APIs in the Storage Industry
Storage Talks by Storelocal

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APIS in the Storage Industry: an Introduction

Recently there’s been a lot of storage industry chatter about APIs and whether storage owners own their data. It’s a contentious topic of profound importance for the self storage industry, but it’s hard to wrap your arms around without a technology background. So let’s break it down. Today we’ll start with Part I, with more invaluable API information to come very soon!

What is an API?

So what exactly is an API you ask? API stands for Application Programming Interface. In its most basic sense, an API is software that allows you to safely push and pull data. For instance, let’s say you want to share information from your facilities’ management software with an online directory. APIs allow you to share this data in a way that protects the data, the sender, and the receiver. You can think of an API as a bridge between two cities, such as the bridge between Oakland and San Francisco. If the bridge is the API, then the cities are distinct applications, websites, data sets, or operating systems.

Our digital world could not function without the use of APIs to communicate amongst interdependent software applications. Without APIs, storage facilities would not appear on Google Maps, facility Yelp reviews would not appear on other websites, and Google Maps’ traffic conditions would not appear on our smartphones!

Let’s use online rentals as a trending self storage example. Rent online features allow consumers to rent a space 24/7. Online rentals conduct a security background check, produce a signed rental agreement and send gate codes directly to the tenant. Each of these features require APIs between storage directories and websites, property management systems, and other self storage vendors.

Why should you care about APIs?

Why are APIs important in the storage industry? APIs allow the self storage industry to streamline and automate processes, which increases efficiency and therefore increases profits. APIs also provide storage companies with more data, allowing companies to make decisions based on real feedback from the market, which also increases efficiency and profits. APIs touch nearly every facet of the storage industry: marketing and call centers, facility gate access, legal notices, revenue management, analytics, collections, and storage auctions. Equally important, APIs allow storage companies to improve customer service and provide a more dynamic product. Let’s take a look at a few of these areas of API use in the storage industry.
Marketing and Call Centers

Facility websites require an API with the facility’s property management system (PMS) in order to automatically pull facility, unit, and pricing information from the PMS and populate updated information on the facility website. Similarly, directories such as SpareFoot or StorageFront need access to PMSs in order to accurately advertise each facility’s inventory (their available units) with the correct pricing and unit details. Reservation systems and call centers require this same information. Customer service agents need access to facility, inventory, and tenant information in order to reserve units and answer tenant questions. Since directories are such a common and important use of APIs in the storage industry, let’s take a deeper dive and examine search results on StorageFront.

The above directory facility results depend on APIs. Typically storage directories have an API with PMS companies. However, each software application uses a different API address – no two are alike. Therefore, Storelocal created a Global Distribution System (GDS), which translates the different API addresses of each PMS into one standardized API feed. The punch line is that the above facility results are powered by APIs with PMS companies and Storelocal’s GDS.

Fun (nerdy) Fact: When this article was written in 2016, OpenTech Alliance APIs powered StorageFront. Today, Storelocal has their own GDS!
Hold on, we haven’t even scratched the surface. Take a look at the screenshot again. The map appears compliments of a Google API. The social plug-ins on the left? You guessed it – APIs with Facebook, Twitter, LinkedIn, Google+ and AddThis. AddThis is that cute little orange plus sign. Look at all the platforms their company interfaces with (i.e. AddThis has APIs with each one) and StorageFront in turn interfaces with AddThis.

Look at the two facilities listed in the results. The telephone number is pulled from a Twilio API. The directions are provided by a Google API. The social reviews come from the Google and Yelp APIs.

Now we come to the cool part. These facilities have available units listed, unit sizes, and prices. A consumer can reserve or even rent a unit online. All compliments of APIs with the majority of PMS companies, who decided to provided API integration, or Storelocal’s GDS. Notice that even unit descriptions are listed for US Storage Centers – a perfect example of a more robust API!

Now the most important part. This facility’s rates aren’t posted – how sad for them!
Can you think of a reason a facility’s rates might not appear? You’ve got it – it’s possible the rates aren’t listed because their PMS company doesn’t have API integration with StorageFront for their facility. It’s important to note that the PMS company might integrate with other directories for this facility, and it’s also possible the facility didn’t want their rates posted. However, if the facility’s unaware their rates aren’t posted this truly is a tragedy. We just need a….that’s right, we need an API! That was a lengthy detour into directories. Let’s now return to other API uses in the storage industry.

Facility and Gate Access

APIs between a storage facility’s PMS and their gate software allow facilities to deny facility access to delinquent tenants.

Legal Notices

Postal, newspaper, and online legal notices can all be automated when third party software or websites are allowed to access tenant and unit information from a storage company’s PMS.

Collections

Storage companies can automate text messages to delinquent tenants – if third party services are allowed to interface with their PMS via APIs.

Storage Auctions

Facilities utilizing online storage auctions can list delinquent units on websites such as StorageTreasures with the click of a button - if their PMS allows StorageTreasures to push and pull data via APIs. Such automation not only saves time and money, it eliminates manual data input errors, thereby reducing liability.

Are APIs helping or hurting you?

With this understanding of the profound impact APIs have on the storage industry, you may be wondering whether all APIs are created equal. Great question! APIs vary in terms of complexity and openness. Let’s return to our analogy of APIs functioning like bridges between two cities. You could MacGyver a string between Oakland and San Fran and travel by raft, clutching the string the whole way. If a narrow single lane bridge existed, cars could travel in one direction, with the other side waiting for their turn to travel the opposite direction. If there’s enough clearance, pick-up trucks and SUVs could even...
travel. Expand it out to four or six lanes and extend the clearance and you’ve got yourself a robust and efficient bridge. Clearly you don’t want to travel by string and raft.

A more complex API however, raises concerns of a storage company’s ownership and control of their data. The good news is that even a sophisticated six lane API bridge can be managed as desired. In essence, there is a gatekeeper deciding precisely what the API bridge does and does not do. The key is understanding who gatekeeps your data and whether they are acting in your best interest.

Are you starting to wonder where your data is going? And for what purpose? Perhaps a purpose that harms rather than helps you? We hope so – these are the questions we hope you are asking! Data is king today. Storage companies should be able to decide what information they want to pull in and what information they want to push out. Storage companies should also control who can access their information. Are you thinking this sounds overly obvious? Perhaps, but unless we understand the who, what, where, when, whys, and hows of API use in the storage industry, we as storage operators can’t possibly protect or control our data as storage owners and operators.

The first step is educating ourselves as an industry. What APIs do you currently use? Are they working the way you want them to? What APIs could you utilize to better your business? Who else is using your data? Do you want them to? Storelocal is here to help you grapple with these questions. We’ll continue to provide more and more information with the aim of helping you as an owner and the industry in general. If data is king then information is queen, and you can count on us to provide it. Look out for our upcoming Storage Talks on APIs…we’ve only scratched the surface folks!
APIs in the Storage Industry: the REIT Advantage

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APIs in the Storage Industry: the REIT Advantage

In Part I of Storelocal’s API series, we covered the basics of Application Programming Interfaces in self storage. We dove into several ways storage companies currently benefit from APIs. Today we’re going to tread a little deeper. Let’s talk about the ways storage companies could benefit from APIs. The REITs serve as a great example of how you can optimize APIs for your company’s benefit.

Since a REIT owns and operates their property management software (PMS internally, they paint an idyllic picture of open and robust API access. Put differently, a REIT is the sole decision maker in how their data is used and how their APIs function. If you recall one thing from our API Introduction we hope it’s this universal truth: data is king! Prepare for your mind to be blown. The ways storage REITs use data to their advantage will rock your world. If you think that sounds like Storelocal is getting a little too geeky with algorithms, then think again. This is about your bottom line folks. Data is how you can make more money. More money faster. Not only more money faster, but actually with more ease than how you currently operate your business. Now that I have your attention, let’s dig in.

Utilize Data

REITs more fully utilize their data. Why? Largely because they have unfettered access to their data. That’s perhaps the single greatest advantage the REITs have over the rest of the industry. Let’s pause to think about that. The largest player in self storage owns roughly 5% of the market. The Big Five collectively own about 15%. That means that you, your buddies, and your competitors own 85% of the industry. Independent owners, like yourself, dominate the industry. So the REIT advantage is not market share. The REIT advantage is their understanding of the value of data and their access to it. They work smarter while the 85% works harder.

Let’s look at a mind-blowing example to make these concepts concrete. You own one storage facility. You’ve worked your derrière off and reached 90% occupancy. Yay! Not only are you bringing in more money, but your costs are now distributed against a broader customer base. Your margin per customer has significantly risen. Double yay! So now you can increase what you’re spending to get new tenants moved in!

I can feel you cringing. You’re doing great, why would you pay more for new tenants now?! You got to 90% with your current practices, why would you mess with a good thing?! I can hear you yelling.
Let’s understand why you would increase your cost per acquisition (CPA). At 90% occupancy, your total costs are spread out over 90% of the units in your facility. From here on out, each new tenant makes you significantly more money than the tenants that got you to 90%. Unless people are banging down the door to rent a unit with you, you should buck up and pay a little more to fill up your remaining 10%. Those tenants are the ones making you the most money – you can afford to spend a little more on them. Fill those units up to greatly increase your yield! Give yourself time for this idea to percolate, but don’t sweep this concept under the rug if you’re in business to make money.

By collecting and analyzing their data, the REITs learned they made more money by spending more money on their final 10% of tenants. Data enables storage companies (REITs and independents) to make better decisions for their businesses. As we just saw, better decisions are often counter-intuitive, so you won’t get there without the data to prove your intuition wrong. Data often goes against the prevailing wisdom of the industry.

Let’s look at length of stay as another example. More tenants move in during the spring than the fall, so if marketing costs were equal, one would think it’s wiser to focus resources on grabbing tenants in the spring, when they’re more ripe for the picking. Yet if you combine this marketing data with occupancy data a different picture emerges.

True, volume picks up in the spring, but the tenants that move in during the fall typically stay longer. The rule of thumb is this: if a tenant moves in on Memorial Day they’ll stay ‘til Labor Day, while if a tenant moves in on Labor Day they’ll stay ‘til Memorial Day. For the calendrically challenged, that means a spring move-in stays a little more than three months, while a fall move-in stays roughly eight months. By combining marketing and occupancy data, we learn that your marketing dollars are best spent in the fall.
Note that this length-of-stay data varies by region and can even vary facility to facility within the same town. Often the regional changes track weather patterns. Tenants are less likely to move (in or out) when it’s really cold, really hot, or really rainy. Facilities in the northeast will have fewer tenants moving during the winter, while facilities in Houston and Phoenix will have fewer tenants moving during the summer. To get specific, in Central Los Angeles the last week of June boasts the greatest volume of rentals while April 8th-14th the highest average customer value.

Get **Ninja**

Since this is so fun, let’s look at more complex uses of data. At Storelocal we call this getting “ninja” with data. You’ve surely heard about “big data” – the idea that everything we do online is exposed to data miners that watch everything we do, and then sell this data to advertisers who show us what we want before we realize we even wanted it (btw, it’s considered passé to say “big data” since all data is “big” these days; to save face, just call it “data”). If you’re honest, you’ll admit you know little more than that this occurs and that you think it’s creepy. You might not have a firm grasp on the mechanics, and you likely aren’t sure how to implement such an approach for your storage company. So let’s scratch the surface.

Data reveals the spending habits of mac versus PC users. If a potential tenant is using an iPhone, it’s informative to know which model – do they always buy the latest and greatest? Search results may vary accordingly. Location convenience is the tenant’s primary factor in choosing a storage facility. Data shows that the closer a customer is to a self storage facility, the more likely they are to rent from that particular location. Therefore, the REITs conduct ad campaigns based on proximity. A user’s location is determined by their computer’s IP address or a cellphone’s GPS or triangulation. The REITs then target potential customers with pay-per-click ads with bid variations based on proximity to the facility. The closer the user is to the facility, the more the REITs are willing to pay for the ad. Why? The REITs will pay more for the ad because data shows that the closer a customer is, the more likely they are to convert.

Data on top of data. The data told the REITs that proximity is the most important factor in deciding where to store, so the REITs gather location data to vary the prices they pay for ads based on proximity. The data is still talking – it also tells the REITs they can charge more rent for the convenience of proximity and that discounts are necessary to attract
customers from farther away. It’s all about the data. REITs also identify which tenants will likely stay longer. If a tenant has a greater long-term value, the REITs offer a greater discount to capture that tenant. Just like paying more to get your final 10% of tenants, paying more for long-term tenants is worth it because they have a higher yield. Moreover, long-term tenants will get rent-raises, which allow you to recoup the upfront discount.

By buying targeted third-party data, the REITs can match consumer data to their current customer data, and then predict the average length of stay for potential customers and current customers. When a potential customer searches online, within milliseconds an algorithm figures out the price, promotion, and discount to offer – all based on data. Again, it’s all about the yield. If you can charge a tenant more, then charge him more. If you’ll lose a tenant unless you discount, then discount if it makes sense to do so, taking into consideration facility factors like occupancy, and tenant factors such as how long they’re likely to stay, and whether they’ll absorb rent increases or whether they are likely to leave positive or negative reviews on Google+ and Yelp.

How do it do dat?! *When you have large amounts of data you can work off of inferences.* Let’s say you knew a potential customer just booked a first-class two-week trip from New York to London, spent all day on PGA.com watching the Masters, has a MSN email address, and a Goldman Sachs account. From this data you can infer the potential customer is male, over 60, and makes six figures. With this inference you can make a business decision to serve him up a higher price.

**Speaking of reviews, what about this?** Conduct a survey of your existing customers. Separate out the customers that gave you high scores – ignore the rest. Want to know what a REIT would do next? The REIT would ask the data what to do. The data would then tell them to email Gmail customers requesting a Google review and Yahoo customers for a Yelp review (because Gmail customers have a higher propensity to post a Google review, while Yahoo customers have a higher propensity to post a Yelp review).
Data can also tell you if a particular potential customer has a history of negative reviews. Maybe the data tells you that you don’t want this customer because they post negative reviews and they are quite popular on Facebook, so the algorithm spits out a steep price. Or maybe you want them as a customer, but you won’t increase their rent because that may inspire a negative review. On the other hand, the data may tell you they aren’t a threat because their social game is weak sauce.

Are you sensing a pattern? Not all customers are created equal! Ask yourself these questions…Why are they storing? Who referred them? How many times have they come to your website?

Where do they live? How old are they? How educated? Are they hitched? Kiddos? What’s their social media life like? The data can help you determine the value of your existing and potential tenants.

Have you heard of Bryan Eisenberg’s four categories for consumers? This is Storelocal’s favorite ninja data example. “Competitive” consumers make logical decisions quickly. “Spontaneous” consumers make emotional decisions quickly. “Humanistic” consumers make emotional decisions slowly. “Methodical” consumers make logical decisions slowly. Knowing this, a REIT website makes accommodations for each type, understanding the proportion of each in their audience. Not only that, but they craft ways to determine which category each user falls into, and then serve them up a different version of the website, specially crafted for their personality category. For example, provide two options for calculating the unit size needed – a video and an option to enter...
the dimensions of each item. Believe it or not, 12-16% will actually enter the dimensions of their items. These "methodical" consumers get the methodical version of the website. The emotional decision makers are drawn to the video (they ♥ videos and images) and are served up an emotional version of the website. A competitive consumer needs the call to action at the top of the page – don’t waste their time. The humanistic consumers will likely scroll to the end, and your eco-friendly message at the bottom of the site just might seal the deal. These are just a few examples – pretty ninja huh?

We’ve now touched on several illustrations of how the REITs utilize data to increase their margins: the REITs are willing to increase their CPA once they reach 90%, they target fall rather than spring move-ins (unless geography dictates a different approach), they vary their ad spends based on unique consumer data, they buy data to learn more about existing and potential customers, they target certain customers for various social reviews, and they may even serve up different versions of their websites based on a consumer’s personality. Mind blowing.

You likely agree with us at Storelocal that the REITs really do have a tremendous advantage when it comes to data utility. **Yet the picture doesn't start with utility. First you need access!** Did a light bulb just go off in your head? That’s right, we just brought this full circle and back to APIs. You aren’t going to get as ninja as the REITs, but you absolutely can utilize your data to increase your margins. Let’s start closing the gap between us and the REITs.

**Get Started**

What can you do to start accessing and utilizing your data to your advantage? First, see what data you are already collecting. Where is it gathered and how can you access it? Second, start tracking everything you aren’t currently collecting. For example, you can collect a crazy amount of data from your website – but only if you’re tracking it. What do people click on? How long do they stay on each page? How long do they stay on your site? How many times have they returned? This is valuable intel (especially when aggregated) – so don’t let it slip through your hands.

Third, start looking at your data, even if you’re just looking at it manually. Come to the table with an open mind. What are the numbers telling you about your business? Where can you improve? How can you look at things differently? Now let’s make this concrete. Have you ever been pissed writing a big check to SpareFoot? Have you ever thought rent-raises would bring on Armageddon? Look at your data.
If your data follows this hotel example, you would know that expensive leads are worth it - if you can charge a higher price. This holds true even if higher prices result in lower occupancy. Your data just might prove your gut wrong. What great news that would be – you can make more money with a few easy changes! Your ego will recover.

If you have more than one facility, look at one facility in depth, then compare it to the figures for your portfolio as a whole. Now take it a step further – get someone to help you automate this process. Depending on the size of your portfolio, this might mean working with a third party revenue management company. Veritec is a leading industry example – their website outlines the benefits well:

“By more accurately anticipating fluctuations in supply and demand, and using that information to dynamically adjust prices and/or inventory availability, many companies have found that they can increase their revenues by several percentage points and sometimes even more. Most importantly, much of this incremental revenue typically drops straight to bottom line improvements. Consequently, a four percent increase in gross revenue can mean a 25 percent increase in net revenue. Such is the potential power of Revenue Management.”

According to their website, two of Veritec’s four modules integrate with SiteLink and Centershift. Integration for the third module is in the works and the fourth module is only for companies with their own PMS (i.e. like six companies). Are you thinking what Storelocal is thinking? The storage industry needs more, and better, API integration. Quality vendors should be able to integrate with all PMSs and for the full spectrum of a vendor’s products. If they can’t, then you lose out. You know who else loses? Your customer (well, maybe not in the instance of revenue management, but you get the point).
Let’s be clear, because now we’re at the crux of the API issue. The big picture goes deeper and further than PMS API integration. The storage industry has an infrastructure problem – largely because we’re a fragmented industry. The Big Five have their own systems. They don’t need APIs the way the 85% does. The REIT advantage is that they do everything internally. The rest of us need our PMS to interact with the world to get us where we want to go. The rub is that we’re trying to do it without an infrastructure. More on this in Part III of storelocal’s API series. For now, suffice it to say, we’re not picking on the PMS companies. There is a bigger issue at play.

Back to revenue management. If you’re a smaller company, consider a consultant if revenue management software won’t cover its own cost. A consultant can walk you through your data and lay out a roadmap. Since CPAs fluctuate throughout the year, what are your conversion rates at different price points? How many rentals do you get per inquiry? What is your move-out rate, over and above your average attrition, if you raise rents? A consultant can show you how you can use your marketing data (your CPA and your demand data (how many people inquire about your facility or a particular unit)) in conjunction with your accounting data and your CRM data. They can advise you regarding outside data – how you can get free data from Google and whether you want to bring in a third party firm like Domo.

The most important step is the first step. It doesn’t even matter what it is, just get started. Start moving in the right direction. Your data is important – start using it to your benefit.

Remember how we said the REIT advantage is not market share? Well none of us need a crystal ball to see that this could quickly change. The storage industry is consolidating – rapidly. The Big Five are buying up large portfolios at an unprecedented rate. Nevertheless, as the 85% you can prevent the REITs from adding market share to their laundry list of advantages over independent owners. The 85% needs to collect, analyze, and utilize their data. Otherwise we might become the 80%. Then the 70%. Imagine competing in that market.

Data is king. So what are you going to do with it?
APIs in the Storage Industry: the GateKeepers

Storage Talks by Storelocal

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APIs in the Storage Industry: the Gate Keepers

At the end of the day, it’s all about your bottom line. Data, and the APIs necessary to access your data, affect your NOI. API issues make it even harder for you to compete against the Big Five. The Big Five have scale, market share, and the benefits of large amounts of data they can utilize to make better decisions. Private operators are less efficient, lack market share, and perhaps even have a vendor with the power to dictate what they can and cannot do with their data. Sure you can innovate! If your vendor continues to give you permission. APIs affect your bottom line.

With that said, it’s time for the API finale, folks. Part I of Storelocal’s API series covered the basics of APIs – what they are and their importance to storage companies of any size. Part II gave us a glimpse of API heaven – the potential to increase efficiency and profits when API access is unfettered (be sure to read Part II...it’s fascinating to see the ways the REITs use data). Now, with Part III we’ll get to the punch line.

The Punch Line

The storage industry’s infrastructure is inadequate to meet today’s market demands - forget about tomorrow. Due to the fragmented nature of the storage industry, no single player will solve these infrastructure shortcomings. Instead, a multitude of vendors are necessary to deliver proper solutions. These vendors need consistent and dynamic API access and support in order to provide industry solutions. However, many of the industry’s property management software (PMS) companies currently have the power to grant or deny such API access to data. The startling truth is that many of the PMS companies have the power to act as the industry’s data gate keepers - promoting or stifling innovation as they see fit.

That punch line packed a lot of punch, so let’s break it down piece by piece.
A Fragmented Industry

The storage industry has 41,443¹ facilities. The Big Five and the next 95 top operators only account for 9,777 of these 41,443 storage facilities. Are you surprised that the Top 100 Operators only account for 24% of the industry? That’s including the Big Five!

You’ll be even more surprised to hear that the Top 100 Operators only account for 19% of the industry when you deduct third-party managed facilities. Again, that’s including the Big Five! If you really want to be shocked, then consider this statistic: if you remove the Big Five (which are extreme outliers) from the Top 100 Operators, the remaining 95 operators only account for 8.5% of the industry. The smallest operator on the list has 5 facilities. Therefore, when excluding the Big Five, roughly 91.5%² of the industry has 1–5 facilities.

Ranked by number of storage facilities as of fall 2015, the Big Five are Public Storage (2,466), U-Haul (1,317), Extra Space (1,312), CubeSmart (626), and Uncle Bob’s (531). The Big Five are Real Estate Investment Trusts (REITs), with the exception of U-Haul which is a corporation. Note that given intense industry consolidation, the number of facilities owned/managed by each entity has risen since this data was compiled roughly eight months ago.

Why is Storelocal belaboring these statistics?

The fragmented nature of the storage industry has profound ramifications. Whether you own 1 store or 100 stores, your bottom line is affected by the industry’s fragmentation. Fragmentation means that your small portfolio competes against the Big Five. This might not have left you quaking in your boots when AAAAA Self Storage was at the top of the Yellow Pages, but things have definitely changed in this digital age. Today, when the vast majority of new tenants initiate their facility search online, it’s all about Google rankings, pay-per-click ads, directories, and most importantly – data.

¹: 41,443 facilities with self storage as their core business and sufficient square footage to impact their markets – i.e., car washes with self storage on their lots are not included, nor is the operator with a dozen storage units.
²: Storelocal is couching this stat with ambiguous language because the industry list of Top 100 Operators is ranked by net rentable square feet rather than number of facilities owned/managed, i.e. this figure is an approximation.
What’s more, not only do the larger operators have greater means to capture new customers, they are also more strategic about how they acquire tenants - and at what cost. As we discussed in Part II, this leads to higher margins. Public Storage’s cost per acquisition (CPA) is roughly $30 for each new tenant. Extra Space spends about $50-60 per tenant. The small operator on the other hand, at the extreme, forks over as much as $300 for a new tenant.

You may not be seeing it yet since occupancies are high, but your costs to acquire new tenants are rising. Consider this apples to apples example. If Public Storage spends $30 per tenant, multiplied by 30 rentals a month, multiplied by 12 months - they spend $10,800. If you spend $300 per tenant, multiplied by 30 rentals a month, multiplied by 12 months - you spend $108,000. That’s no bueno! At a 6% cap rate that means your higher costs to acquire new tenants just cost you $1.6M in value. That’s muy no bueno!

But wait, there’s more. Your bottom line isn’t just affected by fragmented ownership.

The industry fragmentation does not end with ownership. Vendors are fragmented. **Technology solutions are fragmented.**

Therefore, after we fork over $100-300 bucks for a new tenant, we don’t even have proper tools to manage the tenant for which we just paid a premium. Meanwhile, Public Storage only paid $30 for their new tenant and they handle them with laser-like precision! What’s their rate and their discount? How and when do they upsell? Is the upsell boxes and masking tape - or insurance? What’s the email marketing strategy? The referral program? How frequent, and how steep, are rent raises? How long is this new tenant likely to stay? What is their long term value? How can you get them to post positive social reviews? Should you be concerned about negative reviews? What is your margin on this tenant, given current and projected occupancies?

I know – it’s overwhelming. That’s why the REITs automate all of this. Sorry if you just choked on your coffee. You’re right, it’s totally unfair. There’s a huge gap between the Big Five and the rest of us. And it’s largely the result of a fragmented industry. Not to despair - we’ll make some lemonade.

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All of this will make a lot more sense if you read Part II on the REIT Advantage. Storelocal’s quite proud of that article, and we’ll implore you to read it until you do!
We’re beating the horse now - you get it, self storage is a fragmented industry. Not only that, but until recently, owners were essentially autonomous. Each company was a closed-circuit in a sense. You had your PMS, your managers and a few consultants. What more could you need? But no man is an island, and as the Big Five became increasingly sophisticated, smaller portfolios were forced to adapt. Technology flourished. Consumer expectations skyrocketed. Google and Siri became everyone’s best friends. Suddenly everything was about SEO. The Big Five began snatching up your customers. Your business got complicated seemingly overnight. What?! Now your tenants want online rentals?! They want to manage their gate code with a mobile app?! Auctions are online all of a sudden?! What just happened?!

Technology exploded and customer expectations surpassed our “build it and they will come” industry.

The problem is, we weren’t ready. We were a fragmented industry of autonomous operators. Each company was a closed-circuit system. We operated bare bones - me, my PMS, and I. Then technology came a knockin’ and we started adding bells and whistles, expecting our PMS companies to accommodate us. The problem is, the system wasn’t build to support bells and whistles. PMS companies aren’t to blame, they’ve been trying to help us (more on this in a minute)!

What’s good for the industry is good for all of us, so it’s time for owners and vendors to put our heads together and tackle our industry’s infrastructure problem.

A Broken Infrastructure

So how is our infrastructure insufficient? The problem is largely the lack of centralized data. Each owner has their data in a variety of places – operational data is on one platform while gate code data, marketing data, and revenue management data are all on different platforms. As Yardi (a storage PMS company with a background in multi-family) points out, decentralized data is a “huge barrier to additional revenue and efficiency gains.” Not only that, but communication between the various platforms that house your data is difficult and perhaps unreliable.
So, who’s going to solve our infrastructure problem? The Big Five primarily use their own proprietary systems and software, so they are largely irrelevant when discussing the infrastructure the rest of the industry uses to operate. Remember the shocking statistic we discussed? Roughly 91.5% of the industry has 5 facilities or less when you exclude the Big Five.

So tell me, who exactly is financially incentivized to develop a sufficient infrastructure? I’m not talking piecemeal technology solutions. I’m talking big bucks, big picture, industry-wide infrastructure solutions.

I hear crickets. Clearly not owners with 1–5 facilities. So, the 91.5% is out of the picture. What about the largest owner or operator after the Big Five? At around 300 facilities, they may be able to boot-stap a system for their own internal use, but that doesn’t help the industry’s infrastructure – that only helps them. What about the leading industry vendors? They are in the same predicament.

Given the fragmented ownership of the storage industry, even vendors are challenged to gain market share. I’m beating that dead horse again: 91.5% of the industry has 1-5 facilities when the Big Five are excluded. That means that even if a vendor secures a significant share of the Top 100 Operators, their average customer still only has 3 or 4 facilities (we’re spitballing folks). Can you imagine how deeply sales costs cut into revenues? After vendors woe the Top 100 Operators, they’re courting mom-and-pops. And owners are real estate developers, not technology wizards, so vendors spend

As the Internet and computer technology advances, industry enjoys tremendous innovation, but this innovation precedes the infrastructure necessary to tie all of these innovations together in an organized and efficient manner. As a result, owners are less profitable and are constantly banging their heads against the wall as they attempt to work within an inadequate system. Not only that, but there’s a lack of incentive for new vendors to enter the market with new and better products since their profits would be depleted by the efforts necessary to work within the broken infrastructure. It’s a vicious cycle. By the way, this problem is not unique to storage. Many industries have tackled or are currently facing this same problem – travel (Expedia), restaurants (OpenTable), and finance (PayPal). Together we can triumph as well.
even more just to communicate the value of their product. We feel for them! Storage vendors should be applauded for making money under such circumstances.

Hold on, you don’t know the half of it. Not only are vendors faced with extremely high sales costs and huge obstacles to capturing market share, their profits are also capped due to low transaction volume. For technology providers, transaction volume does not proportionally affect costs. It takes roughly the same amount of resources to develop and manage a product or service, regardless of whether there are ten thousand transactions a month or ten million transactions a month.

So storage vendors aren’t financially incentivized to provide solutions either.

Enterprise-level technology providers have not yet penetrated self storage to provide the solutions we need to properly operate our businesses precisely because of this combination of fragmented ownership and low transaction volume. The numbers just don’t add up. The margins are higher in other industries.

Consider this example: Storelocal’s goal is to grow the co-op to more than 5,000 facilities. At 5,000 facilities, Storelocal would be approaching the same size as the Big Five combined. Yet even at 5,000 facilities, Storelocal would do as many transactions in a month as technology providers for the travel industry do in one second. If you were a technology vendor, which industry would you choose?

To be fair, there is another train of thought here. Some would argue that yield per transaction is the critical factor. While the average hotel transaction might yield $200, the average self storage transaction might yield $1,400. However, in order for higher yields to lure a technology vendor to self storage, they would have to charge a percentage of the lifetime value of the customer, and this isn’t always the case. Does the technology vendor charge a one-time flat fee? Or do they get a percentage of the rent every month? And which approach saves you money?
All that to say, no single player can economically provide the industry with an adequate infrastructure: no single storage company, no single storage vendor, and no single outside technology vendor.

We shouldn’t wait for a knight in shining armor to fix our broken infrastructure. He ain’t coming.

Innovation

So our infrastructure’s lousy, we’re competing against the big dogs on an uneven playing field, and there’s no knight in shining armor coming to rescue us. Should we all sell and go on vacation (that could create some demand for RV storage!)? Let the grandkids fend for themselves? No! The solution is actually quite simple (well, simple in concept – until politics enter in).

We’ve established that no single player will provide us with all of the tools we need to properly run our businesses. However, if the industry opens its arms to multiple qualified players, then we can establish an adequate infrastructure. Better than that, we can enjoy a robust and dynamic infrastructure on which to run our businesses! Sounds great!

So why isn’t it happening? Well, the industry’s arms aren’t quite open. That’s why. Clearly owners would welcome quality vendors, because they could improve their businesses and increase their profits. However, new vendors need reliable and consistent access to our data via the PMS companies and other industry vendors. Ah ha. A light bulb moment.

In order for vendors to provide add-on services to fix our infrastructure shortcomings, PMS companies must consistently expose their functionality to these vendors via APIs. Vendors and owners need reliable and consistent API access, not access that can be revoked at the sole discretion of a PMS company.

To get technical for a moment, an API is a set of programming end points that allow code to be created and sent to these end points in order to get a response back. Your vendors need information about your operations and your PMS houses this information. Therefore, your PMS company regularly creates these end points that give your
vendors the information they need when they request it through the API. As an aside, PMSs expend resources to create and maintain these APIs, and the APIs are the PMS companies’s intellectual property.

**Here’s where things get complicated.** Most (if not all) PMS companies welcome outside innovation. Yet there are two hurdles: the resources PMSs must exert to accommodate new vendors, and the fact that PMS companies are increasingly in competition with non-PMS storage vendors.

Let’s punt the first hurdle for a moment. For now, suffice it to say that without ‘standards’ it is quite cumbersome, expensive, and potentially pointless for PMS companies to accommodate the myriad of new vendors that come knockin’ on their doors each week.

Let’s dig deeper on this second hurdle. Many PMS companies want to be one-stop shops for the industry. Who can blame them! It is in a business’s interest to layer new products and services over its core business. More revenue, diversification, and perhaps most importantly, they entrench their client deeper and deeper by providing them with more bells and whistles. The storage company becomes more reliant on their PMS company. It would be cumbersome to switch to a different PMS. Therefore, the more services a PMS provides for a storage company, the more likely they are to stay.

Many PMS companies have evolved beyond inventory control and customer relationship management to merchant processing, reporting, analytics, call centers, and revenue management to name a few. Kudos to them (seriously) – they are finding additional revenue streams and locking their customers in all at the same time.

PMS companies are filling in the gaps. They are providing the self storage services you need to operate your business. Remember that outside technology providers might not be motivated to enter self storage given fragmentation and low transaction volume. The PMS companies are giving you what you’re asking for. They are providing the bells and whistles you’re requesting. But if they provide a shiny silver bell then they aren’t exactly incentivized to provide API access to new guy that’s also got a shiny silver bell.

And how have storage companies contributed to this conundrum? Remember how fragmented we are. You may have the figure memorized by now. Roughly 91.5% of the industry has 1-5 facilities when you exclude the Big Five. Many just want to automate their operations and watch their bank accounts rise - from their lounge chair in the Bahamas. Passive income with very little active management. The more facets the PMS companies handle, the happier these owners are. Do they care what their PMS company does with their APIs? Perhaps many do not. I, for one, cannot blame them.
They can save me a chair and order me a margarita.

Extra Space is banking on this mentality. Look at their third-party management ad.

![Image](image.png)

So there you have it. Fragmentation + Low Transaction Volume + Lack of Standards = Lack of Enterprise-Level Solutions. A lack of enterprise-level solutions = you losing money + unimpressed customers. Equals nobody’s happy. The PMS companies aren’t even happy because they’re constantly dealing with API issues and fighting the misconception that PMS companies are the bad guys.

**PMS companies are not the bad guys. The situation is what it is.** There’s no malicious intent on any side. As owners and vendors we’re all just grappling with the consequences of the storage industry’s unique evolution and its unexpected collision with technology along the way.

So what’s the issue? The issue is that we need enterprise-level solutions from a variety of players. As we mentioned, this requires PMS involvement because your data sits in your PMS and new vendors need access to that data via your PMS company’s API. The issue is that under some PMS companies’s Terms of Use, the **PMS is free to grant or deny API access in their sole discretion.** In such cases, your vendor might lose access to your data at any point. For any reason or none at all. That’s kind of a problem.

Some PMS companies have the contractual power to gate-keep your data.
And yet the overwhelming majority of the industry isn’t concerned. The Big Five aren’t suffering because they largely have their own platforms and software systems (CubeSmart is an exception – they use Yardi). The owners with 1-5 facilities are snorkeling in the Bahamas. It’s really just 9% of the industry that’s making a stink about APIs and innovation. For the most part, the owners concerned about contractually guaranteed API access have 10-300 storage facilities. And recently many of these owners have focused on their core strength, expansion, and haven’t had the bandwidth to focus elsewhere. With record high occupancies and revenues, who would imagine a storm is on the horizon?

In the short term this approach might work (if you don’t care about leaving money on the table). However, eventually “API access” and “broken infrastructure” will be concerns for the entire industry.

You’re already paying 5-10x more for new tenants than the REITs. They have unfettered access to their data and are utilizing it to optimize every facet of their business – primarily through automated processes that don’t require extensive man-hours or brainpower. They are gaining market share. They are getting smarter and bigger. Meanwhile, we’re coming up with hack after hack just to run our businesses.

Judgment day is nigh. How many people do you know that have turned their companies over to third-party management by Uncle Bob’s or Extra Space? The gap between the REITs and the rest of the industry will continue to widen unless we do something. You cannot compete when you’re handicapped by a broken infrastructure. It’s like running a marathon on crutches. Eventually we’ll have to accept lower margins, sell our portfolios, or opt for third-party management.

We need consistent API access we can rely on! We need API access that is not subject to the sole discretion of our PMS providers.

We are so dependent on API access. We need API access so we can utilize our data to optimize our businesses. We need API access so our bell and whistle vendors can provide satisfactory solutions. Only then can we properly run our businesses. As owner Steve Mirabito wisely said, “Unless the 85% begins accessing and utilizing their data, the independent owner will slowly, but methodically, lose market share and revenue to
the more organized and disciplined companies that thrive on data.”

But this is not meant to be fire and brimstone. All of this is so avoidable!!! Let’s talk solutions.

Possible Solutions

There are three solutions that could provide a sufficient infrastructure for the storage industry: standards, a global distribution system (GDS), or individually centralizing data.

Standards is arguably the best solution. Currently, there is an utter lack of standards in the industry. What do we call our product – units, lockers, bins, containers, doors? What qualifies as a medium size unit? What about our features and benefits – do we provide “video recorded surveillance cameras” or “24-hour taped camera surveillance”? How do we refer to portable storage – portable on demand storage, PODS, portable storage, portable storage units, portable containers? Is it climate controlled or temperature controlled? What about our auctions – are traditional auctions at the facility considered live auctions or on-site auctions?

These aren’t just marketing issues anymore. Different systems can’t communicate with each other because they aren’t speaking the same language. This creates tremendous inefficiencies – and lost profits.

Let’s consider a Google search as an example. Google’s aim is to provide their users with the most relevant user-friendly content. If someone searches “rent a storage unit,” the optimal result would be a list of options near the user and a way to seamlessly rent a unit. A lack of standards (in conjunction with a lack of reliably open and robust API access to PMSs) prevents Google from offering this option. Instead, the searcher gets a map and a list of facilities. How unhelpful compared to these results when searching for a flight:

![Flights from Los Angeles, CA (LAX) to Phoenix, AZ (all airports)](sponsored)

| Flight Details | Price
|----------------|------
| Spirit | $71
| United | $118
| Delta | $127
| American | $167
| Alaska | $300
| Southwest | unknown

More Google flight results
Can you imagine a world in which you could convert someone straight from Google results? It’s not that technologically complicated, but it’s completely impossible unless we start speaking the same language (or unless we create an industry GDS, which we’ll get to in a moment).

You may be thinking, “Good! I don’t want Google as a middleman!” That’s a topic for another day. The point is this: **Standards would allow owners to leverage products and services with which their systems currently can’t communicate.** Standards would provide you with more options. Things would operate smoothly – no more hacks. Systems would be compatible by design, not by brute force.

Remember we said that our infrastructure problem is largely the lack of centralized data – our data is all over the place. **Standards would allow our data to communicate,** even if it is all over the place. And as you’ve likely heard in marriage counseling, communication is everything.

Standards also benefit self storage owners in less direct ways. Standards reduce the API burden that falls squarely on the shoulders of PMS companies. With standards, vendors would have a common spec - they would have a roadmap. As Yardi’s Mark Smith notes, “this reduces the risks and barriers to entry for many vendors...It gives the power to determine how and where our industry operates, to the industry as a whole...” Standards could also keep your PMS costs in check by reducing the resources necessary to support API integration. Lucky for you, Mark elaborates on standards below. Thanks Mark!

**A Global Distribution System** (GDS) is another option. Since our data is all over the place, a GDS could serve as a hub for all the various data sources to plug into. **Even in an industry without standards,** a GDS provides a common nomenclature.

In the travel industry, for example, a GDS knows each company’s language and makes the necessary translations so the user has a seamless experience. To get specific, the GDS would know that a “premium” seat on one airline is the equivalent of a “first-class” seat on another. Therefore, if a user is booking a multi-carrier trip, they only have to select their fare/seat type once and the GDS does the rest. Not only does the GDS act as a translator, it’s also a booking service. Thus the name Global Distribution System.

A storage industry GDS would require “open” APIs from industry players in all categories (PMSs, vendors, and owners). And by open, we mean open – a PMS company couldn’t allow access for some but not others. With an open API, you can use the API if you meet the published requirements for access. There’s no room for discrimination or sole
discretion. If your PMS or your vendors weren’t willing to participate, then you wouldn’t benefit from the GDS...unless you switched to companies willing to participate.

It would be a beautiful thing if the fragmented storage industry could come together and build a GDS. It would be a picture of efficiency. Think scalable distribution. Imagine streamlined operations, increased revenues, and protection from external disruption. Your customers would have a better experience. I doubt I needed to elaborate beyond “increased revenues,” but you can check out the links at the bottom for more info on GDSs. A GDS would improve your bottom line.

If all else fails (or shall I say, until the industry is victorious, storage companies can independently build their own data warehouses. This would allow a company to pull together all their data in one place. All things considered, you may have as many as 25 data sources you can bring together (PMS data, marketing data, Google analytics and paid search data, revenue management data, insurance data etc ..

I realize that doesn’t sound monumental, but if you recall the mind blowing examples of REIT data utilization from Part II, you’ll agree that being able to overlay your various data sets leads to really, really cool results. All these cool results lead to greater yields. Higher margins. By aggregating all of your data in one place, you not only increase your revenue, but you do so with only incremental increased costs. A 5% gross increase may mean a 25% net increase. Your increased revenue might go straight to your bottom line as pure profit! Now who doesn’t like the sound of that?!

Industry standards or a GDS are preferable and much more efficient, but we can’t know whether they’ll materialize in the short term.

Storelocal and many of its founders (like Travis Morrow of National Self Storage) have championed the cause of standards for years. The industry has thus far proved reluctant to jump on the band wagon, but things are in motion. An industry-wide GDS however is quite feasible. There’s just that small matter of cost that keeps rearing its ugly head. As we discussed, in our highly-fragmented industry no single player is financially incentivized to undertake such projects.

If you don’t want to twiddle your thumbs in the meantime, then start looking into a data warehouse. If you want a full service solution you don’t have to build on your own, look into DOMO (software that provides access to business data with minimal IT
involvement). If you’re a do-it-yourselfer, look into Hadoop (free software that you build to). Hadoop is actually the backend DOMO uses (a fun fact about Hadoop is that its namesake is the developer’s kid’s stuffed elephant!).

“Cloud” storage and computing is also a piece of the puzzle, but it isn’t a solution in and of itself. Currently, the benefits of the cloud can be cost and scalability. Cloud storage and computing still utilize physical servers, so the cloud isn’t a radical departure from traditional hosting. The cloud can help owners gather all of their data in one place, providing a proper infrastructure on which to operate their businesses. Therefore, once other impediments to centralizing data are removed, the cloud will be hugely important to self storage owners. As Yardi’s Mark Smith aptly said, “the cloud is the playing field on which an efficient infrastructure occurs. If a property’s data has no presence in the cloud, how will the property ever expect to advertise, acquire leads, retain tenants, or exploit new revenue streams?...A storage property not in the cloud can still operate, but their prospects will flatline. Playing an analog game in the digital world is like bringing a knife to a gunfight.”

The Final Word

We’ve covered a lot today, and there’s a lot of meat on these bones. This is how Storelocal sees it: Owners need reliable access to their data — and enough data for enterprise-level solutions. The typical storage company doesn’t have their own data warehouse. This means they rely on their PMS for access to their data. Yet PMS companies understandably don’t offer the full array of products and services a storage company might want. Therefore, storage companies need to work with various vendors in order to utilize their data to run their businesses. Under your User Agreement, your PMS company may have the power to decide whether or not you can do that, by allowing or denying the vendor the API access they need.

Perhaps the vendor only works with one storage company, so it isn’t economically feasible for the PMS to provide API access. Perhaps the PMS company offers a similar product or service and they understandably want to push their products and services and prevent you from using other vendors. Perhaps the PMS has an arrangement to exclusively provide API access to only one vendor, or they may have rev-share deals.
or charge unreasonable fees for API access. Or perhaps there are simply personality conflicts – you didn’t scratch my back, so I’m not gonna scratch yours.

Whatever the motivation, the result is the same – under some PMS companies’s Terms of Use, storage owners can be held hostage by their PMS company. **Your PMS company has your data - do they have the contractual power to decide what you can and can’t do with it?** If your PMS company can deny API access in their sole discretion, then they truly are the gatekeeper of your data. If your PMS company has the authority to deny API access in their sole discretion, then they decide who you can play with and what games you can play. **This hinders your ability to explore new ideas and technologies to improve your business and increase profits** because you are limited by whether (and how) your PMS company is willing to accommodate you. This stifles innovation. This hurts your bottom line.

**The issue is not just API use. The issue is also the Terms of API Use.** Your PMS has done a great job accommodating you, and often at great expense. But change is a comin’ and you’re going to need API access you can rely on. Do you have that?

Is stifled innovation a grave concern? Yes. Consider the context. The storage industry has an infrastructure quandry, and there’s no financial incentive for any single player to solve all the major problems. Therefore, storage companies will need to rely on a multiple of vendors who provide piecemeal solutions. In order to work with said vendors, we need our PMS companies to provide sufficient and reliable API access.

“Owner operators are having to bend to the technology providers rather than the technology providers bending to the operators.” Dave King of Wentworth Property spelled it out very clearly at the spirited discussion in Napa that inspired this API series. You use your PMS to run your business – you need it to be dynamic and reliable. You need to be able to work with your PMS, not at its mercy.

Yardi’s Mark Smith also aptly noted that “what’s good for the industry is good for the software providers.” Well said, Mark! We like to hear that from a PMS company! **What’s good for the industry is innovation**, and this will require the PMS companies to contractually guarantee owners’s access to their data. It is your data after all. If we could go back in time, I’m sure many of you would have scoured your PMS company’s Terms of Use **before** you handed over the keys to the kingdom. You would have asked a lot of
questions to ensure your API access is not subject to your vendor’s sole discretion. But we are where we are, so let’s all put our heads together.

Don’t be held hostage.

That’s Storelocal’s perspective. However, to give you a more complete understanding, and to be fair to our industry vendors, we are giving them the final word.

Hear what some leading industry vendors have to say about our broken infrastructure, innovation, and possible solutions:

Yardi – Mark Smith:

“We have a dire need of industry standards all around, in terminology to key metrics, etc. Technologically speaking, though, we need to establish solid API standards, and here’s why: Yardi, as well as likely just about every other PMS vendor, gets approached at least weekly by some new tech player wanting to enter our space. Usually they have some hair-brained concept that worked in another vertical and now they want to exploit storage. Our dilemma as PMS vendors is whether or not to give these guys the time of day. Sure, we have an API that they can code to, however, the API would be new to them, and maybe they don’t have a huge corral of skilled developers to work on it, so invariably we have to dedicate resources to help them out, or, in some cases, broaden our API to accommodate their needs. So in the name of wanting to help our customers, we do it. And then the product never gets any traction, so we get burned. We simply don’t have the bandwidth to accommodate dealing with all third-parties wanting access to our clients’ data.

But the other side of the dilemma coin is this: Who is to say what new product or idea is hair brained and what is actually an industry game changer? We are experts in software for storage, but not necessarily experts in storage operations. We don’t know what will fly and what won’t. And if a customer brings a new third-party to us and says they need the ability to rent storage on Mars because it’s the next big thing, it should not be our place to kibosh that project.

Similarly, when a vendor enters our space with an idea, they can usually only afford to integrate with a small number or even a single PMS platform because the API’s are all different – sometimes subtly, sometimes drastically. So they either choose the PMS platform that is used by a definite large customer, or they choose the largest installed based PMS platform. Either way, it does the industry a disservice because almost without fail, up to 90% of the industry cannot take advantage of that product.
Without a standard API, a new integrated tech service provider looking to penetrate our market would either need to develop their application against multiple distinct API’s, which is very costly, or obtain support from a PMS vendor with sufficient critical mass to ensure a reasonable target audience. This may be a challenge if the PMS vendor, for any number of reasons, determines it is not in their best interest to “play along”. In either case, the industry may never get the chance to evaluate the merits of the new product because it never came to fruition. API standards would ensure that all new product risks are borne by the providers, and the free market determines which products and services are beneficial.

The solution: Technical standards in API and information exchange. Every compliant PMS vendor makes their clients’ data available in a standardized format, and every vendor (and even storage operators for internal consumption writes their applications against this common spec. This reduces the risk and barriers to entry for many vendors, it all but eliminates the need for PMS vendors to support myriad different hooks into their applications, and it gives the power to determine how and where our industry operates to the industry as a whole, where it belongs. It becomes a free market, and all but establishes Storelocal’s concept of a GDS. Speaking of GDS, I am opposed to the GDS being run by a single vendor. A GDS should be an open, industry owned platform.”

E-SoftSys – Kat Shenoy:

“While our E-SoftSys software application and APIs are our intellectual property, we strongly believe that the data belongs to our clients, even though the data sits in our PMS. For SSM clients who have expressed an interest in building their own data warehouse and utilize tools such as QlikView, Tableu for developing in-house business intelligence and analytics system, we have given them unfettered direct access to the SSM database with the clear understanding that while they can retrieve the data from SSM for analytics and for interfacing to other applications, any information they write back to the SSM database is done through our APIs to ensure that the integrity of the data is maintained. Our objective at E-SoftSys is to make the APIs even more open to support additional type of transactions a storage operator would like to perform using a 3rd party application or from their website.

A storage operator can address the infrastructure problem of lack of centralized data by working with a co-op such as Storelocal to build a storage industry specific GDS. We are interested in working with Storelocal and other vendors in the industry for developing a GDS that would benefit the storage operators, vendors and PMS companies as well. PMS companies will have to scale up their operations to accommodate the additional load the large volume of API calls will have on the data centers, not to mention the
ongoing enhancements, maintenance and support that go with it to cater to the ever changing and growing needs of customers and therefore vendors, as the technology evolves. The PMS company can cover any additional costs by charging API usage fee to customers/vendors, which will be based on the number of transactions, rather than on the number of storage facilities. It will be a win-win situation for everybody, as all parties involved will generate more revenue through this collaboration.

OpenTech Alliance – Robert Chiti:

On Standards...“We feel that by standardizing terms the industry uses to describe units (space/unit, drive up/outdoor, etc), facility amenities (security/surveillance, on-site manager/live-in manager, etc) and processes (rental/reservation, vacate/move-out, etc.) we can make self-storage easier for consumers, other businesses to understand and ultimately easier for machines to understand. A lot of this all comes down to one issue, for years we have relied on our manager as the only channel for us to market and rent units. Today consumers are demanding to do it themselves online (no offense to managers), so it is critical that we develop standards and open infrastructure so consumers new to storage can find, select and rent units without having to talk to someone. In some cases the potential tenant may not be the person that driving the rental process, it could be a Valet storage service, moving company or retailer that is shipping something to the tenant.”

On a GDS...“OpenTech Alliance has operated and continues to invest in developing a GDS built upon our OpenAPI (REST) infrastructure. The GDS currently services the OpenTech suite of applications as well as other vendors such as StorageFront, PayNearMe, USStorageSearch.com, etc. OpenTech Alliance’s GDS is open to everyone to use. The GDS model provides significant value to our industry. Remember the PMS vendors, they have to invest heavily in development, training, and support for every individual application vendor (for example revenue management, CRM, lead generation, etc.) that wants to use their specific API. And the application vendor has to do the same thing for every PMS vendor. This brings innovation in our industry to a crawl, not to mention requires each vendor to endure heavy costs. If all the vendors worked together to use a GDS they would only have to develop and support their API in partnership with the GDS and the application vendors could communicate with all the PMS vendors by developing a single API with the GDS.”

You’ve made it to the end of a lengthy three part series of APIs in the Storage Industry. Congratulations & we hope you enjoyed.

Look out for more Storage Talks coming soon...and check out the additional info below!
About Storelocal

Storelocal is a co-op created to empower self-storage owners and operators with powerful technology and unrivaled access to the best products and services that increase their competitive advantage in the marketplace. Our members leverage new and existing resources to lower their operational costs and increase their profit and equity.

The Concept

We provide access to best in class products and services through in house technology development, vendor partnerships plus Storelocal brand licensing. The knowledge and efficiencies we bring our members bridges the gap between the acquisition costs and occupancies of the top national operators and reservation systems. The co-op has more than 1,200 facilities with a value of over 3.5 billion dollars. At co-op maturity the real estate value will top 30 billion. A cooperative is equitable to all participants, has enough flexibility to accommodate members of all sizes, and fosters loyalty through ownership.

Market Opportunity

Today’s customers choose companies whose technology makes it easy for them to transact. Our Tenant™ suite of technology (including unassisted move-ins), customer acquisition tools and enhanced services will meet and surpass their expectations. In turn, occupancy rates will rise and customer acquisition costs will stabilize. Just a 2% rise in occupancy will increase the valuation of the collective stores by more than a billion dollars. We are ideally positioned to become the largest force in the storage industry worldwide.

Our Solution

We provide a scalable platform of products and services aligned to the needs of our owners. Member stores are listed in a sophisticated and fully transactional online reservation system that plugs into our GDS. The reservation system is complemented with an integrated rental engine, affiliate relationships and referrals system, and a suite of mobile applications and websites, including those of our members. The customer experience across the spectrum will result in significantly higher retention rates. Our customers will have access to online products that meet and exceed expectations.
Contact

Interested in our co-op? Let’s chat!

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Questions? Comments? Let’s have a conversation about the storage industry!

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