



The Portable Storage Industry

**Then, Now,
And In The Future**

by E. George Johnson



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In discussing the content of this article with associates, customers, and various operators in the portable storage business, one fact became evidently clear: Portable storage—or mobile storage—is catching on. The fact that this industry was barely on the storage radar 15 years ago and today gross annual revenues generated system wide approach \$3 billion is quite a story.

There are over 1,500 operators in the U.S. including the individual franchises and/or dealerships that provide portable storage solutions in various geographical locations. All major metropolitan areas are serviced by many providers, and only remote, less populated areas are not serviced.

The popularity and increased market share of the mobile component of self-storage business has been driven by several factors:

- **Convenience.** Instead of having to haul one's stuff to be stored to a facility with storage lockers and unload and store the goods in the storage space, the storage container is brought to one's residence or business. This allows loading the goods at one's convenience, in the timeframe that fits their schedule, and without making multiple trips to a storage facility. If someone is remodeling or moving, this convenience translates into one pack and one unpack—at their convenience.
- **Flexibility.** Portable storage containers come in various sizes to fit one's needs and multiple containers can be utilized; whether it's storing accumulated stuff from the basement or moving an entire household, any combination of containers are readily available.
- **Cost Efficiency.** The utility of time is precious, and the convenience of having a storage container on

your premises that can be loaded and unloaded at your discretion is a plus for mobile storage. In addition, not having to rent a truck or drive back and forth to a storage facility saves time and money.

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- **Turnkey Storage/Moving Solution.** There are occasions when one merely needs to store extra, temporarily unused stuff. There are times when delays occur from the time one closes on one house and moves to another. With goods stored in containers, the relocation is as easy as shipping the container to the next location. Even for across town, intrastate, and interstate moving, the same efficiencies occur for cost savings. There are fewer touches and less unloading and loading—and these factors translate into lower costs and less damage to stored goods. There are loading and unloading labor services for hire that have evolved strictly to serve you with containerized moves.
- **Security.** Once loaded the container is securely locked. Most larger containers are constructed with steel and are safe when left outside. When stored in an operator's warehouse, an extra level of security is added.
- **Protection against the Elements.** Today's containers are not only secure, they are wind resistant for winds in excess of 100 miles per hour and are water resistant. These are must-have features, especially when the boxes are being transported on major highways across the country.

- **Increased Awareness.** Major multiple location operators have been advertising more on television including prime-time buys. This creates awareness for the entire industry; not only an introduction to the product offered, but also the inherent benefits of portable storage. It's interesting that a major portion of these ads are dedicated to the ease, flexibility, and convenience offered in moving—across town, state or country.

All self-storage facilities offer security and weather protection. It is convenience, convenience, convenience that really sells the concept of mobile storage. This is what truly differentiates portable self-storage from the rest of the industry. It is truly a hassle eliminator.

Industry Overview

There have been numerous articles and white papers written about the history of self-storage and the evolution to portable storage and portable storage and moving. There are somewhere between 45,000 and 50,000 self-storage operations in the U.S. and the total revenues generated in this industry is over \$30 billion dollars. So today, portable storage roughly represents about 10 percent of the market.

During the '80s, '90s, and early second millennium, the self-storage industry grew at a rapid rate. This has flattened out in recent years, but there will always be demand for outsourced storage as long as people have stuff. The moving component that portable storage offers enhances the possibility for this segment to grow at a faster rate than traditional self-storage.

Franchised operations or multiple location mobile storage companies have the footprint that supports interstate moving, and this is a major thrust of their advertising and promotion. Independent operators could join this lucrative segment of the

business by hooking up with a moving “network,” but a viable system is not out there yet.

So, in looking forward, what we know is that there will always be a demand for self-storage. This demand can be augmented one way or the other by the general health of the economy, but life events (marriage, divorce, death), remodeling, moving, and just an over accumulation of stuff insures the need for extra offsite storage.

We also know that the consumer has multiple alternatives to choose from. Lessened demand in the past three years coupled with the aggressive buildup of facilities in past years intensifies competition. Knowing that more facilities and mobile storage companies are vying for each storage dollar illuminates the necessity to be price competitive, offer a quality and pleasing solution, and intensify differentiation in the marketplace. This creates a favorable platform for market competition for portable storage operators.

The convenience factor for mobile providers is huge. It seems the more this can be promoted, nurtured, and improved upon, the greater the probability that the storage dollar will come the portable way. How can this differentiating element be enhanced? Primarily by constant promotion of this trait. The fact that the box is delivered directly to the location and can be loaded/unloaded at the customer’s convenience creates a strong reason to go this route.

There has to be easy and secure access to the box (both on premises and the storage facility), and the delivery and pickup has to be at the scheduled times. When a customer is moving, it’s extremely convenient to order a delivery of the stored container to another location without any repacking. For these reasons, the slope on the growth curve for mobile storage will continue to rise—

with some bumps created by general economic conditions. There are some certainties of this segment of the industry that are predictable for the future:

- **Consolidation.** The self-storage industry is highly fragmented but less so than portable storage. As consolidation has taken place in the traditional self-storage segment, eventually it will occur in the mobile segment. When and if the housing/real estate market bounces back and the storage industry becomes even stronger, there will be some consolidation with multiple locations acquiring

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smaller independent operators. There could be some merging of larger multiple location operators with some large franchised operations buying smaller franchised operations.

- **Moving.** Even though most moving companies offer some iteration of portable storage, it seems that the obvious and more profitable migration is the portable/mobile companies shifting to moving services. The ability to offer this as a value added service adds marketing muscle beyond just storage. Additionally, the moving/storage pricing offered by portable companies is typically very competitive. Plus, don’t forget the convenience factor. As mentioned earlier, even those strong independent operators without national footprints will someday be able to offer this service via contracted services.

- **Turnkey Solutions.** There is already some presence in the marketplace of smaller operators getting into the business with a relatively small initial investment. The con-

tainers and delivery systems (trailers) are leased as a package. Additional offerings from the lessor could be call center capability and immediate hook-in to long-term moving.

- **Standardized Containers.** As the industry progresses in these areas, there could be a requirement for a universal container: a standardization that allows comingling of boxes from various operators. Of the 1,500 mobile operators out there now, there are over 300 different models of containers—wheels; no wheels; different door styles; different sizes; different

roofs; different bases. Most operators today have containers that adapt to their particular delivery systems, so I don’t see a common style for some time. The shipping systems for ocean, ground, and rail transport required the systemic conversion to standardized containers because of logistical requirements.

As the popularity of portable storage grows, competition will certainly heat up. This usually benefits the consumer, but because investment in hard assets is relatively equal, price elasticity is less of a factor. Marketing will make the difference for the larger, multiple location providers. On the playing field, whether large or independent operators, the storage dollar will go to the provider of quality service, service, service. This is true today and will be true in the future. 🚚

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