

UNDERSTANDING THE ROLE OF ‘SENSE OF PLACE’ IN OFFICE LOCATION DECISIONS

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ABSTRACT

The concept of ‘sense of place’ has well penetrated the vernacular of urban economists, geographers, planners, policy makers and the like since being popularised by geographer Yi-Fu Tuan in 1977. This has strongly influenced contemporary urban management which frequently engages place marketers, place managers and place executives into key roles.

This paper examines how the elements of ‘sense of place’ are considered and articulated in studies of office location decisions. Firms, whose main relationship with the built environment as an input to their production, may not truly appreciate the subliminal impacts that ‘place’ has on their productivity – with staff attraction and retention as one of their primary considerations in the final choice.

This conceptual paper will draw on published literature and semi-structured interviews with key informants to understand the role and influence of ‘sense of place’ in office location decisions. It will highlight to place marketers the underlying implications firms have actually considered, and also to policy makers whose strategies create more meaningful places to attract firms into their region.

Key words: sense of place, office location decision, master planned communities, employment centres

INTRODUCTION

The city economy is affected largely by economic change which is influenced by globalisation and technology and in turn affects the labour market and employment location decisions (Troy 2005). This is evidenced by the fact that more than seventy per cent of jobs are now located outside the commercial business district (CBD) (Forster 2006).

However, employment centres located within a greenfield master planned community suffer higher than average vacancy rates as compared with that in the CBD area (Wardner 2011). This issue is the subject of a doctoral dissertation investigating the value proposition that integrated master planned community (MPC) employment centres offer firms, more specifically office type operations (as compared to retail) in South-East Queensland, Australia.

In the process of conducting exploratory interviews for the doctoral research, it was surprising to discover the frequent use of sense of place concepts terminology such as ‘comfort’, ‘sense of place’, ‘sense of security’, ‘belonging’, and the like in describing a firm’s location decisions. These terms have not previously been used in measuring firm location factors and therefore warranted further investigation. It has been recognised that there exists a research gap in the complex frameworks of behaviour and decision-making that affect locational choices of firms, specifically for office uses and by corporations (McGuirk in Troy 2005).

This paper seeks to unravel some of that complexity by looking for parallels (explicit or implied) in the firm location and sense of place theories – both affecting the final choice of firm location where this interrelationship has not been highlighted. The aim of this paper is to give insight into this relationship and to provide the foundation for further research into constructs affecting behavioural theory of location decision making. The research question therefore is “Do firms consider ‘sense of place’ in their office location decisions?”

Understanding the role of place will enable place marketers and place managers to position their product more effectively to decision makers of office locations/re-locations. More specifically, when the real estate offer is not only the physical space inside the building but also the activities that occur around it, then the specific needs of firms can be directly addressed. This is even more important for new activity centres created in pioneering greenfield areas or urban infill projects that need to create an image and character for themselves from the outset.

The succeeding sections will begin with a literature review of contemporary firm location studies and the abstract sense of place concepts studies, followed by a methodology section which will discuss the data sets considered and how they were used. The findings section will discuss the parallel themes between the data sets. This will then be followed by a discussion, conclusion and further research.

LITERATURE REVIEW

Firm location factors

The study of how and why firms locate has been long explored in the field of economic geography. Previously, the focus of the factors that influence firms' location decisions revolved around the firms' output, production process, financial limitations, technological and behavioural pattern of the firm (Krumme 1969). These location studies are strongly founded on microeconomic theory wherein the individual's choice is made with rational behaviour primarily benefiting their own self-interest. As such, firms choose a location that maximises their profit or one that maximises their utility (Jackson, McIver & Bajada 2006). It is no surprise that the driving force for choosing a location is primarily driven by market accessibility, followed closely by the availability of qualified labour, level of infrastructure and financial incentives (Ulaga, Sharma & Krishnan 2002). However, there are other 'soft' factors that also influence the final decision (Insch & Florek 2008).

The key concepts studied in firm location are dependent on the theoretical framework used by the researchers. Table 1 below presented by Brouwer et al. (2004) lists three frameworks, the key concepts (factors) studied and the variables measured in each approach. A firm's location mobility therefore is highly influenced by internal, external or location (specific) factors or a combination of these factors.

Table 1: Location theories and factors influencing location mobility

Theoretical framework	Key concepts (factors)	Variables
Neo-classical theory (firm as a profit maximiser)	Market situation (location factors)	Market size, country of location
Behavioural theory (firm as a decision maker)	Information/abilities (internal factors)	Firm size, firm age
Institutional theory (firms as an interacting agency)	Networks (external factors)	Firm growth (positive and negative, merger, acquisition, take over)

Source: (Brouwer, Mariotti & van Ommeren 2004)

The first of these is the neo-classical perspective: Firms as profit maximisers. This perspective has been criticised as having the view of the old economy where industrialisation and manufacturing dominated the production of goods and services. The main drivers of firm location was therefore proximity to material sources, transport access and availability, and nearness to markets (Yang 2004). The assumption of firms as profit maximisers also assumes that these locators have perfect knowledge of their market and that decision makers are rational (Greenhalgh 2008; Leishman & Watkins 2004). Furthermore, it also assumes that property is a standardised commodity and that its users also have homogeneous needs (Leishman & Watkins 2004).

The second is the behavioural perspective: Firms as decision makers. In this stream, the study of the behaviour of firms throughout the decision making process from the strategic decision to locate/relocate, through the buying process and to the final commitment to occupy space is undertaken (Elgar & Miller 2009; Greenhalgh 2008; Leishman & Watkins 2004). These studies acknowledge that in reality firms are not profit maximisers but instead, 'satisficers', meaning that firms have a set of criteria for their office location requirements and would continue to seek out options until that set of

criteria is met (Elgar & Miller 2009). Firms make decisions based on their 'bounded rationality' and make decisions based on the information at hand (Prachi 2010).

One of the distinctions highlighted in the literature of behavioural theory of firm location is the difference in the decision making processes small firms experience compared with that of large firms (Brouwer, Mariotti & van Ommeren 2004; Elgar & Miller 2009; Mazzarol & Choo 2003). These studies confirm that small firms employ more ad hoc decision making processes compared with large firms who go through a systematic buying process — more particularly when considering cost impacts. Large firms would have more sophisticated financial projections that include payback and discounted cash flow projections while small firms would focus on the total accommodation costs that would affect its basic cash flow commitments. This behaviour may be due to the general nature of larger firms that would be more capital intensive compared with small firms which are more labour intensive and service oriented.

Small firms often have a higher involvement of their owner(s) when making location decisions — usually because of the greater personal stake the commitment to a new office location requires and may even require them to encumber their own personal financial assets to the lease contract (Mazzarol & Choo 2003). Large firms on the other hand are recognised to have a more refined purchasing process that is run by a managerial team. However, it has also been recognised that there is still a key individual who influences the large corporation's final office location decision (Greenhalgh 2008).

The third is the institutional perspective: Firms an interacting agency. In this stream, firms' location decisions are shaped by external influences or negotiations outside the organisation such as supplier contracts, government incentives, assistance or contracts, labour unions, specialised infrastructure and other key factors in the production process of the firm (Brouwer, Mariotti & van Ommeren 2004). This theory recognises that firm location behaviour is a result of the firm's investment strategies and can incorporate location factors in their cost analyses and competitive strategy. Such competitive positions have been categorised by O'Mara (1999) in the strategic location drivers labelled aptly as: 'pick up and go' for a major strategic positioning of a company; 'new horizons' to achieve cost advantages for new or existing business; 'consolidation to beachhead' for increased scale economies or mergers and acquisitions of companies to provide flexibility and control over geographically dispersed operations; 'green acres' for greater control over surrounding site and expansion; 'new urbanites' for increased cosmopolitan exposure of its workforce; and 'recommitment' representing a firm's historical affinity to a community that has retained its quality of workforce and living standards. Whatever the strategic reasons for relocation, the external impact on the region through its market operations, structure of the firm, relations with government and other institutions is usually significant. Understanding these motives will help place marketers and policy advisors when offering meaningful assistance in attracting firms and investment capital into a region (Cohen 2000).

Sense of place concepts

Sense of place concepts explain how 'places' have (or don't have) meaning to individuals and groups. Empirical studies (Gustafson 2001) have shown how these concepts apply to home, second homes or holiday homes, and historical places (Cresswell 2004). Although some researchers have further enhanced the meaning of place (Deutsch & Goulias 2010; Gustafson 2001; Stedman, R.C. 2002; Stedman, Richard C. 2003), little is known about how this is applied to the work place.

Basically, in sense of place, a 'place' has three elements: the physical structures, activities that take place and the meaning individuals give to it (Relph 1976 cited in Gustafson 2001). More recently too, place academics (Gustafson 2001; Massey 1994) have argued that place is not a construct of fixed space in time but is a process that connects the environment, oneself and others, both locally and globally, separating the inside from outside. The development of these concepts has been traced over the last three decades and categorised in Table 2 by Beidler (2007).

Table 2: Sense of place epistemological foundations and theoretical models

Theoretical framework	Key concepts	Development	Authors cited
Place interpretation of environmental attributes (relies on existential 'sensing') (physical attributes)	Focus is on 'genius loci' or 'spirit of the place' and other symbolic value of the landscape—assumes that interpretive knowledge is central to the experience of place.	Ignores other attributes of place i.e. social interaction and activities in the locale	Green 1999, Lewis 1979, Norberg-Schultz 1980
Social construction (activities)	Focus is on experiences and daily routine, human behaviours, activities that explain how individuals construct a sense of place	Environmental and affective dimensions of place are considered important; however, activities are central to their conception	Jackson 1994, Relph 1976, Tuan 1974, 1977, 1980
Place perception – positivistic environmental-behaviour methodology (meaning)	Sense of place is a multi-dimensional attitude towards a spatial setting	The development of affective dimensions of a sense of place and the means of quantifying these spatial responses	Jorgensen & Stedman 2001, 2006, Hummon 1992, Shamai 1991, Shamai & Ilatov 2005

Source: Adapted from (Beidler 2007)

Further to the place perception epistemology, Table 3 below provides a scale to measure sense of place developed by Axford and Hocking (2011).

Table 3: Sense of place scale

Scale	Item	Descriptive
0	Not having any sense of place	It cannot be assumed that everyone has a sense of place
1	Knowledge of being located in a place	But do not feel connected
2	Belonging to a place	Feeling of togetherness
3	Attachment to a place	Emotional attachment, area considered special
4	Identifying with place goals	Loyalty and allegiance with place
5	Involvement in a place	Active role, investment of human resources
6	Sacrifice for a place	Deepest commitment

Source: (Axford & Hockings 2011)

Place theory has been adopted in specialised fields such as place management, place marketing, place branding, place coordination, place leadership etc. (Rainisto & Kotler 2007; Sneed et al. 2011; Stuart-Weeks 1998) wherein the focus is not on the location or locale but the whole offer that a place provides – a sense of place, meaning, community, culture, tradition, vitality, etc. of the area and the individuals that occupy it. However, these concepts are relatively young and are still theoretically underdeveloped (Insch & Florek 2008).

Furthermore, it is important to be familiar with the concepts currently used in this emerging area as individuals attribute meaning to place in terms of 'activities' like work and leisure. The following sense of place concepts in Table 4 have been put together by Deutsch and Goulias (2010) in understanding the attitudes related to places and the attitudes of human–place interaction – this is given to provide familiarity with the vernacular used in explaining these concepts.

Table 4: Sense of place concepts and related survey topics

Sense-of-place concept	Related survey topics
Place attachment	Ability or likelihood to relax, happiness due to place, importance of existence, level of importance compared to other places
Place dependence	Needs met, diversity, underlying existence of reasons for a trip
Place identity	Identification with atmosphere, place as a reflection of the individual, level of freedom to be self
Place satisfaction	Satisfaction with food, products, parking, level of service, entertainment, crowd size
Aesthetics	Views on architecture, beauty of the place, balance of decorative and functional attributes, artistic value, peaceful and relaxing atmosphere
Social and cultural	Social atmosphere, reflects culture of the area, risk of unpleasant encounters, level of crowdedness, amount of activity, safety of walking around, family- and kid-friendly, level of friendliness of people

Source: (Deutsch & Goulias 2010)

These concepts are important for business location and investment attraction, as place marketers need to exhibit credibly that the locale is a desirable place to grow a business and attract and retain qualified staff.

However, it is the ‘meaning’ that individuals give to the place that varies. The individual’s life experiences would vary this meaning to provide a place with deeper meanings such as:

- distinction – how different it is to other places
- valuation – how important (or unimportant) a place is to oneself
- continuity – how it fits into the person’s life cycle
- change – how the person can contribute to it or even how this person’s absence would make an existing place have a different meaning (Gustafson 2001).

Previous studies have shown how individuals used place to create or enhance their identity (Twigger-Ross & Uzzell 1996 cited in Gustafson 2001) and have used distinctiveness (unique attributes) and valuation (better than or less than another place) to give the place a level of importance to themselves.

For Gustafon and Massey (1994), place however has a level of continuity to oneself and therefore would have a different meaning depending on one’s life stage. The place itself has its own unique history and traditions that would affect its meaning to an individual.

Change is a critical element here identified by Massey and Gustafon – that because of time, and one’s presence and contribution, a place may have a different meaning. Moreover, if one was absent from a place for a considerable period of time, the meaning of the place would not be the same anymore but would be what remained in one’s memory. Thus, place as Massey first offered is not an essence but a process that means different things to different people.

Finally, previous researchers Tuan 1977, Paasi 1986, Zelizer 1993, Canter 1997, Gifford 1998 pointed out that meanings of place would be relative to the spatial scale, that is, smaller places (residence, local neighbourhood) have a different meaning to larges places – the city, state, nation.

Given the above review of the literature on firm location factors and sense of place concepts, there is something more than the physical elements that make some places more appealing than others. The connections and collaborations of people and firms have the ability to enhance the attractiveness of a location and this has not been measured before in previous location studies.

METHODOLOGY

The data sets considered in this study are taken from journal articles and semi-structured interviews. The first data set is from the location studies literature wherein twelve contemporary journal papers in particular were chosen with the primary criteria being that the author/s have considered location factors in either how or why firms have decided to

locate or relocate. The second data set was from sense of place literature with the criteria that place or sense of place factors were considered.

The third data set studied 24 primary interviews taken for another study considering firm location attitudes into a suburban employment centre, specifically into a master planned community (MPC) that offered an integrated lifestyle of live, work and play. These interviews were taken over a period of 10 months from August 2010 to May 2011 in South-East Queensland, Australia. The interviews lasted no more than one hour and were guided by a questionnaire but were basically semi-structured to allow the interviewee to provide their thoughts on what firms looked for in locating into an MPC employment centre. The interviewees were comprised developers (3), real estate agents (3), economic development managers (3), government planners and agencies (3), tenants/owner-occupiers (5), academics (1) and consultants (6) who were distributed equally across the Gold Coast, Brisbane, the Sunshine Coast and Ipswich. While some interviewees can be categorised in more than one role, their primary role was taken into account.

These interviews are taken not for their context but rather the content of the narrative that the respondents have used in explaining the reasons for choosing a certain location.

The methodology undertaken for this research paper commenced with the transcription of the interviews and then coding the transcriptions using Atlas.ti, a qualitative data analysis program, into similar themes. Some of these themes were informed by the location studies literature while others were allowed to expand into their own categories as the researcher (author) saw fit.

These themes were derived from the interviews and then reconciled with existing location study factors.

The location factors collected from the journals were listed into a master list – a total of 220 factors. These factors were then allocated into 23 themes and then further categorised into three key concepts (location factors, internal factors and external) following Brouwer's theoretical frameworks (2004) discussed in Table 1.

The next stage of the study was to go through the place literature that measured sense of place to discover the parallel, common and complementary themes and gaps not found in the location literature but articulated in the interviews.

FINDINGS

The focus of this paper was to look at the influence of 'sense of place' in the decision making process of business property owners. Of the journals, two focussed on industrial, one on manufacturing, the rest (nine) on office or business. Whilst the journals were chosen for the location factors provided, the quantitative results were not the primary consideration but rather this study aims to bring out 'what' factors were considered.

The location factors were categorised into the theoretical concepts that primarily drive firm mobility as discussed previously in the literature review and found in Table 1. These are:

Area factors – This theme renames what Brouwer et al. (2004) would call 'location factors' so as not to confuse with the overall study category. The term 'area' aptly captures the features that are provided only in that region such as community environment, market and competitors, cost of inputs, housing and recreation, physical characteristics, transportation and access.

Internal factors – The internal location factors have two sub-themes that were microeconomic in nature – the firm and building issues. For the firm, these aspects were issues that were applicable only to them. They move to the location because of their clients, employees, owners, profitability, suppliers, and work area to suit their specific requirement. The second theme is the building that they have chosen to occupy because of the physical conditions, image, facilities and amenities, flexibility, lease costs and tenure. Again, the motives that firms would have used to choose a certain building would be purely reasons of their own.

External factors – The theme of external factors involves issues that the firm cannot control but would be responding to. These factors are basically macroeconomic in nature such as taxes and government incentives, costs and availability of utilities such as telecommunication cables and infrastructure, governance on a state and local level, environmental issues and the availability of both public and private capital.

A matrix of location factor themes addressed by the journals is presented in Table 5. These studies are also organised by column from left to right from the oldest (1999) to the most recent (2009).

Table 5: Matrix of location factor themes representing twelve contemporary journal papers

	(Love & Crompton 1999)	(O'Mara 1999)	(Cohen 2000)	(Mazzarol & Choo 2003)	(Leishman & Watkins 2004)	(Brouwer, Mariotti & van Ommeren 2004)	(O'Sullivan 2005)	(Hefferan 2006)	(Remoy et al. 2007)	(Holling 2008)	(Greenhalgh 2008)	(Elgar & Miller 2009)
Study focus	Quality of life factors, businesses	Information type firms	Office	Industrial locations SME and large	Office	Large firms only	Manufacturing case studies	Office user preferences, lifecycle	Office user preferences, vacancies	Businesses, Transit Oriented Developments	Office	Office
Area factors												
Community environment	✓	✓					✓		✓	✓		
Market and competitors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cost of inputs				✓			✓					
Housing and recreation	✓		✓									
Physical characteristics	✓			✓			✓		✓	✓	✓	✓
Transportation and access	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓
Internal factors												
Firm												
• Client			✓			✓		✓	✓	✓	✓	✓
• Employees	✓					✓		✓			✓	
• Owner											✓	✓
• Profitability	✓	✓				✓		✓	✓			
• Supplier									✓			✓
• Work area					✓			✓				✓
Building												
• Physical conditions		✓		✓	✓			✓	✓		✓	✓
• Image					✓			✓	✓	✓	✓	✓
• Facilities and amenities					✓	✓		✓	✓	✓		
• Flexibility								✓	✓		✓	✓
• Lease costs and tenure	✓		✓		✓			✓	✓		✓	✓
External factors												
Labour costs and issues	✓		✓	✓			✓		✓			
Taxes and incentives	✓		✓									✓
Cost and availability of utilities	✓		✓	✓								
Governance	✓			✓							✓	
Environmental issues	✓		✓									
Availability of capital	✓			✓								

Source: Created by author

Parallels of location factors and sense of place concepts

Location factors whether in the neo-classical, behavioural or institutional perspectives have been quantifiably measured in a scale or financial value. On the other hand, sense of place is basically an individual's knowledge of a place where physical attributes and activities contribute to its meaning. The former, objective and the latter, subjective in nature. However, some themes derived from the studies have several parallel themes and concepts, that would demonstrate how each concept parallels the other albeit subjective or objective. Table 6 sets out these out.

Table 6. Parallel themes of location factors and sense of place concepts

Location factors (Table 5)	Sense of place concepts (Table 4)
Area factors	
Community environment	place attachment, social and cultural
Market and competitors	place identity
Cost of inputs	–
Housing and recreation	–
Physical characteristics	aesthetics, identity
Transportation and access	place satisfaction
Internal factors	
Firm	
Client	–
Employees	place dependence
Owner	place attachment
Profitability	–
Supplier	–
Work area	place dependence
Building	
Physical conditions	place satisfaction
Image	place identity
Facilities and amenities	place dependence
Flexibility	place dependence
Lease costs and tenure	–
External factors	
Labour costs and issues	–
Taxes and incentives	–
Cost and availability of utilities	–
Governance	–
Environmental issues	–
Availability of capital	–

Source: Created by author

DISCUSSION

The location factors matrix in Table 5 provides an overview of the research over the past decade. The complete coverage of the 'market and competitors' theme and about 80 per cent coverage of 'transportation and access' confirms the observation of Ulaga et al.'s (2002) that 'market access' is the most important factor in location decisions.

What also emerged in this overview is the lack of focus on 'housing and recreation' for employees and on the 'environmental issues' and 'availability of capital' in this field of research.

It is also interesting to note the lack of coverage, in the study of firm location, of the external issues (institutional theory) in the later years and the proliferation of internal issues (behavioural theory) instead.

In responding to the question posed earlier in this paper, “Do firms consider ‘sense of place’ in their office location decisions?” The following responses from the interviews were chosen to illustrate sense of place concepts held by the respondents. More specifically, the five factors that stood out in the interviews that contributed to meaning of sense of place to the respondents related to community environment, character and authenticity of the place, the firm owner/decision maker, staff retention and attraction, brand image. These are listed below with the location factor and sense of place concept.

Community environment – place attachment, social and cultural

Respondents are looking for the connectivity with other people and the face-to-face contact that community provides.

“The commercial component is going somewhere totally different. Springfield/Orion will never re-create Varsity Lakes because it was not planned to have that central hub – like that old township mentality where people see each other when they go out and grab a sandwich for lunch, and meet in the bar.” Real estate agent, Ipswich

More specifically, some of these firms are small operators who would benefit from shared facilities and amenities that provide a social environment for staff and families.

“Sense of belonging would not really matter to a tenant as a one-off. It depends on the size of the tenant. Your local lawyer whose kids go to school there and he’s got half a dozen staff and he’s got a small-to-medium size practice, yes. But if it’s a 2,000 square metre office user whose head office is in Sydney, then that’s different.” Real estate agent, Gold Coast

These firms are also happy to invest into that collaboration and develop social capital.

“I think they are important. I think they (community, sustainability, the ability to live, work and play) are very important because what they are doing, they are investing in the community. Whether they are actually a lessee, they are still investing five years into that community, all of those sorts of things.” Consultant, Gold Coast

Part of the challenge of creating community is that many have not experienced it before.

“We didn’t come because of this community thing which I thought was a bit of a commodity or whatever, but now that we’ve experienced it, we’d find it very hard to move away because this community thing is pretty good.” Developer, Gold Coast

However, some firms and decisions makers may still not appreciate the benefits of strong community involvement and the public good that they provide.

“As the council here, we’ve got 1,500 staff, we’ve tried a lot of those initiatives but, at the end of the day, people have been here 8 hours, they want to get home to their families and do other things. They’ve already had 8 hours mixing in this environment. It’s very difficult to get them to stay back and do something else.” Local council manager, Ipswich

This relationship of community environment and place attachment is most relevant to the original research objective which is the value proposition of MPC employment centres to firms. The responses from the interviews above and from the literature show that community environment is valued by firms and their employees. However, others do not appreciate this offer as much. It may take more marketing and activities to develop this ‘sense of place’ not only in the minds of the existing tenants but also to potential locators.

Physical characteristics – aesthetics, identity

This is not specifically measured in location factors and often subsumed in physical characteristics such as ‘local site characteristics’ (Holling 2006), ‘attractiveness of area’ (Mazzarol 2003), and ‘quality of real estate’ (Remoy 2007).

“The positive feedback is all about the village feel. They feel like they are part of a village, part of a community. That’s seen as a positive from a staff retention and marketing of your business point of view.” Real estate agent, Gold Coast

Character does not necessarily mean polished and manicured but rather ‘gritty’ and the decision maker is looking more for authenticity.

“In terms of my own business and acquiring this building, we wanted a building that was close enough to public transport so people could walk to the station. We’re close to the Valley so we have the amenity and the food of the Valley. It takes a bit to walk there but it’s only five or six minutes to get to the Valley for any food you want to get. It’s in an interesting part of town, near the Ekka and the Tivoli and little, funny streets. It’s not a beautifully attractive street but it has character and it’s a gritty character and it’s quite nice.” Owner-occupier, Brisbane

Unlike the place interpretation of environmental attributes where sense of place relies on the ‘sensing’ of the landscape, the physical characteristics referred to by the interviewees is the personality that the locals put into the built environment. Here they mean the quirky, individual tastes, and personal touches which shop keepers, building designers or architects put into their buildings. Being too prescriptive of the design guidelines of the urban fabric, which at times may be too inhibiting and contrived, may cause the place to lose its authenticity and individuality.

Owner – place attachment

The decision maker or CEO’s motivation was measured only as a push (owner household relocation) or pull (owner proximity) in (Elgar 2009) – other motivations were not measured.

“In private enterprise, the other strategic driver – if the managing director lives or has some association, or if the owner or the managing director or shareholders have a relationship with the master planned community, or their kids go to school there or the wife has some relationship there, then they is more likely to locate there. It’s personal. That’s not as relevant in a government department. Certainly, at Robina and North Lakes, I have seen classic examples of that.” Real estate agent, Gold Coast

The familiarity of the decision maker with the area counts for the final decision – as discussed earlier, this is an example of ‘mental maps’.

“In Robina, Austar have their back-of-house facilities in a major building, about 10,000 square feet. That was by the economics and the guy that was running Austar back-of-house who wanted to live on the coast. Acor Premier Vacation Club, which is a time-share organisation based on the Gold Coast, American owned, has office space at Robina. The regional manager lived in Robina and the office from Bundall, three minutes from his office.” Real estate agent, Gold Coast

In the end, the owner will make the final decision, especially if it is a more permanent commitment, that is, purchase of the property.

“Don’t understand or don’t care.....it’s easier if you have your own...as opposed to negotiating commercial leases or owning buildings.” Tenant, Gold Coast

Choosing a location is like any other purchasing decision and goes through a process wherein factors are weighed and prioritised, limitations considered, compromises taken, before the final outcome. The focus of this paper shows that the individual making the final decision, after considering all the other aspects, still induces a subjective component. This is where ‘sense of place’ concepts will have a role in the decision making process, and this is perhaps why firm location study factors do not go into any significant depth.

Regardless of the size of the firm, the final decision can be traced to a key individual’s influence in the process and outcome – if this is so, then the meaning of place to the key individual would affect that person’s affinity to the place and therefore the decision. This is evidenced, by both the literature and the interviews, in the final choice usually being close to the owner or CEO’s home.

The theme of 'personal reasons or considerations' cited in Krumme (1969) as one of the more conventional factors of location decision now puts the spot light on the decision maker and the subjective nature of firm location decisions. Therefore the owner's place attachment is not surprising because of the rootedness he would have to the business and the place it operates from.

Employees – place dependence

While the availability of quality staff was always an important issue to location decisions, only one study focused on retaining and fostering quality staff (Hefferan 2006).

"A lot of people are orientated around their staff. Is it close to where their staff lives? Will it help make their staff or their workforce happy to be in that area? We get a lot of people who, for example, won't go to Brookwater where we have an office park development." Real estate agent, Ipswich

One of the key factors for location decision are the employees - the ability to attract, retain and nurture them is important to the survival of the firm. Small firms (especially, that by their nature, are service oriented and with knowledge or know-how as an output) would rely on high quality staff. Their objective would be to keep employees and minimise staff turnover which will minimise costs in the long run. As such, it is no surprise that 'quality of life' has rated highly as the main factor amongst the others on the list of factors for location decision making. The sociopsychological needs of the workforce has been espoused to be a priority (Scanlon 1984 in Love & Crompton 1999). When employees are happy, then they are better prepared to meet the company's goals and needs – evidenced by less absenteeism, increased loyalty, increased productivity and lower health care costs (Taylor 1987 in Love & Crompton 1999). If on the average, labour is responsible for about three-quarters of the cost of production (O'Sullivan 2005) then these costs will keep this issue as a main concern. Therefore 'place dependence' (in that employer's needs are met) is the reason for a sense of place in that area.

Image – place identity

Image is highly subjective and measured as a pull factor (Elgar 2009) and firms have specifically noted that this adds to the prestige of their firm. However, how it adds to the sense of place is not measured.

"It is probably fair to say that people get inspired by being part of something new and we had a very good argument at a valuers conference as to why Robina was the place to come, because it had a greater population reach than Southport or anywhere else. It was going to be the heart of the Gold Coast and that's what it is becoming." Consultant, Gold Coast

This is even more important in attracting national and international firms to one's region where a photograph that would capture physical attributes would reach them before the activities and meanings of a place.

"I think it is harder, because there is no established brand. For a law company who are part of a national chain, you go to your corporate board – easy decision. We want to locate in a business enterprise zone of Varsity Lakes or Kawana – where's that? It's not a big dot on the map. So there's a level of problem and circumspection when the decision isn't local. People who have located in them tend to be local and tend to have weighed up lifestyle and other issues, and tradition." Tenant, Gold Coast

The physical attributes and characteristics of the area contribute to the aesthetics and identity of the firm. This identity increases their value and credibility to clients, suppliers, lenders and all that relate to the firm. Small firms need more 'place' attributes responded to than do large firms because large firms can afford to create 'image' and 'comforts' for their employees as in the case of Google who have been known to create interesting and stimulating work spaces.

There is also a collective and cumulative effect of 'positive image' firms in attracting others into the same area and therefore creating more value and sense of place to the location.

The focus of this research was with small to medium firms, even if they had a national presence, and were mostly self-owned businesses. There were no large firms (over 200 employees) interviewed. However, it could be argued that this is a significant issue as 96 per cent of employing businesses are small to medium in size (Australian Bureau of Statistics 2010).

CONCLUSION

This paper adds to the behavioural theory stream of firm location decisions which is basically composed of the two strands: factors influencing the move, and decision making (Greenhalgh 2008).

It would be unfair to directly compare the two areas of firm location and sense of place concepts because they measure and qualify different perspectives and motivations. One (firm location) takes the point of view of the firm and the other (sense of place) the individual.

Responding to the research question: "Do firms consider sense of place in their office location decisions?" interviewees responses point to the affirmative. What this paper highlights is the lack of factors considering 'sense of place' when measuring firm location decision making, and offers a concept for further research – particularly in the areas that create meaningful experiences for the individual (whether an employee or an owner) such as community environment, image and physical attributes.

The original objective in collecting and reviewing the data sets for this paper was to explore what value MPC employment centres can offer firms. The findings from this paper show that the 'sense of place' atmosphere needs that character and identity (quirky, sophisticated or otherwise) which is uniquely that area. MPC developers carefully plan and provide the base physical components in their plans and layouts, streetscape, even including the street furniture. However, at times the design covenants may also be so over prescriptive and conjured and the authenticity so contrived and 'trying too hard' that a lack of 'soul' and 'placelessness' becomes the result.

Furthermore, the community environment that needs to be created in an MPC may have difficulties because of the nature of the MPC which is notionally a 'gated' community (whether actual or by imagery) which in effect says 'non-residents keep out'. This characteristic could be the result of the lack of participation from outsiders towards an employment centre even while located within (or associated to) the MPC. This is also part of the difficulty in mixed-use developments where residential users would like to keep out those who do not live there, while commercial users (both retail and office) would like outsiders to come in.

This study informs place marketers of the potential gaps in their marketing strategy and the need to focus on the individuals who make the final decision. There is a need to consider factors other than rent and location in shaping decisions. If 'place' has meaning to the final decision maker which most likely is the owner (and at the time influenced by the employees) then the physical attributes will be taken as given. It would seem that firms now need individual, tailored information specific to their needs if we are to address the issues that sense of place concepts trigger.

For policy makers, this research emphasises the need for strategies to create more meaningful places to attract firms and business capital into their region. An understanding of place can assist in environmental management and other soft factors required – necessary to make the area a place of choice to attract and retain employees.

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