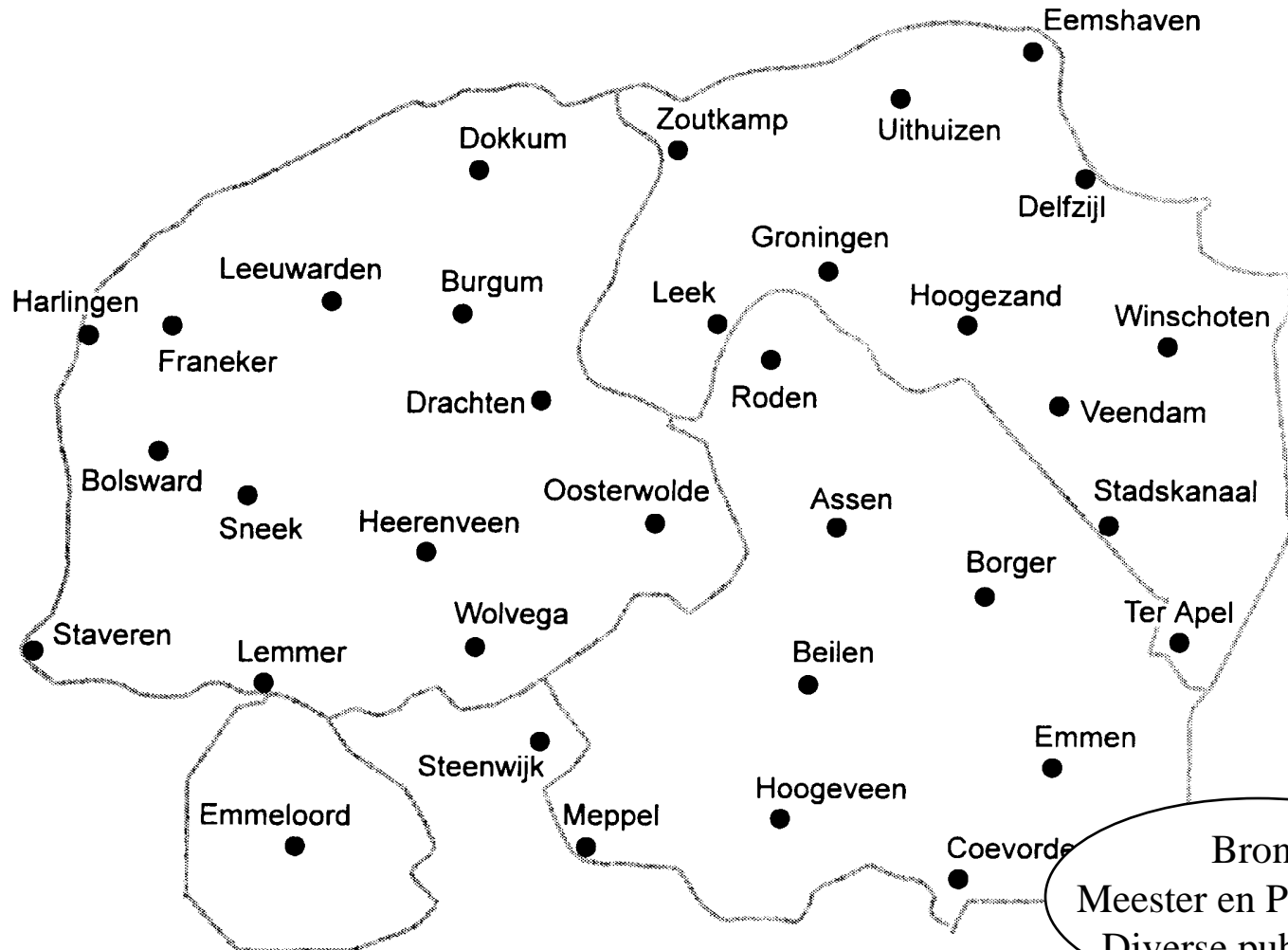

Bron:
Meester 1999
Dissertatie

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

Eemshaven

Zoutkamp · Uithuizen

Dokkum · Delfzijl

Groningen

Leeuwarden · Burgum · Leek · Hoogezand · Winschoten

Harlingen · Franeker · Drachten · Roden · Veendam

Bolsward · Oosterwolde · Assen · Stadskanaal

Sneek · Heerenveen · Borger · Ter Apel

Staveren · Wolvega · Beilen

Lemmer · Steenwijk · Emmen

Emmeloord · Meppel · Hoogeveen · Coevorden

Bron:
Meester en Pellenbarg
Diverse publicaties

AVERAGE VALUATION OF LOCATION
IN NORTH NETHERLANDS, 1986

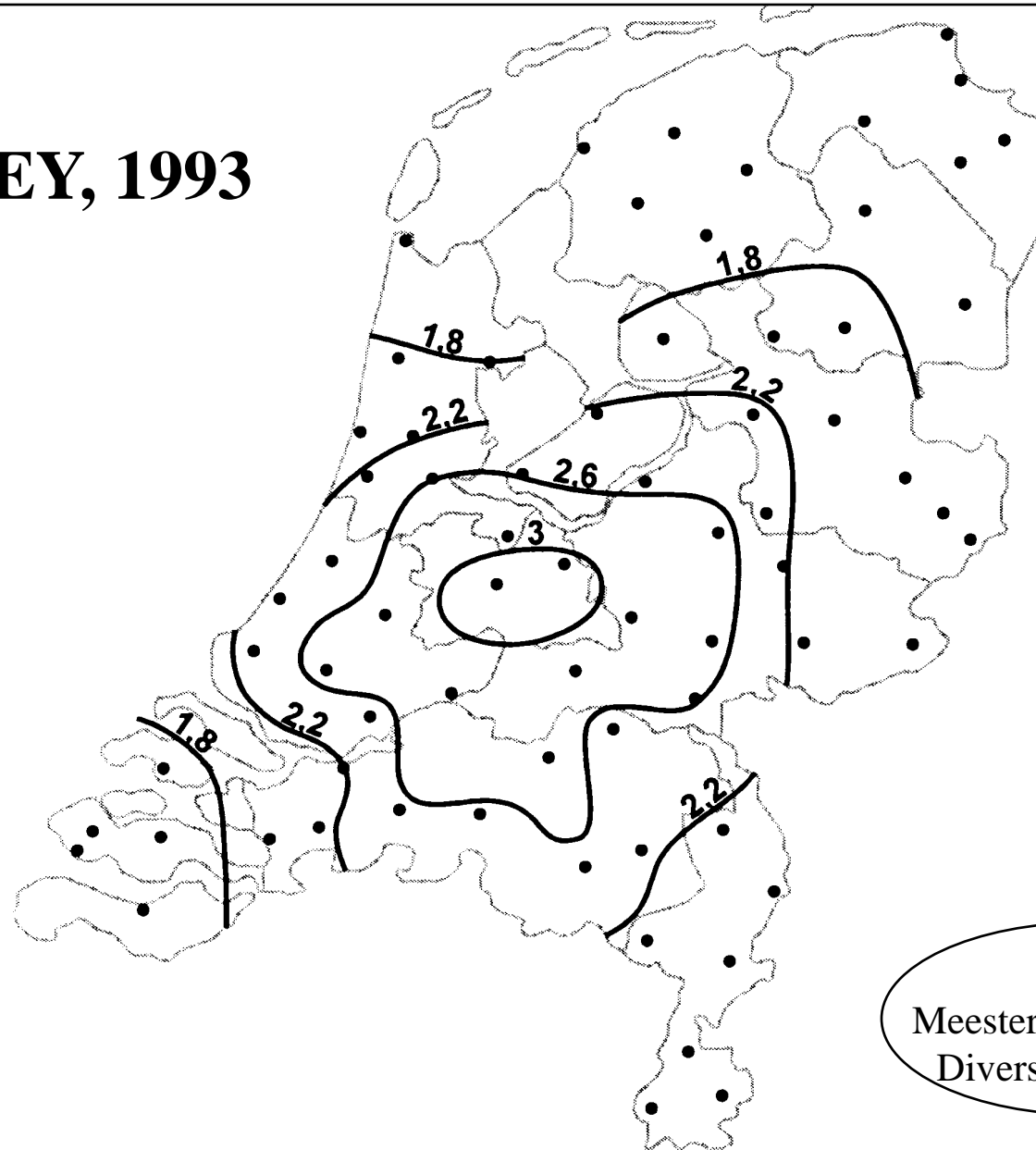Bron:
Meester en Pellenbarg
Diverse publicaties
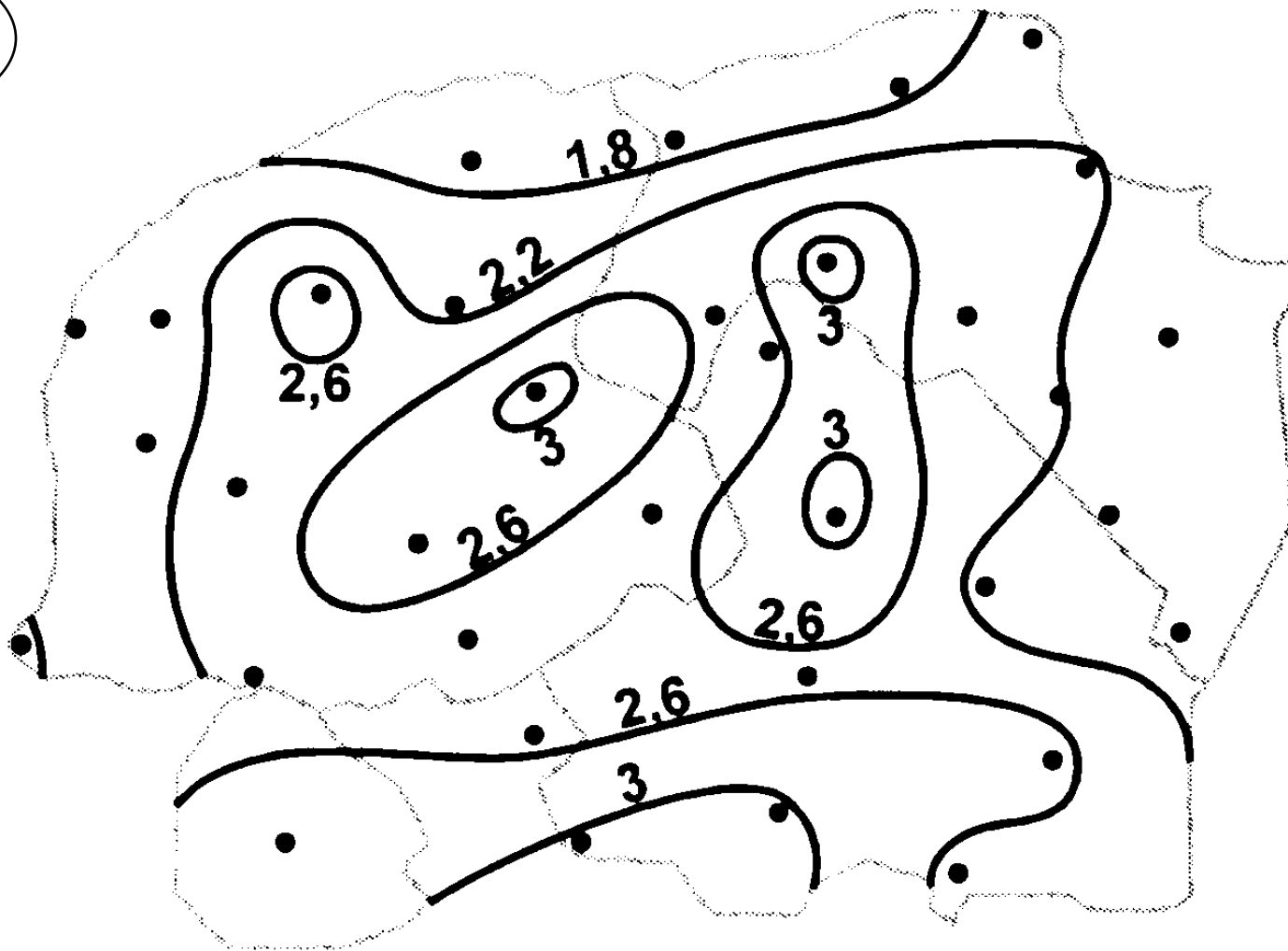
Comparisons in time:

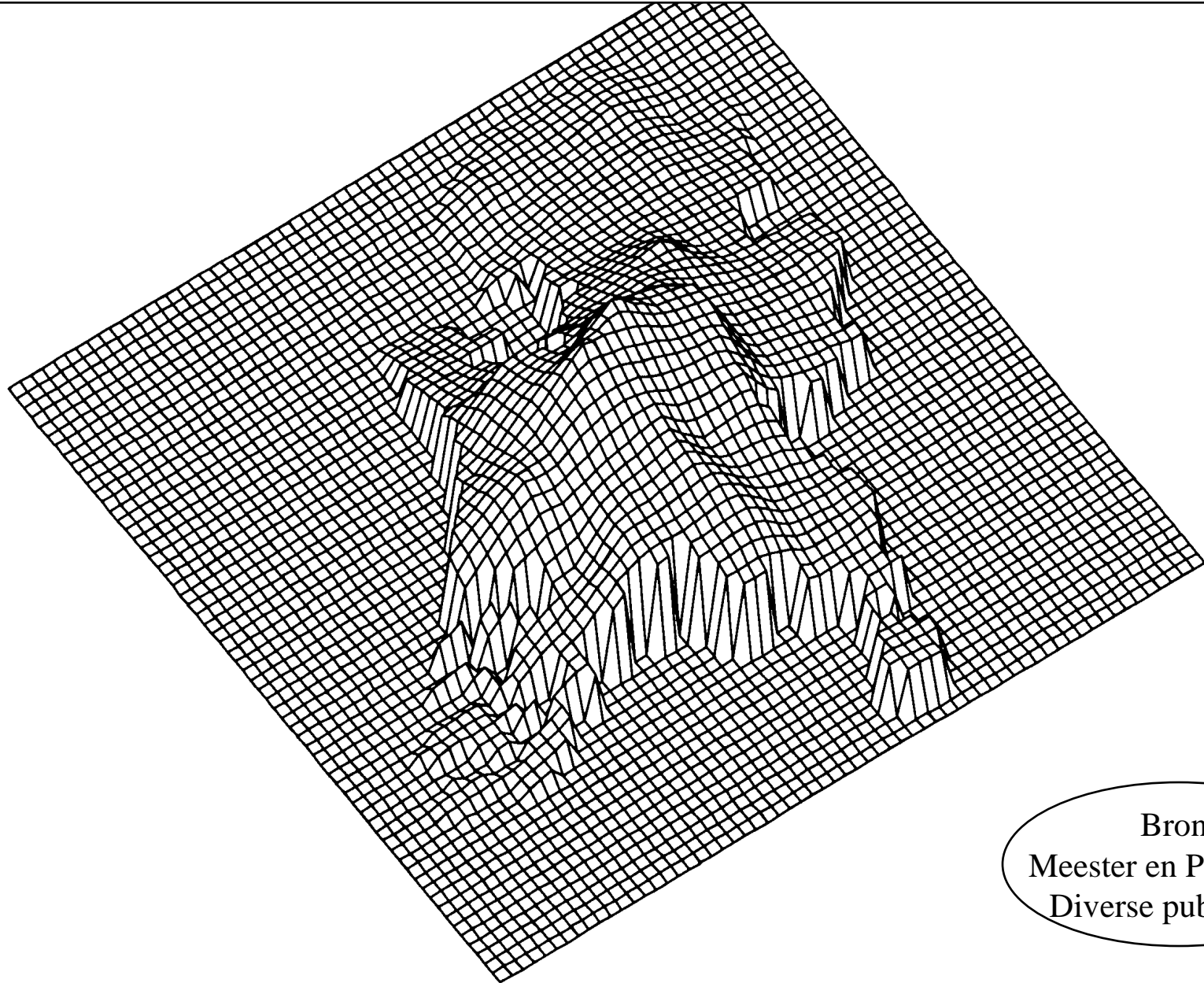## *repeating the surveys at regular time intervals*

AVERAGE VALUATION OF LOCATIONS

2ND SURVEY, 1993

1,8
1,8
2,2
2,2
2,6
3
2,2
1,8
2,2

Bron:
Meester en Pellenbarg
Diverse publicaties

3-DIMENSIONAL REPRESENTATION OF THE AVERAGE VALUATION OF LOCATIONS IN 1993

Bron:
Meester en Pellenbarg
Diverse publicaties

3rd SURVEY, 2003

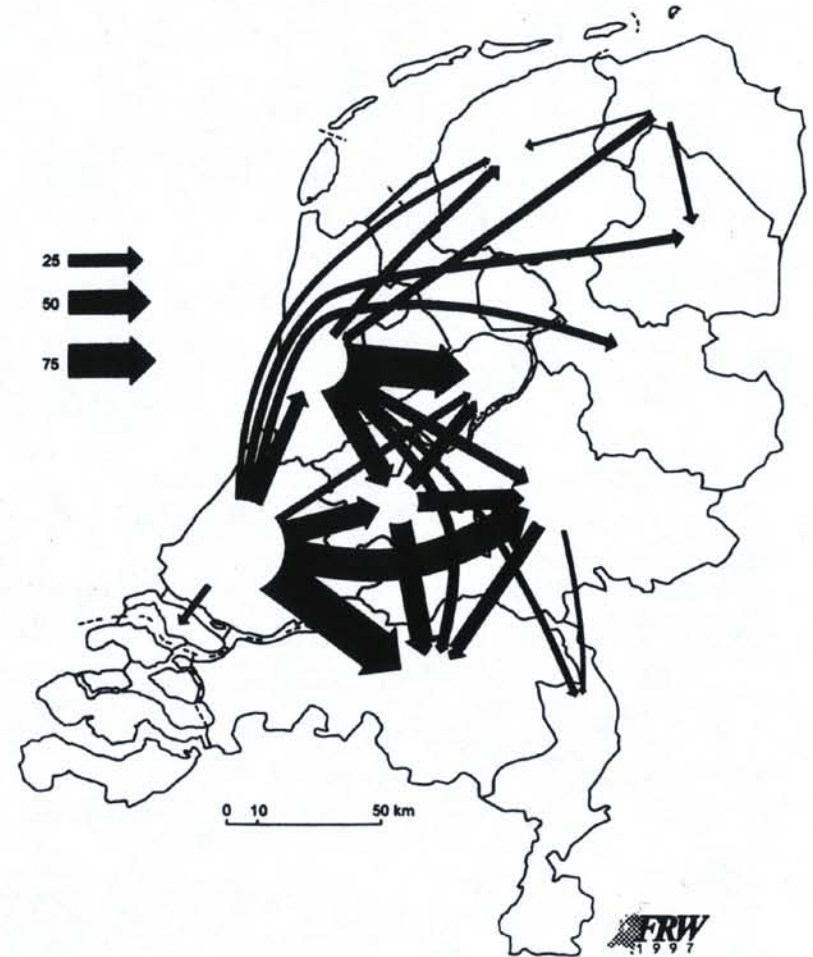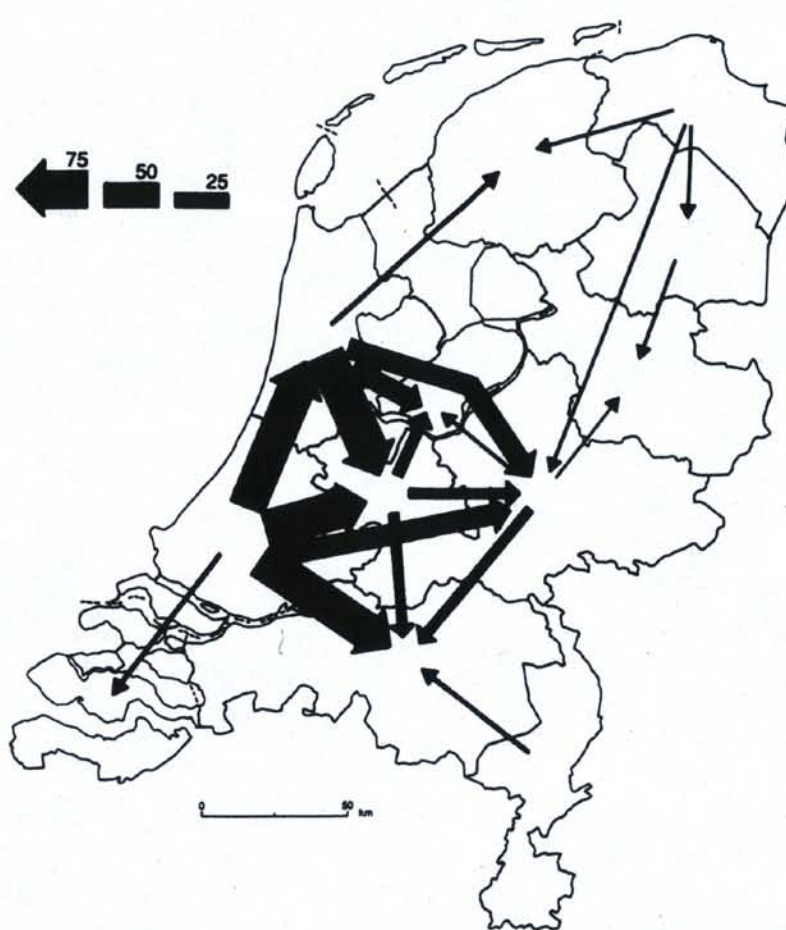# CHANGE IN AVERAGE VALUATION

1983-1993

1993-2003

INTERPROVINCIAL FIRM MIGRATION
(balance of in- and outgoing migrations)
1990/1991   1994/1995
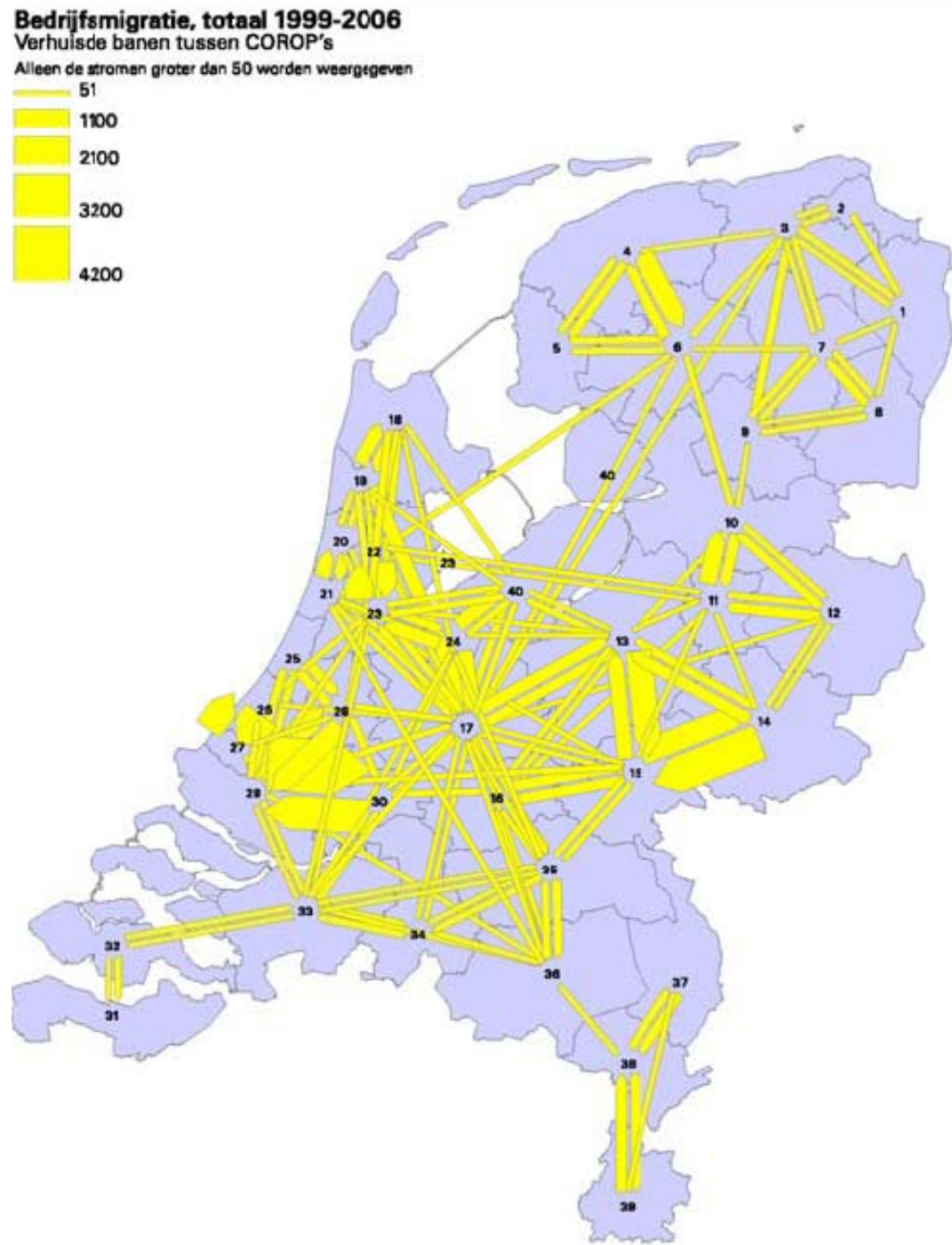

Source: Kemper and Pellenbarg 1993, 1997

Firm migrations in 1999-2006, national picture

Migration surplus between COROP regions (jobs)

Bedrijfsmigratie, totaal 1999-2006
Verhuisde banen tussen COROP's
Alleen de stromen groter dan 50 worden weergegeven

- 51
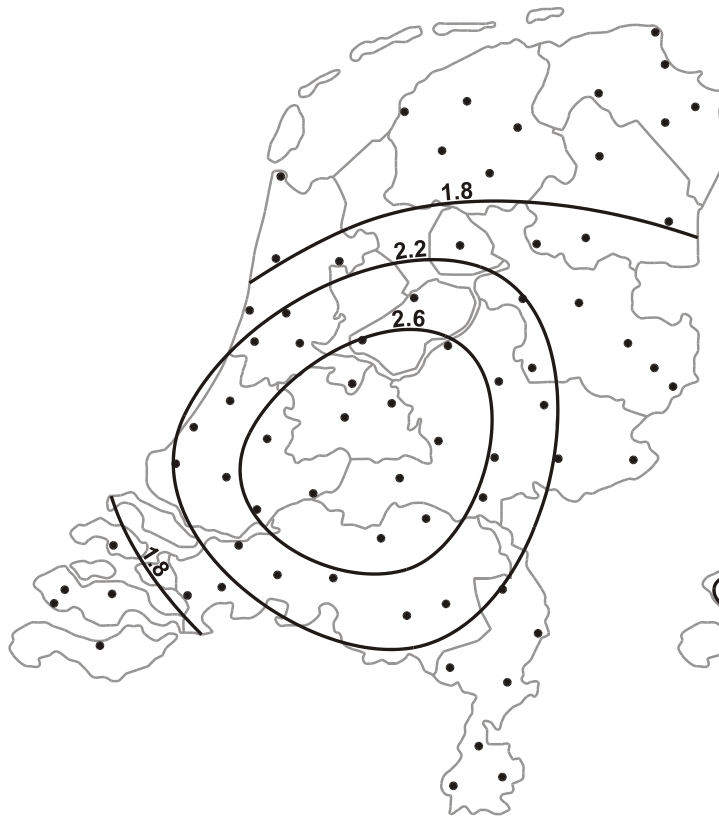- 1100
- 2100
- 3200
- 4200

LOOKING FOR STRUCTURES IN THE DATASET

- TREND SURFACE ANALYSIS

- CORRELATION ANALYSIS

- CLUSTER ANALYSIS

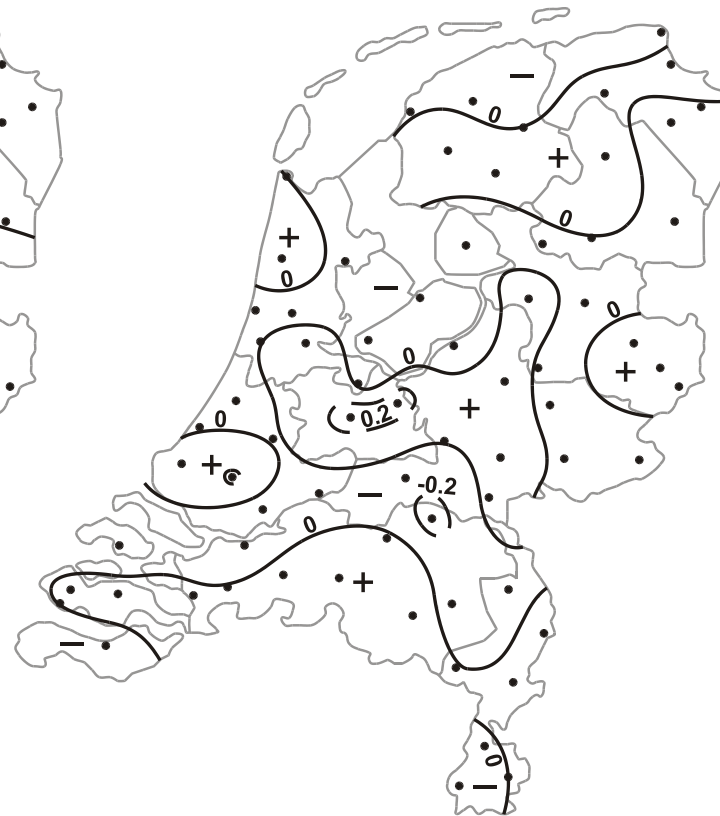- REDUCING THE DISTANCE FACTOR

- FACTOR ANALYSIS (PCA)
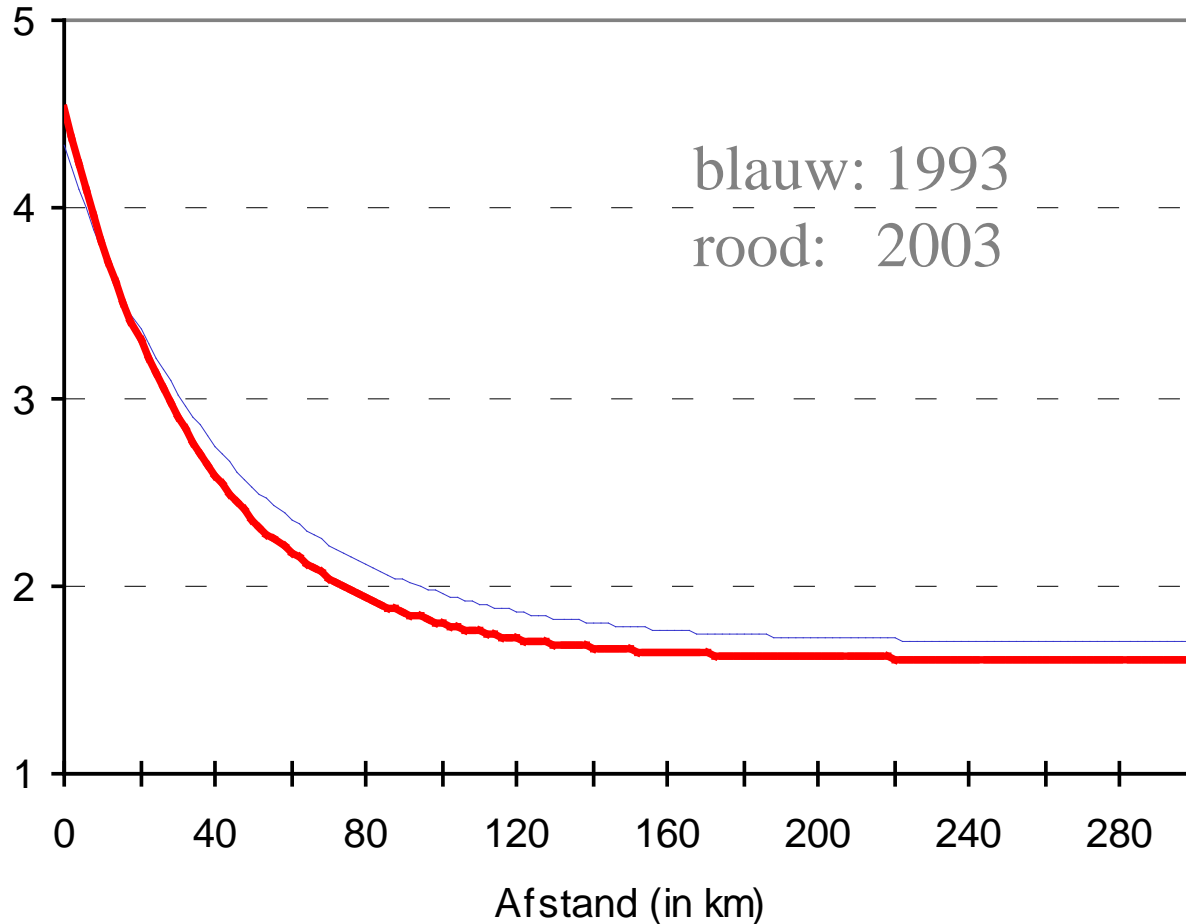
Trend surface analysis (1993)

Expected values

Residuals

Meester (1999)

R*u*G

Reducing values/ratings (per respondent) with the part that is a distance effect

blauw: 1993
rood: 2003

Afstand (in km)

Valuation of locations without the distance effect (values 1993)

Observed ratings

Adjusted ratings

Meester (1999)

RuG

Adjusted ratings in 2003

Bron:
Meester en Pellenbarg
Diverse publicaties

Adjusted ratings
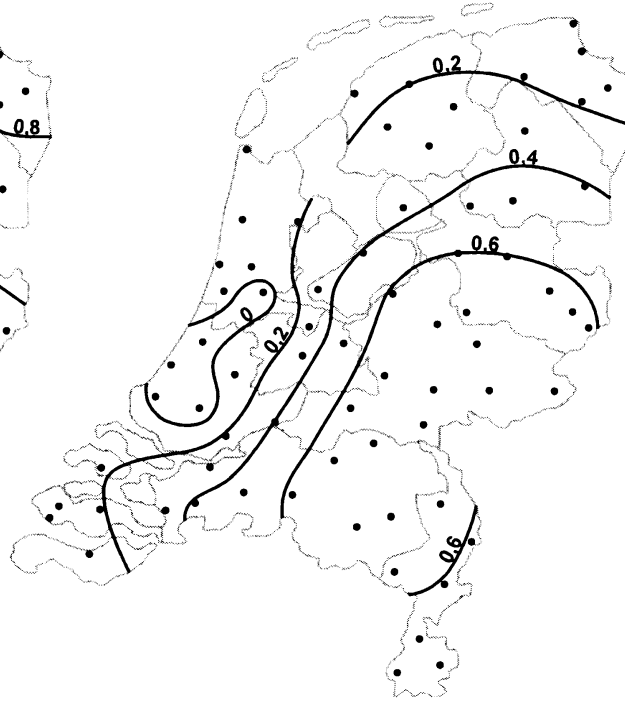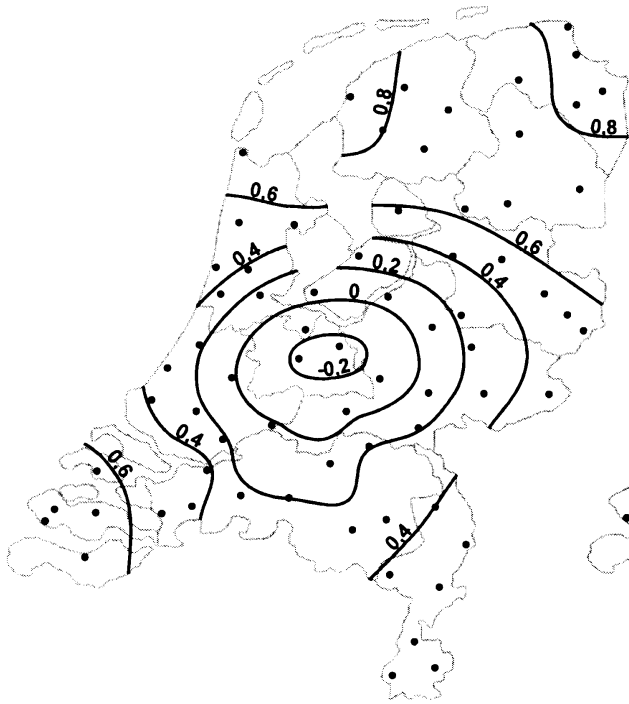# for different sectors

Manufacturing

Wholesale

Meester (1999)

R*u*G

Adjusted ratings
for different sectors

Services

Meester (1999)

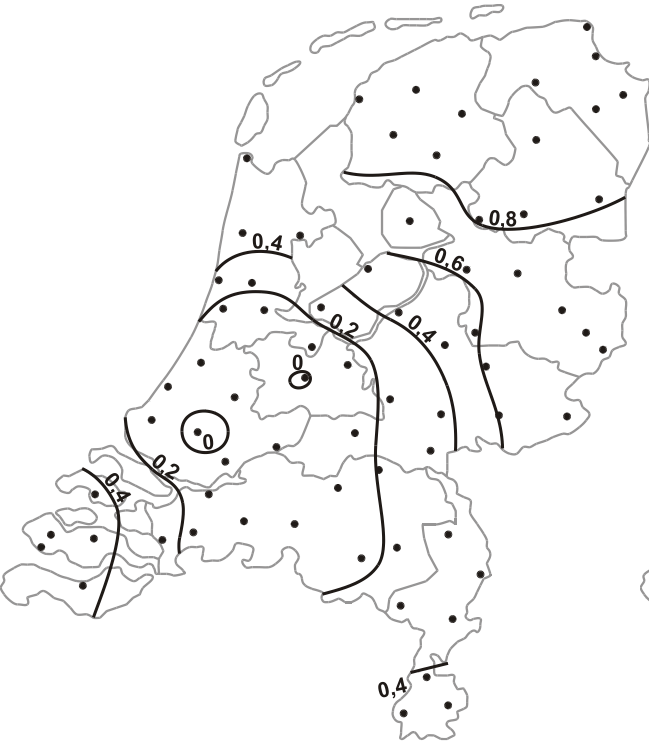# Principal components analysis, ratings of 1993

Factor 1
Transport
location

Factor 2
Residential/landscape
preference

Factor 3
Agglomeration
diseconomies

Principal components analysis, ratings of 2003

Factor 1
Agglomeration?

Factor 2
?????
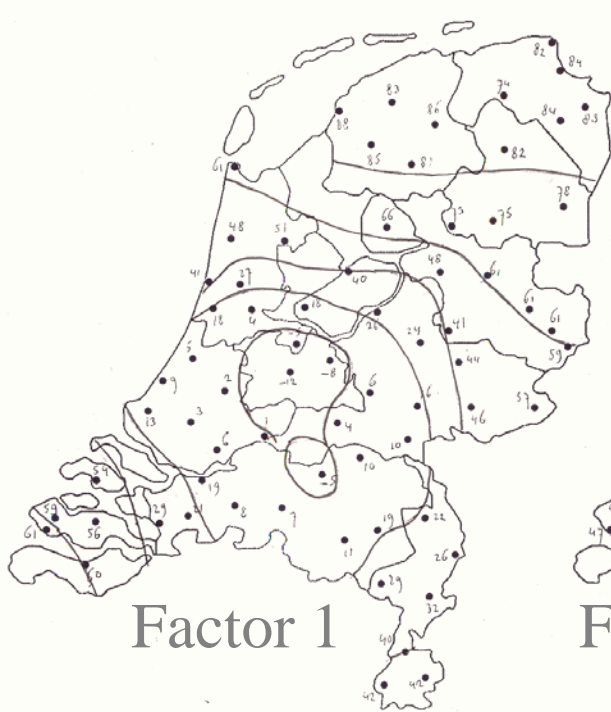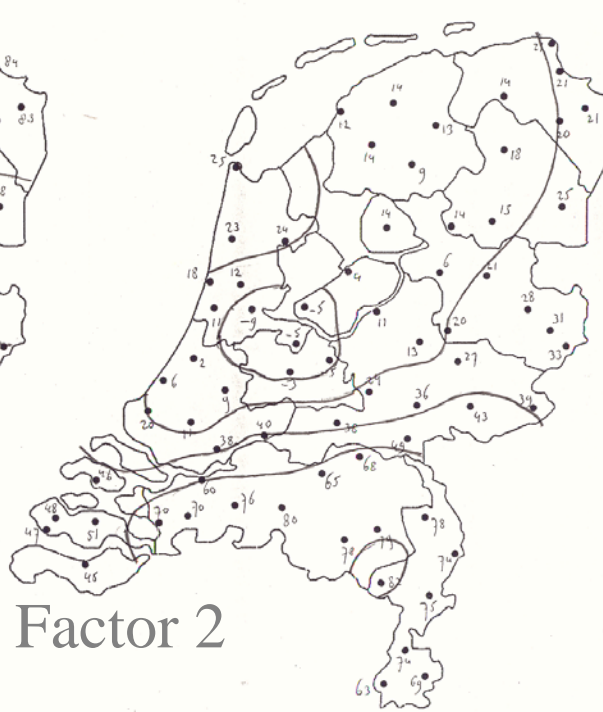
Factor 3
Transport
location?

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