



Internet Usage

GROWTH LEADS TO CHANGES IN MARKETING TRENDS

By Hazel Becker

A look at marketing trends for self-storage facilities over the last five years demonstrates the tremendous affect that computers and the Internet have had on the industry. Of particular note: Nearly a quarter of facilities answering a survey for the *2005 Self-Storage Almanac* reported that they did not use the Internet in their businesses. Five years later, that number had fallen to 7.5 percent, according to data released in the *2009 Almanac*.

The growth in self-storage facilities' use of the Internet for marketing purposes has lagged in time behind overall Internet use among the adult U.S. population, which saw its greatest gains in the late 1990s. Internet marketing by storage facilities doubled over the last five years and grew most dramatically since 2006. Nearly three-fifths of storage facilities surveyed for the *2009 Almanac* said they use the Internet for marketing and promotions—more than double the percentage reporting such usage just five years ago.

Marketing and promotion is the area in which self-storage facilities' Internet usage is the most widespread, but it is not the only use that has grown dramatically in the last five years. E-commerce applications for taking unit reservations and receiving payments from customers have increased exponentially since 2005 (279 percent and 340 percent, respectively), which is not surprising when one considers the advances in secure systems to facilitate Internet commerce over the same period. Storage facilities offer reservation and payment services through their Web sites and

then promote themselves based on how easy it is for customers to do business with them.

At the same time, use of the Internet for promotional purposes has grown; more facility managers are using the Internet behind-the-scenes in their marketing plans by taking advantage of similar secure systems to order ancillary products sold at their facilities. Offering ancillary products, which serves both as a customer convenience and a way to increase revenues, was already fairly widespread by 2005, when more than three-fifths of facilities sold storage-related supplies to customers. That percentage increased to nearly three-quarters by 2009.

Tried And True Media Widely Used

A look at marketing and promotional trends over the last five years shows that storage owners and managers continue to turn to their tried-and-true promotional media to get the word out about their businesses. Ads in the *Yellow Pages*, property signage, and referral programs are mainstays in many storage facilities' marketing plans.

The vast majority of self-storage facilities (86 percent) advertise in the *Yellow Pages*, and this form of promotion remains the most prevalent in the industry, as it has for many years. No other form of mass-media advertising even comes close. By some reports, most self-storage facilities spend 90 percent of their ad budgets on *Yellow Page* ads.

Newspapers are the second most common paid advertising media for self-storage promotions, with about a quarter of facilities reporting that they advertise in them. Magazines and broadcast stations are much less common media for self-storage ads, with less than 10 percent of facilities reporting advertising in them.

Two direct-to-consumer media that have more than doubled in storage industry usage over the last five years are likely affected by the growth in computer use noted above: direct mailings and flyers. Their increased presence in storage marketing plans may also be related to the recent entry into the market of computer software designed specifically to help self-storage managers create their own ads.

Growth of Computer and Internet Usage in the United States 1995-2007

Year	1995	2000	2004	2005	2006	2007
Adult computer users	54%	65%	68%	71%	73%	76%
(percent change)		20%	5%	4%	3%	4%
Adult internet users	14%	53%	59%	69%	70%	75%
(percent change)		279%	11%	17%	1%	7%

Source: Pew Internet & American Life Project, www.pewinternet.org

Another computer trend that likely affects storage facilities' marketing and promotions is the increased availability and drop in prices for printers and printing supplies. This trend has made it possible for owners and managers to prepare flyers and direct mailings without hiring an ad agency or incurring large commercial printing bills.

Use of another direct-to-consumer promotional tactic, telephone solicitation, also increased exponentially over the last five years—from about three percent in 2005 to just under 10 percent this year.

Meanwhile, storage facilities continue to stress customer service and have broadened their service offerings as a convenience to customers and prospects rushed by the time pressures of busy lives. Almost three-quarters of self-storage facilities sell storage-related supplies, such as locks, boxes, tape, labels, and markers. Nearly three-fifths of facilities now sell storage insurance—up from half of all facilities five years ago. As an added convenience, more than a quarter of storage facilities responding to the survey this year also offer moving truck rentals to facilitate move-ins.

A small percentage of facilities also offer shipping services and other on-site business services. The number offering shipping services has increased over the

last five years, from five percent in 2005 to seven percent in 2009, while the share offering on-site business services is about the same.

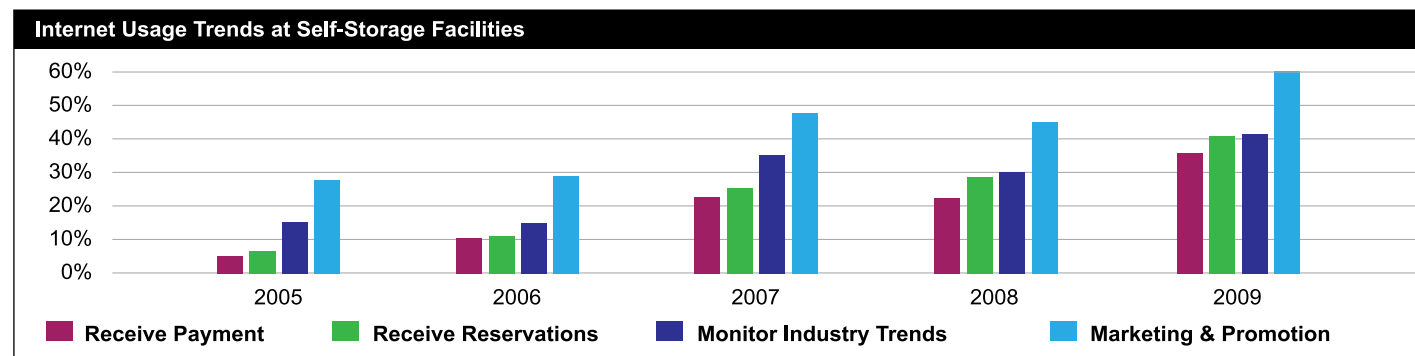
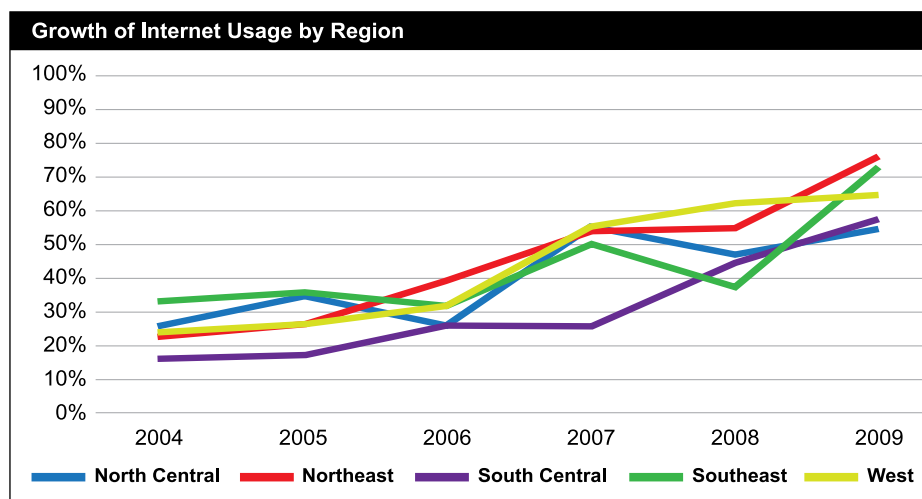
Greater Variety Of Media In Use

An evaluation of trends in advertising and promotions at self-storage facilities over the last five years finds an increase in the use of all forms of marketing and promotional media, which indicates that self-storage owners and managers are including a wider variety of promotional media in their marketing plans. Generally,

the broadest offerings are found in the Northeast, where the use of most promotional media is above the national average. The exceptions are billboards, magazines, radio, and telephone solicitation, which lag behind the national average at facilities in the Northeast.



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Source: Self-Storage

