

**The Opportunity Identification Process:  
Framing, Strategic choices, and  
Urban markets**

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**Dr. Geraldine R. Henderson**

**and approved by**

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## **ABSTRACT OF THE DISSERTATION**

### **The Opportunity Identification Process: Framing, Strategic choices, and Urban markets**

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Dr. Geraldine R. Henderson**

This study takes an empirical approach to describing the role that personal preferences and beliefs play in a retailer's location choices particularly when considering an urban market. Rather than assuming that this decision is a process of optimization (Berg, 2014), this study administered a scenario-based questionnaire to both current and potential retailers to see how their market preferences influenced their location choices. Based on a survey of 234 professionals from multiple industries and using several strong control variables, I found that access to public transportation, proximity to restaurants and shops in the surrounding areas, the degree of traffic congestion, and the preferences of multicultural consumers were important factors to retailers considering an urban market for a potential new business location. This study also found a significant relationship between political ideology and the likelihood of a retailer selecting an urban market for his/her new business location.

The results from this research will make a number of important contributions to the fields of retailing, entrepreneurship, and economic development.

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## **PURPOSE OF THE RESEARCH**

The purpose of this dissertation is to identify the factors that influence a retailer's decision about where to open a new business, particularly when they are considering an urban market. Urban markets tend to have a difficult time attracting large national and regional retail establishments (Coyle, 2007). These communities generally attract the types of businesses that do not offer the residents living there with new retail options, thus leaving these communities "under-stored" (Weiler et al. 2003). In trying to combat this issue, local governments throughout the country are actively developing strategies that they hope will assist them in attracting new specialty stores into their urban communities. For example, Newark New Jersey, a city known historically for its social challenges, was able to successfully attract the attention of Whole Foods (Haddon, 2013).

After several years of trying, in 2013, the former Mayor, Corey Booker, was able to successfully convince Whole Foods that they should open a store in Newark, New Jersey (Haddon, 2013). After months of negotiations, Whole Foods signed a lease on a store location and opened their doors in March of 2017 (Strunsky 2017). Not only will Whole Foods provide the local community with more variety in terms of quality goods and services, but it will also have a positive impact on the economic development of the surrounding area. "The chain's move into an emerging neighborhood tends to cause other stores to follow and property values to rise," said Jerry Johnson of the land-use consultants Johnson Reid (Haddon, 2013).

The positive effects of a high quality retailer locating within a particular community is further exemplified in the article titled "The Whole Foods Effect comes to Harlem" (Johnson 2017). Johnson (2017) notes that according to a real estate editor for

U.S. News (Devon Thorsby), the average property value of a neighborhood with a Trader Joe's increased by an average of 40%, "while homes with a Whole Foods in the Zip code appreciated by nearly 34%". Not only does a community see an increase in their property values when a Whole Foods or Trader Joes arrives but they also see an increase in overall retail activity.

A number of previous studies have investigated what business owners found to be attractive about a city when considering where to establish a new business location.

Lynch (2013) found that the presence of an enriching art community was important to potential new businesses. He argued that in today's competitive marketplace, city leaders must be prepared to actively sell their community, especially in terms of what it has to offer culturally from a creative perspective, when trying to attract new businesses.

According to Thuermer (2017), due to the rise of digital operations, companies are increasingly seeking areas with highly skilled workers.

This dissertation aims to build upon this stream of research by investigating how these various factors (e.g., quality of life, talent pool) impact a retailer's decision about whether or not to open a new business location in an urban market. This dissertation will address the following three questions: 1) What location factors are important to retailers considering opening a new business location in an urban market? 2) Does political ideology play a role in a retailer's subsequent decision about whether or not to open a new business in an urban market? and 3) Are the needs of their potential shoppers (e.g., multicultural shoppers) being factored into this decision?

## **SIGNIFICANCE OF THE RESEARCH**

### **SITE SELECTION**

This study will make a number of important contributions to the entrepreneurship, retailing, and urban economic development research streams. The first contribution will be to the research stream that focuses on retail site selection. Thus far, the retail site selection literature has identified the cost of doing business, the population of a community, and customer drive time as key factors in the site selection process. From a cost perspective, Indarti (2004) found that the cost of doing business was one of the factors that internet café businesses believed were important in their business location decisions. In addition to the cost, centrality, business environment, business venue, and labor were also found to be important location factors for these business owners. Park and Khan (2005) identified several site selection factors that were the most critical to the success of U.S. franchise restaurants. They argued that not only was the cost of doing business an important site selection factor but also the general location of the business, position of the site, demographics, traffic information, and competition.

The second factor that the site selection literature has argued is important to retail site selection decisions is the population of a community. Bush, Thatham and Hair (1976) found that amongst franchisors and franchisees, the population of a community was one of the key factors that they considered when trying to identify potential new business locations. In their study of the site selection process of CVS, Kuo, Chi, and Kao (2002) found that in addition to market attractions, store characteristics, competition, availability, and convenience, and the population characteristics of a community were also important to their site selection decision makers. Ladle and Stiller (2009) studied

retailing in Denver, Colorado, and found that within this region, communities had to meet a certain population threshold in order for retailers to consider them for a new business location.

The third factor that the site selection literature has identified as being key to retailers finding ideal new business locations is the use of customer drive time. Houston and Stanton (1984) investigated how convenience store owners identified the best location for their businesses. They found that convenience stores were the most successful when they utilized a “customer interception strategy”. This strategy involves them locating close to supermarkets in order to capitalize on the customers that they attract while keeping the drive time of a customer at a minimum. Customer drive time is also a useful metric of attractiveness when coupled with technology. For example, Mendes and Themido (2004) argued that one of the advantages of using GIS software for site selection decisions is its ability to integrate a variety of variables related to the customer such as drive time, demographic data, and psychodemographic data.

In addition to the cost of doing business, the population of a community, and customer drive time, other scholars have argued that retail site selectors also consider a number of nuanced factors such as the current economic climate and ethnicity. Ghosh, Avijit, and McLafferty (1982) argued that the economic climate of a particular location was something that retailers needed to consider when making their site selection decisions. They argued that not only should site selectors be knowledgeable about the market they intend to enter but they should also anticipate potential changes within that environment. Ghosh et al. (1982) developed a multicriteria decision-making method to

assist site selectors in identifying the best store location when change is possible as is the case in an uncertain market.

In terms of ethnicity, D’Rozario, Denver, and Williams (2005) argued that ethnicity is one of the factors that retailers consider when making a decision about a new store location. Although ethnicity is an important factor, D’Rozario et al. (2005) found that its use often led to negative outcomes for certain types of locations. They found that retailers avoided certain locations if there was a large presence of ethnic minorities and they called this practice retail redlining. Retail redlining is defined as “a spatially discriminatory practice among retailers, of not serving certain areas, based on their ethnic minority composition, rather than on economic criteria, such as the potential profitability of operating in those areas” (D’Rozario et al. 2005, pg.175).

Despite the presence of studies highlighting the importance of the use of ethnicity, market conditions, customer drive time, community population, and the cost of doing business during the site selection decision making process, most of the studies focus on developing quantitative models that retailers can use in identifying the best store locations. For example, Goodchild (1984) proposed a revised location-allocation criterion for making site selection decisions as an alternative to the existing location-allocation models. He felt that the location-allocation models proposed by other scholars had a number of technical issues such as “the calibration of suitable consumer behavior models, the choice of appropriate objective functions, and the cost-effectiveness of solution procedures” (Goodchild 1984, pg. 84). Goodchild (1984) proposed the following two locational criteria that can be used to select a new store location or used to close existing store locations: “a conservative strategy of avoidance and an aggressive strategy which

ignores the competition” (Goodchild 1984, pg. 98). Ghosh and Craig (1986) developed a location-allocation model for service networks. They proposed a “modified maximal covering location-allocation model” (Ghosh and Craig 1986, pg. 354). This model takes into consideration a consumer’s sensitivity to both distance and non-distance factors.

Moutinho and Paton (1991) proposed a LOCAT model that could be used for site selectors in the tourism industry. Their model measured the total strength of a location by taking into consideration the following factors: “degree of accessibility, total catchment population, level of tourist product uniqueness, and probability of tourist patronage” (Moutinho and Paton 1991). The model was tested and showed that managerial decision making was positively influenced by its use.

Durvasula, Sharma, and Craig (1992) proposed a STORELOC model that incorporated managerial input in its development to both increase its effectiveness and practical applicability. They found that since managerial insight is a necessary part of the tool, this increased the likelihood that the tool would be used. This dissertation will contribute to the retail site selection literature by providing insight into the specific market factors that retailers take into consideration when evaluating urban markets as potential sites for their new business locations.

## OPPORTUNITY IDENTIFICATION

The second contribution of this study will be to the entrepreneurship research stream that focuses on opportunity identification. Thus far, it has been argued that prior market knowledge, information and sense making, learning, social networks, human capital, and the nature of the opportunity itself all play an important role in the

opportunity identification process. Studies related to the first idea, prior market knowledge, have generally assumed one of three perspectives: 1) having prior market knowledge is generally positive, 2) having prior market knowledge is positive but can lead to closure and thus less innovative opportunities, and 3) lack of prior market knowledge can limit the entrepreneur. In studying the influence of industry experience on the opportunity identification process, Gruber, MacMillan, and Thompson (2013) found that the market opportunities found among founding teams with more diverse industry experience and external knowledge sourcing relationships were more varied. Furthermore, it was found that the founders' technological expertise influenced how strategically varied the opportunities were but not the number of opportunities found.

Corner and Ho (2010) found that within the social entrepreneurship community, opportunities were recognized and developed by multiple actors in a marketplace engaging in collective action. These actors brought a certain level of awareness and information about the market based on their previous experiences. Shepherd and DeTienne (2005) found that entrepreneurs who had acquired previous insight into the problems of their potential customers were able to identify more opportunities and more innovative opportunities. Gruber, MacMillan, and Thompson (2008) found that serial entrepreneurs utilized their previous start-up experience to help them develop a choice set of alternative market opportunities that they could develop prior to committing to one. Their firms derived performance benefits from doing so.

There are a number of scholars that argue that having prior market knowledge does come at a cost. Ucbasaran, Westhead, and Wright (2009) found that the opportunities identified by experienced entrepreneurs had greater wealth creating

potential and were more innovative. This positive relationship between prior experience and opportunity identification was conditional, however. “Entrepreneurs that had owned more than 4.5 businesses, however, identified fewer opportunities,” (Ucbasarn et al., 2009, pg. 99). Thus, there was only a certain amount of experience that was useful before it started becoming detrimental. Bhagavatula, Elfring, van Tilburg, and van de Bunt (2010) found a positive relationship between entrepreneurial experience and resource mobilization but a negative relationship between entrepreneurial experience and opportunity recognition. Higher levels of closure emerged as the entrepreneur gained more experience, which negatively impacted the opportunity recognition process.

Other studies relating to prior market knowledge argue that a lack of market experience can negatively impact an entrepreneur’s ability to identify market opportunities. Robinson and Hayes (2012) argued that a lack of knowledge and experience within inner-city markets can limit an entrepreneur’s ability to identify viable business opportunities within this context. Inner-city markets tend to have significant social and institutional challenges that can detract entrepreneurs from choosing to do business there. In a study on the evaluation criteria utilized by pre-nascent entrepreneurs, Bishop and Nixon (2006) found that these entrepreneurs did not evaluate viability of a market opportunity exclusively on the criteria of venture capitalists but they did use the VC criteria to predict the opportunities’ potential for success.

Studies related to the second concept, information and sensemaking, argue that the type of information that an entrepreneur has access to and how they make sense of that information influences how successful the entrepreneur will be during the opportunity identification process. Ucbasaran, Westhead, and Wright (2008) found that

the use of publications positively influenced an entrepreneur's ability to identify more opportunities. In addition to this, they found that entrepreneurs who sought more information were able to identify more business opportunities even though this neither increased nor decreased their chances of actually pursuing them. Vaghely and Julien (2010) argued that entrepreneurs construct opportunities for themselves by using a trial-and-error type of information processing for sense making. The patterns that emerge from this experience that are relevant help the entrepreneur identify opportunities.

Within the sustainable development and social entrepreneurship literature it has been found that the successful identification of opportunities in both of those fields is dependent upon the entrepreneur's level of awareness of a market need. Patzelt and Shepherd (2011) developed a model that proposed three conditions that would enable entrepreneurs in the sustainable development field to be able to identify opportunities. The three conditions are as follows: 1) the greater the knowledge of the entrepreneur of the natural and communal environments, the more likely they will be able to identify opportunities; 2) the more likely the entrepreneur perceives that the natural and communal environment in which they live is threatened, the more likely they will be able to identify opportunities; and 3) the greater the entrepreneur's altruism toward others becomes, the more likely they will be able to identify opportunities (Patzelt and Shepherd 2011). Perrini, Vurro, and Costanzo (2010) proposed a number of theoretical ideas on how social entrepreneurial opportunities are identified, evaluated, exploited and scaled up. They note the importance of awareness of an opportunity in the following proposition: "Social opportunity identification reflects the entrepreneurial awareness of

the need for challenging mainstream views surrounding a social burden” (Perrini et al., 2010).

The opportunity identification literature has argued that the third concept, learning, influences how effective entrepreneurs are during the opportunity identification process due to learning asymmetries. Corbett (2005) argued this point in his study on the learning processes that take place within entrepreneurship using experiential learning theory. By integrating ideas on knowledge, cognition, and creativity, Corbett (2005) finds that different modes of learning cause learning asymmetries to develop within the entrepreneurship population, thus influencing those who see and exploit opportunities and those who don't. Chandler, Lyon, and DeTienne (2005) identified four potential learning processes that an entrepreneur might utilize during the opportunity identification process and the mode of market entry they subsequently chose as a result of this. They argued that the following learning processes were important: learn about market need—replicate a product (learn/replicate), 2) learn about market need—innovate a product (learn/innovate), 3) learn about an existing income stream—acquire the income stream (learn/acquire), and 4) innovate a product—educate customers (innovate/educate) (Chandler et al. 2005).

In a study on the cognitive dimensions of the opportunity identification process, Gaglio (2004) proposed that mental simulation and counterfactual thinking are the mechanisms that enable entrepreneurs to be able to both identify and develop innovative market opportunities. He developed 12 propositions on how these mental processes interact with one another to enable the entrepreneur to be able to see market opportunities. For example, the first proposition argues that “when confronted with the

surprising or unexpected, opportunity finders will engage in counterfactual thinking sooner than nonfinders” (Gaglio 2004, pg. 539). The second proposition argues that “opportunity finders generate more counterfactuals than nonfinders” (Gaglio 2004, pg. 539). The third proposition argues that “opportunity finders are more likely to engage in elaborative counterfactual thinking while nonfinders are more likely to engage in automatic counterfactual thinking” (Gaglio 2004, pg. 540).

For organizations interested in creating new venture opportunities, Lumpkin and Lichtenstein (2005) argued that firms should be more proactive in developing their organizational learning (OL) capabilities. The basic idea is that developing such a capability will not only increase the firm’s chances of identifying opportunities but they will be better prepared to actively pursue them. They also presented a number of propositions explaining how taking a proactive approach to organizational learning would increase a firm’s chances of success in opportunity identification. For example, the first proposition argues that “the more that entrepreneurial firms engage in cognitive learning processes, the more effective they will be in the discovery phase of opportunity recognition” (Lumpkin and Lichtenstein 2005, pg. 461). The second proposition argues that “the more that entrepreneurial firms engage in behavioral learning processes, the more effective they will be in the formation phase of opportunity recognition” (Lumpkin and Lichtenstein 2005, 462).

The fourth concept, social network, highlights the role that an entrepreneur’s social relationships has on ability to identify opportunities. Fletcher (2006) argued that “opportunity formation is relationally and communally constituted” (Fletcher 2006, pg. 421). More specifically, Ozgen and Baron (2007) found that an entrepreneur’s mentors,

informal industry networks, and participation in professional forums positively influenced his/her ability to recognize opportunities. These positive relationships were mediated by specific constructs: the effect of informal industry networks was mediated by self-efficacy and the effect of mentors and professional forums was mediated by schema strength. Bhagavatula et al. (2010) investigated the impact that structural holes, that are sometimes found in an entrepreneur's network, can have on an entrepreneur's ability to recognize opportunities. They found that a positive relationship between structural holes and opportunity recognition. In addition to this, they found that the environmental context was particularly important in this relationship since it was also found that such a relational limitation can negatively impact an entrepreneur's ability to acquire resources. Thus, "firms that operate in an environment that is rich in opportunities benefit more from structural holes, than firms that operate in a stable environment" (Bhagavatula et al. 2010, pg. 258).

From a social entrepreneurship perspective, Corner and Ho (2010) also emphasized the importance of entrepreneurs being connected during the opportunity identification process. They found that a social entrepreneur's ability to identify an opportunity was nurtured over time due to his/her awareness of a particular problem. This awareness emerged from a broader pattern of opportunity development that was being developed by multiple individuals engaging with one another in order to create social value (Corner and Ho 2010).

Studies focused on the fifth concept, human capital, have argued that the following five factors influence the opportunity identification process: gender, language, self-concept, attention, and mood. In terms of gender, DeTienne and Chandler (2007)

argued that men and women use different processes to identify opportunities as well as their unique stocks of human capital. This, however, did not impact how innovative the particular opportunity was. From a language perspective, Bhagavatula et al. (2010) found that the more languages an entrepreneur speaks, the more opportunities he/she will be able to identify. Mitchell and Shepherd (2010) found that an entrepreneurs' perception of what is a possible opportunity is influenced by his/her perception of self from a vulnerability perspective and a capability perspective.

In addition to gender, language, and self-concept, Tumasjan and Braun (2012) argued that the focus of an entrepreneur's attention influenced his/her ability to identify opportunities. They found having a promotion focus positively influenced an entrepreneur's ability to recognize opportunities. In contrast to this, having a prevention focus did not significantly impact the opportunity recognition process. According to Tumasjan and Braun (2012), these findings "reveal that a high promotion focus compensates for an entrepreneurs' low level of creativity and entrepreneurial self-efficacy in opportunity recognition" (Tumasjan and Braun, 2012, pg. 622). From an emotional perspective, Baron (2008) found that positive affect enhances creativity. This increased creative output positively impacts the opportunity recognition process. Positive affect also serves as a moderator between the following factors and opportunity recognition: alertness and active search (Baron, 2008).

The sixth concept related to opportunity identification, the nature of the opportunity itself, shifts the discussion from focusing on the entrepreneur to focusing on the specific opportunity being evaluated. Ardichvili et al. (2003) emphasized that the type of opportunity itself was important to an entrepreneur being able to both recognize and

develop business opportunities. In terms of the relative tacitness of the opportunity, Smith, Matthews, and Schenekel (2009) found that systematic search was related to more codified opportunities being identified and prior experience was related to more tacit opportunities being identified. From a cultural perspective, Singh, Knox, and Crump (2008) found that whites were more likely to pursue internally-stimulated opportunities and blacks were more likely to pursue externally-stimulated opportunities. The results from this study will add to the opportunity identification stream of research by considering the potential impact of political ideology on the overall process.

#### URBAN ECONOMIC DEVELOPMENT

The third contribution of this research will be to the urban economic development literature. Thus far, three research streams have emerged as taking precedence in this area. The first stream investigates the barriers that have blocked entrepreneurs and other retailers from being able to identify economic opportunities within urban markets. The second stream investigates the challenges that specific disadvantaged groups have faced when trying to engage in entrepreneurial activities. The third stream has studied which institutional structure can best be utilized in trying to develop urban markets: the private sector or the public sector.

This urban economic development stream of research has focused on understanding the factors that have hindered the development of urban communities. The primary argument in this area is that there has been a steady rate of disinvestment in the urban market for several decades that has led to the decline of its economic base. This disinvestment, coupled with the economic challenges that generally are found within such

communities (i.e. low personal income, low rates of labor force participation, and high unemployment rates), has led these communities to become more and more unattractive to retailers and other entrepreneurs looking for new business opportunities. In trying to gain a deeper understanding of both the micro and macro factors that are negatively impacting the economic development of urban markets, scholars have generally followed one of three research streams: 1) challenges to identifying inner city economic opportunities, 2) challenges faced by disadvantaged groups in trying to participate in the economic development of urban markets, and 3) determining which means can best develop the urban market: the private sector or the public sector.

The first theme from the urban economic development research stream, identifying urban market opportunities, investigates the challenges that hinder individuals from successfully identifying economic opportunities in urban markets. Weiler (2003) proposes that one of the barriers faced by potential urban market entrepreneurs is a lack of adequate information on the availability of business opportunities in urban communities. Robinson and Hayes (2012) build on this by emphasizing the role of inner-city experience. They argue that due to having a limited amount of inner-city experience, would be entrepreneurs and retailers perceive such communities as challenging places to do business.

The second theme from the urban economic development research stream, barriers to entrepreneurship, investigates the challenges that disadvantaged groups face in trying to engage in entrepreneurial activities. One of the challenges noted has been a lack of financing. Blanchard et al. (2008) found that black-owned and Hispanic-owned businesses faced more loan rejections than non-black/Hispanic-owned businesses. Bates

and Robb (2013) found that a lack of capital significantly hindered the ability of minority owned businesses to fully develop to their maximum capacity. Despite being more dependent on institutional loans for capital, minority owned businesses experienced more loan application rejections than non-minority firms and, in the cases of loan application acceptance, received smaller loans and higher fees than non-minority firms (Bates and Robb 2013).

Several scholars have investigated the influence of socioeconomic status on an individuals' ability to engage in the entrepreneurial process. Amongst adults lacking college credentials, Bates, Loftstrom and Servo (2011) did not find any evidence suggesting that limited capital would hinder the ability of low net-worth individuals in creating small firms. In evaluating the influence of net worth on an individual's ability to enter into certain industries, Lofstrom and Bates (2013) also did not find any evidence suggesting that personal wealth is a barrier for individuals interested in becoming entrepreneurs, especially in low-barrier fields of business.

From a location perspective, several studies indicated that residential segregation both helped and hindered certain racial groups in becoming entrepreneurs. Fairchild (2010) found that in the case of high socioeconomic status blacks, residential segregation increased their likelihood of being self-employed. Looking at groups-specific influences of clustering by race, Fairchild (2009) found that an increase in racial exposure simultaneously increased the chances of an individual pursuing an entrepreneurial career and this was especially true for Blacks. Fairchild (2010) evaluated if there were some generational influences on the likelihood of a minority becoming an entrepreneur. He

found that the more an individual is exposed to an entrepreneur “co-ethnic” from their parent’s generation, the higher the likelihood of them becoming an entrepreneur.

The final theme to emerge from the urban economic development literature is “the private sector versus the public sector.” Research that falls underneath this theme has focused on understanding the best means through which economic development should be implemented in urban markets. There has been an ongoing debate about which economic institution should take a more prominent role in the economic development of urban markets: the private sector or the public sector. Some scholars argue that the private sector should take the lead in developing urban markets since they enable sustainability and competitiveness on a global level. The leading scholar in this area, Porter (1995), has argued that urban markets offer important competitive advantages in today’s market, something that has not historically been the case. Trying to solve the economic challenges of urban markets through the use of social investments is an ineffective economic development strategy, states Porter (1995). His argument is based on the assumption that urban based businesses should be profitable and positioned to succeed not just locally but globally as well. He argues that urban markets offer the following four key economic advantages: strategic location, local market demand, integration with regional clusters, and human resources.

A number of scholars have critiqued Porter’s (1995) position on the role of the private sector in urban economic development. The two primary critiques of his position are 1) there are other more important elements of the urban marketplace that need to be addressed besides increasing the role of private sector economic development and 2) there is no empirical evidence to suggest that one can benefit from the advantages of the

inner city. With regard to the first point, Robinson-Barnes, Carla J. (1996) states that a more comprehensive model needs to be developed that includes some additional factors that need to be addressed in inner-city communities. Although Robinson-Barnes (1996) believes that business development is an important issue that needs to be addressed, she also believes that emphasis should be placed on the importance of people. She argues that human resource development needs to be a part of any economic development plan concerning the inner city.

The second critique that scholars have about Porter's (1995) perspective on the competitiveness of the inner city, is exactly that point: the inner city is a competitive market. Bates (2010) investigated whether or not the inner city provided profit-seeking investors any unique advantages relative to other market spaces. Although he found support for Porter's (1995) argument that a lack of financing was an obstacle for inner-city economic development, he did not find any evidence of there being some unique advantages for profit-seeking investors. Low profits and low rates of survival over time were the results that Bates (2010) found when studying new business ventures serving inner cities.

Despite Porter's (1995) argument about the need for the private sector to take a leading role in the revitalization of urban neighborhoods, some scholars believe that the public sector (i.e. the government) should take a more leading role in that effort. The primary argument is that Porter (1995) oversimplifies the positive influence that the public sector has had on inner city economic development thus far (Johnson, J.H., Walter, C., and Henderson, G.R. 1997). Scholars in this area note that the government has consistently been an active part of the economic development of inner cities and should

continue to do so (Johnson et al., 1997). Graf (1997) argues that powerful civic organizations are needed in the process of inner city economic development due to their mediating role between the public and private sectors. Without this role, politics can become narrow, mean, and self-serving and the excesses of the market can become destructive (Graf, 1997).

Several scholars have noted that public-private partnerships are an effective means through which positive economic change can be implemented within inner cities. Fainstein and Gray (1997) argue that despite Porter's (1995) position that private investors will naturally be interested in the inner city given its competitive advantages, government programs are needed in order to effectively renew the interest of these private investors. Kobeissi (2009) found a positive relationship between government programs such as the community reinvestment act and an increase in "new business start-ups and economic growth in minority and low income communities."

Simms and Allen (1995) highlight the importance of making sure that the policies that local governments develop to attract private investors into a community are structured in way that benefits both the private investors and the residents of the targeted community. They find that in order to do so, policy makers have to be very clear initially about the intended outcome of the policies they are developing. For example, if by attracting more private investment into a community they hope to gain more jobs for inner-city residents, then emphasizing the location of the new business would be important. "Firms in the central city are more likely to recruit in low-income neighborhoods and employ black workers" (Simms and Allen 1995. pg. 218). They note,

however, that in order to generate such employment gains, firms do not necessarily have to be in high-poverty neighborhoods.

It has been noted that thus far within the urban economic development research stream, the following three issues have been addressed: challenges related to identifying urban market opportunities, barriers to entrepreneurship within urban markets, and the role of the private and public sectors in the economic development of the urban market. Although each of the scholars noted in this stream have made significant contributions to our understanding of the opportunities and challenges found within urban markets, one area that has not been adequately addressed is the role of the consumers themselves. Some of the studies previously mentioned talked about how consumers need to be encouraged to become more involved in the economic development of their community but there has been no discussion about how consumers factor into the attractiveness of an urban market from the perspective of an investor. This study will add to this body of research by providing insight into the potential influence that the consumers (multicultural) found within urban markets have on the site selection decisions of retailers.

## CONCEPTUAL FRAMEWORK

What location factors are important to retailers considering an urban market for their new business location? This is the core research question that will be addressed in this study. I am proposing that the following location factors will be important to retailers considering an urban market for their new business location: a location's resources, market demand, purchasing power, and the presence of competitors. This study will also discuss the potential influence of political ideology on a retailer's decision to locate a new business in an urban market. Understanding how the underlying political ideology of a site selection decision maker might influence his/her subsequent location choice requires a theoretical framework that explicitly emphasizes the relationship between political ideology, various location factors, and choice of new location. Based on prior research on the opportunity identification process, this study proposes the framing effect as a theoretical framework capable of explaining the potential influence of political ideology on site selection decisions. Figure 1 (Appendix A) provides an overview of the hypothesized model.

Figure 1—Conceptual Framework  
[see Appendix A]

### FRAMING EFFECT

The framing effect refers to, “the robust observation that people tend to respond differently to logically equivalent questions when they are worded differently” (Aczel, Szollosi, and Bago 2018, pg. 25). There are a variety of “frames” that can be used to

present questions or make observations. These frames include positive vs. negative frames, opportunity vs. threat frames, gain vs. loss frames, and time-based frames.

Studies have shown that how information is presented influences how information is interpreted. For example, whether a glass is positively framed as “half full” or negatively framed as “half empty” can influence how decision makers perceive that glass (Dunegan 1993). This style of framing is as a result of what is known as the formulation effect (Dunegan 1993). The formulation effect occurs when an individual selectively uses certain “trigger” words in describing a particular situation that evokes positive or negative connotations (Dunegan 1993). Furthermore, Dunegan (1993) argued that different modes of cognitive processing are activated when framing is used, causing the problem-space around a situation to be biased and thus vulnerable to the formulation effect.

The framing effect can be present in a variety of situations that relate to conflict and uncertainty. In the context of conflict, Neal and Bazerman (1985) found that negotiators exhibited more agreeable behavior when they analyzed a conflict situation using a positive frame than when a negative frame was used. Furthermore, the use of positive frames increased the likelihood of a successful negotiation overall (Neal and Bazerman 1985). Garcia-Retamero and Dhimi (2013) evaluated how the framing effect impacted police officers who were evaluating counterterrorism information. They found that when information was presented in a numerical format and framed positively, police officers perceived the information to be more accurate and were more likely to recommend the technique to other officers (Garcia-Retamero and Dhimi 2013).

Collet and Philippe (2014) investigated how framing market uncertainty impacted whether or not an organization formed more social ties with other organizations. They found that when the market is up, organizations generally frame market uncertainty as upside risk and when the market is down, organizations generally frame market uncertainty as downside risk (Collet and Philippe 2014). Due to this, when the market is up organizations are more likely to form social ties with a diverse set of other organizations regardless of status, whereas when the market is down, organizations are more likely to form ties with other organizations of the same status (Collet and Philippe 2014).

Organizational decision makers are not the only ones susceptible to the framing effect. Consumer judgement and subsequent behavior can also be biased by the framing effect. How a consumer perceives a company is sometimes influenced by the type of accounting language used to describe that company. For example, Tian and Zhou (2015) found that the use of profit margin/cost profiles with different frames (positive vs. negative) in describing a manufacturer influenced how a consumer perceived the manufacturer and its products. This was due to the associations that the consumer made between the manufacturer and its performance and subsequent feelings towards that information (Tian and Zhou 2015).

The same can be said about a consumer's perception of policy initiatives. Clarke, Hart, Schuldt, Evensen, Boudet, Jacquet, and Stedman (2015) studied how the use of the term "fracking" or the phrase "shale oil and gas development" influenced public opinion about the viability of such an unconventional oil and gas extraction process. They found that when the extraction process was framed as "shale oil or gas development" people

were more in support of it than when it was framed as “fracking.” One evoked more positive thoughts in individuals whereas the other evoked more negative thoughts (Clarke et al. 2015). Furthermore, these findings were found amongst the various political ideologies (Clarke et al. 2015).

In addition to using positive or negative frames, decision makers sometimes frame information as either an opportunity or a threat. Organizations often use this particular style of framing when considering making changes. Organizational change is influenced by whether or not the change is viewed as either an opportunity or as a threat. When organizational decision makers believe that a gain will likely result from the change, then the change will be viewed as an opportunity (Kennedy and Fiss 2009). Contrary to this, when the change is perceived as a possible loss, then it will be framed as a threat (Kennedy and Fiss 2009).

An example of how the framing of a situation as either an opportunity or a threat can impact a decision maker’s subsequent action can be found in the context of innovation. Dewald and Brown (2009) studied the factors that influence how small incumbent firms perceive disruptive business model innovations. They found that two variables moderated this perception: risk experience and feeling of situation threat. When the incumbent firm perceived the disruptive business model innovation as an opportunity, this was moderated by the amount of risk experience of the firm (Dewald and Brown 2009). When the incumbent firm perceived the disruptive business model innovation as one leading to a state of urgency, this was moderated by a feeling of situation threat (Dewald and Brown 2009).

Kennedy and Fiss (2009) studied how the decision to adopt a new innovation was based on how the organization framed that issue. Their core finding was that the framing of a decision situation as either an opportunity or a threat influenced how both early and late adopters responded to the new innovation. This finding was important because it showed one of the underlying reasons why a new innovation may or may not be practically implemented within an organization. In addition to the presence of the framing effect, Kennedy and Fiss (2009) found that the need to improve their economic performance and the need to appear legitimate both influenced the likelihood of a decision maker to adopt a new innovation. Their findings are based on a study of the diffusion of total quality management within a sample of U.S. hospitals.

In addition to influencing a decision maker's perception of a disruptive business model innovation and the adoption of a new innovation within an organization, the framing effect can also influence whether or not an organizational actor participates in all activities occurring within an organization that related to the development of a new innovative product. Burg, Berends, and Raaij (2014) found that an organizational actor's decision to engage or disengage from interorganizational knowledge transfer activities was influenced by whether or not they perceived the resulting new innovation being developed as either an opportunity or a threat. In looking at innovation in the entrepreneurial context, Allison, Davis, Short, and Webb (2015) found that when entrepreneurs framed their business activities as an opportunity to help others versus as simply a business opportunity, lenders were more responsive to their financial requests.

Thus far, it has been shown that organizational decision makers tend to implement framing concepts during their decision making process by either utilizing a positive or

negative frame or an opportunity versus threat frame. In addition to these frames, gains vs. loss frames are sometimes used when evaluating information. For example, when individuals are experiencing losses or performing below a specific reference point they tend to seek risks but when they are experiencing gains or exceeding a reference point, they tend to avoid risks (Seo, Myeong-Gu, Goldfarb, Brent, and Barrett, Lisa 2010). Within the context of managers trying to negotiate transfer prices, a gain versus loss frame can influence how managers interpret the economic and the social consequences of accounting information (Chang, Cheng, and Trotman 2008).

For example, Chang, Cheng, and Trotman (2008) studied whether or not transfer price negotiations between a manager and his/her negotiating partner were influenced by how the manager framed the negotiations and the underlying motives of his/her negotiating partner (degree of concern for others). They hypothesized that both would impact a manager's judgment of the social and economic consequences of the accounting information presented to them. The results of their study confirmed their hypothesis. They found that the self-serving behavior of managers increased when they framed the transfer price negotiations using a loss frame. This increased the buyer/seller transfer price expectation gap. However, when the manager believed that his/her negotiating partner had a high concern-for-others then the transfer price expectations were lower.

Rhee and Fiss (2014) evaluated how controversial organizational actions were impacted by how the information was framed and the credibility of the presenter of the information. They found that a positive stock market reaction resulted when the controversial actions were framed as gains around the dominant institutional logic. This changed if the information came from a source whom others perceived as having self-

serving motives. In such a situation, the controversial organizational actions, regardless of how they were framed by the self-serving source, negatively affected the stock market.

Several studies evaluated the influence of the gains vs. losses message framing on consumer behavior. The general consensus among this group of scholars was that consumers respond better to messages that focus on gains rather than those that focus on losses. For example, Cox, Cox, and Zimet (2006) studied how the response of consumers to product risk information could be moderated by how the message is framed. They found that consumers generally expressed an aversion to product risk, both short-term and long-term, when the information was framed as a loss. This was not the case when consumers received product risk information using a gain-framed format. In such a situation, consumers gave a considerable amount of attention to risk that was long-term or permanent and ignored any temporary risk.

Within the context of the framing of health messages, Duhachek, Agrawal and Han (2012) found that the use of guilt appeals in health messages were more effective when presented using gain frames. The use of shame appeals in health messages were found to be more effective when presented using loss frames. Park, Whan, Sung, and MacInnis (2000) studied how a consumer's option choice was impacted by the use of subtractive versus additive option frames. They found that consumers responded positively (in terms of increased spending), when their buying options were framed as additive versus subtractive.

Two popular time based frames frequently discussed in the literature are first impressions and duration perception. First impressions are strongly held assumptions and judgments that form rapidly and are deeply encoded (LeBoeuf, Williams, and Brenner

2014). Studies (LeBoeuf, Williams, and Brenner 2014) have argued that people prefer to base their evaluations about a particular situation on information that was encountered early on rather than on information that was encountered later on. First impressions and experiences have been found to exert a stronger influence on perception formation than later encountered information.

In the case of duration perception, consumers typically evaluate the quality of their service experiences and certain life experiences based on the length of time of the experience (Ulkumen and Thomas 2013). Products and services that require one to monitor behavior are susceptible to the duration perception bias. For example, “self-improvement plans, such as adopting a diet, following an exercise regimen and controlling spending” (Ulkumen and Thomas 2013) are all susceptible to the duration perception bias. If these experiences are perceived as taking too long then this can lead to a less than favorable assessment of their quality.

Wiebenga and Fennis (2014) studied how an individual’s motivation to pursue a particular goal can be influenced by how he/she frames his/her progress from the starting point to the end goal. They found that how a consumer frames his/her relative position does impact his/her willingness to continue pursuing the goal. Progress framing was found to be more impactful when it was used halfway between the beginning of the pursuit and the end of the goal but was less significant at the initial or end states. This study showed how duration framing influenced abstract goals more so than concrete ones.

At this point, it is important to note the distinct use of the framing effect concept in this study. Historically, Psychology and Marketing scholars have explicitly tested for

the presence of a framing effect within their studies. For example in psychology, Leong, McKenzie, Sher, and Muller-Trede (2017) studied how inferences might influence “the generation and attenuation of attribute framing effect.” They found a positive and significant relationship between frame-dependent inferences and attribute framing effects. To arrive at their results, Leong, McKenzie, Sher, and Muller-Trede (2017) explicitly tested for the framing effect by studying two groups of participants who evaluated scenarios that contained different information depending on the testing group of which they were a part.

Cao, Zhang, Song, Wang, Miao, and Peng (2017) studied how moral decision making was influenced by framing, dilemma type, and number of saved lives. They found a significant relationship between all three independent variables and moral decision making. They tested their hypothesis on 591 undergraduates who were randomly assigned to 12 groups that each received a different scenario to review. These scenarios were framed as either positive, neutral, or negative.

In their study “Framing Influences Willingness to Pay but not Willingness to Accept,” Yang, Vosgerau, and Loewenstein (2013) found that consumer buying behavior was influenced by how the target item for purchase was described (framed). “Consumers are willing to pay substantially less for a risky prospect when it is called a lottery ticket, raffle, or coin flip, or gamble, than when it is labeled a gift certificate or voucher” (Yang, Vosgerau, and Loewenstein 2013, pg. 725). The participants in this study each received a different message about the risky prospect. The risky prospect was framed as either a lottery ticket, raffle, coin flip, or gamble.

The common theme in the previously mentioned studies (Leong, McKenzie, Sher, and Muller-Trede 2017; Cao, Zhang, Song, Wang, Miao, and Peng 2017; and Yang, Vosgerau, and Loewenstein 2013) is that each study explicitly studied the framing effect by manipulating how information was presented to the study participants. In this study, the framing effect is being measured via a specific construct (political ideology) that the participants self-identify. Within the survey administered, the survey participants are asked to select which term best describes their political orientation. Here, the framing effect is assumed.

## HYPOTHESIS DEVELOPMENT

### POLITICAL IDEOLOGY

In this study the “frame” that will be evaluated is political ideology: liberal vs. conservative. This study argues that the political ideology of a site selection decision maker will influence whether or not that individual will consider an urban market as a possible new business location for his/her organization. The assumption here is that one’s political ideology influences how “open” or “closed” that person is to a new and/or different possibility. The literature defines ideology as “a worldview readily found in the population, including sets of ideas and values that cohere, that are used publicly to justify political stances, and that shape and are shaped by society” (Crockett and Wallendorf 2004). Political ideology determines the individuals that one chooses to interact with and the organizations that one chooses to associate with. How a person perceives and reacts to the world around them is generally determined by their ideology. The literature has generalized political ideology along two distinct constructs, a conservative orientation versus a liberal orientation (Kidwell, Farmer, and Hardesty 2013).

#### **Conservative Ideology**

Jost, John, Glaser, Jack, Kruglanski, Arie and Sulloway, Frank (2003) state that there are two core elements of conservative ideology: opposition to change and preference for inequality. With regard to the first aspect, opposition to change, the key focal point is that people fear change and anything that could be perceived as “radicalism.” Research (Conover and Feldman 1981) has found that when individuals define themselves as either liberal or conservative, the defining trait of both is their reaction to change; liberals generally being open to it and conservatives generally being

more resistant to it. Due to a need to manage uncertainty and threat, conservative ideology pushes against ideas of change while simultaneously accepting the notion of inequality (Jost et al. 2003).

The second core element of conservative ideology is attitude toward inequality. Conservatives believe that society is inherently hierarchical while liberals promote the idea of equality (Jost et al. 2003). Historically, when scholars have tried to define conservatism or have tried to measure it, they generally would use attitude toward equality as one of the measuring points of conservatism (Jost et al. 2003). The two metrics that have been used to measure conservative attitudes toward equality are political-economic conservatism and economic system justification (Jost et al. 2003).

### **Fiscal conservative**

In addition to the broad definition of conservatism, conservatives have also been broadly classified as being fiscally conservative, socially conservative, or both. Johnson and Tamney (2001) define fiscal conservative as a conservative who is interested in basic economic issues. They generally believe in reducing the amount of government involvement in various economic arenas (e.g., curtailing government regulation of business, instituting policies that reduce government handouts) and increasing the personal responsibility of individuals who might need government assistance (e.g., increasing work requirements for poor people) (Johnson and Tamney 2001).

When trying to understand the mindset of a fiscally conservative individual, it is important to understand exactly what fiscal policy is and how it influences society as a whole. The use of government funds and taxation to impact the national/local economy is fiscal policy (Horton and El-Ganainy 2009). During the recession following 2008,

conversation around fiscal policy increased tenfold due to the amount of government support that was being discussed and subsequently implemented (Horton and El-Ganainy 2009). This support was due to a number of key objectives that the U.S. government wanted to accomplish as a result of the 2008 recession. These objectives included mitigating the impact of the crisis on vulnerable groups, supporting the financial system, and jump-starting growth (Horton and El-Ganainy 2009).

In the past, fiscal policy was not a popular topic. Limited government was the general fiscal practice prior to the 1930s (Horton and El-Ganainy 2009). This behavior changed after the stock market crashed and the Great Depression hit the U.S. economy (Horton and El-Ganainy 2009). At this point, policymakers started saying that the U.S. government needed to take a more proactive approach to managing the financial markets (Horton and El-Ganainy 2009).

When it comes to fiscal policy development, fiscal conservatives generally believe in limited government intervention. For example, when it comes to taxes, fiscal conservatives focus on three core perspectives: an economic perspective, a legal perspective and a patriotic perspective. From an economic perspective, fiscal conservatives favor low taxes arguing that it supports economic growth and well-being for everyone (Kornhauser 2014). From a legal perspective, fiscal conservatives argue that too much spending by the government (and the prior increase in taxes) unbalances the federal budget and violates states' rights (Kornhauser 2014). Taking a patriotic approach, fiscal conservatives argue that high taxes and large federal budgets is fundamentally "un-American" (Kornhauser 2014). It goes against our individual liberties and freedom. Scholars (Kornhauser 2014) have suggested that if fiscal conservatives are trying to

increase support for their position, they should focus their campaigns on their first two arguments.

Fiscal policy scholars have found that sometimes voter behavior influences fiscal policy development. For example, Florida's state government believed in keeping taxes low, state spending low and using a modest amount of state employees (Holcombe 2015). Holcombe (2015) noted that there are some institutional factors that are influencing the success (and popularity) of Florida's fiscal policies such the legislature term limits and the fact that the state constitution can be amended through citizen initiatives.

Gramann (2017) studied the relationship between the level of fiscal conservatism among voters and the political budget cycle. He found that incumbents decreased their spending before elections, if their voters are primarily fiscally conservative. If the voters had a low level of fiscal conservatism, then you might find a slight increase in spending. Arvate, P.R., Avelino, G., and Tavares J. (2009) investigated whether or not voters rewarded deficits at the polls. This relationship was predicated on whether or not the voters were sophisticated or naïve. Regardless of the level of sophistication of the voter, Arvate et al. (2009) did not find any evidence that voters rewarded administrations who ran high deficits. "Re-elected parties ran lower deficits on average than parties that did not secure re-election" (Arvate et al. 2009, pg. 126).

How do people develop a fiscally conservative perspective? Is it biological or environmental? Malka et al. (2014) studied whether the cause was based on certain human needs such as a need for security and certainty. They found that among those who are highly politically engaged, those who believed in conformity, security, and tradition over stimulation and self-direction generally positioned themselves on the political right

(Malka et al, 2014). Noel et al. (2015) studied whether or not being a student enrolled in a college of business would contribute to the development of a fiscally conservative perspective. They compared their findings to results obtained from nonbusiness majors.

They found that business school students greatly supported the fiscally conservative statements (e.g., capitalism is a better system than socialism; a free market economy is the same as a capitalist economy) listed on the survey more so than their nonbusiness school counterparts (Noel et al. 2015). Nonbusiness students generally supported the statements when they were reverse-worded. Gaskins, Ben, Golder, Matt, and Siegel, David A. (2013) studied whether or not religious participation could be perceived as a contributing factor to someone developing a fiscally conservative attitude. They found that among the poor, religious participation increased economic conservatism (Gaskins et al. 2013). The reverse was true for the rich. Religious participation decreased economic conservatism among the rich (Gaskins et al. 2013).

Although Gaskins et al. (2013) did not find equal influence of religion on both the poor and the rich, they did find that religion impacts whether or not a person's fiscally conservative perspective was enhanced or reduced. Why? How are pastors able to wield influence on political discourse from the pulpit? This was the question that Martin (2015) investigated in his study. He found that the key to their success in this area was language. The megachurch pastors that he studied were very good at integrating the issues impacting the American economy with the core values of fiscal conservatives such as "the need for individuals to take personal responsibility for financial outcomes" (Martin 2015). Since they utilized some of the language of the fiscal conservative movement while standing in the authoritative space of the religious pulpit, they were able to wield a

lot of influence on the political class in ways that actually resonated with them (Martin 2015).

### **Social Conservative**

The second broad category of conservatism is called social conservatism. According to Johnson and Tamney (2001), social conservatism is an ideology that promotes the idea that people should exercise a high level of discipline over their personal and social lives. As a result, social conservatives advocate for laws that limit the ability of individuals to engage in what they perceive to be “deviant behavior” (e.g., abortion, homosexual behavior, pornography, and divorce) (Johnson and Tamney 2001).

Where do social conservatives stand on other social issues? In the case of how the government should handle poverty, social conservatives advocate for a complete withdrawal of government intervention. Krauthammer (1995) argues that the “welfare state” (the use of government funds to provide social assistance to low-income individuals) has increased due to a decline in the use of other traditional institutions—“voluntary associations, local government, church, etc.” He argues that if less federal aid were provided to low income individuals we would see an increase in the use of local institutions. Thyer (2010) agrees. He states that “self-help, family provided assistance, etc., should be the first choice service providers, where feasible, with federal services the option of last resort” (Thyer 2010, pg. 261). Thyer (2010) argues that conservatives do not mind providing social welfare services but only to those who have exhausted all of the previously mentioned resources.

Bridges (2017) provides additional support for Thyer’s (2010) argument that conservatives are open to the idea of providing government funded social support.

Bridges (2017) argues that “class-based affirmative action” (i.e., government funded social support) generally receives a broad level of support regardless of the political party of the politicians. He argues that this is because the supporters believe that said programs should be used for the “deserving poor.” “Unlike the undeserving poor, the deserving poor are those who cannot be blamed for their poverty; their impoverishment is not due to individual behavioral or character flaws, but rather structural or macro forces well outside of an individuals’ control” (Bridges 2017, pg. 1049). This perspective is similar to Thyer’s (2005) in that it highlights (to a degree) how conservatives are open to helping those who they believe are unable to help themselves.

In addition to individual behavior and poverty, scholars have also investigated the influence of conservative ideology on the sentencing of felonies. Bowers and Waltman (1993) studied whether or not conservative leaning states “imposed harsher felony sentences.” They found that it depended on the type of crime committed. In the case of rape, assault, and robbery, Bowers and Waltman (1993) found a direct correlation between harsher sentences and conservative ideology. In the case of homicides and property crimes, they did not find any such correlation.

Social conservative scholars have also investigated the factors that influence the development of a socially conservative perspective. Gaskins, Golder, and Siegel (2013) found that, in general, social conservatism declined with human development. This was not the case in religious individuals. They found that religious individuals became more socially conservative with time.

Bean (2014) studied how religion influenced the development of a socially conservative perspective through an investigation into how white evangelicals in Canada

differed from white evangelicals in the United States when it came to discussing how the church can best respond to poverty. He found that both groups infused various elements of conservative ideology into their discourse about poverty but in unique and distinct ways (Bean 2014). The U.S. based evangelicals argued against providing government assistance to the poor because they described it as the cause of the decline in America upholding its Christian values (Bean 2014). The Canadian churches, on the other hand, framed providing assistance to the poor as an “act” of grace and as “expressions of national solidarity and social inclusion” (Bean 2014).

### **Liberal Ideology**

Those with a more liberal orientation have been described as having a “higher openness to experience, integrative complexity, and self-esteem” (Kidwell, Farmer, and Hardesty 2013, pg. 350). Liberals are more focused on preserving the rights of the individual, an “individualizing” moral foundation (Kidwell, Farmer, and Hardesty 2013). From a liberal perspective, what is right and what is wrong is determined by the individual. Liberals generally believe in trying to preserve the right of individuals to make these distinctions for themselves. This study is arguing that different value systems can influence the choices and subsequent behaviors of retailers and entrepreneurs when evaluating potential new locations for their establishments.

For example, Hulsier, Munro, Fagerlin and Taylor (2004) evaluated how an individual’s political orientation could potentially influence his/her interpretation of historical information. Students from different time periods (1995 and 2000) and different political ideologies (conservative and liberal) were asked to provide their opinion about the shooting of activists by the military at Kent State University (the students’ home

school) in 1970. As predicted, interpretations about the events on that fateful day varied amongst the students by political ideology in both the 1995 sample and the 2000 sample.

To examine the relationship between political ideology and interpretation of life experience, McAdams, Albaugh, Farber, Daniels, Logan and Olson (2008) interviewed 128 active religious and political adults about their lives. They wanted to see if conservatives and liberals differed in two specific areas: a) moral intuitions and b) implicit family metaphors. As predicted, there was a sharp difference in how conservatives and liberals interpreted their life experiences. The liberal oriented adults focused on the lessons they learned that were related to empathy and openness. The conservative oriented adults focused on the lessons they learned that were related to self-discipline. Both the liberals and conservatives reflected on the positive impact that nurturing authority figures had in their lives.

Studies have shown that political ideology can impact an individual's perception of government policy. Cohen (2003) found that an individual's affiliation with a particular political party dramatically influenced how that individual perceived a social policy. Fisher and Lilie (1999) evaluated this phenomenon within the context of support for censorship. They found evidence that an individual's political orientation influenced his/her support for censorship. More specifically, they found that individuals who possessed more conservative attitudes exhibited a greater likelihood of supporting censorship than those with more liberal attitudes regardless of the content of the item in question.

Given what has been discussed thus far about the influence of political ideology on an individual's worldview, it is not surprising that several authors have concluded that

political ideology is a strong determinant of social attitudes. For example, Chamber, Schlenker, and Collisson (2012) investigated the relationship between political ideology and prejudice. They wanted to find out if perceived similarities and dissimilarities in political ideologies were the root cause of prejudice. The results of the study revealed that yes that was the case. Liberals and conservatives favored those who had similar worldviews as themselves and held less favorable views of those that had different perspectives. Stern, West, Jost and Rule (2013) studied how political ideology might influence an individual's judgment of another person's overall disposition. They found that conservatives were more likely than liberals to use gender inversion cues (e.g., feminine = gay) when making an assessment of another person.

This leads to the following question: if I have a strong conservative or liberal orientation will it influence my behavior? Several scholars have argued yes. Crockett and Wallendorf (2004) studied the role of normative political ideology in provisioning amongst a group of African-American consumers living in a Midwestern city. They found that when consumers from specific demographic groups (e.g., gender, race, and class) have limited access to goods and services, it is important to understand how shopping might potentially be an "expression of social and political relations" from a normative political ideology perspective (Crockett and Wallendorf 2004). Kidwell, Farmer and Hardesty (2013) studied how sustainable behaviors could be enhanced if congruence was established between the persuasive appeals used and the political ideology of the recipients. Results from two studies confirmed their hypothesis. They found that when the marketing messages were in agreement with the moral foundations of both liberals and conservatives, the recycling behavior of both groups increased.

Within the work environment, scholars have found that political ideology also plays a role in how employees behave. Briscoe, Chin and Hambrick (2014) hypothesized that a key element of the corporate opportunity structure was the personal values of the firm's top decision makers. They investigated how the political orientation of a company's CEO might influence whether or not employees engage in activism (e.g., the formation of LGBT employee groups). Results showed that the more politically liberal the CEO was, the more likely the employees would engage in activism.

Assuming that those who are more conservative in their political orientation would favor maintaining the status quo, while those who are more liberal in their political orientation would be more open to new experiences, I am proposing the following hypotheses:

H1a: There is a positive relationship between a liberal political orientation and the likelihood of selecting an urban market.

H1b: There is a negative relationship between a conservative political orientation and the likelihood of selecting an urban market.

## A LOCATION'S RESOURCES

The focus of this dissertation is on urban markets. The assumption is that the results of this study will be generalizable to other markets with similar demographic and economic profiles. With this assumption in mind, which specific resources do firms find attractive when making site selection decisions? Thus far, scholars have argued that there are three specific location characteristics that firms look for when making site selection decisions: the presence of *unique* location-based resources, a location that possesses

resources that complement *unique* attributes specific to a firm, and locations that allow for the potential for organizational learning.

Often times when organizations are making location decisions, these decisions are based on unique attributes specific to a particular location. Schmenner (1994) found that when retailers are trying to identify a good location, they focus on “good infrastructure, proximity to customers, and the ability to attract qualified labor” (Schmenner 1994, pg. 35). From an academic perspective, Kalaitzandonakes and Miller (2015) found that academic entrepreneurs focused on situating their operations close to specific knowledge assets as well as the venture capital firms that might potentially fund their ventures. Nilsson and Smirnov (2016) found that competing firms were more prone to locate next to each other if they had access to key transportation infrastructure. Looking more closely at the potential value of co-locating, Kirkman, Simms, Sand ogilvie (2016) studied whether or not there were differences in the knowledge based activities of remotely located firms vs. firms that were co-located. Although they found that firms that were remotely located sponsored more faculty research, those firms had a lower patent efficiency rate than firms that were co-located.

Several scholars have studied the factors that influence the location decisions of multinational corporations. Adler and Hashai (2015) suggested that when multinational enterprises are looking for new locations, in addition to incorporating the location preferences of their consumers, they take into consideration how their competitors will react to their decision. Ramstetter (2011) studied the location decisions of Japanese multinational corporations in the Asian manufacturing industry. He found that when they

are considering a new business location internationally they focused on the following key factors: “host economy size, labor costs, and agglomeration of Japanese investors.”

Mucchielli and Yu (2011) found similar results when studying the location decisions of US and European based firms. Such firms also took into consideration market size, production costs, agglomeration effects, and geographical location when making a decision about where to open a new business location. Duanmu (2012) studied the location choices of Chinese multinational enterprises. He found that a favorable exchange rate between the Chinese RMB and the host currency was a very attractive factor in the eyes of the Chinese MNCs. In general, if the exchange rate was favorable, such firms were less worried about the potential political risks of the host country.

Siedschlag, Zhang and Smith (2013) analyzed the location decisions of the foreign affiliates in the information and communication technologies sector initiated between 1998—2008 in the European Union. Their results were similar to those found in the studies conducted by Mucchielli and Yu (2011). In addition to key demographic factors (human capital, income size), Siedschlag, Zhang and Smith (2013) found that foreign-owned firms in the ICT industry focused on “market size, market potential, and the presence of other foreign-owned firms in the ICT sector.”

Krentz and Gehringer (2015) found that for all MNCs considering a new international location, R&D agglomeration economies positively influenced their choices. In the case of entrepreneurial firms, EU membership was an attractive attribute of a potential new location. Wang, Xie, and Wang (2015) studied the potential influence of environmental stringency on the location decisions of various types of enterprises. They found that between 2003-2005, areas that possessed less stringent environmental

regulations were attractive to private-owned enterprises, foreign-owned enterprises, and collective-owned enterprises.

Kulchina (2014) noted the influence of foreign media on the location decisions of multinational corporations. He found that the more international coverage a particular location received, the more foreign firms will consider that particular location for their new business office. This is especially true if the costs of adapting to this new location are not too high. Jain, Kundu, and Newburry (2015) found that firms face an up-hill battle when trying to move their resources and operations into a highly dissimilar host-country environment; hence, the reason they generally stay away from such markets.

In addition to the presence of unique location-based resources, firms also look for locations that complement certain characteristics unique to their organization. For example, Parwada (2008) found that when it came to the location choices of start-up firms, these organizations generally chose locations that were close to both the founders' geographic origins and close to important technical institutions (investment management firms, banking establishments, and money managers). Jo and Lee (2014) found that when firms are making location-based decisions in regions that have a variety of agglomeration economies; their ability to both "produce and absorb" technological knowledge in those areas positively influenced whether or not they ultimately chose to locate in those areas. Wright, Liu, Buck and Filatotchev (2008) studied the location choices of returnee entrepreneurs considering science parks for the location of their new business ventures. They found the decision to locate in a University run science park versus a non-university science park was based on the entrepreneur's specific background.

Entrepreneurs who had previous firm ownership experience internationally generally chose to be in university science parks. On the other hand, entrepreneurs who had academic knowledge that presented itself in the form of patents, generally chose to locate their businesses in non-university science parks. Focusing more closely on the entrepreneurs who choose to locate close to a university, Audretsch, Lehmann, and Warning (2005) found that in order to increase their chances of having close access to important knowledge spillover effects, new knowledge and technological firms generally chose locations with close proximity to universities. Baltzopoulos and Brostrom (2013) found that individuals who have an interest in establishing their own business generally did so in the region where they studied. Both studies provide useful insight into the overall impact of universities on regional economic development.

Finally, when making a decision about where to locate, scholars have found that one of the factors that influences this decision for firms is the potential for organizational learning. This learning can be in the form of learning from other firms or learning from other individuals. Organizations sometimes find specific locations attractive due to the perceived amount of learning or “knowledge transfer” that would happen if an organization situated itself in a particular location. Greve (2000) confirmed this interest in his results on how organizations analyze the viability of new market niches. He noted how “the organization’s decision makers evaluate market niches on the basis of competitive environment, learning from others, and the organization’s own experience” Greve (2000).

From an emerging market perspective, Jindra, Hassan and Canter (2016) studied the location choices of 4555 firms based in 92 sub-national emerging markets of the

European Union. They found the location choices made by such firms were positively influenced by both the presence of agglomeration economies and knowledge externalities.

With regard to the location choices made by competing firms, Baum and Haveman (1997) found that the decision was based on the degree of similarity or dissimilarity between the primary firm and its competitors. If the potential competitors were similar to the firm and thus would be direct competitors, such firms generally chose to locate far away from their competitors. On the other hand, if the focal firm believed that the other firms close to it were dissimilar enough that there might be complementary knowledge/customer spillover effects from co-locating, then they would co-locate. Alcacer, Dezsó, and Zhao (2013) also found that in the case of MNE's choices about where to expand, rivalry, and differential knowledge accumulation amongst the existing competitors influenced their decisions. "Because firms learn by doing in markets, location choices are shaped by two novel effects: entrenchment benefits from entering early in a market and improving capabilities relative to rivals, and opportunity costs from postponing entry to other markets where rivals enter and learn" (Alcacer, Dezsó, and Zhao 2013, pg. 504).

Organizations are constantly looking for new sources of knowledge that will provide them with a competitive advantage. Lucas and Ogiński (2005) noted that there are a variety of search strategies that organizations utilize when trying to find new knowledge. Organizations search for knowledge locally, globally, or by integrating both local and global search. They argue that the specific strategy that a firm ultimately employs is dependent upon the stage of development of that firm.

Based on this review of the literature on the influence of a location's resources on the site selection choices of firms, the following hypothesis is proposed:

There is a positive relationship between a locations' resources and the likelihood of selecting an urban market.

#### MARKET DEMAND

The second factor that this study proposes will influence the location decision of a retailer considering an urban market is market demand. By selecting a good store location, retailers can ensure that the site will be attractive to their potential customers (Craig and Ghosh 1984). Applebaum (1966) insists that "it is essential to find out how many people are in the potential market area, where they live, their socioeconomic and age characteristics, their levels of expenditures, their growth and mobility, and their shopping habit" (Applebaum 1966, pg. 42). The emphasis is on learning the customers' needs, wants, and overall profile relative to whatever products or services the entrepreneur is providing. Applebaum (1966) proposed that retailers should conduct market surveys on their potential customer's perception of their competitors. According to Applebaum (1966) such an endeavor would assist the retailer in gaining insight into how accepting the customers would be about a new retailers' products or services. The retailers' goal is to meet a particular need of the customer that is currently not being filled.

The idea that one should be aware of one's customers' profile and taste preferences was reinforced in a study by Thompson and Raine (1976). The purpose of their study was to investigate whether or not it was true that one would see a positive correlation between the religious beliefs of one's customers and furniture sales. The idea

for the study came from a speaker that presented in a Principles of Marketing class at a major university that stated he made location decisions for his discount furniture store based on the religious preferences of the population (Thompson and Raine 1976). He targeted primarily middle range fundamentalist Protestants. Although the owner's claims that there was a direct relationship between religious preferences and furniture store success were not supported in the study, the study did prove that it was important to consider the various tastes and preferences of one's target market.

### **Multicultural Consumers**

The assumption that it is important to cater to the preferences of one's potential customers leads to the third research question: are the needs and demands of multicultural consumers being factored into the location choices of retailers interested in urban markets? Studies have found that organizations that are proactive in developing strategies that are more inclusive of cultural differences will gain competitive advantage in the marketplace via increased trust, respect, and consumer loyalty (Demangeot et al., 2013). If firms are unable to develop such proactive measures to be culturally inclusive, they could face subsequent costs in reputation and business if they alienate their multicultural consumers (Demangeot et al., 2013).

In trying to gain deeper insight on multicultural consumers, retailers must be aware of the nature of the markets in which they reside. According to Demangeot et al. (2013), multicultural markets include "consumers from diverse ethnic groups, religious groups, or nationalities; people living in particular geographic regions; or groups that share common physical/mental disabilities, sexual orientation, beliefs, values, attitudes, or way of life." The literature on multicultural markets has identified the following six issues as

being important to understanding such markets: 1) identity, 2) ethnicity and consumer behavior, 3) multicultural consumers adapting to new markets, 4) marketers adapting to multicultural consumers, 5) connecting with mainstream consumers, and 6) discrimination.

Who am I? Scholars have argued that there are two different perspectives from which one should look at identity within the multicultural markets: objectivist vs. subjectivist. The subjectivist perspective is about how people define themselves ethnically whereas the objectivist perspective is about how society at large perceives a person ethnically (Stayman and Deshpande 1989). Given the advantages and limitations of both perspectives, it has been argued that both perspectives should be used to try to understand the concept of identity (Stayman and Deshpande 1989).

There is an increasing awareness of the importance of understanding the various ways in which identity forms in today's technologically driven society. For example, Henderson, Lenard, Francisco and Motley (2013) discuss this point in their study "The Ian's Pizza Tribe: Reconceptualizing Cross-Cultural Research in the Digital Age." They note that the formation of culture can emerge from both within the physical boundaries of said culture and from outside of it. They argue that this is particularly true in today's digital age where some cultures are "virtual ethnicities built around fictitious kin" (Henderson et al. 2013).

The second key issue in multicultural marketplace studies is the influence of ethnicity on consumer behavior. America is a culturally diverse environment with people from all walks of life. Given such an environment, the notion of ethnicity and culture can be fluid. Oswald (1999) has argued that consumers engage in what is called "culture sway." This

occurs when a consumer mixes and matches different cultural concepts to form an identity. Stayman and Deshpand (1989) argue that ethnicity is partially situationally determined meaning that ethnicity is not just about who a person is biologically or socially but it is also about “how one feels in and about a particular situation.” This leads to the notion that ethnicity is fluid and expresses itself in various ways and at various times (Stayman and Deshpand 1989).

Kirshchman (1981) studied the relationship between Jewish ethnicity and exposure to information and product innovativeness to gain a deeper understanding into the influence of ethnicity on consumer behavior. She found that Jews and non-Jews significantly differed on the following metrics: “childhood exposure to information, adulthood information seeking, product innovativeness, product information transfer, and cognitive characteristics relevant to consumption information processing” (Kirshchman 1981, pg. 102). Wallendorf and Reilly (1983) studied the relationship between ethnicity and consumer behavior within the context of Mexican-American identity and food consumption. They found that contrary to what one would assume about immigrants assimilating into the dominant culture, Mexican-Americans exhibited a unique cultural style in terms of their consumption practices (Wallendorf and Reilly 1983). This style was not a blend of Mexican and Anglo patterns.

From a decision-making perspective, Teng and Laroche (2007) studied the brand decision-making process of North American and Chinese consumers. They did not find a difference between the brand decision-making process of North Americans and those of Chinese consumers. Instead, they found that ad affect, consumers’ brand cognitions, and the presence of competing ads and brands all influenced the brand decision-making

process of both groups. Williams and Qualls (1989) studied how ethnicity influences a consumer's response to the presence of a celebrity in an ad. They found that black middle-class and white middle-class consumers had similar responses to the presence of celebrity endorsers. They noted that black middle-class consumers held fairly strong ethnic identities despite their similarities to white-middle class consumers.

There is a stream of research on ethnicity that argues that how strongly one identifies with his or her ethnicity will determine how much influence one's ethnicity has on one's behavior. This is known as strength of ethnic identification (Deshpande, Hoyer and Donthu 1986). Strength of ethnic identification measures how closely one identifies with one's particular ethnicity (Deshpande et al. 1986). Deshpande et al. (1986) tested this concept in the Hispanic market and found that it was a good measure of ethnicity. They found that strength of ethnic identification validated the argument that the Latino community was a non-homogeneous group who differed significantly in areas such as "their attitudes towards institutions, the use of Spanish-language media, brand loyalty, and preferences for prestige and ethnically advertised brands" (Deshpande, Hoyer and Donthu 1986). Donthu and Cherian (1994) studied the relationship between strength of ethnic identification and consumer retail shopping behavior. They found that strongly identified Hispanics were more likely than weakly identified Hispanics to seek Hispanic vendors, "to be loyal to brands used by family and friends, to be influenced by targeted media, and to be less concerned about economic value" (Donthu and Cherian 1994).

The third issue that is important to understanding multicultural markets is how multicultural consumers adapt to new marketplaces. The sociocultural fabric of many Western societies has been transformed due to the influx of immigrants. When an

individual makes the decision to leave his/her country of origin to embark on a new life abroad he/she must engage in the process of acculturating to a new culture.

Luedicke (2015) conceptualized consumer acculturation as the “acquisition of skills and knowledge relevant to engaging in consumer behavior in one culture by members of another culture” (Luedicke 2015, pg. 110). The primary outcome of the acculturation process is intercultural competency. Intercultural competency is “the ability to understand, adapt, and accommodate another’s culture” (Luedicke 2015, pg. 110). Multicultural consumers develop this intercultural competency in a variety of ways including interacting with close family and friends and interacting regularly with the residents of a community.

In addition to interacting with close family, friends, and community residents, consumers also develop intercultural competency when engaging in new experiences. Brunbaugh and Grier (2013) conceptualized individuals who are interested in experiencing a variety of products, services, and experiences from different cultures as “diversity seekers.” One of the key initiators of change within a community either socially or through policy initiatives comes from people who are interested in experiencing new cultures (Brunbaugh and Grier 2013). Having such people around can really enrich a community.

The fourth issue that is important to understanding multicultural markets is how marketers adapt to multicultural consumers. Not only do multicultural consumers face the challenge of trying to adapt to new places but they also are sensitive to whether or not the society in which they live is willing to accommodate some of their cultural needs. Henderson and Williams (2013) argue that companies can no longer ignore the need to

develop viable policies on how to address multicultural consumers. They advocate that private and public sector actors should strive to implement policies that enable diverse consumers to thrive within their jurisdiction no matter where they are globally. In agreement with this idea, Penaloza and Gilly (1999) note that marketers serve as “bicultural mediators” who engage in the dual role of trying to modify the consumption habits of their customers to fit their products/services and of learning to accommodate unique needs of consumers no matter their background.

Adapting to the needs of multicultural consumers from a marketers perspective starts with how one communicates with them. From a promotional perspective, Cohen (1970) noted that it was important for marketers to segment their ethnic customers (e.g., African-Americans) so that they don't speak to a heterogeneous group in a monolithic way. For example, sometimes this might involve marketers showcasing models from a single ethnicity in the same ad in order to highlight how their product/service can connect with a variety of personalities from that cultural group. Historically, some marketers have been hesitant in engaging in such practices for fear of alienating their more mainstream customers. Williams, Qualls, and Grier (1995) argue that this would not happen. In their study of Racially Exclusive Real Estate Advertising, Williams, Qualls and Grier (1995) did not find evidence that using a racially homogeneous group of models in an ad would make it less relatable to individuals of a different race. Nevertheless, marketers are finding out that increased segmenting and targeting of ethnic groups increases their ability to better develop ads to connect with them.

Another strategy that marketers are trying to use to better connect with their ethnic consumers is the use of ethnic consumers' native language in the advertising directed at

them. Studies have found that this is an effective strategy for marketers. Noriega and Blair (2008) found that when marketers used the native language of their target ethnic consumers this increased their positive perception of that brand since it enabled them to relate the product/service to their particular community. Puntoni, Del Langhe and Van Osselaer (2009) also found a positive connection between the use of native languages and the appeal of a brands message. More specifically, after studying bilingual consumers in five experiments, Puntoni et al (2009) found that “(1) textual information (e.g., marketing slogans) expressed in consumers’ native language tends to be perceived as more emotional than messages expressed in their second language, (2) that this effect is not uniquely due to the activation of stereotypes associated to specific languages or to a lack of comprehension, and (3) that the effect depends on the frequency with which words have been experienced in native- versus second-language contexts.”

Kipnis et al (2013) developed a framework and model that explicitly described the interaction between different types of diverse marketplaces places such as assimilated, separated, and mutual integration and the different types of cultural appeals that might be used in these marketplaces (e.g., branding engagement, branding tolerance, and branding ignorance) to assist marketers in better shaping their messages for multicultural consumers. The purpose of the framework/model is to make marketers aware of in which circumstances a multicultural consumer might feel more vulnerable given the type of cultural appeal used, thus making marketers more aware of how to better use cultural appeals to actually connect with their customers and not scare them.

The fifth issue that is important to understanding multicultural markets is how ethnic products and services connect with mainstream consumers. Not only are marketers trying

to develop strategic campaigns to connect mainstream products with multicultural consumers but marketers are also developing campaigns to connect ethnic-oriented products with mainstream consumers (Bennett, Ronald and Oleksiuk 2013). There have been several products that have successfully “crossed-over” (e.g., hip hop, salsa) but if the product is heavily oriented toward a particular ethnic market cross-over can prove to be particularly challenging (Bennett, Ronald and Oleksiuk 2013). Grier, Brumbaugh and Thornton (2006) studied the characteristics of an ethnic product that increase or decrease the likelihood of it being able to appeal to mainstream white consumers. They found that the characteristics of the product, the marketing decisions of the owners, and the level of openness of the potential consumers to try new things all influence the likelihood of the product successfully crossing over.

To assist in making mainstream consumers more open to experiencing their products, marketers of ethnic-oriented products are trying to restructure themselves internally to be more appealing. Arrighetti, Bolzani and Lasagni (2014) call this phenomenon “multiculturally hybrid firms”. These are firms that “rely on inter-ethnic managerial or labour resources to carry out their activities” (Arrighetti, Bolzani and Lasagni 2014, pg. 753). By doing this, such firms make themselves more appealing to both multicultural consumers and mainstream consumers.

The sixth issue that is important when studying multicultural markets is discrimination. Multicultural marketplaces are environments that contain people with diverse worldviews. Sometimes these diverse perspectives can lead to clashes in the marketplace that can take the form of discrimination. “Consumer discrimination occurs when sales clerks and other store employees, including security personnel, treat

customers differently because of their race or ethnicity” (Evet, Anne-Marie, Williams and Henderson 2013, g. 165).

Harris, Henderson and Williams (2005) studied federal court cases that were filed between 1990 and 2002 by customers who believed they had been discriminated against. They found that despite much progress in terms of race relations in the United States, both real and perceived consumer discrimination still remained a problem (Harris, Henderson and Williams 2005). Consumer discrimination can also take the form of ethnic entrepreneurs being denied access to resources that would help them grow. Bone, Christensen and Williams (2014) found that when such an experience happened, this left the minority entrepreneur feeling “fettered, alone, discriminated, and subservient.”

Discrimination is not always in the form of business to consumer interactions. Sometimes consumers discriminate against businesses. For example, Ouellet (2007) found that “varying levels of consumer racism can affect consumer judgements of and willingness to buy domestic products that are perceived as being from ethnic minorities” (Ouellet 2007, pg. 113). Studies have found that consumer racism can even impact one’s ability to identify discrimination when it happens. Evett, Anne-Marie, Williams and Henderson (2013) found that both an individual’s race and perception of social discrimination at large influenced his/her perception of whether or not discrimination occurred within a particular situation.

Choosing to adapt one’s products or services to a specific cultural group signals a firm that perceives that group of consumers as valuable. Therefore, for firms that choose ethnically diverse markets, the assumption is that they do so because they see value in the

potential customers that are located in that area and are willing to accommodate them.

Thus, I am proposing the following hypotheses:

### **Hypothesis 3a**

There is a positive relationship between the presence of multicultural consumers and the likelihood of selecting an urban market, but the relationship will be curvilinear. As the cost of adapting to the needs of multicultural consumers increases, the returns to the retailers will begin to diminish.

### **Hypothesis 3b**

There is a positive relationship between the preferences of multicultural consumers and the likelihood of selecting an urban market but the relationship will be curvilinear. As the cost of adapting to the preferences of multicultural consumers increases, the returns to the retailers will begin to diminish.

## **PURCHASING POWER**

In addition to political ideology, a location's resources, and market demand, this study argues that purchasing power will also influence the site selection choices of retailers. Thus far, both economic and marketing studies have found that in general "purchasing power, which derives from income, has a direct positive influence on the consumption of discretionary goods, reducing the consumers' price sensitivity in such contexts" (Carvalho, Sen, Oliveira Moto and Lima 2010, pg. 291). For example, studies

have found that when consumers choose to purchase a lower quality brand over a higher quality brand, this choice is due to limited purchasing power, not limited choices (Sivakumar and Raj 1997).

Studies related to the concept of purchasing power have identified two factors that can influence how much purchasing power a consumer has: national context and firm-level policies. Looking at national context, studies have found that the economic activities occurring at the country level can have an impact on the purchasing power of consumers. For example, when inflation rates are constantly changing, this can lower the purchasing power of consumers (Balacescu and Zhahrai 2011). In some countries, changes in the exchange rates can have a positive impact on the purchasing power of lower income individuals. Filho and Chamon (2008) found that households with lower incomes that spend more of their consumption on tradable goods such as food will benefit more from appreciated exchange rates than higher income households who spend less on those goods.

Similar to the impact of macroeconomic activities, the policies that firms choose to implement can also impact the purchasing power of the consumers who patronize their establishment. For example, Carvalho et al (2010) studied how a consumer's perception of how socially responsible a company is influenced their purchasing decisions. They found that not only did the corporate social responsibility level of a company influence their intention to buy but it also influenced whether or not the consumer decided to switch to a competitor or to complain about the increase in prices due to the company's CSR initiatives. They also found that the purchasing power of a consumer influenced which mediator (price fairness or personal satisfaction) of the CSR perception/purchase

intention link would apply. In the case of lower income individuals, the mediating role of price fairness was stronger. In the case of higher income individuals, the mediating role of personal satisfaction was stronger.

### **Income**

One of the key ideas that this study is proposing is that when considering situating their new business location in an urban market, retailers will take into consideration the purchasing power of the current consumers residing in that market. Generally, when policymakers are evaluating the purchasing the power of consumers in a specific market, they focus their attention primarily on the incomes of the consumers. Yet, that in the case of lower-income individuals (the vast majority of the consumers in urban markets), it is important to make a distinction between income and actual buying/spending habits. Just because a household might be statistically classified as low-income does not mean that they are not spending a sizable amount (relative to their means) on various products and services. When taking into consideration the idea of income from the perspective of low-income households, there are several factors that must be addressed: what are the sources of income, how does income influence lifestyle outcomes (e.g., health), and how is the government reacting to the challenges faced by low-income households.

Low-income households rely on a variety of sources for economic support. For example, many low-income households utilize food stamps, food pantries, and public-school breakfasts to supplement their nutritional needs. Winters (2004) conducted a study to see why, despite having relative access to the above resources, some low-income households were still experiencing food “insecurity.” He found that although such programs existed, they were not perceived by the potential recipients as being practically

accessible. Also, there was limited access to supermarkets and other food shopping areas as well as a limited supply of quality jobs in the community of these residents. In addition to this, Bhattarai and Raymond (2005) found that metro versus non-metro residency affected whether or not a low-income household participated in any of the economic assistance programs mentioned above.

Another source of economic assistance is microenterprise programs (Sanders 2004). These are programs that provide guidance to economically challenged individuals who are trying to start their own business. Sanders (2004) studied whether or not these programs were effective for individuals who used them compared to individuals who did not use such programs to assist them in exiting poverty. After comparing data obtained from low-income women who participated in one of seven U.S. microenterprise assistance programs, low-income self-employed women not attached to microenterprise assistance programs, and low-income women working but not self-employed, Sanders (2004) found that all three groups of women moved out of poverty and approximately at the same rate.

Several scholars have studied the relationship between income and lifestyle outcomes (e.g., health). The general consensus is that lower income individuals, on average, have poorer health than higher income individuals. Mode, Evans, and Zonderman (2016) found that in terms of mortality, African American men living below the federally declared poverty line had the highest mortality rate. They also noticed that neighborhood economic status was also negatively related to overall mortality. In an attempt to further investigate the influence of neighborhood demographics on health, Egen, Olivia, Beatty, Kate, Blackley, David, Brown, Katie, and Wykoff, Randy (2017)

conducted a study that compared the poorest counties to the wealthiest counties in both the United States and throughout the world. They found that “the populations of more than half the countries in the world have a longer life expectancy than US persons living in the poorest states” (Egen et al. 2017, pg. 130).

What are scholars saying about how the government should react to the economic challenges faced by low-income individuals? Wood (2007) argues that federal policies should address the economic issues facing low-income individuals. Such an approach would not only increase the economic standing of low income individuals but it would also have the spillover effect of improving their health. Hagopian and Ohanian (2012), in contrast, argue that the focus should be less on whether individuals are earning more than others and more on the well-being of the nation as a whole. Thus, the policies being developed should focus on increasing access to economic opportunity and less on equality of income. Stringham (2017) argues that governments should not be overly concerned about the increasing income gap. Rather citizens should focus on being “grateful” that there are individuals in this world who are actively engaged in the entrepreneurial process and bringing to market products and services that are improving our overall quality of life.

### **Spending**

Understanding spending from a low-income perspective involves evaluating three broad themes: low-income household spending patterns, the spending habits of low-income households receiving government assistance, and the influence of the macroeconomic environment on low-income spending patterns. Where exactly do low-

income households spend the bulk of their income? Scholars have argued that the primary recipients

of low-income spending are grocery retailers, transportation, housing, and high status items.

Richards (2015) identified several consumer markets in which low-income individuals were able to obtain good value for their money. One of those markets is the grocery shopping industry. This was attributed to the presence of a large variety of grocery providers and access to clear and simple information about the availability of such providers. Focusing more closely on healthy foods, Blisard, Steward, and Jolliffe (2004) found that when it came to fruit and vegetable expenditures, low-income households spent significantly less than higher income households. Furthermore, if additional funds entered the low-income household this money was generally not used to obtain additional fruits and vegetables for the household. Rather, the funding was allocated to other more “pressing” economics needs.

Rice (2004) studied the importance of transportation expenses on the life of low-income residents in the San Francisco Bay area. He found that it was the third-largest budget item (behind housing and food) for low-income households. Johnson (2015) highlighted the challenges that low-income older adults experienced when it came trying to pay for housing. He found that although some older adults might own their own homes, they spent a significant amount of their income on trying to pay for the utilities, maintenance, repairs, and taxes that are associated with their home. Thus the expense of housing for both owners and renters was almost the same for low-income households.

Landis and Gladstone (2017) argued that low-income households sometimes spent more of their income on products and services that they associated with high status. The reason for this was assumed to be that it restored feelings of “self-integrity” and “personal power” (Landis and Gladstone 2017). This conspicuous consumption however, often caused low-income individuals to remain in their low-income positions since they were unable to save for the future.

Scholars have identified several factors that might impact the spending behavior of low-income households. Taoussaint-Comeau and DiFranco (2009) found that the current state of the macroeconomy influenced whether or not consumers would spend. Those who have limited amounts to spend were more reserved in their spending if they felt that the macroeconomy was not favorable. Duke and Lee (2014) argued that consumers were spending less due to stagnant wage growth and thus a weakened middle-class. This reduced income caused consumers to spend less and thus negatively impacted the economy at large. Ganong and Noel (2015) studied the influence of unemployment on the spending habits of consumers. “They found that unemployment causes a large but short-lived drop in income, generating a need for liquidity” (Ganong and Noel 2015).

Given the difference between income and spending among low-income households and given the importance of purchasing power on a consumer’s intention to buy and ability to buy, the following hypothesis is proposed:

#### **Hypothesis 4**

There is a positive relationship between purchasing power and the likelihood of selecting an urban market.

## PRESENCE OF COMPETITORS

The fifth factor that this study is proposing will influence a retailer's decision about whether or not to locate to an urban market is the presence of competitors. The retailing environment is very dynamic in nature, which causes retailers to be more holistic in their assessment about how specific decisions will influence other aspects of their business. Ghosh and Craig (1983) argue that the retailer "must be able to treat the locational decision for a store as a sequential process" (Ghosh and Craig 1983, pg. 56). A retailer must take into consideration its market position in the future not just where it is presently. The impact that future locational choices will have on their operating success must be considered in determining good sites for stores not just their immediate location choice or those of their competition (Ghosh and Craig 1983). The changes in a market area over time that impact the factors affecting profitability must also be considered as part of a retailer's location decision (Ghosh and Craig 1983).

In an attempt to achieve their own preferred objectives, the activity of competing firms can cause significant market changes (Ghosh et al., 1982). For example, when a competitor chooses to enter into a new market, its presence in this market can undermine the performance of its competitors (Ghosh et al., 1982). As a retailer attempts to determine the actions or inactions of his/her competitors, it can only develop hypothetical scenarios of future competitive environments and thus have to be cognizant of the choices that they make (Ghosh et al., 1982). Thus, I am proposing the following hypotheses:

### **Hypothesis 5**

There is a positive relationship between the presence of competitors and the likelihood of selecting an urban market.

## RESEARCH DESIGN

### PARTICIPANTS

A survey was administered to both current and potential retailers from the following two sources: MBA students from a large Northeastern Business School and Amazon Mechanical Turks (a global sample). Of the approximately 270 surveys collected, 234 were used in the final analysis. Several surveys were removed due to being incomplete.

The purpose of this study is to identify the factors that retailers take into consideration when looking for a new business location. A questionnaire [Appendix B] was administered to the participants of this study. They were asked to read a number of different scenarios describing potential business locations and to respond to questions about the thought process of a company considering a new business location. The participants read the following three profiles: 1) a profile of the company, 2) the profile of a typical location choice, and 3) the profile of a potential new location. After reading each profile, the participants were asked a series of questions about what factors would their colleague consider important to their company when considering entering an urban market. The questions were adapted from Kimelberg and Nicoll (2012) study of business location decisions in the medical device industry.

### MEASURES

#### **Dependent variable**

The dependent variable was choice of new retail location. The survey asked the following question (survey question#13): “After a more detailed site evaluation, if it is

found that the potential new retail location possesses all of the traits that you previously stated were important to companies considering a new retail location similar to location B, do you think that a company like Millenium Foods Inc. would choose location B?"

The chosen location, Location B (the urban market), was coded 1 and all other potential locations was coded 0. This measure was adapted from a study on the location choices of de novo enterprises by Pe'er et al. (2008).

### **Independent variable**

The independent variable was political orientation. To capture the impact of framing on the likelihood of a retailer selecting an urban marketplace, one survey question was developed that asked respondents about their political orientation. This question was adapted from Byrnes, Kiger, and Lee (1996). The following question was asked in relation to political orientation:

- Question#9—What is your dominant political orientation?
  - 1—Extremely liberal, 2-liberal, 3-middle of the road, 4-conservative, and 5-extremely conservative
    - “Liberal”
      - Denounces economic and social inequality. Equality of opportunity is viewed by liberals as essential, and to achieve that end, they believe that discriminatory practices must be eliminated and that the impact of great inequalities of wealth needs to be lessened. Liberals usually advocate vigorous public policies to reduce or eliminate these inequalities.

- “Conservative”
  - Have a general preference for the existing order of society and an opposition to most efforts to bring about rapid or fundamental change. In contrast to liberals, conservatives want to enhance individual liberty by keeping government small, except in the area of national defense. Conservatives maintain that people need strong leadership institutions, firm laws, and strict moral codes.
- “Moderates”
  - Usually represent a mix of both liberal and conservative ideologies.

### **Moderating variables**

The following moderating variables were measured relative to the dependent variable: location resources, market demand, purchasing power, and presence of competitors.

#### *Location resources*

I measured the value of a new retail location’s resources using a three-item scale. The respondents were asked about the importance of the following three factors on the decision to locate a business in an urban market: the business environment, transportation and access, and development/operating cost. Responses to this survey question was given using the Likert scale (1-very important to 5-very unimportant). This measure was adapted from Kimelberg and Nicoll (2012) who studied business location decisions in the medical device industry.

### *Market demand*

I measured the value of market demand using a two item scale. The respondents were asked about the importance of the following two factors on the decision to locate a business to an urban market: presence of multicultural customers and preferences of multicultural customers. Responses to this survey question were given using the Likert scale (1-very important to 5-very unimportant). The measures for the presence of multicultural customers and the preferences of multicultural customers were adapted from Huett, Baum, Schwens, and Kabst's (2014) study on the foreign direct investment location choices of small- and medium-sized enterprises. The following four statements were reviewed in relation to market demand:

- Question#5a—The presence of multicultural customers will be an important factor to a company considering opening a retail store in the potential new location.
- Question#5b—The preferences of multicultural customers will be an important factor to a company considering opening a retail store in the potential new location.
- Question#5c—If the cost of adapting to the needs of multicultural customers increases faster than the benefits, the presence of multicultural customers will still be a important factor to a company considering opening a retail store in the potential new location.
- Question#5d—If the cost of adapting to the needs of multicultural customers increases faster than the benefits, the preferences of multicultural customers will

still be an important factor to a company considering opening a retail store in the potential new location.

#### *Purchasing power*

I measured the value of purchasing power using two questions. The respondents were asked about the importance of the income level of the residents in the community of interest. Responses to this survey question were given using the Likert scale (1-strongly agree to 5-strongly disagree). This measure was adapted from Carvalho, Sen, Moto, Marcio, and de Lima's (2010) study of consumer reactions to CSR. This question was administered using two different types of survey questions. The purpose is to see if the retail store example provided would influence how the respondents responded to the question. The following statements were reviewed:

- Question #6a—The income level of the residents in the community of interest will be an important factor to a “high-end” company (e.g., Nordstrom's) considering opening a retail store in the potential new location.
- Question #6b—The income level of the residents in the community of interest will be an important factor to a “low-end” company (e.g., Target) considering opening a retail store in the potential new location.

#### *Presence of competitors*

I measured the value of the presence of competitors using two questions. The respondents were asked about the importance of a “critical mass of similar firms in the area” on the decision to locate a business to an urban market. Responses to this survey question were given using the Likert scale (1-strongly agree to 5-strongly disagree). This measure was adapted from Kimelberg and Nicoll's (2012) study of business location

decisions in the medical device industry. The following statements were used to assess the value of the presence of competitors:

- Question#11—The presence of a critical mass of generalist firms in the new location will increase the likelihood of a generalist firm opening a new retail store in this location.
- Question#12—The presence of a critical mass of specialists firms in the new location will increase the likelihood of a specialist firm opening a new retail store in this location.

### **Control variables**

To keep the focus of the study on the relationship between the independent variable, moderating variables, and the likelihood of a retailer choosing to enter into an urban market, I controlled for the following nine variables: experience operating in an urban market, sex, race, ethnicity, highest level of education, location of the business, length of time in business, size of the business, and NAICS code (North American Industry Classification System). See table 1.1 (below).

### **Data Analysis**

The data for this study were analyzed using logistic regression. Logistic regression is used to analyze data “in which there are one or more independent variables that determine an outcome and the outcome is measured with a dichotomous variable (in which there are only two possible outcomes)” (Hosmer, Lemeshow, and Sturdivant 2013). The data was analyzed with SPSS.

## RESULTS

To test the effect of the predictor variables on the decision to enter an urban market, logistic regression analyses were run on the dichotomous variable Choice of New Retail Location (After a more thorough site evaluation, if it is found that the potential new location possesses all of the traits that you have stated are important to companies considering a new retail location similar to location B, do you think a company like Millennium Foods Inc., would choose location B? Yes/No). The regression model has 33 independent variables, 9 control variables, and 234 observations. Tables 1-7 present the logistic regression analysis results.

The variables were entered hierarchically to see the improvements in the model at each step. In Model 1 only the control variables were entered. Model 2 added the political ideology variable (hypotheses 1a & 1b). Model 3 added the location resources variables (hypothesis 2). Model 4 added the market demand variables (hypotheses 3a & 3b). Model 5 added the purchasing power variables (hypothesis 4) and Model 6 added the presence of competitor's variables (hypothesis 5).

Several interesting points should be made regarding the results of the six models. First, the control variables for experience operating in an urban market (Q#15), race (Q#17), ethnicity (Q#18), highest level of education (Q#19), location of the business (Q#13), length of time in business (Q#14), size of the business (Q#12), and NAICS code (Q#11) are not significant at any point in the model. Gender (Q#16) is significant in models 2-5 and but drops below significance in model 6. This rules out any alternative hypothesis about the significance of these variables.

Hypothesis 1a and 1b suggest that there is a positive relationship between a liberal political orientation (H1a) and a negative relationship between a conservative political orientation (H1b) and the likelihood of selecting an urban market. Both hypotheses were supported. The coefficients for political ideology ( $b = -0.387$ ,  $p = 0.032$ ) were significant.

Hypothesis 2 suggest that there is a positive relationship between a location's resources and the likelihood of selecting an urban market. This hypothesis was supported. The coefficients for public transportation ( $b = -0.407$ ,  $p = 0.037$ ), traffic congestion ( $b = -0.480$ ,  $p = 0.037$ ), and proximity to restaurants and shops in the surrounding area ( $b = 0.488$ ,  $p = 0.026$ ) are significant.

Hypothesis 3a suggest that there is a positive relationship between the presence of multicultural consumers, despite the increasing costs to adapt to their needs and the likelihood of selecting an urban market. This hypothesis was not supported. The coefficients for presence of multicultural customers ( $b = 0.104$ ,  $p = 0.602$ ) and presence of multicultural customers being important despite increasing costs to adapt to their needs ( $b = 0.095$ ,  $p = 0.670$ ) were not significant.

Hypothesis 3b suggest that there is a positive relationship between the preferences of multicultural consumers and the likelihood of selecting an urban market despite the increasing costs to adapt to their needs. The coefficient for preferences of multicultural customers ( $b = -0.437$ ,  $p = 0.023$ ) was significant. This hypothesis was supported. The coefficient for preferences of multicultural customers being important despite increasing costs to adapt to their needs ( $b = -0.036$ ,  $p = 0.877$ ) was not significant. This signifies that yes, the preferences of multicultural customers is important to retailers/entrepreneurs

considering an urban market for a new business location but there is a limit. If the costs of adapting to those preferences exceeds a pre-determined amount then this will no longer be a factor to take into consideration for them.

Hypothesis 4 suggest there is a positive relationship between purchasing power and the likelihood of selecting an urban market. This hypothesis was not supported. The coefficient for income level of residents and high-end retailers ( $b = 0.307$ ,  $p = 0.229$ ) was significant. The coefficient for income level of residents and low-end retailers ( $b = -0.161$ ,  $p = 0.410$ ) was not significant.

Hypothesis 5 suggest there is a positive relationship between the presence of competitors and the likelihood of selecting an urban market. This hypothesis was not supported. The coefficient for generalist firms ( $b = 0.375$ ,  $p = 0.110$ ) was not significant. The coefficient for specialist firms ( $b = -0.248$ ,  $p = 0.323$ ) was not significant.

## **DISCUSSION**

### **Introduction**

Building on prior research on site selection and opportunity identification, this study uses the framing concept to identify the factors that influence a retailer's site selection decisions when considering an urban market for a new location. Based on a survey of 234 professionals from multiple industries and using several strong control variables, I found that access to public transportation, proximity to restaurants and shops in the surrounding areas and the degree of traffic congestion were important factors to retailers considering an urban market for a potential new business location. I also found that the preferences of multicultural consumers was an important factor. This interest, however, was limited. If the costs of adapting to the preferences of multicultural consumers increased beyond a specific point, then this would no longer be a factor in the site selection decision making process of retailers. Lastly, this study found a significant relationship between political ideology and the likelihood of a retailer selecting an urban market for his/her new business location.

### **Theoretical implications**

The findings of this study make several theoretical contributions to the literature on retail site selection, opportunity identification, and urban economic development.

#### **Retail Site Selection**

This empirical study contributes to the retail site selection literature by highlighting the key factors that are important to retailers considering opening a new business location in an urban market. Although the site selection literature has identified several key factors

that influence the decisions of retailers trying to identify new locations for their business (e.g., the cost of doing business, the population of a community, and customer drive time), the focus has primarily been on non-urban markets (e.g., suburban, rural). This study complements that research by addressing similar questions but with an explicit focus on urban markets. This study found that when retailers are considering an urban market as the site for their new business location, public transportation, proximity to restaurants and shops, low traffic congestion, and the preferences of the multicultural consumers found in the urban markets were the most important factors in their choice making process.

#### Opportunity Identification

The opportunity identification literature thus far has argued that prior market knowledge, information and sense making, learning, social networks, human capital, and the nature of the opportunity itself all play an important role in the opportunity identification process. I add to this extensive literature by considering the potential impact of political ideology on the overall opportunity identification process. This study found that the political ideology of a retailer influenced his/her subsequent site selection decisions. This reveals the potential influence of implicit bias on the site selection decision making process of retailers.

#### Urban economic development

I contribute to the literature on urban economic development by explicitly focusing on the potential attractiveness of the consumers found in urban markets. As noted earlier, the urban economic development research stream thus far has focused on the following key issues: challenges related to identifying urban market opportunities, barriers to

entrepreneurship within urban markets, and the roles of the private sector and the public sector in the economic development of the urban market. Although the scholars within this area have made significant contributions to our understanding of the opportunities and challenges found in urban markets, one area that had not been adequately addressed was the role of the consumers themselves. This study contributes to this body of research by providing insight into the potential influence that multicultural consumers found within urban markets have on the site selection choices of retailers. The results of this study found that the preferences of multicultural consumers are important to retailers considering an urban market for their new business location. This finding highlights not just the attractiveness of the urban location but also the attractiveness of the consumers found there.

### **Managerial Implications**

The results of this study found that when considering an urban market as a potential new location for their business, retailers actually take into consideration the preferences of their consumers and in the case of urban markets, multicultural consumers. Given this insight, it is important for managers who are considering such markets to be very cognizant about the needs and preferences of the multicultural consumers found there. As discussed earlier (Henderson & Williams 2013), companies interested in entering multicultural markets must be prepared to address the needs of the multicultural consumers. Here it becomes imperative for retailers to create environments that not only encourage multicultural consumers to buy their products/services but to feel comfortable and valued as human beings while doing so.

## **Public Policy Implications**

This study does not offer a simple solution for how urban communities can attract new businesses to their area, but it does provide clear insight into the factors that potential new retailers find attractive about such areas. Emerging from this study, there are two main areas of focus that communities need to spend more time emphasizing when trying to attract new businesses into their community. First, it is important that the various governments recognize the results of this study in terms of the key location factors that retailers find attractive in urban markets. Based on this study, public transportation, proximity to restaurants and shops in the surrounding area, and low traffic congestion were the most attractive features of an urban market. Urban communities should continue to highlight the presence of these features in their communities if they are currently available. If they are not, they should consider expanding or developing them and possibly discussing their willingness to develop such features specifically for prospective retailers. Second, this study found that retailers are interested in catering to the specific preferences of the consumers found in urban markets. Given this understanding, governments should initiate various needs assessments to identify exactly what their local customers have a need for and what the local customers believe the government and/or prospective retailers should do to best fulfill those needs.

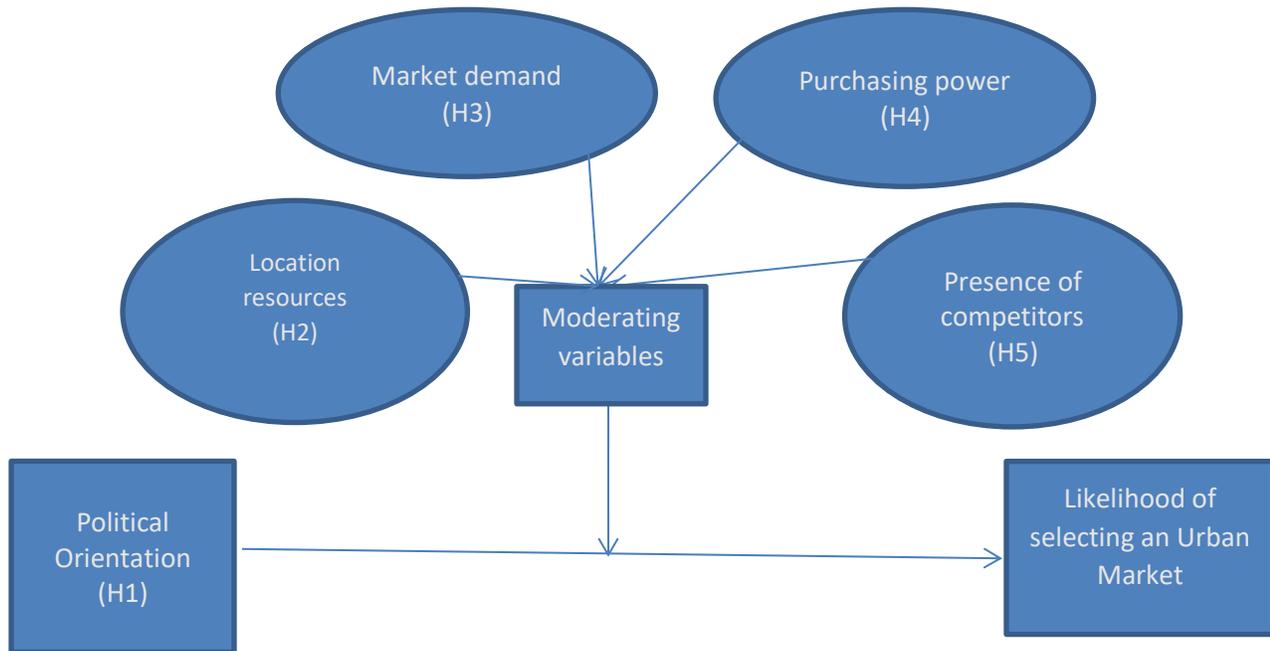
Despite the positive results found in this study, there are some limitations. The first limitation of this study is the use of Amazon Mechanical Turks as a source for data. Of the 229 surveys used in the final data set, approximately 190 were from Amazon Mechanical Turks. Some scholars have questioned the accuracy of the information provided by the participants (Wessling, Huber & Netzer 2017, Goodman & Paolacci

2017 & Woo, Keith, & Thornton 2015). Nevertheless, several scholars have successfully published their work using Amazon Turks (e.g., Yang, Vosgerau & Loewenstein 2013, Wolfson, Tannenbaum, Mathieu, & Maynard 2018, & Reed, Derek, Becirevic, Amel, Atchley, Paul, Kaplan, Brent, and Liese, Bruce 2016).

The second limitation of this study has to do with the degree of realism present in the survey. Most of the participants who took the survey are not actively engaged in the site selection decisions of their organizations thus some scholars might question whether or not the participants possess the professional mindset necessary for such a decision. Two controls were included in the research process to minimize this potential limitation. First, the participants were screened to ensure that they had or were actively pursuing a graduate degree. This implied that the individual had at least a bachelor's degree and some work experience. Second, realism was added into the survey process through the use of visual cues. To address both limitations discussed, future studies in this area could administer the survey to working professionals in the retail industry who are actively involved in the site selection decisions of their organizations.

## CONCLUSION

To conclude, this study investigated the factors that influence a retailer's site selection decision when considering an urban market for a new business location. For retailers considering an urban market as a potential site for their new business location, I found that public transportation, proximity to restaurants and shops, low traffic congestion, and the preferences of multicultural consumers to be the most attractive aspects about locating to such communities. This study also found support for the idea that political ideology does influence the site selection choices of retailers. Overall, the results of this study provide a framework for urban communities to use as they continue to work on attracting new businesses to their municipalities.

**[APPENDIX A]****Figure 1**  
**Conceptual framework**

**[APPENDIX B]****SUMMARY OF HYPOTHESIS**

- **Political ideology**
  - **H1a**
    - There is a positive relationship between a liberal political orientation and the likelihood of selecting an urban market.
  - **H1b**
    - There is a negative relationship between a conservative political orientation and the likelihood of selecting an urban market.
- **Strategic location**
  - **H2**
    - There is a positive relationship between a locations resources and the likelihood of selecting an urban market.
- **Market demand**
  - **H3a**
    - There is a positive relationship between the presence of multicultural consumers and the likelihood of selecting an urban market, but the relationship will be curvilinear. As the cost of adapting to the needs of multicultural consumers increases, the returns to the retailers will begin to diminish.
  - **H3b**
    - There is a positive relationship between the preferences of multicultural consumers and the likelihood of selecting an urban

market but the relationship will be curvilinear. As the cost of adapting to the preferences of multicultural consumers increases, the returns to the retailers will begin to diminish.

- **Purchasing Power**

- **H4**

- There is a positive relationship between purchasing power and the likelihood of selecting an urban market.

- **Presence of competitors**

- **H5**

- There is a positive relationship between the presence of competitors and the likelihood of selecting an urban market.

## [APPENDIX C]

### **Survey instrument**

#### **Introduction**

The purpose of this study is to identify which location factors retailers consider important when looking for a new retail location. To assist in gaining insight into this matter, a survey has been developed that profiles a fictitious company considering this possibility. Two locations are profiled that typify the community from which the shoppers will come from. The survey proceeds as follows: 1) profile of the company; 2) profile of a typical location; 3) profile of the potential new location; and 4) the questionnaire.

## **Company Profile**

Millennium Foods is one of the top publicly traded companies in America that specializes in organic and natural foods. They are headquartered in Columbus, Ohio and have over 300 locations worldwide with approximately 58,000 employees. They currently spend approximately \$880 million dollars on their operations and yield around \$12 billion dollars in annual revenue. The expansion of Millennium Foods outside of Columbus started back in the mid-1980s. They first expanded to Houston, Texas and later to New Orleans via the purchase of a subsidiary company. In 1989, the company opened a store in San Francisco, California marking their first move into the West Coast. Through the 1990s, the company quickly acquired other natural food chains in order to propel their growth. In 1999, the company opened their 100<sup>th</sup> store in Torrance, California.

## Typical Location (Location A)



- Population: 57,551
- Ethnic makeup:
  - 72% White
  - 13.7% Asian
  - 11.2% Black or African American
  - 8.7% Hispanic or Latino of any race
  - 2.9% Other
- Median Household income: \$95,888
- Per capita income: \$42,431
- Percentage of population below the poverty line: 1.2%

## Potential New Location (Location B)



- Population: 713,777
- Ethnic makeup:
  - 82.7% Black or African American
  - 10.6% White
  - 6.8% Hispanic or Latino of any race
  - 1.1% Asian
  - 3% Other
- Median Household income: \$25,787
- Per capita income: \$14,118
- Percentage of population below the poverty line 32.3%

## QUESTIONNAIRE

Given the previous description of the fictitious company (Millennium Foods, Inc.), its typical retail location (location A) and the potential new retail location (location B), how important would the factors listed below be to the company when making the decision to open a retail store in the potential new location (location B)? For example, would the “availability of an appropriate labor pool in the region” be an important factor to the company when deciding whether or not to enter the potential new location? Please rate the importance of this factor according to the following scale: 1-very important, 2-moderately important, 3-important, 4-moderately unimportant, 5-very unimportant. The rest of the survey will proceed in a similar manner.

## STRATEGIC LOCATION

1-very important, 2-moderately important, 3-important, 4-moderately unimportant, 5-very unimportant

1. Business environment
  - a. Municipal reputation as a good place to work \_\_\_\_\_
  - b. Municipal reputation as a good place to live \_\_\_\_\_
  - c. Proximity to research institutions and universities \_\_\_\_\_
  - d. Proximity to government facilities \_\_\_\_\_
  - e. Availability of complementary/supplemental business services \_\_\_\_\_
2. Transportation and access
  - a. Public transportation \_\_\_\_\_
  - b. On-site parking for employees \_\_\_\_\_
  - c. Access to airports \_\_\_\_\_
  - d. Access to major highways \_\_\_\_\_
  - e. Access to railroads \_\_\_\_\_
  - f. Traffic congestion \_\_\_\_\_
  - g. Proximity to restaurants and shops in surrounding area \_\_\_\_\_
3. Development/operating costs
  - a. Property tax rates \_\_\_\_\_
  - b. State tax rates \_\_\_\_\_
  - c. Local tax/financial incentives \_\_\_\_\_
  - d. State tax/financial incentives \_\_\_\_\_
  - e. Land costs \_\_\_\_\_
  - f. Real-estate rental rates \_\_\_\_\_
  - g. Quality and capacity of basic infrastructure (e.g., water, sewer) \_\_\_\_\_
4. Human capital
  - a. Availability of appropriate labor pool in the region \_\_\_\_\_
  - b. Competitive labor costs \_\_\_\_\_
  - c. Existence of a municipal minimum wage law \_\_\_\_\_
  - d. Existence of strong trade unions in the municipality \_\_\_\_\_
  - e. Availability of customized workforce training \_\_\_\_\_

**MARKET DEMAND**

1-strongly agree, 2-agree, 3-indifferent, 4-disagree, 5-strongly disagree

## 5. Market Demand

- a. The presence of multicultural customers will be an important factor to a company considering opening a retail store in the potential new location. \_\_\_\_\_
- b. The preferences of multicultural customers will be an important factor to a company considering opening a retail store in the potential new location. \_\_\_\_\_
- c. If the cost of adapting to the needs of multicultural customers increases faster than the benefits, the presence of multicultural customers will still be an important factor to a company considering opening a retail store in the potential new location. \_\_\_\_\_
- d. If the cost of adapting to the needs of multicultural customers increased faster than the benefits, the preferences of multicultural customers will still be an important factor to a company considering opening a retail store in the potential new location. \_\_\_\_\_

**PURCHASING POWER**

1-strongly agree, 2-agree, 3-indifferent, 4-disagree, 5-strongly disagree

## 6. Purchasing Power

- a. The income level of the residents in the community of interest will be an important factor to a “high-end” company (e.g., Nordstrom’s, Macy’s) considering opening a retail store in the potential new location.
- b. The income level of the residents in the community of interest will be an important factor to a “low-end” company (e.g., Target, Dollar General) considering opening a retail store in the potential new location.

**PRESENCE OF COMPETITORS**

1-strongly agree, 2-agree, 3-indifferent, 4-disagree, 5-strongly disagree

## 7. Presence of Competitors

- a. The presence of a critical mass of generalist firms in the new location will increase the likelihood of a generalist firm opening a new retail store in this location. \_\_\_\_\_
- b. The presence of a critical mass of specialists firms in the new location will increase the likelihood of a specialist firm opening a new retail store in this location. \_\_\_\_\_

**CHOICE OF NEW RETAIL LOCATION**

8. After a more thorough site evaluation, if it is found that the potential new location possesses all of the traits that you have stated are important to companies

considering a new retail location similar to location B, do you think a company like Millennium Foods Inc. would choose location B?

- a. (1) Yes
- b. (2) No

### **POLITICAL ORIENTATION**

- 9. What is your dominant political orientation?
  - a. Extremely liberal
  - a. Liberal
  - b. Middle of the road
  - c. Conservative
  - d. Extremely conservative

## BACKGROUND INFORMATION

The following questions are about you, the survey participant. Please select the answer that best describes you.

10. Are you an employee, supervisor/manager or business owner?
  - a. Employee
  - b. Supervisor/manager
  - c. Business owner
  - d. Other: please specify \_\_\_\_\_
11. Which industry best describes your organization?
  - e. Retail trade
  - f. Information
  - g. Finance and insurance
  - h. Management of Companies and Enterprises
  - i. Educational Services
  - j. Healthcare and Social Assistance
  - k. Arts, Entertainment, and Recreation
  - l. Accommodation and Food services
  - m. Transportation and Warehouse
  - n. Manufacturing
  - o. Construction
  - p. Utilities
  - q. Mining
  - r. Agriculture, Forestry, Fishing and Hunting
  - s. Other: please specify \_\_\_\_\_
12. Size of your organization
  - a. 1-10 employees
  - b. 11-50 employees
  - c. 51-100 employees
  - d. more than 100 employees
  - e. 100-1,000 employees
  - f. More than 1,000 employees
13. Location of your organization
  - e. City
  - f. Suburban
  - g. Rural
14. How many years do you have business ownership experience?
  - h. None
  - i. 1-5 years
  - j. 6-10 years
  - k. 11-25 years
  - l. More than 25 years
15. Experience operating as a business owner in an urban market?
  - m. Yes
  - n. No

## 16. Gender

- o. Male
- p. Female

## 17. Race

- q. American Indian or Alaska Native
- r. Asian
- s. Black or African American
- t. Native Hawaiian or Other Pacific Islander
- u. White
- v. Multi-racial

## 18. Ethnicity

- w. Hispanic or Latino
- x. Not Hispanic or Latino

## 19. Highest level of education

- y. some High school
- z. High School graduate
- aa. Some college
- bb. Bachelor's Degree
- cc. some graduate school
- dd. Master's Degree
- ee. Doctorate
- ff. Other: please specify\_\_\_\_\_

## Addendum

- **Purpose**
  - To provide additional clarification on concepts that might be confusing (i.e., political orientation, critical mass of competitors, generalists, specialists)
  
- **Question#9: Political orientation**
  - **Liberal**
    - Denounces economic and social inequality. Equality of opportunity is viewed by liberals as essential, and to achieve that end, they believe that discriminatory practices must be eliminated and that the impact of great inequalities of wealth needs to be lessened. Liberals usually advocate vigorous public policies to reduce or eliminate these inequalities. (The Saylor Foundation 2015).
  - **Conservative**
    - Have a general preference for the existing order of society and an opposition to most efforts to bring about rapid or fundamental change. In contrast to liberals, conservatives want to enhance individual liberty by keeping government small, except in the area of national defense. Conservatives maintain that people need strong leadership institutions, firm laws, and strict moral codes (The Saylor Foundation 2015).
  - **Moderates**
    - Usually represent a mix of both liberal and conservative ideologies (The Saylor Foundation 2015).
  
- **Questions#11-12: Critical mass of similar firms in the area**
  - **Critical mass of similar firms in the area**
    - The minimum number of firms needed in a market to attract potential new firms (i.e., the number of general or specialty hardware stores in an area; Oren, Smith and Wilson 1982; Arroyo-Barriguete, Ernst, Lopez-Sanchez, and Orero-Gimenez 2010)
  - **Generalist firms**
    - Offer a diversified assortment of different products or services. Their outlets serve as one-stop locations and grant corresponding savings to customers in terms of time and effort (e.g., Walmart, Target; Etgar and Rachman-Moore 2011).
  - **Specialist firms**
    - Generally offer a uniquely positioned brand within a well-defined specific product or service category “space” backed by selected items, retail service, and professional information (e.g., Ace Hardware, GameStop; Etgar and Rachman-Moore 2011).

**[Appendix D]**  
**Logistic Regression**  
**Results**

**Table 1—Case Processing Summary**

<b>Case Processing Summary</b>		N	Percent
Unweighted Cases <sup>a</sup>			
Selected Cases	Included in Analysis	234	98.7
	Missing Cases	3	1.3
	Total	237	100.0
Unselected Cases		0	.0
Total		237	100.0

a. If weight is in effect, see classification table for the total number of cases.

**Table 2—Model#1****Hosmer and Lemeshow Test**

Step	Chi-square	df	Sig.
1	4.922	8	.766

**Variables in the Equation**

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
Step 1 <sup>a</sup>	Q10	.480	.311	2.381	1	.123	1.616	.878	2.973
	Q11	-.051	.033	2.383	1	.123	.950	.891	1.014
	Q12	.291	.160	3.289	1	.070	1.337	.977	1.830
	Q13	-.106	.211	.252	1	.616	.899	.594	1.361
	Q14	.016	.233	.005	1	.945	1.016	.643	1.605
	Q15	.123	.302	.166	1	.684	1.131	.625	2.045
	Q16	-.515	.290	3.144	1	.076	.598	.338	1.056
	Q17	.258	.162	2.540	1	.111	1.294	.943	1.776
	Q18	.053	.499	.011	1	.916	1.054	.397	2.801
	Q19	.124	.154	.653	1	.419	1.132	.838	1.530
	Constant	-3.403	1.778	3.664	1	.056	.033		

a. Variable(s) entered on step 1: Q10, Q11, Q12, Q13, Q14, Q15, Q16, Q17, Q18, Q19.

**Table 3—Model#2****Hosmer and Lemeshow Test**

Step	Chi-square	df	Sig.
1	7.133	8	.522

**Variables in the Equation**

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
Step 1 <sup>a</sup>	Q10	.445	.314	2.011	1	.156	1.561	.844	2.888
	Q11	-.045	.033	1.850	1	.174	.956	.895	1.020
	Q12	.259	.162	2.557	1	.110	1.295	.943	1.778
	Q13	-.029	.218	.018	1	.893	.971	.634	1.488
	Q14	-.017	.236	.005	1	.944	.984	.620	1.561
	Q15	.187	.307	.372	1	.542	1.206	.661	2.199
	Q16	-.604	.298	4.115	1	.043	.546	.305	.980
	Q17	.256	.162	2.515	1	.113	1.292	.941	1.773
	Q18	.072	.505	.021	1	.886	1.075	.400	2.891
	Q19	.161	.156	1.063	1	.303	1.175	.865	1.595
	Q9	-.245	.146	2.817	1	.093	.783	.588	1.042
		Constant	-2.742	1.820	2.270	1	.132	.064	

a. Variable(s) entered on step 1: Q9.

**Table 4—Model#3****Hosmer and Lemeshow Test**

Step	Chi-square	df	Sig.
1	13.484	8	.096

**Variables in the Equation**

Step 1 <sup>a</sup>		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
	Q10	.406	.356	1.301	1	.254	1.501	.747	3.016
	Q11	-.071	.038	3.401	1	.065	.932	.864	1.004
	Q12	.267	.192	1.921	1	.166	1.305	.896	1.903
	Q13	.223	.249	.804	1	.370	1.250	.767	2.038
	Q14	-.053	.278	.037	1	.848	.948	.550	1.635
	Q15	.025	.371	.004	1	.947	1.025	.495	2.122
	Q16	-.719	.350	4.215	1	.040	.487	.245	.968
	Q17	.244	.186	1.725	1	.189	1.276	.887	1.837
	Q18	.181	.582	.097	1	.756	1.198	.383	3.749
	Q19	.244	.182	1.806	1	.179	1.277	.894	1.823
	Q9	-.329	.171	3.691	1	.055	.719	.514	1.007
	Q1_1	.171	.238	.515	1	.473	1.187	.744	1.893
	Q1_2	-.153	.180	.721	1	.396	.858	.603	1.222
	Q1_3	-.265	.185	2.058	1	.151	.767	.534	1.102
	Q1_4	.334	.210	2.522	1	.112	1.396	.925	2.108
	Q1_5	-.158	.222	.509	1	.475	.854	.553	1.318
	Q2_1	-.407	.196	4.329	1	.037	.666	.454	.977
	Q2_2	-.066	.187	.124	1	.724	.936	.650	1.350
	Q2_3	-.042	.205	.042	1	.837	.959	.642	1.432
	Q2_4	.282	.186	2.301	1	.129	1.326	.921	1.908
	Q2_5	.246	.189	1.696	1	.193	1.279	.883	1.852
	Q2_6	-.405	.221	3.356	1	.067	.667	.432	1.029
	Q2_7	.431	.211	4.160	1	.041	1.539	1.017	2.329
	Q3_1	-.114	.328	.122	1	.727	.892	.469	1.696
	Q3_2	-.256	.377	.458	1	.498	.775	.370	1.623
	Q3_3	.608	.410	2.207	1	.137	1.837	.823	4.100
	Q3_4	.014	.377	.001	1	.970	1.014	.484	2.125

Q3_5	.128	.240	.285	1	.594	1.137	.710	1.821
Q3_6	-.188	.257	.537	1	.464	.828	.501	1.371
Q3_7	.201	.265	.577	1	.448	1.223	.728	2.054
Q4_1	.066	.249	.069	1	.792	1.068	.655	1.740
Q4_2	-.045	.258	.031	1	.860	.956	.577	1.583
Q4_4	-.062	.214	.085	1	.771	.940	.618	1.428
Q4_5	.361	.203	3.156	1	.076	1.435	.963	2.137
Q4_3	-.260	.211	1.515	1	.218	.771	.509	1.167
Constant	-3.713	2.359	2.477	1	.116	.024		

a. Variable(s) entered on step 1: Q1\_1, Q1\_2, Q1\_3, Q1\_4, Q1\_5, Q2\_1, Q2\_2, Q2\_3, Q2\_4, Q2\_5, Q2\_6, Q2\_7, Q3\_1, Q3\_2, Q3\_3, Q3\_4, Q3\_5, Q3\_6, Q3\_7, Q4\_1, Q4\_2, Q4\_4, Q4\_5, Q4\_3.

**Table 5—Model#4****Hosmer and Lemeshow Test**

Step	Chi-square	df	Sig.
1	8.287	8	.406

**Variables in the Equation**

Step 1 <sup>a</sup>		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
	Q10	.431	.365	1.394	1	.238	1.539	.752	3.149
	Q11	-.073	.039	3.464	1	.063	.929	.860	1.004
	Q12	.330	.200	2.740	1	.098	1.392	.941	2.058
	Q13	.177	.256	.479	1	.489	1.194	.723	1.971
	Q14	-.069	.283	.059	1	.807	.933	.536	1.625
	Q15	.057	.374	.023	1	.878	1.059	.509	2.204
	Q16	-.781	.359	4.726	1	.030	.458	.227	.926
	Q17	.307	.194	2.484	1	.115	1.359	.928	1.989
	Q18	.284	.594	.229	1	.632	1.329	.415	4.260
	Q19	.309	.188	2.695	1	.101	1.362	.942	1.968
	Q9	-.361	.177	4.158	1	.041	.697	.492	.986
	Q1_1	.174	.246	.501	1	.479	1.190	.735	1.926
	Q1_2	-.179	.183	.953	1	.329	.836	.583	1.198
	Q1_3	-.332	.192	2.979	1	.084	.718	.492	1.046
	Q1_4	.283	.215	1.727	1	.189	1.327	.870	2.024
	Q1_5	-.133	.226	.348	1	.555	.875	.562	1.363
	Q2_1	-.350	.207	2.851	1	.091	.704	.469	1.058
	Q2_2	-.059	.192	.094	1	.760	.943	.647	1.374
	Q2_3	-.037	.210	.031	1	.861	.964	.639	1.453
	Q2_4	.338	.192	3.098	1	.078	1.403	.962	2.044
	Q2_5	.237	.193	1.498	1	.221	1.267	.867	1.851
	Q2_6	-.460	.230	4.002	1	.045	.631	.403	.991
	Q2_7	.491	.216	5.177	1	.023	1.634	1.070	2.493
	Q3_1	-.145	.331	.192	1	.661	.865	.452	1.655
	Q3_2	-.256	.385	.443	1	.506	.774	.364	1.646
	Q3_3	.553	.431	1.645	1	.200	1.738	.747	4.047
	Q3_4	.087	.388	.050	1	.823	1.090	.510	2.333

Q3_5	.159	.243	.428	1	.513	1.172	.728	1.885
Q3_6	-.199	.266	.557	1	.456	.820	.486	1.382
Q3_7	.244	.277	.774	1	.379	1.277	.741	2.199
Q4_1	.090	.256	.125	1	.724	1.095	.663	1.807
Q4_2	-.011	.263	.002	1	.966	.989	.590	1.657
Q4_4	-.057	.219	.067	1	.796	.945	.615	1.453
Q4_5	.372	.208	3.203	1	.074	1.450	.965	2.178
Q4_3	-.254	.220	1.337	1	.248	.776	.504	1.193
Q5_1	.104	.196	.281	1	.596	1.110	.755	1.631
Q5_2	-.407	.189	4.648	1	.031	.665	.459	.964
Q5_3	.092	.217	.180	1	.671	1.097	.716	1.678
Q5_4	-.023	.223	.011	1	.918	.977	.631	1.513
Constant	-4.259	2.453	3.014	1	.083	.014		

a. Variable(s) entered on step 1: Q5\_1, Q5\_2, Q5\_3, Q5\_4.

**Table 6—Model#5****Hosmer and Lemeshow Test**

Step	Chi-square	df	Sig.
1	5.001	8	.757

**Variables in the Equation**

Step 1 <sup>a</sup>		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
	Q10	.427	.372	1.318	1	.251	1.533	.739	3.181
	Q11	-.067	.041	2.635	1	.105	.935	.862	1.014
	Q12	.353	.200	3.120	1	.077	1.424	.962	2.108
	Q13	.185	.257	.520	1	.471	1.203	.728	1.989
	Q14	-.066	.285	.053	1	.818	.936	.536	1.636
	Q15	.098	.376	.067	1	.795	1.103	.528	2.304
	Q16	-.796	.365	4.761	1	.029	.451	.221	.922
	Q17	.304	.193	2.473	1	.116	1.355	.928	1.979
	Q18	.349	.586	.355	1	.552	1.418	.450	4.470
	Q19	.386	.195	3.911	1	.048	1.471	1.003	2.157
	Q9	-.387	.181	4.587	1	.032	.679	.477	.968
	Q1_1	.179	.252	.503	1	.478	1.196	.729	1.961
	Q1_2	-.184	.186	.985	1	.321	.832	.578	1.197
	Q1_3	-.317	.196	2.630	1	.105	.728	.496	1.068
	Q1_4	.199	.222	.805	1	.370	1.220	.790	1.886
	Q1_5	-.153	.229	.449	1	.503	.858	.548	1.344
	Q2_1	-.318	.213	2.234	1	.135	.727	.479	1.104
	Q2_2	-.051	.193	.070	1	.791	.950	.651	1.386
	Q2_3	.051	.216	.055	1	.814	1.052	.689	1.607
	Q2_4	.309	.195	2.501	1	.114	1.362	.929	1.997
	Q2_5	.249	.196	1.613	1	.204	1.282	.874	1.882
	Q2_6	-.480	.230	4.350	1	.037	.619	.394	.972
	Q2_7	.488	.219	4.973	1	.026	1.629	1.061	2.502
	Q3_1	-.118	.332	.126	1	.722	.889	.464	1.703
	Q3_2	-.275	.390	.495	1	.482	.760	.353	1.633

Q3_3	.551	.439	1.579	1	.209	1.735	.734	4.101
Q3_4	.065	.391	.028	1	.867	1.068	.496	2.299
Q3_5	.095	.251	.144	1	.705	1.100	.673	1.797
Q3_6	-.236	.271	.754	1	.385	.790	.464	1.345
Q3_7	.240	.281	.727	1	.394	1.271	.733	2.204
Q4_1	.026	.262	.010	1	.920	1.027	.614	1.717
Q4_2	.003	.269	.000	1	.991	1.003	.592	1.700
Q4_4	-.078	.221	.126	1	.722	.925	.600	1.425
Q4_5	.383	.211	3.294	1	.070	1.467	.970	2.220
Q4_3	-.257	.223	1.333	1	.248	.773	.500	1.196
Q5_1	.104	.200	.272	1	.602	1.110	.750	1.643
Q5_2	-.437	.192	5.168	1	.023	.646	.444	.942
Q5_3	.093	.219	.182	1	.670	1.098	.715	1.686
Q5_4	-.036	.226	.025	1	.873	.965	.620	1.501
Q6_1	.307	.256	1.444	1	.229	1.360	.824	2.244
Q6_2	.161	.196	.679	1	.410	1.175	.801	1.724
Constant	-5.196	2.498	4.327	1	.038	.006		

a. Variable(s) entered on step 1: Q6\_1, Q6\_2.

**Table 7—Model#6****Hosmer and Lemeshow Test**

Step	Chi-square	df	Sig.
1	7.774	8	.456

**Variables in the Equation**

Step 1 <sup>a</sup>		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
	Q10	.375	.377	.988	1	.320	1.455	.695	3.045
	Q11	-.070	.042	2.805	1	.094	.932	.859	1.012
	Q12	.334	.202	2.729	1	.099	1.397	.940	2.076
	Q13	.138	.261	.282	1	.596	1.148	.689	1.915
	Q14	-.003	.289	.000	1	.992	.997	.565	1.758
	Q15	.066	.388	.029	1	.864	1.069	.500	2.286
	Q16	-.667	.376	3.153	1	.076	.513	.246	1.072
	Q17	.305	.196	2.408	1	.121	1.356	.923	1.993
	Q18	.273	.598	.208	1	.648	1.314	.407	4.239
	Q19	.366	.197	3.453	1	.063	1.442	.980	2.121
	Q9	-.347	.184	3.540	1	.060	.707	.492	1.015
	Q1_1	.142	.255	.312	1	.577	1.153	.700	1.900
	Q1_2	-.192	.187	1.047	1	.306	.826	.572	1.192
	Q1_3	-.309	.198	2.441	1	.118	.734	.499	1.082
	Q1_4	.251	.226	1.234	1	.267	1.285	.825	2.002
	Q1_5	-.098	.233	.178	1	.673	.907	.575	1.430
	Q2_1	-.354	.218	2.652	1	.103	.702	.458	1.075
	Q2_2	-.061	.194	.100	1	.752	.941	.643	1.375
	Q2_3	.022	.218	.010	1	.921	1.022	.667	1.566
	Q2_4	.319	.197	2.616	1	.106	1.375	.935	2.023
	Q2_5	.292	.199	2.145	1	.143	1.339	.906	1.980
	Q2_6	-.492	.232	4.481	1	.034	.612	.388	.964
	Q2_7	.503	.222	5.126	1	.024	1.653	1.070	2.555
	Q3_1	-.088	.337	.069	1	.793	.915	.473	1.771
	Q3_2	-.316	.393	.644	1	.422	.729	.337	1.577

Q3_3	.593	.447	1.758	1	.185	1.810	.753	4.349
Q3_4	-.040	.399	.010	1	.919	.960	.439	2.100
Q3_5	.055	.250	.048	1	.826	1.057	.647	1.725
Q3_6	-.151	.276	.299	1	.584	.860	.500	1.478
Q3_7	.231	.286	.652	1	.419	1.259	.720	2.204
Q4_1	.015	.267	.003	1	.956	1.015	.601	1.714
Q4_2	-.015	.275	.003	1	.956	.985	.574	1.689
Q4_4	-.022	.225	.010	1	.922	.978	.630	1.520
Q4_5	.326	.215	2.297	1	.130	1.386	.909	2.113
Q4_3	-.265	.228	1.347	1	.246	.767	.491	1.200
Q5_1	.117	.203	.329	1	.566	1.124	.754	1.674
Q5_2	-.443	.193	5.240	1	.022	.642	.440	.938
Q5_3	.091	.223	.167	1	.683	1.095	.708	1.694
Q5_4	-.045	.229	.039	1	.843	.956	.610	1.497
Q6_1	.370	.270	1.885	1	.170	1.448	.854	2.456
Q6_2	.124	.200	.384	1	.536	1.132	.765	1.673
Q7_1	.375	.235	2.552	1	.110	1.455	.918	2.305
Q7_2	-.248	.251	.978	1	.323	.780	.477	1.276
Constant	-5.321	2.515	4.476	1	.034	.005		

a. Variable(s) entered on step 1: Q7\_1, Q7\_2.

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