

Keywords: A happy woman in a small room with boxes looking at a tablet device



Keywords: A man looking frightened by scary looking robots

The AI Revolution

Is Artificial Intelligence Changing Self-Storage? BY BRAD HADFIELD

“The cat is out of the bag,” says Joseph Steinberg, AI and cybersecurity author, advisor, speaker, and expert witness. He’s talking, of course, about artificial intelligence (AI) and its application across various industries. “This technology is here to stay and there is no turning back.”

Luckily for humans, AI has yet to produce the homicidal robots and dystopian societies predicted by Hollywood. Instead, AI has slowly made its way into our everyday lives in positive ways. When Netflix recommends a movie to us based on preferences, when we tell Alexa to add an item to our grocery list, or when Google gives us driving directions, we are using some form of AI.

While AI was embraced by most high-tech industries since its inception, this technology—bolstered by its many benefits—has now made its way into other industries, including the self-storage sector. “Technology isn’t just a ‘nice to have’ in self-storage anymore; it’s a necessity,” says Eli Goodman, growth manager at Spot AI, which creates modern technology systems designed to create safer workplaces and smarter operations. “AI tech is being leveraged to address issues like rent collection, increasing operational costs, and consumer expectations, providing a seamless and convenient experience.”

Of course, some concerns remain over various AI applications, but the technology continues moving forward. “Sure, some tech executives might say, ‘Let’s put a moratorium on developing some of this AI until we understand it better,’” Steinberg says. “But that’s not going to happen. It’s like pretending after guns were invented that we don’t need bullets because we’re still going to use sticks and spears.”

Not that that’s a bad thing, Steinberg adds, especially for self-storage. “AI benefits both owners and tenants. If used correctly, owners work more efficiently with less effort, and tenants easily get what they need without a lot of hassle.”

A Brief History Of AI

“What is the boundary between man and machine?” This has been a question scientists and others have been pondering since computer pioneer Alan Turing raised it in 1950. Just six

years later, John McCarthy of MIT coined the term “artificial intelligence.” Today, AI is broadly defined as “the simulation of human intelligence by machines.”

While there are now four forms of AI, only two have come to fruition. Jeff Mains, entrepreneur and CEO of Champion Leadership LLC, says, “Reactive AI is artificial intelligence at its most basic, in which the system reacts to a specific set of inputs without the ability to learn from past experiences. Examples include chess-playing computers or voice assistants like Siri or Alexa. Then there is Limited Memory AI, which does use past experiences to inform current actions, like a self-driving car or chatbots.”

Mains says Theory of Mind AI, which would be able to understand the intentions, beliefs, and emotions of other entities, is still in development and that Self-aware AI, which would be capable of self-awareness and consciousness, is a purely theoretical form of AI.

Self-Storage Applications

The self-storage industry has been making great strides in recent years toward becoming more technologically advanced. Smart facilities are becoming more common, and making use of AI is the next logical step.

“AI is where the world is heading,” says Alistair Schneider, CEO of AI Lean, which assists facility owners in the lien-to-auction process. “Self-storage can really capitalize on that. Consumer habits, populations, and needs are changing, and this requires new types of understanding. That’s where AI comes in, enabling us to look through the complexity and see ahead of the curve.”

Engaging Customers Through Chatbot

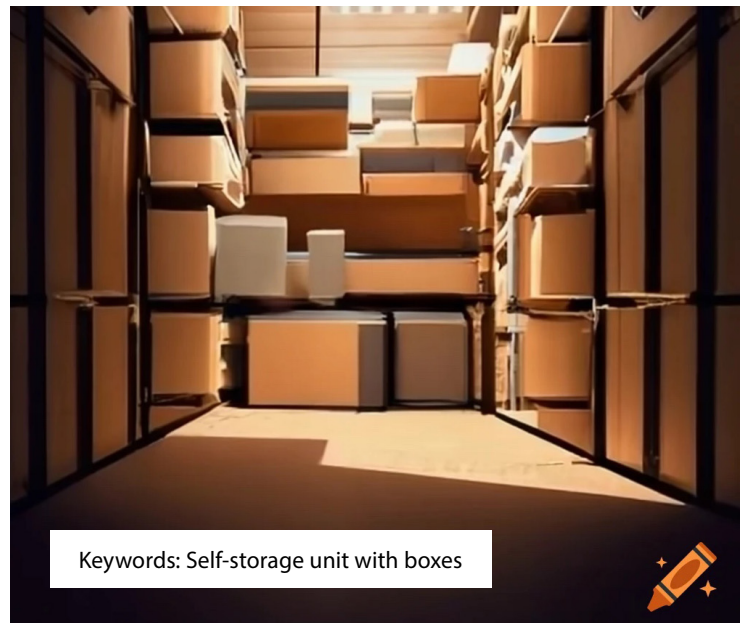
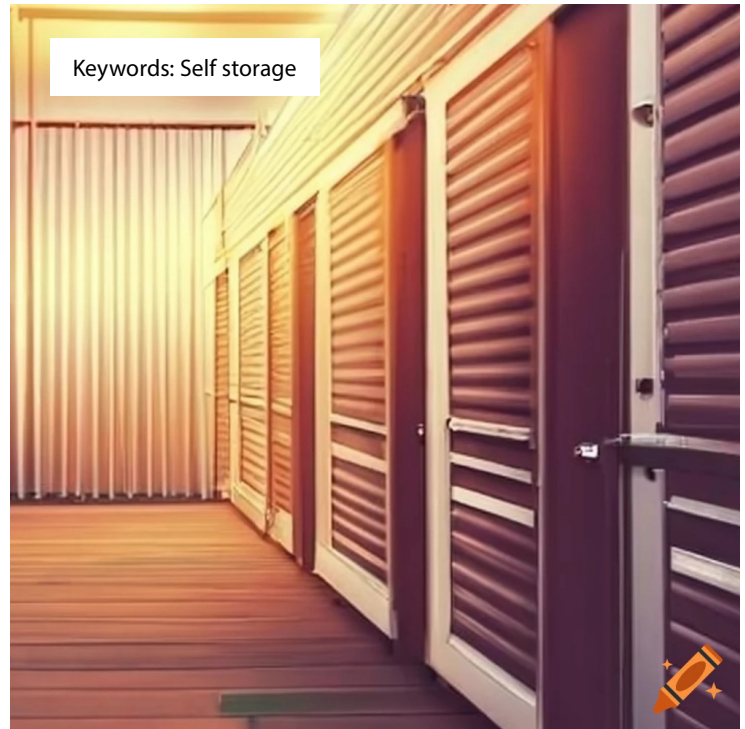
Recently, a new form of AI has taken the world by storm. It’s called ChatGPT (Generative Pretrained Transformer) and it’s essentially a computer program designed to converse with users through spoken or written language. Ask it a question, and it uses its programming, vast online resources, and learning from real-life engagement with humans to provide natural responses (see the sidebar for more).

Savvy self-storage owners are now using similar forms of AI to provide information for customers in real-time, speeding up the customer service process for renters while saving facility owners valuable time.

Mason Levy, CEO of swivl, a conversational AI platform for self-storage with applications in many other industries, says that the need for AI in self-storage was apparent even before the pandemic. “The writing was on the wall pre-COVID, but the pandemic did accelerate things,” he explains. “It pushed a number of self-storage operators to think differently about technology, and once they kicked over that first domino, the rest quickly fell. Now, they’re embracing everything technology has to offer.”

The swivl platform is designed to automate conversations with current and prospective tenants. Levy says that conversational AI lets owners and operators keep a facility running 24/7, even if it’s only staffed part-time or is remotely managed. “It’s important to realize we’re not replacing humans,” he adds. “We simply augment your current staff and allow them to do more while eliminating the need to hire additional staff.”

Levy says that with swivl, a human is always in the loop and operators have the ability to override the AI at any time. Sometimes, the AI may even recommend someone intervenes when it becomes apparent that a human touch is needed. “Current forms of AI are not great at detecting emotions and responding empathetically,” he says. “So if someone tells the AI that they need a unit due to death, divorce, relocation—some life-altering event like that—the



system can identify that a human moment is needed and a live person can take over.”

Making Auctions Easy

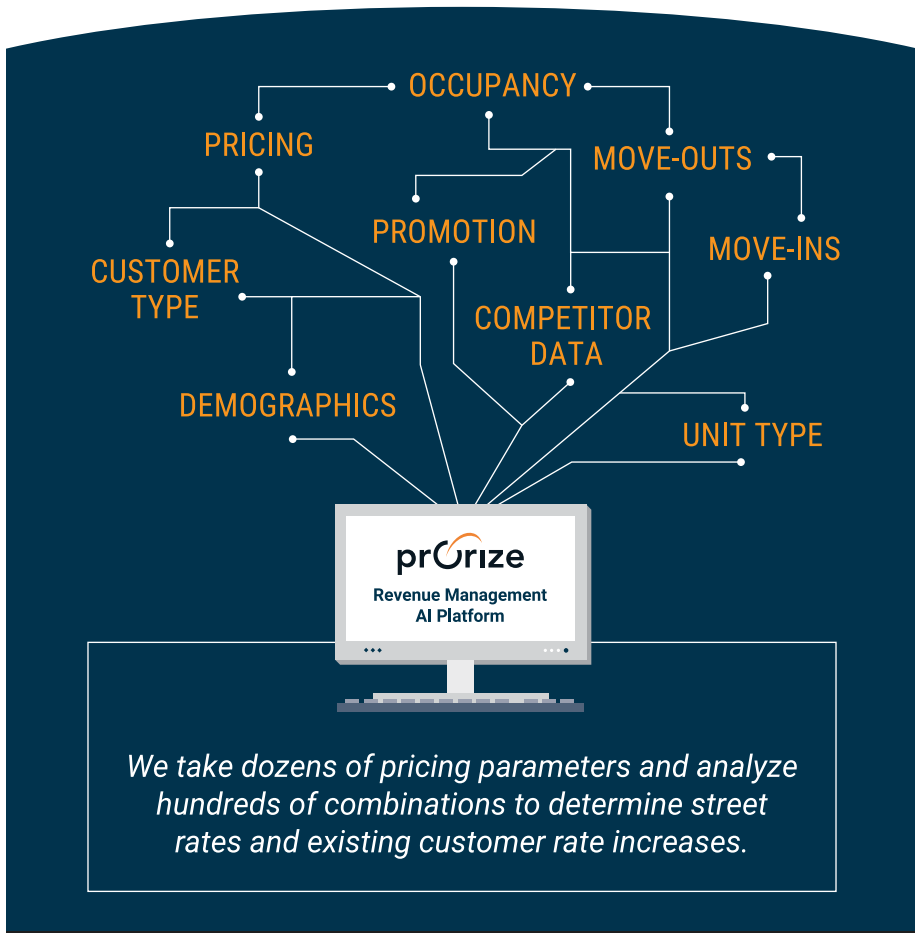
The lien-to-auction administrative process is a complicated one that can lead to messy legal battles and angry customers. One company helping solve this problem is AI Lean. According to Schneider, their software can automate the lien-to-auction process, helping self-storage owners save time, achieve compliance, and gain peace of mind. “We take care of the lien’s compliance, lien-related collection, and more so that our clients can focus on their growth and deliver over-par results,” Schneider says.

“We understand the business of self-storage and also find purpose in it,” continues Schneider. “Many Americans, including us, bet on self-storage investments to fund retirement or to increase our livelihood by either directly buying, investing, or developing a self-storage project. Through our work, we enable that American Dream.”

Managing Revenue

Complex and uncertain pricing questions often gnaw at self-storage operators, who know that pricing mistakes may cost them time and money. One way they are staying ahead of the pricing game is through AI-assisted revenue management tools designed to increase revenue and improve the bottom line.

Prorize’s AI-based revenue management uses what **YOU KNOW to figure out what **YOU NEED TO KNOW**.**



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Prorize, which specializes in self-storage revenue management solutions, understands the pricing dilemmas facing self-storage operators. “Traditional revenue management relies on a structured data environment. You’d look at supply and actual demand. That guided your pricing,” says Dr. Ahmet Kuyumcu, founder and CEO of Prorize. “In the current landscape, the variety and volume of data have become massive, often unstructured or incomplete, posing a challenge for operators to make sense of it all. This is where AI comes in.”

Kuyumcu explains that AI is primarily a prediction technology that uses what you know to figure out what you do not know. It’s like a cell phone’s predictive text on steroids. “The phone’s AI sees what you’ve started to type—that’s what it knows—and then it makes its best guess as to what you’d type next based on that. Prorize’s AI is similar to the predictive text on the phone but on a much more sophisticated level.”

When it comes to pricing, Kuyumcu notes that it is crucial to consider all significant parameters, including price, promotion, unit type, customer type, inquiries, move-ins, move-outs, occupancy, demographics, competitors’ actions, and more. Prorize analyzes hundreds of combinations of these parameters to predict the prices customers are willing to pay for various types and sizes of storage units, which may need to be adjusted daily or even in real time.

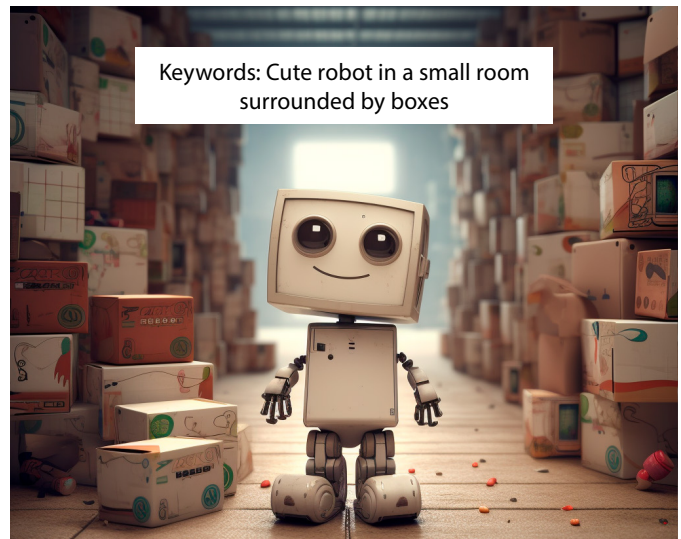
While Prorize’s AI provides guidance, Kuyumcu acknowledges that the system can be overridden, especially when the relevant information is missing. He explains that some customers always follow the AI’s recommendations, while others prefer manual overrides. However, he says that AI algorithms ultimately outperform human decisions since it is entirely data-driven, eliminating human bias, emotion, and uncertainty.

Dr. Warren Lieberman, president of Veritec Solutions, also believes AI models are very trustworthy. The company, which offers a comprehensive and intuitive system to enable self-storage operators

to price their units more profitably, really shined during the COVID-19 crisis.

“During the pandemic and the stay-in-place regulations, all the rules went out the window,” Lieberman says. “Businesses changed dramatically because human behavior changed. Thankfully, our models were able to react quickly and pick up on trends far better than a traditional demand elasticity model.” Veritec’s clients were made aware of when they could be more aggressive with rent increases and when they shouldn’t be, helping them achieve greater revenue increases while reducing churn.

Despite the success of Veritec’s AI models, Lieberman still feels that the combination of AI knowledge and human experience is the better win-win. “I firmly believe that when people add their own expertise, in addition to the AI’s knowledge, there will be a better outcome.”



Keywords: Cute robot in a small room surrounded by boxes

The Art Of AI

Would you believe the illustrations in this article came from the “mind” of an AI? It’s true. They were created using Midjourney and Craiyon, image generation engines that use artificial intelligence and machine learning to create whatever you ask for. To do this, the technology refers to a large database of images which it “learns” from and then it creates your image from them.

In a way, it’s similar to ChatGPT. Bill Barnhill, CCIM, PhD, and president and owner of Omega Properties, decided to test it out for us. “Upon learning about Chat AI, my first thought was to write an article for *Mini-Storage Messenger*,” he says. “My second thought was ‘Why not let Chat AI write the article?’”

Barnhill instructed the AI to write an article for publication about how Chat AI will be used in the self-storage industry. Within 20 to 30 seconds, Barnhill reports that he received a reasonably well-written response about self-storage. The AI’s answer (cut for length) is as follows:

As the world moves toward more automated and technological solutions, Chat AI is revolutionizing the self-storage industry. It has opened up new opportunities for users to rent units and manage their revenue without having to be physically present.

At its core, Chat AI technology allows for customers and self-storage companies to communicate with one another using text-based virtual agents. This means that customers can quickly and easily inquire about the details of a unit they’d like to rent or manage they [sic] payments associated with their rental.

The benefits of Chat AI technology are numerous. For starters, it removes the barrier of having to be physically present in order to complete transactions. This makes renting unites [sic] easier than ever before since customers can now do so remotely.

For self-storage companies, Chat AI technology also provides a number of advantages. By automating communication with potential customers, companies can save time and focus on other important tasks. It also allows for the automated collection of payment information, allowing businesses to plan ahead and make informed decisions.

The future looks bright for Chat AI in the self-storage industry. With Chat AI [sic], both customers and businesses will be able to focus on what’s most important, providing a clear advantage over traditional methods.

Barnhill notes that he did see some issues; for example, the AI only had access to data through 2021 and “It sometimes relies on data that is not necessarily accurate, resulting in erroneous statements or conclusions.” There are also several spelling mistakes which are noted in the text.

“Clearly, one must read Chat AI articles carefully and look out for responses that make little or no sense,” concludes Barnhill.



Lieberman uses Deep Blue, a chess-playing system run on an IBM supercomputer, as an example. In 1997, Deep Blue beat reigning world chess champion Garry Kasparov three times, with one game ending in a draw. “However, it’s the sequel to that story that is more interesting,” says Lieberman. “After those losses, Garry was teamed up with Deep Blue, and together they took on another AI model. That combination of human and AI consistently provided more wins.”

Keeping Self-Storage Secure

Security remains an ongoing issue in self-storage, with theft and vandalism being top concerns for both owners and tenants. Janus International, which produces Nokē® Smart Entry locks, recently revealed that the most common self-storage burglary happens when a thief cuts a unit’s lock and steals items from inside.

Smart locks paired with AI technology, such as AI security systems, can be an especially powerful combination. “There are many use cases for AI within the security space,” says Spot AI’s Eli Goodman. “New AI models have advanced features for security, including facial recognition and vehicle/license plate detection. Some camera systems can be integrated with other solutions like access control or sensors, providing alerts when there’s unusual or suspicious activity, unauthorized access, break-ins, or atypical activity like a tenant entering each night and leaving each morning.”

Goodman says that AI camera systems also give operators more insight into their facility’s day-to-day activity, such as how long customers spend at a facility and if they’ve moved in or out. The system also helps facility operators better understand when and how long people are in the lobby or main office in order to

optimize staffing and feel confident transitioning to facilities with fewer or no staff.

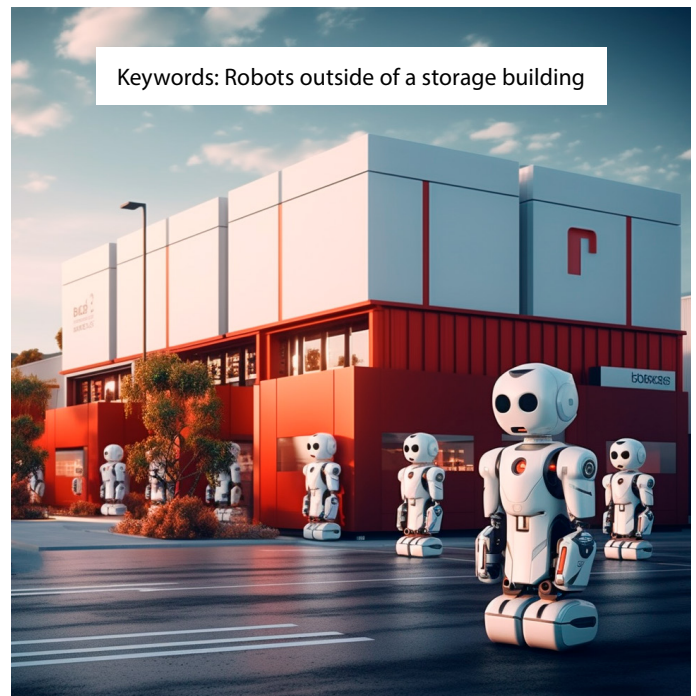
When asked why some self-storage owners may be hesitant to invest in AI security, Goodman says that many facilities already have perfectly fine camera hardware, so they feel safe. However, “They may also have terrible software,” he explains. “With Spot AI, they can see all locations on one dashboard in real-time, and search and share footage easily. Our powerful cloud dashboard works with existing cameras, or you can get Spot AI cameras at no cost.”

Where Will AI Go Next?

The potential for AI across all industries and self-storage is still in the early stages. Where can it go from here? “Who knows, 10 years from now our Alexa AI may be making recommendations to us,” says Steinberg. “She’ll say, ‘I’ve noticed your house is crowded. Have you thought about self-storage? There’s a facility just three miles away priced in your range. Plus, they offer climate-controlled units.’”

Kuyumcu agrees. He says that as AI gains a deeper understanding of customers, including transaction history, geographic location, browsing behavior, and preferences regarding unit types and rental terms, operators will be able to offer more personalized pricing and experiences, providing enhanced value to their customers.

“The customer experience can only be as good as the understanding you have of that experience,” adds Schneider. “AI can help mine insights about your customers so that you can serve them better. Without AI today, companies are going to war with horses and bayonets.”



Despite these benefits, Steinberg notes that the real struggle with AI is not the issues people are talking about but the issues people aren't talking about. "When we see a problem, like facial recognition not working well on some skin tones, we can fix it," he acknowledges. "What we cannot fix is when it's us who are the problem. Society doesn't know how to deal with the fact that sometimes amoral approaches yield better results."

While AI may be correct in its recommendations, Steinberg says that it might not always be right from a moral or legal standpoint. "Consider demographics. AI could recommend only advertising in certain areas because the people are wealthy or more likely to use self-storage. That's great, but it could also inadvertently be racist, sexist, and so on."

"This isn't just a self-storage problem, of course," continues Steinberg. "Think of it this way: You can't put your house on the market and say 'I'm only going to show it to the types of people the AI says are likely to buy. Or take health care: What if an AI says not to give organs to older people because their lifespan is limited? It becomes a question of 'Where do you draw the line?'"


Lingering Fears About AI

While some forms of AI still cause anxiety for humans, most seem to be accepting of the current forms of artificial intelligence. Tony Fernandez, CEO of UEGroup, shared a recent study called "Core Value Alignment for AI Adoption," in which people were presented use cases to observe how they interact with the technology. Cases ranged from leveraging AI to make purchase decisions to helping with professional duties.

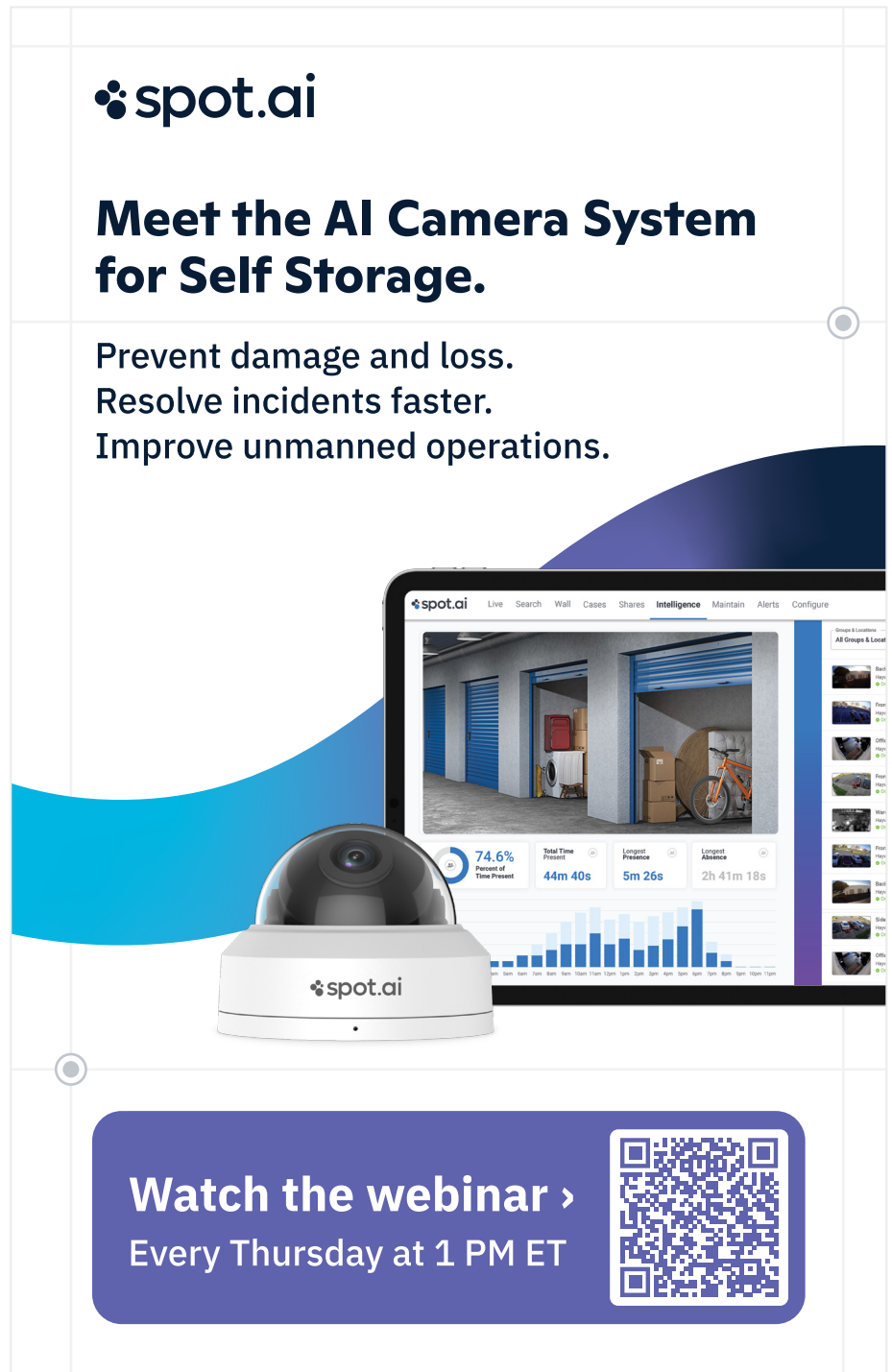
Ultimately, the study found that there was a high level of trust and confidence in AI. "As organizations integrate and build AI, they must align with the values of humans using it—how they want to interact with it and the values driving their desire to use it," says Fernandez.

Goodman doesn't think it's fear that is holding back adoption of AI with some

operators but skepticism. "It is more about self-storage operators being wary of hidden costs, implementation difficulties, and the potentially steep learning curve," he says. "They may have also adopted new technologies in the past, only to find that it's not as useful as they'd hoped."

Adds Schneider, "I don't think there should be a fear of AI, but more a fear of who is going to use it first and how. Be a leader, in any change, not a follower." 

Brad Hadfield is a staff writer and news researcher for Mini-Storage Messenger magazine. He also manages the Mini-Storage Messenger website.



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