



# DEFEND YOUR STORAGE OPERATION FROM MARKET THREATS

# The Four Operator Imperatives You Need to Know







## THE STORAGE INDUSTRY IS CHANGING FAST

Market headwinds and evolving consumer expectations have left many operators feeling uncertain about the future. At the same time, downward pressure on rental rates and upward pressure on operating costs have made it more difficult for operators to achieve their objectives. Even in these circumstances, however, there is a formula to drive profitability. It takes maniacal focus on aligning people, process, and technology to drive operational efficiency and deliver an outstanding tenant experience. The important question is...

# WHAT STEPS CAN YOU TAKE TO ENHANCE BOTH EFFICIENCY AND THE TENANT EXPERIENCE AND BOOST THE OVERALL PERFORMANCE OF YOUR STORAGE BUSINESS?

## **CURRENT & FUTURE MARKET FORCES**

### **LET'S BEGIN**

This eBook will help you, the storage owner or operator, better understand both current and future industry challenges as well as equip you with practical steps to position you to thrive in a changing environment.

Over the course of this eBook, you'll learn about:

## **THE FOUR OPERATOR IMPERATIVES**

## **HOW TO WIN IN 2020 & BEYOND**



# CURRENT & FUTURE MARKET FORCES

## NEW CHALLENGES ON THE HORIZON

The storage industry has historically been a strong and steady market for owners and operators. The future outlook remains strong, however, some concerning signals that the industry has been tracking for years have become more prominent in the last few months. As a result, new challenges have emerged that will impact how you build and execute on strategies both now and in the future.

## SUPPLY OVERSATURATION

The secret is out; the storage industry is a good investment. Though the attention that the industry has received is well deserved, it has attracted a significant amount of attention which has driven substantial over-building.

### Excess Supply

In the past 36 months alone, 2,808 new facilities have been brought online across the United States.<sup>1</sup>

### Market Oversaturation

Because of this excess supply, we've seen 40% of the top 100 markets pass the equilibrium tipping point to reach oversaturation, where supply exceeds demand.<sup>1</sup>

### Declining Rents

All of this available inventory has put major pressure on rents. For example, average national rents have declined for 10X10 units by 12% and 10% for climate control and non climate controlled units respectively.<sup>1</sup>

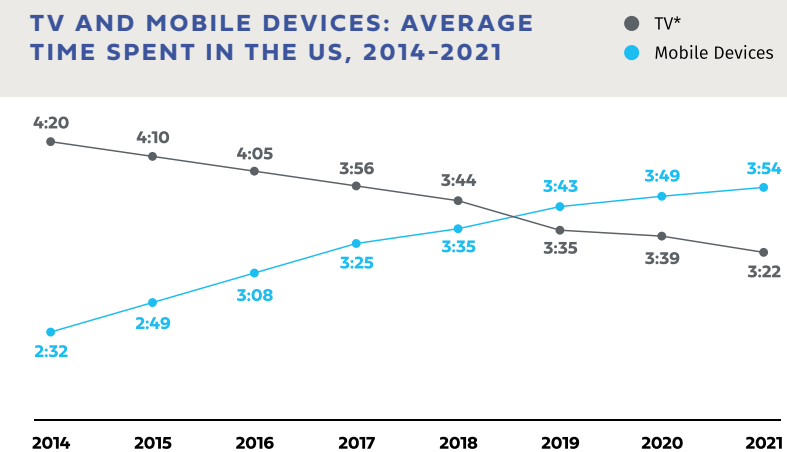
## CONSUMER EXPECTATIONS

At the same time, we've seen broader consumer expectations change as well.

### Shift to Digital

In 2019, mobile device usage exceeded television viewership for the first time in history.<sup>2</sup> This datapoint marks a fundamental shift in how the everyday consumer wants to engage with brands and service providers.

TV AND MOBILE DEVICES: AVERAGE TIME SPENT IN THE US, 2014-2021

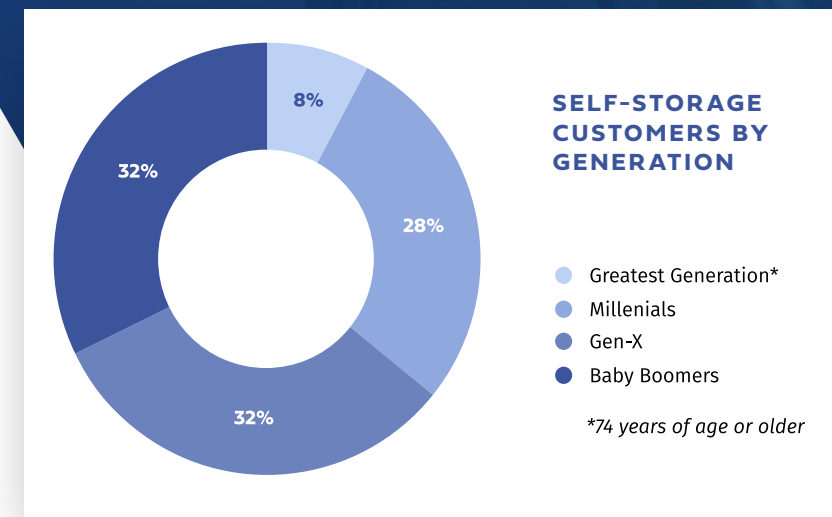


#### NOTE:

ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on desktop/laptop while watching TV is counted as 1 hour for TV and 1 hour for desktop /laptop; \*excludes digital

### Overwhelming Expectation

The expectation of digital and social engagement is now a huge piece of your storage business. At first, only younger generations were going digital but now Gen X and even Boomers consume information, shop and book online.





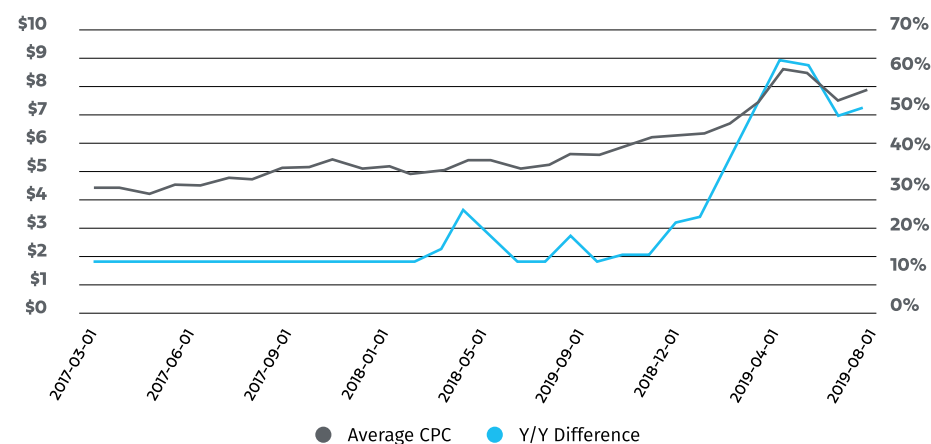
## RIISING MARKET COSTS

In the last few years, digital advertising has proven to be the most effective way to attract the attention of any audience. However, since digital has become a proven tool for businesses of every kind, it now commands a premium price.

### Google Search Ads

The best known and one of the most effective forms of digital advertising is Google Search Pay Per Click ads. In 2019, we began to see price increases by as much as 60% year-over-year.<sup>3</sup> This means that cost per acquisition is going up and the efficiency of your marketing spend is likely going down.

GOOGLE SEARCH AD COST:  
NON-BRANDED SELF STORAGE



# KNOWLEDGE POWERS YOUR BUSINESS

These shifts in the market have driven cost up and rental revenues down. All of this is happening with the looming threat of recession that could strike at any time.

### Threat of Recession

The Federal Reserve forecast that there was a 33% chance that we would have a recession in 2019. This year Duke University's CFO Global Business Outlook survey, put our chances of recession at 67%.<sup>4,5</sup>

### Weathering the Storm

With challenges like supply oversaturation, increased marketing costs, and evolving customer expectations, it's critical that operators position themselves to win today, especially with the spectre of recession that could exacerbate these challenges in the not-so-distant future.

### The Path Forward

There's good news, however. The operators who are able to address today's challenges will be equipped with the tools to manage cost and drive revenue even in a downturn.



# THE FOUR OPERATOR IMPERATIVES

## FORTIFY YOUR BUSINESS

As a storage operator, the best way to prepare for an uncertain future is to look for every opportunity to uncover efficiencies that reduce cost while at the same time finding ways to deliver an even better tenant experience. How do you do all that? Through our countless conversations with our over 14,000 customers, we've identified the Four Operator Imperatives to help you prepare your business for the future.



# THE FOUR OPERATOR IMPERATIVES

## OPTIMIZE MARKETING SPEND

Identify and deploy digital marketing tools and channels that are cost effective but still yield the results necessary to fuel occupancy

## RETHINK THE TENANT EXPERIENCE

Deliver a frictionless and convenient tenant experience with simple self-service tools that allow tenants to manage all major touchpoint and transactions effortlessly

## SIMPLIFY & AUTOMATE PROCESSES

Eliminate unnecessary tools, centralize processes, and leverage automation to unlock efficiency from both your corporate and facility management staff

## AMPLIFY OPERATING REVENUE

Enhance your pricing strategy with dynamic pricing and augment revenue with additional ancillary products to bolster revenue per customer



## POSITIONED FOR SUCCESS

It will be the operators who invest in tenant experience — while keeping maniacal focus on efficiency across their marketing spend, teams, and assets — that will be best positioned to achieve their goals in the face of current and future headwinds. The only question is: what tools and tactics do you need to get there?



# HOW TO WIN IN 2020 AND BEYOND

## STRATEGIES THAT DRIVE RESULTS

It's hard to get anywhere without a roadmap in place. That's why we compiled a list of the most impactful tactics from our research and our top performing customers that drive each of the Four Operator Imperatives. We encourage you to use these as a guide as you build and refine your operations and marketing strategy.

# SECTION THREE



# TIP 1

## HOW TO OPTIMIZE MARKETING SPEND

Though the cost of Google Search Pay Per Click ads have gone up dramatically, there are still a number of other digital marketing tools and practices that you can leverage to drive leads without breaking the bank.

### Search Engine Optimization

Craft keyword rich copy, manage your online listings, and engage in link-building for your facility websites to drive leads to your site through organic Google search rather than paid advertisements

### Google My Business

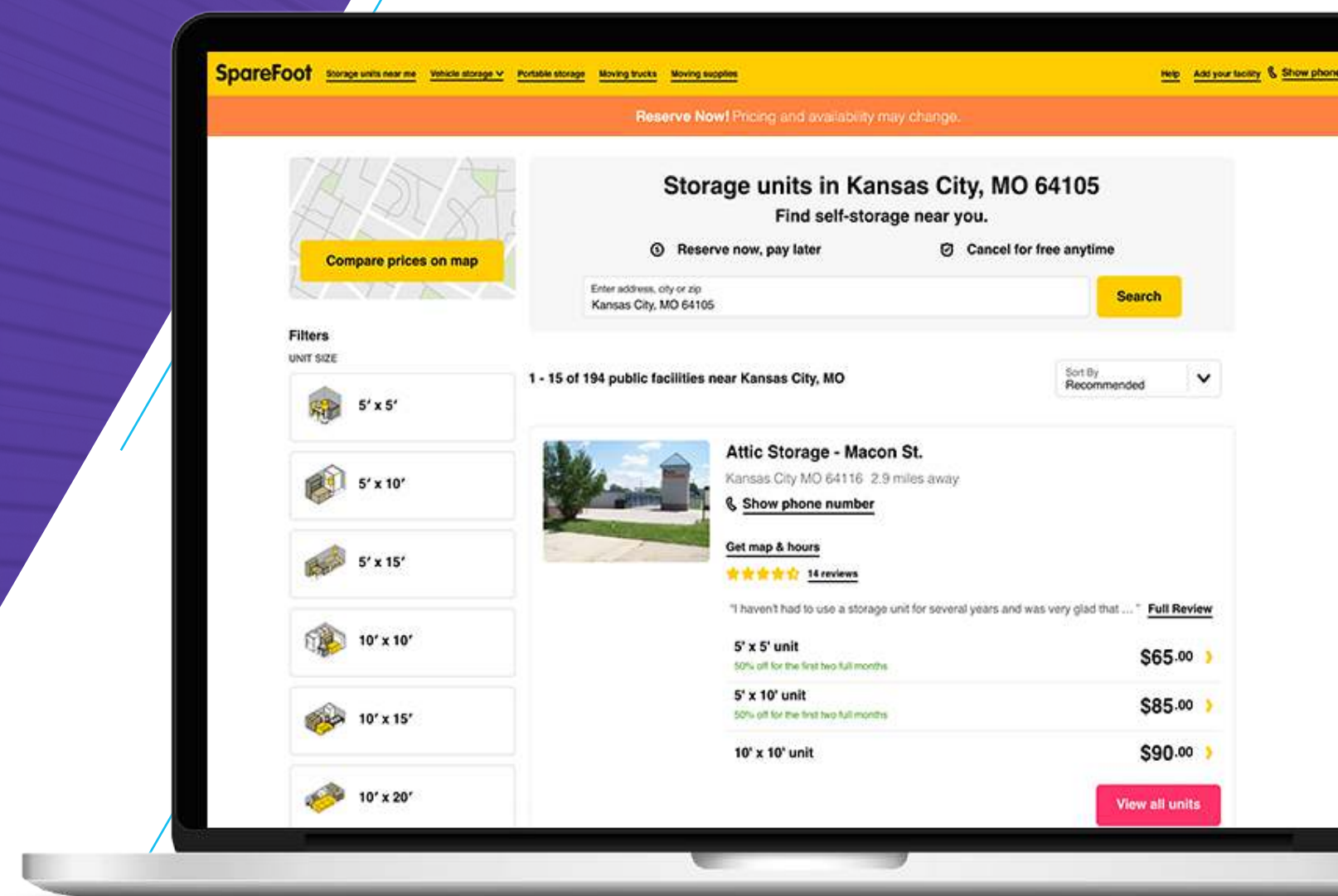
Claim and verify your Google My Business listing so that consumers can find the correct information about your facility within Google Maps

### Reputation Management

Track, review, and — when necessary — respond to reviews on third-party sites like Google, Facebook, Yelp, and others to help ensure a positive online reputation and boost your local SEO

### Marketplaces & Aggregators

Place your facilities on pay-for-performance storage marketplace and aggregator sites like SelfStorage.com, StorageScout.com, or SpareFoot.com to bolster your other lead generation activities





# TIP 2

## HOW TO RETHINK TENANT EXPERIENCE

New technologies have unlocked capabilities in the realm of tenant experience, but operators still have to focus on the fundamentals of customer engagement too. To win over the largest share of audience, operators have to master both the fundamentals and the digital experience.



### Staff Availability

It's simple, but staff need to be there to answer the phone and greet walk-ins as they arrive to ensure the leads and tenants get help when and where they need it. A smiling face goes a long way.

### Fast Service

Align process, training, and technology so that your staff can manage every customer interaction from fielding a call from a lead to taking a payment from a customer in-person, quickly and easily

### Frictionless Reservations & Online Rentals

Convert more leads and enhance the tenant experience by enabling visitors to reserve and/or pay for their unit online directly on your website

### Online Account Management

Empower tenants with a convenient online self-service portal where they can access account information, pay their bill, and manage other relevant interactions with your facility

### Multi-Channel Communications

Deliver one-off or automated communications to customers on their channel of choice whether it be email, SMS, or physical mail so they are always *in the know*

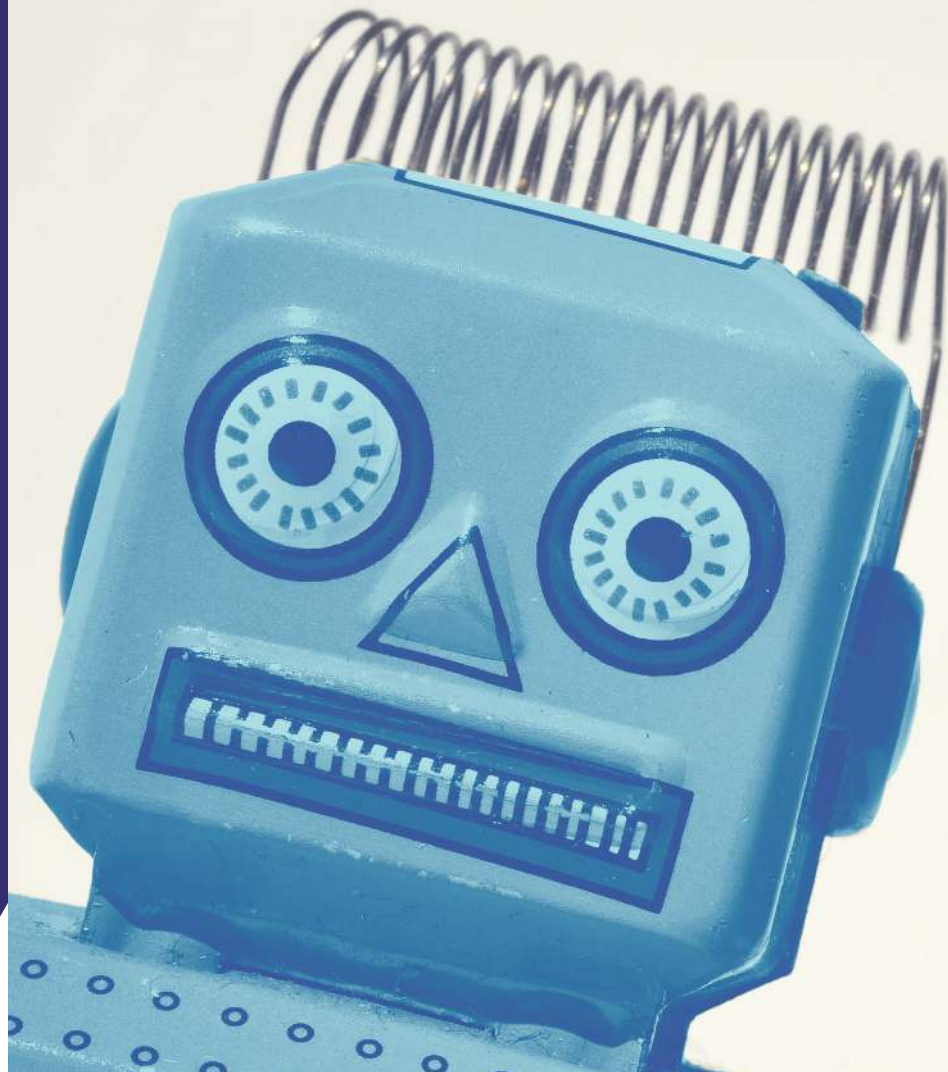




# TIP 3

## HOW TO SIMPLIFY & AUTOMATE PROCESSES

With lots of different systems that often times don't work well together, on-site facility management can waste lots of valuable time managing workflows and wrangling data. With simplified procedures, enhanced workflows, and process automation, operators can achieve a better customer and employee experience while saving valuable time.



### Task Management

Simplify processes with a centralized task management tool that provides on-site facility management with clear guidance while giving corporate staff visibility into activities for performance measurement and tracking

### Communication Automation

Remove a major operational burden by automating email, SMS, and physical mail communications based on key events in your management software workflows

### Lead Conversion

Automatically share lead information captured from digital sources like your website and marketplace sites and offer a simple guided experience for onsite facility management to walk leads through move-in quickly and efficiently

### Delinquency

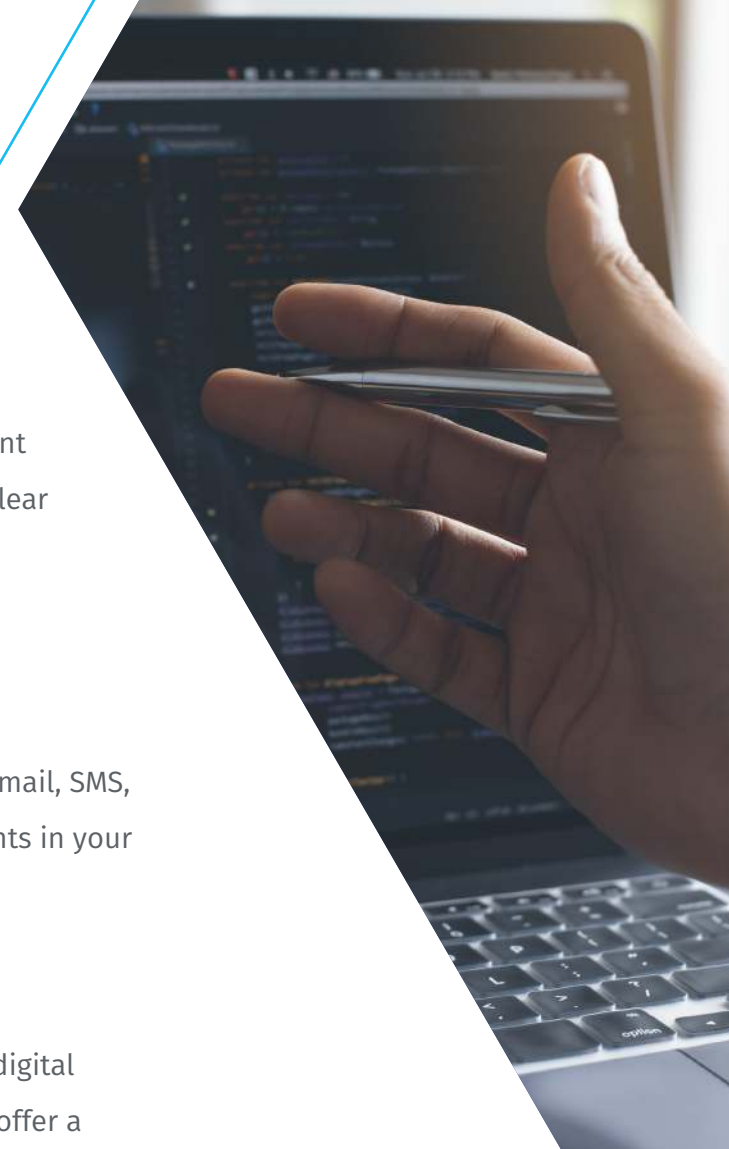
Automate every step of the delinquency process from late notices to lien letters all based off triggered events within your facility management software

### Payment Reconciliation

Save time by ensuring transaction records and deposits match through an automated reconciliation process

### Reporting

Customize and share role-specific reporting with all the necessary onsite and corporate teams across your business to ensure they have what they need to inform decisions



# TIP 4

## HOW TO AMPLIFY OPERATING REVENUE

With pressure to be competitive with rental rates in the market, it's critical that operators expand the way they think about revenue streams. Adding products and optimizing pricing helps add to your bottom line and boost your overall business.

### Yield Management

Optimize both rental rates and occupancy with a revenue management tool that sets dynamic prices based on variables including occupancy, seasonality, competitive data, and any other relevant variables

### Ancillary Products

Offer ancillary products like tenant insurance or professional packing services to better serve your customers and supplement your rental revenue



# FACING THE FUTURE

The market is changing. Oversupply is causing demand to dip, consumer expectations are evolving, and marketing costs are going up. The storage operators and owners that rise to challenge will be those who align people, process, and technology to drive the Four Operator Imperatives. This focus on tenant experience and operational efficiency will put you and your storage business at an advantage as conditions continue to change.



# HELPING YOU GET THERE

Addressing and implementing Operator Imperatives can be a challenge. This is especially true considering the fragmented nature of today's storage technology landscape..

At Storable, we believe you should have one partner you can trust to help you get the results you need for your business. That's why we've built the industry's first fully integrated platform that offers facility management software, facility websites, marketing programs and services, payments, and deeply integrated tenant insurance capabilities all in one solution.

We leverage our platform in combination with our over 25 years of storage industry expertise to help our thousands of storage customers achieve their tenant experience and operational efficiency objectives every single day.

We would love to talk to your team about how we can help you align people, process, and technology to address the Operator Imperatives and position your brand to thrive in whatever market conditions tomorrow brings.

Contact us for more information and let's discuss how we can do more for your business.

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