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Attractiveness and Location: Attesting attractiveness of locations by business service final decision implementation vis-à-vis to location factors

.

ABSTRACT

The objective of this paper is to attain a consensus about location attractiveness attested and possibly measured by business service performance after implementation final decision at a host market. After combining theories of location, agglomeration phenomenon, "tertiarization" and strategies of location follows suggestive econometric treatments of variables keen to attest attractiveness. The focus is dragged on the coefficient interpretation on the cause/effect relationship using French data base mostly related to service sector for 2013 as fiscal year. An audacious attempt to quantify what remains as qualitative characteristic indeed. Further work is needed to validate reliability to the knowledge of Attractiveness at once to finally be more than just subjectively measured.

Keywords: Attractiveness, location, services, combination, theories, strategies, differentiation, mutation

1. INTRODUCTION

Provide a factual background, clearly defined problem, proposed solution, a brief literature survey and the scope and justification of the work done.]

The attractiveness of locations is a major concern for any market player looking for a location that ensures its own economic sustainability. Attractiveness, according to many sayings, influences and depends strongly at same time on the supplying services disposed at the location in question. Such statement enlightens which factors of location can be pointed out to take final decisions implementation of business service as location attractiveness "attestment". That is the issue we will address in this study.

Crossing research economics themes dealing with urban dynamics and business services helps providing answers to the attractiveness and location matter. It seems to be there an increasing vital interest for any location seeking for or doing the best to maintain economic attractiveness. For restricting matter we will take metropolis like location reference.

"Metropolization" process incurs profound changing in the polarization of men and activities as well as in spreading of locations. But the progressive spread of locations is doubled by a bursting process of structures in different poles, which attracts a number of activities while others remain outside of this dynamism[1]. Finding balance is no easy task. For this study we'll let these concerning aside and focus on polarized activities.

The growth of services, especially business services, and urban dynamics confirm links influencing towards each other. Services development movement, especially business services, is actively involved in the urban hierarchy [2](an example is the monocentric pattern being questionned – the center constituted historically dominant and its periphery versus appearance of poles which may or may not be articulated to

[1] CORADE 1994, GUERIN-PACE et PUMAIN 1990, LACOUR 1993
[2] JAYET 1994

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that center or between themselves)[3]. And services location reasoning way can be considered as fundamental element of the process of concentration in cities[4].

Broadly: “metropolization” is a concentration that modifies and transforms the structure of intra-urban locations. The growth of business services and “metropolization” are nothing but the result of the “tertiallyzation” of the economy and the development of business services by the privileged concentration of business services in the cities. However knowledge about the “intra-rurban” location of business services seems to be still insufficient.

Work papers dedicated to the relations between the behavior of these service firms and the evolution of how to attest the attractiveness of cities are rarer and it is the questioning about this reflection that support this document.

According to reflections oriented by these topics the objective of this study is to contribute to the understanding of the need for cities to determine their level of attractiveness. The original idea of this paper was to use business services performance as barometers of attractiveness: when a company making use of a service as a way to test a market at its first arrival on it, and then after taking final decision to implement on their own means there, do they attest the attractiveness of this market?

To confirm this hypothesis of the attractiveness of a city revealed thanks to the success of service providers this paper begins with the subject of questioning about the relationship between the location of the business services sector and the structuring process of a metropolis. This section begins with some theoretical contributions of the business location, and is interested in the location of activities in favor of the metropolitan structure itself.

Then follows an exposition in how can “metropolization” and service sector be handled by an approach of spatial establishments strategies. The logic of location will be presented and the integration of relocation action, here taken as part of the ultimate test result of a market on the final implementation of a company that has used a domiciliation.

2. THE BUSINESS LOCATION

Relying on a simplistic analysis, pointing out location factors of enterprises, anchored within any territory, would make objective the assessment of the level of attractiveness[5]. Especially if the population of firms selected for the analysis is the services’ one.
The cause for such concern is the fact that most of the now-a-days economies became service economies. Employment rose strongly as “tertiary” one and services got increasly involved in trade at all levels, i.e. from domestic to international, spreading the "metropolized” field within the global economy.

This mutation reveals a demand for new contributions by the geography of services when the focus is on theoretical issues and theories of localization. This request is renewed about the motivations of the pioneer and the phenomenon of agglomeration. As a result, agglomeration externalities and limits of the same phenomenon are required. But also the relationship between economic activities location and the space structuring process.

Business services at the heart of regional and metropolitan dynamics gain importance in the entry point for any analysis of location factors and attractiveness. And to know the influence of the location of business services within territories can meet the problematic carried by this paper.

2.1. THEORETICAL ISSUES AND THEORIES OF LOCATION

[3] DECOSTER 1976 et GARREAU 1991
[4] JOUVAUD 1996, MARSHALL et WOOD 1995
[5] "The attractiveness is the ability to create, attract and retain businesses and jobs."Cf. "Economic Attractiveness of the Paris Basin - Creation of establishments and jobs," Insee Ile-de-France 2009

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Agglomeration is a constraint exerted on the location of firms. But it can also be a pull factor: companies attract companies and so business too. Explanation tracks of the location of activities can be defined on the basis of theoretical relevance.

Theories of regrouping and theories of positive externalities arise in this context, as first theoretical approaches to research about services localization factors.

The term "business cluster" is frequently used to describe such a business combination process "clustering" or the formation of clusters.

These groups are explained by several factors:
• First, there is the theory of the origin of regrouping: what makes the first company ("first mover") being located there and not elsewhere?
• Then there are theories to explain the phenomenon of agglomeration itself: What makes other companies get to agglomerate next to the first one? One of the major responses is that they wished to benefit from "agglomeration economies" related to the presence of other firms belonging to the same sector.
• And finally there are factors that come into play to prevent agglomerations to grow to infinity.

Of course, each country has natural and immutable characteristics that attract or repel businesses: natural resources, opening to the sea, climate, etc. These factors play an important role in the agglomeration of firms in one place. But however they do not explain the development of regions that nothing predisposed them to become major centers of economic attraction. To explain the new economic geography goes successively answering three relevant questions in this debate:
• What explains the choice of the pioneer company to elect a territory?
• Why the following companies do agglomerate where pioneering company moved to?
• What are the limits of agglomeration?

Historically, cities are the result of the preference of people and economic activities for specific locations. These places are generally preferred initially for specific benefits. When dynamics of concentration of activities chooses a region it sees in the growth of the city, for example, the following of specific mechanisms that maintain this concentration. These are ripple effects (in the presence of increasing performance/ efficiency). These considerations are accompanied by a number of specific benefits of agglomeration and designated by the economic literature under the name of externalities.

MAR theory (MARSHALL -ARROW - ROMER)[6] based on the weak competition (monopoly) and sector specialization, says the broadcasts of knowledge and externalities are more easily when a territory is in the presence of a monopoly. Indeed, the presence of a monopoly restricts the dissemination of information outside of the company and therefore internalizes the various externalities, increasing the speed of innovation and thereby enhances the growth of the territory and jobs. Contrary to the theory MAR, PORTER's theory is based on the strong competition and sector specialization to assert that it is the intra-industry local competition (that is to say within the same industry) which ensures the innovation and economic growth, with a positive effect on employment. Indeed, it is more likely to be in this situation (as opposed to monopoly) where companies are willing to take risks in order to remain in the lead. MAR and PORTER theories are successful when considering situations like Silicon Valley, where, in general, the geographic concentration of activities and specialization have resulted in an internalization of knowledge could occur (in the firm cf MAR, and within the same industry cf PORTER).

As a bonus, assertion from these theories, JACOBS[7] says that growth in jobs of a territory or region will only be achieved if competition between firms in different industries arises. Indeed, the most important externalities comes from outside of the industry in question. JACOBS therefore advocates sectoral diversification of the industrial fabric of a region. JACOBS' position is more similar to that of PORTER: both promote local competition rather than monopoly to increase the growth potential of the local economy.

[6] http://www.plan.be/websites/wp0321/fr/html_books/k.html
[7] http://www.plan.be/websites/wp0321/fr/html_books/k.html

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The mechanisms of concentration can from what is advanced by these theories be different depending on the nature of activities and more generally of the production system in place.
For more details let's make a throwback on the pioneer's motivations.

2.2. PIONEER MOTIVATIONS AND AGGLOMERATION PHENOMENA

For Pioneer's motivations, two types of theories have been advanced[8] : the one of historical accident introduced by Paul KRUGMAN (a benignant initial fact triggers a cascade of events that sometimes cause no major consequence but for no necessary reason when threshold triggering to be specified is exceeded, it becomes a major phenomenon) and the one of territorial amenity, Jean-Louis MUCCHIELLI ("The concept of amenity evokes pleasant aspects of the environment or the social environment which are neither appropriated nor quantifiable in monetary terms"; the term "amenity" is here slightly diverted from its meaning connecting the initial implementation of one type of activity to the initial assets of the territory in terms of geographical advantages as the existence of mines, rivers, plains, etc. because in this case, it is rather the "flair" of entrepreneur who, from there, finally finds that that is a good place to implement the new activity or components of).

The choice of a metropolitan location does not appear therefore to be the most effective, but ultimately as less risky. Because even if the locations are generally more expensive than others, cities allow businesses that set up there to gain a better competitiveness.
For the agglomeration phenomena once first enterprise installed (the "first mover"), others follow (called for this reason "follower"). When this is the case, there are two steps: • First, some companies will actually come follow the first, by imitation or by necessity, but not *en masse*, rather sporadic and uncertainly. • Secondly , if the agglomeration exceeds a certain threshold (" tipping point", or threshold theory failover, developed by Malcolm GLADWELL[9]), small causes generate, contingently, big differences; in the case of business location in an area rather than another, and then the possible agglomeration phenomena that follows, it is the "little thing" that will make a "big difference": is the economy performed by each follower by the fact that the company initially established , and the small group began to organize around , will disseminate information that can be schematically summarized as follows: the territory is good place to locate because we thrive. The "first mover", that is to say first that installs, supports initial costs, while the "followers" wait to see, saving such energy and expenditure by trusting the establishment of the "first mover" that will disseminate information by the simple fact of his success), we really witness a process of attraction that can consolidate important agglomeration which will then result in to the phenomenon of agglomeration externalities.

This is then a particularly selective concentration process. The dynamics induces a "reorganization" of the structure (different sizes and natures). Thus distinctions between technological territories, including the productive base highly internationalized and specialized, "interfaces" territories, which are more diversified regional territories, including a higher proportion of business services, and finally regulation territories, rare and very large, characterized by specific and exceptional position at the international political and financial systems.

The conclusion is that there is a trend to strengthen and maintain the initial specializations and roles of territories, rather than homogenize urban profiles by "metropolization" dynamic.
The relative differentiation between territories makes assessment of the attractiveness more and more difficult. How to settle becomes a problem. But recourse made to various externalities generated by the agglomeration may explain the choice of a territory to another. And that once the context influences the production of each kind of externality. Similarly the limits of agglomeration can assist in evaluating the

[8] Paul Krugman, Geography and Trade, 1992, Cambridge University Press, Chapter 2 and Jean-Louis MUCCHIELLI 1998, Multinationals and Globalization, page 166.
[9] Malcom GLADWELL, 2002 The Tipping Point: How Little Things Can Make a Big Difference, Back Bay Books, translated into French under the title: The Tipping Point: How to make a big difference with very small things, 2003 transcontinental editions.

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attractiveness of a territory. It is these two points, externalities and limits of agglomeration will be studied topics in the following paragraph.

2.3. AGGLOMERATION EXTERNALITIES AND LIMITS

These agglomeration externalities are defined as follows: if positive, these are benefits enjoyed freely by companies that are in the agglomeration. These benefits can be considerable ones. There are also negative agglomeration externalities. These externalities incur unwanted costs for businesses. These costs can increase gradually and eventually become equal to the benefits of agglomeration. What leads to achieve the optimal size?

Positive externalities are of several types:

- Technological externalities related to scattering effects caused by the immediate impact of research and development conducted by firms that are in the cluster.
- Externalities related to the presence of a network of suitable suppliers.
- Informational externalities circulating in informal meetings (restaurants, hotels, meetings, conferences, symposia, local press, etc.) or between individuals sometimes referred as relational externalities.
- Externalities related to the presence of a labor market adapted to the needs of the group of companies gathered in the agglomeration.
- Network externalities, that is to say related to the fact that as the number of users of a product increases, this becomes useful, effective and cheaper for all those users.

For clarity, the externality of agglomeration explains the benefits that companies will find agglomerating, there are profits generated by the agglomeration phenomenon itself and not by any particular firm.

At this identification externalities variables are added such as those of: "location advantages" type - close to natural resources, transport infrastructure with extra-national character (ports and airports), national or international public authority; variables type as size of the market - be located at the center (vs. periphery), that is to say where the market size is the most important; skilled labor force and wage levels - the massive service sector of the economy, especially for the engine sectors where technological advances are vital to their growth and wage level is seen as a pecuniary externality playing in principle to the detriment of "core" areas and for "peripheral" areas; Dispersion forces - centrifugal movements due to the level of house prices, the level of local taxation and scarcities of zones dedicated to economic activity; Characteristics of local economy conducive to growth (theories of dynamic externalities or knowledge spillovers).

This latter group of variables relates to externalities with limited spatial extent and appears when the activities agglomerate in some special places (territories or business parks). Dynamic externalities, that is to say those that promote economic growth, have been the subject of particular attention in the literature. Externalities that are specifically targeted are the information externalities (spillovers information, knowledge spillovers) with a spatial extent particularly limited[10]. They result from the transfer of knowledge between firms agglomerated through informal contact networks, but also a turn-over of skilled labor and management between firms. These externalities thus constitute important sources of dissemination of "best practice" techniques and tacit knowledge.

But the existence of such externalities depends largely on the characteristics of the local economy tissue. In this respect, two features have been further investigations in the literature: sector specialization (vs. diversity) of the local economy tissue, and the degree of local competition between firms.

Finally, the limits of the phenomenon of agglomeration, disadvantages such as congestion explains at some point agglomerations are saturated and that, rather than continuing to agglomerate in one place, some companies, sometimes even pioneering companies, decided to "take off." This is the case of the process of "disintegration"[11] is seen where multiple poles develop. Exogenous relocation decisions can stop an agglomeration process in a place and start it elsewhere. The balance is based on the equilibrium

[10] DURANTON and OVERMAN, 2001, estimate about 10 km

[11] http://www.plan.be/websites/wp0321/fr/html_books/k.html

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that is established both between the centrifugal forces (which tend to bring businesses) and centripetal forces (which tend to keep them away).

These outcomes aspire to find the sources of attractiveness via theoretical explanations that continually push the consideration of the context of an empirical choice of location. And this under the influence of location factors without neglecting opportunities of business behavior conducting in the structuring of a metropolis. It is the subject of next lines.

3. ECONOMIC ACTIVITIES LOCATION AND STRUCTURE OF AREAS

The consequences of dynamic movements on a given space, in terms of nature and organization locations results in significant morphological changes. So much that urban sets are increasingly complex[12] (peripheral territories - "edge cities" J. GARREAU 1991). This complexity shows a gradual removal of territories traditional center/ periphery pattern. It is a “multipolarity” that installs by the poles’ development.

3.1. BUSINESS SERVICES IN THE HEART OF SPATIAL DYNAMICS

Business services belong to the productive sphere, and more specifically intermediary activities[13]. Knowing the strong heterogeneity of the sector, it is not easy to give an absolute definition. And this because the level of value added varies from one activity to another (from consulting to cleaning, for example).

The nature of business services companies is to benefit and facilitate other kind of companies. It is more likely to let be the tools (domiciliation, rental, etc.). This vision feeds the central issue of the document, if taking into account the success of implantations of claimant companies on the same city as the service supplier, we can assume that the supplier has given a level of attractiveness to the location; in other words the clients and providers have opted for a localization strategy depending on the nature of the service provided in that location. Shall we put a light on such influences

3.2. INFLUENCE OF THE LOCATION OF BUSINESS SERVICES WITHIN SPACE

Concentration of service activities has been considered in theory as induced (service industry auxiliary function). Which is unsuitable to business services cases because they are investing increasingly in markets outside of their implementation metropolis. A response to the call of the attractiveness of these new destinations or affirmation of the site that has charmed applicants from other territories. The concentration of business services in the many territories responds the seeking of agglomeration economies[14] allowing to multiply the opportunities to access various networks[15] by chosen location (an answer to the search for economies of agglomeration directly related to market).

Six groups of business services have been identified by JOUVAUD (1997) according to their logical location highlighting the importance of two elements: access to the internal market, but also to the external one. The first group search the nearby headquarters and large companies, the second enhances market size and proximity, the third is sensitive to the proximity to customers, the fourth requires a skilled workforce, the fifth values means rapid transportation (highway, train stations, airports and teleports) and finally the sixth focuses on customer proximity as well as a good service environment.

Service activities upset the induced activity diagram, as mentioned above, for the case of inadequate services to companies that invest greatly markets outside their implementation metropolis[16].

The lack of knowledge about “interurban” location of business services is under reflections concerning the impact the development of these activities have on the “intraurbain” plan. In other words, is to say the

[12] LACOUR 1999
[13] DAMETTE 1994
[14] LEO, PHILIPPE 1993 directly related to the market (customers and labor)
[15] MAYERE, VINOT 1991
[16] GALLOUJ, 1996

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impact they have on the cities structure[17]. These reflections should lead to a better recognition of this sector in location models. The limitations of the models are that they reduce the territory to a juxtaposition of elementary areas on which are distributed exogenously basic activities and whose location determines the induced activities[18]. However, the business services can not be considered induced. In addition specific "intraurban" space models, although providing some understanding of spatial strategies suffer from several limitations. For example, they rarely introduce differentiation between sectors of the economy and the application to the case of business services often prove difficult: it leads to their concentration in the center it is not possible to explain the dynamics of "peripheralization".

Despite this concern the location of business services remains generally characterized by a very strong presence in the metropolis centers[19]. Services are an essential component[20] and appear as an element of domination of the center over the periphery. However, the trend of "peripheralization" is highlighted by work papers and the phenomena of "reconcentrations" for the poles also. Centrifugal dynamics do not correspond further to "deconcentration" of trivial activities' segments strategies which may prevail for certain categories of services, such as banking and insurance.

The changing characteristics of the location of business services are observed, even if the center is not necessarily abandoned or threatened by the reorganization.

Finally, as JOUVAUD (1997) shows business services and their location are directly involved in the growth of territories because they generate multiplier effects that connect to the industrial sector, but also because they promote improved productivity and competitiveness of local businesses.

4. LOCATION STRATEGIES DIFFERENTIATED BY TYPE OF BUSINESS SERVICES

The central question of the document is: if we take into account the success the benefits of implementations in a given territory, can we assume that the action has given a level up to the territory attractiveness; and that applicants and providers have opted for a strategy of localization depending on the nature of the service at same time?

4.1. LOGIC LOCATION FOR BUSINESS SERVICES

The choice of location may be indicative but is also actor to the structure of the territory in question.

An important consequence of the choice concerns intraurban displacement. New configurations, recently often multipolar, are indeed likely to have a significant impact. These are processes that feed it such as extended access by car, for example, or the development of transport networks which promotes choice for peripheral access.

But a new thought comes to the question of choosing between the hubs and centers. In the multipolar structures the question of the nature of the poles, or the centers is often asked. So either the analyzes validate the existence of a main center, with no real explanation of its purpose, or the authors note the emergence of such center, which is still in a first period more important than all others that are likely to develop in the future.

Then let's see the influence of the nature of the activity on the choice of location.

4.2. NATURE OF THE ACTIVITY INFLUENCE ON THE LOCATION CHOICE

[17] COFFEY 1996, CUARDO-ROURA, DEL RIO GOMEZ 1992
[18] DERYCKE 1982
[19] BAILLY, COFFEY 1991 ; LEO, PHILIPPE 1998 ; SASSEN 1995
[20] COFFEY 1996, GOTTMANN 1970

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To take a look at the nature of the activity can be reduced to the observation of the nature of the service relationship or the extent of the market area. The selection of location criteria can operate from reflections on costs, transportation and access to customers, other services and labor, as well as local amenities.

The change of location can be identified by various parameters likely to illuminate the motivation for it. These are parameters such as the evolution of the size and turnover, or the evolution of activity and modes of organization.

The influence of technical and organizational characteristics on the choice of location is often exploited to test the influence of determinants whose importance is emphasized in empirical work. This is the case of determinants such as establishment size, and correspondingly the price of local element which explains, for example, the differences between a central location and device implantation. The importance of using products from service providers like: banking, insurance, accounting, computer maintenance, photocopying, etc. Specifies outsourcing which in this case shows that the services purchase other services.

The relationship of service and market area under the requirement of face to face meetings and the possibility of use of telecommunications to negotiate and achieve service influences the choice of locations as well. Especially in cases where the delivery of customer participation in process control is important because the information exchanged are mostly tacit. Thus get to the customers is generally as important in the negotiation phase as in the realization phase of the service. And the level of importance of the use of telecommunications in the two phases mentioned above, depends on whether the need to replace the face to face contact by phone, fax, e-mail (side telematics) or send a quick email (the exchange of important documents side) is sufficient as a solution.

Intersectoral heterogeneity extent of market areas resulting in a turnover achieved by the export level. That contrary to the results of Mr. Jouvaud (1997), the relationship between size of establishment and export level is not confirmed and the synthesis of some work about confirms that the proportion of sales outside the country varies size of the town site. Moreover, the literature review conducted by C. Gallouj 1996 shows that small numbers of certain facilities services companies do not constitute an obstacle to their positioning on non-metropolitan markets.

Customer type is heterogeneous for business services from the industrial sector, through the public sector to households without neglecting them within service sector too. The influence of the latter can show, for example, that the use of ICT as a substitute for face to face seems limited.

Taking into account various factors proposed location seems to help alleviate the shortcomings of the comparative advantages of different spaces. These factors also seem to play an important role in the influence of factors such as local amenities (the role of transport infrastructure, the availability of a skilled workforce - one of the prime factors highlighted when it must choose a location depending on the nature of the activity).

The nature of the activity is important in the choice of location, but this choice would be incomprehensible if only factors are taken into account, or only the comparative advantages of different spaces. Thus the next section assembles to draw a conclusion it is a coalition of all the above said aspects that must be taken into account before making a final choice of location.

5. CONCEPTUALIZATION, HYPOTHESIS AND STATISTICAL TESTING

This work paper hypothesis claims: performance of business service after final decision of implementation in certain location attests respective location attractiveness; we then laid our choice in certain data of the third sector (different categories all together) through an analysis over location considered as attractive.

Main statement: location attractiveness can be attested by location choice and furthermore by the good performance achieved thanks to the decision of implementation location.

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According to the academic background summarized on the above sections this statement is comforted affirmatively. Considering the conceptual framework of attractiveness and location the casual/effect relation between them can be on both direction (one to another and *vice-versa* on multiple levels within the feedback cycles easily shaped between them). But for this paper we are taking Attractiveness as the output and this thanks to the combination of location choice and performance achieved.

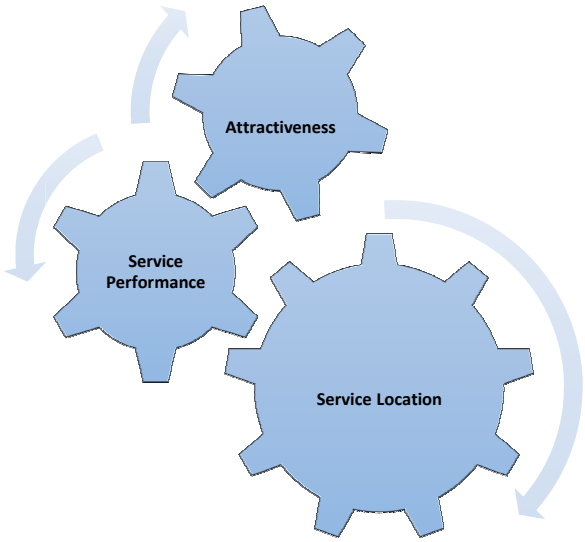

Fig.1: Circle of Cause/Effect Relationship Framework

Source: Own elaboration

Attractiveness = Service Location + Service Performance

For easy working this model the following lines present each explaining variables as the data availability made possible to comfort the hypothesis and problematic nurturing this paper work.

- Service Location: in this study will be taken figures relating how many Service companies established their activity within the location chosen for this study;
- Service Performance: in this study will be the figures related to results third sector attained on time referenced by research institutes conducted survey.

Listing up variables finally used:

- Number of third sector activity firms existing in the chosen location;
- Sold Service (SS): this variable allows to capture figures with more accuracy once we here have service production sales ;
- Turnover (TO): contributes to performance illustration;

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- Value added (VA): very often relied to service performance could not be let behind in this kind of analysis;

And

- Salaried workforce (SW): pictures out employment this sector generates.

Using an econometrical vocabulary, this paper aimed to put at light the “attractiveness” as a dependent variable. And according to data availability, this dependant variable will face independent variables that would depict reasons of Service Location and Service Performance. We are going to use figures from well known French statistic institute INSEE[21] relating to year 2013 activity.

Thanks to direct mailing service offered by this institute and possibility to “tailor make” answers by this same service the data analyze could use the up above mentioned variables only at the macro level. Instead of a comparative “metropolis versus metropolis”, as inspirational beginnings for this work, we’ll take France as a whole to attest the respective attractiveness.

Always taking final results (outputs) as maim image of attractiveness two equations were estimated using Eviews tool.

Here after we have Variables and equations designation[22]:

Equation1: Turnover c ValueAdded SoldService Workforce + u

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	10412.33	1966.329	5.295315	0.0000
VALUEADDED	0.796747	0.322087	2.473699	0.0136
SOLDSERVICE	-0.015740	0.060497	-0.260173	0.7948
WORKFORCE	0.016677	0.019343	0.862187	0.3889

R-squared	0.090391	Mean dependent var	15728.09
Adjusted R-squared	0.086205	S.D. dependent var	46640.63
S.E. of regression	44584.99	Akaike info criterion	24.25426
Sum squared resid	1.30E+12	Schwarz criterion	24.28162
Log likelihood	-7951.398	Hannan-Quinn criter.	24.26487
F-statistic	21.59711	Durbin-Watson stat	1.975086
Prob(F-statistic)	0.000000		

Dependent Variable: TURNOVER
Method: Least Squares
Date: 01/31/15 Time: 12:45
Sample (adjusted): 1 937
Included observations: 656 after adjustments

[21] INSEE is the National Institute for Statistic and Economics Studies. It collects and publishes information on the French economy and society, carrying out the periodic national census. Located in Paris, it is the French branch of Eurostat, European Statistical System. The INSEE was created in 1946.

[22] The up above listed and abbreviated variables were originally named in French due to the availability of data base.
TO=Chiffre d’Affaires ; Valeur Ajoutée=VA ; Production Vendue Service=SS and Effectifs=SW.

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Equation2: SoldService c Turnover ValueAdded Workforce + u

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9992.873	1239.632	8.061164	0.0000
TURNOVER	-0.006595	0.025350	-0.260173	0.7948
VALUEADDED	0.283205	0.209178	1.353895	0.1762
WORKFORCE	-0.001719	0.012528	-0.137229	0.8909

R-squared	0.013348	Mean dependent var	11246.08
Adjusted R-squared	0.008809	S.D. dependent var	28989.00
S.E. of regression	28861.04	Akaike info criterion	23.38445
Sum squared resid	5.43E+11	Schwarz criterion	23.41181
Log likelihood	-7666.100	Hannan-Quinn criter.	23.39506
F-statistic	2.940283	Durbin-Watson stat	1.146169
Prob(F-statistic)	0.032534		

Dependent Variable: SOLDSERVICE
Method: Least Squares
Date: 01/31/15 Time: 12:43
Sample (adjusted): 1 937
Included observations: 656 after adjustments

5.1. RESULTS AND DISCUSSION

The data allowed to see how the regression model explains the predicted variable. Thanks to R-squared (or the adjusted one) which is very low we strongly suggest adding other suitable and meaningful regressors to the equation. And the adding regressors shall be done keeping the focus to explain the attractiveness as output/result without neglecting its so “ancient” role as input/cause (factor) of location choice and performance.

All the equations specified above are under cross section analysis conditions, and the interest of this study is to analyze the causality situation between the variables. To estimate these equations, the study uses data which was collected from the INSEE database. The series is comprised of annual data from 2013. All the variables in the models are in plain form as presented by the data base. The reason behind is that we keep an easy form showing the relationship between the variables. Such being the case, they tend to show causality effect among them.

Despite the non-transformation of used variables the magnitude of the effect of a change in the independent variables it is predictable on the dependent variable. For instance, measures by what percentage Turnover or Sold Service changes when Value Added changes by 1 percent in the equation. Finally, an error term explains the changes of the dependent variable, which are not explained by the included independent variables. The equations will be estimated by using E-Views software.

On the procedure, the study estimated the models through OLS technique and analyzes the results of the estimations in terms of goodness of fit of the models and other econometric properties. An interpretation of the meaning behind the estimated elasticities to determine the impact of the chosen independent variable will then be made.

Turnover is the dependent variable in the first equation. Here taken on plain values of the data base and thanks to the use of absolute numbers the estimated coefficients can be interpreted as elasticities. And same occurs for the dependent variable Sold Service in the second equation.

It is to take notice that the chosen independent variables switch places and become each one at their own turn independent variables. It is possible in this analysis once indeed they can take part as explainable

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influence in the moves of each other. It is possible to assist an “in circle feedback influence” between these results (Turnover and Sold Services): strong Sold services contribute to raise Sold Services and vice-versa.

Looking at independent variables and making focus especially on the Added Value. This one influences movements in Turnover or Sold Service. An increase in the Added Value leads to an increase in Turnover or Sold Service. Shall be reminded that here the dependents variables are taking as results mirroring the attractiveness. And the main reason explaining movements of dependent variables are the swings witnessed on independent variables swings. If service sector Added Value increases consequently results (Turnover and Sold Services) go up and so the Attractiveness.

Taking a look at the others independent variables it is on same reflection perspective: if the workforce number goes up it primarily contributes for a rise up on results (Turnover and Sold Services). And if the results go up it is possible to assist to a raise on the number of the Workforce.

Going for the significance test taking the t-Statistic we can see that in both equations, with “Attractiveness” as output variable, they are positive for the VA variable (“Valeur Ajoutée” e.g. Added Value found at Business Service definition earlier in this paper and in the econometrical treatment it is faced as cause variable) proving the suitability on explaining de variation of “Attractiveness”. We do reject the hypothesis the VA gets null values and so we conclude its significant explaining power. And we wish it shall be kept on future deepening econometric analyzes concerning the “Attractiveness”.

To confirm the intimate connection between the location of activities and the structuring of a Location by the “Attractiveness” is a hard task once the “subjective” as main characteristic to this variable (being dependent and independent) through time.

6. CONCLUSION

Whereas the models and studies explain the spatial strategies of the services sectors with moving frontiers the question is not only: what are the factors that explain the choice of companies to locate in a location? But also: how can mutate locations by the phenomenon of implantation may declare itself attractive? More importantly how to measure its attractiveness?

The business services are an essential element in view of selective bias in favor of some locations. And focus on cities can bring lots to respective knowledge.
The hypothesis of this work is that the evaluation of the attractiveness of a location could be measured by service business based on the general behavior of location of this business category. The behavior of choice of location within a location as determinative and specific influences contributes to such evaluation.

Future research could adopt this hypothesis for a deep investigation in comparatives terms using locations as main objects. This would help to understand if locations should be aware to get to know their own attractiveness level and advantages following such knowledge. An audacious attempt to quantify what remains as qualitative characteristic. But then this knowledge of Attractiveness could finally be more than just subjectively measured.

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