Pivoting from Traditional Self-Storage to Click-and-Collect Storage Models

Introduction

Door-to-Door Storage, also known as Valet or Concierge Storage, is a type of storage solution that operates on-demand. This means that you call a storage service provider to collect your items from your home and deliver them back to you at your convenience. You may think of this as “Click and Collect." Valet/Concierge Storage is a technology-based convenience compared to traditional self-storage, and it is taking advantage of an increase in urbanization and the need for smaller living spaces, and has created a niche venue to meet the needs of people looking for flexible options without the hassle of going into a storage facility to retrieve their items [1][2]. Industry reports support this as they indicate that the on-demand storage category is a new and growing niche within the self-storage market, with the potential to reach customers who may not have otherwise used a traditional self-storage unit [3][4]. Based on industry trends, it is expected that the Self-Storage and Moving Service industries are going to continue growing at a rapid pace and reach $166.2 billion by 2030, up from an estimated $105.3 billion in 2023 [5], On-demand or valet/concierge storage companies are a major contributor of new opportunities in the Self-Storage and Moving Services segments [4]. The Self-Storage and Moving Industries are expected to continue expanding rapidly; with on-demand storage as a contributing factor in future growth in these sectors *[4][5]*.

This report examines publicly accessible white papers, commercial reports and case studies related to Door to Door Storage Models. Subject Areas will include: - Pivoting from removals to On Demand Storage - The ways in which Moving/Removals Logistics Companies entered into Valet Storage Models. - Operational Model and Fulfillment Strategy - How services have been shaped by consumer preferences regarding Pickups/Warehousing/Deliveries. - Leading Example Businesses from (MakeSpace, Clutter, LOVE SPACE) Within The US, UK, and EU and how they operate/why they were successful. - Trends in the Industry, Challenges faced by the Industry and ways of overcoming these challenges, plus New Innovations such as Concierge Storage.

The aim of this document is to provide initial guidance to a Removal Company in making the Transition to Storage as a Service; both on a Business Model and Marketing basis.

Pivoting from Removals to On-Demand Storage

An established moving company has the infrastructure in place to successfully transition into the storage on-demand model due to the fact that they already own trucks, warehouses, and moving employees that are integral components of a concierge-style storage business. There are several companies in this space that have combined the two main components (moving and storing) into one, thus creating a new type of hybrid between moving companies and storage services. A great example would be bySTORED (now referred to simply as STORED), which is based out of London and has called themselves the "Most Trustworthy Complete Service Storage & Moving Company" in London, which directly speaks to how interconnected these businesses are [6]. Clutter and MakeSpace, two of the largest door-to-door storage startups based in the United States, have grown to offer local moving as an extension of their on-demand storage services. Clutter's CEO Ari Mir described Clutter's vision to be a "one-stop shop for moving and storage." Since that time, the growth of Clutter has led to Clutter merging with rival MakeSpace in 2022, which has allowed Clutter to grow and scale their moving and storage capabilities together [7]. In 2022 the company Clutter merged with a competitor, MakeSpace, due to both businesses experiencing rapid growth and wanting to use the merger to increase both businesses' moving capabilities while adding storage options to their service offerings [8][9]. The merging of both companies has allowed Clutter to expand its national reach. Today Clutter operates under the Clutter brand name and offers integrated services for moving, storing, donating, and disposing of items to more than 6,500 cities and towns, which covers approximately 60% of the United States population.

[10][11].

Moving companies transitioning into storage can leverage their knowledge of logistics for business advantage. Moving companies already have expertise in "heavy lifting" – the value of which is appreciated by their clients; therefore, a company offering storage-in-boxes or other products would not require to develop their own logistics operations from scratch (as many concierge storage start up companies did), but instead have the opportunity to offer storage services as an extension of their existing services. An example of this type of dual agency is STORED, which started out as a box storage service and then introduced packing and moving service; they were able to use their warehouses as a separate division of their moving services [6]. The synergy works both ways: storage customers frequently require transportation and vice versa.

However, to successfully pivot into on-demand storage, companies must also shift their mindset from a traditional logistics business model to one that is technology based and consumer-centric. According to MakeSpace's co-founder, positioning MakeSpace as a technology company - as well as a logistics company - has been critical to providing an easy-to-use experience for customers (via an app-based platform) and providing ease of use internally for the organization [12][13]. Therefore, moving businesses that want to enter the in-demand storage market need to make a commitment to invest in systems to enable booking online, tracking inventory digitally, and scheduling the movement of items digitally in order to meet the expectations of today's consumers (such as the ability to track their items in real-time, to have access to digital catalogs of all the items they have in storage, etc.). For example, MakeSpace created a mobile app that allows users to take photos and record details of their items and to easily schedule the pickup and delivery of their items with just a few taps on their smartphones [12]. Digital features like this set valet storage apart from the traditional "man with a van" model of moving and offers consumers the level of convenience similar to that of Netflix in an industry that relies heavily on outdated practices [12].

Operational Models and Fulfillment Strategies

Most door-to-door storage companies work using a four-step operational system: 1) Booking, 2) Collection of items, 3) Storage of items, and 4) Delivery of items back to the customer. When customers book a service through the door-to-door storage company's website, they specify the number of items to be picked up as well as the desired pickup time. After the company collects the items from the customer's place of residence, they store them for safekeeping in a secure storage facility until they are requested back by the customer. There are, however, many variations on how individual companies operate within this framework of service delivery.

- Storage options for your home using either a box model or by volume are typically offered by differing providers. The Box Model is used by a range of companies. In this model, customers typically pay for storage on a per-box basis (often at a fixed price that is generally quoted and can be identified as such). For example, LOVESPACE charges its customers, when they place orders for their items to be delivered for use in their storage facilities, a monthly fee to keep the items and also a delivery fee to return the items to them [14][15]. Generally speaking, the Box Model is a good option for people who may not currently have enough belongings to be stored in a small storage facility or who would like to keep some extra items [16][17]. There are some other storage services that provide storage options based on a volume measurement using a virtual, or estimated, unit-size for the purposes of storing items or boxes by estimating how many boxes would equate to how much unit-size would need to be kept in their warehouse. Pricing for the services will also vary from provider to provider depending on the relative value of each pricing structure: for example, per-box pricing provides a customer with more transparency in terms of pricing for smaller amounts of belongings, while full-unit pricing tends to appeal to people who would like to also find a way to store their furniture, appliances and/or other household items. The majority of valet companies have focused on storing "small items" such as parcels and luggage. However, some of these companies have also extended their service offering to handle larger items, including furniture, subject to limitations on size and weight. For example, LOVESPACE accepts items that may be longer than 1.5 meters and/or weigh more than 23 kg, in addition to the standard size boxes [14][18].

- **Centralized vs. Distributed Storage Facilities:** A startup's fulfillment strategy can vary significantly based on where to store items. For instance, Clutter and MakeSpace both built/leased large centralized warehouses in every city that they operated in (Typically on the cheap outskirts of the city) while others took a more asset-light approach by partnering with existing storage facilities. An example of this is Storrage/Livible based in Seattle; they created a "shared economy" model by renting out unused space from self-storage companies, effectively using those locations as their own storage facilities [19].Storrage would rent out standard self-storage units, set up their own racking and inventory management system, fill those units with multiple customers' boxes [20]. Because of this arrangement, facility owners received higher yields from Storrage because they would pay the owners twice the normal rent for units that the facility filled with valet customers [21]. Through its partnership model, Storrage/Livible can grow into new cities without having to create a physical warehouse; instead, they are using the unused portion of other companies' warehouses and even working with Extra Space Storage Inc. to facilitate valet service at the Extra Space facilities [22]. In contrast, Clutter has opted to obtain warehouse facilities (and has even taken over some traditional self-storage facilities) to provide its own infrastructure [23]. Each of these models has distinct advantages and disadvantages. The leasing and partnership model is quicker to implement and requires little capital investment; however, owning one's own warehouses allows for greater flexibility in designing the storage space (i.e., greater stacking density because customers are not physically visiting the storage space), and provides the opportunity for greater security as well as climate-controlled environments, which are expected to yield higher long-term profit margins.

- **Fleet and Labor Model:** Door-to-door storage is a logistics-intensive service. A major factor is whether to employ in-house employees or use contractors for pick-ups/deliveries. Most of the leading concierge storage companies employ their movers/drivers as W-2, not gig workers [24]. In managing this challenge, Clutter and MakeSpace both believe that having uniformed and trained people responsible for picking up/delivering items improves quality and builds trust with the customer base (customers are trusting their specialised pickers to handle all types of personal belongings) [24]. Another major factor is that having uniformed and trained employees makes scheduling easier, compared to providing service under on-demand conditions. The major disadvantage of this model is that it is more expensive– due to the significant coordination of schedules, training of employees, and labour management. Software has been developed specifically to help start-ups solve this problem; e.g., MakeSpace has grown from 4 drivers to 180 drivers in the last few years, operating in 10 different cities and has established effective workforce management methods; for example, they use the software Deputy for scheduling and time tracking [25][13]. The use of independent contractors or subcontractors for courier services by smaller companies or start-ups, may give companies lower initial fixed costs, but have more difficulty with the consistency of service. Storrage/Livible used a model similar to that of Uber for moving companies in their initial phase by using independent contractors to provide pickups and deliveries of items [19] While this model is manageable in very small markets or early stages of growth for a company, managing the customer experience and liability associated with lost or damaged products while in transport is an important consideration. In either case, both insurance and training of independent contractors is extremely important.

- **Technology and Inventory Tracking:** Every valet storage facility must operate a tracking mechanism for its many items that come into and leave the facility each day, which will include hundreds or thousands of distinct pieces of property moving back and forth. Stowable (UK) launched their company in 2024 with the primary method of tracking all their boxes through a digital dashboard of box-specific unique IDs (QR codes) that are linked to a customer account so that the employee can see instantly which box is stored in the warehouse [26][27]. Customers are typically able to log into their account at any time and access a visual catalogue of all of the items stored in valet storage, which typically includes pictures. This feature is widely marketed, however, surveys conducted on current users indicate that only a small number of customers (i.e., 29%) choose to use valet storage because they expect to have access to a visual catalogue of what they have stored [28]. Nevertheless, this system remains a valuable mechanism for ensuring that inventory is accurately tracked through the use of digital identifiers. Newer service providers are integrating their tracking systems with other software systems for driver routing and warehouse management. One example is PODS, a pioneer in mobile storage services that has invested heavily in GPS technology and barcode scanning to ensure that PODS "knows the exact location of every container at all times" [29][30]. The use of remote device management and real-time tracking was instrumental in PODS' successfully coordinating 130,000+ storage containers located within 300 locations across the United States [31][30]. For a removals company that has added a storage component to its business, having the capability to develop (or implement) a software platform that allows for order intake, barcode tracking, driver dispatch and management of the storage inventory is essential to success. There are numerous solutions that are already available as ready-made packages. An example is Boxbee [32][33]which began operations in 2012 as a valet storage company, but has transitioned from being simply a storage "store" to being a provider of not only a software platform but also the tools and resources for other storage entrepreneurs in order to be more successful. Boxbee provides an online interface for customers, an administrative backend, a mobile app for drivers to manage their routes and a mobile app for warehouse workers to scan items [34][35] All the components that are necessary for a successful business in this industry.

  - **Fulfillment Speed and Options:** Fulfillment Speed and Options – The phrase "on-demand" has become synonymous with "instant." However, this only holds true within certain on-demand services. The majority of storage service providers have pre-defined/periodic pick-up and delivery schedules most often falling within a 1- or 2-day time frame. For example, LOVESPACE will deliver your returned items the next day anywhere in the U.K., provided you place your order by 11 a.m., and they will also accommodate faster or Saturday delivery for a charge[36][37]. Unlike the traditional method of retrieving items (retrieving items at once), customers can select to receive different combinations of their items at different times with most storage service providers. While there is a constant and evolving trend for some companies to combine deliveries into fewer, larger batches as a means of improving route optimization, many customers will choose a specific day and time for delivery instead of a specific hour unless they pay a higher fee to secure a specific time of delivery [38][39]. Consumers expect convenience when using a moving company, but in return, companies need to offset their operational expenses with other revenue sources. A lot of the cost associated with providing 2-hour turnaround times is why many companies ask for advance notice for service requests. Over 60% of people who prefer to have their items stored in a valet setting do so for reasons other than speed and convenience such as time savings and the elimination of having to travel to a facility [40][41]. People would be less inclined to go to a storage facility immediately but would like to avoid the hassle of going themselves. A combination of only needing to transport my belongings to and from the storage unit and being able to avoid a trip altogether were the two primary motivating factors for choosing a valet storage option, comprising 62% and 47% of survey responses, respectively [40][41]. Therefore, new entrants into the market could begin their operations with regular scheduled pickup routes (e.g. weekly service routes to specific locations within a geographic region) and provide expedited pick-up and delivery as an additional premium service to reduce fulfillment costs.

Consumer Preferences and Market Trends

Concierge storage has served numerous new customer sectors existing in the traditional self-storage industry. According to early survey data (2015), over 40% of respondents would prefer valet storage to self-storage, assuming they were both offered at the same price [42]. This percentage increased to approximately 60% in 2016 from the same demographic sample in major U.S. urban locations where these services were provided [43][44]. Urban dwellers (typically, those living in apartments) are attracted to this idea since they often do not own cars and are attracted to the convenience of having service providers come directly to them [45][46]. - Concierge storage had a strong appeal to several demographics, including: - Those who live in urban areas and do not own a car, - Younger consumers (Millennials) - in a large survey (52% of respondents preferred valet storage to traditional self-storage) [42], as they are aligned with the on-demand economy and may not have a vehicle to access their belongings. Older Baby Boomers who age out of homes in urban areas also prefer valet service over traditional self-storage by a ratio of 2 to 1 in a survey [47]. - Women had an above-average preference for valet storage service compared to the overall survey sample and the same can be said for younger people; safety and convenience are likely reasons for this [42].

Convenience is the main reason why people consider valet storage or a delivery service for their belongings. A survey by Storrage found that "convenience was the most important reason" for people considering this type of service, with the secondary benefit listed as saving time and not having to use their own vehicle to pick-up and drop-off their items [48][49]. The second most important reason people considered valet storage is cost. Approximately half of all respondents believed it to be cheaper than traditional self-storage; specifically, in a 2016 survey by Livible, 51% of respondents believed that valet storage would cost less than traditional self-storage [41][50]. Consumers also believe that valet services often charge higher monthly fees than self-storage; however, consumers may compare the cost of valet service to that of renting an entire self-storage unit, paying for a truck rental, etc. For instance, for someone with a few boxes, paying £6 per month for each box could be cheaper than having £50 per month for an entire 50 sq ft storage unit that they do not fill up. Therefore, the growth of valet storage has attracted a new customer base; those that have not or would not utilize traditional self-storage services. In fact, a survey of 65% of the people surveyed who had never used a self-storage service identified valet storage as a more desirable option than self-storage [3]. This creates a new demand for the valet storage business model (those looking for storage but were discouraged by the inconvenience of self-storage) instead of merely competing for traditional self-storage customers.

Common usage patterns show that customers may use self-storage primarily to keep belongings like seasonal items along with their past collections and also school books/gear until the summer. Most customers will store their possessions for months rather than years, due to the vast amount of transitional situations in which they are involved, such as students studying abroad, relocating for a job, or with minimal personal items. The COVID19 crisis provided an additional source of demand: customers who had to relocate to create an office in their homes freed up clean space for that office. Additionally, as businesses transitioned to "lean logistics", it became increasingly necessary to provide a multitude of flexible solutions to allow businesses to use their existing inventory without having to build out warehouses [51]. As a result of these events and the demand for flexible and temporary storage solutions, the on-demand storage sector did see growth during COVID-19.

Europe and the U.K. currently hold smaller shares of self-storage space than America, but this gap will tighten significantly over the coming years as Europe's demand for storage options continues to increase because less than one-hundredth of the storage space that exists in the United Kingdom exists in Europe [52], There are many new storage companies that have recently started up across various European countries, with examples including Boxie24 in Germany, YouStock in France, Stowable and Caboodle in the U.K. and Storebox in Austria to name a few. Storebox recently raised €52M in order to grow from digitized self-storage throughout Europe through the establishment of a network of smaller, urban warehouse environments and a franchise-based business structure [53][54]. While focusing on storage for end consumers, Storebox also wants to move into the realm of logistics by creating urban warehousing to be used as last-mile delivery zones for quick commerce, etc [55][56]. On the other hand, a number of British start-ups have developed unique brands and services and therefore have been able to secure significant funding from investors. A newer valet storage solution company by the name of Caboodle has received a £10M investment following the launch of its brand around the concept of "caring for belongings and not just boxes," a multi-generational target market, while identifying Big Yellow (a self-storage company) as one of its top competitors along with LOVESPACE [57][58]. This highlights that even in a well-established self-storage market such as the United Kingdom, investors see great potential for continued growth through concierge-type services that provide a differentiated experience to those who use self-storage.

In order to trust third parties with personal possessions, consumers are concerned about Security and Trust. Leading providers have addressed those concerns with insurance (typically covering up to a certain dollar amount per box/item), background-checked drivers and access to their facilities is limited only to warehouse staff. For example, Clutter markets itself with, “Our state-of-the-art warehouses... Only trained staff can access them. Your belongings will be in good hands!”[59][60]).In addition to security, companies like Clutter actively market Convenience and Security as “two sides of the same coin.” Another emerging consumer concern regarding home storage is environmental awareness; Stowable’s initial public relations activities on launch have included announcements regarding carbon offsetting their development operations and using recycled materials and route planning for environmentally-friendly packaging [61][62]. While environmental issues may not be of primary concern to most customers today, Sustainability may grow into an important market differentiator for movers who wish to reposition themselves as contemporary and responsible providers.

Customers want businesses to be upfront about what they charge (no surprise costs), make it easy to reserve their item, and consistently pick up and deliver on time. The large number of companies that offer valet storage has created problems for these companies; they are having difficulty keeping up with providing the same level of quality service while still growing their business. For instance, if a delivery isn't made or an item gets lost, customers react extremely negatively because they have no way to retrieve their property. Therefore, customer support must be exceptional for those companies to continue to thrive. A removal company already focuses on providing excellent customer service; however, when it comes to storage, there is generally a longer term commitment between the company and the customer, so continual customer service support is critical.

Leading Companies and Case Studies

To understand best practices and pitfalls, it’s useful to examine some leading companies in the door-to-door storage space:

- Clutter (USA) – Founded 2015 in Los Angeles, Clutter became one of the largest providers of comprehensive storage services through the use of mobile applications, and provided consumers with on-demand storage solutions to retrieve stored items. Clutter raised approximately $300 million through the sale of venture capital (VC) with a $200 million investment from SoftBank Group Corp. in

2019 [63]) Clutter has since expanded into all large metro areas across the United States by establishing partnerships, such as with Iron Mountain, which has allowed Clutter to expand while using Iron Mountain's national facilities as a base [63][64]. In 2022, Clutter merged with its main competitor MakeSpace, creating one company under the name Clutter [65]. Through consolidation, Clutter and MakeSpace have been able to achieve national reach (servicing 60% of Americans across more than 6,500 cities and towns) [8]. To make this happen, both companies made significant investments into technology and operational processes; as an example, they employed their own movers, constructed warehouses, and have begun becoming profitable at scale. After the merger, Clutter's CEO indicated that the combined companies had approximately $200M in annual revenue and were pursuing an Initial Public Offering (IPO) [66]. A key point from this is that in order for the companies to achieve profitability using this business model, it was necessary to achieve scale and efficiency after several years of subsidizing growth. Today, Clutter focuses on being a "one-stop shop" for all transition services (including packing, moving, and storage) while also providing packing supplies for purchase. This model could be replicated by local removals companies [7].

- **MakeSpace (US)** MakeSpace, founded in New York City in 2013, was the first East Coast company to offer a 'by-the-bin' storage system, combining a tech twist with that concept by supplying customers with stylish green bins and offering photo inventorying of their items. Over the next few years, they grew significantly to over 30+ cities across the US thanks in part to a unique joint venture with Iron Mountain that saw them expand their market from four cities to over 30 in approximately 1.5 years [63]. Rather than lease new warehouse space in every new city, MakeSpace utilized Iron Mountain's existing warehouses and logistics networks in many locations allowing them to benefit from Iron Mountain's resources and offerings, creating a strategic partnership. They raised well over $100 million in funding from several investors, including Iron Mountain and Comcast Ventures, before merging with Clutter in 2022. A case study of MakeSpace demonstrates the way they leveraged technology to launch and grow their business; in the early days, they managed scheduling for their drivers using spreadsheets. However, they recognized the need to implement technology to grow with the company, and moved quickly to implement workforce management software in order to manage their increasing number of drivers [13][25]. MakeSpace credits their use of workforce management tools such as Gusto and Deputy as key factors that allowed them to scale from a start-up to a multi-territory operation, while remaining in control of their labour costs [25][67]. The MakeSpace example shows how important operational processes and management systems are to making real time (or 'on-demand') business models feasible for companies like them.

- LOVESPACE (UK) is a London-based storage company that was founded by Brett Akker (co-founder of Streetcar). Launched in 2013, LOVESPACE is often considered the UK's most popular by-the-box storage solution, and offered a clear concierge-style service: free collection with next day delivery anywhere in the UK for items required on demand, specifically targeting students and urban renters [16][14]. As part of the offering, LOVESPACE's pricing structure is based on a per-item monthly rate and a per-item return delivery fee (approximately £5 per box per month, £7-£8 per box for returned deliveries) [68]. In addition, the company has partnered with Mainstay Group, a property management firm with a portfolio of over thousands of buildings to both promote and potentially allow for storage to be made available closer to users [16][69]. The collaboration with Mainstay likely afforded the ability to expand operations beyond London as a result of Mainstay's extensive coverage throughout the UK. Since the inception of LOVESPACE, there have been over 120,000+ customers that have utilized their service [70], demonstrating significant growth. In addition to providing traditional storage services, LOVESPACE has expanded its offerings by providing "Self-Storage" units that allow customers to have their goods collected from their location and stored for them (typically larger quantities). In addition, they provide customized commercial storage options to fit the specific needs of businesses. Unique aspects of LOVESPACE's success include a well-recognized brand with a high level of trust from its customers, particularly due to the bright orange box and van branding synonymous with the company (in London), the availability of their pricing on the web, and being a first mover in the market place. They also developed a complete e-commerce "Box Shop" that allows customers to order all their packing supplies and receive them directly from LOVESPACE. This enables LOVESPACE to generate additional revenue within an inbound area of their business, as well as streamline the entire customer experience [71][72]. A significant aspect of this success was, of course, that Big Yellow, the largest self-storage operator in the UK, was a RED1 investor in LOVESPACE, indicating that traditional self-storage businesses perceived value in their "valet" business model. Customer service has been a focus at LOVESPACE from the very beginning; they have implemented a telephone support system for their customers, and have developed a simple four-step process for booking and receiving service (Book, We Collect, We Store, We Deliver) to communicate to current and potential customers how easy it is to use their services. They effectively market the customer service aspect of their business as much as they do the operational side [73][74].

- Starting in 2014, bySTORED (referred to as STORED) was another on-demand storage business that began in London. They were able to position themselves as "the Uber of Storage" with an amazing, easy to use digital customer booking experience as well as a more personal touch when compared to other storage businesses. Their "bespoke moving and storage service with a personal feel" was heavily marketed [75]. bySTORED grew to represent over 20 major cities across the UK and gained thousands of customers

[76]. The Business Model is similar to other on-demand storage services (providing the workforce to collect items and three store in a warehouse); however, bySTORED is the first to offer complete House Removals and Packing Service in addition to their on-demand storage. By providing these ancillary services, they recognized that most storage customers require assistance Packing and Moving additional items as well. Despite their apparent growth, one source could not verify their claims of being the "2nd largest storage service" in comparison with Big Yellow; however, bySTORED clearly became an important competitor in both Removals and Storage [77]. In light of customer reviews indicating problems with additional fees and customer scheduling errors, Managing expectations and logistics will be crucial [78], The growth path of STORED could offer valuable lessons for a Removal firm looking to expand its offerings and reach a larger audience, but excellent execution is essential to maintaining a great reputation.

- Other Notable Companies: In the United States, Closetbox launched in 2014 and grew rapidly to provide services in 36 states via 150 locations (110 warehouses and third-party moving companies) [79]. Unfortunately, Closetbox was forced to file for bankruptcy (Chapter 7) in 2020 due to financial issues [80]. Closetbox's failure to manage its business until 2020 demonstrates that funding for significant financial operational expansion along with continual successful operating efficiencies is crucial to being able to sustain these types of rapid operational growth and expansion as a business; costs associated with labor and logistics create unsustainable operational models once unprofitable. Another US-based company, Boxbee, evolved to being a B2B software company. Livible (formerly Storrage) continues to operate from the Pacific Northwest. CallBox Storage is based in Texas and surrounding states, specializing in concierge storage to both customers and businesses. PODS, which operates in the US, Canada, and Australia, is a different type of earlier business model to mention as PODS delivers portable storage units to customers (who then load them), then retrieves loaded PODS to provide warehouse storage until needed back by the customer. While PODS delivery is not on a unitized basis (it is more like an item), PODS delivery has similarities to the valet solution of providing an option to use a delivery service, since the customer does not need to go to a storage location to load or unload their baggage as PODS delivers it to and from the storage site for the customer. In the late 2010s, PODS had grown to the operations of almost 130,000 PODS and over 1 million PODS delivered [81][31]). The success of PODS demonstrates there is a demand for customers to not have to go to a storage location to load their items (even, though the customer is responsible for loading, all delivery of PODS moved; the customer was then never required to go back to the storage facility).

- With the addition to Storebox (Austria), we have noted other emerging and European Players such as YouStock (France) and Boxie24 (Germany/Netherlands), offering valet storage service in multiple European cities. In 2024, Stowable (UK) was established as the first valet storage company focusing on sustainability and nationwide uniform pricing (without the London premium) [82][83]. As previously stated, Caboodle (UK) focuses heavily on branding and hopes to facilitate mainstream adoption through a £10m investment [57]. There also exist peer-to-peer storage marketplaces, both Storemates (UK) and Neighbor (US), which serve to connect people who have spare room with others looking for storage space. This is somewhat of a diff model than valet storage, typically cheaper than valet storage and decentralized. However, many removals companies partner with these types of centres and/or use their warehouse space to list their warehouse spaces. Peer-to-peer storage marketplaces represent an alternative storage solution; but without using the services of a moving company, they do not meet the "door-to-door" criteria. Nonetheless, peer-to-peer storage is indicative of the move toward flexibility in the market, beyond just simple rental options such as "renting a locker," etc.

Industry Trends, Challenges, and Innovations

Urbanization and the resulting high cost of residential real estate have made it more difficult to have enough room in our homes to store all our belongings, so more people than ever before turned to away from doing as much themselves (e.g. accessing remote self-storage facilities) and are looking for ways to use professional assistance (e.g. concierge style). Trends are going in both directions with the rise of urbanization and increase of demand for more room leads to many opportunities for growth in the Self Storage industry [84]The "On-Demand Storage Economic Model" continues to expand the potential for creating new markets. There is currently a "space race" across the United States to construct facilities that provide storage solutions for users of self-storage; however, these new companies have opened up new revenue streams by providing customers with new services in addition to the space for storing inventory [4]. Overall, we can see the move of startups towards creating a broader overall opportunity instead of just shifting other players in the self-storage business out from them [85].

Consolidation in the United States is a major business trend after a wave of venture-capital infusion of new entrants into the industry during the period of 2014 to 2016, as many of these new entrants have experienced mergers and/or exits from the market. A clear example of the consolidation process towards achieving a sustainable scale is Clutter + MakeSpace [86]. The fact that Iron Mountain is involved in this process (they funded MakeSpace and acquired the Boxbee operations) indicates an interest in how established storage companies could be involved with integrating or learning from these established business models [63][32]. While self-storage real estate investment trusts (REITs) in the United States have primarily focused on growing their current businesses, the partnerships between Extra Space and Livible and Public Storage exploring valet service concepts may suggest an emerging convergence within this sector. In Europe, we are still in the early stages of consolidation with fewer competitors, but there likely will be similar trends occurring as the marketplace continues to mature, namely larger firms acquiring innovative start-up companies and establishing partnerships.

Challenges: The valet storage model has many challenges despite its great potential:

- High Operational Costs: On-demand storage is more expensive than traditional self-storage (which is commonly referred to as "real estate" and has much greater margins after buildings are constructed) because on-demand storage is primarily a service industry and has continual expenses associated with it. The company operating valet storage facilities must have a fleet of vehicles, employ drivers, warehouse operators, handlers, etc., as well as being able to manage diverse inventory (i.e. storing a variety of products that do not always come in the same package) [87]. One example of these costs additionally incurred to provide valet service includes the costs associated with providing the trucks, fuel, and labor associated with providing the valet service; those costs must be shifted to the customer and, depending on how well they have been managed, valet storage could potentially be a more expensive alternative to traditional self-storage facilities [88]. In order to maintain acceptable unit economics, it is critical for companies providing valet storage to have good route density (multiple items delivered/collected during a trip) and efficient warehouses. Additionally, if a removal company was to combine the collection of storage items with moving jobs on the same day it would be able to maximize its crew usage and reduce idle time.
- **Pricing Profitably is a challenge:** Many consumers consider self-storage to be too costly; a recent report from the UK self-storage sector indicates that 36% of UK residents perceive self-storage as a high cost [83]. With valet storage (offered in many cities) customers only pay for the quantity of storage used (i.e., just a few boxes) and therefore reduces the overall cost of the service. However, if the customer wants to store more items with valet storage, they will eventually be charged at a rate equal or higher than a traditional self-storage facility. Many valet companies have implemented discounted rate plans for long-term use and/or larger volume customers so that they can compete with self-storage competitors. For instance, Stowable indicated that, among other product benefits, they provide discounted pricing to customers who commit to long-term contracts and also offer their services at one nationwide flat rate, which includes free deliveries without any additional fee [83][82]. In the end, the company needs to make sure their monthly rate (storage fees) combined with the pickup/delivery fee are enough to cover their operating expenses associated with these services. Interviews between TechCrunch and Clutter's CEO indicate that they were just breaking even on ~$200 million in revenue in around 2022 [66]This demonstrates how tight profit margins can be prior to reaching scale. Operations improvements (routing automation) and practical pricing (charging for delivery, etc.) are critical factors in achieving profitability.
- Logistic Complexity: Logistics create more opportunities for error versus self-storage companies due to the increased number of items and appointments to manage. There is also a risk of losing or damaging the items while they are in transit, necessitating proper

inventory controls and insurance on items. A customer who requests their winter coat from their storage unit and either cannot locate it or receives it damaged has experienced a significant service breakdown. Company Clutter attempts to alleviate this risk through an extensive bar-coding system and stringent warehouse access restrictions (only employees trained by Clutter handle customer items; thus reducing potential occurrences of damage or loss) [59][60]. As the volume increases, maintaining a high level of accuracy continues to be a major obstacle. Data and automation techniques will likely facilitate improved accuracy as these businesses grow. Some companies have considered automating processes using vertical storage technology, however; the majority of logistics companies continue to utilize employees to pick and pack items due to the variables involved with many different types of items.

- Consumers want to know that a company like [company name] is offering a safe and trustworthy way to store their belongings. There are many customers that are still unaware of valet storage services (or have misconceptions about them), and it is essential that we educate potential customers by clearly communicating what valet storage entails. Customers need to understand that we offer the same convenience of home delivery, and they only need to pay for the volume of items stored with us for as long as they want to keep the items stored, and that they can easily access their belongings whenever they would like to retrieve them. The best way to provide this education is through marketing and customer education (experiencing valet storage and sharing). The valet storage service model resonates with people who typically do not use self-storage or have never used a self-storage unit [85]Therefore, there is an opportunity to provide both educational and marketing information in regard to valet storage and, more specifically, through customer testimonials and recommendations (word-of-mouth). The use of contrasting messages (e.g. "self-storage is as outdated as Blockbuster in the Netflix era" [12]). can also help to promote valet storage to those customers that currently utilize or will utilize self-storage. Valet storage also offers the advantage of the ability for removals companies to leverage their existing customer base (previous customers) to both cross-sell and market their storage services to customers who need storage for decluttering, interim storage, etc. By doing this, removals companies are able to create additional opportunity for continued business through existing customers.
- Retention Rates and Utilization - Self-storage has a high average rental duration (usually greater than 1 year). However, valet storage's usage cases are often shorter than that, resulting in an increased churn rate which may negatively impact profitability due to the inability to recover customer acquisition and servicing costs quickly enough over time. Alternatively, if users treat valet storage as a true off-site storage facility, they could remain clients for many years; excellent service delivery and loyalty incentives (like refer-

a-friend credits, as offered by LOVESPACE [89]) could enhance retention. Furthermore, seasonal demand varies significantly between student storage companies during summer months and autumn, so it is critical to effectively manage inflow and outflow and utilize warehouse space throughout the year. Some companies have leveraged off-peak periods to market business customers and run promotional campaigns.

The industry has experienced multiple innovations and changes to the way that they operate. Examples of these innovations include:

Automation and Technology - In addition to using the software mentioned, companies are also exploring automated storage and retrieval systems (ASRS) that will help them to manage boxes within their warehouse space, reduce labour costs, and streamline operations through automation. Although ASRS has not become mainstream yet, as automated warehouse technology becomes more widely available, we anticipate that businesses will see many benefits from investing in warehouse automation. Additionally, many companies are interested in utilizing routing optimization algorithms (i.e., clustering for their pick-ups and deliveries), to ensure that their drivers do not travel inefficiently throughout the city. Integration with E-commerce and Last-Mile - The emerging trend of utilizing distributed storage locations as fulfilment centres (i.e., Storebox's approach to micro-logistics hubs [90][56]). is an area of focus for many companies moving forward. Clutter, in the United States, at one point, was offering a solution where businesses could have their inventory stored on-demand, with the potential for instant fulfilment. The B2B storage and delivery approach offered through this service, can serve as a small competitor to Amazon's Prime fulfilment option for local businesses. There is a great opportunity for growth in this area, as companies associated with moving and storage could potentially provide a similar service to online retailers by allowing them to store inventory and deliver directly to the customer on the same day. The sharing economy is a peer-to-peer model, as mentioned above with companies like Storemates and Neighbor. Even though it's not strictly what a traditional concierge service provides, some companies have started to add on-demand pickup to their services. The idea is to combine a network of unused car garages with a network of drivers. This opportunity isn't mainstream yet, but could potentially give consumers the ability to access ultra-local storage options. Sustainability - Providing storage for products that would otherwise end up in a landfill (permitting reinvestment) and optimizing truck routes usually results in decreased emissions. Some of these companies also promote environmentally-friendly practices (e.g., using electric vans for deliveries in dense urban areas, or offering their customers recyclable packaging materials). This is probably a secondary innovation, though with companies increasingly moving toward 'green' operations, many are finding that this is a way to differentiate their product and offer a marketing advantage (for example, Stowable's commitment to be carbon neutral is a strong selling point for them [91][62]). Along with the increase in the number of valet storage providers nowadays, many have been offering additional services that generate additional income and improve customer satisfaction. The two most common ancillary services currently being offered are packing services (sending professional packers to help consumers pack boxes when they pick them up) and packing supplies delivered to consumers before they have to move their items to storage (some companies like LOVESPACE do this as well). Some companies even provide insurance upgrades for their customers beyond the basic coverage level. One example of an innovative supplemental service is that some full-service storage companies are now offering to take photos and create catalogs of customers' wardrobes. Others have experimented with the concept of allowing customers to rent or resell stored items. A great example of this concept is the defunct start-up called Omni that was located in San Francisco, which had planned to do this before they ceased operations. Although Omni's concept never came to fruition before the company closed its doors, it illustrates the potential for creativity in expanding businesses' capabilities when they manage your goods while they are stored.

Industry Voice: Ray Velmi, CEO – I Like to Move It Move It

According to Ray Velmi (Chief Executive) of I Like to Move It Move It, the behavioural shift is already visible in daily operations [95].

- In 2025, we will see a dramatic change in the way Londoners behave when it comes to self-storage; previously, many customers rented self-storage units but would now like to use the click-and-collect and door-to-door delivery options. We believe that this change is a response to increasing convenience and transparency; people want to store their belongings when it is convenient for them rather than when it is most convenient for the storage facility. Our collection vans now serve hundreds of repeat customers who have never visited the storage facility, and what started out as an additional service has turned into the main growth area for our storage division.

The observation that Velmi has made aligns with the industry's overall direction, which is that the increasing number of people who are using e-commerce and working remotely is leading to a demand for managed storage companies (companies who allow their customers to access items located at another location).

In conclusion, the convenience-oriented door-to-door storage model clearly represents an evolution within the field of storage. With growing consumer interest in outsourcing/outsource jobs as well as utilizing technology to make it easier for them to utilize your service (removal companies), these four successful case studies denote our best recommendation for a removal company who wants to get into this space: 1) Focus on convenience/transparency; 2) Utilize logistics strengths; 3) Prioritize technology/tracking; 4) Be cognizant of costs. By successfully implementing these four items, the concierge storage model has the potential to grow your brand and provide a solution for your customers to "eliminate the hassle" of using a storage service. Studies have shown that 68% of consumers using valet storage have stated their time savings as the primary reason they use it [92][49]). As the existing players within this business model have experienced both great innovation and great obstacles, your company can learn from these successful examples to assist your company in making this transition.

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