

24/7 Self-Storage Solutions: The Role of AI and Chat Commerce



CONTENTS

- 3 Purpose of this Whitepaper**
- 4 Executive Summary**
- 5 Introduction**
 - 5 Evolution of Self-Service and Automation in Self-Storage**
 - 5 Brief History – from ELIZA to Chat Commerce**
- 6 Chat Commerce And Self-Storage**
 - 6 Benefits For Customers**
 - 6 Benefit For The Company**
- 7 AI Power-up For Chat Commerce**
- 7 Use-Case Examples**
 - 7 Unit Selection And Booking**
 - 8 Customer Account Management**
 - 8 Problem Resolution**
 - 8 Upsell Moving Services and Packing Supplies**
- 8 Implementation Best-Practices**
- 9 Conclusion**



Purpose of this White Paper

This whitepaper serves as a comprehensive guide for self-storage industry professionals seeking to harness the power of AI in their Chat Commerce platforms. This paper will explore the evolution of self-service and automation within the industry, with a particular focus on how chatbots are transforming customer service and sales. By relying on specific use cases, this paper will show that AI chat commerce has significant benefits for both customers and self-storage businesses, including increased convenience, improved conversion rates, and enhanced customer loyalty. The paper concludes by outlining best practices for successful chat commerce implementation.

Executive Summary

The self-storage industry is undergoing a digital transformation on many fronts. Chat commerce can be one of the key drivers of change. By leveraging chatbots and AI-powered solutions, self-storage companies can offer 24/7 support, automate repetitive tasks, and personalize customer interactions. This enhances customer satisfaction and frees up staff to focus on more complex issues. Chat commerce has many benefits for customers and self-storage operators alike, including increased convenience, improved conversion rates, and a more streamlined approach to customer service. Its adoption means a step toward a more customer-centric and data-centric approach to operations.

Introduction

Evolution of Self-Service and Automation in Self-Storage

Various self-service solutions exist for most steps of the customer journey in self-storage. Some of them, like independent access using padlocks or pin code locks, are almost as old as the industry. A thriving industry has existed since the early 2000s that builds, provides, and maintains self-service kiosks for self-storage locations. Later, in the 2010s, the worldwide web brought online booking and online payments. Other solutions, like selecting, booking, and managing the unit through an app, are a novelty of this decade. The tech changes, but the direction is the same—more and more self-storage operators outsource a major part of the customer journey to the customer. The customers, meanwhile, seem to love this trend as well, as they can do it at their own leisure, from the comfort of their home and independent of such a 20th-century concept as “business hours.” Service in the 21st century is 24/7, and because it is not possible for humans to work such hours, machines and automation bridge the gap.

It is no surprise that every self-storage management solution worth its money will come with an automation toolkit. This toolkit is not limited to booking or moving out of the unit. There are plenty of self-service applications for customer service and customer support, and most, if not all, of them can also find applications in self-storage. I am, of course, speaking of the FAQ and its advanced form – the chatbot.

Brief History – from ELIZA to Chat Commerce

Even though we have only started seeing widespread applications of chatbots in customer service in recent years, the first chatbot, called ELIZA, was developed in the 60s at MIT [1]. She worked very similarly to many of the simpler customer service chatbots we find on websites: Using keywords, the chatbot retrieves an answer from a set of pre-scripted answers. Today, we call this the knowledge base. Data about the most commonly asked questions is collected, and the chatbot can draw from it to perform a certain task, like providing the customer with information about their booking or explaining the cancellation procedure. They are a great tool for companies and can deflect up to 80% of inquiries and routine tasks.

Moreover, they can automate up to 30% of all tasks carried out at a customer contact center [2]. Self-storage is a business that can reach many customers with a small overhead. Savings like this are significant for the business. Chatbots are a mainstream technology, and their adoption figures nearly double yearly [3]. It is not surprising, then, that nearly three-quarters of customers in the US both expect to see a chat functionality on a website and prefer to refer to it for simple questions [2]. Increasingly, these applications are used not only for customer support but also to drive sales. AI-enabled chatbots have more complex conversations with customers, advise them on products, and even facilitate purchases. This is commonly known as Conversational Commerce or Chat Commerce. The term encompasses all kinds of interaction between a customer and an AI agent, whether spoken or written. So, it could be an AI chatbot on a website or an AI voice on the phone. Some definitions, however, specify that Chat Commerce is the term for transactions exclusively through messaging apps. The idea is to connect with the customer in the most natural and unintrusive way through an app they already own and use daily. It creates a more

informal and personal experience for the customer. We do not follow this narrower definition in this paper, but we differentiate between regular chatbots and more sophisticated chat commerce solutions with the above-mentioned functionalities.

Between 2022 and 2023, the use of messaging apps in B2C conversations has nearly doubled [4]. Customers are reporting the experience as more positive and pleasant, leading to higher satisfaction and better customer loyalty [2]. The fundamental benefits and appeal of chat commerce are its simplicity and speed. Customer can get the information or outcome they need through a few simple messages on their phone, from their couch, using their favorite app. It is suitable for both impulse purchases and planned ones. Most customer already research information on their phone, they are most likely to see ads on their phones, and it is only logical that they make a purchase from the phone. At the same time, we see resistance and fatigue when it comes to downloading and installing yet another app [5]. Chat Commerce solutions address both. By lowering the customer effort, they make conversions even easier. Like other applications from the retail industry, chat commerce can also have significant benefits for the self-storage business.

Chat Commerce And Self-Storage

Benefits For Customers

Speaking from our customer's perspective, chat commerce solutions enhance the customer experience by reducing effort and leveraging familiarity with the chat application. A chatbot does not have business hours. No matter the day of the week or the hour, as long as the question is not too complex, a chatbot is able to prompt an immediate response. The customer can get immediate assistance without having to wait, especially in the case of urgent or simple inquiries.

The interactions, even if they are not individually personalized, can still feel very personal and natural. This is mostly due to the fact that the chat history remains in the app whenever the customer revisits it, creating a sense of continuous conversation. Unlike with a website, where the customers typically present as anonymous visitors, when chatting through a messaging app, the phone number or username can be linked to a customer profile containing all relevant information. For the customer, it means a more streamlined process, as they won't have to enter the same general information repeatedly before receiving an answer to their inquiry.

Moreover, applications are something most customers are already familiar with. Many people use them daily to communicate with friends and family. Using them for customer service feels natural and intuitive. This familiarity reduces the learning curve and makes the interaction feel less formal and more conversational, which can increase customer comfort and satisfaction.

Benefits For The Company

For companies, chat commerce solutions share many of the benefits that regular customer support chatbots have. Consumer research has found that the majority of inquiries are not complex and very repetitive. A well-set-up chatbot can deflect up to 80% of inquiries. [3] Self-storage is a seasonal business in most regions, and managing this seasonality, especially in terms of workforce allocation, is always a challenge. The existing teams are often overwhelmed during

peak demand, but hiring additional staff will become a financial burden in low-demand times. Managing this situation requires a very fine balancing act. However, virtual chat assistants and chat commerce can easily help smooth out the increase in inquiries during high-demand times. As with everything else, most new customers will have similar needs, questions, and problems that an automated system can assist with. If hand-off to an agent is required, the bot can collect relevant information and present it to the agent to provide context instantly. On the back end, the system brings everything together for the agent on one screen: The client's message history, relevant facts, past transactions, answer templates, other useful macros, etc. Because everything is presented in a comprehensive way, the agent can act based on data-driven insights, which typically leads to faster resolution times for the customer.

To hone in on the benefits of chat commerce specifically, the biggest is the potential to re-engage the customers. At any point, the agent can rekindle an old conversation. This is especially useful when the bot sends reminders or other previously requested information. Regarding marketing efforts, past conversations are a good starting point when trying to sell the customer on a deal or promotion to boost ancillary revenue. These kinds of touchpoints between customers and companies help strengthen the relationship and usually lead to more loyal and satisfied customers.

Chat commerce also can potentially improve conversion rates and, therefore, the return on advertising spending. Many customers decide within seconds whether the page the ad navigated them to has what they need or not [6]. Typically, this is the step in the conversion funnel where most jump off. A virtual agent could proactively approach the customer and, through gamification, obtain more information while the system in the background uses this data to narrow down a more personalized product offer for the customer. This kind of system would require a more sophisticated chat assistant with an AI behind it, which leads us to the question – how does AI enhance the system?

AI Power-up For Chat Commerce

On the front end, an AI-powered chat solution has infinitely better understanding. The customer is not limited to simple questions or a limited number of keywords. With the help of Natural Language Processing (NLP), AI models can be trained to understand and process natural language inputs. They can learn to interpret context, sentiment, and intent. Even typos and minor grammar mistakes no longer pose a significant challenge. An AI can have a more fluid conversation with the customer because it can handle complex multi-turn conversations and understand few-shot examples. Since it remembers and learns from previous interactions, each subsequent one can be a more personalized experience for the customer.

On the back end, the AI can enhance the agent view with various analytics insights. It can fetch data and update it dynamically through integrations with other systems, giving the agent the most up-to-date information. Moreover, it can perform various data analysis calculations in the background and provide solution suggestions to the agent to further increase resolution times. The AI can suggest macros and other automations based on common interactions with similar clients and even adjust the tone of message templates based on the specific user and situation. In other words, AI implementation makes the process faster and smoother and provides a better experience for the customer and employee at the same time.

Use-Case Examples

Unit Selection And Booking

Scenario:	A potential customer is looking for a storage unit for their seasonal sports equipment and some other items.
Implementation:	The customer visits the website and initiates the chat. The virtual chat assistant can guide the customer through the booking process, advise them on the correct unit size and features, like climate control, based on the items the customer wants to store, and provide a quotation. If the customer accepts, the chatbot can guide them through the reservation process, create a customer profile, request their payment information, and provide them with the contract to be digitally signed.
Benefit:	The customer can book the unit at any time when the need arises. It also improves the conversion rate of website visitors into tenants. Staff don't need to handle most booking inquiries and can focus on those that actually need human attention.

Customer Account Management

Scenario:	An existing customer needs to update their payment method
Implementation:	The customer sends a message with the updated information using their preferred chat app, Line. The chat commerce system matches their phone number with the database, retrieves the customer file, and updates the information. The customer receives a summary, and after they confirm it, the database is updated.
Benefit:	Customer account management becomes simpler and virtually effortless as most of the work is done by the AI in the background. The payment method has been updated, and the rent for the unit will be paid on time. There is no risk of human error.

Problem Resolution

Scenario:	A customer has locked themselves out of their unit and messages through WhatsApp
Implementation:	The chat assistant can provide immediate help to troubleshoot the cause of the issue. If it is a simple matter, like a forgotten entry code, it can guide the customer through the reset protocol. If the issue is more complex, the AI can escalate with high priority to a human agent and even schedule maintenance of the lock.
Benefit:	The customer can receive timely support, and even if there is no immediate solution, for example, in the case of a technical or mechanical failure of the lock, the chatbot can provide assurance that the problem will soon be fixed.

Upsell Moving Services and Packing Supplies

Scenario:	A customer recently upgraded their unit size, and the AI identifies this as an upsell opportunity
Implementation:	The customer upgraded the unit through chat on Messenger. The AI can use this conversation as a starting point to check in with the customer proactively and send them an offer to buy packing supplies or use the company's moving service with a discount. The customer can choose the items they need and place an order for them right there in the app, which will be added to his next due bill.
Benefit:	The customer receives an attractive, personalized offer that makes their overall experience with the business more positive. The company receives ancillary revenue that otherwise could've gone untapped.

Implementation Best-Practices

A solution like chat commerce must be integrated with the existing systems to work at its maximum potential. Only then can it really bring the benefits we outlined in this paper. Three factors contribute to a successful implementation:

- **Selecting the right chat platform** – There are many solutions on the market, each with its advantages and drawbacks. When making the choice, it is important to know how it will connect and interact with existing systems in the business.
- **Staff training** – Adding a new tool is not enough if the employees don't know how to make the most of it. They need to be on board from the first day since they are the ones who know the customers and can help design the final implementation in the most impactful way. Ensuring employee buy-in from the start is a pillar of project management success.
- **Data security and privacy** – The system will be handling a lot of sensitive customer and business data. Making sure that everything is compliant with the law and managed safely is essential.

Improving automation and the digital footprint of self-storage companies has been our mission for over two decades. We see chat commerce as yet another essential and impactful tool in the transformation of the industry. Such a change can be a big step for any self-storage operator, but we can help select the right solution and manage their implementation successfully.

Conclusion

The integration of chat commerce solutions in the self-storage industry represents a significant step towards modernizing customer interactions and operational efficiency. It is a way for Self-storage companies to streamline customer service, boost sales, and improve overall customer satisfaction. The ability to engage customers through familiar chat applications enhances their experience and opens new avenues for upselling and customer retention. For self-storage operators, adopting chat commerce solutions can reduce operational costs, improve customer satisfaction, and increase revenue. As the industry continues to evolve, embracing these technologies will be crucial for staying competitive and meeting the ever-changing demands of customers.



Contact Us

info@unwiredlogic.com

JP : +81 (50) 3204-1260 (English line)
+81 (50) 3205-0991 (Japanese line)

US : +1 (619)345-6880

AU : +61 7 4518-6366

ID : +62 817-9081-172

アンワイヤード・ロジック

UNWIRED
LOGIC

Bibliography

1. onlim.com, **"The History Of Chatbots – From ELIZA to ChatGPT,"** 15 March 2022. [Online]. Available: <https://onlim.com/en/the-history-of-chatbots/>.
2. K. Cherniak, **"Chatbot Statistics: What Businesses Need to Know About Digital Assistants,"** Master of Code, 07 February 2024. [Online]. Available: <https://masterofcode.com/blog/chatbot-statistics#:~:text=In%202022%2C%2088%25%20of%20users,chatbots%20within%20one%20chat%20session...>
3. J. Beckman, **"120+ Chatbot Statistics for 2024 (Already Mainstream),"** TechReport, 29 May 2024. [Online]. Available: <https://techreport.com/statistics/software-web/chatbot-statistics/>.
4. K. Žmak, **"Messaging,"** 2023.
5. S. Olalemi, **"App Fatigue: Why people don't want to download your mobile apps and what you can do differently,"** 18 April 2023. [Online]. Available: <https://olalemis.medium.com/app-fatigue-why-people-dont-want-to-download-your-mobile-apps-and-what-you-can-do-differently-afc01e12d47e>.
6. J. Nielsen, **"How Long Do Users Stay on Web Pages?,"** Nielsen Norman Group logoNielsen Norman Group, 11 September 2011. [Online].