



UNIVERSITY OF KWAZULU-NATAL

**The Investigation of Location Strategies Utilised by Existing
Businesses in Kliprivier Business Park in Gauteng.**

By

Thanduxolo Nkosinathi Mthembu

206522613

**A dissertation submitted in partial fulfilment of the requirements for the degree
of
Master in Business Administration**

**Graduate School of Business and Leadership
College of Law and Management Studies**

Supervisor: Dr Njabulo Khumalo

2018

College of Law and Management Studies
Supervisors Permission to Submit Thesis/
Dissertation for Examination



UNIVERSITY OF
KWAZULU-NATAL

INYUVESI
YAKWAZULU-NATALI

Name: Thanduxolo Mthembu		No: 206522613	
Title: The Investigation of location strategies utilised by existing businesses in Kliprivier Business Park in Gauteng.			
Qualification: Masters Business Administration		School: GSBL Westville	
		Yes	No
To the best of my knowledge, the thesis/dissertation is primarily the student's own work and the student has acknowledged all reference sources		X	
The English language is of a suitable standard for examination without going for professional editing.		X	
Turnitin Report 5 %			
Comment if % is over 10%:			
I agree to the submission of this thesis/dissertation for examination		X	
Supervisors Name: Dr Njabulo Khumalo			
Supervisors Signature:			
Date:			
Co- Supervisors Name:			
Co- Supervisors Signature:			
Date:			

DECLARATION

I, Thanduxolo Nkosinathi Mthembu declare that:

- The research reported in this thesis, except where otherwise indicated, is my original work.
- This thesis has not been submitted for any degree or examination at any other university.
- This thesis does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
- This thesis does not contain other persons' writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:
 - a) their words have been re-written but the general information attributed to them has been referenced;
 - b) where their exact words have been used, their writing has been placed inside quotation marks, and referenced.
 - c) Where I have reproduced a publication of which I am author, co-author or editor, I have indicated in detail which part of the publication was actually written by myself alone and have fully referenced such publications.
 - d) This thesis does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the thesis and in the References sections.

Signed:



ACKNOWLEDGEMENTS

I wish to express my sincere appreciation and gratitude to the following individuals without whose assistance, this study would not have been possible:

- This has been a bumpy experience however, His faithfulness has endured and sustained me throughout this time. My sincere gratitude goes to the Lord Almighty. I truly know that what is impossible with man is possible with God and this journey has personally revealed this. When I thought I could not complete this programme, the Lord gave me strength, wisdom and made a way. It has truly been by the Grace of God that I have been able to complete this dissertation and MBA program. I can quote a lot of scriptures but none is more relevant to this journey than Mark 11:22, Amen.
- To my supervisor Dr Njabulo Khumalo who supported me from day one, I say a big thank you for your leadership and guidance throughout the period of this research.
- A special thanks to my colleague Mr Johannes Makgoba for the encouragement and leadership he displayed towards me.
- I wish to express my sincere appreciation and gratitude to the representatives of Heineken SA and New Hope SA. To all participants and respondents who made this study possible by completing the questionnaire; I extend my deepest appreciation.
- A special thanks to my loving wife and son Nkanyiso for their patience and all the sacrifices they made during this mammoth and enduring task. Phumelele, thank you for your constant motivation and the unwavering support that you always gave me. You have been a constant pillar of strength and for that, I will always be thankful.
- I wish to thank my parents, Dumisani and Siphindile Mthembu who were literally sent from God to continually strengthen and motivate me. My siblings Samukelisiwe, Masimbonge and Zibusiso. I hope this inspires and encourages you and Nkanyiso that with purposeful hard work and concerted efforts, you can achieve a lot in life, for everything is possible for those who believe through Jesus Christ.

ABSTRACT

In South Africa and abroad, the term property is commonly perceived as an asset by many people. The location of a business can be said to be an important asset which has the potential of becoming a competitive advantage for any organisation, even though the location of a business may positively or negatively affect its viability. Therefore, identifying a suitable location for a business to thrive in can be useful in the overall strategy and profitability of any organisation.

Traditionally, even though cost factors have been the cornerstone of the location theory, the fact remains that economic agglomeration or the clustering of businesses are influenced by the choice of location. It is of interest to also note that foreign direct investment decisions are influenced by location decisions and strategies. These are the reasons why multinational enterprises employ foreign direct investment strategy in considering location strategy as this ensures the sustainability of the investment.

The aim of this study was to investigate location strategies utilised by existing businesses within the Kliprivier Business Park in Gauteng. The study employed a quantitative methodology to collect data. The data was collected using a self-administered questionnaire. In achieving a 95 percent confidence level, a random sample of 63 participants were drawn from a population of 75 participants from Heineken SA and New Hope. The data was analysed using descriptive statistics with the use of the statistical package for social sciences (SPSS version 25.0).

The key findings of this study identified eight (8) factors which affects the location decision-making processes of a business. The factors identified includes customers, suppliers, employees, transport, infrastructure, raw material, access to market and competition. A strong correlation between these factors and the location decision making was inferred from the findings of the research.

TABLE OF CONTENT

Supervisor's permission to submit thesis/dissertation	ii
Declaration	iii
Acknowledgements	iv
Abstract	v
Table of contents	vi
List of Figures	x
List of Tables	xi
List of abbreviations	xii
Chapter 1: Introduction to research	1
1.1. Introduction	1
1.2. Background of study	1
1.3. Motivation to study	3
1.4. Focus of study	4
1.5. Problem statement	4
1.6. Study Objectives	5
1.7. Research Questions	5
1.8. Research Methodology	5
1.9. Chapter outline	6
1.10. Summary	7
Chapter 2: Literature Review	8
2.1. Introduction	8
2.2. What is a business location?	8
2.3. Business Location Decisions	8
2.4. Multi-Criteria Decision Analysis (MCDA)	10
2.5. Location theories	10
2.5.1. Historical Trajectory	11
2.5.2. Von Thuunen Theory	11
2.5.3. Weber's Model – Least cost theory	12
2.5.4. New Economic Geography Theory	12

2.5.5. Modern Equilibrium Theory	13
2.5.6. Arrow-Debreu Model	13
2.5.7. Losch's Model	14
2.5.8. Hotelling Model	14
2.6. Business location factors	15
2.6.1. Location specific factors	15
2.7. Competition	19
2.8. Personal Motives	21
2.9. Foreign Direct Investment	21
2.9.1. Multinational Enterprise (MNE) Location Strategy	22
2.10. Business Retention	23
2.11. Degrowth – Post-extractivism	24
2.12. Business strategy	24
2.13. Location strategies	26
2.13.1. Growth strategies	26
2.13.2. Defensive strategies	28
2.14. Decision Making	29
2.14.1. Types of decision making	29
2.15. Decision making models	30
2.16. Public sector decision making	32
2.17. Ethical decision making	33
2.18. Tools for decision making	33
2.19. Summary	34
Chapter 3: Research Methodology	35
3.1. Introductions	35
3.2. Aim and objectives	35
3.2.1. Aim of the study	35
3.2.2. Objectives of study	35
3.3. Location of study	36
3.4. Participants	36
3.5. Research population and sample	36
3.6. Research Methodology and design	36
3.6.1. Chosen research methodology and design	37

3.7.	Research Approach	37
3.7.1.	Qualitative Research	38
3.7.2.	Quantitative Research	38
3.7.3.	Mixed Methods	39
3.7.4.	Chosen research approach	39
3.8.	Sampling	39
3.8.1.	Probability sampling	39
3.8.2.	Non-probability sampling	40
3.8.3.	Employed sampling strategy	40
3.9.	Data Collection	40
3.10.	Development of the instrument	41
3.11.	Administration and collection of research instrument	42
3.12.	Data analysis	42
3.13.	Pretesting	43
3.14.	Validation and Reliability	43
3.15.	Ethical issues	44
3.15.1.	Employed ethical consideration	44
3.16.	Summary	45
CHAPTER 4: PRESENTATION OF RESULTS		46
4.1.	Introduction	46
4.2.	Data analysis	46
4.2.1.	Descriptive statistics	46
4.2.2.	Inferential statistics	46
4.4.	Validity and Reliability	46
4.5.	Results and analysis	47
4.6.	Summary	60
CHAPTER 5: DISCUSSION OF FINDINGS		61
5.1.	Introduction	61
5.2.	Demographic information	61
5.3.	Research findings	62
5.3.1.	Objective One	62
5.3.2.	Objective Two:	63

5.3.3. Objective Three:	64
5.3.4. Objective Four:	65
5.4. Summary	66
CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS	67
6.1. Introduction	67
6.2. Summary of findings	67
6.2.1. Location decisions	67
6.2.2. Factor that affect business location decisions	68
6.2.3. Motivation for businesses to remain in the same location	69
6.2.4. Strategies to attract new businesses	69
6.3. Implications of this research	70
6.4. Limitations of study	70
6.5. Recommendations to solve the problem	71
6.5.1. Employee role clarification	71
6.5.2. Communication of organisational strategies	71
6.5.3. Technological innovation	71
6.5.4. Mapping assets	71
6.5.5. Marketing the Municipality	72
6.5.6. Auditing the broader community	72
6.5.7. Competitive and defensive strategies	72
6.6. Recommendations for future studies	72
6.7. Conclusion	73
References	74
Appendix 1: Research questionnaire and informed consent	80
Appendix 2: Gate keepers' letter – Heineken SA	88
Appendix 3: Gate keeper letter – New Hope SA	89
Appendix 4: Ethical clearance	90
Appendix 5: Turnitin report	91

LIST OF FIGURES

Figure	Description	Page
1.	Porters 5 forces model	20
2.	Stages of strategic management	25
3.	Frequency distribution of company data	47
4.	Distribution of respondent's gender	48
5.	Distribution of respondents by age	48
6.	Ethnicity of respondents	49
7.	Distribution of respondents by educational level	50
8.	Factors influencing location a company	50
9.	Distribution by managerial level	51
10.	Aware of reason of company current location	52
11.	Factors influencing location a company	54

LIST OF TABLES

Table	Description	Page
1.	Strategy utilised when location decision was made	52
2.	Comparison of group means of location factors	53
3.	Levene's test for equality of variances	55
4.	Correlation analysis of location factors	56
5.	Coefficient analysis of location factors	57
6.	Model summary for location factors	58
7.	Coefficients for location factors in decision making	59

List of Abbreviations

FDI	Foreign direct investment
MCDA	Multi-criteria decision making
GIS	Geographic information systems
NEG	New Economic Geography
LED	Local Economic Development
MNE	Multinational Enterprise

CHAPTER ONE: INTRODUCTION TO THE RESEARCH

1.1. Introduction

The main focus of this study was to investigate strategies that are utilised by existing businesses within Klipriver Business Park. This chapter contains the background of the study as it provides a brief background of the literature on location strategy. This chapter also contains the study motivation, focus of the study, research problem, study objectives and research questions. Furthermore, a brief literature on location strategies and methodology employed for this research were also provided in this chapter. The outline and summary of this chapter is also stipulated.

1.2. Background to study

The Vaal region is located in the south of Gauteng. It is popularly known to be home to leading steel manufacturing giants such as Graftech, ArcelorMittal and BHP Billiton. Ermilov (2014) stated that Graftech was the global leader in graphite and carbon products and had a 125-year operational history. In 2015, Reuters (2015) reported that while BHP Billiton was set to retrench over 440 workers, 60% of Graftech shares were sold by investors and their Vaal plant was subsequently closed down. During the same period, New Hope and Heineken SA was established in the same region. The above scenario shows the dilemma that occurs with regards to location strategy. This is because while some organisations closed down, others were being constructed and setup.

According to Malik (2017), motives behind location strategy and business investments are rooted in economic development with the intension of establishing sustainable businesses within a favourable location. The concept of location strategy seeks to determine the reasons why an organisation selects a particular area as their location, knowing fully well that this decision is extremely vital to the success of their business. Global organisations are posed with this question when they intend on expanding into different countries (Goerzen et al. 2013).

Galbraith et al. (2008) strongly maintains that location decisions are not a one-time choice but are directly related to the competitive strategy of an organisation. This is because decision making is an integral part of both private and public organisations. Some critical decision making in public organisations requires public participation and compliance to legislation. On the other hand, decision making in the private sector is more robust and at most requires shareholders consent. Nonetheless, business decision making in both the private and public sector requires various strategies in coming up with sound and meaningful outcomes.

Juan and Wilbur (2009) expressly stated that geographically concentrated industrial areas create a pool of skilled labour and skills spill overs. Commendatore et al. (2017) argues that models of the New Economic Geography (NEG) are widely used to assess the effectiveness of policies and decision making. Furthermore, the Multi-Criteria Decision Analysis (MCDA) acts as a reasonable means for the selection of a business location. The latter illustrates that the location of a business affects the overall business strategy, operation and organisational behaviour (Alam et al. 2015).

According to Games (2012), the conditions across the African continent can upset the most sophisticated business plan and therefore requires a sound, flexible and dynamic location strategy. This indicates that a sound and comprehensive Multinational Enterprise (MNE) strategy or Foreign Direct Investment (FDI) strategy must strive to be sustainable against the conditions posed by location challenges in Africa.

Mitchell (2009) highlights that aggressive strategies for business growth are associated with business expansion into different locations, while defensive strategies are associated with disinvestments flows from larger locations into smaller ones. Therefore, even though decision making for a location affects both the private and public sectors, the public sector focuses more on attracting businesses in order to be established within its respective borders, while the private sector on the other hand requires a location that will make reasonable business sense. The latter is the focus of the study.

1.3. Motivation of study

The location of a business is one of the most common elements that businesses share. However, choosing the wrong business location can have damaging implications on a business. It is therefore critical that location strategy is aligned to the overall strategy of the organisation. The location of a business is very important as this can give them strong competitive advantage over their competitors.

This research was motivated by the desire to examine how a business selects its location and the dynamics around location strategies. Investigating how speculative development plays a role in decisions made by corporates within business environments also motivated this study. The findings of this study will offer relevant location strategies which can be utilised by various stakeholders in similar environments. In addition, policy development will be advanced along with the relationship between private entities and the government. This study will in turn add value to the following:

Kliprivier Business Park management

The management team of Kliprivier Business Park will be able to utilise sound strategies in order to attract and retain more businesses. Furthermore, the management team will be able to address customer satisfaction issues more effectively.

The local municipality

The Midvaal Local Municipality will also be able to develop sound strategies that will attract businesses to invest within the same environment. In addition, the collection of rates and taxes from businesses within the Kliprivier Business Park and provision of effective service delivery will be achieved.

Customers

This study will be beneficial to customers of Kliprivier Business Park, Heineken SA and New Hope. This is because, business location strategies to improve their business retention will be investigated.

Shareholders

Shareholders of Klipriver Business Park, Heineken SA and New Hope will benefit from continuous business growth and an increase in the bottom line of the business.

Research and development

This study will contribute to research and development within academic growth in the fields of economic geography and business location decision making.

1.4. Focus of study

The study was conducted at Kliprivier Business Park which is located within Midvaal Local Municipality, in the south of Johannesburg. The focus of this study was to investigate location strategies and decision making utilised by Heineken SA and New Hope within the Kliprivier Business Park. The study focuses more on the private sector than on the public sector.

1.5. Problem Statement

Kliprivier Business Park is located in Midvaal Local Municipality, which is situated in the south of Johannesburg. Kliprivier Business Park hosts international organisations such as Heineken SA and New Hope, as well as Paramount trailers which is a local organisation. The Gauteng City-Region Observatory Quality of Life survey 2017/18, found that the Midvaal Local Municipality was rated as the best performing local municipality in Gauteng with 74% service delivery satisfaction rate, even though the Gauteng province achieved an average satisfaction rating of 61%. However, it is acknowledged that municipal or regional performance does not translate to business development.

Murray et al (1999) states that the cost factors have traditionally been the cornerstone of the location theory. Traditional cost factors consist of wage costs, utility costs, raw materials, taxes and land costs, to name just a few. On the other hand, Malik (2017) argues that business service relocation which is also known as offshoring, leads to major international economic development. However, there is very little empirical analysis that focuses on businesses at Kliprivier Business Park and why the existing

businesses have selected this location to operate in. In addition, the existing research focuses on general location strategy, location factors and economic geography.

Therefore, this study was unique because it sought to investigate location strategies utilised by existing businesses in Kliprivier Business Park.

1.6. Study Objectives

The key objectives to this study are:

- To examine location decisions utilised by existing businesses within the Kliprivier Business Park.
- To investigate factors that affect business location decisions within the Kliprivier Business Park.
- To investigate what motivates businesses to remain within the Kliprivier Business Park.
- To investigate strategies that can be recommended for development at Kliprivier Business Park in order to attract new businesses

1.7. Research Questions

- Which location decisions were undertaken by existing businesses within the Kliprivier Business Park?
- What factors affect business location decisions within the Kliprivier Business Park?
- What motivates businesses to remain within the Kliprivier Business Park?
- What strategies can be recommended for development at Kliprivier Business Park in order to attract new businesses?

1.8. Research Methodology

Bryman and Bell (2014) argues that quantitative research involves collecting numerical data which can be analysed with emphasis, in order to deductively explain and test a hypothesis or theory. Moreover, Sekaran and Bougie (2016) argued that qualitative

research refers to a research approach that involves a subjective humanistic collection and interpretation of data, which emphasises on inductive reasoning approach. Mixed methods involve incorporating both qualitative and quantitative methodologies in a single study (Borrego et al., 2009). A positivist approach was utilised which meant that a quantitative methodology was employed for this study.

The study was conducted at the Kliprivier Business Park which is based within the Midvaal Local Municipality that is in the Gauteng province. Midvaal Local Municipality is in the south of Johannesburg between Alberton and Vereeniging. The Kliprivier Business Park hosts businesses such as Heineken SA, Paramount Trailers and New Hope. The population of the study was made up of managers that are involved in making holistic decisions on behalf of the organisation.

1.9. Chapter Outline

Chapter 1: This chapter includes the background of the study and the motivation of the study. The research topic and objectives have been outlined.

Chapter 2: This chapter presents the reviewed literature which involves factors that influence and affect business location strategies. The literature was aligned to the objectives of the study.

Chapter 3: This chapter describes the employed research methodology utilised for this study and the approaches used to collect data. This chapter further presents the validity and reliability of the data.

Chapter 4: This chapter presents the findings of the study. The study was aligned with the objectives of the study and the findings that have been analysed and interpreted using statistical methods.

Chapter 5: This chapter interprets the findings of the study with regards to the collected data and the reviewed literature.

Chapter 6: This chapter provides a reasonable account of the problem statement, the objectives and the conclusion of the study. Limitations of the study along with recommendations were also provided in this chapter.

1.10. Summary

In any environment where property developers perceive prospects for development and growth, risks are usually involved. Speculative development involves acquiring open land and developing it for business or residential purposes. This chapter summarised the background of the study, focus of the study and also addressed the problem statement. The significance of this research has been highlighted along with the aim, objectives and research questions. The employed research methodology was also provided. The next chapter provides a literature review that is linked to the objectives of the study.

CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

Every organisation is expected to make correct decisions when it concerns the location for their operation. The operation can be far from the city centre or close to the city centre where it is at proximity to other businesses. These are important decisions that can in one way or the other, greatly have an impact on the performance of a business. There are other numerous factors that can impact the success of a business the most important ones will be considered in this study. The basic location decisions that usually affects the needs of any organization and its strategic direction will also be considered.

This chapter provides the reviewed literature from various academic scholars as this will help in fully understanding what affects business locations. Emphasis with regards to the objectives of the study, which includes location decision making, location factors, business retention and strategies for development, will also be made.

2.2. What is a business location?

A business location is a place where an organisation would conduct its business operations from. From a legal perspective, a business location may also be defined as the *domicilium citandi et executandi*. It is of interest to note that some firms may have multiple business locations, which may include a head office or different branches that may be geographically distributed. Notwithstanding, the basic approach of selecting a location includes looking for a location that matches the characteristics of the organisation's strategy (Murray et al. 1999).

2.3. Business Location Decisions

While arguing, Cohen (2000) points out that there is a difference between the term *location* and the *site*. Where the location may refer to the general region and its characteristics, which includes basic factors such as adequacy of transportation

systems, presence of competitors and skill level that revolves around the labour market. Once the location that complements the company's strategy has been found, the site will then be sought. There are site specific characteristics which also have to be considered and these generally include amongst other things: telecommunication capacity, tax liens, environmental remediation etc. A proper site will determine the consumer range as it considers the labour force and the distance between which the raw goods and the products will travel (Alam et al. 2015).

Vlachou and Lakovidou (2015) believes that a lot of theoretical models provide useful information for understanding organisational behaviour. However, they make the mistake of painting a perfect reality which fails to depict the complexity of the business location decision making process. Vlachou and Lakovidou (2015) further confirms that business location decisions are not always rational as information is not always perfect and available. Business location decisions are usually made by the directors of the business solely and without any influence. On some instances, site specialists may be consulted to assist with business location decisions (Cohen, 2000).

Vlachou and Lakovidou (2015) further argued that business location decisions are usually influenced by various factors which can be business specific, industry specific or a mixture of both. Nonetheless, business location decisions are both industry and company specific. Kleynhans and Drewes (2008) suggests that maximum profits are critically important when a firm chooses a location for optimal production. Survival in the economic world is important especially where competition is high and new entrants cannot be controlled easily. Nevertheless, Cohen (2000) pinpoints five (5) fundamental components that helps with selecting the right location for a firm. These components are;

- Business sector decisions
- Business functions decisions
- Product Maturity Decisions
- Competitive Strategy
- Business culture

Location factors will differ according to their importance when it comes to each level of the location decision making process. This is because there are primary, secondary and tertiary factors that influence the business location decision. However, Vlachou and Lakovidou (2015) states that the business location decisions can be grouped into three categories. These categories are as follows:

- Firm internal factors - which includes organisational objectives, the quality of management, employment and profits etc.
- Firm external factors - which includes government policies, interest rates, technological changes etc.
- Location specific factors – these factors involve the characteristics of the plot, which includes the distance between suppliers and customers.

2.4. Multi-Criteria Decision Analysis (MCDA)

Alam et al. (2015) presumes the use of the multi criteria decision making analysis (MCDA) which is a tool used for ranking all components and alternatives for a decision maker. This is done by understanding the preferences, aims and trade-offs. Decision making may require qualitative and quantitative data, and MCDA provides a criterion for this type of data. In addition, decision making involves multiple evaluations under uncertainty as well as risk preferences that decision makers are willing to take. Even so, the MCDA model presents alternatives that decision makers can take into account and still be satisfied with. Nonetheless, location decision making becomes a collective decision which is usually adopted by a board of directors or a neutral person. Therefore, an extensive and exhaustive collective set of sensitivity analysis should be pursued (Alam et al. 2015).

2.5. Location theories

There is a long rich history of location theories and these include early scholars and theorists who specialise in economics and location. Economists and geographers have attempted to explain why economic activities are located at certain locations. Recent scholars have dated these theories from the agricultural age to the industrial

revolution. Location theories are closely related to determining the selection processes as the effects of the market on site selection, uncertainty and algorithms are all related.

2.5.1. Historical Trajectory

Capello (2011) states that space positively and negatively influences the way an economic system works. Pioneers of economics, mathematicians and geography as well as other scholars have attempted to explain the distribution of activities within a location. Theorists such as Von Thunnen (1826), Marshall (1890), Webber (1929), Losch (1954) and Alonso (1960), were among the early theorists to study location dynamics (Jordan et al. 2004). Spatial distance and price have been an important characteristic among location theorists. With regards in different areas, where it concerns the agricultural era, industrialist and economic agglomeration, Von Thunnen and Alfred Webber are seen as the fathers of these location theorists. Before the industrialization period, Von Thunnen attempted to explain the economic relationship between space, time and price while Alfred Webber examined factors that influences industries and cost minimization factors. Also, Hoover further examined spatial market sharing in relation to agglomeration economics that comes with transport costs. (Sweeny and Feser, 2004).

2.5.2. Von Thuunen Theory

Notably as one of the first theorists to attempt to describe location characteristics, Von Thuunen developed his theory before the industrial age and based his theory on an agricultural setting. This he did with the following six assumptions:

1. There is one market which is self-sufficient with no outside influence.
2. All farmers are market oriented and produce goods to be sold.
3. The physical environment is uniform and there are no rivers or mountains.
4. All points have equal distance and access to the market where goods are sold.
5. All farmers want to maximize profits.
6. The diet preference is for the population of the European market.

Von Thuunen's theory which was developed before the industrial age, was based on farmers and how the farming market operated. However, this theory has been criticized for being over simplified. Nonetheless, this theory invokes the thought around transportation of goods, the proximity of the market as well as the dynamics around the market, price and distance (Vlachou and Lakovidou, 2015).

2.5.3. Weber's Model – Least cost theory

In the 1929s Alfred Webber attempted to develop a reliable theory on industrial location which is also known as the 'least cost theory'. Webber argued that location decisions are made with the intent to minimize the costs of production, labour and transportation. Webber also made three assumptions which was that in spatial management, markets are set in terms of location and size and that there is a fixed number of locations for manual labour. Webber also argued that there are regional and local factors that influence the location of industries. Regional factors include transport and labour costs while local costs involved the forces of agglomeration and deglomeration. Furthermore, industries were expected to move when input factors and consumption reach optimal equilibrium in the space equilibrium (Kleynhans and Drewes, 2008).

2.5.4. New Economic Geography Theory

Kleynhans and Drewes (2008) maintain that Alfred Marshall coined the term (New Economic Geography) back in 1890. The impact of technology and globalisation have made it relevant. Spatial economics is said to benefit from the new economic geography when econometric and mathematical tools are applied for analysis. Marshall suggested three classical types of localisation economies. Firstly, the formation of skilled labour; secondly, proximity of suppliers and thirdly, local circulation of trade knowledge, methods and secrets. The three suggested factors are interrelated and are also seen as the Marshallian trilogy. The Marshallian trilogy is relevant today as organisations always train and develop their workforce thereby protecting their production methods with patents (Kleynhans and Drewes, 2008).

Kleynhans and Drewes (2008) states that the New Economic Geography theory is useful because it considers spatial economic development which consists of production management, marketing and innovation of spatial allocation of economic activity. Furthermore, this theory considers the dynamics around labour, skills and technology. This therefore, makes this theory relevant and extremely useful in this day and age.

2.5.5. Modern Equilibrium Theory

Kleynhans and Drewes (2008) opined that the modern equilibrium theory is a classical theory which is also known as the general equilibrium theory. This theory attempts to explain the economic relationship between supply and demand. Focus on the problem when it is associated with time and the exclusion of space, all relates to business location. This theory is also associated with these following theories listed below:

- *General Equilibrium Theory in International Trade*
- *General Equilibrium Theory of Location and Space economy*
- *Partial equilibrium*

The theory of modern equilibrium assumes that certain conditions are known before any predictions can be made. Furthermore, the theory assumes perfect competition and rejects monopolistic competition. However, in reality, conditions such as space (market range) and prices are required. This makes this theory very limited and impractical.

2.5.6. Arrow-Debreu Model

The Arrow-Debreu is a mathematical model which assumes that economic activities will occur under certain conditions such as fixed prices. This theory is aligned with the general theory of uncertainty and is also central to the general equilibrium theory because it is mainly used as a reference for micro-economic activities. This is with respect to location theories as it seeks to give reference to competition and the dynamics of price (Nishimura and Ozaki, 2017).

A major shortcoming of this theory is that it cannot be considered on its own without considering the theory of general equilibrium. Another limitation is that conditions must be known in order to determine price and aggregate supply.

2.5.7. Losch's model

August Losch developed the 'Losch's zone of profitability' which is also known as 'Losch's model'. This model attempted to determine factors that influence decision of selecting manufacturing plants that could maximise the firm's profits. Determining the point of maximum profit was difficult but considering cost factors such as market range and distance of raw materials were used to measure against the profits of the firm (Karadeniz, 2009).

Losch's model has many criticisms which includes being too static by not allowing change or flexibility. Another important point is that the theory determined and assumed one superior centre as the most profitable. Therefore, this model is outdated and cannot be relied upon in today's economy.

2.5.8. Hotelling's Model

Harold Hotelling used Alfred Weber's least cost theory to develop an updated model as it considered locational interdependency. The Hotelling model is also known as the medium voter theorem. The location of similar industries or firms are compared with regards to location, market range, economies of scales and so on. Therefore, an equilibrium is established by producers and consumers in this manner (Iskakov et al. 2018).

In recent times, economists have claimed and proved that no equilibrium exists between two or more firms. The Nash-Cournot equilibrium attempts to solve the issues of competition, competitive advantage and how balance is achieved (Peters et al. 2018).

2.6. Business location factors

According to Vlachou and Lakovidou (2015), business location factors refers to anything that can positively or negatively affect the location of a business. It is important to note that a business may have many factors, and this should be considered with varying degrees of importance. However, only a few factors have sound relevance and importance due to geographical differentiation as pointed out by Galbraith et al. (2008). Location factors differ with their level of importance and they have been divided into three categories which are identified as:

- Primary
- Secondary
- Tertiary

2.6.1. Location Specific Factors

According to Li et al. (2011) location specific factors are aspects that are prevalent at a certain location. This may include climate, topography, water supply etc. In addition, industry specific factors are also affected by location. Furthermore, the product life cycle can be seen as a location specific factor which can be influenced by the foreign direct investments.

Jordaan et al. (2004) argues that the most distinctive characteristics between urban and rural areas is the high concentration of people, infrastructure and economic activity. These characteristics make urban land more expensive than rural land because of the connectivity between business and residential areas. However, spatial externalities create difficulties when measuring factors within an urban and regional areas. Therefore, location specific factors are seen in two categories which are urban and rural areas (Sweeney and Feser, 2004).

Urban Areas

Within an urban area, as pointed out by Alfred Webber, some businesses will thrive if they are grouped or clustered together. Cohen (2000) argues that retailers focus on maximising sales more than focusing on transport cost, which means that they are usually located within a residential or commercial area where the market range is minimal. 'Retailers' includes suppliers of clothes, food etc. Cohen (2000) further points out that this type of business sector is less sensitive to location costs but more sensitive towards the geographical positioning within its market. On the other hand, professional services such as financial firms, telecommunications and other such industries operate differently because of the experience of their geographical separation which involves their operations. A head office would be found in an economic hub where transport infrastructures are intact because railways and other modes of transportation are within an urban setting (Cohen, 2000).

Rural Areas

According to Sweeney and Feser, (2004), areas within a rural setting are generally associated with formalised and semi-formal manufacturing industry. This is because, the farming community can either be commercial or small-scale farming. Furthermore, the technological requirements are generally low, and the entrepreneurs commonly have local attitudes towards business management. Nonetheless, some manufacturing firms are situated between the rural and urban areas, where there are general good transportation infrastructure and intersections. In addition, strong utility systems would also be found and maintained as these include sewer connection, water and electricity supply. Furthermore, these manufacturing firms would have a highly skilled workforce with specialized training of their operations (Cohen, 2000).

Industry specific factors

Vlachou and Lakovidou (2015) argues that location decisions will have specific business influences. Large manufacturing and warehousing companies generally use large pieces of land. These businesses are mostly situated outside of the city centre

and around the periphery. In addition, head offices for these large companies are usually situated closer to other businesses.

Location factors can be different where firms need to be clustered together or where a firm requires to be far from a clustered environment. Where clustering commences, industry specific factors as well as non-traded inputs would be evident. This creates a high production and highly competitive environment. It also creates industries that are more efficient as it reinforces development in that location. In addition, an external effect and spill overs are experienced (Sweeney and Feser, 2004).

Traditional factors

According to Kleyhans and Drewes (2008), survival in the economic world requires an optimal location which will positively contribute towards the firm's revenue growth. Nonetheless, the location can have implications on the costs that the business operates in and this will include transport costs, the wage rate and many other factors that will be discussed later. In addition, an optimal location is one that will contribute towards high revenue gains thereby improving the relationship between resources and markets.

Traditional location factors include:

- Raw materials
- Costs of production
- Wage rates
- The power of trade unions
- Public and private transport
- Marketing
- Market demands

Raw materials

Just about all businesses are affected by the supply of raw materials for production. The supply of raw materials have a direct influence on the price of the product. Some

industries or firms are located close to the airport, harbour or railway, while others require roads to be tarred and adequate connection to important road linkages. Furthermore, raw materials and the quality of employees' education background is important. Businesses are expected to continually develop their skills in relation to the raw materials the firm uses (Kleynhans and Drewes, 2008).

Labour force

Jensen (2017) argues that one of the most utilised local and international policy mostly revolves around investment, retaining and expansion of any organisation. These policies have a common factor which are either labour or employment creation (Li et al. 2011). The labour force is usually made up of employees in different levels that have vast skill sets.

The labour force contributes to employees within proximity. The labour force also indicates the quality of employees with regards to experience and education background. Most importantly, the labour force is usually related to the wage cost that the firm would have to plan for.

Infrastructure

Public infrastructure investments and establishment are maintained by the municipalities as they contribute towards the business location and attractiveness thereof. Infrastructure refers to, but is not limited to roads, electricity connection and supply, water connections and supply as well as sewerage systems. In addition, the quality of an infrastructure will greatly influence business activities. Quality can refer to water pressure, electricity supply and the capacity of sewerage connection. The expansion and retention of businesses may be limited to the quality of infrastructure (Vlachou and Lakovidou, 2015).

Transport

According to Vlachou and lakovidou (2015) the role of transport in business location is two-fold. Transport refers to physical assets such as vehicles, trucks, fuel and so

on. This is an important factor because a firm would need to strategically plan for transport costs. The second part of transport factors refers to transport infrastructure such as road networks that provide access for the business. This is important because it refers to the quality of transport infrastructure which will affect the business significantly.

Tax incentives

These are legal costs associated with the selection of a location. They include municipal rates and taxes as well as by-laws that should be complied with. Furthermore, specific industry or business taxes can vary. On the other hand, tax incentives can also be associated with the business location and are seen as motivating factors (Vlachou and Lakovidou, 2015).

2.7. Competition

According to Schiller (2011) the quest for profits is the common denominator in the business world. The market structure composes of large, medium and small businesses that will compete for consumers in order to sell their products. Therefore, firms must establish a competitive advantage to ensure that they sell their products. However, there is always competition and different firms have market power around different locations as the location of an organisation will inherently affect its competition.

Schiller (2011) argues that the entry of new firms will push the price down because more supply would be expected, and this would see a shift in the initial equilibrium. This is because too much supply or high competition may contribute towards market exits. This can be purely by choice as a strategic move or as a matter of being forced due to souring profits. On the other hand, in unsaturated markets, profits have been seen to improve when companies cluster together (Kleynhans and Drewes, 2008).

Porter's 5 forces model

Porter (2008) connotes the importance of understanding how the five forces model influences and enhances strategy development. Customers can drive prices down along with rivals, while powerful suppliers can constrain profit and new products in order to attract customers. Likewise, aspiring new entrants threaten the market share. Figure 1 visually illustrates Porter's five forces model and how the five forces operate. Barriers of entry are factors such as patents, production control, brand loyalty, legislation and different forms of price control. All such factors will make it difficult, expensive, highly risky or impossible for a new firm to enter a market. On the other hand, firms that are in the market already will make it difficult for new firms to enter because when the competition becomes too much, the new entrant can be bought out (Schiller, 2011).

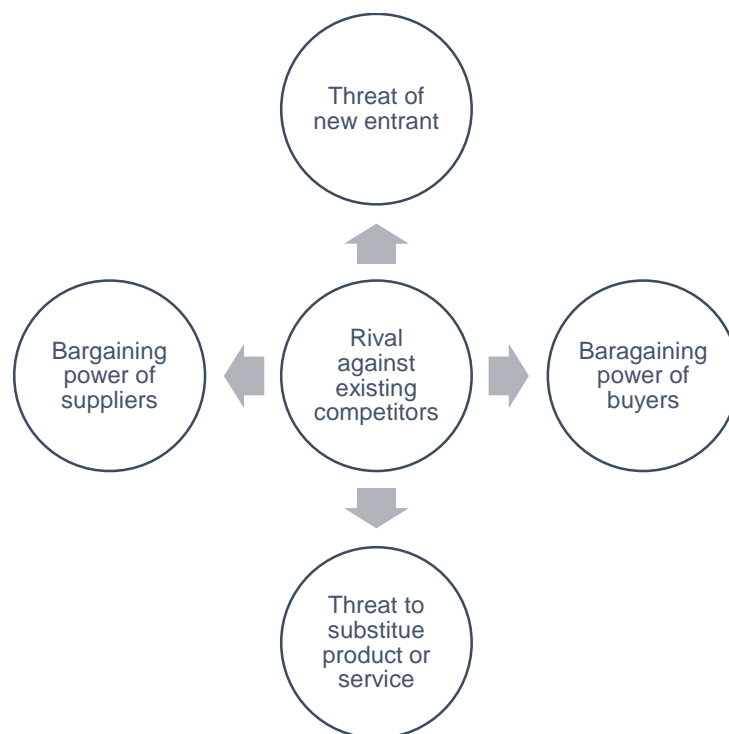


Figure 1 : Porters 5 forces model

Source: Porter (2008)

Military strategy

General Sun Tzu pointed out that a general should only engage an enemy if the location is prevalent and will benefit his development and growth. 'The Art of War' recognizes nine (9) grounds which include amongst others: dispersive ground, ground of intersecting highways and open ground. The types of grounds that the 'Art of War' describes are a mixture of literal and fictional grounds. The purpose for identifying and selecting the desired grounds is important for location decision makers. Therefore, strategic decisions in selecting or remaining in a location should be considered (David, 2011).

2.8. Personal Motives

Entrepreneurs are driven by different motives and the location decision can either be irrational or at times can be a personal choice. An entrepreneur can be driven by a desire to be at a certain location. It is evident that the location decision can be emotional where the entrepreneur wishes to be based at, for example, their home town, (Vlachou and Lakovidou, 2015).

2.9. Foreign Direct Investment

Kottler and Keller (2012) explains that foreign direct investment (FDI) refers to investments made by companies or individuals from another country. This can be investments in establishing a business or growing an operation. FDI is not the same as portfolio management where an organisation purchases equity from foreign based entities. Methods of foreign direct investment may vary as they may include opening a new subsidiary of a foreign firm, expanding operations of a foreign firm or acquiring a foreign firm by a merger or joint venture (Szałucka, 2015).

Foreign direct investment has specific location decisions that vary with each investor. Business specific decisions are influenced by factors such as risk type/appetite and the strategic direction an investor requires (Li et al. 2011). Furthermore, the relationship between FDI and location is influenced by the competitiveness of the multi-national entity. Location advantages can be attributed along with the fight factor

as suggested by the conventional trade. However, there should be a critical distinction between FDI and trade (Szałucka, 2015).

According to Li et al. (2011), factors that may influence the competitiveness of a company depends on the relationship between resources and location specific factors. In addition, new competitive advantages are established when a company has the right geographic location, coupled with a blend of resources. Location specific factors are important in context role when it concerns foreign direct investment. Some of these factors include:

- markets
- resources
- production costs
- political conditions
- cultural/linguistic affirmation

2.9.1. Multinational Enterprise (MNE) Location Strategy

As stated by Goerzen et al. (2013) MNE strategy influences foreign location decisions. More so, a lot of foreign direct investment has been attracted by global cities and empirical research that has been directed around economic agglomeration. Furthermore, MNE's often avoid countries with high levels of macroeconomic uncertainty. Hysteresis hypothesis, which refers to international investment decisions, indicates that when macro-economic conditions are highly uncertain, the best strategy to employ is the 'wait and see' approach. However, it is felt that organisations have different appetites for risk because economic sectors are not homogenous. On the other hand, Jaworek et al. (2018) argues that the location choice for FDI is influenced by many factors which are usually complex and multi-dimensional determinants.

Early scholars have been interested in examining the development, transformation and behaviour of cities (Goerzen et al. 2013). Global cities also play a huge role in attracting foreign direct investment. The use of location potential to attract FDI may include raw materials, human capital and regional integration. The latter is used by

local governments as a source to promote opportunities for investors and developments which can improve living standards for local communities (Jaworek et al, 2018).

2.10. Business Retention

The third objective was to investigate what motivates businesses to remain within Kliprivier Business Park. This refers to business retention which is central to the New Economic Geography theory. The latter is influenced by factors like competition, skilled labour, technology and the overall corporate strategy (Kleynhans and Drewes, 2008).

When the business location is assessed, the challenges associated with the business should also be properly assessed. Business retention is central to the organisation's triple-bottom-line as well as the quality of production because they are associated with the location. Local government also plays a huge role in supporting businesses operating within their jurisdiction.

As explained by Albrechts (2003) spatial land-use planning generally involves establishing integrated and qualitative plans around a location. This is because intensity and harmonisation of land development are generally required for housing, industry, recreation and transport. Local governments are responsible for spatial land-use planning. These plans provide infrastructural development plans which affects business development and retention. Therefore, it is said that local government play an important role in aiding retention. Local governments therefore play a pivotal role in attracting and retaining investments within their jurisdiction (Jaworek et al. 2018).

Kottler and Keller (2012) attests that many companies systematically measure how they treat customers by assessing the factors that can be used to measure satisfaction. Customer satisfaction is a post evaluative judgement experienced by a consumer. Likewise, location decisions can be as a result of poor business performance, which can contribute in determining whether to relocate to a cheaper location or to a more prospective location. In addition, during the strategy monitoring phase, location decisions are required to be assessed in order for a firm to optimally

produce the required returns. Therefore, business location retention can be considered in this phase (David, 2011).

2.11. Degrowth – Post-extractivism

Lang and Mokrani (2013) opined that countries in the tropical regions have been trapped by the 'resource curse' or the 'paradox of plenty' as they find it hard to develop. The term 'extractivism' refers to activities that remove large quantities of natural resources for export. Large scale farming, forestry and fishing are also classified as extractivism. Lang and Mokrani (2013) further argue that extractivism is a trait of colonial or neo-colonial organisations as it has been a characteristic of the economic, social and political life of many countries in the global south.

According to Brand et al. (2017) inclusive development can counter neoliberal and neoclassical understanding of development and economic growth. A rethinking of economic growth that includes sociological and environmental factors are very important. This has led to the concepts of degrowth and post-extractivism. In recent times, organisations are required to be more environmentally conscious while ensuring that the social wellbeing is also kept high. The United Nations has driven this approach through the millennium development goals which seek to reduce the emission of greenhouse gases into the atmosphere. This is important in location choices because where a firm operates, sustainability should be ensured (Brand et al. 2017).

With regards to location strategy, Lang and Mokrani (2013) argue that the state is central in controlling and developing sound policies that benefit the citizens. Given the fact that government is required to be an active player in governance and not allow it to become a consequence of development. As a result of public policies, neo-extractivism still persists and this has an immense conflagration in the environment.

2.12. Business strategy

David (2011) states that a business and/or corporate strategy refers to the means that enables a company to attain its desired objectives. A corporate strategy may include diversification, market penetration, geographic expansion or closing of an operation.

Strategic management is defined as an art or science of formulating, implementing and monitoring decisions that enable a company to reach its short-term and long-term objectives. However, a business strategy should be communicated effectively and appropriately across all levels of the business in order to ensure successful strategy implementation (Barnes et al. 2017).

Without a sound corporate strategy, an organisation is perceived as a collection of individuals with different aspirations. Therefore, strategic intent unifies an organisation and provides clear direction or pathways which channel individuals towards common goals. In addition, an organisation will be able to utilise its resources optimally and obtain its objectives with a strategic plan (Barnes et al. 2017).

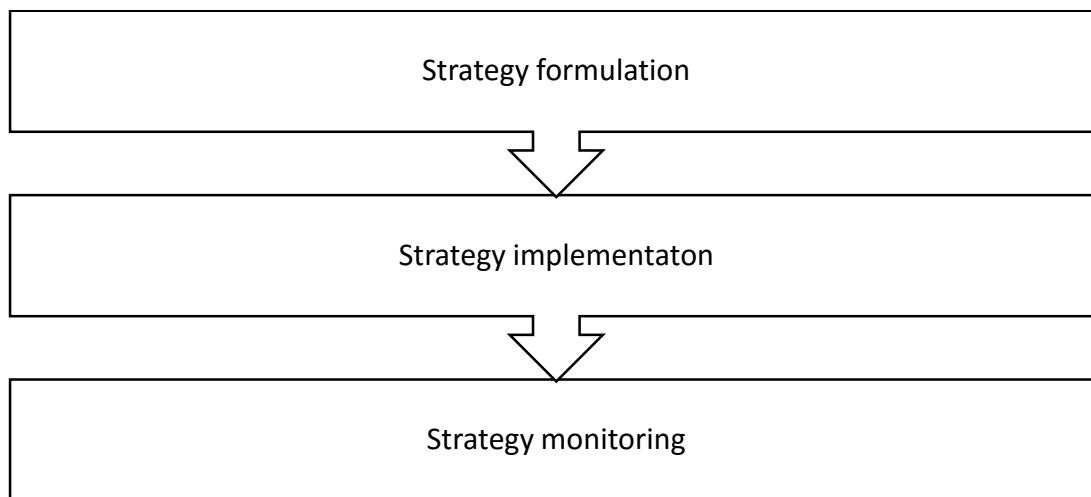


Figure 2: Stages of strategic management

Source: David (2011).

As presented in Figure 2, David (2011) states that strategic management consists of three stages: strategy formulation, strategy implementation and strategy evaluation. Firstly, strategy formulation includes developing a vision, mission and the organisation's objectives. In addition, strategy formulation involves resource planning as well as setting short term, medium term and long-term plans. Strategy formulation also looks at ways of overcoming competition and creating competitive advantages. Secondly, strategy implementation involves making efforts of reaching the organisations short term objectives through the use of available resources. Strategy

implementation requires managers to ensure that the corporate strategy is fulfilled with the limited resources available to them. Strategy evaluation is the last part of strategic management as it includes reviewing internal and external factors, measuring performance and taking corrective actions (David, 2011).

It is felt that business location decisions are made during the strategy formulation and later evaluated in the strategy evaluation process. During strategy formulation, a start-up or existing business may make decisions which includes location consideration. In the same light, strategy evaluation of a business will determine whether it will relocate or remain in the same location. Business expansions also involve business location decision making. This is because the company is required to make decisions on the type of expansion it would consider. Nevertheless, a company is required to assess varying fundamental components when selecting a location (Cohen, 2000).

2.13. Location strategies

Alcacer (2006) suggests that organisations distinguish themselves when selecting a location, products or markets in order to combat competition. This is known as the differentiation principle. Geographical differentiation is central to this location strategy. Kleyghan and Drewes (2008) further stated that economic growth and employment opportunities are driven by industries as their location has significant emphasis, although a comprehensive understanding of the dynamics of location factors are key. Location strategies can be adopted for growth and defence. Growth and defence strategies are highly influenced by an organisation's financial performance which is a location factor as presented by Jaworek et al. (2018).

2.13.1. Growth strategies

Vertical and horizontal strategies

Kotler and Keller (2012) suggest that business growth is determined by the strategic objectives of an organisation. Growth can be unique to an organisation and may include higher profits, increased market share or product. Growth can be measured at

short, medium and long term. Nonetheless, this research focused on growth in the perspective of value chain analysis and site selection.

Kotler and Keller (2012) explains that an organisation can employ growth strategies such as market-development strategies. An organisation may increase its market share, sales and profits through forward and backward integration as well as through horizontal integration. Forward integration refers to the final part of an organisational value chain while backward integration refers to the backward part of the value chain. Horizontal growth refers to a common strategy when an organisation intends on expanding into different markets and locations. Normally, horizontal growth strategies are associated with increasing a growing product range. These aggressive strategies of growth can employ a location strategy.

Alam et al. (2015) pointed out that organisations and industries have unique circumstances and environments that guide decision making and thus, no two location strategies will ever be identical. Furthermore, it should be noted that growth strategies do not necessarily refer to a change of location. It is felt that location strategies come into play when an organisation has to determine the consumer range. This can be established by asking varying strategic questions such as whether it would be cheaper to transport the new products from the current location or investigating the feasibility of operating from another location. Nevertheless, the researcher believes that location strategies are central when an organisation grows and as suggested by Mitchell (2009), expansion through relocation should always be considered for growth.

Diversification strategies

Diversification strategies can also be employed by an organisation as a growth strategy. A related diversification strategy which is also known as concentric diversification refers to instances where a company expands into a related industry. While, unrelated diversification which is also called conglomerate diversification comprises of diversification to an unrelated field. Diversification is usually instigated by a competitive advantage such as location, technology, distribution and so on (Mitchell, 2009).

As presented by Galbraith et al. (2008) geographic differentiation is central in location strategies which considers diversification. With regards to FDI, geographic differentiation is vital for global organisations that intend on expanding through location choice. Therefore, location strategy can be employed in diversifications as a strategy of growth and development (Alcacer and Chung, 2007).

Strategic alliances, mergers and acquisitions

Mitchell (2009) states that there are various forms of strategic alliances, mergers and acquisitions which can take form internally and externally. Most importantly, location is central to ensuring that strategic alliances, mergers and acquisitions and the business strategy are implemented correctly. Location is central to this form of strategy.

Location strategies for growth vary by geographical differences and organisational strategy. However, theoretical importance can be drawn to location behaviour and organisational performance over a defined period. However, growth strategies are limited by factors which includes change in legislation, rapid technological change, competition and variables that includes site-specific factors such as climate and infrastructure (Galbraith et al. 2008).

2.13.2. Defensive strategies

There are many defensive strategies that a company can employ. An example of this are turnaround strategies. However, there are other basic principles of defensive strategies which involves downsizing and disinvesting unprofitable business lines (Kotler and Keller, 2012). Some defensive strategies include, turnaround strategies, captive company strategy, sell outs and liquidation (Mitchell, 2009). Defensive strategies are also central to location choice.

It is argued that defensive strategies with regards to location strategy are not uniform, nor do they apply across the board. However, location can be used as a defensive strategy when a business is under turmoil.

2.14. Decision Making

Saaty (2008), states that we are all decision makers and are constantly making decisions on a daily basis. Further pointing out that decision making is the process of making trade-offs in order to achieve a desired outcome. Lui et al. (2017) strongly believes that decision making is a cognitive process that is primarily based in the mind of the strategist or an individual. The latter supports that the decision-making premise is subjective to an individual. The decision-making premise refers to values and perceptions held by an individual when deciding on varying choices. However, a strategy is made by a collection of individuals that have legal powers to do so (Kottler and Keller, 2013).

With emphasis, Lui et al. (2017) points out that good decision making is central to sound and effective strategies. Galvez et al. (2018) further stressed that there is a form of selection criteria in the decision-making process. The selection of alternative decisions forms part of the decision-making process. However, making good decisions involves gathering information while constantly examining both internal and external environments (Saaty, 2008).

As pointed out by Horwitz (2016), decision making is not always made by managers. However, managers are required to maintain the day-to-day running of a business using various tactics. Tactical administration is frequently utilised in decision making and this includes using persuasion. Another common tactic includes using edicts such as legal regulations and policies in making decisions (Crichton et al. 2000).

2.14.1. Types of decision making

There is a plethora of literature that looks at the types of decision making that can be reviewed, however, the following types of decision-making literature have been reviewed and considered in the selection of a location.

Strategic decision making

Strategic decisions refer to long term goals that an organisation intends on achieving. The vision and mission statement of an organisation are one form of strategic decisions taken by senior members of an organisation. Strategic decision making is associated with senior leaders within an organisation (David, 2011).

Tactical decision making

David (2011) points out that tactical management refers to operational management or the management of day-to-day matters of an organisation. Unlike strategic decision making, the purpose of tactical decision making is short term as it usually seeks to address an issue or problem currently faced by management. Furthermore, tactical decision making is associated with middle managers since they are involved with the day-to-day matters of an organisation.

Naturalistic decision making

Naturalistic decision making (NDM) is a term coined by psychologists that study decision making as one is influenced by one's environment. These decisions are influenced by factors including uncertain conditions, risky environments, ill-defined instructions and time constraints. These decisions would be taken by people who have experienced some form of training in order to address a situation at hand (Crichton, Flinn and Rattray, 2000).

2.15. Decision making models

It is felt that the literature field of decision making is immense and stretches from science to arts, economics, psychology and much more. However, this study will look at the rational model, political model, administrative model and garbage-bin models of organisational decision making.

Rational model

The rational choice theory places a philosophical perspective, '*raison d'être*', and is loosely translated as the, 'reason for being'. This model assumes that an individual act and behaves in a manner that takes into account a cost-benefit outcome for every decision or choice made. It is also assumed that individuals will choose the best alternative in making the most optimal choice for personal gain or organisational benefit. However, the rational choice theory is considered as pessimistic and is only applied as a benchmark. Lastly, a predetermined outcome is always considered with the rational choice theory as this makes the theory unrealistic (Hay, 2004).

Political model

The political model of decision making is also called the incremental model for decision making as it is applicable to the open models of organisations. This model does not consider a single aspect but rather considers organisational wide issues. Unlike the administrative model stated below, decisions are not made using policies and standard operational procedures. Furthermore, bargaining and negotiating is central when making collective decisions. The political model is useful when making organisational change and when facing conflict. In addition, this model encourages communication, openness, teamwork, innovation and similar humanistic techniques when making decisions (Henry, 2017).

Administration model

Argued by Hay (2004), the administration model of decision making was established as an alternative to the rational model, with the aim of achieving a realistic model. Haralambos and Holborn (2004) credit Max Webber for coming up with the bureaucratic model for closed organisation where the administrative model is placed. The administrative model considers the organisational hierarchy, reliance on rules and regulations and impersonality when making decisions. In addition, the administrative model assumes that everyone in the organisation is aware of the organisational goal, has access to adequate resources and that the environment will not affect decision making. Policies and standard operational procedures are used by an organisation in

order to make decisions or solve problems. The shortfalls of this model is that it creates bureaucratic systems which can slow down the decision making process, which involves a hierarchy and control structure in the making of decisions (Pettigrew, 2014).

Garbage-can model

According to Steen et al. (2017) the garbage-can model originates from the metaphor of a garbage bin, where solutions and problems are loosely placed together. The garbage-can model indicate that organisations employ decision making that comprises of participants, choice opportunities, problems and solutions (Cohen et al. 2012). The features of this model are associated with a weak organisational structure and control processes. Individuals are able to make their own decisions and no consequences are associated with the outcomes.

The garbage-can model describes an irrational decision-making process made by organisations that accepts a disconnection of important factors (Keohane (2002). These organisations are termed organised anarchies by the garbage-can model. These organised anarchies are perceived as a loose collection of ideas with loosely defined policies and goals. This is because, when policies are defined, they are associated with conflict about desired outcomes and standards. Furthermore, these organisations are also characterised by ambiguous technology preferences and, are extremely erratic. Lastly, because they are erratic decisions made cannot be relied upon. (Wiesel et al. 2011).

2.16. Public sector decision making

Decision making in the public sector is less autonomous than in the private sector. The South African Constitution obligates government to consult the general public when making decisions. For the national government, this means that a period for consultation would be made available to the public when introducing new projects or the introduction or amendments of laws and regulations (De Vos and Freedman, 2014).

Participative decision making is essential when public organisations need to make decisions that involve the public. Participative decision making affects internal staff as well as community members. From a South African perspective, this affects national, provincial and local government (Mitchell, 2009).

2.17. Ethical decision making

Cooper's decision-making model is commonly applied in the field of ethics. Moreover, the ethical framework is applied by all managers. The basis for making ethical decisions follows a sequential approach which involves a descriptive task, defining the ethical issues and then the identification of alternatives, thereafter choosing the alternative courses of action by projecting possible consequences which may lead to finding a fit. By applying this model, correct decisions can be taken about location selection, which would not contribute towards environmental or social dilemmas (Cheng and Flasher, 2018).

2.18. Tools for decision making

Henry (2017) explains that there are two radical views on computers, where one believes that computers are seen as a Messiah for human salvation and another contends that computers are the Satan of human damnation. Nonetheless, the growth of the internet and computer-based technologies have significantly impacted the decision-making process as well as any organisational management. Technology as a tool for decision making helps managers to make decisions more frequently and with improved quality. While access to Information and privacy has been highlighted as a shortfall for technology, change management and technology are important as they always complement each other. Other decision-making tools include the following:

- SWOT analysis
- PESTLE analysis
- Cost benefit analysis
- Pareto analysis
- Feasibility studies

Technology assists middle managers when making tactical management decisions while in turn addressing operational constraints. Information is also perceived as a symbol in decision making despite the fact that organisational leaders are still accountable for decisions made. While consulting legal practitioners or engineers can be viewed as logical approaches to management decision making, this perception is used more in the public sector than the private sector (Henry, 2017).

2.19. Summary

This chapter presented a literature review which attempted to address and unpack the research questions. Business strategy, decision making, and location theories were discussed as well as the concepts of new economic geography. Attention was paid to factors that influence locations and the business environment. Also, the decision-making process and selection was briefly discussed. Furthermore, competition and location strategies were discussed in this chapter.

As stated earlier, Kleynhans and Drewes (2008) purported the following factors for location strategy.

- Customers
- Suppliers
- Employees
- Transport
- Infrastructure
- Raw material
- Access to market
- Competition

These factors therefore, were focused on. This is because, it guided the empirical research along with the theory that included new economic geography and agglomeration. The next chapter expound on the research methodology, the approach and the instruments employed in this study.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This chapter briefly discussed the research methodology and the quantitative approach used for the purposes of the study. This chapter began by outlining the aims and objectives of the study as well as the research questions posed, thereby describing the location and participants of the study. The present data collection and data analysis, as well as the statistical tool of the respondents were also shown. In addition, the research instrument and the type of sampling used, which expounded on the reliability and the validity of the study were also discussed. This chapter was concluded with a summary after ethical considerations were highlighted.

3.2. Aim and objectives

3.2.1. Aim of the study

The aim of this study was to investigate location strategies used by existing businesses within the Kliprivier Business Park in Gauteng.

3.2.2. Objectives of study

- To examine the location decisions utilised by existing businesses within the Kliprivier Business Park.
- To investigate factors that affect business location decisions within the Kliprivier Business Park.
- To investigate what motivates businesses to remain within the Kliprivier Business Park.
- To recommend strategies for the development of the Kliprivier Business Park in order to attract new businesses.

3.3. Location of study

The study was conducted at Kliprivier business Park which is based in Midvaal on the southern part of the Gauteng province. The Kliprivier Business Park is located on the R59 freeway, south of Johannesburg. It is strategically positioned on the R59 and R550 interchange with the railway line adjacent to the development from Germiston to Meyerton and to Vereeniging. The Kliprivier Business Park includes businesses such as Heineken SA, Paramount Trailers and New Hope.

3.4. Participants

Based on the limited time of the research, participants were drawn from existing businesses at Kliprivier Business Park. The research population included companies that have employees who work on different shifts. However, this study focused on employees that work during the day. The research participants include employees from New Hope and Heineken SA that are in a supervisory or managerial position. However, Paramount trailers did not provide the researcher permission to collect data and therefore was not included in the study.

3.5. Research population and sample

The research study was conducted at the Kliprivier Business Park which is situated in the south of Johannesburg. The data was collected from Heineken SA and New Hope which are existing businesses at the Kliprivier Business Park. In order to ensure that all participants have an equal chance of being chosen, a simple random sample was applied in order to aid the data collection. The estimated population of 75 had a sample of 63 respondents who were involved directly with business location strategies.

3.6. Research Methodology and design

According to Gravetter and Forzano (2014) research methodology is the process of acquiring knowledge and answers in order to make a reasonable judgement on a phenomenon. In addition, the methods of acquiring knowledge range from methods of

tenacity, methods of intuition, methods of authority, methods of rationality and the empirical methods.

Research design enables the researcher to appropriately answer the research question using exploratory, correlative or descriptive design (Thiem, 2014). Nonetheless, Cooper and Schindler (2001) maintains that research design is the blueprint of a strategy, utilised for the purposes of fulfilling the objectives of the research study. The research design can be viewed as a plan or strategy employed to gather sound data for the correct purposes (Gravetter and Forzano, 2014).

3.6.1. Chosen Research Methodology And Design

With the use of a questionnaire, quantitative research methodology was employed. This methodology involved a descriptive research design which was aimed at focusing on the Klipriver Business Park case-study. Furthermore, some correlative research design approaches were adopted as they specifically focused on the relationship between location factors for business decision making. Quantitative research methods were employed to collect and analyse empirical data.

3.7. Research Approach

A descriptive study was utilised for the study in order to investigate location strategies and location decisions. According to Sekaran and Bougie (2016), a descriptive study is undertaken by the researcher to understand known characteristics better. The study employed a quantitative approach and used descriptive statistics.

McNabb (2015) explains that the research question influences and directs the choice of employing quantitative or qualitative research. In understanding the research approach without any ambiguity, a clear distinction between quantitative and qualitative research is noted. The methods selected, questions asked, statistical tool employed, inferences made were all directly influenced by the type of research method used. The research methodology was further influenced by the purpose of the study, which involved deductive reasoning. A questionnaire with close-ended questions was

used to gain an understanding on location decisions and strategies used by businesses operating from the Kliprivier Business Park.

3.7.1. Qualitative Research

Dawson (2009) points out that qualitative research explores behaviour, attitude and experiences. Qualitative research is somewhat seen as the alternative from quantitative research due to basic characteristics such as the approach adopted from the research question, type of data and data analysis approach. Qualitative research includes conducting in-depth-interviews, participants' observation, psychology testing, case studies, street ethnography and videotaping (Cooper and Schindler, 2001).

Sekaran and Bougie (2016) opined that qualitative research comprises of an inductive process which involves a process of building a theory and testing its strength and relateness. In addition, sampling strategies for qualitative research includes convenience sample, judgement sample and theoretical samples.

3.7.2. Quantitative Research

According to Gravetter and Forzano (2014) the term quantitative refers to the nature of research in determining variables that differ in quantity such as size, amount and duration. The results of this type of research are usually numerical data that is analysed mathematically or statistically. Quantitative research generates statistical data using survey research, questionnaires or structured interviews. Large populations and samples are used for generalisability.

Miller (2017) states that quantitative research methods are statistical research method which use mathematical and statistical analytical tools. However, this approach has limitations which includes low response rates and incomplete questionnaires.

3.7.3. Mixed Methods

Borrego et al. (2009) states that mixed methods involve incorporating both qualitative and quantitative methodologies in a single study. Mixed methods usually involves using interviews as well as a questionnaire. This approach was not employed for this study.

3.7.4. Chosen research approach

Since this study collected numerical data through a questionnaire, a quantitative approach was utilised. This study employed a quantitative research approach which was based on positivist philosophy. In addition, this study administered a questionnaire due to the limited time frame the research participants had.

3.8. Sampling

According to Kumar (2014) a sample is a portion of the population that is the focus of the study. In a quantitative research, the sample is selected in a way that is unbiased and represents the whole population. Choosing to sample has many supporting reasons which include saving costs and time. In addition, handling large or bulky data can be problematic and tricky, therefore a sample would be used with the purpose of simplifying the bulky data.

Dawson (2014) states that there are two types of sampling categories which are probability samples and purposive samples. Inferential sampling is used to investigate something about a population based on the sample.

3.8.1 Probability sampling

According to Kumar (2014) probability or random sampling implies that the population is known, and each element of the population has an equal and independent chance of being chosen. However, no controls are based on the selection sample. Methods of drawing probability samples include fishbowl draw, computer program, simple

random, stratified or a combined random sampling strategy (Gravetter and Forzano, 2014).

With the use of simple random sampling, the researcher can give the research accurate data by removing possible biasness in the selection process. Furthermore, probability samples can be selected with or without replacements, which can be made at one or multiple stages. This allows the researcher to adopt a level of confidence for generalising the population (Gravetter and Forzano, 2014).

3.8.2. Non-probability sampling

According to Kumar (2014) non-probability does not follow the probability theory when it concerns the choice of elements. Non-probability sampling is also called non-random sampling and is commonly used in qualitative and quantitative research. There are six non-probability sampling designs which are quota sampling, accidental sampling, convenience sampling, judgmental/purposive sampling, expert sampling, snowball sampling and systematic sampling.

In non-probability sampling the population is not completely known and individual probabilities cannot be determined. In addition, the odds of selecting a particular individual is unknown. This type of sampling is subjective to the researcher and the sample does not represent the entire population. Convenience sampling is commonly used because participants are easy to get. However, this type of sampling is considered weak because the researcher does not attempt to know the entire population (Gravetter and Forzano, 2014).

3.8.3. Employed sampling strategy

Simple random sampling of participants from a supervisory to managerial level was employed for this study. The sample was drawn from New Hope and Heineken SA employees.

3.9. Data Collection

Cooper and Schindler (2001) states that data collection refers to the gathering of data from participants either through various means or by secondary existing data. One of the determinants of the quality of data is its relevance to potential respondents and the quality of their response rate. This the reason why the use of a structured questionnaire has been employed for this study.

A questionnaire was used to acquire relevant and purposeful responses from participants. Furthermore, a questionnaire can be administered through mail, collectively, online or administered in a public place (Kumar, 2014).

3.10. Development of the instrument

The questionnaire was designed in a manner which addressed the objectives and ensured that data received is relevant. The reviewed literature identified location factor, location strategies and decision making. This secondary data was used as themes to construct the questionnaire.

The questionnaire composed of section A and B which are as follow:

- Section A – 6 questions covering demographic information.
- Section B was made up of thematic 44 questions

To make the questionnaire presentable and easy to read, the questions were grouped into thematic categories. The intention of clarity and simplicity were sought when the questionnaire was designed. A Likert scale was used for this questionnaire. A Likert scale is a rating scale with predetermined outcomes ranging from strongly disagree, agree, neutral, agree and strongly agree (Gravetter and Forzano, 2014).

The questionnaire for this research was thematically developed with grouped questions of 50. The thematic questions were deduced from the reviewed literature and was later matched with the objectives of the study. Section A, comprised of

questions relating to demographic data which included age, race, ethnicity education and work experience. Section B consisted of 44 themed questions which are aligned to the research question. The questionnaire was developed to provide meaningful questions aimed at addressing business location.

3.11. Administration and collection of research instrument

The data was collected using a self-administered questionnaire which was printed and delivered to the employees of New Hope and Heineken. The plan for the data collection was expected to be conducted over a four-week period and onsite visits were conducted to ensure good quality. The questionnaire was conducted in English and consisted of 50 questions.

3.12. Data analysis

Sekaran and Bougie (2016) indicates that data analysis has three objectives which consists of feeling the data, testing the goodness of the data and testing the hypothesis. Feeling the data includes checking for central tendency and testing the goodness of the data refers to measuring the reliability and validity of the data. once the data has been cleaned up and the goodness has been tested, then hypothesis testing can be done by the researcher.

Saunders and Lewis (2012) points out that quantitative data is split into categorical and numerical data. Categorical data consists of continuous and discrete data. Categorical data consists of descriptive (nominal) and ranked (ordinal) data.

The data was manually captured and was cleansed through an error and verification process. This was in order to ensure reliability. The data was analysed through a statistical package for the social sciences (SPSS version 25.0) which generated all data in a form of graphs and tables. The reason for using the SPSS programme was its ability to analyse quantitative data effectively.

According to Sekaran and Bougie (2016) states that descriptive statistics includes data such as central tendency (mean and standard deviation) which can be used to provide

descriptive information when it pertains to a set of data. Bedeian (2014) further pointed out that descriptive statistics are used to measure the relationship between variables. Descriptive statistics can also be used to describe relationships between variables. When one variable is used, it is referred to as univariate analysis. When two variables are used, it is known as bivariate analysis but when more than two variables are involved, it is referred to as multi-variate analysis.

This study used the following descriptive statistics to analyse and interpret the data:

- Means, standard deviations and frequencies were presented in charts and tables.
- Regression analysis to test the correlation of location factors. Regression analysis was also used for testing location decision making.
- Cronbach's Alpha to test for reliability.

This study used the following inferential statistics to analyse and interpret the data:

- Levene's test for equality of variances.

3.13. Pretesting

According to Cooper and Schindler (2001) pretesting is used to improve survey results through discovering errors on the research questionnaire. The pre-test sensitisation refers to identifying external threats towards validity that would make the respondents to react differently from people in the ordinary world. A pre-test is conducted to eliminate grammatical errors, ambiguity and the rephrasing of questions so that the relevant data can be collected (Gravetter and Forzano, 2014).

The research instrument was sent to five (5) of the participants involved in the study sample. After receiving constructive feedback from the pre-test, the research instrument was edited from errors and ambiguous statements. The research instrument was later administered after these changes were made.

3.14. Validation and Reliability

Dawson (2009) strongly believes that quantitative data analysis requires validity and reliability. Gravetter and Forzano (2014) argue that reliability is a criterion for the quality of the measurement tool. This is because, it is defined as the measurement procedure for stability and consistency. Therefore, a degree of consistency would be expected if the same questionnaire is given to the same respondents. Inconsistency measures comes from errors such as observer faults, environmental change and participant change errors. Measuring reliability is important because it ensures that the data is unbiased, has no errors and that measurements are stable from both the researcher and respondent (Gravetter and Forzano, 2014).

According to Cooper and Schindler (2001) the concept of validity refers to differences found with the measuring tool used and true differences among respondents tested. Different types of validity measures include face validity, concurrent validity, predictive validity, constructive validity, convergent and divergent validity. The relationship between validity and reliability is important for controlling quality. Reliability and validity are partially related and partially dependent. This is because a measuring procedure cannot be valid unless it is reliable and vice versa. However, some disparity can be accepted such as the levels of accuracy (Gravetter and Forzano, 2014).

In order to ensure reliability and validity, the research questionnaire was aligned to the research objectives. In addition, the data collection period was extended, in order to collect a sample large enough to ensure that reliability is tested. Moreover, Sekaran and Bougie (2016) indicates that the interitem consistency reliability or the Cronbach's Alpha reliability coefficient is a key statistic used to measure the consistency of the research instrument.

3.15. Ethical issues

As indicated by, Kumar (2014) ethical practice is a professional practise undertaken in line with principles of code of conduct by a professional group or organisation. This study applied sound ethical practises and ensured that an informed consent form was accompanied with each questionnaire.

3.15.1. Employed ethical consideration

The following considerations were undertaken to ensure that the study adopted sound and acceptable ethics:

- Permission to collect data was obtained from the participating companies before the data collection process began.
- The participants were informed of their right to consent to the participation before they were provided with consent forms. The consent forms indicated that their participation in the study was voluntary, would be treated with anonymity and they could opt out at any stage of the research.
- The researcher ensured anonymity by not requiring names or personal information in the questionnaire.
- Lastly, measures to ensure that no harm to participants occurred was ensured through confidentiality and anonymity.

3.16. Summary

This chapter presented the research methodology employed to conduct this study. The aims, objectives, research questions, location of study and participants were outlined. This chapter further outlined the research instrument employed which were pre-testing, reliability and validity of the study. The administration and collection of the research instrument was also discussed. The next section will be Chapter 4, which will present results from the data that will provide a detailed explanation.

CHAPTER FOUR: PRESENTATION OF RESULTS

4.1. Introduction

The previous chapter discussed the employed research methodology and approach used to collect empirical data. This chapter therefore presents the findings from the data collection as well as methods that were employed to analyse the data.

4.2. Data analysis

Since the data was quantitative in nature, it was statistically analysed using a statistical package for social sciences (SPSS version 25.0). The techniques and statistics employed have been described below.

4.2.1. Descriptive statistics

Frequency and percentages were computed as descriptive statistical values through analysing the mean and standard deviation for each dimension. Frequency and percentages were presented in the form of graphs and tables.

4.2.2. Inferential statistics

Inferential statistics were presented in the form of regression analysis, correlation and mean testing. In addition, Levene's test was used to test the difference in mean responses.

4.3. Validity and reliability

As indicated by Dawson (2009), quantitative data analysis requires validity and reliability. The main reason for this is that validity and reliability are based on the structure of the questionnaire as well as the sample size. Cronbach's Alpha is a test conducted to measure reliability, however, it could not be conducted because of the

sample size of the study. The reasons that this statistic could not be measured was that the sample size was too low, and this affected the accuracy of the statistic.

The sample size was reduced due to non-responsiveness from the research participants. The reduced sample size did not have major impacts on the study and because of that, Cronbach's Alpha could not be measured. Nonetheless, Levene's test provided a measure that identified the factors for business locations that can be used as valid and reliable factors.

4.4. Results and analysis



Figure 3: Frequency distribution of company data

Figure 3 indicates the distribution of the company data which was collected from New Hope and Heineken SA. New Hope respondents comprised of 45,7% of the sample size, while those from Heineken SA made up the remaining 54.3%. This indicates that Heineken SA had more participants than New Hope.

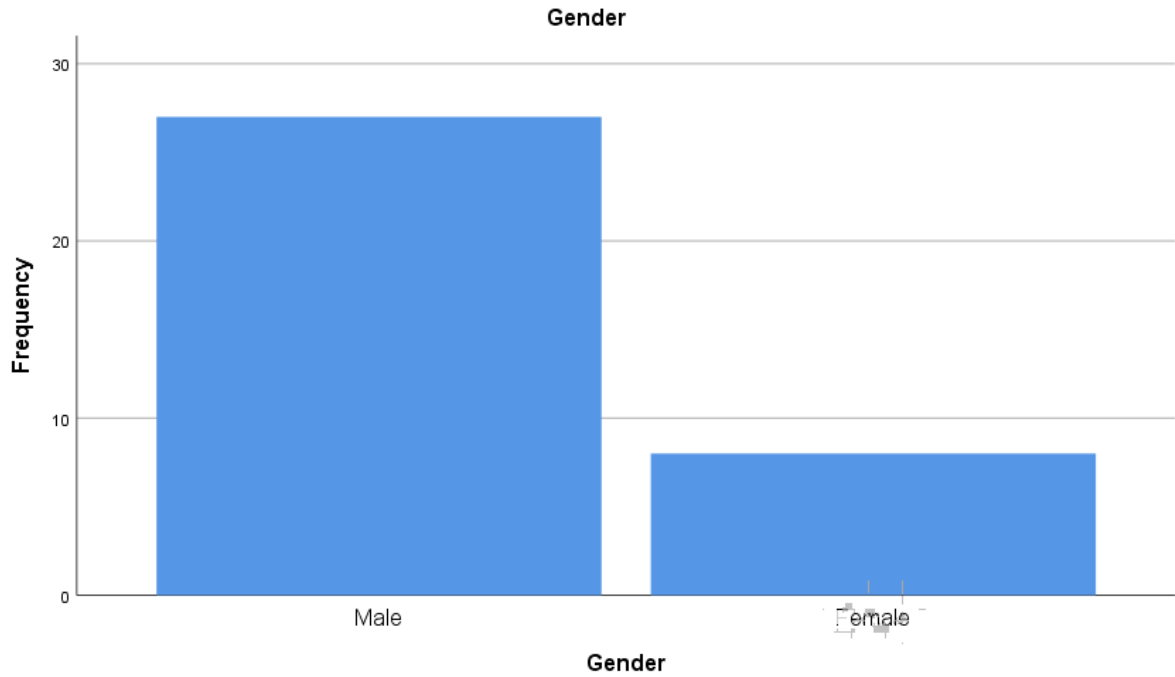


Figure 4: Distribution of respondent's gender

Figure 4 presents the gender distribution with 'male' respondents making up a majority of 77.1 % while 22.9 % respondents were female. The study comprised more males than females.

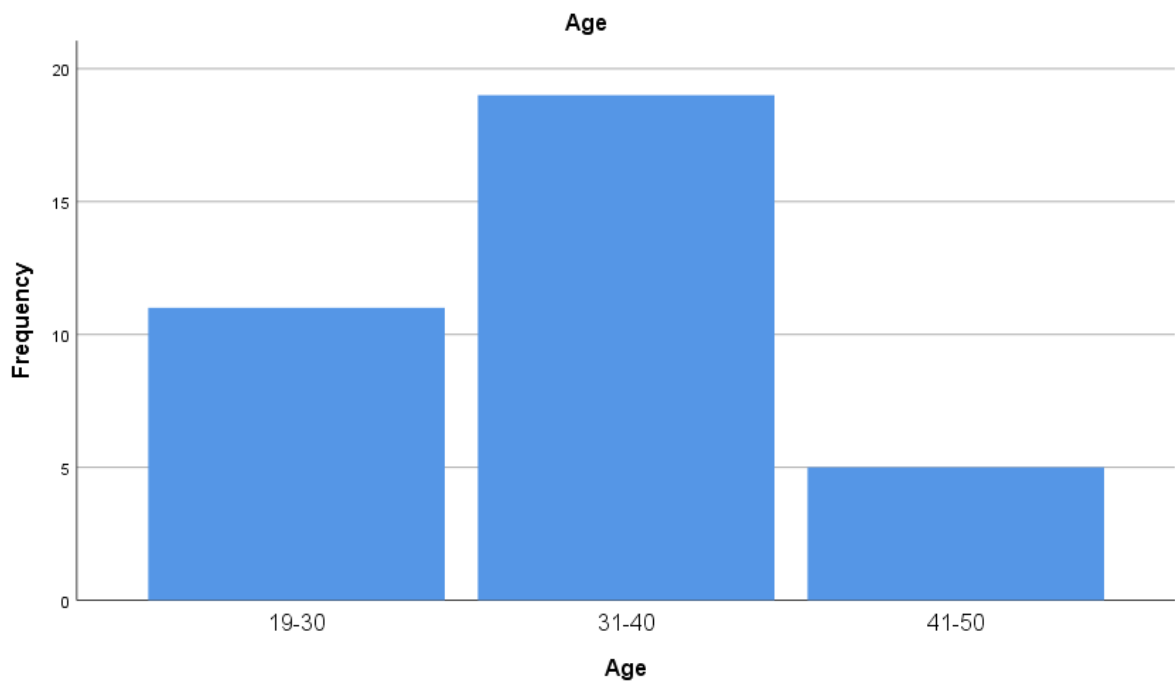


Figure 5: Distribution of respondents by age

Figure 5 presents the respondents ages. 54,3% of respondents were between ages 31-40, followed by 31.4% that were between ages 19-30 and lastly 14.3% that were between 41-50 years old. This indicates that the majority of employees at Klipriver Business Park are below the age of 40.

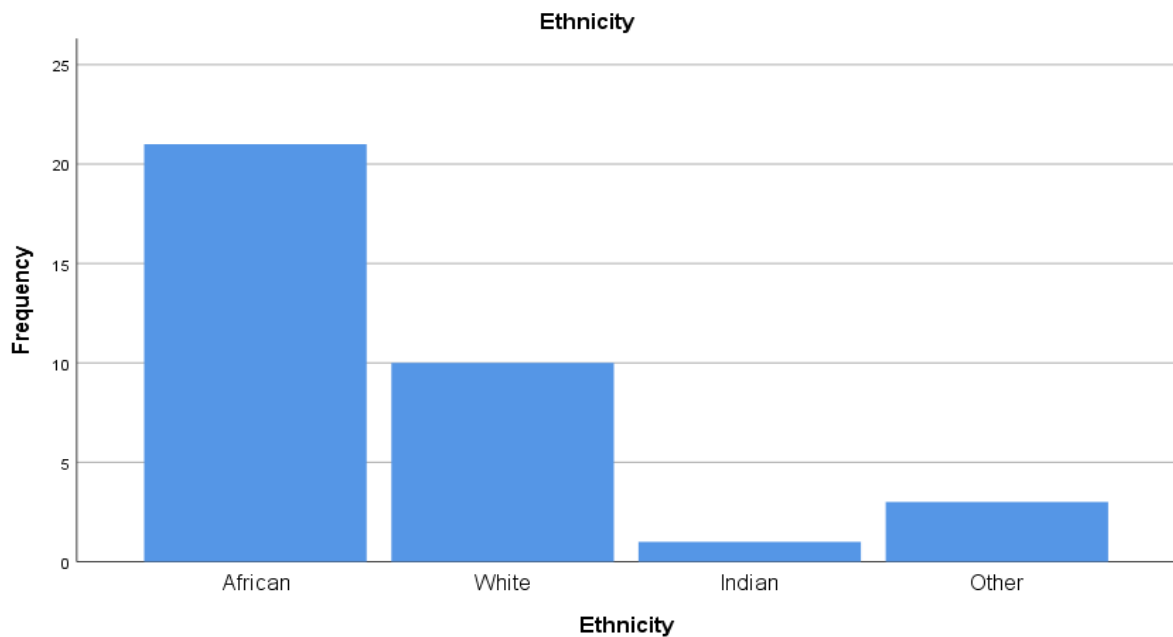


Figure 6: Ethnicity of respondents

As illustrated by Figure 6, 60% of the respondents were of African descent, 28.6% were White, one of the respondents was Indian and the remaining 2.8% were from other ethnicities. This indicates that majority of the employees from both Heineken SA and New Hope that participated were Africans.

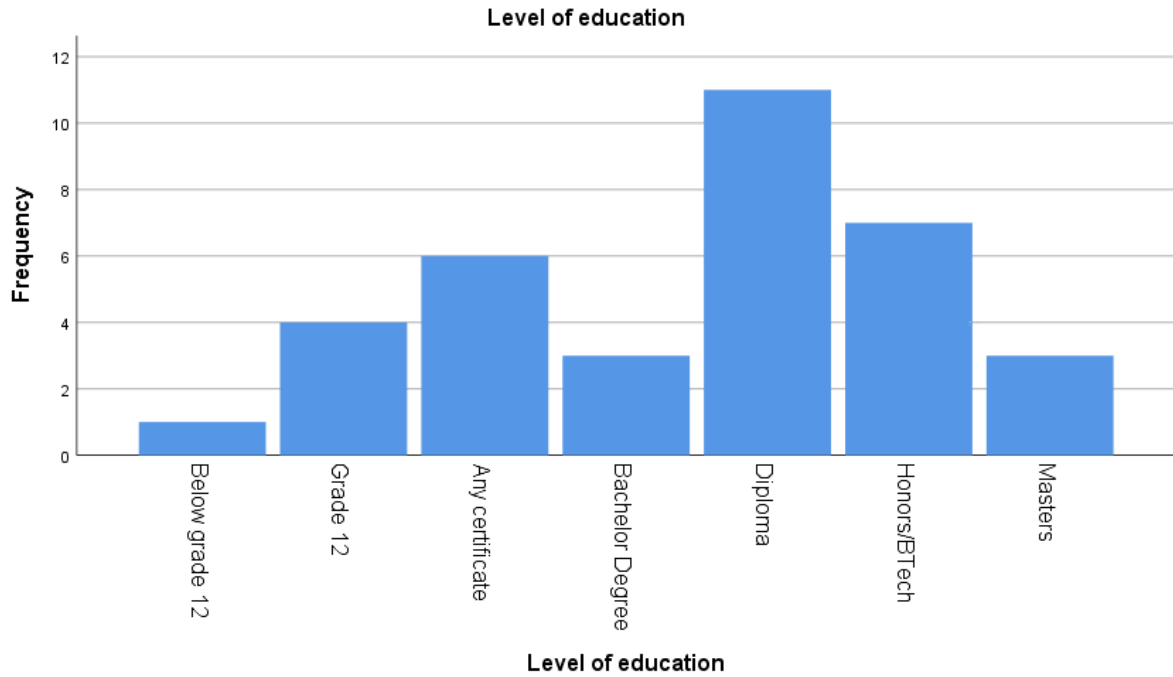


Figure 7: Distribution of respondents by educational level

Figure 7 indicates that 31,4% of the respondents had a Diploma, 20% had an Honours/BTech degree, 17.1% had some form of other certificates, 8,6% had a Grade 12 certificate and 8.6% had Masters. Only 2.9 had below grade 12 education.

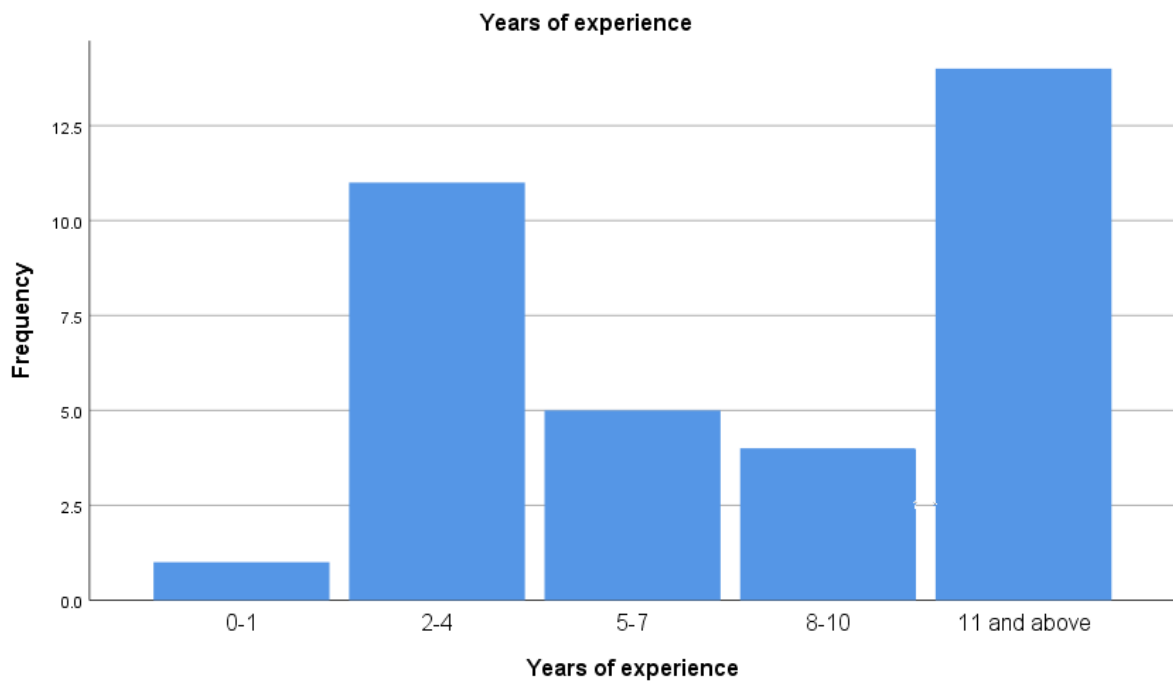


Figure 8: Distribution of respondents by years of experience

Figure indicates that the majority of respondents that scored 40% had work experience exceeding 11 years, 31.4% of them had worked between 2-4 years, 14.3% had worked between 5-7years and 11.4% have worked between 8-10 years. Only one of the respondents have worked for less than 2 years.



Figure 9: Distribution by managerial level

Figure 9 indicated that 28,6% were in a managerial position while the majority, which comprised of 54,3% of the respondents, were not in a managerial position. Lastly, 17,1% were not sure if they were in a managerial position or not.

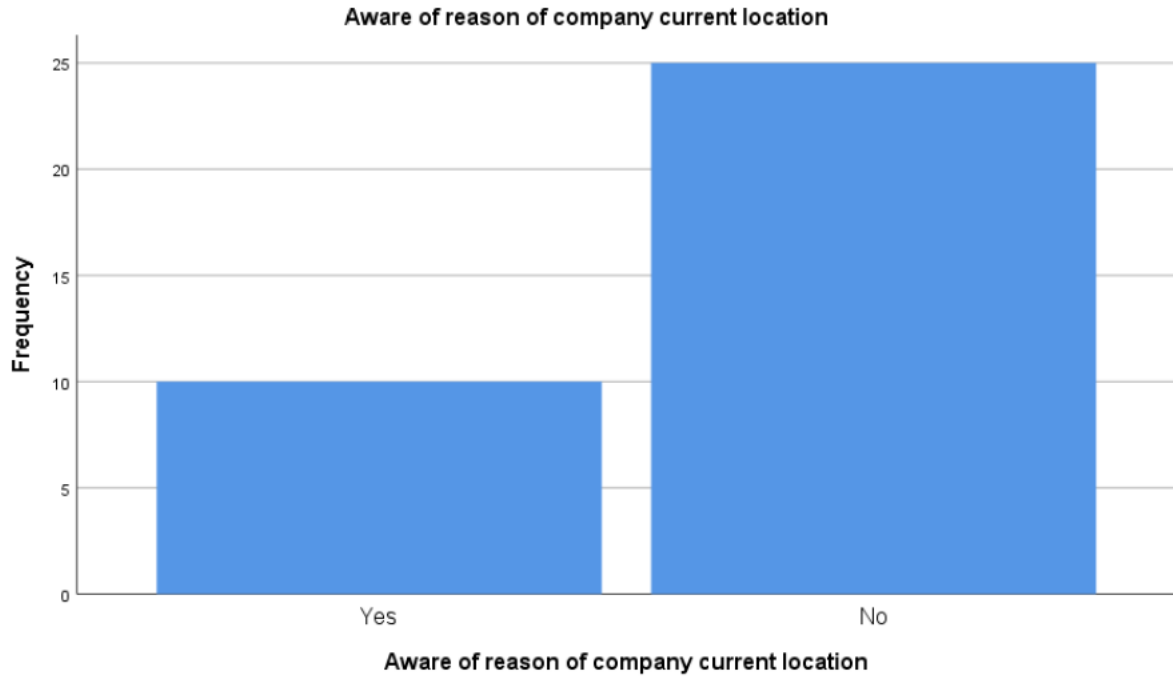


Figure 10: Aware of reason of company current location

Figure 10 presented the results of the question that attempted to determine if managers were aware of the reasons their company chose their current location. Results indicated that 71,4 % were not aware, while 28,6 % were aware of reasons of the company location.

Table 1: Strategy utilised when location decision was made

Strategy utilised when location was made					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18	51.4	51.4	51.4
	No	17	48.6	48.6	100.0
	Total	35	100.0	100.0	

Table 1 presented the results of the question that sought to determine if a strategy was used when current location was chosen. 48,6 % were not aware, while 51,4 % were aware that a strategy was utilised.

Table 2: Comparison of group means on location factors

Group Statistics						
	Strategy utilised when		N	Mean	Std. Deviation	Std. Error Mean
	location was selected					
Majority of customers situated within the same area	Yes		16	2.38	1.088	.272
	No		14	2.43	1.453	.388
Majority of suppliers situated within the same area	Yes		17	2.41	.939	.228
	No		16	2.50	.894	.224
Majority of employees situated within the same area	Yes		17	2.41	.939	.228
	No		14	2.57	1.342	.359
Transport affect company location	Yes		18	2.11	1.132	.267
	No		15	2.33	1.589	.410
Infrastructure affect company location	Yes		18	2.44	.922	.217
	No		12	2.67	1.614	.466
Raw material affect company location	Yes		18	2.17	.707	.167
	No		13	2.77	1.536	.426
Labour affect company location	Yes		18	2.44	.616	.145
	No		13	2.77	1.536	.426
Access to market affect company location	Yes		18	2.56	1.042	.246
	No		13	3.38	1.502	.417
Competition affect company location	Yes		18	2.44	1.042	.246
	No		13	2.92	1.498	.415

Table 2 illustrates a comparison of mean of location factors that are used for business retention. Access to market scored the highest with 3.38 with No and 2.56 with Yes. Followed by competition with 2.92 for No and 2.44 with Yes. The lowest was transport with 2.33 for No and 2.11 for Yes.

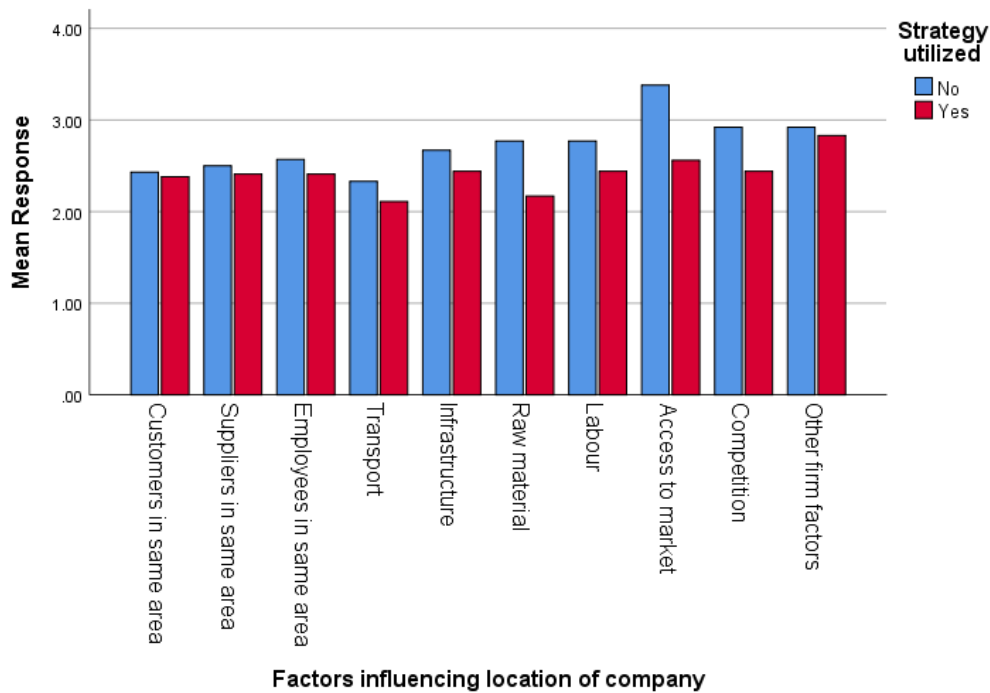


Figure 11: Factors influencing location a company

Figure 11 presents the mean response of respondents who believe that strategy was utilised in company location. A low mean below 3 here is good, which means they correlate that the factors influence company location. The lower the mean the stronger the correlation. Only the access to market which indicated no strategy was utilised has been presented as an extreme variable amongst the identified location factors.

To test if the difference in mean response is significant, we carry out a Levene's test. The results of this test have been presented in table 11 below.

Table 3: Levene's test for equality of variances.

	Levene's Test for Equality of Variances				
	F	Sig.	T	Df	Sig. (2-tailed)
Majority of customers situated within the same area	1.476	.235	-.115	28	.909
Majority of suppliers situated within the same area	.195	.662	-.276	31	.784
Majority of employees situated within the same area	3.387	.076	-.389	29	.700
Transport affect company location	2.048	.162	-.468	31	.643
Infrastructure affect company location	4.452	.044	-.481	28	.635
Raw material affect company location	9.904	.004	-1.469	29	.152
Labour affect company location	12.234	.002	-.815	29	.422
Access to market affect company location	3.719	.064	-1.818	29	.079
Competition affect company location	1.176	.287	-1.051	29	.302

Table 3 present results from Levene's test which was used to determine if the mean difference was significant. From the test, for each of the factors, the p-value is greater than 0, 05, which implies that for each of the factors, there appears to be no significant differences in the mean responses.

The majority of customers situated within the same area variable scored 0.235 which indicates that the variances are not different. The majority of suppliers situated within the same area variable scored 0.662, indicating the variances are not different. The majority of employees situated within the same area variable scored 0.761 which indicates that the variances are not different. Transport effect on company location variable scored 0.162, which again indicates the variances are not different. However, the infrastructure effect on company location variable scored 0.44 and raw material impact on company location variable scored 0.04 which indicates a violation of the variances. The labour influence on location variable scored 0.002 which also indicates a violation of variances. Access to market effect on company location variance scored 0.064 which indicates that the variances are not different. Lastly, the competition impact on company location variable scored 0.287 which indicated that the variances are not different.

Despite the fact that infrastructure, raw materials and labour indicates that there is a significant difference in variances, the mean f which was 4.288 and sig 0,17 indicated that the mean difference is not significant. Therefore, we can conclude that there are nine identified factors that can be used when making business location decisions.

Table 4: Correlation analysis of location factors.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.996 ^a	.993	.988	.78661

Table 4 indicates that the adjusted R square, shows that 98.8% of the variability in company location decision is influenced by these nine factors. The remaining 1.2% can be attributed to other random factors which cannot be measured.

Table 5: Coefficient analysis of location factors.

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.662	.712		.929	.367
	Majority of customers situated within the same area	1.367	.226	.212	6.049	.000
	Majority of suppliers situated within the same area	1.276	.244	.169	5.229	.000
	Majority of employees situated within the same area	1.227	.190	.174	6.441	.000
	Transport affect company location	1.241	.228	.242	5.434	.000
	Infrastructure affect company location	1.098	.397	.176	2.766	.014
	Raw material affect company location	.497	.312	.079	1.590	.133
	Labour affect company location	1.005	.383	.150	2.620	.019
	Access to market affect company location	1.028	.233	.183	4.409	.001
	Competition affect company location	1.018	.305	.172	3.338	.004

Table 5 above gives the regression equation for company location decision. From the standardised beta loadings, transportation with 24.2% contributes the greatest to company location decision making, followed by consumers living in the same area.

21.2% can be attributed to access the market at 18,3%, followed by infrastructure at 17,6%. This is then followed by competition factors, and the location of a majority of employees at 17,4%. The location of the majority of customers accounted for 16,9% and 15,0% to labour. Lastly, raw material made up 7.9%.

Table 6: Model summary for location factors

Model Summary ^b				
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.972 ^a	.946	.929	1.11364

From the Adjusted R square in table 6, above, 92.9% of the variation in tools companies used in location decisions are accounted for by these seven factors. The remaining 7.1% are due to other random tools which cannot be measured.

Table 7: Coefficients for location factors in decision making

Model		Coefficients ^a				
		Unstandardised Coefficients		Standardised Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.482	.952		2.609	.016
	Company utilises consultants and/or agencies for location decision	.447	.438	.098	1.021	.318
	Company utilises word of mouth for location decisions	1.320	.445	.276	2.968	.007
	Company utilises experience for location decisions	.636	.429	.138	1.481	.152
	Company utilises global/head office for location decisions	1.196	.415	.234	2.886	.008
	Company utilises internet for location decisions	1.105	.318	.238	3.475	.002
	Company utilises consult employees for location decisions	1.488	.364	.326	4.088	.000
	Company utilises top management for location decisions	1.005	.354	.223	2.838	.009

The results in table 7, above give the regression equation for the tools companies uses in making decisions for their location. From the standardised beta loading, the tool with the highest contribution is employees with 32.6% followed by word of mouth 27.6%

and so on. The least contributing tool companies uses for making decisions for their location are consultants/agencies which is at 9.8%

4.5. Summary

This chapter presented the data findings, analysis and the methodology employed. The data was presented in the form of descriptive and inferential statistics. The following chapter will provide an in-depth discussion of the study.

CHAPTER 5: DISCUSSION OF FINDINGS

5.1. Introduction

Chapter two provided a literature review which presented reviewed secondary data analysis that attempted to examine business location strategies and location factors. Some key findings consisted of eight (8) business location factors as well as consistent theories around business location strategies. While the previous chapter presented the findings from the empirical study, the collected data was analysed using SPSS 25. Both the empirical data and secondary data will be therefore be aligned to present comprehensive discussions on the findings of the study.

The aim of this study was to investigate location strategies utilised by existing businesses within the Kliprivier Business Park in Gauteng. This chapter, therefore, discusses the findings of the study in relation to the research questions and objectives.

5.2. Demographic information

As indicated in the previous chapter, the empirical data was retrieved from New Hope which comprised 45,7% of the sample and Heineken SA, which made up 54,3% of the respondents. However, Paramount Trailers was left unaccounted for since data was not collected due to the fact that the researcher was not given consent to retrieve data.

Demographic information that consisted of age, ethnicity, gender, education level and work experience was analysed. The study was made up of 77,1 % males and 22,9% females. This indicated that the industry sector that Heineken SA and New Hope operate in is male dominated and therefore requires some form of equality.

The majority of the age group was between 31 and 40, which comprised of 54,29% of the respondents. It was also noted that the highest level of education was a "Diploma" which made up 31,4% of the sample. The study revealed that 54,3% of the respondents were in management positions. However, 71,4 % of the participants

indicated that they were not aware of any reason why their organisation had chosen that location.

5.3. Research findings

This section presents discussions on the findings of the study consolidated in Chapter Two and Chapter Four. The objectives of the research, which were highlighted in Chapter 1, will be the main focus. This is in an attempt to address the research questions.

5.3.1. Objective one: To examine location decisions utilised by existing businesses within Kliprivier Business Park.

The first objective of the study was developed to examine the location decisions utilised by Heineken SA and New Hope. The purpose of this objective was two-fold. Firstly, to determine if employees were aware of reasons why their organisation chose its location. Secondly to determine, the actual decisions made.

Alam et al, (2015), indicated that location decisions are important in determining the performance of the facilities, production and longevity of assets. However, location decisions should not be seen as once off decisions but must be an integral part of the organisation's strategy (Galbraith et al. 2008).

With regards to the type of decision making that should be used, the reviewed literature identified four (4) decision making models. Hay (2004) stated that the rational decision-making model assumes that an individual or group will make a decision based on optimal gain through cost-benefit reasoning. The political model considers various organisational wide factors and thereby uses negotiation and bargaining in decision making (Henry, 2017). The administrative model considers decisions made through a standardised or bureaucratic process that considers policies and operational procedures (Pettigrew, 2014). Lastly, Steen et al. (2017) defined the garbage can model as collective anarchies with loosely defined anarchies. This meant that organisations have the ability to utilise negative or positive decision-making processes in order to have a sound location decision making.

28.6% of the respondents are aware of the reason their employer chose its current location, while 71.4% were unaware of the reasons. Figure 8 presents the findings of respondents at Klipriver Business Park, where 71,4% indicated that managers are not aware of the reasons why their organisation was setup in its current location. In addition, the results presented by figure 8 further held an overhanging reliability element of the respondents. However, since managers are involved in day to day work, it is assumed that business location decisions can be made in various ways.

Heineken SA and New Hope are multi-national corporations and location decisions are expected to be made by very senior employees. However, David (2011) argues that an organisation's strategy must be communicated across the whole organisation. The results of the study indicated that 71,4 % managers were not aware of the reasons why their organisations chose their respective location. Therefore, this was cited as one of the recommendations.

5.3.2. Objective Two: To investigate factors that affect business location decisions within Kliprivier Business Park.

The second objective of the study was developed to investigate factors that affect business location decisions. The reviewed literature identified various factors which consist of site-specific factors, industry specific factors and business specific factors. Business specific factors were the most important and thus was identified by Vlachou and Lakovidou (2015) to be the factors that influence location decisions and strategy. These factors have been listed below as:

- Majority of customers situated within the same area
- Majority of suppliers situated within the same area
- Majority of employees situated within the same area
- Impact of Transport on company location
- Impact of Infrastructure on company location
- Impact of Raw material on company location
- Access to market impact on company location
- Impact of Competition on company location

According to Vlachou and Lakovidou (2015) the identified 8 location factors are business specific. These factors consists of customers in the same area, suppliers in the same area, employees in the same area, transport, infrastructure, raw material, labour, access to market and competition.

Industry specific factors, as pointed out by Vlachou and Lakovidou (2015), in urban areas are characterised by agglomeration, smaller areas and higher competition. Larger production companies require large pieces of land and these are usually warehousing and manufacturing companies. These are mostly situated in the outskirts of a city or within a rural area. The latter is in line with regards to Heineken SA and New Hope.

5.3.3. Objective three: To investigate what motivates businesses to remain within Kliprivier Business Park.

The third objective of the study was developed to investigate what motivates businesses to remain at Klipriver Business Park. This made the reviewed literature and empirical study to consider business retention.

According to Kotler and Keller (2013) business retention is the ability to keep a business in the same area. This means that the bottom line of the organisation has to be met. The triple bottom line of an organisation refers to financial, social and environmental performance. In addition, this indicates that an organisation must be profitable and sustainable within the selected location.

The role of the Midvaal Local Municipality is also very important in business retention. The reviewed literature indicated that the local municipality plays an important role in ensuring that there are physical infrastructure such as roads, water and electricity connection. An organisation like Heineken SA consumes a lot of water and to ensure that the business is sustainable, an assurance and adequate water supply is required.

The findings of the study indicated that transport factors contribute the most in ensuring that an organisation remains in the same location. This could indicate, transport of raw materials and the final product. This also indicates the transportation

of employees. Furthermore, transport has a cost element for the company, suppliers, clients and the labour force.

The empirical findings presented in Table 14, indicated that access to labour and/or employees contributed the highest with 32, 6 % while the least contributing tool companies utilised for location decision making are consultants/agencies with 9.8%. This indicates that the relationship between the labour force and location was considered the most impactful. This phenomenon might be influenced by factors such as the cost of traveling to work. Another factor might be location with relation to social and health factors.

5.3.4. Objective four: To investigate strategies that can be recommended for development in Kliprivier Business Park, in order to attract new businesses

The independent t-test is an inferential statistical test that determines whether there is a statistically significant difference between the means in two unrelated groups. The hypothesis for the test is that the means from the two groups are equal. Here we tested if there is a difference in mean response between respondents who believe strategy was utilised, when company location decision was taken based on factors provided above. Levene's test indicated that there was no significant difference between the identified location factors and the location decision. Therefore, the identified factors can be used when establishing strategies that can attract new businesses to Kliprivier Business Park.

The findings of the study indicated that 92.9% of the variation in strategies companies used in location decisions are accounted for by eight factors. The remaining 7.1% are due to other random strategies which cannot be measured. Table 13 indicates that 92.9% relied on business location factors. This indicates that business operations depend largely on the location of the business.

Regression analysis is a way of mathematically sorting out which of those variables does indeed have an impact. It answers the questions: Which factors matter most and which of them can be ignored.

5.4. Summary

This chapter provided a careful analysis of the empirical data as well as literature review. This was aligned with the objectives of the study. This chapter also presented results from correlation tests and other survey results.

The secondary study identified business location strategies employed by many businesses correlated with Models of New Economic Geography. The empirical study indicates that there is a 98.8% correlation between location strategies and the location factors. Therefore, recommendations from these findings will be presented in the next chapter. The following chapter will provide recommendations and conclusions of study.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1. Introduction

This chapter summarises the study and also provides the final conclusions. The implications of this study are discussed which will then be followed by the encountered limitations. This chapter provides recommendations for effective strategies that will assist relevant businesses in attracting new business. This is in order to ensure business retention is achieved. Recommendations for future studies are also suggested which is followed by a summary that concludes the chapter.

6.2. Summary of findings

Chapter one introduced the research and the problem statement and chapter two provided a detailed review of literature on location strategies. Chapter three provided the employed research methodology and chapter four presented the findings from the collected data. The preceding chapter, chapter 5 discussed the findings of the study. The aim of the study was to investigate location strategies utilised by existing businesses within the Kliprivier Business Park in Gauteng. Heineken SA and New Hope were the identified existing businesses at Klipriver Business Park.

The findings of the study have revealed that the research question has been solved. The research question identified a problem in decision making for business location as well as a gap in literature which specifically looked at the Klipriver Business Park. Thus, the objectives of the study sought to investigate factors for business locations strategy. A summary of the key findings in respect of the objectives of the research are provided below:

6.2.1. Location decisions

The reviewed literature identified the rational model, political model, administrative model and garbage-bin models of organisational decision making. (Hay, 2004) stated that the rational model of decision making argues that individuals will take the rational

choice. However, this decision-making model is very pessimistic and cannot be relied upon. The political model for decision making was also identified and this model considered wider organisational elements that are useful for reducing conflicts, thereby encouraging debating issues until they are exhausted (Henry, 2017). Haralambos and Holborn (2004) credited Max Webber as the father of the administration decision making model which essentially focuses on the means rather than the end in decision making. The administration model of decision-making forms part of the bureaucratic model for organisations. Steen et al. (2017) presented the garbage can model which includes organised anarchies which makes decisions using irrational and self-serving needs.

The study revealed that 51,4% of the respondents believed that their organisation utilised a location strategy. While 71,4 % of the respondents were unaware of the reasons behind their company's choice of location. This indicated that location decision making was taken by very senior managers and was not always communicated to the rest of the organisation.

6.2.2. Factors that affect business location decisions

The literature review identified eight location factors which include the following:

- Majority of customers situated within the same area
- Majority of suppliers situated within the same area
- Majority of employees situated within the same area
- Impact of Transport on company location
- Impact of Infrastructure on company location
- Impact of Raw material on company location
- Access to market impact on company location
- Impact of Competition on company location

These eight location factors were identified in the study and it was revealed that transportation and customers living in the same area scored the highest which was 24,2% and 21,2% respectively. The findings indicated that there is a 98,8% correlation

between business location decisions and nine identified factors. The study also revealed that the identified factors affected location decisions differently.

The reviewed literature identified classical and theoretical location factors, while the empirical data analysis analysed nine location factors. Business location factors refers to anything that affects a business positively or negatively. Jordaan et al. (2004) argues that the most distinctive characteristics between urban and rural locations are the high concentration of people and activities. Nonetheless, the literature review further pointed out that there are primary, secondary and tertiary factors to consider (Vlachou and Lakovidou, 2015).

6.2.3. Motivation for businesses to remain in the same location

The reviewed literature indicated that business retention is affected by various factors. Kottler and Keller (2013) argues that a business can use growth strategies to aggressively grow their products and also diversify because defensive strategies are mainly utilised by businesses that want to reduce a product range or disinvest in a certain location of business. Porter (2008) argues that competition influences business location severely. The literature review also indicated that profit maximisation is the sole reason that motivates organisations to remain in one area. Secondly, competition is a key factor that affects an organisation's location because it usually involves decision that affects whether they are expanding or moving out. Lastly, external factors such as political risks, currency performance or access to raw materials also have an influence on business location decision-making.

The findings of this study indicated that there is a 98,8% correlation between the nine identified location factors and business strategy. Transport contributed the highest with 24.2 % and raw materials the least with 7.9 %.

6.2.4. Strategies to attract new businesses

The location of this study was situated within a rural area in the south of Johannesburg. The literature review indicated that businesses in urban and rural areas have different needs and therefore functions differently. Since, Kliprivier Business Park is within a

rural area and has a proximity to Johannesburg and OR Tambo airport, recommendations for attracting new businesses should be directed towards large manufacturing and warehousing companies.

6.3. Implications of this research

Klipriver Business Park is located within a rural area in the South of Johannesburg. As presented in chapter 2, Vlachou and Lakovidou (2015) stated that within a rural setting, there are generally manufacturing companies. In addition, Cohen, (2000) argued that within a rural area, manufacturing companies would have highly specialised work force. This was evident, as Heineken SA and New Hope are both manufacturing companies with highly specialised employees.

The findings of the study indicated that there are various factors that influenced the business location strategy. These factors are site specific factors, industry specific factors and business specific location factors (Vlachou and Lakovidou, 2015). Business specific factors were identified as the most important because they cater to the unique needs of the organisation and can be aligned to the strategy of the organisation.

6.4. Limitations of study

The study encountered certain limitations which will affect generalisation:

- The study was limited to Heineken SA and New Hope. Paramount Trailers did not participate in the study.
- It took respondents, a considerably long duration to return questionnaires and some did not respond at all due to the manual administration of the questionnaire.
- Due to time limits, the sample size was reduced, and some factor analysis were omitted.
- Some respondents were not involved in the decision making for the company location.

6.5. Recommendations of the study

Upon the analysis of the key findings of the study, the following recommendations were made in order to address the research question.

6.5.1. Employee role clarification

The study revealed that 17,1% of the respondents were unsure if they were in a managerial position or not. This indicated that employees carried out tasks that they believe should be done by managers. The clarification of employee roles is important in ensuring that employees undertake the scope of their work.

6.5.2. Communication of organisational strategies

The key findings of the study revealed that 71,4% of the respondents were unaware of reasons for their company's current location decision making. The organisation's location forms part of the organisational strategy. It is suggested that sessions must be made available, in order to give employees understanding regarding the organisational strategy.

6.5.3. Technological innovation

High levels of innovative activity are associated with technological change and innovation. It is suggested that technological innovation can be employed when making location decisions. Chain businesses can be linked up using strategic locations. Technological innovation is suggested as a recommendation that can be employed by the Kliprivier Business Park management in order to attract new businesses.

6.5.4. Mapping assets

This recommendation is suggested alongside the previous recommendations for adopting technological innovation. GIS maps can provide useful information such as land zones, tax classification and the availability of assets.

6.5.5. Marketing the Municipality

The local municipality has its own vision for growth, however, a detailed plan and partnership vision and mission statement are suggested as a recommendation. The marketing of the local municipality would include local leaders that are involved in community wide activities such as training, development and countering civil protests. A strategic partnership with the local municipality can be utilised to attract new businesses. Policy makers can engage the business sector in discussing policies that can affect local businesses.

6.5.6. Auditing the broader community

It is suggested that the management of the Kliprivier Business Park should conduct a community audit which will include an assessment of local communities, infrastructure, labour force and other similar elements. The immediate community of the Kliprivier Business Park forms part of the location decision factors. It is suggested that a broad community audit should be conducted. In addition, the community audit is suggested to be repeated, reviewed and updated annually.

6.5.7. Competitive and defensive strategies

Attracting companies that have adopted competitive and defensive strategies is suggested. The Kliprivier Business Park lays between Johannesburg and the north of the Free State province. Companies that are looking at either relocating for growth or other purposes can be attracted to set up at the Kliprivier Business Park. Likewise, companies that are disinvesting or are defensive can be targeted in order to attract new businesses.

6.6. Recommendations for future studies

It is recommended that the administration of this same study can be conducted electronically. This is because, this may improve the response rate of the survey while carefully selecting dates that will be used in administering the research instruments. It is also recommended that a qualitative study that focuses on board members and

senior managers can produce more realistic outcomes on location decision making. Lastly, a comparative study between similar firms such as Heineken SA and Anheuser-Busch InBev (SAB) is recommended.

6.7. Conclusion

This study was undertaken to investigate business location strategies utilised by existing businesses within the Kliprivier Business Park in Gauteng. The identified businesses were Heineken SA and New Hope which are both manufacturing companies. The reviewed literature identified eight location factors that influenced business strategy. The research objectives sought to address the research question. The empirical findings revealed a significantly positive correlation of 98,8% between location factors and business location strategy. The research objectives were addressed, and sound recommendations were made. Some key findings revealed that NEG models provided business location factors as well as business location strategies that include growth and defensive strategies. It can be concluded that business location strategies are significantly influenced by business specific location factors.

References:

- Alam, K.S.M., Wali, F.I., Hossain, S., & Wali, M.M.M.I. (2015). Does the Location of Directors Matter? Information Acquisition and Board Decisions: *The Journal of Developing Areas*. Volume 49 No. 6, Pp. 505 – 517.
- Alcacer, J. (2006). Location Choices Across the Value Chain: How Activity and Capability Influence Collocation. *Management Science*. Vol. 52, No. 10, pp. 1457–1471.
- Barnes, D.J., Dominguez, K.A. & Vazquez, W.J., (2017). Aligning Business Decision Making to Strategy.
- Bedeian, A.G., (2014). More than meets the eye": a guide to interpreting the descriptive statistics and correlation matrices reported in management research. *Academy of Management Learning & Education*, Vol. 13, No. 1, pp. 121-135.
- Brand, U., Boos, T. & Brad, A., (2017). Degrowth and post-extractivism: two debates with suggestions for the inclusive development framework. *Current Opinion in Environmental Sustainability*, 24, pp.36-41.
- Borrego, M., Douglas, E.P. & Amelink, C.T., (2009). Quantitative, qualitative, and mixed research methods in engineering education. *Journal of Engineering Education*, 98(1), pp.53-66.
- Bryman, A., (2006). Integrating Quantitative and Qualitative Research: How Is It Done? *Qualitative Research*, 6(1), pp.97-113.
- Bryman, A. And Bell, E. (2014). *Research Methodology: Business and Management Context*. Cape Town: Oxford University Press.
- Capello, R. (2011). Location, Regional Growth and Local Development Theories. *Aestimum*. Vol 58. pp. 1-12.

Cheng, C, & Flasher, R. (2018). Two Short Case Studies In Staff Auditor And Student Ethical Decision Making', *Issues In Accounting Education*, Vol. 33, No. 1, pp. 45-52.

Cohen, N., (2000). Business location decision-making and the cities: bringing companies back. Washington DC: Brookings institution centre on urban planning.

Cohen, M. D., March, J. G., & Olsen, J. P. (2012). A Garbage Can Model at Forty: A Solution That Still Attracts Problems. *The Garbage Can Model Of organisational choice: Looking Forward At Forty* pp. 19–30.

Commendatore, P., Kubin, I., Mossay, P., & Sushko, I. (2017). The role of centrality and market size in a four-region asymmetric new economic geography model. *Journal of Evolutionary Economics*, 27(5), 1095–1131.

Cooper, D.R., & Schindler, P.S. (2001). *Business Research Methods*. Boston: McGraw-Hill.

Crichton, M.T, Flin, R, & Rattray, W.R., (2000). Training Decision Makers – Tactical Decision Games. *Journal of Contingencies & Crisis Management*, vol. 8, no. 4, p. 208-17.

David, F.R. (2011). *Strategic Management: Concept and Cases*. Boston: Prentice Hall.

Dawson, C. (2009). *Introduction to Research Methods: A Practical Guide to Anyone Undertaking a Research Project*. Oxford: How-To-Books.

De Vos, P., & Freedman, W. (2014). *South African Constitutional Law in Context*. Cape Town: Oxford University Press.

Ermilov, S. (2014). GrafTech: Cost Optimization, Hidden Asset, And Panic Selling Offer Outstanding Upside For Contrarian Investors After 60% Sell-Off. Available on <https://seekingalpha.com/article/2565575-graftech-cost-optimization-hidden-asset-and-panic-selling-offer-outstanding-upside-for-contrarian-investors-after-60-percent-sell-off>. Accessed on 18 November 2018.

Galbraith, C.S., Rodriguez, C.L., & DeNoble, A.F., (2008). SME Competitive Strategy and Location Behaviour: An Exploratory Study of High-Technology Manufacturing. *Journal of Small Business Management*. 46(2), pp. 183–202

Games, D. (ed.) (2012). *Business in Africa: Corporate Insights*. Johannesburg: Penguin Books.

Goerzen, A., Asmussen, C, G., and Nielsen, B, B,. (2013). Global cities and multinational enterprise location strategy. *Journal of International Business Studies*, Vol 44, Pg. 427–450.

Gravetter, F.J., and Forzano, L.B. (2014). *Research Methods for the Behavioural Sciences*. New York: Cengage Learning.

Haralambos, M., & Holborn, M. (2004). *Sociology: themes and perspectives*. London: Collins.

Hay, C. (2004). Theory, Stylized Heuristic or Self-Fulfilling Prophecy? The Status of Rational Choice Theory in Public Administration. *Public Administration*. 82, 1, pp. 39-62.

Henry, N. (2017). *Public administration and public affairs*. Prentice – Hall of India: New Delhi.

Horwitz, S. (2016). *Behavioural Economics: A Virginia Political Economy Perspective*. *Economic Affairs*, Vol. 36, No. 3, pp. 273-281.

Iskakov, M., Iskakov, A. and d'Aspremont, C., (2018.) Games for cautious players: the equilibrium in secure strategies. *Games and Economic Behaviour*, 110, pp.58-70.

Jaworek, M., Magdalena Kuczmaraska, M., & Kuzel, M. (2018) Location factors of foreign direct investment: a regional perspective. *OLSZTYN ECONOMIC JOURNAL*. 13(2), 153–165

Jordaan, A.C., Drost, B.E. & Makgata, M.A., (2004). Land Value as a Function of Distance from the CBD: The Case of the Eastern Suburbs of Pretoria. *South African Journal of Economic and Management Sciences*, 7(3), pp.532-541.

Jensen, N.M., (2017). Job Creation and Firm-Specific Location Incentives. *Journal of Public Policy*, 37(1), pp.85-112.

Karadeniz, M., (2009). The importance of retail site selection in marketing management and hypothetical approaches used in site selection. *Deniz Bilimleri ve Mühendisliği Dergisi*, 5(3).

Keohane, R. (2002). *Intergovernmental Organizations and Garbage Can Theory*. *Journal of Public Administration Research & Theory*, 12, 2, pp. 155.

Kleynhans, E., & Drewes, E. (2008). The Influence on Competitiveness of South African Industries. *Journal of Economic and Financial Science*. 2(2). Pp. 139 – 158.

Kotler, P., & Keller, K.L. (2012). *Marketing management*. Boston: Pearson Education Limited.

Kumar, R. (2014). *Research Methodology: A Step-By-Step Guide for Beginners*. Los Angeles: Sage.

Lang, M. & Mokrani, D. (2013). Beyond development: Alternative visions from Latin America. Amsterdam: Transnational Institute, Rosa Luxemburg Foundation.

Li, C, Henley, J, Ansell, J, & Dong, T. (2011). Location-Specific Factors, Localisation Strategy, And Firm Performance: A Case Study of Taiwanese Manufacturing Mne Subsidiaries Investing In China, *Tijdschrift Voor Economische En Sociale Geografie (Journal Of Economic & Social Geography)*, 102, 4, pp. 426-440.

Lui, C, Vlaev, I, Fang, C, Denrell, J, and Chater, N., (2017) Strategizing with biases: making better decisions using the mindspace approach. *California Management Review*, 59, 3, pp. 135-161.

Malik, R. (2018). Key location factors and the evolution of motives for business service offshoring to Poland. *Journal of Economics and Management*. Vol. 31 (1).

McNabb, D.E., (2015). *Research methods in public administration and non-profit management*. London: Routledge.

Miller, C., (2017). Quantitative Research In. *Muddy Boots and Smart Suits: Researching Asia-Pacific Affairs*, pp.73.

Mitchell, R.C., (2009). Strategy formulation. *Making Strategy Happen*, Ballinger, Cambridge.

Murray, M.N., Dowel, P & Mayes, D.T., (1999). The Location Decision of Automotive Suppliers in Tennessee and the Southeast. *Centre for Business and Economic Research, College of Business Administration, the University of Tennessee*, pp. 1-47.

Nishimura, K.G. & Ozaki, H., (2017). Equilibrium indeterminacy in arrow–debreu economy with knightian uncertainty. In *Economics of Pessimism and Optimism* (pp. 83-90). Springer, Tokyo.

Peters, H., Schröder, M. and Vermeulen, D., (2018). Hotelling’s location model with negative network externalities. *International Journal of Game Theory*, pp.1-27.

Pettigrew, A.M., (2014). *The politics of organizational decision-making*. Oxon: Routledge.

Porter, M.E., (2008). The five competitive forces that shape strategy. *Harvard business review*, 86(1), pp.25-40.

Reuters. (2013). South32 to cut more than 400 jobs at South African manganese mine – union. Available on <https://af.reuters.com/article/commoditiesNews/idAFL8N13W2AF20151207>
Accessed on 18 November 2018.

Saaty, T.L. (2008). Decision making with the analytic hierarchy process, *International Journal of Services Sciences*, Vol. 1, No. 1, pp.83–98.

Schiller, B.R. (2011). *Essentials of Economics*. New York: McGraw-Hill Irwin.

Sekaran, U. & Bougie, R., (2016). *Research methods for business: a skill building approach*. London: John Wiley & Sons.

Steen, J., Ford, J.R., & Verreynne, M-L, (2017). Symbols, sublimes, solutions, and problems: a garbage can model of megaprojects. *Project Management Journal*, Vol. 48, No. 6, pp.117–131.

Sweeney, S.H. & Feser, E.J., (2004). Business Location and Spatial Externalities. *Spatially Integrated Social Science*, pp.239-262.

Szałucka, M. (2015), Does location really matter? The influence of the FDI location on enterprise competitiveness: the evidence from polish enterprises, managing global transitions. *International Research Journal*, Vol. 13, No. 2, pp. 125-149.

Thiem, A. (2014). Membership Function Sensitivity of Descriptive Statistics in Fuzzy-Set Relations, *International Journal of Social Research Methodology*. Vol. 17, No. 6, pp. 625-642.

Vlachou, C, & Lakovidou, O. (2015). The evolution of studies on business location factors, *Journal of Developmental Entrepreneurship*, 20, 4, pp. 1.

Wiesel, F, Modell, S, and Moll, J. (2011). Customer Orientation and Management Control In The Public Sector: A Garbage Can Analysis. *European Accounting Review*, 20, 3, pp. 551-581.

Appendix 1:

Research Questionnaire and Informed Consent

The investigation of location strategies utilized by existing businesses in
Kliprivier Business Park in Gauteng.

Questionnaire

Section A:

1.1		Age			
1	2	3	4	5	
Below 18	19 – 30	31 – 40	41 - 50	51+	

1.2		Ethnicity			
1	2	3	4	5	
African	White	Indian	Coloured	Other	

1.3		Gender
1	2	
Male	Female	

1.4		Level of Education
Below	Grade	
12		
Grade 12		
Any	certification	
Bachelor	Degree	
Diploma		
Honors/	BTech	
Masters		
PhD		

1.5	Number of years of experience	
	0 – 1	
	2 – 5	
	5 – 7	
	8 – 10	
	Above 11	

1.6	Are you in a managerial level	
	Yes	
	No	
	Not sure	

Section B

Kindly mark an 'X' on the selected answer.

2.1	Are you aware why your company moved to this current location?	
1		2
	Yes	No
2.2	Was a strategy utilized when this location was utilized?	
1		2
	Yes	No

	Where are the majority of your customers situated?	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
2.3	Within the same areas					

2.4	Within the same region but different areas					
2.5	In a difference province?					
2.6	In a different country?					
Where are the majority of your suppliers situated?		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
2.7	Within the same area?					
2.8	Within the same region but different area?					
2.9	In a different province?					
2.10	In a different country?					
Where are the majority of your employees situated?		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
2.11	Within the same area?					
2.12	Within the same region?					
2.13	In a different province?					
2.14	In a different country?					
What factors affect your company with regards to the location?		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
2.15	Transport					
2.16	Infrastructure					

2.17	Raw materials					
2.18	Labour					
2.19	Excess to market					
2.20	Competition					
2.21	Other firm specific factors					
What motivates your business to remain at the current location?		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
2.22	Does the municipal provide adequate business support?					
2.23	Does the Kliprivier Business Park provide adequate support					
2.24	Is there sufficient water connection and supply?					
2.25	Is there sufficient electricity connection and supply?					
2.26	Is there appropriate sewer infrastructural connection?					
2.27	Are the roads properly maintained?					
2.28	Are the relevant building plans and land use					

	applications effective?					
2.29	Do you find it easy to contact the municipality?					
2.30	Is there adequate customer support service?					
2.31	Have you experienced any customer service complaints in the last 3 months?					
Retention decision.		Strongly agree	Agree	Not sure	Disagree	Strongly disagree
2.32	Management finds the location preferable.					
2.33	Availability of public safety services (police stations etc.)					
2.34	Ease of access for workforce, suppliers and customers.					
2.35	Favourable conditions for business.					
2.36	Climate is conducive to operation.					
2.37	Consider expending?					
2.38	Consider relocating?					

Location strategy		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
2.39	Do you believe that strategy formulation is important when making business location decisions?					
2.40	Are you involved in business location decisions?					
Do you think your company utilized any of the following when making location decisions?		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
2.41	Consultants and/or agencies					
2.42	Word of mouth					
2.43	Experience					
2.44	Global/Head office decision					
2.45	Internet					
2.46	Word of mouth					
2.47	Consult employees					
2.48	Top management decision making					
2.50	Anyone					

INFORMED CONSENT DOCUMENT

Dear Participant,

My name is Thanduxolo Mthembu (Student No: 206522613). I am a Masters candidate studying at the University of KwaZulu-Natal, Westville Campus. The title of my research is: "The Investigation of Retention Strategies Utilized by Kliprivier Business Park towards Existing Businesses". The aim of the study is to investigate retention strategies that can be applied within a speculative development. I am interested in interviewing you so as to share your experiences and observations on the subject matter.

Please note that:

- The information that you provide will be used for scholarly research only.
- Your participation is entirely voluntary. You have a choice to participate, not to participate or stop participating in the research. You will not be penalized for taking such an action.
- Your views in this interview will be presented anonymously. Neither your name nor identity will be disclosed in any form in the study.
- The record as well as other items associated with the interview will be held in a password-protected file accessible only to myself and my supervisors. After a period of 5 years, in line with the rules of the university, it will be disposed by shredding and burning.
- If you agree to participate please sign the declaration attached to this statement (a separate sheet will be provided for signatures)

I can be contacted at: Graduate School of Business and Leadership, University of KwaZulu-Natal, Pietermaritzburg Campus, Scottsville, Westville, Durban. Email: Mthembu.thanduxolo@gmail.com Cell: 061 185 5630

My supervisor is Mr Njabulo Khumalo who is located at the Graduate School of Business and Leader at Westville Campus, Durban of the University of KwaZulu-Natal. Contact details: email Khumalon6@ukzn.ac.za. Phone number: 031 260 8768.

The Humanities and Social Sciences Research Ethics Committee contact details are as follows: Ms Phumelele Ximba, University of KwaZulu-Natal, Research Office, Email: ximbap@ukzn.ac.za, Phone number +27312603587.

Thank you for your contribution to this research.

DECLARATION

I..... *(full names of participant)* hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire. I understand the intention of the research. I hereby agree to participate.

I consent / do not consent to have this interview recorded (if applicable)

SIGNATURE OF PARTICIPANT

DATE

.....

This page is to be retained by researcher

Appendix 2 – Gatekeepers’ letter _ Heineken SA



HEINEKEN South Africa
Inanda Greens, 54 Wierda Road West,
SANDTON, 2196, South Africa
P.O. Box 6146, RIVONIA, 2128,
T +27 10 226 5000

Sanele Shabalala
Public Policy Manager
E – Sanele.Shabalala@heineken.com

20 July 2017

Mr. Thanduxolo Mthembu
Office of the Mayor
Midvaal Local Municipality
Sedibeng

Dear Mr. Mthembu

It give us great pleasure to respond to your request where you requested to conduct a research study titled “The investigation of location strategies utilized by existing businesses in klipriver Business Park”

Permission has been granted to you on the basis that the research findings will be shared with HEINEKEN SA before printing. In addition, you are required to adhere to the ethical standards as prescribed by the ethical clearance committee.

We wish you best of luck on your studies.

Regards



Sanele Shabalala
Public Policy Manager

Appendix 3 – Gate keepers letter _ New Hope SA



NewHopeSouth Africa (Pty) Ltd

Address: 78Technology Cresent, Klipriver Business Park, Randvaal
Meyerton, South Africa.

Tel: +27 010 0072488

E-mail: admin@newhopesa.co.za

Website: www.newhopeagri.co.za

Reg.No.2012/036255/07 VAT NO. 4490262013


18th July 2017

To whom it may concern:

Mr Thanduxolo Mthembu approached New Hope with the intention to conduct a research study entitled "The investigation of location strategies utilized by existing businesses in klipriver Business Park in Gauteng"

Permission has been granted to Mr Mthembu on the basis that the research findings will be shared with New Hope before printing. In addition, Mr Mthembu is to adhere to the ethical standards as prescribed by the ethical clearance committee.

New Hope SA
Admin & HR Manager



Appendix 4 – Ethical Clearance



09 October 2017

Mr Thanduxolo Nkosinathi Mthembu (206522613)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Mthembu,

Protocol reference number: HSS/1505/017M

Project title: The investigation of Location Strategies utilized by existing businesses in Klipriver Business Park in Gauteng

Approval Notification – Expedited Approval

In response to your application received on 21 August 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully



Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Njabulo Khumalo
Cc Academic Leader Research: Dr Muhammad Hoque
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

Postal Address: Private Bag X54001, Durban 4000

Telephone: +27 (0) 31 260 3587/8350/4557 Facsimile: +27 (0) 31 260 4609 Email: sim@uukzn.ac.za / snymam@uukzn.ac.za / mohuno@uukzn.ac.za

Website: www.uukzn.ac.za



100 YEARS OF ACADEMIC EXCELLENCE

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville

Appendix 5 – Turnitin report

Turnitin Originality Report

- Processed on: 05-Dec-2018 12:01 PM CAT
- ID: 965472415
- Word Count: 20494
- Submitted: 3

The investigation of location strategies util... By thanduxolo mthembu

Similarity Index

5%

Similarity by Source

Internet Sources:

4%

Publications:

0%

Student Papers:

4%

[include quoted](#) [include bibliography](#) [excluding matches < 24 words](#) [download](#) [print](#)

mode:

1% match (student papers from 15-Dec-2015)
[Submitted to University of KwaZulu-Natal on 2015-12-15](#)
1% match (student papers from 25-May-2018)
[Submitted to Mancosa on 2018-05-25](#)
<1% match (student papers from 30-Oct-2015)
[Submitted to University of KwaZulu-Natal on 2015-10-30](#)
<1% match (student papers from 23-Dec-2016)
[Submitted to University of KwaZulu-Natal on 2016-12-23](#)
<1% match (Internet from 26-Nov-2015)
<http://www.slideshare.net>
<1% match (student papers from 10-Dec-2012)
[Submitted to University of KwaZulu-Natal on 2012-12-10](#)
<1% match (student papers from 30-Nov-2017)
[Submitted to Heriot-Watt University on 2017-11-30](#)
<1% match (student papers from 09-May-2014)
[Submitted to University of Hong Kong on 2014-05-09](#)
<1% match (student papers from 01-Nov-2009)
[Submitted to University of KwaZulu-Natal on 2009-11-01](#)