

DETERMINANTS OF THE INVESTMENT LOCATION DECISIONS: THE CASE OF LUBLIN, POLAND

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Abstract:

Cities compete globally with each other to attract investments - both domestic and foreign - using various investment incentives, which are supposed to influence the decision of an interested company to choose a specific location. However, in order to achieve the high effectiveness of these activities, it is necessary to have an in-depth knowledge of the factors influencing the decision-making process from the perspective of a potential investor. To indicate the determinants of the choice of investment location on the example of Lublin (Poland), 10 individual in-depth interviews were conducted with representatives of top-level managers (owners, presidents, or branch directors) of large and medium-sized domestic and foreign enterprises operating in Lublin, which in the 21st century decided to invest or reinvest in the city. As a result of the research, it has been pointed out that the decision-making process on the location of an investment, apart from economic criteria, is also significantly influenced by the subjective choices of persons involved in the process resulting from personal attachment to the city, suggestions of employees, or assessment of the possibilities of cooperation with stakeholders in a given location. It means that the effectiveness of activities aimed at attracting investments to the city and its investment offer reception are determined by both economic and psychological factors. For this reason, the city's comprehensive investment offer should always be adapted not only to the interested company but also to people involved in the decision-making process on the part of the firm.

Keywords: investment, location choice, business, investors, Lublin