

Locational preferences of Italian entrepreneurs: the relation between distance and rating

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EXTENDED ABSTRACT

Mental maps became a research subject for geographers in the 1960s and 1970s. Studies of mental maps concerned map images of children and preference maps of students, tourists, etc. Less attention was given to entrepreneurs. In the early 1980s, a research line was started by Meester & Pellenbarg on the mental maps of entrepreneurs. Written surveys were conducted in which the key element is a map of the country showing a number of places. In the accompanying question, the respondents were asked to rate each of the places indicated on the map as a possible location for their firm. Surveys like this were conducted in the Netherlands (in 1983, 1993, 2003 and 2012) and in Germany (in 1996). The results of these surveys are discussed by Meester (2004).

The nature of the relation between the rating of locational environments on the one hand and firm characteristics on the other has been examined for a number of firm characteristics using variance analysis. The location area is the firm characteristic that has the strongest influence on the rating of locations. The score given by entrepreneurs who are located in the region where the place in question lies is generally more positive than the score given by entrepreneurs elsewhere.

A visual comparison of the preference maps for various location areas also indicates that the location area as a firm characteristic has a strong influence on the spatial preferences of entrepreneurs. Maps that represent the preferences of the entrepreneurs from different provinces in the Netherlands show a strong preference for locations within their own province ('locational self-preference'). Similar results are found for the maps that show the preferences of the entrepreneurs from different federal states in Germany. In both countries, the interaction between locational self-preference and a general preference for the middle of the country results in a zone of high scores that begins in one's own area and stretches out to the central part of the country.

The preference for one's own geographical environment can be seen in the context of the social comparison theory formulated by Festinger (1954). Goethals et al. (1991) make a distinction between realistic and constructive social comparison. By the latter, they mean the tendency of an individual to rate himself higher than others, as much as possible within the bounds of reason. The high rating given to one's own locational environment may be seen as a variant of constructive comparison.

A second explanation of locational self-preference refers to selective migration. When an entrepreneur is dissatisfied with the firm's present location, the firm is more likely to migrate. Such migration will reinforce locational self-preference by reducing the number of negative opinions in the area of origin and increasing the number of positive opinions in the destination area. Reduction of uncertainty may also be considered a reason for entrepreneurs to value their present location area more than areas with which they are less familiar and that therefore, from a business point of view, would involve a certain risk as a location area.

A method has been worked out to quantify the relation between distance and the rating of locations. Mathematical formulas like logarithms and polynomials were used for this purpose. The modified exponential, which is applied in time series analysis, is a function which performs well in this respect. On the right side, it approaches a horizontal asymptote, the base

level, which coincides with the average rating that is given to distant places. Each function can be determined on a collective basis, i.e. for all respondents together, and on an individual basis, i.e. for each respondent separately. At the individual level, the modified exponential performs better than other functions, for both countries. At the collective level, the logarithmic function performs best for Germany, while the best one for the Netherlands is the modified exponential (Meester 2004).

Musolino (2015) conducted a survey in Italy in 2011, comparable with the surveys in the Netherlands and Germany, but different with respect to the spatial elements to be rated and the means of communication. The spatial elements to be rated for Italy were regions and provinces instead of places (cities and towns). With regard to the means of communication, it was decided to carry out a web survey instead of a postal survey. An electronic questionnaire with an interactive map was used, and a stepwise mechanism for rating was employed in order to enable the respondents to rate regions (NUTS2) and, optionally, provinces (NUTS3) as well.

At first sight, the situation in Italy with regard to locational preferences seems to be completely different from the patterns observed in the Netherlands and Germany. The most important element in the mental map of Italian entrepreneurs is the North-South divide. A visual comparison of the preference maps for entrepreneurs in respectively the Northern, Central and Southern regions seems to indicate that locational self-preference does not exist in Italy: the three maps all show the same pattern of high ratings for the North and low ratings for the South. The Southern regions are generally rated higher by the entrepreneurs located there than by entrepreneurs elsewhere, but nevertheless entrepreneurs in the South consider Central and Northern regions to be better places. A similar pattern can be noticed for entrepreneurs in the Central regions. So, the three groups of entrepreneurs basically have the same image of Italy, characterised by a preference for the North. In spite of the statistically different ratings assigned to most of the areas by the three different groups of Italian entrepreneurs, the geographical pattern that they have in mind is common to all of them (Musolino 2015).

The locational self-preference in the Italian case may be obscured by the North-South divide that dominates the perception of Italian entrepreneurs when we make a distinction between the three macroregions as location areas, but this does not necessarily mean that there is no relation between distance and rating at all. Assuming that the above-mentioned mechanisms explaining the preference for one's own environment (constructive comparison, selective migration, reduction of uncertainty) exist in Italy as they do elsewhere, some kind of relation is to be expected.

A possible explanation for the apparent absence of locational self-preference in the mental maps of entrepreneurs in Italy, contrary to those in the Netherlands and Germany, is the different nature of the spatial elements that were rated by the respondents: areas (regions and provinces) in the case of Italy, towns and cities in the case of the Netherlands and Germany. Another possibility is that, although locational self-preference does not emerge at the level of the macroregions, it may be revealed when the relation between distance and rating is analysed on an individual basis and/or at a smaller spatial scale, i.e. when focusing on the ratings by entrepreneurs in smaller location areas like regions or provinces.

The objective of this paper is to study the relation between distance and rating in Italy. For this purpose, the methods that were developed to analyse the relation between distance and rating in the Netherlands and Germany will be applied to Italy. Several mathematical functions will be used, like the logarithm and the modified exponential, calculated on a collective and on an individual basis, and at different spatial scales. In this paper, the preliminary results of this quantitative analysis will be presented.

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