

Unit 7

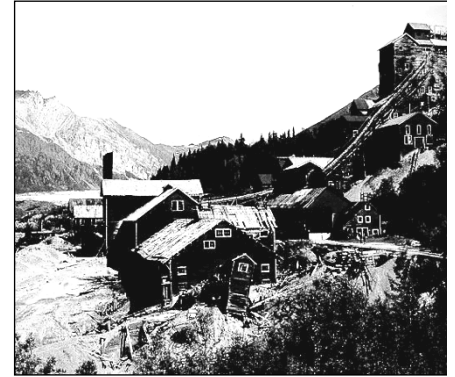
Industrial Location

Industry and Services 4

Note: All of the following information in addition to your reading is important, not just the blanks you fill in, or the specific answers given.

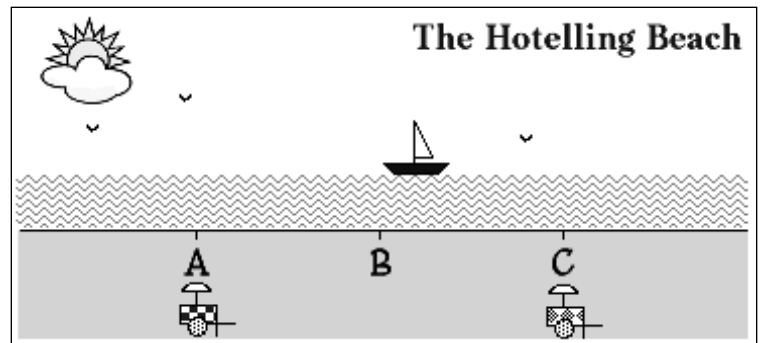
The Location Decision

- [Edward] Ullman's _____ - forms a basis for understanding the volume & timing of the flows of goods b/w locations; there are three main concepts:
 - _____ - refers to the needs of one region matching the products of another (copper from AK to manufacturing cities, or oranges shipped from rural Florida to northern cities).
 - _____ - refers to ease with which products can be moved.
 - _____ - refers to the presence of a nearer opportunity which reduces the attractiveness of a more distant location.



Kennicott Copper Mine, Alaska

- [Harold] Hotelling's Model (1929) dealt specifically with _____ - the location of industries can't be understood w/o ref. to the location of other industries of like kind.



- For his model, Hotelling selected two competing ice cream vendors on a _____ (essentially 2-dimensional), where the people would be _____ distributed.
- Initially, the two vendors are located at points A & C; these locations would minimize the average traveling costs of the buyers and would result in each vendor getting one _____ of the business
- However, suppose the vendor on the left moved from point A to point B; he would keep all the customers to his _____, and get some of the other vendor's customers; for similar reasons, the vendor on the right would move toward the center, and an _____ would be established - both vendors would locate together in the middle (a third vendor greatly complicates this situation).
- In 1940, [August] Lösch countered Weber's studies of least cost location by seeking ways to determine _____ - _____; stating that firms will identify a zone of profitability (not just a point).
- _____ (clustering) can change the configuration of that zone; it can give the entire area a competitive advantage; it can also increase competition - _____ the size of the zone.

DIAGRAMMATIC REPRESENTATION OF ECONOMIC INFLUENCES ON BUSINESS LOCATION

