Brand New

An analysis of the role of local government institutions and city branding activities regarding location decisions of international startup entrepreneurs

Master Thesis
Publiek Management
Erasmus School of Social and Behavioural Studies
Erasmus University Rotterdam
February 2020

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Preface

Before you lies the master thesis "Brand New - An analysis of the role of local government institutions and city branding activities regarding location decisions of international startup entrepreneurs." This thesis is written as part of the MSc program in Public Administration – specialization *Publiek Management* at the Erasmus School of Social and Behavioral Studies of Erasmus University Rotterdam. It results from my internship at The Hague International Centre.

Hereby, I would like to take the opportunity to thank those who have helped me in the process of completing this thesis. First, my supervisor Vincent Homburg for his guidance and advises and for motivating me during this process of almost a year. Additionally, I would like to thank The Hague International Centre and especially my supervisor Gerko Visée. I appreciate our collaboration during the internship and the trust and freedom provided to me. I am also thankful for his advice and discussions together, not only during the internship but also months later. Besides, I appreciate the startup organizations for providing me with the useful startup contacts. In particular, I would like to thank Derk-Jan Statema of The Hague Business Agency, Egbert Ottevanger of World Startup Factor, Alexandra Belicova of StartupAmsterdam, and lastly Laura Salm of Rotterdam Expat Center. Of course, I want to thank the respondents for allowing me to interview them. All of them informed me on the busy life as a startup owner, so I am grateful for their precious time and extra resources. I experienced it as very interesting and fun to hear all the first-hand experiences and to get a look inside the (for me) unfamiliar world of startups and startup communities. Lastly, I would like to thank my family, friends, and housemates for supporting me during the past months. Your unconditional encouragement and interest has kept me going with this project.

Sophie van den Bosch

December 2019

Executive Summary

This research investigates motivations for location decisions of international startup entrepreneurs and the corresponding role of local government institutions and city branding activities in such decisions. The research points toward seven decisive motivations for location decisions of international startup entrepreneurs, as shown in table 1:

Table 1 - Motivations explaining location decisions

1	Connected startup ecosystem
2	Supportive national government
3	Business considerations
4	Networks
5	Lifestyle
6	Language
7	Support

These motivations indicate a limited role for local government institutions. The results reflect an appreciation for the support for startup ecosystem development and for stimulating the use of English as a language in everyday life and in business. However, overall, there is a mismatch between the policy theory of The Hague International Centre as a one-stop-shop expat center and the empirical patterns resulted from the data analysis. The focus on personal soft landing does not match the more business-focused motivations of the entrepreneurs. To solve the mismatch and to respond to the needs and expectations of the international startup entrepreneurs, The Hague International Centre should focus on city branding: advertise and improve The Hague as a city for startups. To do effectively, The Hague International Centre should actively join the startup ecosystem. Three recommendations are formulated: (1) The Hague International Centre and its account manager should take an active position in the startup ecosystem, connecting with other parties and with startup entrepreneurs to gain and exchange information and knowledge; (2) The Hague International Centre should organize events targeted at startups. Organize, in collaboration with other parties in the startup ecosystem, network events for startups. Additionally, the existing CONNECT events should include more startup topics and be more strongly branded for startup entrepreneurs; (3) The Hague International Centre should be pro-active in branding The Hague as a startup city by taking the role as policy advisor to entire municipality and advise to include startups more explicitly.

The thesis research is conducted as part of the development of The Hague International Centre, the expat center of The Hague. In 2017, the City Deal "Warm Welcome for Talent" was presented, which focused on making the Netherlands more attractive for international entrepreneurs and to better facilitate the startups settling in the Netherlands, providing them a "warm welcome." At the same time, The Hague International Centre, the expat center of the municipality of The Hague, is in a phase of

developing its services and expanding the target audience to include international entrepreneurs as well. The City Deal recommendations served as directions in the development of the center. In particular, The Hague International Centre has followed the advice to become a one-stop-shop, integrating formalities, information, and government services at one place. However, the center needs to improve its understanding of startups and their location decisions to effectively align their services and policies with the needs and expectations of international startup entrepreneurs. The findings and recommendations help The Hague International Centre to align their services and policies to the needs and wishes of international startup entrepreneurs and therefore offer a warm welcome tot his group of internationals, as put forward by the City Deal "Warm Welcome for Talent" (2017).

Three different angles in literature are analyzed in order to find theoretical insights into location decisions and attracting factors: place branding literature, Place branding literature, (self-initiated) expatriation literature and entrepreneurial ecosystem literature have proven to be insightful. Place branding is defined as the use of marketing instruments for creating and promoting a positive image for a geographical location as well as developing and improving the place in accordance to expectations and demands of target groups in order to increase the location's attractiveness and competitiveness. Self-initiated expatriation literature highlights the heterogeneity of self-initiated expats and the specific characteristics of the startup expat, i.e. the "expat-preneur." Lastly, the entrepreneurial ecosystem literature is also important to understand the startup entrepreneur. The ecosystem literature identifies a supportive, but sidelined role for government institutions. Place branding also gives only limited insights for the role of local government institutions, suggesting four strategies to use branding to attract startups: improve quality of life, ensure friendly costs of living, and partnering with business community are emphasized as branding strategies besides creating a strong place brand for the city. Based on the literature review, twelve sensitizing concepts are identified:

Table 2 – Sensitizing concepts

1	Place brands	7	Social networks
2	Diversity	8	Participation and change
3	Quality of life	9	Networks and co-working
4	Cost efficiency	10	Access to markets
5	Adventure	11	Human capital/workforce
6	Job and career ambitions	12	Funding and finance

This research is a type of small-N, inductive, qualitative research with a comparative analysis of three case studies: The Hague, Amsterdam and Rotterdam. The sensitizing concepts above were used as a first theoretical lens to approach the data. Data was collected through semi-structured interviews with international startup owners in the three city regions and through expert meetings. The research made use of a type of axial coding, but with an informed open start, in analyzing the data to find motivations

for location decisions. The analysis has led to the seven stimulating motivations as shown, including various sub-motivations. All the sensitizing concepts were also reflected in these (sub-)motivations, except adventure. In addition, each city has its own emphasized stimulating factors. Entrepreneurs in Rotterdam emphasize the startup community, co-working spaces and the "relaxed" and small city vibe in the city. The Hague-based startups highlight a "relaxed" vibe as well as expat-focus in the city and the active role of the municipality in supporting the startup ecosystem. Startups in Amsterdam stress the presence of relevant business and industries and the mentor support as important motivating factors in their location decisions. The seven motivations were compared to the policy theory of The Hague International as a one-stop-shop offering a personal soft landing and guiding with formalities. This mismatch identified between the empirical patterns resulted from the data analysis and the policy theory points toward the limited role of local government institutions in location decisions of international startup entrepreneurs. To increase its role, local government institutions such as The Hague International Centre should focus on branding strategies, as the recommendations mentioned above put forward.

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Chapter 1: Introduction

1.1 Warm Welcome for Talent

In 2016, the municipalities of Amsterdam, The Hague, Eindhoven and Groningen joined the ministries of Economic Affairs, Safety and Justice, Education, Culture and Science, and Social Affairs and Employment in a task force ("Urban Agenda") looking at the productivity of Dutch cities. A focus was on the "Warm Welcome for Talent" City Deal, presented in 2017 to Prince Constantijn of Orange and then-deputy mayor of Amsterdam Kajsa Ollongron. the City Deal generated ideas and strategies to make the Netherlands more attractive for foreign talent, i.e. ambitious international entrepreneurs, and to better facilitate these startups in the participating cities, arguing that the Netherlands needs these "high-potentials to feed its innovative and globally focused economy" (Werkgroep Warm Welkom Talent, 2017, p. 6). OECD research supports this reasoning, showing that small enterprises lead to new jobs, economic growth and innovation (OECD, 2017).

According to the City Deal, the Netherlands is already very attractive to startups, but there is still more work to be done, as there are many "missed opportunities to recruit and retain talented internationals" (Werkgroep Warm Welkom Talent, 2017, p. 6). The Netherlands lacks a warm welcome for international startup entrepreneurs: City Deal interviewees indicate they feel "uncertain and forced to fend for themselves" (p. 6). The report concludes: "though the Dutch quality of life is high, we are doing too little to advertise this abroad. We need to be good and tell it!" (p. 6). Following these findings, the report brings forward six general recommendations and various sub-recommendation to improve the support for international entrepreneurs and, therefore, create a soft landing and warm welcome for talent:

1. "Acquisition and branding: Actively seek out talent and promote the Netherlands as the place to be for entrepreneurial talent;
2. Information services: Improve information on doing business and living in the Netherlands;
3. Admittance and residence: Authorize cities to decide on admittance, improve existing regulations and create additional facilities tailored to startups;
4. Coaching: Set up a national helpdesk and ensure a soft landing in the Netherlands;
5. Enterprise and growth: Help foreign entrepreneurs to do business in the Netherlands and expand options for hiring foreign talent; and
6. Quality of life" (pp. 6-7).

As mentioned above, the city of The Hague is one of the participants of the Warm Welcome for Talent City Deal. The Hague is in a transition as a "traditionally governments-oriented city towards being an international-oriented city with innovative, knowledge-intensive clusters" (Gemeente Den Haag, 2018a,

p. 3). As part of this transition, the city focuses on attracting (international) companies and organizations that fit into the clusters of Peace & Justice, Security, Energy, IT/Tech, and Legal/Finance. In order to have a thriving knowledge-based economy, the city of The Hague recognizes it must ensure a constant availability of high skilled laborers. As there are already shortages in the IT/Tech cluster and in education, the city needs to take a pro-active role in attracting international talent (p. 3), which include creative and innovative startups and scale-ups. The attention for international talents is a result of the program "Creative City The Hague Impact Economy" (2015), in which The Hague realizes its need to attract "young, dynamic and innovative entrepreneurs" besides the traditional expat (Gemeente Den Haag, 2015, p. 2). The program also recognizes the city is not known at all as a city as a great environment for innovation and startups, "while there are many (employment) opportunities to be created" (p. 2). Therefore, The Hague will focus on being an *Impact Economy,* meaning, "an economy not only focused on stimulating economic revenue but also focused on internationally social impact. By doing so, it will contribute to a better world on an innovative and entrepreneurial way" (p. 1). In order to make the city attractive for startups, the city values and welcomes the presence of educational institutions, corporations and international organizations in the region. Additionally, the program outlines the significance of the "dynamic city" where its high quality of life aspects go hand in hand with industrial sides of the city. By doing so, the program emphasizes the need to develop a strong "ecosystem," consisting of strong economic clusters, access to capital, and (physical) space for experiments (p. 3). Besides the Impact program, the increasing heterogeneity in the international community of The Hague also asks for new insights into the needs and wishes of this group in terms of facilities and services to improve the city's attractiveness. To do so, the municipality has structured its efforts into four pillars:

1. Identify bottlenecks for internationals;
2. Strengthen ties between talent and city;
3. Brand The Hague as attractive city for international talent;
4. Expand services The Hague International Centre (Gemeente Den Haag, 2018a, p. 8).

The Hague International Centre is the expat center of The Hague region, working for the municipalities of The Hague, Delft, Leidschendam-Voorburg and Rijswijk. Their mission is to offer a soft landing to internationals who come to live and work in the region by making administrative matters easier. Besides helping internationals with formalities such as municipal registration and work permits, The Hague Internationals is expanding its services to offer guidance to internationals during the four phases of their stay in the Netherlands: orientation before moving; relocating; living and working; and leaving The Hague region, not just for the traditional expat but for all internationals coming to The Hague, including international entrepreneurs. This recent shift in target groups towards international entrepreneurs for expat centers should not be surprising, the report states. Expat centers have noticed a change in the

inflow of internationals coming to the Netherlands. Whereas foreign employees of settled companies coming here for expat assignments used to dominate the expat population, more and more internationals coming to the Netherlands on their own search for a local contract are part of the expat communities now as well. Therefore, as the City Deal report stages, "besides highly skilled migrants and academic researchers, international students looking at the Dutch labor market and innovative entrepreneurs (startups) more and more belong to the target group" of expat centers (Werkgroep Warm Welkom Talent, 2017, p. 47).

With its expanding services and changing target group, the City Deal recommendations serves as directions for The Hague International Centre. The center has primarily incorporating one recommendation that explicitly mentions expat centers in the action points. The coaching recommendation states expat centers should function as one-stop-shops with services complimentary to services of embassies and the Netherlands Enterprise Agency in order to contribute to the attraction and soft landing of startups. Expat centers must expand their current services for international employees of settled companies and organizations to include international entrepreneurs coming to the Netherlands as well (p. 47).

Other recommendations are applicable to The Hague International Centre as well. However, in order to follow the right recommendations, The Hague International Centre, as well as other expat centers, need to improve its understanding of location decisions of international entrepreneurs. By gaining knowledge what pulls startups to Dutch cities, local government can make their policies and services more effective in welcoming and guiding international entrepreneurs as it will actually align with important aspects and expectations of internationals and will therefore increase the attractiveness of Dutch cities. Pull factors in location decisions of international startups is not (yet) a big topic within the academic debate. Nevertheless, there is literature which can be useful in mapping out these decisions and choices for specific places over other places, although it is often more focused on international talent and self-expatriation in general and not startups specifically. When literature is concerned about startups as well, it is not systematically done so. Thus, appropriate theories need to be constructed. Literature used to gain first insights and to structure further constructing research is mentioned briefly in paragraph 1.2 theoretical and methodological orientation.

1.2 Theoretical and methodological orientation

To investigate location decisions of international startups and the role of local government institutions, a qualitative research is conducted aimed at construction of theory rather than testing of theory. Existing literature does not offer a consistent framework on the role of local government institutions in

location decisions nor is there a wide availability of theoretical concepts tested in research to approach this research. Therefore, a deductive approach in which "hypotheses are developed on the basis of general principles" (Babbie, 2010, p. 23) is not possible for this analysis. Additionally, the lack of a framework and theoretical concepts also mean the literature does not offer set variables or prescribed observation instruments to conduct this research. Therefore, considering these gaps in the literature, this research is a type of small-N, inductive, qualitative research with a comparative analysis of three case studies. It does not make use of hypotheses, variables and any operationalization derived from existing academic literature, but it strives to build up the academic literature and the analysis simultaneously with continuous adjustments in order to construct the missing theory. Therefore, it makes use of a set of sensitizing concepts as the first theoretical lens to approach the research. Finding and using the right concepts occurs at the same time of the data analysis through adjusting those sensitizing concepts based on the data material (Peters, 1996). Sensitizing concepts provide "a general sense of reference and guidance in approaching empirical instances" (Blumer, 1954, p. 7, cited in Bryman, 2001, p. 270). Firstly, these sensitizing concepts are based on a literature review. However, through interactions between the literature and the empirical research, these sensitizing concepts become more and more specified and make it therefore possible after axial coding the interviews to identify and explain patterns in location decisions of international startups. To increase the ability of finding generalized patterns, the thesis research looks into three case studies of Startup Cities in the Netherlands to collect data. Therefore, semi-structured in-depth interviews are conducted with startup owners in Amsterdam, The Hague, and Rotterdam. The selection of the three city regions is explained in chapter two.

The literature review focuses on three different angles in the literature: place branding literature, (self-initiated) expatriation literature, and academic work on startups and entrepreneurial ecosystem. Place branding literature is important in order to access the attractiveness of locations. According to Eshuis, Braun, and Klijn (2013), place branding can mean the "promotion and [creation of] a positive image, as well as product development in a sense of developing the place in a way that responds to the demands of target groups" (p. 507). Vuignier (2013) also stresses that branding encompasses "regional development in general," arguing that "it is no longer enough to simply sell the place; instead, one must alter and improve it in accordance with a long-term vision and expectations" (p. 13). Through place branding, cities are differentiating from other cities by highlighting its "core benefits, style and culture, and therefore attract "potential stakeholders such as investors, residents or tourists" (Bennett & Savani, 2003, p. 70). In this time of "ever-growing globalization of business investment," place branding can give the necessary "competitive edge" to a city (pp. 70-71) in order to be attractive. Furthermore, literature on (self-initiated) expatriation and entrepreneurial ecosystem are also important to consider in order

to understand the international startup entrepreneur. Expatriation literature is roughly divided by two distinct types: company-initiated expats or self-initiated expats (SIE). A relatively new concept in the (self-initiated) expatriation literature is the so-called "expat-preneur," which is a "sub-type of self-initiated expatriation that move across national borders to engage in entrepreneurial activities and opportunities" (Selmer, McNulty, Lauring, & Vance, 2018, p. 134). When discussing the expat-preneur, it is also necessary to analyze academic work on entrepreneurship and the entrepreneurial ecosystem. Entrepreneurial ecosystem is "a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship" (Stam, 2015, p. 1765).

Following the considerations mentioned above about the economic attractiveness of Dutch cities and the role of (local) governmental services and the need for a new and structured debate on location decisions of international entrepreneurs, the objective of this thesis research is as follows:

1.3 Objective

The objective of this research is to explain the role of local government institutions and city branding in location decisions of international startups in the Netherlands. To explain this role, in-depth qualitative interviews are conducted with international startup entrepreneurs in three city regions in The Netherlands: The Hague, Amsterdam, and Rotterdam. By interviewing the startup owners, their location decisions can be reconstructed and related to the academic literature. This allows for a comparative analysis of similarities of differences per city region and extract inferences that explain the role of local government institutions and p branding. Based on the explanation of an objective by Verschuren and Doorewaard (1995), the objective and research design are visualized in figure 1:
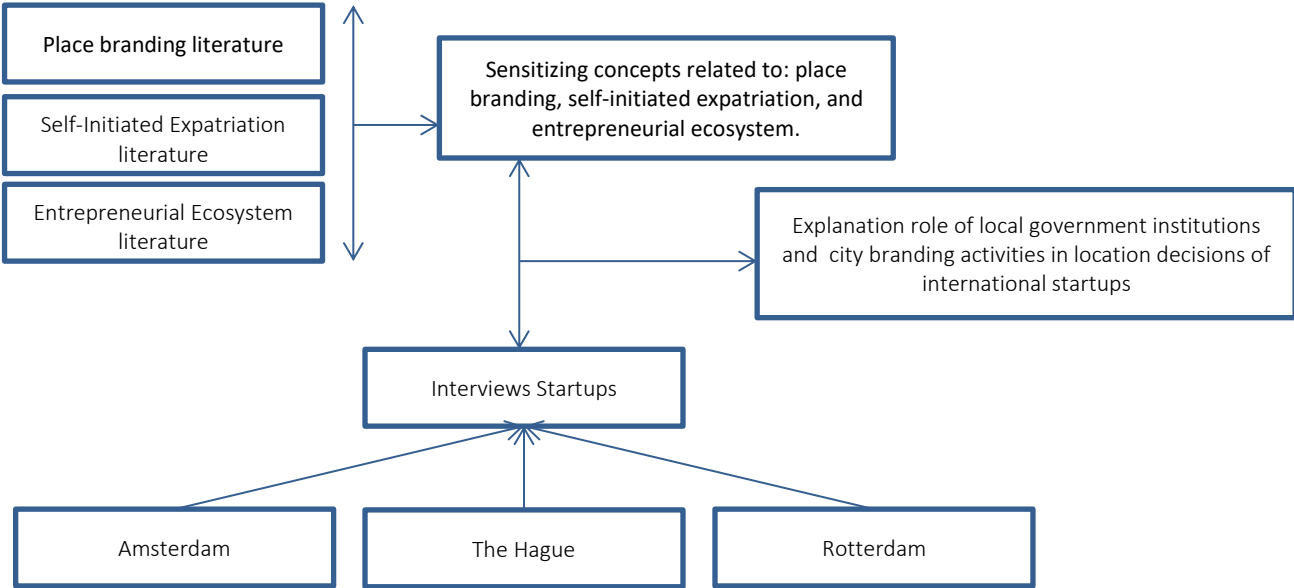

Figure 1: Research design

The sensitizing concepts shown in the research design figure above are constructed through a literature review on place branding, self-initiated expatriation, and entrepreneurial ecosystem literature. The place branding literature points to the role of place brands, diversity, quality of life and cost efficiency in location decisions. Self-initiated expatriation highlights adventure, job and career ambitions, social networks, and participation and change as important for expats' decisions on why and where to move. The entrepreneurial ecosystem literature gives insights into startups specifically and shows that networks and co-working, access to markets and human capital and funding and finance possibilities are important for startups when choosing a specific ecosystem, i.e. a location.

1.4 Research question

The research question of this thesis is the following: What role do local government institutions and city branding activities play in location decisions of international startups coming to The Hague and how can this role be explained?

1.4.1 Sub-questions

To formulate an answer to the research question, the thesis consists of a theoretical exploration and field research, that is interviews and expert meetings, which will be divided into chapters. The theoretical exploration and the chapters correspond with three guiding questions:

1. What is mentioned in the literature on place branding, self-initiated expatriation, and entrepreneurial ecosystems about motivations for location decisions and the role of local government institutions?
2. What kind of explanations emerge from qualitative interviews with international startups based in The Hague, Amsterdam and Rotterdam about their location decisions and how does this compare to the academic debate?
3. What recommendations can be formulated based on the explanations for location decisions following the comparative analysis of international startups in three city regions and insights from the academic debate?

1.5 Relevance

1.5.1 Societal relevance

This research is, in the first place, relevant for The Hague International Centre and similar organizations in other cities that, following the instructions put forward by the City Deal, aim to offer a soft landing for internationals coming to the Netherlands by creating one-stop-shops. As this research looks into the motivations of location decisions of international startups and the role of (local) government, the findings can be used by The Hague International Centre and other expat centers or municipalities to

align their services with the most decisive factors and create an effective soft landing. On a broader level, the research of location decisions and city branding activities is also relevant in today's discussion about the economic climate and attractiveness of the Netherlands and its cities. As Ceric and Crawford (2016) argue, when place branding aligns with the self-initiated expat's goals, "it may be an important factor in influencing SIE location decision as well as their intention to stay or leave the place" (p. 142). With its societal relevance and the eye for practice, this research also responds to valorization and the aim of "creating value from knowledge through making knowledge suitable and available for economic and/or societal usage" (Waas, 2009, 8).

1.5.2 Academic relevance

This thesis research mainly contributes to the place branding literature and the gap therein as identified by Bound, Beunderman, and Mean (2008). There is extensive knowledge why places need to attract talent, however, the other way around is under-research: what actually matters about places to talent (cited in Kim & Cocks, 2017, p. 1). For Bound, Beunderman and Mean (2008) this perspective is a crucial, but neglected part of the story: "the perspectives, experiences and behavior of talented people themselves, the issues that they identify as important and how they make decisions about where to live and work" (p. 4). By focusing on location decisions of individual startup entrepreneurs, this thesis research adds to filling the gap in the branding literature by looking at the pull factors of places for global talent: what makes places attractive to talent. It switches the perspective to the individual and widens the target groups of international talented people to include international innovative startup entrepreneurs as well. The thesis research also contributes to the academic debate on expatriation. As Ceric and Crawford (2016) assert, academic literature is predominated by work on company-assigned expatriates, while the literature on self-initiated expatriation (SIE) is still in the early stages of existence. This thesis research contributes to the development of SIE literature by looking at startup owners as freely moving expats, thereby highlighting the diversity of SIE. According to Andresen et al. (2014), the entrepreneur as expat is an important, but under-researched segment of SIEs (cited in Vance et al., 2016, p. 206). Therefore, this thesis tries to address this issue. Lastly, it also adds to the gap in entrepreneurial ecosystem literature as identified by Stam and Spigel (2017), who argue that there is a need to "clearly define the role of government and other public organizations. This has not yet been accomplished" (p. 8). The research will also see in the analysis of the data whether there is a role for (local) government in location decisions and thereby contribute to the task of closing that knowledge gap.

1.6 Organization

Chapter two provides an overview of the methodology applied in the research. Chapter three consists of a theoretical exploration of the relevant literature, assessing the academic debate on entrepreneurial ecosystems, place branding and (self-initiated) expatriation. Chapter four contains a comparative analysis of the interviews with the startups in the three city regions. Lastly, a conclusion follows answering the research question and offering recommendations for The Hague International Centre. After the conclusion, the bibliography and the appendix are included.

Chapter 2: Methodology

In order to answer the research question, the research methodology consists of two stages. The first stage is the analysis of the interview transcripts in order to find motivations for location decisions. The second stage consists of a deeper (theoretical) understanding of the role of (local) government in those location decisions, particularly related to place branding. This chapter describes the according research design and methodology. First, the chapter discusses the research strategy to explain the use of qualitative research and the use of comparative case studies. The case selection is also described, followed by a clarification in terms of data collection and data analysis. The chapter closes with a justification in terms of validity and reliability.

2.1 Research strategy

To repeat, the research question of this thesis is: What role do local government institutions and city branding activities play in location decisions of international startups coming to The Hague and how can this role be explained? The objective of research derives from a practical question posed by The Hague International Centre. Therefore, this thesis is a form of applied research, meaning it is rooted in practice, yet it is also informed by academic rigor. The research can contribute to the identification of pull factors of cities for international startups.

When selecting the research methods, according to Leavy (2014), it is important that "the selection of research methods [is] made in conjunction with the research question(s) and purpose or objective" (p. 4). With the objective of establishing explanations for location decisions of international startups, this research is a type of small N, inductive, qualitative research with a comparative analysis of three case studies. Whereas quantitative data is "in the form of numbers, qualitative data can [...] be defined as empirical information about the world, not in the form of numbers" (Punch, 2014, p. 86). As Robson (2011) explains, qualitative methods are most suitable for research with a focus on "human beings in social situations" and "to understand [...] people and their problems" (pp. 18-19), as qualitative research attempts "to make sense of, or interpret, phenomena in terms of the meanings people bring to them" (Denzin, and Lincoln, 1994, p. 2). Quantitative research, on the other hand, leads to a "loss in richness of meaning," according to Babbie (2010, p. 24). The individual startup owners in The Hague, Amsterdam and Rotterdam and their individual perceptions and meanings attached location decisions serve as units of analysis. Taking this into account, qualitative research is the best approach to find answers on the research questions. As the individual startup founders make the location decisions, the research method should account for this human aspect in location decisions, for which qualitative research is more suitable than quantitative methods. Likewise, qualitative research is also valid for this thesis research,

as it "adopts a perspective that suggests knowledge building is viewed as generative and process-oriented. The truth is not absolute and ready to be discovered by objective researchers, but rather it is contingent, contextual and multiple" (Saldana, 2011, cited in Leavy, 2014, p. 3).

The qualitative research of this thesis has an inductive character. As defined by Babbie, induction "moves from the particular to the general, from a set of specific observations to the discovery of a pattern that represents some degree of order among all given events" (Babbie, 2010, p. 22). This research looks at the individual accounts of startup owners across case studies about their location decisions. Explanations are formulated based on generalities, patterns and interpretations of assigned meanings that have resulted from a comparative analysis. Therefore, this research focuses on constructing those explanations and setting the first steps for a new theory of testing any theories or expectation, which would be deductive reasoning (Babbie, 2010).

In order to execute a comparative analysis, the qualitative data is collected through semi-structured interviews with international startups based in three Dutch city regions: The Hague, Amsterdam and Rotterdam, which form the cases studied in this thesis. Case study research "focuses attention on a single instance of some social phenomenon," Babbie asserts (2010, p. 309). According to Swanborn (1996), positive reasons for using case studies in research are, for instance, the desire to attain detailed knowledge about the research social phenomenon; the ability to map social relations between stakeholders in the process; and to be able to document the different views and explanations of participants on the social phenomenon studied (pp. 38-40). So-called negative reasons to use case studies in research would be, for example, that the social phenomenon studied is not very well-known yet (p. 44). Indeed, aligning with the negative reason mentioned, there is not much known and discussed in the academic literature about location decisions of international entrepreneurs specifically. Therefore, much is to be explored by looking into the three cases. Additionally, in this research, with the case studies, there is attention for diversity in the answers and there is an open mind in the analysis to discover patterns and relations in the answers of the different startups in the three city regions. By looking at three Dutch city regions instead of only one, it leads to richer explanations and multiple patterns to be identified. As the unit of analysis is the individual startup founder/owner, this broader analysis of three city regions increases the ability to create a generalized understanding from "aggregating and manipulating the descriptions of individuals" (Babbie, 2010, p. 100). Paragraph 2.2 below elaborates on the case selection.

When looking at the cases, data is generated through interviews with international startup owners in the city region and through expert meetings. Interviews are a "method of data collection in which one

person asks questions of another person" (Polit & Beck, 2006, cited in Whiting, 2008, p. 35). The main characterization of a semi-structured interview is the combination of prepared/structured questions with some unstructured exploration. This combination is especially useful as there remains an opportunity to pursue new issues for the interviewee as well as the interviewer (Wilson 2014, p. 23; Longhurst, 2010). The topic list and general questions are included in the appendix. The expert meetings with representatives of The Hague International Centre provided opportunities for feedback and more knowledge and insights regarding the context.

2.2 Case selection

As mentioned above, in order to make a comparative analysis, interviews have been conducted among three cases, which are The Hague, Rotterdam and Amsterdam. To start the selection, only "startup cities" were considered. The Netherlands Foreign Investment Agency (NFIA) identifies these three cities as the top Dutch cities for Startup, together with Utrecht and Eindhoven. To compare these five cities seemed infeasible, therefore a selection was needed. The analysis focuses on Dutch startup cities only to keep the same national context for the three case studies. The Hague is one of the selected city regions as case study, since the research is conducted for the municipality of The Hague. To have another constant factor besides the national context fitting The Hague as well, the other two city regions also need to be in the *Randstad*, therefore leaving Eindhoven aside. Because of a lack of response from contacts in Utrecht, both Amsterdam and Rotterdam were selected as the other two case studies. Below follow short descriptions of the three city regions.

2.2.1 Amsterdam

Amsterdam is the leading startup city of the Netherlands and in the world. It scores persistently high in various European and global indexes. For example, In the Savills Tech Cities Index (2019), Amsterdam ranks fourth-best place in the world as "the most successful home for tech and start-up companies." This score also makes the city the highest ranked European city in the Savills Tech Cities Index. The Global Startup Ecosystem Report 2019 also mentions Amsterdam/StartUpDelta as number 15 of the top 30 global startup ecosystems, closely following London, Paris, Berlin and Stockholm. Furthermore, the predictions are Brexit will make Amsterdam the natural alternative for startups previously looking at London (Coleman, 2019) to have access to the European market. Amsterdam is already home to well-known startups now operating internationally, such as Booking.com, WeTransfer and Adyen. With its action program StartupAmsterdam launched in 2015, the city has the ambition to have a permanent place in the top-three ranking for startup cities in Europe, together with London and Berlin (Gemeente Amsterdam, 2015, p. 2). The startup ecosystem of Amsterdam has a particular focus for "creative, mobile, internet, high tech systems, haring economy and FinTech industry" (NFIA, 2016).

2.2.2 The Hague

The Hague is traditionally a city with a high quality of life with the presence of many governmental and international organizations. Recently, the city is investing in educational institutions, stimulating diversity in economic activities and focusing on "social and technological innovations with an international impact" (Gemeente Den Haag, 2019, p. 6). As a result, The Hague profiles itself as an Impact City, "a city for entrepreneurs who want to build a better world" (Impact City, 2019), with the slogan of "doing good and doing business." Even though The Hague is a young startup city, The Hague scores as 32nd of 60 for Startups on the European Digital City Index 2016. The focus of social impact in combination of the long-time presence of international organizations in the city have led to clusters focused on (cyber) security, energy, legal and finance, and IT/Tech. With The Hague Security Delta, parties such as The Hague Tech, Yes!Delft and World Startup Factory, and initiatives by the municipality of The Hague, the province of South-Holland and the Metropolitan region Rotterdam The Hague (MRDH)/Innovation Quarter, the startup ecosystem in The Hague keeps on growing.

2.2.3 Rotterdam

As the second largest city in the Netherlands and with the largest port in Europe, Rotterdam is presenting itself as the "gateway to Europe," with the city slogan of "make it happen!" Besides Amsterdam, Rotterdam is the second most developed startup ecosystem in the Netherlands. In two years' time, Rotterdam has moved from the 194th place to the 120th place on the 2019 Global Ranking of Startup Ecosystem by Startup Blink. The city's startup ecosystem is characterized by "SmartPort, CleanTech, MedTech, Energy and Food" related industry (NFIA, 2016) and increasingly also by software, digital platforms, algorithms, according to WeTech Rotterdam (2019). Rotterdam is home to many co-working spaces, incubators and accelerators, networks and active educational institutions, with names as the Cambridge Innovation Centre, Yes!Delft, Erasmus Centre or Entrepreneurship, which make the ecosystem very lively and productive.

2.3 Data collection

The number of interviews per case study is based on the principle of (data) saturation, which "relates to the degree to which new data repeat what was expressed in previous data" (Saunders et al., 2017, p. 1897). In addition, the number of interviews should make it possible to identify generalities, patterns and differences. Contacts of The Hague International Centre have helped with approaching startups. All possible interviewees were contacted to by email or LinkedIn message. In practice, fourteen interviews were conducted spread over the three city regions, based on the availability of startup owners willing to be interviewed.

The criteria for selecting the interviewees were as follows:

1. No Dutch startup owners/founders; solely internationals who have based their startup in one of the city regions;
2. It would be possible to speak to the founder or to someone involved in the location decisions.

With these leading criteria, startups to be interviewed were solely selected based on their availability and willingness. For The Hague, introductions to startups were made by The Hague Business Agency, World Startup Factory, The Hague Tech and Innovation Quarter. Contact with Amsterdam-based and Rotterdam-based startups was established by help of Startup Amsterdam and Rotterdam and Partners respectively. This resulted in almost exclusively tech startups, apart from a food-industry startup and a co-working startup. Some had lived in the Netherlands before, mostly as students, while other startup owners had never been here before or just on a vacation. Interviews took roughly thirty to forty-five minutes, with some leeway towards an hour. After initial contact via email, interviews were either conducted through a video call or in person, depending on the time of day and location. All interviewees were made aware beforehand of the objective of this research and were asked for their approval to have the interview recorded. In addition, all have had the opportunity to give anonymity preferences. However, to adhere to the Dutch privacy laws, this research does not name any specific startup and/or startup owner.

Following the tradition of semi-structured interviews, a list of questions was formulated beforehand to start off the interview. The topic list can be found in the appendix. These questions served as an overall structure for an interview to begin with but did not limit what was asked in order to ensure any opportunities to raise and pursue new issues by the interviewer as well as the interviewee (Longhurst, 2010). Consequently, questions were developed and changed throughout the interview process, which resulted in an ever-developing topic list. The list in the appendix shows the list of questions in random order with the standard questions and some updated questions. The interviews were not limited to these questions but consisted of other questions as well. Still, there are generalities among the interviews. Each interview started with the question to introduce the startup and explain the life cycle of the startup, with the aim to have some first findings about location decisions without steering the interviewee in this direction and to collect some context information. Usually, this resulted in questions on why the Netherlands versus other countries, followed by why the chosen Dutch city region versus other city regions worldwide and in the Netherlands. Most interviews also closed with a question on the best and worst thing about having a startup in the specific Dutch city region in combination with a question of recommendation to other (potential) startup owners in order to evoke new possible and negative reasons for the location decisions. Generally, the aim was to have the sensitizing concepts

come forward through the answers on more general questions than asking questions on specific sensitizing concepts, to ensure the answers were not directed in any way. However, when necessary, some questions zoomed in on specific sensitizing concepts to have some more explanation.

During the interview process and afterwards, expert meetings were conducted. Staff of The Hague International Centre were the experts, considering their knowledge and experience regarding the research topic. By presenting and discussing the research, the expert meeting served to validate the interview findings. Additionally, the expert meeting provided further information and context useful to refine the results.

2.4 Data Analysis

With the recordings of the interviews, it was possible to transcribe the interviews following non-verbatim transcription rules. This means unnecessary utterances are not included in the transcript in order to preserve the clarity of the answers. No external parties or programs were used to transcribe the interviews. With the transcripts, the data could be analyzed by means of coding. As Babbie (2010) points out, the aim of data analysis is to discover "patterns among the data, patterns that point to theoretical understandings of social life. The coding and relating of concepts are key to this process" (p. 400).

According to Punch (2014), coding is "the process of putting tags, names or labels against pieces of the data [...] to attach meaning to the pieces of data" (p. 173). This is crucial for "the discovery of patterns among the data" (Babbie, 2010, p. 100). The literature review in the next chapter forms the basis of the coding process. Namely, by use of the literature review, certain themes are to be identified in the academic work. These themes have resulted in sensitizing concepts. Sensitizing concepts provide "a general sense of reference and guidance in approaching empirical instances" (Blumer, 1954, p. 7, cited in Bryman, 2001, p. 270). This is opposite to definitive concepts, which have fixed indicators, but therefore less suitable for the social world and therefore less suitable for this particular research. By employing sensitizing concepts in the analysis of the data, there is a direction to look for and an openness for variety in answers (Bryman, 2001) fitting the aim of this research.

By use of the literature review, twelve sensitizing concepts are identified, which are explained in the next chapter: (1) adventure, (2) job and career ambitions, (3) social networks, (4) participation and change, (5) place brand, (6) diversity, (7) quality of life, (8) cost efficiency, (9) networks and co-working, (10) access to markets, (11) human capital/workforce, and lastly (12) funding and finance possibilities. These sensitizing concepts form the initial codes for the coding process. However, if there appear to be

new insights and motives relevant for location decisions which are not mentioned in the literature review, these are added to the list of codes. Thus, as part of this inductive research, the sensitizing concepts as derived from existing literature are used as the starting point for the analysis, not to form and test any hypotheses (Boeije, 't Hart, & Hox, 2009).

Essentially, the coding process in this thesis is a form of axial coding, although the start is not completely open. With open coding, "initial categories of information [are formed] about the phenomenon being studied from the initial data gathered" (Robson, 2011, p. 149). Axial coding compiles the data again after open coding. Through axial coding, the main categories identified in the open coding are "interconnected with each other" (Punch, 2014, p. 183). In this research, the open coding was informed by the sensitizing concepts which offered the first categories of information in the data. However, there is also still the openness for variety in answers that Bryman (2001) points out, as the analysis of the data is not limited to the formulated sensitizing concepts. By axial coding, it was possible to find more analytic concepts and regroup the categories into "larges units of meaning" or "core sets of themes." As David and Sutton (2004) explain, now "the most significant underlying issues [are] to be made more manifest. [...] The most important issues are shed light on while other issues are placed in the background" (p. 206). Thus, by applying the method of axial coding, it was possible to move beyond the sensitizing concepts in the analysis of data and form larger and more encompassing sets of themes. With these sets, the analysis could move towards looking for patterns and generalities in motivations for location decisions of international startup owners and the role of (local) government institutions. Based on these patterns and generalities, explanations were formulated in order to provide an answer to the research question.

2.5 Quality of research

Two important criteria for evaluation are reliability and validity. In the two paragraphs below, the validity and reliability of this thesis research are discussed.

2.5.1. Validity

Babbie (2010) defines validity as "the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration" (p. 151). This research observes validity in multiple ways. First, internal validity is supported by triangulation, meaning that more than one method is used to collect data. The research consists of a literature review, interviews and expert meetings. Since the sensitizing concepts are based on results from the literature review, this offers a frame of what evidence will fit that concept. Therefore, there is a degree of measurement validity (Bryman & Bell, 2010). When using interviews, "it is important to assess the extent to which the questions asked and answer received

actually reflect on" location decisions of startups (Babbie, 2010, p. 417). The in-depth interviews conducted for this research exist through an interaction between the interviewer and the interviewed startup owner. Therefore, there is ample opportunity to ask for repetition or explanation of the question or the answer, to see if the concept is well understood and reflects what it is suspected to denote. Additionally, the feedback loop of expert meetings served to refine and confirm research findings.

Bryman and Bell (2011) argue that validity is the most important criterion of quality for research. However, validity is closely connected to reliability. As they state, "the assessment of measurement validity presupposes that a measure is reliable" (p. 42). The concept of reliability and how it is observed in this research is elaborated upon in the paragraph 3.5.2 below.

2.5.2. Reliability

Reliability concerns the "matter of whether a particular technique, applied repeatedly to the same object, yields the same results" (Babbie, 2010, p. 150). Or as Boeije, 't Hart and Hox (2009) state, reliability is the absence of accidental errors" (p. 148). However, assessing reliability can be more challenging in qualitative research, according to Babbie (2010), as "(1) what we are observing may be constantly changing and/or (2) the act of measuring may affect the person being studied" (p. 417). As the technique applied in this research mainly concerns interviews with people, namely startup founders, it remains possible that the same question does not yield the same results every time. People can be affected by what is in their heads and may indeed be affected by the questions asked. However, by interview and looking at multiple startups' locations decisions across three city regions, it is aimed to acquire enough data to identify patterns and establish generalities and to minimize the presence of accidental errors in terms of answers. Additionally, by looking at three city regions instead of just one, there is the attempt to minimize any selection bias. Still, this research concerns a small-n, qualitative research, which leads to less reliability compared to quantitative research (Verschuren & Doorewaard, 1995). In order to improve the reliability as much as possible, this chapter on methodology offers transparency in terms of the way of interviewing, coding and analyzing of data applied in this research. Also, the topic list for the interview questions is included is the appendix.

Chapter 3: Literature Review

As explained in the previous chapters, sensitizing concepts form the starting point of the data analysis. The sensitizing concepts are not based on assumptions, but are derived from an extensive review of the academic literature. This chapter offers important and relevant academic work following extensive review in order to present the academic base on which the sensitizing concepts are formulated. By applying sensitizing concepts to this research, it allows to find and form patterns that lead to explanations for location decisions of international startup owners. These patterns are crucial for the construction of theory as literature lacks a conceptual model. Therefore, the sensitizing concepts presented in this chapter are no variables forming a conceptual model or framework, but are theoretical lenses used a first organization of the data, as explained in chapter two. As a result, the literature review does not present a framework at the end, but solely an overview of the sensitizing concepts, which are useful for the data analysis in chapter four: sensitizing concepts serve to discover patterns and generalities in the data and, therefore, allow to construct explanations about location decisions and the role of (local) government. Three main angles in the academic literature in relation to motivations for location decisions provide the base for the sensitizing concepts. Paragraph 3.1 discusses place branding literature. Paragraph 3.2 investigates (self-initiated) expatriation literature. Paragraph 3.3 analyzes entrepreneurial ecosystem literature. Consequently, this chapter forms an answer to the first sub-question: *What is mentioned in the literature on place branding, self-initiated expatriation, and entrepreneurial ecosystems about motivations for location decisions and the role of local government institutions?*

3.1 Place branding literature

Place branding literature is important to consider since location is one of the primary reasons for expatriation, according to Ceric and Crawford (2016). Therefore, place branding "can have a large impact on SIE's choice of location" (p. 142) as it influences the perceptions and experiences of a place.

Globalization have led to a competition between cities. As stated by Kavaratzis and Ashworth (2005), following this need for cities to differentiate themselves from other cities, forms of "city boosterism" and city marketing approaches have come about. Over time, these strategies have evolved into city branding/place branding, According to the authors, a brand is "a product or service made distinctive by its positioning relative to the competition and by its personality, which comprises a unique combination of functional attributes and symbolic value" (Hankinson, and Cowking, 1993, cited in Kavaratzis and Ashworth, 2005, p. 508). Place branding then, is "the application of [a multiplicity of] marketing instruments to geographic locations […] in order to attract people or organizations to a place and

increase competitiveness" according to Eshuis, Braun and Klijn (2013, p. 508). They stress it is important to understand that place branding is not just developing and communicating an image, but it is also about creating the place following the demands of target groups (Eshuis et al. 2013). Vuignier (2013) also underscores the development aspect of place branding, arguing "it is no longer enough to simply sell a place; instead, one must alter and improve it in accordance with a long-term vision and expectations, using a marketing logic" (p. 12). Thus, branding is not just marketing, it is also active place making, as such branding strategies actually create and improve the place.

Table 3 – Definition "place branding"

Concept	Definition
Place branding	The use of marketing instruments for creating and promoting a positive image for a geographical location as well as developing and improving the place in accordance to expectations and demands of target groups in order to increase the location's attractiveness and competitiveness (Eshuis, Braun, & Klijn, 2013; Vuignier, 2013).

As Dastgerdi and De Luca (2019) put forward, with city branding and city identity, the image of the city is very important. City images "offer a sense of identity, well-being, and belonging. [...] They attracted attention and made a place memorable; storable in mind" (p. 2). According to Baker (2007), this city's image and the city's identity are essential for cities to be unique in the competition. For effective city branding, it is important to have a common understanding of "how the city sees itself and how it wants to be perceived externally. Accordingly, the identity of the city brand depends mainly on the identification of stakeholders," (quoted in Dastgerdi, and De Luca, 2019, p. 2) including "entrepreneur groups, investors, residents and visitors" (p. 2). Zenker (2009) zooms in on a specific group of stakeholders and a specific aspect of the competition between cities, namely global talent/the creative class, to which startup entrepreneurs belong. Attracting global talent should be the "main task for cities and regions [...] in order to improve their general attractiveness for investors and companies" (p. 24). To construct the proper brand, one needs to know "what the creative class demands from a city or region in order to choose it as a place to live [and work] in" (p. 26). Zenker puts forward four place branding categories: "urbanity and diversity, nature and recreation, job chances and cost effectiveness." His research points toward "urbanity and diversity" as an important concern for global talent in their location decisions: "Living in an inspiring, energetic, and open-minded place with a wide range of cultural services is more important for the creative core than the general job chances of a place or access to nature" (p. 31). This will be discussed in paragraph 3.1.1. as a sensitizing concept.

Place branding is relevant for location decisions. Ceric and Crawford (2016) also look into important factors for location decisions of self-initiated expatriates and mainly focus on location branding (i.e. place branding). Defining the "location factor" in such decisions as "the host country's reputation and

ability to offer attractive employment opportunities," (p. 142) location branding can be a very significant factor for location decisions of self-initiated expatriates (SIEs) according to the authors. Doherty, Dickmann and Mills (2011) also argue that "perceptions of the attractiveness of the host country and culture and the lure to live in the host setting" are hugely appealing to SIEs (p. 605). Place branding reflects the location identity based on "place image, materiality, institutions, relations, and people and their practices" (Ceric & Crawford, 2016, p. 142). Branding can be effective in shaping this identity and attracting SIEs when "place attributes (physical, emotional, social, symbolic, and experiential) [are linked] with SIEs perception of quality and value of these attributes" (p. 142). Such perceptions come to exist not only through formal communication such as advertising, but also through the physical features of the city in terms of urban planning and architecture and informal communication with people who have been there. Thus, gaining a "pre-place experience" through branding communication is essential to motivate expats to relocate to the place. Positive perceptions and reputations are important as SIEs have more agency in the decisions where to go to and that they usually stay longer in the host location and therefore have more need to integrate into the environment. Because of the "higher dependency of self-initiated expatriates on their local contexts" (Doherty et al., 2011, p. 607) it is very likely they will not go to a location unsuitable to their needs or with a negative reputation. Similarly, the "potential for career prestige" and tolerance in the potential host locations are also identified to be key decisions in SIEs international moves by Doherty et al. (2011). Besides these reasons and Zenker's categories, Ceric and Crawford (2016) also reference to authors arguing income levels, housing prices, lifestyle and quality of life as attractive location factors for SIEs. Additionally, employment opportunities can also have an impact on the choice of location. "The degree to which a certain location's attributes and offerings or […] branding elements align with SIEs' expatriation goals can affect SIEs location decision, the authors argue (p. 144). Following their research, Ceric and Crawford (2016) suggest four location branding strategies to city authorities:

1. "Improve quality of life through building cultural, urban, recreation amenities and encouraging diversity and openness;

2. Partnership with the business community, supporting its development, vibrancy and reputation;

3. Cost of living, that is, creating taxation and immigration policies that are global talent friendly; and

4. Creating a strong brand for the city" (p. 145).

Sensitizing concept: Diversity

Diversity is an important aspect in place branding/place making to attract SIEs. Research by Zenker (2009) has shown that the first category mentioned above, urbanity and diversity, is most effective in

attracting productive and innovative individuals. Urbanity and diversity include "openness and tolerance of a city, cultural diversity, urban image, cultural activities" (quoted in Ceric and Crawford, 2016, p. 143). Florida (2002) also identifies diversity as an attractive factor for global talent, hypothesizing that "economic geography of talent is associated with diversity or openness, [also referred to as] low barriers to entry for human capital" (p. 743). Florida (2002) sees a connection between human capital and city growth, asserting that the accumulation of human capital can lead to spillovers, as individuals are more productive when located around others with high levels of human capital. Therefore, the attraction of global talent is necessary to "support high-technology industry and generate regional growth" (p. 745) Namely, relatively open regions in terms of low entry barriers for human capital "gain distinct economic advantage in the competition for talent or human capital and, in turn, in their ability to generate and attract high-technology industries and increase their incomes" (p. 745). Figure 3 below shows the relations between these factors.
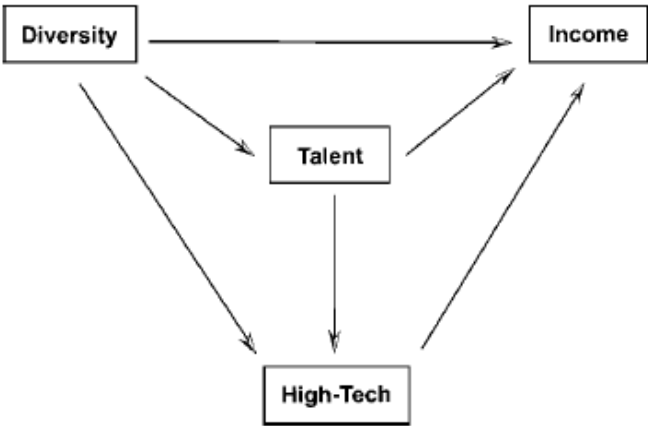
Figure 1. Structure of relationship between diversity, talent, and high technology.

Figure 2: Florida (2002, p. 745)

To test his hypothesis, Florida (2002) has analyzed the geography of talent in relation to amenity measures (climate, culture and recreation), coolness ("percentage of population ages 22-29, nightlife, and culture") and the diversity/gay index. Diversity here is "defined as lower barriers to entry for human capital" (p. 746) and the gay population is taken as a proxy as "the presence of a relatively large gay population functions as a signal indicator of a region that is very open to various other groups" (p. 747). Indeed, the research shows talented individuals appear to be attracted by energetic and lively places ("coolness"). There is also a strong association of talent with diversity: "talented people are attracted to locations […] distinguished by a high degree of openness and relatively low barriers to entry" (pp. 749-750). Thus, global talent prefer places where "anyone from any background […] can easily plug in" (p. 750). Florida (2002) also argues that "high technology industries are attracted to places with high

levels of talent" (p. 752). This may imply a vicious cycle, in which industries follow talent and talent follows industries, creating an ever-growing ecosystem. More literature about ecosystems are discussed in the third part of the literature review.

Sensitizing concept: Quality of life

Another city branding aspect literature shows to attract SIEs is a high quality of life. Riza, Doratli, and Fasli (2012) argue that the "restless competition between cities is strongly related to the concept of quality of life" (p. 294). They define it as "a feeling of well-being, fulfillment and satisfaction on the part of residents or visitors to a place" (Andrews, 2001, quoted in Riza, Doratli & Fasli, 2012, p. 294). In their literature review, Ceric and Crawford (2016) also indicate that lifestyle and culture are important attracting factors for SIEs/global talent, following work by Glaeser, Kolko and Saiz (2001) and Florida (2002). The research of Glaeser et al. (2001) show the importance of quality of life and identify four "urban amenities" critical for creating a high level of quality of life. These are "(1) presence of a rich variety of services and consumer goods; (2) aesthetics and physical setting; (3) good public services; and (4) speed", (p. 28), which refers to low transport costs and time. According to Glaeser et al., these factors are vital in attracting "high human capital individuals" (p. 29). Kim and Cocks (2017) also identify quality of life as an attractive factor for global talent and call it quality of place. In their research on relocation decisions of expats in China, it shows that certain levels of livability are indicated as preconditions to relocate somewhere. Especially "safety, healthcare and decent housing quality" were mentioned as important quality of place conditions (p. 6). They also mention urban transport as an important consideration, especially for single professionals. Yigitcanlar, Baum and Horton (2007) support quality of life as an important factor for location decisions. They define quality of life as "the livability of a region, […] including such factors as the standard and variety of amenities, education, and community facilities, climate, environmental quality, housing affordability, crime level and transportation access" (p. 14).

Sensitizing concept: Cost efficiency

Cost efficiency is also shown as an important aspect for attracting SIEs. As Ceric and Crawford (2016) put forward, some global talented individuals base their decisions on the (perceived) costs of a location, such as costs of living, housing prices and availability, and transportation (Ceric, and Crawford, 2016; Zenker, 2009). Tax systems and immigration policies that are friendly for such individuals can serve as an important pull factor for SIEs (p. 145). Therefore, places that emphasize cost efficiency in their branding and provide those friendly policies are very attractive to international entrepreneurs. Bound, Beunderman and Mean (2008) also tap into this, by stressing the importance of the quantity and quality of affordable housing. Cost efficiency is important for attraction as well as for "satisfaction with and commitment to their city" of established residents (Zenker, 2009, p. 26).

3.1.1 Sensitizing concepts

Table 4 shows the four sensitizing concepts derived from the literature review on place branding:

Table 4 – Place Branding-related sensitizing concepts

	Sensitizing concept	Definition
1	Place brand	"Symbolic constructs meant to add meaning or value to places. Brands are signs that identify places and evoke associations that imbue places with cultural meaning" (Eshuis, Klijn & Braun, 2014, p. 153-154)
2	Diversity	An open, tolerant, energetic city with various nationalities and cultures present. "Low barriers to enter for human capital" (Florida, 2002, p. 743)
3	Quality of life	High level of lifestyle and culture. Pleasing physical settings and a rich variety of services and consumer goods, including transportation and housing
4	Cost efficiency	The perception and reality of the city's price levels in terms of cost of living, transportation, housing, in addition to low-cost tax system and immigration policies

3.2 Self-Initiated Expatriation

Gatti (2009) approaches the definition of expatriates (expats) by differentiating the concept to general immigration, which is often motivated by "low levels of qualification and socio-economic status" (p. 2). Expats, on the other hand, have a "good social and cultural level" (p. 2). Following this observation, he defines expats as "a special subgroup of immigrants characterized by a high level of education and relatively high professional status" (p. 5). In this regard, expats are often called highly skilled migrants as well. Expats or highly skilled migrants are also different compared to other immigrants in terms of the duration of their international stay. Expats are usually sent by employer to work at a foreign location of the same company for a specific time, with the expectations that they leave the foreign location when the purpose of the assignment there is reached (Van der Knaap, 2017). Thus, expatriates can be characterized by their professional status and the temporary character of their international stay. The characterization of expatriates based on their high professional status and the temporary international stay also includes startup founders and/or international entrepreneurs. However, these groups of people differ with traditional expats in terms of company assignment. Startup founders and entrepreneurs can move freely, without any company sending them to a specific location. Inkson, Pringle, Arthur and Barry (1997) have been the first to differentiate between expatriate assignment and overseas experience (Ceric and Crawford, 2016; Suutari and Brewster, 2000). With an expatriate assignment, the company primarily initiatives the international working experience, whereas with an overseas experience, the individual themselves initiates the international stay. According to the Inkson et al. (1997), "[overseas experience] is, by definition, a personal odyssey, initiated and resourced by the self" (p. 352). Differences are summarized in table 5 below (copied from article):

	Expatriate Assignment	Overseas Experience
Initiation:	Company	Individual
Goals:	Company projects (specific)	Individual development (diffuse)
Funding:	Company salary and expenses	Personal savings & casual earnings
Research literature:	Large	Nihil

Table 5 - Contrasting Qualities of Expatriate Assignment

Source: Inkson et al. (1997, p. 352)

Beside the differentiation with expatriate assignment, Inkson et al. (1997) also present a few key characteristics of overseas experience (OE). They claim, "cultural experience and geographical exploration" are as important as "work-career development," therefore some "individuals may make short-term career sacrifices." Additionally, the individual is driven by curiosity and self-supporting. Lastly, attachments to the employing companies are weak (p. 358). However, the common feature of every overseas experience case, is the fact that "they come at the experience of the person, rather than that of a corporate employer" (p. 359). Critical to the definition of overseas experience by Inkson et al. (1997) is that "individuals do not usually embark on OE as an exercise in work-career development" (p. 358). However, when looking at internationally mobile entrepreneurs, it is plausible that they would move exactly for work-career development reasons. Suutari and Brewster (2000) also address this issue of motivations and argue that there is a wide variety within the group of expatriates and in the self-initiated work experiences (SIEs). They argue that "the motives of the individuals are the first relevant characteristic to be studied when contrasting expatriates and SIEs or analyzing subgroups among the subgroups of the SIEs" (p. 419). As expatriates are more diverse than the traditional expat on an assignment, self-initiated international workers are a very heterogeneous group. The subgroups identified are "young opportunists, job seekers, officials, localized professionals, international professionals, and dual career couples" (Suutari, & Brewster, 2000, p. 434). Myers and Pringle (2005) define the self-initiated expatriates "long-term individually initiated travels to other countries to pursue cultural, personal and career development experiences" (p. 421). As Thorn (2009) states, with self-initiated expatriation, "the individual takes total responsibility for career enactment and freely seizes new opportunities as they arise" (p. 443).

These "characteristic qualities of initiative, personal responsibility, and self-management of career among SIEs can [also] exist in individuals who are either self-supporting or self-employed" (Andresen et al., 2014, quoted in Vance, McNulty, Paik, & D'Mello, 2016, p. 203). Vance et al. (2016) are one of the first authors to zoom in on the self-supporting SIEs, i.e. entrepreneurial expats. The so-called "expat-preneur" is defined as "an individual temporarily living abroad who initiates an international new venture (self-employment) opportunity in a host country" (Vance et al., 2016, p. 202). The authors conceptualize that expat-preneurs go abroad either "to a target host country on their own to

immediately launch a new business" or to "expand an existing home country small business into a new location [thus] moving the whole company to another foreign location" (p. 207). They call these expat-preneurs "pre-departure expat-preneurs" (p. 206) as opposed to "transitioned expat-preneurs" whose "international entrepreneurship career path became apparent to them only after moving abroad" (p. 208).

Table 6 – Definition "expat-preneur"

Concept	Definition
Expat-preneur	Individual going abroad to start a new company in the host country. Characterized by high marketable skills, innovativeness and flexibility (Vance et al., 2016).

Following Suutari and Brewster's call on looking at motivations of individuals, the next paragraphs describe the various motivations found in the (self-initiated) expatriation literature on why and where individuals choose to go abroad. There have been several authors that have discussed various motivations to abroad for (self-initiated) expatriates and global talent. For example, Richardson and McKenna (2006) have formulated four metaphors to structure the motivations found in their research: "the motivation to explore, the motivation to escape, financial motivators and the motivation to use the experience as career building" (quoted in Doherty, Dickmann, and Mills, 2011, p. 597). Bound, Beunderman and Mean (2008) have also looked into motivations for expatriation and takes place-related reasons in account as well, which is very relevant for this thesis research into location decisions. Their research looks into "what affects where talented people choose to move for work" and "how and why place matter[s] to these decisions" (p. 3). They argue that migration decisions of talented people both reflect motivational factors ("will to move") as well as structural enablers ("opportunity to move"). As "personal and professional networks [...] provide pre-existing links and channels through which talent may locate" (p. 20), these motivations and structural opportunities combined "create distinct mobility pathways that determine whether and where they will migrate" (p. 56). The authors, however, assert that when it comes to location decisions, career or personal life related factors are more important than the specific place to which migrants go. Place, on the other hand, is more intertwined with the general motivations and opportunities to move, according to the authors. Place-related motivations identified by the authors include among others:

- "Identity (a desire for a place with an individual identity);
- Diversity (strong attraction to places with visible manifestations of different cultures and a variety of cultural provision);
- Natural environment and beauty (access to and quality of natural environment are major factors in the quality of life sought);
- Culture;

- Connectivity;

- Participation and change (places under major or constant change and renewal are appealing. Important to feel part of a place and to have an opportunity to shape it);

- Housing (affordability and quality important)" (pp. 64-65).

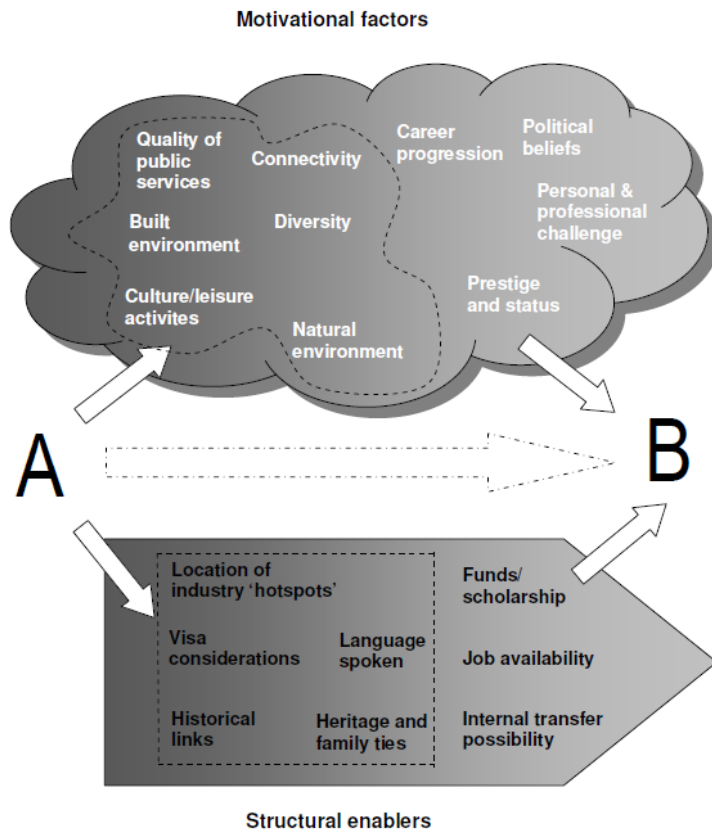Their findings are summarized in the so-called "mobility pathway model" featuring below:

Figure 3: "Mobility Pathway Model" by Bound, Beunderman, and Mean (2008).

They also argue that specifically for entrepreneurs, "individualized social networks often tightly focused geographically" (p. 70) are important place-related motivations. The following paragraphs discuss SIE motivations, including some discussed by Bound, Beunderman and Mean (2008) which are supported by other academic literature in addition to more motivations found in the literature.

Sensitizing concept: Adventure

Various authors have shown that the sense for adventure is a returning motivation for expatriation. Thorn (2009) shows that cultural and travel opportunities are the most important motivations to expatriate as individual, with sub-motives including "opportunities to travel [...], adventure and a desire to experience a variety of cultures" (p. 449). Research by Doherty, Dickmann and Mills (2011) also support the role of adventure in mobility decisions. Their survey research shows "the desire for

adventure" as the most influential decision item for SIE respondents (p. 601). Earlier research by Inkson and Myers (2003) also suggest that "the theme of exploration" is very significant in decisions to work at a foreign location. Their respondents indicate that important motivating factors for expatriation are opportunities for discovery and exploration as well as travelling.

Sensitizing concept: Job and career ambitions

The expat literature also indicates career considerations as a motivational factor for expatriation. For example, Ceric and Crawford (2016) reference Roback (1988), who argues that "wage levels, economic opportunity, and land-rent" are considered to be attracting global talent (p. 142). Research by Thorn (2009) shows that considerations related to career are very important for a decision to be mobile, including sub-motives as "further professional development, new career challenges, and opportunities for career advancement" (p. 449). Jackson et al. (2005) also showed that career and economics are important motivators for individuals to go to a foreign location. The authors followed the descriptions of Carr et al. (2004) and defined economic factors as including "the promise of greater income and better economic opportunities" and career factors as including "vocational opportunities that may attract individuals to overseas destinations" (Jackson et al., 2005, p. 110). The findings of their research especially show that career issues form a "net attraction to overseas location," including matters such as career opportunities, salaries, business opportunities and challenge (p. 113). Such opportunities are especially important for entrepreneurs, as they usually move not for personal reasons, but for the sake of their businesses' success, Bound, Beunderman and Mean (2008) argue. Consequently, critical factors for entrepreneurs are "financial incentives such as tax breaks, availability of public or private sector venture funding or even availability of mentors […] and access to international markets" (p. 70) via the local market, as these factors will boost their business.

Sensitizing concept: social networks

Abdel-Rahman, Sri Ramalu and Subramaniam (2017) propose that social network is an important motivational factor in the decision to (re-)expatriate. Specifically, their research into academic self-initiated expatriation hypotheses that social network characteristics such as size, closeness and frequency "have a significant impact on the re-expatriation" and therefore form an important pull-factor (p. 5). With an established social network in the host country, the expatriate will have social support resources. "Positive outcomes during the first expatriation" will likely result into re-expatriation to the same location," the authors assert (2017, p. 5). Research by Vance et al. (2017) also show that for expat-preneurs, social networks through previous educational opportunities and international assignments also play a role in location decisions. Such networks can lead to the useful contacts to create one's own business there, they argue (Vance et al., 2017, p. 38).

Sensitizing concept: participation and change

So-called "participation and change" is also a positive motivation for relocation mentioned in the literature. Bound, Beunderman and Mean (2008) assert in their research that "it is important for talent to feel part of a place and to have an opportunity to shape it and connect meaningfully with 'the local'" (p. 5). Places that are continuously in development and under constant change and renewal are very appealing to the global talent looking for a location.

3.2.1 Sensitizing concepts

The table below shows the four sensitizing concepts derived from the literature review on self-initiated expatriation:

Table 7 – Self-Initiated Expatriation-related sensitizing concepts

	Sensitizing concept	Definition
5	Adventure	Taking the opportunity to travel the world and experience different cultures to explore something new.
6	Job and career ambitions	The prospects of better income and economic opportunities as well as career improvement.
7	Social networks	A network of friends and acquaintances that can offer informal contacts, support, and relaxation.
8	Participation and change	To be able to be part of the development and change happening in the city.

3.3 Entrepreneurial Ecosystem literature

Literature on expatriation and place branding can give insights into the motivations for location decisions of globally mobile individuals. However, as this research looks specifically at location decisions of international startups, it is necessary to investigate the academic literature related to startups as well. Therefore, this paragraph discusses the entrepreneurial ecosystem literature to find motivations for location decisions from this angle as well.

Entrepreneurial ecosystem

An important group within high skilled migrants or globally mobile talent are the ambitious entrepreneurs, those "individuals exploring opportunities to discover and evaluate new goods and services and exploit them in order to add as much value as possible" (Stam et al., 2012, quoted in Stam, 2015, p. 1759). Ambitious entrepreneurship is focused on outstanding performance, innovation and internationalization. The academic literature recognizes the effect of urban and regional context on entrepreneurship and innovative successes. As Stam and Spigel (2017) state, "place-based elements create the conditions for long-term entrepreneurial success" […] as "their success lies in their ability to create a cohesive social and economic system that supports the creation and growth of new ventures" (p. 3). This cohesive system is what Bred Feld (2012) calls *startup communities*, other academics *clusters*

and what more and more academics call *entrepreneurial ecosystem*. An important distinction with the economic cluster theory is the focus on the individual – the entrepreneur and startup – in the entrepreneurial ecosystem, rather than the firm or SMEs as the focal point for analysis. The entrepreneur is not just at the core of analysis but is also in actually building and sustaining the entrepreneurial ecosystem. Therefore, shared knowledge about entrepreneurship is crucial for its longevity as well (Feld, 2012, p. 5). Wahyuningtyas, Hanoteau, and Vial (2018) also recognize the crucial role of entrepreneurs in the ecosystem, as only they can recognize the essential needs and transformations to be successful. The authors argue that in such systems, the role for public authorities is limited to mainly facilitators and connectors in the ecosystem, not to initiate any development (p. 23).

With these considerations, Stam (2015) defines an entrepreneurial ecosystem as "a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship" (p. 1765). Actors are mainly the entrepreneurs themselves, but also investors and mentors. Factors include certain institutions and opportunities present in the ecosystem. Therefore, a place and all its "cultural, social, political, and economic structures and processes" all impact the workings of the entrepreneurial ecosystem (Stam, and Spigel, 2016, p. 1). The authors stress that the context of a location should not be taken for granted, but should be put at the center of any research, as "place-based elements create the conditions for long-term entrepreneurial success" (p. 3).

Table 8 – Definition entrepreneurial ecosystem

Concept	Definition
Entrepreneurial ecosystem	A cohesive social and economic structure of entrepreneurs, mentors, investors, and supportive institutions and processes enabling productive entrepreneurship within a location (Stam, 2015; Stam, and Spigel, 2016).

With his book *Startup Communities*, Brad Feld (2012) looks into how some cities become "vibrant startup communities" and other cities not (p. 21). He also recognizes the relationship between place and innovative entrepreneurship, as creative, innovative people tend to concentrate in "tightly clustered geographies" referring to Florida (2002) (Feld, 2012, p. 22). To explain the concentration at some places and consequently successes in some places over others, Feld (2012) discusses three frameworks:

1. External economies of scale: Feld argues companies concentrate together to benefit from external economies of scale. Companies need inputs outside the company, such as infrastructure, services etc.; when concentrated, the fixed costs of these inputs can be shared. Therefore, every new member in this network increases the value for already existing members (p. 22-23)

2. Network: Companies also concentrate at particular locations due to the network effects. A "culture of openness and information sharing" makes companies able to leverage more innovation and respond to new conditions as opposed to closed systems (p. 23).

3. Creative class: citing Florida (2002), Feld argues "creative-class individuals want to live in nice places, enjoy a culture with a tolerance for new ideas and weirdness and – most of all – want to be around other creative-class individuals" (p. 24)

Sensitizing concept: Networks and co-working

All three frameworks addressed by Feld (2012) stress the importance of networks in the co-location of entrepreneurs. Bound, Beunderman and Mean (2008) also mention networks as an important place-based motivation for entrepreneurs. Feld (2012) argues successful startup communities need network density: "deep, well-connected community of startups and entrepreneurs along with engaged and visible investors, advisors, mentors and supporters. Optimally, these people and organizations cut across sectors, demographics and culture engagement. Everyone must be willing to give back to his community" (p. 186). As Wahyuningtyas, Hanoteau, and Vial (2018) claim, the ecosystem is the primary provider of resources for new entrepreneurs, as "information on the quality of entrepreneurial projects and the reliability of participants is not freely available and shared within the market" (p. 23). Therefore, by being part of such an ecosystem network, an entrepreneur gains trustworthiness and legitimacy needed to attract investment and collaborations from angel investors and venture capitalists, the authors explain and in broader sense, the support needed to go through all the hurdles of starting a business. In such a system where everybody gives back to the community, it provide the entrepreneurs with "human capital and financing, mentorship and support systems, a supportive entrepreneurial culture, a robust regulatory framework, and access to universities and local and international markets" (Isenberg, 2011, cited in Wahyuningtyas, Hanoteau, and Vial, 2018, p. 24). To a smaller extent, co-working spaces can also offer the benefits of clusterization and networks offered in an entrepreneurial system at large. Research by Maulde Cuerel (2018) shows that co-working spaces offer a "positive peer pressure" environment, an environment full of "cooperation and community support at a personal and professional level. […] Having people around provides coworkers with a feeling of positive peer pressure, which translates to the advantage of being more structured and motivated in their professional life" (p. 71). Such a space functions as a small network or cluster, but with the various actors physically present.

Successful startup community / entrepreneurial ecosystem

Following the discussion of the three frameworks, Feld (2012) formulates his own framework of startup communities. The framework has four aspects, which will be detailed below:

1. "Entrepreneurs must lead the startup community;

2. The leaders must have long-term commitment;

3. The startup community must be inclusive of anyone who wants to participate in;

4. The startup community must have continual activities that engage the entire entrepreneurial stack" (p. 25).

Most importantly, Feld (2012) argues, is that entrepreneurs themselves must lead the startup community to make it sustainable. The entrepreneurs, those who have (co-)founded a company must be the leading actor, not the government, university or service provider among others. Secondly, these leaders must have a long-term commitment and adopt a long-term view. Startups and the ecosystem around it take their time to grow and expand. Connecting to the motivation derived from place making about diversity and openness and the notion of participation and change mentioned by Bound, Beunderman and Mean, the third principle of Feld's framework is an extreme inclusiveness of the startup ecosystem. Not just for new startups, also for more leaders, those who want to work for or with startups etc. Recognizing the benefits of an ever-growing network, "everyone in the startup community should have a perspective that having more people in the startup community is good for the startup community" (p. 28). Lastly, continuous engagement of the "entire entrepreneurial stack" is crucial for a thriving and sustainable startup ecosystem. Low-key initiatives such as hackatons, meetups, open coffee clubs are activities that engage everyone in the community.

The literature on entrepreneurial ecosystem also outlines a clear role for government institutions: a strong supportive role, including supportive policies on "economic development, tax and investment vehicles" (Stam, and Spigel 2016, p. 6). Feld (2012) also stressed the opportunities of governments "bully pulpits to stimulate agendas" (p. 36) while warning a leading role for governmental organizations. The World Economic Forum report (2015) also argues that government institutions should not be involved too much due to the discrepancy between short term and long-term commitments of governments and entrepreneurs. Whereas "politicians often find it convenient to make ecosystem recommendations with an electoral cycle mentality" entrepreneurs have a more long-term view, "aiming to scale a new venture in a sustained way" (p. 6). However, the success of an entrepreneurial ecosystem is mainly tied to the successes of the companies within that ecosystem. A report by the World Economic Forum (2015) outlines eight pillars that make up an entrepreneurial ecosystem and had entrepreneurs indicate which pillars are viewed as most important for the success of their startups, as shown in figure 3. According to

this report, entrepreneurs indicate the first three pillars on the left as most important contributors to growth: accessible markets, human capital/workforce, and funding and finance (World Economic Forum, 2013, p. 11) and thus most crucial for an attractive and successful ecosystem in the eyes of entrepreneurs. Accordingly, these three pillars are sensitizing concepts in this research, as literature shows accessible markets, human capital/available workforce and funding & finance as important considerations for entrepreneurs to choose a location.
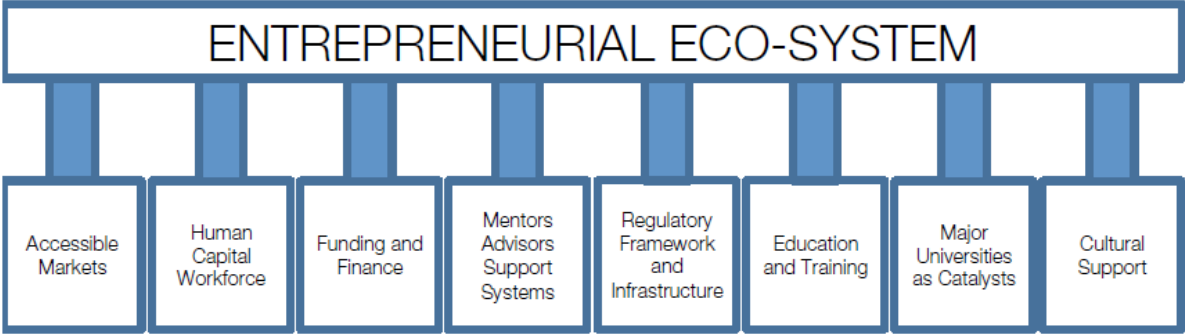

Figure 4: "Entrepreneurial Ecosystem" (World Economic Forum, 2015, p. 6)

Sensitizing concept: Accessible markets

Accessible markets are essential for entrepreneurs to settle somewhere. Without a market to sell it to, there is no sense in developing a product. As Gruber, MacMillan and Thompson (2012) assert, choosing the right market with all its opportunities "is likely one of the most fundamental decisions founders of technology ventures take during the gestation stage of their firm, as the market defines the competitive arena in which the venture seeks to become a viable organizational entity" (p. 1423). The authors connect this decision to habitat selection, a concept borrowed from biology, which entails that "the selection of the appropriate habitat over space and time enhances the probability of survival" (p. 1424). Thus, in the case of startup owners, if they select a location with a suitable market available and enough market opportunities, it highly increases their chances of success.

Sensitizing concept: Availability human capital/workforce/human resources

Literature indicates availability of human capital/resources as important for a strong entrepreneurial ecosystem and success of startups. Stam and Spigel (2016) emphasize the importance of a "deep talent pool of employees in all sectors and areas of expertise" for startups. Indeed, Salamzadeh and Kawamorita (2015) also support this role of human capital/resources. Over time, startup founders need more expertise and teams of employees. If this process fails, the whole startup can fail (Salamzadeh, and Kawamorita, 2015, p. 7). Therefore, for startups, the available talent pool is of crucial importance in the decision to settle somewhere, according to the literature reviewed.

Sensitizing concept: Funding and Finance

In the World Economic Forum report of 2015, the components of the funding and finance pillar are: friends and family, angel investors, private equity, venture capital (VC) and access to debt (p. 7). The importance of venture capital for startups is also supported by Samila and Sorenson (2011). Their research show that "increases in the supply of venture capital […] stimulate the production of new firms in the region. [Partly, this effect plays a role as] would-be entrepreneurs in need of capital may incorporate the availability of such capital into their calculations when trying to decide whether to start their firm" (Samila, and Sorenson, 2011, p. 347). They argue regions could greatly benefit if the supply of venture capital grows, as it attracts entrepreneurs and their business and therefore leads to more economic growth. Davila, Foster and Gupta (2003) also argue that Venture-backed startup companies benefit in terms of reputation and credibility. The VC association and funding can function as a signal about the quality of the startup, and arguably "[reduces] the perceived uncertainty of being associated with a particular company" in markets characterized by high uncertainty (p. 692).

3.3.1 Sensitizing concepts

The table below shows the four sensitizing concepts derived from the literature review on entrepreneurial ecosystem:

Table 9 – Entrepreneurial Ecosystem-related sensitizing concepts

	Sensitizing concept	Definition
9	Networks and co-working	Networks of startups and investors, relevant business sector, supportive mentors, including physical structures such as co-working spaces.
10	Accessible markets	Availability of new markets to sell the product and market opportunities in the host country setting, such as access to regional markets.
11	Availability human capital/workforce	Pool of students and other young talent available as possible future employees or sources of expertise
12	Funding and finance	Enough supply of investment capital available, in the form of incubator and accelerator programs, angel investors, venture capital and banks.

3.4 Conclusion and answer sub-question 1

This chapter serves to answer the first sub-question: *What is mentioned in the literature on self-initiated expatriation, place branding and entrepreneurial ecosystems about motivations for location decisions and the role of local government institutions?* In this chapter, three different perspectives in the academic literature has been reviewed and analyzed in order to identify various sensitizing concepts. These concepts can serve as the starting point of the analysis in chapter four. However, in the type of qualitative research that this thesis applies, theory and empirical research are constructed simultaneously. Meaning, some sensitizing concepts have come up during the data analysis and were

supported by literature afterwards. Deriving from literature on place branding literature, various sensitizing concepts are to take into account: (1) place brands, (2) diversity, (3) quality of life, and (4) cost efficiency. A review of self-initiated expatriation literature points toward (5) adventure, (6) job and career ambitions, (7) social networks, and (8) participation and change. Entrepreneurial ecosystem literature is also crucial to review for research on startups. For entrepreneurs specifically, (9) networks and co-working play an important role in location decisions as well as benefits of entrepreneurial ecosystems such as (10) access to markets, (11) human capital/workforce, and (12) funding and finance possibilities. Thus, literature shows a wide variety of factors that can play a role in location decisions of startup entrepreneurs. On the other hand, literature does not show a clear and important role for local government institutions regarding location decisions. The entrepreneurial ecosystem literature outlines a supportive, but sidelined role for national government, which should focus on friendly tax policies, investments and economic development (Stam, and Spigel, 2016, p. 6). The ecosystem literature does not indicate a clear role for local government institutions. Place branding literature offers a few branding strategies for local government to affect location decisions: improve the quality of life in the city; partner with the city's business community; keep cost of living friendly for global talent; and create a strong city brand (Ceric, and Crawford, 2016, p. 145). Overall, the branding literature offers scarce attention to the role of local government in increasing city competitiveness. Apart from the suggestions above, the literature either just describes the importance of branding or outlines a role for national governments. The literature does not give a clear explanation for the role of local government institutions in location decisions of international startup entrepreneurs.

Chapter 4: Findings of Analysis

This chapter, as explained in chapter two, shows the results of the empirical research in order to answer the second sub question: *What kind of explanations emerge from qualitative interviews with international startups based in The Hague, Amsterdam and Rotterdam about their location decisions and how does this compare to the academic debate?* As explained in chapter two, this research is a type of small N, inductive, qualitative research with a comparative analysis of three case studies. Data is collected through semi-structured interviews with international startups based in the three city regions which form the case studies in addition to expert meetings with The Hague International Centre. The interviews were transcribed in order to be coded afterwards. The coding process is a form of axial coding, although the start is not completely open. It is informed by the sensitizing concepts following the literature review. By open coding, new codes have emerged, and sensitizing concepts have been refined. Subsequently, by axial coding, the sub-codes have merged together, leading to new themes and constructs. Table 10 shows the seven main stimulating motivations identified for location decisions. The table shows the codes used in the research, the relating sensitizing concepts and the sub-motivations which compile the stimulators.

4.1 Motivations location decisions

Table 10– Motivations location decisions

Stimulating motivations	Sub-motivations	Related sensitizing concepts	Open codes
1 Connected Startup Ecosystem	**1.1** Co-working spaces and startup community **1.2** Relevant business and industries present (ecosystem matches company goals) **1.3** Relevant conferences and events **1.4** Accelerator and incubator programs	Networks and co-working Participation and change Brand Funding and finance	Startup Hubs Co-working Startup programs Ecosystem present Events / network opportunities Startup city Right sector/industry, similar companies Low power distance
2 Supportive national government	**2.1** Startup visa **2.2** Friendly tax system **2.3** Investment in entrepreneurial ecosystem	Cost efficiency	Startup Visa 30% ruling Supportive climate Active push government

3 Business considerations	3.1 Access to (new) markets / clients • Global connections • Transportation 3.2 Access to capital • Accelerator and incubator programs • Investment 3.3 Strong business climate	Access to markets Funding and finance Networks and co-working Job and career ambitions	Startup Programs Investments Suitable investment climate Capital access (EU) Market access Location Transportation/ commute Funds Opportunities
4 Networks	4.1 Established (social) networks 4.2 Knowledge of the ecosystem through previous visits 4.3 Client networks 4.4 Network available through city and position Netherlands in Europe	Social networks Networks and co-working Job and career ambitions	Networks Connected ecosystem Visited /lived in Netherlands before Student in the Netherlands Everything close by Connections/affiliations Customers Location Friends
5 Lifestyle	5.1 International cities 5.2 Pretty cities 5.3 Work-life balance	Quality of life Diversity Participation and change	Lifestyle Quality of life Young & Diverse Pretty cities Expat city International culture Relaxed vibe Openness Small city vibe Expat city
6 Language	6.1 English-speaking country 6.2 Business conducted in English	Diversity	People speak English Business in English Government information in English Expat city
7 Support	7.1 City support 7.2 Startup programs and mentor 7.3 Support from friends	Social networks	Mentor support Program support Co-working community Connections City support Friends

Through empirical research, seven stimulating factors regarding location decisions of international startup owners have been identified. These "stimulators" are made up by various sub-motivations and generally relate to one or a few sensitizing concepts. Each stimulating factor – or motivation – is elaborated upon below, by discussing in terms of the data, whether there are differences between cities and whether other factors might influence the stimulator. Each paragraph concludes with a figure showing the sub-motivations relating to the stimulator and the corresponding codes that have resulted from axial coding. Paragraph 4.1.8 discusses which motivation is specifically relevant per city region.

4.1.1 Connected Startup Ecosystem

Almost all startup entrepreneurs indicate a startup ecosystem is the most important prerequisite for their choice of location. Especially when it is aligned with their business goals. As one entrepreneur states, "We realized when it comes to our business in social impact and sustainability and really try to align business with the SDGs, then we realized The Hague is a more suitable environment, because it is easier to operate in an environment where people work on the same goal as us and people understand what you're trying to solve." Another entrepreneur also argued that it is "important to have communities where collaboration and serendipity is great. Bringing people together to create opportunities. Having a well-developed ecosystem consists of different things. Not only having representatives of different companies, having opportunities, having problems from the government or NGOs to support the business, but also having the proper events to share knowledge and to network." Entrepreneurs in all three cities were praising the presence of other relevant businesses and industries in their city region. Additionally, co-working spaces was also a deciding factor for most entrepreneurs. According to an entrepreneur in The Hague, he "would not go to a city if they did not have one of those startup hubs. […] There need to be those community spaces with startups. There is a certain energy you find at those spaces. It is really affordable to have flex desks." As an entrepreneur based in Rotterdam indicated: "I was looking both at The Hague and Rotterdam for the purpose of getting into a co-working space. Decided to go for Rotterdam because I liked CIC and wanted to be a part of that." Generally, co-working spaces have been indicated as important factor for location decisions, mainly by entrepreneurs in Rotterdam, less so by entrepreneurs in Amsterdam and The Hague. Another important stimulator in terms of the ecosystem are events and conferences, the entrepreneurs indicate. To be attractive to startups, it "is very important to have initiatives to boost and improve the ecosystem. […] Having a well-developed ecosystem consists of different things [such as] having the proper events. Events are there to share knowledge and experience, to learn something new, but most important to network. To get to know the ecosystem around you, to see who else is in there, to find opportunities and your place in there."

1.1 Co-working spaces and startup community

- Startup hubs --> Rotterdam
- Co-working spaces --> Rotterdam
- Startup City

1.2 Relevant business and industries present (ecosystem matches company goals)

- Startup Ecosystem present
- Startup City
- Right sector/industry (similar companies) --> Amsterdam

1.3 Relevant conferences and events

- Events / network opportunities --> The Hague

1.4 Accelerator and incubator programs

- Startup Programs
- Low power distance

Figure 5: Connected startup ecosystem: sub-motivations and codes

4.1.2 Supportive (national) government

A supportive government is also an important stimulator in location decisions. Entrepreneurs have indicated that a startup visa program, a "fair and friendly" tax system, but also investments in the entrepreneurial ecosystem by the national government are stimulating factors in their location decisions. The tax system in the Netherlands and especially "the 30% ruling was an advantage we had" said an entrepreneur. "When we started about relocation, we tried to compare options of different countries on aspects like tax system." Entrepreneurs in Rotterdam and Amsterdam also mentioned the 30%, but mainly entrepreneurs in The Hague really stressed it as a stimulator. The startup visa program is also an important stimulator in terms of supportive government. As European entrepreneurs do not need a visa to stay, it is only important for the non-European startup entrepreneurs. As a startup entrepreneur said, "We did not spend a lot of time on research […] we decided in one week. So, we researched the different startup visas, spent a lot of time doing that, and the business environment." Another entrepreneur argued similarly: "we started to look on countries that were open to entrepreneurs, especially for young entrepreneurs and startups. Canada, Chile, Spain, Netherlands, all four countries have programs like [startup visa] programs." A startup visa program is shown as a first criterion to select countries. To quote an entrepreneur settled in The Hague: "obviously, the fact you have that startup visa, it means it meets all the check boxes for us to make the case."

2.1 Startup Visa

- Startup visa program --> non-European startups

2.2 Friendly tax system

- 30% ruling --> The Hague

2.3 Investment in entrepreneurial ecosystem

- Supportive climate
- Active push government --> The Hague

Figure 6: Supportive national government: sub-motivations and codes

4.1.3 Business considerations

The interviewed entrepreneurs also indicate that general business considerations are very important factors in choosing a location. Access to capital is most crucial. Whether through incubator and accelerator programs or other forms, investment is crucial to build up a startup. As an entrepreneur states, about main things that cities need in order to attract startups, "number one is capital access." Entrepreneurs look for "incubators, accelerators which are powered with strong relations with investors." Many of the entrepreneurs come to a specific location because of such a program, and then decide to stay. An entrepreneur indicated that he "pitched his idea to some incubators and had the chance to go to New Zealand, Denmark and the Netherlands. […] CIC liked my idea and invited me here. So, they are acting as a facilitator for my visa. That was the base." Afterwards, he stayed at CIC, as "I can always go to Amsterdam. Netherlands is a small country, everything is within its vicinity." Another entrepreneur also stressed the location advantage of the Netherlands for their business as an important factor in their location decision. "First of all, we really needed to change geographical location. Our major customers are in Western Europe and I need to be able to reach them in a few hours. That is also a big advantage of the Netherlands, because you have a great infrastructure: airport, trains, roads. I can go to the opposite side of Germany and come back in the same day." Market availability and accessibility is indeed an important stimulator. The Hague is praised for being a city where one can "test the product without essentially blowing it up a bit." The entrepreneurs look for "a city that has enough volume for [them] to make sense as well as enough activity to build a decent test case." A tech entrepreneur indicates they were "specifically looking for places with a more mature adoption of digital technologies. That was one of the reasons why we chose the Netherlands. There is already an ecosystem of software developers here and employees wanted to be based in Amsterdam." This ecosystem means "it is a lot easier to access to market. When we need to request our clients to have a meeting, it is quite easy for them to come here, because they already have a meeting here or they have an office here. Being part of the whole ecosystem of the market that we need to get connected, that is top priority for our business where to reside. […] As an entrepreneur, I look for opportunity to access to market, that is top concern."

3.1 Access to (new) markets / clients
•(EU) Market access
•Location
•Transportation/Commute
3.2 Access to capital
•Startup programs
•Investments
•Capital Access
•Funds
3.3 Strong business climate
•Suitable investment climate
•Opportunities

Figure 7: Business considerations: sub-motivations and codes

4.1.4 Networks

Networks is a key stimulator in location decisions for the startup entrepreneurs. Networks are seen as critical for success in a location. Networks entail social networks established in the place and knowledge of the ecosystem through previous visits, the ecosystem network the city has to offer, the clients network the ecosystem has to offer and the network available through the city and position of the Netherlands in Europe. Many of the entrepreneurs did their MA or PhD in the Netherlands and decided to stay in the Netherlands. "I did my masters in the Netherlands at TU Delft. Through that, started working with mentors through a network established through Venture Café." Similarly, another entrepreneur in Amsterdam argued, "I based in Amsterdam, as I was based at Science Park. It was an easy decision for me, because I knew the system there. So, I decided to do it here. […] It always boils down to what affiliations you have. Who do you know there, whether you have friends there. A lot depends on how far you have your connections in a specific area when you are building something out of scratch. Others indicated that existing or newly developing networks are crucial for their location decisions. "I have been many times to The Hague. I had some connections here. I visited some events and some business meetings" and that led to locating to The Hague. "We did not compare The Hague and Amsterdam for example, because [the network] is based in The Hague. Another entrepreneur in Rotterdam indicated that in the process of deciding on locations, they met the "NFIA in Toronto and [came] here on a factfinding tour, which made our decision a lot easier." A startup in The Hague stressed the importance of network affiliations: "The Hague Business Agency and Yes!Delft together have essentially been the biggest support that we've gotten. We worked with The Hague Business Agency, [who] was introduced to us through some mutual contacts. They understood the value proposition of the startup." This "partnership with The Hague Business Agency and Yes!Delft [are] two factors that made a huge difference. The fact that we can say we are working with Yes!Delft opens a lot of conversations for us." So, an established network can pull an entrepreneur to the location. It can also

be attractive to join a network. According to an entrepreneur, "the environment is very important: that you can find everything related to your work." An entrepreneur in The Hague stressed, "The Hague Humanity Hub was a major reason why we were able to compromise on The Hague, because it made sense to shop there. There were NGOs there, so we did get some good connections from the Hub."

4.1 Established (social) networks
•Networks
•Connected ecosystem
•Connections/Affiliations
•Student in the Netherlands
•Friends

4.2 Knowledge of the ecosystem through previous visits
•Visisted/Lived in the Netherlands before

4.3 Client networks
•Customers

4.4 Network available through city and position Netherlands in Europe
•Networks
•Location
•Everything close by

Figure 8: Networks: sub-motivations and codes

4.1.5 Lifestyle

Many of the startup entrepreneurs also indicate the "relaxed" pace of life, i.e. work-life balance, in the Netherlands as a stimulating factor for the attractiveness of the three city regions. Especially startups in Rotterdam and The Hague value the easy atmosphere and "relaxed vibe" of the lifestyle in Dutch cities. They argue that "Amsterdam is very crowded, and Rotterdam feels more like it is more a community." A main selling point for Rotterdam is "it is a big city without being a big city. […] You can still have access to good things when it comes to lifestyle, shopping, all those good things without being a big city." Rotterdam is also praised in terms of "the openness of the ecosystem. Since it is an international, multicultural thing, people from anywhere in the world can walk into the ecosystem, and don't feel alone and alien. There is a mix with the Dutch and an international culture." It is important for the entrepreneurs to be able to "meet more internationally minded people" and that is possible in the three city regions. A stimulator for The Hague is the "strong expat community and [..] a good mix of culture" in addition to the being "a nice pretty city." Also, startups like The Hague as it is still a small community. "It is a lot more relaxed. Amsterdam is very busy, very stressed, everybody is rushing. Here it is more relaxed, more chill. Rotterdam is bit more corporate. For some reason, in Rotterdam and Amsterdam, I feel too small. Here, I feel like I can have an impact already." Also, Scheveningen is a huge plus for The Hague, as it can offer some relaxation and, in the case of food-related startups, "perfect use cases."

Even though Amsterdam is seen as busier than the two other city regions, entrepreneurs in Amsterdam still indicate a more "relaxed" sphere in Amsterdam compared to other startup hubs internationally, with less pressure from investors. Also, "Amsterdam is as a city it is very tight. So, it is very bubbly and connective in itself."

5.1 International Cities

- International Culture
- Expat City --> The Hague

5.2 Pretty Cities

- Quality of life
- Pretty cities --

5.3 Work-life balance

- Lifestyle
- Quality of life
- Young and diverse
- Relaxed vibe --> Rotterdam and The Hague
- Openness
- Small city vibe --> Rotterdam

Figure 9: Lifestyle: sub-motivations and codes

4.1.6 Language

For the Netherlands in general, a major stimulator is the fact that everybody speaks English, also in business situations. As more entrepreneurs indicate, one argued "I was not keen on learning a new language. I understood you can speak English everywhere in the Netherlands, which is good and helpful." Another entrepreneur also says when comparing options of different countries, language was very important: "In the Netherlands, no issues with speaking English. That's a big advantage." The fact that the entrepreneurs do not have to learn a new language to conduct business saves time, which can be spend on their startup. According to an entrepreneur: "Most business is done in English, which is quite important. […] Setting up bank accounts and incorporating companies, you can read the paperwork, stuff like that is really important when it comes to setting up a business." It also makes the entrepreneurs feel welcome here. "When we attend meetings where everybody is Dutch, they still speak in English. […] That makes you feel included and makes a really big difference. You can connect to people on a more human level. […] That is huge for being in the Netherlands." Entrepreneurs in all three city regions indicate language as an important stimulator, but specifically The Hague based entrepreneurs point toward the expat history of the city: "The Hague is very expat-oriented, expat-friendly. Everybody is speaking English. At so many different places, I hear English. But, even in Amsterdam, […] it is more for tourists. That is one of the reasons why I Liked The Hague. There are a lot of things related to expats."

Figure 10: Language: sub-motivations and codes

4.1.7 Support

Support is pointed out by entrepreneurs as an important stimulating factor. Not just a supportive government as mentioned above, but direct support by the city, startup programs and mentors, and personal friends. "You have very good support from the government. The whole system around, like the bureaucracy or system and institutions around starting a company, is very rigid. For example, the functionality of Startup Amsterdam and the help you can get from the municipality, I think they are doing a very good job at placing Amsterdam on the map as a startup city." For The Hague, entrepreneurs argue as an advantage the fact that The Hague "is investing heavily in proposals that have to do with [peace and justice]. If you partner together with other NGOs and you can acquire some of that money, that is attractive." The startup entrepreneurs praise the support, with mentors or coordinators from programs going to large extents to help them. Support from, for example, THBA in The Hague, CIC in Rotterdam and Rockstart in Amsterdam are valued as outstanding compared to cities in other countries. They have received much support with connections, networks, and events. Some point towards to the relative low power distance in the Netherlands between startup entrepreneurs and investors as contributing to the easy access to people and receiving help and understanding from investors as well. Important for location decisions is also support offered by friends. According to an entrepreneur, it is "one of the disadvantages" of the city when one does not have friends there. Someone else indicated, "as an expat, it is very important that you have a support system for your wellbeing. That makes is a very easy decision for me to be here. For example, you have people saying London is a great city, but I am not going to start my company there, because I don't know anybody there essentially."

7.1 City support
•City support --> The Hague

7.2 Startup programs and mentor
•Mentor support --> Amsterdam
•Program support
•Co-working community --> Rotterdam

7.3 Support from friends
•Co-working community
•Friends

Figure 11: Support: sub-motivations and codes

4.1.8 Motivations per city

The seven motivations identified are valid for all three city regions. Nevertheless, a few sub-motivations are emphasized more by entrepreneurs in a specific city region than others. Entrepreneurs based in Rotterdam explicitly emphasize the startup community and co-working spaces for the networks and support they can provide. In terms of lifestyle, entrepreneurs in Rotterdam also stress the "relaxed" and small city vibe in the city as an attracting factor. Entrepreneurs in The Hague also share the relaxed vibe, but also point The Hague as an expat city in their motivations regarding lifestyle and language. The Hague has an expat, therefore many international events are already happening. It also means that many people speak English regularly, not just in business. Entrepreneurs in The Hague also highlight the role of the municipality in actively supporting the developing of a startup ecosystem by providing locations and stimulating conferences and events. These network opportunities are stressed more by The Hague based entrepreneurs than in the other city regions. Lastly, Amsterdam based startup entrepreneurs specifically point out the presence of relevant businesses and industries as a decisive stimulator. The "complete tech scene" of which they can become a part of is important to their location decisions. In addition, entrepreneurs in Amsterdam argue that the mentor support offered by Amsterdam-based programs and individuals is a major pull factor in their location decisions.

4.2 Role local government institutions ("expat centers")

As discussed in the introduction, municipalities and ministries have partnered on the City Deal "Warm Welcome for Talent" (2017) to make the Netherlands more attractive to international startup entrepreneurs, which are needed to "feed its innovative and globally focused economy" (p. 6). As 19th country in the Global Startup Ecosystem Ranking, the Netherlands is already attractive, but "there is more it could, with Dutch cities signaling missed opportunities to recruit and retain talented internationals" (p. 6). According to the report, establishing a business and settling in the Netherlands is experienced as a complicated process by the entrepreneurs: "All this leaves entrepreneurs feeling

uncertain and forced to fend for themselves. None say they experienced much of a 'warm welcome'" (p. 6). The report outlines six recommendations to create such a warm welcome and increase the country's attractiveness. These recommendations focus on acquisition and branding, information services, admittance and residence, coaching, enterprise and growth and lastly, quality of life, most with specific action points. Action points for coaching explicitly include expat centers. To provide a soft landing and a warm welcome for entrepreneurs, expat centers should open "one-stop-shops." These one-stop-shops combine various government services and thereby facilitate a quick settling procedure for the international entrepreneur. Service and information provision are the core businesses of expat centers and should be used in accordance.

The Hague International Centre is the point of contact for international staff of organizations and companies in the The Hague region. By offering guidance in terms of formalities and providing information about working and living in The Hague region, the center wants to offer a soft landing for international staff. To increase the city's competitiveness, the municipality of The Hague has strategized to extend and further develop the services of The Hague International Centre. The center strives to become the point of contact for all internationals coming to The Hague, including international startup and NGO founders for example. According to The Hague International Centre, such internationals need more support and coaching, as they have less expertise about expatriation and can often not afford assistance by a service provider (Gemeente Den Haag, 2018b, p. 2). Therefore, The Hague International Centre has implemented the one-stop-shop City Deal recommendation. The center wants to realize a soft landing by integrating all relevant formalities of settling, such as municipal registration, issuance of residence permits etc. and providing more English information about living and working, including thematic events. By doing so, it wants to assist the international during all four stages of staying in The Hague: orientation, relocation, living and working, and leaving The Hague. With this shift from municipality services to coaching, The Hague International Centre wants to establish more city attachment among the internationals in order to retain more talent in the city.

Table 11 below shows a comparison between the policy theory, as described by the City Deal and implemented by The Hague International Centre, and the empirical patterns constructed as a result of the research. This thesis research has analyzed location decisions of international startup entrepreneurs in order to find explanations for such decisions. Data has been analyzed according to place branding literature in addition to self-initiated expatriation and entrepreneurial ecosystem literature. The data suggests seven main stimulating motivations for location decisions: (1) connected startup ecosystem; (2) supportive national government; (3) business considerations; (4) networks; (5) lifestyle; (6) language; and (7) support.

Table 11 – Policy theory vs. empirical patterns

Policy theory: The Hague International Centre as one-stop-shop expat center to attract startups and offer personal soft landing:	Empirical patterns resulted from data analysis on explanations for location decisions startups:
- Time efficiency for administrative matters through assembling government services and formalities at one place. - Providing reliable information through expat center events and partnership programs. - Guidance for internationals coming on their own initiative, often with less knowledge about expatriation and less funds available for help. - Services and information in English to provide warm welcome. - Personal soft landing by services and events focused on the personal side of expatriation: healthcare, housing, education etc.	- Connected startup ecosystem: a network of relevant businesses and events, and startup programs and co-working spaces available. - Supportive national government: Startup visa program in addition support in terms of investments and profitable tax system. - Business considerations: Access to capital, markets and a strong business climate to become a part of. - Networks: Strong ecosystem network to access existing clients and new clients, networks of friends and network knowledge. - Lifestyle: International cities with high quality of life - Language: English-speaking country in everyday life and in business. - Support: Support by friends, by mentors, by startup programs, and the city.

Comparing the premises of The Hague International Centre with the explanations for location decisions resulted from the research, there is a small overlap between the stimulators mentioned by the entrepreneurs and the activities of The Hague International Centre. Entrepreneurs have indicated the Netherlands is an attractive country to base their startup due to the fact that people speak English, both on the streets and when doing business. The center's English services and information add to promoting the Netherlands as an English-speaking country. There is also an overlap in terms of support. The Hague International Centre wants to support entrepreneurs coming on their own initiative by offering guidance of all four stages of their stay. Guidance includes registration and handling formalities, thematic events on topics relevant when living and working in the Netherlands. Entrepreneurs have also indicated that support is crucial for success in a place and therefore important for their location decisions. Support from friends, from the city, and from program mentors are all emphasized. Entrepreneurs indicate friends helping them with housing and settling in, and program mentors and the city helping them with introductions to useful connections, entrance to networks and events, and by creating a supportive ecosystem respectively. The fact that the city wants to have startups is seen as a positive factor.

Nonetheless, the overlap between the policy theory and the empirical patterns is limited. Even though support plays a role in both theories, there is a different approach. The Hague International Centre wants to unburden the international and make administrative matters easier by offering formalities at one location and at the same time (one-stop-shop). The center also strives to relieve the international of worries about living and working in The Hague by focusing on a personal soft landing. However, this strategy of services does not match the needs and wants of international entrepreneurs. The focus on

the personal soft landing mismatches the business-oriented soft landing emphasized by the startup entrepreneurs.

Startup entrepreneurs indicate they mainly have a business perspective on their location decisions. Therefore, as most important factors, they indicate a startup ecosystem as well as business considerations, such as access to capital and markets. An ecosystem that is functioning, developed, open to newcomers and one that fits the type of startup. For example, a tech startup entrepreneur said: "a lot of tech software companies, the bigger ones, are already here, so there is an ecosystem of software developers here. That is a primary reason: the ecosystem is developed most." Most startups also said their location decisions was heavily influenced by incubator and accelerator programs, i.e. access to capital. Since startup entrepreneurs usually do not have much funds by themselves, they need the incubator and accelerator programs to raise funds, develop their company and find the networks. These programs are therefore crucial for their location decisions, as it is often required to take residence in the same city region. Also, more generally, available funds and investment climate are important factors influencing location decisions of startups. In terms of business considerations, market access is also crucial. One of the advantages of the Netherlands that the entrepreneur emphasize, is the location. Entrepreneurs appreciate the fact that one can travel to other startup cities close by in just one day. Also, by settling in the Netherlands, one has access to the European market, which is a major positive factor. Lastly, for non-European startup entrepreneurs, it also means a country needs to have a startup visa program to be considered. When requirements in terms of ecosystem, startup visa, business considerations and networks are met, other motivations come into play relating to lifestyle, language and support.

With its ambition to add startup entrepreneurs to their target group in order to provide a soft landing to all internationals coming to The Hague, The Hague International Centre needs to solve the current mismatch between their services and the entrepreneurs' motivations for location decisions as described above. In order to do so, The Hague International Centre should shift its focus from the one-stop-shop of personal formalities and administrative matters to more city branding strategies. With the results from this research, the center can understand the goals and motivations for locating somewhere as a startup. Branding literature offers four branding strategies "targeted at attracting this pool of global talent":

1) "Improving quality of life through building cultural, urban, and recreation amenities and encouraging diversity and openness;

2) Partnership with the business community, supporting its development, vibrancy and reputation

3) Cost of living, that is, creating taxation and immigration policies that are global talent friendly;

4)   Creating a strong brand for the city" (Ceric, and Crawford, 206, p. 145).

Making use of branding and implementing such strategies will make it possible for The Hague International Centre to be of service to this group of internationals.

4.3 Conclusion and answer sub-question 2

This chapter serves to answer the second sub-question: *What kind of explanations emerge from qualitative interviews with international startups based in The Hague, Amsterdam and Rotterdam about their location decisions and how does this compare to the academic debate?* In this research, a form of axial coding was used. The start was open, yet also informed by the sensitizing concepts identified in the literature review. Subsequently, by axial coding, it was possible to find "core sets of themes" (Bryman, 2001). As a result, seven stimulating motivations have been found in the data explaining location decisions of international startup entrepreneurs, as shown in table 12:

Table 12 – Explanations location decisions

Motivations	Sub-motivations
1 Connected Startup Ecosystem	**1.1** Co-working spaces and startup community **1.2** Relevant business and industries present (ecosystem matches company goals) **1.3** Relevant conferences and events **1.4** Accelerator and incubator programs
2 Supportive national government	**2.1** Startup visa **2.2** Friendly tax system **2.3** Investment in entrepreneurial ecosystem
3 Business considerations	**3.1** Access to (new) markets / clients • Global connections • Transportation **3.2** Access to capital • Accelerator and incubator programs • Investment **3.3** Strong business climate
4 Networks	**4.1** Established (social) networks **4.2** Knowledge of the ecosystem through previous visits **4.3** Client networks **4.4** Network available through city and position Netherlands in Europe
5 Lifestyle	**5.1** International cities **5.2** Pretty cities **5.3** Work-life balance
6 Language	**6.1** English-speaking country **6.2** Business conducted in English
7 Support	**7.1** City support **7.2** Startup programs and mentor **7.3** Support from friends

Strikingly, the most important motivations are business related. There needs to be a connective startup ecosystem with a strong business climate, a market to access and enough capital to access, whether through programs or investors. Networks are also important as entrepreneurs prefer to go to places where they have connections. Prospects of new networks to join also make places more attractive to

entrepreneurs. Generally, these motivations correspond to the literature review, as all sensitizing concepts but adventure relate to the motivations, albeit in varying degrees. Sensitizing concepts relating to more than one motivation are: networks and co-working, funding and finance, participation and change, and social networks. This chapter also investigates the role of local government institutions in the motivations for location decisions of international entrepreneurs. When comparing the policy of The Hague International Centre and the motivations, there is a crucial mismatch. On the one hand, the expat center focuses on the personal soft landing and guidance through a one-stop-shop of formalities, whereas international startup entrepreneurs focus mainly on the business side of relocation. In order to solve this mismatch, The Hague International Centre should focus more on city branding. By advertising the attractive aspects of the city and startup ecosystem in combination with improving the city's assets, the center responds to the expectations of this target group and then it can play a role in attracting startup entrepreneurs.

Chapter 5: Conclusions and Recommendations

The research question of this thesis is: *What role do local government institutions and city branding activities play in location decisions of international startups coming to The Hague and how can this role be explained?*

To formulate an answer to the research question, the thesis consists of a theoretical exploration and field research, that is observations, interviews and surveys, which will be divided into chapters. The theoretical exploration and the chapters correspond with three guiding questions:

1. What is mentioned in the literature on place branding, self-initiated expatriation, and entrepreneurial ecosystems about motivations for location decisions and the role of local government institutions?
2. What kind of explanations emerge from qualitative interviews with international startups based in The Hague, Amsterdam and Rotterdam about their location decisions and how does this compare to the academic debate?
3. What recommendations can be formulated based on the explanations for location decisions following the comparative analysis of international startups in three city regions and insights from the academic debate?

Before providing an answer to the research question, the chapter first discusses the conclusions to the first two sub-questions. After answering the research question, the chapter presents recommendations for The Hague International Centre. With these recommendations, the center can align its policies and services to the motivations of international startup entrepreneurs. By discussing the recommendations, this chapter answers the third sub-question: *What recommendations can be formulated based on the explanations for location decisions following the comparative analysis of international startups in three city regions and insights from the academic debate?*

5.1 Answer sub-question 1

Question: *What is mentioned in the literature on place branding, self-initiated expatriation, and entrepreneurial ecosystems about motivations for location decisions and the role of local government institutions?*

The literature review in chapter three was conducted to find sensitizing concepts relating to location decisions. Therefore, literature on place branding, but also self-initiated expatriation and entrepreneurial ecosystem were analyzed. Based on Eshuis, Braun, and Klijn (2013) and Vuignir (2013),

in this thesis, place branding is defined as the use of marketing instruments for creating and promoting a positive image for a geographical location as well as developing and improving the place in accordance to expectations and demands of target groups in order to increase the location's attractiveness and competitiveness. Thus, place branding is not just marketing to "sell the place" (Vuignier, 2013), but also using that marketing logic to create and improve the place. Place branding literature points to the agency of self-initiated expatriates in choosing their own locations, it is important that the branding aligns with the expat's needs and goals. Four sensitizing concepts are derived from place branding literature. First, the place brand itself. A strong brand for the city aligning with the startup entrepreneurs' goals can be an attractive factor. Also, diversity is emphasized. Florida (2002) points out that global talent, including startups, are attracted to places of cultural diversity, with a sense of openness, energy, variety and low entrance barriers for internationals. Besides diversity, quality of life is also an important stimulating factor in location decisions, according to the place branding literature. High levels of lifestyle and culture, including pleasing physical settings and rich varieties of services and consumer goods are important to attract global talent. Lastly, place branding literature points toward cost efficiency as a factor in attracting global talent. Cost efficiency is defined as the perception and reality of the city's price levels in terms of costs of living, transportation, housing, in addition to low-cost tax systems and immigration policies. Self-initiated expatriates (SIEs), including startups, do not have the company support of traditional expats. Therefore, cost comes into play and literature suggests branding strategies that incorporate the role of cost efficiency are important to attract startup entrepreneurs and other self-initiated expatriations to its place. Besides place branding literature, self-initiated expatriation literature also gives important insights for forming sensitizing concepts. According to the literature, the group of SIEs is very heterogeneous. Only recently have academics zoomed in on startups as SIEs, calling them expat-preneurs and defined as: individuals going abroad to start a new company in the host country. They are characterized by high marketable skills, innovativeness and flexibility (Vance et al., 2016). As also mentioned above, because of these characteristics, expat-preneurs have more agency in their location decisions, which is reflected in the sensitizing concepts. Adventure is one of the sensitizing concepts, as taking the opportunity to travel the world and experience different cultures to explore something new is argued to be a motivating factor for SIEs to move to a new place. Also, job and career ambitions are a sensitizing concept. As SIEs look for jobs on their own initiative, including expat-preneurs who are self-supporting, the prospects of better income and economic opportunities as well as career improvement as a result of locating somewhere is an important factor for their location decisions. Lastly, self-initiated expatriation literature points toward participation and change as a sensitizing concept. Global talent prefers places where they can feel a part of, connect with the people, and where they can be part of the development and change happening in the city. The third literary source of sensitizing concepts is work on entrepreneurial ecosystem. Based

on Stam (2015) and Stam and Spigel (2016), entrepreneurial ecosystem is defined as a cohesive social and economic structure of entrepreneurs, mentors, investors, and supportive institutions and processes enabling productive entrepreneurship within a location. Authors argue that for a successful entrepreneurial ecosystem, place-related aspects are very important. This led to four sensitizing concepts. Networks and co-working are the first sensitizing concepts related in location decisions. The resources, connectivity and support a network and co-working spaces, to a smaller extent, has to offer is highly attractive. Accessible markets are also critical to entrepreneurs, according to the literature. Entrepreneurs need a place with a market suitable to their product and with enough selling opportunities to increase their chances of success. Human capital is another sensitizing concept derived from entrepreneurial ecosystem literature. according to the literature, startups are attracted to places with human resources available. Students and young talent present can be possible future employees or sources of new expertise. Funding and finance is the last sensitizing concept. Defined as enough supply of investment capital available, either in the form of incubator and accelerator programs, or angel investor, venture capital or banks.

The literature gives only limited insights for the role of local government institutions in location decisions. The entrepreneurial ecosystem stresses a sidelined role, where the government should support the ecosystem development with investments, economic development and supportive policies. However, the literature mainly discusses this supportive role in terms of the national government. The role for local government institutions is not specified. Place branding literatures also limitedly discusses local government institutions. Only one article suggests place branding strategies for cities to affect location decisions: improve the quality of life, ensure friendly costs of living, and partnering with business community are emphasized as branding strategies besides creating a strong place brand for the city.

5.2 Answer sub-question 2

Question: *What kind of explanations emerge from qualitative interviews with international startups based in The Hague, Amsterdam and Rotterdam about their location decisions and how does this compare to the academic debate?*

In order to form explanations, data from the semi-structured interviews were transcribed and coded. The data was first open coded, although informed by the sensitizing concepts. Afterwards, axial coding was used to construct core sets of themes, leading to the explanations. In total, seven motivations explaining location decisions of international startup entrepreneurs have been formulated based on the

data, as shown in table 13. All the sensitizing concepts can be linked to the motivations, except adventure, derived from the expatriation literature.

Table 13 – Explanations location decisions

Motivations	Sub-motivations
1 Connected Startup Ecosystem	**1.1** Co-working spaces and startup community **1.2** Relevant business and industries present (ecosystem matches company goals) **1.3** Relevant conferences and events **1.4** Accelerator and incubator programs
2 Supportive national government	**2.1** Startup visa **2.2** Friendly tax system **2.3** Investment in entrepreneurial ecosystem
3 Business considerations	**3.1** Access to (new) markets / clients • Global connections • Transportation **3.2** Access to capital • Accelerator and incubator programs • Investment **3.3** Strong business climate
4 Networks	**4.1** Established (social) networks **4.2** Knowledge of the ecosystem through previous visits **4.3** Client networks **4.4** Network available through city and position Netherlands in Europe
5 Lifestyle	**5.1** International cities **5.2** Pretty cities **5.3** Work-life balance
6 Language	**6.1** English-speaking country **6.2** Business conducted in English
7 Support	**7.1** City support **7.2** Startup programs and mentor **7.3** Support from friends

Entrepreneurs have indicated that business-related factors were most important for their location decisions. Crucial to their decisions to locate somewhere are a connected startup ecosystem, a strong business climate in the city region and access to capital and markets. Additionally, for non-European startup entrepreneurs, a startup visa program is a decisive factor as well. Networks are also important in their location decisions, both business-related networks as personal networks. An already established business network or social network can pull the entrepreneur towards that location. However, a new network available to join with all its resources and possibilities is also identified as a positive factor for location decisions. Besides the business-related motivations, lifestyle, language and support are also important motivations explaining location decisions. Startup entrepreneurs indicate support is important, especially in a new place setting up a new business. A common language, English in this case, is efficient. It makes settling in easier and saves the time of learning a new language. Lastly, lifestyle considerations is an important motivation. As globally mobile entrepreneurs are, they prefer international cities with a certain quality of life, diversity and openness. The entrepreneurs appreciate the work-life balance and its "relaxed vibe" in the Dutch cities and its effect in the startup ecosystems.

The seven motivations concern all three city regions. However, each city region has its noteworthy specifics emphasized by the entrepreneurs. Rotterdam-based startups emphasize the relaxed and small city vibe in Rotterdam besides the networks and support offered by the startup community and co-working spaces. Amsterdam-based startups highlight more the presence of relevant business and industries as well as the mentor support in their location decisions. Startup entrepreneurs in The Hague point toward the relaxed vibe and expat history of The Hague in addition to the active push of the government in supporting the creation and development of the startup ecosystem.

Comparing the seven motivations for location decisions with the policy theory of The Hague International Centre and its services, there is a mismatch to be identified. The personal soft-landing focus of The Hague International Centre combined with its one-stop-shop formula to make administrative matters easier does not match the decisive motivations derived from the interviews, which focus more on the business side of expatriation. Entrepreneurs stress a role for the national government in terms of taxes and startup visa, active investments in the entrepreneurial ecosystem. As part of support, a city supportive of the ecosystem is also regarded positively. But, if The Hague International Centre wants to attract startup entrepreneurs and add them to their target audience based on the location decisions, the one-stop-shop and personal soft landing is not the right strategy. The expat center should focus more on branding strategies to do so. Recommendations are presented in paragraph 5.4.

5.3 Answer research question

The research question is: *What role do local government institutions and city branding activities play in location decisions of international startups coming to The Hague and how can this role be explained?*

The literature review and empirical research point toward a limited role of local government institutions in location decisions of international startups. The interview with startup entrepreneurs in The Hague, Rotterdam and Amsterdam have led to the identification of seven motivations explaining location decisions of these startups: (1) connected startup ecosystem, (2) supportive national government, (3) business considerations, (4) networks, (5) lifestyle, (6) language and (7) support are indicated by startups to play a crucial role in deciding where to locate to. In order to be more attractive for startups, the municipality of The Hague should respond to these motivations. However, there is a mismatch between the business side of the startup motivations and the municipal focus on personal side of soft landing and attracting startup entrepreneurs. The current focus of The Hague International Centre on personal soft landing and the one-stop-shop for formalities is not reflected in these motivations. Therefore, only a limited role for local government institutions is identified. Local government institutions provide

services the target audience apparently does not primarily take into account for their location decisions. This mismatch can be bridged by branding strategies, as put forward by the recommendations in paragraph 5.4.

5.4 Recommendations

This paragraph serves to answer the third sub-question: *What recommendations can be formulated based on the explanations for location decisions following the comparative analysis of international startups in three city regions and insights from the academic debate*? The recommendations are raised to The Hague International Centre as it is the initiator of this study, but the recommendations also concert the municipality at large. The Hague International Centre can be of service to startups and play a new role in attracting startups to The Hague when they focus on city branding: both by advertising the attractiveness of The Hague and by improving the city to match the motivations of startup entrepreneurs to locate to The Hague, thereby following other directions of the City Deal, namely acquisition and branding, and enterprise and growth. In order to do so effectively, it is important The Hague International Centre joins a network of relevant parties comprising and surrounding the startup ecosystem, and influencing startup location decisions.

5.4.1 Recommendation 1: Positioning in startup ecosystem

The Hague International Centre should take an active role in the startup ecosystem by connecting to and working together with other startup organizations in the ecosystem more intensively. By immersing itself in the ecosystem, The Hague International Centre and its account manager can come into contact with startup entrepreneurs themselves and research what their needs and expectations are and what The Hague International Centre can do to address those issues. Additionally, in taking an active role in the ecosystem, the center should intensify its collaboration with the other partners to exchange information and knowledge about startups among the partners. This exchange can also lead to directions what The Hague International Centre can do for startup entrepreneurs. As the chair of *Werkgroep Vestigingsklimaat*, the account manager should introduce a more collaborative character to the task force instead of the monthly updates in order to improve the ecosystem together. By taking an active position in the startup ecosystem of The Hague, The Hague International Centre can get the useful insights from partners and entrepreneurs themselves to develop the center, but will also develop the ecosystem and the city of The Hague, which ties in to the "connected startup ecosystem" motivation of startup entrepreneurs in their location decisions.

5.4.2 Recommendation 2: Events

Connected to the positioning in the startup ecosystem, The Hague International Centre should, in collaboration with The Hague Business Agency and startup communities in The Hague organize events related to startups. This can be in the form of network events for the startups. The account manager of The Hague International Centre should make use of their contacts to invite other relevant businesses and organizations to these events as well. The center can also use their "CONNECT events" to target startup entrepreneurs. The CONNECT events should include more topics relevant for startups. Moreover, the communication officer should more strongly brand CONNECT events for startup entrepreneurs. By branding existing events and by organizing new (network) events for startups, also in collaboration with other partners in the startup ecosystem, The Hague International Centre pro-actively approaches startups and offers a stronger network and support to startups deciding on locations. Thereby, it contributes to the attractiveness of The Hague, as events, (social) networks and support are important factors in location decisions of international startup entrepreneurs.

5.4.3 Recommendation 3: Branding

Besides their events, The Hague International Centre should generally be pro-active in branding The Hague as a city for startup entrepreneurs. As the point of knowledge on expats and internationals within the municipality, the account manager of The Hague International Centre should become a policy advisor to the municipality and advice to include starts in the city branding more clearly. The account manager can use its position in the startup ecosystem and his information and knowledge from other startup ecosystem parties and entrepreneurs to make the center's position as point of knowledge on internationals stronger. The Hague International Centre should also promote the branding through its own communication channels and with their presence and expat fairs and other events.

Chapter 6: Reflections

This chapter reflects on the limitations of the research methodology as well as providing directions for future research. It concludes with three tips for future students writing their master thesis based on my own experiences.

6.1 Selection bias

The research investigated location decisions of international startup entrepreneurs coming to the Netherlands in order to (re)construct factors that attract entrepreneurs to certain places. In order to do so, startups based in The Hague, Amsterdam and Rotterdam were interviewed about their relocation process and decisions. However, since these startups are already located in the three cities, there is a degree of selection bias or methods bias. The interviewed entrepreneurs have made their location decision already and their answers are influenced by that choice and their experience in the chosen city region. Entrepreneurs who are in the process of orientation and making a location decision could potentially give other answers and insights in their motivations. This possible variance in results makes the collected data and the results biased. It does not mean the research is flawed. Because of practicalities, it was not possible to interview the pre-relocation startups. It is therefore a suggestion for future research to interview startups not relocated yet and to construct their motivations. Those findings can be compared to the findings of already located startups to make a fuller analysis of motivations for location decisions.

6.2 Research directions

As mentioned before, the "expat-preneur" and what matters for their location decisions is an under-researched topic. This thesis research contributes to this gap in literature by analyzing location decisions of international startup entrepreneurs and the role of local government institutions. Nevertheless, this research has its limitations in terms of longitude, methodology and data collection. Therefore, this paragraph provides three directions for future research to overcome these limitations and contribute to this research topic as well.

6.2.1 Longitudinal approach

In the case of this thesis research, data was collected through interviews, in which the entrepreneurs recollected their location decisions and reflected on factors influencing those decisions. For future research, it would be interesting to have a more longitudinal approach and follow startup entrepreneurs' lifecycle from the launch of the startup to expansion in the ecosystem, possible relocation, scaling up and hiring employees. This approach generates insights in their investment decisions and location decisions for example, over a longer period of time and during different phases

of the startup, allowing an understanding of what factors and actors matter for startups in different phases and with different types of decisions and the role of national and local government institutions therein.

6.2.2 Quantitative research

This research collected data by qualitative research methods. Qualitative methods allow capturing the role of "human beings in social situations" (Robson, 2011, p. 18) and to "make sense of, or interpret, phenomena in terms of the meanings people bring to them" (Denzin & Lincoln, 1994, p. 2). By interviewing startups, it allowed for go more in-depth, take context into account, and ask for clarification for certain motivations where needed. However, this limited number of entrepreneurs interviewed does not give insights into the magnitude of the motivations that a quantitative analysis could offer. It will be interesting for future research to quantitatively research location decisions of international startup entrepreneurs to find more significant patterns among motivations.

6.2.3 Respondents

As reflected upon above, this thesis has a selection bias as the entrepreneurs interviewed have already made their location decision and acted accordingly. Based on certain factors, the chosen city region appeared to be the best choice in the process of location decisions. For future research, it will also be interesting to interview startup entrepreneurs who had one of these city regions as an option but made the location decision to settle in another place. Instead of providing attractive and stimulating factors of places, this approach will give insights into inhibiting and unappealing factors for these city regions specifically, and for location decisions in general.

6.3 Future students

6.3.1 Intertwinement theory and empirical research

Be aware that, especially doing qualitative research, there is no roadmap or step-by-step plan to conduct your research and write the thesis. I've learned that with qualitative research, theory and empirical research develop simultaneously, both influencing the other. Do not focus on finishing a chapter before starting to write the next, as you need information from those next chapters as well. For example, in my case, the methodology chapter has been adjusted extensively because of the analysis of findings. Therefore, I would advise future students not to think too much in chapters and step-by-step plans. You have to come back and forth constantly between chapters to bring it to the best results.

6.3.2 Efficiency

I would also like to advise that choosing the safe option is not necessarily the best option in terms of efficiency and time management. In my case, I chose to do not use any coding programs as I was not familiar with any. I would save time by not learning how to use one. However, in the end, the analysis has consumed much more time than necessary because I did it without the quick functions of such programs. I would like to recommend students to invest time and energy in learning new skills and programs, whether it is about statistics, coding programs or interview styles. It will probably be more efficient in the end and you gain new skills that you can use for future work as well.

6.3.3. Communicate to others

Lastly, I would like to encourage future master thesis students to discuss their thesis with others as often as possible. Many people give the advice of sharing your work with others for feedback and out-of-the-box insights. I would like to emphasize that you should not ask for feedback or discuss it when chapters are finished, but talk about your plans, the literature, interviews beforehand. This is especially important in times when you feel stuck and do not know what to do. Personally, I preferred not to talk about the thesis in times when I felt stressed and let people read it only when parts were finished. Consequently, I delayed essential feedback and new insights as I was stuck in my own head. So, at times like this, ask someone to let you talk him or her through your thesis. It will help to get out of your own head and have room for new perspectives, ideas and motivation.

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Appendix

Appendix 1: Topic List/Interview Questions

General topic list:

1. What is your startup?

2. When did you start it?

3. How long have you been located in [city region]?

4. How have you experienced the relocation process? Received any help by an accelerator, facilitator etc.?

5. Can you explain your orientation for looking for cities to locate to?

6. Have you looked at other cities in the world / Europe as well?

7. How did you decide the Netherlands?

8. Have you looked at other Dutch cities and what led to your choice for [city region] as a city to start/accelerate your startup?

9. What were decisive factors for you to choose [city region]?

10. In general, what are factors/aspects important for a startup ecosystem and for your choice to locate somewhere? / what are real key things to have in a city for a startup?

11. Do you think, when you will expand, you will stay in the same city region or move and why?

12. Comparing your orientation beforehand and now the actual place experience, how does it compare? What factors make you stay here?

13. Can you name the best and worst thing of having a startup in [city region]?

14. Have you experienced any troubles/struggles of having a startup in the Netherlands / [city region]? What can be improved in [city region] for startups?

15. Would you recommend others to have a startup in the Netherlands / [city region] and why? What would you say are the best parts of having a startup here?

16. In general, how is living as an international in [city region]?

17. Are there things the government / municipality can improve for startups?