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# Web Sitings: The Internet as a Partner in the Site Search

While net surfing probably won't replace the more traditional methods of site selection, the Internet provides valuable information during the search process.

By Cynthia Scanlon

**O**NLY A FEW short years ago, the Internet was emerging as a new and potentially powerful business tool for people across all industries, but few realized just how universal and mighty it would become.

Many site selectors charged with the task of finding specific sites for new company operations began utilizing this innovative tool as a potential partner in their search for locations across the nation — or around the world.

Today, most businesspeople know that the Internet is here to stay. While some view the World Wide Web with mixed feelings, most site selectors recognize that the days of poring over tons of documents and maps and trying to piece together the hundreds of details needed to even start the process are over. Companies that assist in the site selection process are realizing that the Internet can get their message out worldwide for a fraction of the cost.

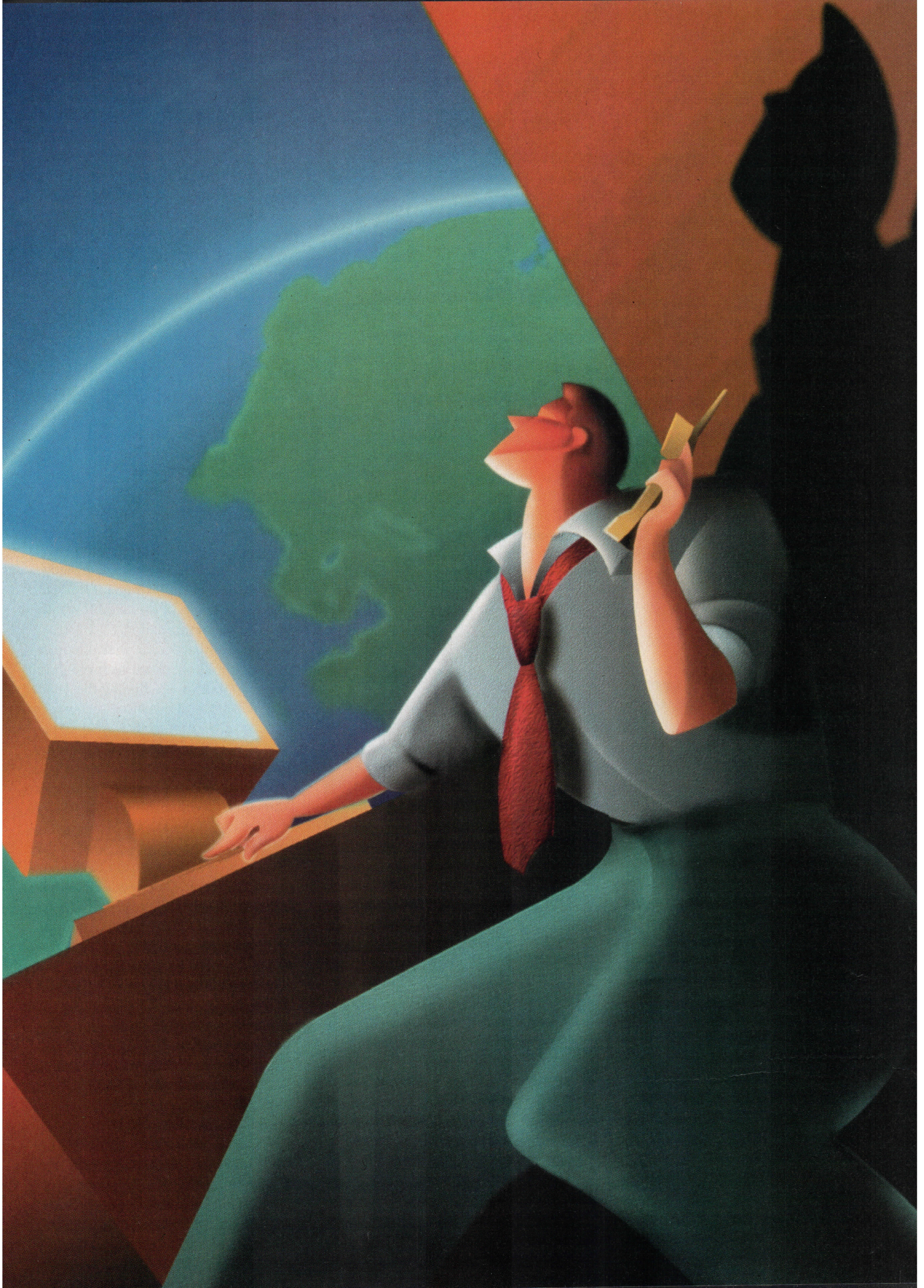
#### **Cost-Effective Marketing**

"The actual cost of having a web site is \$150 a

month for us," says Wilson Baker, president of TETRAD Computer Applications, Inc., a Bellingham, Wash., software firm that supplies demographic programs for site analysis and selection.

Baker credits the Internet with providing 20 percent of the company's sales. Impressed with the results from its web page, TETRAD decided to take a "daring" step and change its advertising philosophy to center on the World Wide Web. The ads that TETRAD runs in trade publications across the nation no longer carry the company's name, address, or 1-800 number. "We now have an ad with a few words and then in big red letters our web site address," says Baker. "Those visiting the web site can download sample software that we offer, check our pricing, and view images in full color as opposed to one image in an ad."







## The Internet won't replace the medium that has always been responsible for closing the deal — personal contact.

TETRAD offers demographic software such as PCensus, which takes a specific geographic district and describes the individuals in the area by income, age, ethnicity, and language. The software is aimed at franchise and retail businesses but can be utilized by any company needing specific demographic information. The software is global in nature, having data for the United States, Canada, Puerto Rico, and the Federation of Russia.

### A Good Place to Start — But Not to Finish

James J. Semradek, Jr., president of Semradek & Company, Inc., a site location consulting firm located in Boca Grande, Fla., sees his company's web site as a future rather than current business development tool. "We have

gotten several new inquiries, but no new business from our Internet site," says Semradek. "We see our site as a way to stay up with the competitors who are submitting proposals to the same companies we are."

Semradek, whose company specializes primarily in Fortune 100 and 500 companies in the manufacturing sector, is quick to point out that the Internet can't do all the work needed to develop new business or answer every research question. "Some people look to the Internet to solve their problems and do a lot of their data collections and screening," he says. Keep in mind, he points out, that "if you're looking for general information to compare things in a general way, the Internet is great. It's a place to get started — but it's not a great place to finish the pro-

ject. You need much more in-depth information."

The value that Semradek sees in the Internet is the opportunity to quickly come up with the key players in the industry and what they offer. "You don't find out the real stuff until you talk to key people and understand what the cost structure is and what the value of that might be," he says. "The Internet won't do that for anyone." The Internet, he says, is like a brochure, and a brochure doesn't sell anything — it enables you to respond to an initial inquiry. "What sells someone is the ability to respond to their needs and meet those needs," Semradek says. "And that has to be done through a personal discussion."

### A Communications Tool

Before PHH Fantus Corporation was merged into Deloitte & Touche more than a year ago, Fantus had an active Internet site. Today, while the site is still quite active, Fantus acknowledges that it has not put as much effort into the site because of the need to continually update information.

"We still have a number of companies that find out about us through the Internet, but we are finding that maintenance of the site is more than we are willing to commit to. It is my perspective that a lot of organizations are finding it takes much more effort to keep them up," says James A. Schriener, director of location strategies for PHH Fantus in Princeton, N.J. While he recognizes the value and power of the Internet, he calls attention to the continuing commitment needed to create and support a popular web page.

"If you expect to post something there and let it run for years, that doesn't work," he says. "If you are willing to invest the time to keep it up and provide value, it's a tremendous tool."

Schriener sees the value of the Internet as more of a communications tool to stay in touch with clients and better handle sensitive business matters. "More than 10 percent of our clients prefer to communicate with us over the Internet," he says. "They ask us not to call them because they don't want their support staff to know they are talking with us, so we send communications through the Internet to each

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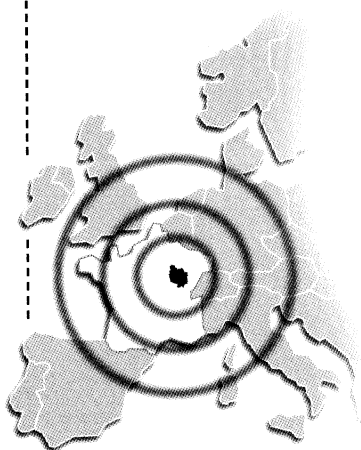
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other. It's a good way of having rapid access and keeping confidentiality."

In the past year or so, Fantus experienced not only the merger with Deloitte & Touche, but some company changes as well. For instance, Fantus now leans much more toward consulting than offering software. One of their most popular software packages, Location Quest, is still available to clients, but only in-house. "We have found that people don't have the time to learn all these software packages," Schriener says.

The Location Quest program provides information on 315 metro areas and 3,142 counties throughout the nation by comparing 900 key variables and more than three million data items. Clients who sign on with Fantus will have Location Quest at their disposal, but only as part of Fantus' consulting package.

## Adding Features

Fantus is not the only company to make changes in the past year. TETRAD has updated all of its demographic information for 1998. In addition, it has created specialized maps that provide information for special marketing niches. For instance, digital technology and cellular telecommunications companies are burgeoning, and many of them need to locate the best possible area within a city to place their electronic towers. TETRAD has developed new software and data that can help pinpoint those locations.

Also of interest is TETRAD's upcoming crime analysis software. Available later this year, it will pinpoint crime hot spots around the nation, which should be of interest to business owners and operators looking to relocate to an unfamiliar area.

Wilson Baker explains that many criminals like to operate close to their home base. By determining a series of crimes within a particular area, the software can not only alert businesspeople of possible danger but also help the police find a perpetrator.

"We had one case of a serial arsonist who lived with his parents," says Baker. "When we analyzed the data with the police, we pinpointed an area that was within a half block of where his parents lived. Just as people use the software

for targeting their customers and deciding where to locate their businesses, the criminal mind is looking for people to rob and the police are looking for where these people live."

## Assistance at the Final Stages

While many site selection firms assist companies looking to relocate throughout the entire process, companies such as LoopNet help businesses after they have made a decision about a specific geographic area.

LoopNet offers site selectors a plethora of information on commercial properties for lease and sale throughout the nation. Selectors can click on a map to see where buildings and nearby tourist attractions are located in a specific city and find descriptions of properties including type of facility, square footage, etc., as well as contact names and e-mail options.

What makes the site unique is that brokers enter their own information into the system, so LoopNet doesn't have to charge an operating cost. Selectors can analyze a property in the convenience of their office and then call a broker directly. The site receives more than 500,000 hits per month; the average user session for the site is 11 minutes.

According to Neal Aronson, director of operations for LoopNet, the commercial real estate market has been much more fragmented than the residential market. But LoopNet has set out to change that.

"There's a move in the commercial real estate industry to create a more efficient marketplace," says Aronson. "In the commercial market, there's never been an effective multiple listing service. What the Internet has done is allow brokers to break down the barriers to entry. We've taken that a step farther by not charging brokers, owners, or managers to put their property listings on the Internet."

LoopNet, which has been in operation for two years and is the largest commercial real estate listing service on the Internet, boasts 10,000 listings and 10,000 active members to date. The site adds \$55 million of property and one million square feet of leasable space every day.

"Over the last 90 days we have



signed up Colliers International, RE/MAX, The Society of Industrial and Office Realtors, Grubb & Ellis, Century 21, ERA, and Coldwell Banker International," says Aronson. The Commercial Network, CORFAC International, and Prudential have also come on board.

For the future, LoopNet plans to offer financial tools and demographic information that a commercial real estate investor, broker, or business owner would need to make a sound real estate decision. The company hopes to offer comparables, tax updates, environmental information, and critical financial data. "The idea of

originating a mortgage online is also possible," says Aronson. "It's already happening in the residential market." And, Aronson adds, the company may offer a product to incorporate a site selection application with the listing service behind it.

#### **A Sign of the Times**

Aronson says he agrees with Semradek that the Internet is one of the best places to begin a site selection search. In the retail industry, for instance, he points out the value of using the Internet as the most efficient means of gathering preliminary information. "An expanding retailer could spend six

weeks to nine months trying to find sites, and a lot of that work can now be done on the Internet," he says. "The value of saving that six months is huge."

Despite some of the drawbacks of maintaining a site, the Internet is here to stay, and site selectors know it is the place to begin a search in earnest. While many people understand that the Internet will not replace legwork, good old-fashioned effort, and the development of personal relationships, they also know that it can be a potent research and communications tool that only shows signs of getting bigger and more formidable. **AREA**

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