

# How does the localization of innovative start-ups influence their performance?

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*Inserisci l'Abstract (max 200 parole).*

According to the knowledge spillover theory of entrepreneurship (KSTE), knowledge spillover tends

to occur only within limited geographic areas, embedding economic activity based on this knowledge

within the local context. The choice of localization of innovative start-ups near the public research

centre (PRI) as university from which the knowledge spillover comes could have an impact on their

performance. The paper has the aim to demonstrate if the innovative start-ups that are localized near

the PRI show better performance in terms of sales.

In the empirical analysis, we consider Italian start-ups born within 2012-2015 and their performance

during the period 2012-2019 and we measure the road spatial distance (in kilometres) from start-up

to the nearest research centres in the province of start-up.

Our results show as the distance is negative and significant for high level of income. Implications for

researchers and policy makers were discussed, and areas for future research outlined.