

Demography: Changing the Storage Industry

By Stacey Loflin, SSA VP Membership & Marketing



What happened in the '70s to the motorcycle industry? Demography. Baby boomers who watched *Easy Rider* were running out to Suzuki and Mitsubishi and purchasing motorcycles because Fonda and Hopper were just that cool. Sales went through the roof!

Most motorcycle companies went through their "fat and happy" stage. In the '90s, however, the Baby Boomers who purchased bikes were getting married, settling down, or visiting doctors for their bad backs and carpal tunnel from gripping the throttle. Sales plummeted.

Marketing companies were brought in to revamp the industry to no avail. Why? Hopper and Fonda were still cool, but the birth rate in Generation X was 11 percent smaller and didn't support the motorcycle industry. There just were not enough people born to maintain sales.

Four years ago when I started with SSA, there were 33 SSA-member management firms. Baby Boomers are retiring and/or selling their facilities, and we now have more than 130 management firms. Demography.

The industry adjusted. Facilities still exist, but business has changed. Theoretically, an owner can now retire to the hammock and allow a management firm to run the day-to-day operations for an average of six percent net.

Management firms, four years ago, accounted for about 1,100 SSA-member facilities. Today, they represent 5,000 member facilities. They are doing a fantastic job of allowing an owner to sit back, enjoy being an owner without the day-to-day rigors of dealing with human resource issues, operations, marketing, security and customers.

This month's issue of *SSA Globe* includes the *2015 SSA Management Firm Registry* insert featuring more than 100 companies. These are top-notch professional firms that have operated—and now third-party manage—self storage facilities. They have been in business on average for 23 years. Management firms come in a variety of styles, from the simple mom-and-pop approach to the more corporate feel. There are even some Generation Ys, who've decided that there is enough room in this industry for more management firms.

Demographic studies offer an incredible and accurate tool for forecasting a company's business. Without it, you can't know the size of the market. Demographers are accurate 80 percent of the time. Why? Because the people who are going to shape our future are already born—and management firms are here to stay. Let them work for you. Fonda and Hopper would approve. ❖

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On the cover: Aberdeen Management & Development President Drew Monson checks out a storage unit with manager Brandon Borg.

PUBLISHER
Michael T. Scanlon, Jr.
mscanlon@selfstorage.org

EXECUTIVE EDITOR
Timothy J. Dietz
tdietz@selfstorage.org

ADVERTISING SALES
Tom Comi
tcomi@selfstorage.org

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ART DIRECTOR
Jan Sklennik

SSA STAFF WRITERS
Stacey Loflin, Ginny Stengel
D. Carlos Kaslow, Scott Zucker

CONTRIBUTORS
Laura Fries
Laura Williams-Tracy