The Location Theory Dilemma in the Forest Products Industry:
What Site-attributes Are Considered for the Establishment of Softwood Sawmills?

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Abstract: The forest products industry in the U.S. has experienced a shift in manufacturing from the Northeast to the Pacific Northwest and the Southern region. But, what attributes are the most important when considering when to locate a resource-based manufacturing facility? A nationwide survey of plant managers and owners was carried to elicit site preferences for softwood sawmills. A dual approach applying a choice-based conjoint and multiple-choice factor analyses is applied to the decision-maker location dilemma. The factor analysis helps identify the most important “categories” of attributes (e.g. log supply, input costs, environmental legislation), and the conjoint analysis attempts to assign relative weights to selected attributes. Results are accompanied with a discussion of its implications toward future developments in the forest products industry.

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