
STRATEGIES TO OPTIMIZE PARKING ASSET REVENUE FOR 2021 AND BEYOND

Quick takeaways and expert insights from ABM and Smarking's joint webinar

QUICK TAKEAWAYS

While the COVID-19 pandemic continues to take its toll, parking managers must prepare for the full return of the public, while maximizing their parking asset revenues and meeting the expectations of increased demand in the meantime. In our joint webinar with Smarking, leading business intelligence and parking data platform provider, we discussed:

- How parking assets provide a significantly lowered and largely less competitive investment risk than other asset classes
- The benefits of remote management with digital tools and real-time data at your fingertips
- Why online parking demand outpaces offline sales
- How changes in daily life and work routines have affected parking habits
- How dynamic pricing can yield an increase in revenue of 95-250% despite a global pandemic
- Our parking recommendations to make 2021 a year of change for the better

With parking demand rising and occupancy levels returning, your parking facility can have another unprecedented year, this time on your terms. Discover how our key takeaways from today's parking experts can help.

MEET OUR EXPERT PANEL



STAN BOCHNIAK

Vice President,
National Parking Sales

Stan has over 25 years of parking industry experience, excelling in roles ranging from Facility Manager, Regional Manager, and Regional Marketing Director for ABM's Southwest Region. These positions have enabled him to develop a strong and diverse knowledge of parking and transportation operations, facilities management, and commercial real estate – leading to his current role as Vice President of National Parking Sales.



BRIAN BUSH

Regional Vice President of
Parking - Midwest

Brian joined ABM in 1989 and throughout his 30-year career has gained experience in managing every type of parking operation and facility in the industry. Brian currently oversees our parking and transportation operations throughout our Midwest Region. Brian is an NPA Certified Parking Professional and is the current president of the Ohio Parking Association and former president of the Cleveland Parking Association.



MATT ANDREWS

Branch Manager

Matt joined the ABM team in the summer of 2011. Matt's background includes 13 years with the Ritz-Carlton Hotel Company and is part of the winning team for The Malcolm Baldrige National Quality Award, which recognizes U.S. organizations in the business, health care, education, and nonprofit sectors for performance excellence. The Baldrige Award is the only formal recognition of the performance excellence of both public and private U.S. organizations given by the president of the United States. As an entrepreneur, Matt started his own facility solutions company which he successfully operated for 9 years.

With his hospitality background and as an experienced entrepreneur, he has a unique perspective on service and client needs. With over 22 years of work experience, he is a welcome addition to our ABM team in Chicago.



CASSIUS JONES

Head of National Accounts, Smarking

Spearheading Smarking's nationwide business development and customer success initiatives since 2015, Cassius has a passion for discovering new ways of leveraging Smarking's Business Intelligence and Yield Management platforms to enable business successes for commercial real estate managers, municipal parking managers, parking operations professionals, and many others in this massive but often overlooked \$100B+ industry.

How has ABM been able to leverage real-time data to enable remote management and agile operations in parking facilities?



Answered by Matt Andrews

Parking Management in the Digital Age: Do More with Less

Many parking facilities utilize their own revenue control equipment, meaning the data of each garage typically needs to be understood on its own terms. For ABM, this has previously involved requesting parking managers to extract their site data and package it into a readable format. This creates unnecessary friction and, more importantly, provides us with data that is no longer reflective of the garage’s current traction and environment. Parking managers need the most up-to-date data in order to make smart pricing decisions.

With a business intelligence tool, we found that we could integrate across several parking data systems and access all of our current analytics across the country in real-time. This insight and ease of use allows us and our parking managers to create efficiencies and cost savings for our clients, while maximizing time and knowledge for managers when off-site.

By giving our managers the ability to login to their other parking locations remotely, they can better analyze how those locations are performing on a day-to-day basis. Insight can inform decisions to lean more competitively with specials or evening rates and make adjustments to pricing on the spot.

This access to dynamic pricing has allowed our managers to be remote and still do very high-quality work to maximize as much revenue for our clients as possible.



At that point you’re looking at old data, and you’re trying to make adjustments in the garage based on the older data, and that’s just not very effective. As the emerging technology of online payments came on board, we saw a need to streamline that process.



How are new customer habits driving a shift in pricing strategies?



Answered by Stan Bochniak

Traditional Pricing Strategies Are No Longer Sufficient

The WFH Effect

- New commuter patterns are emerging as more people work from home and adopt hybrid office models.

9 to 5 No More

- Peak entry times and duration of stay for parkers have shifted significantly. Shorter stays and later entry times have become the norm for many commuters.

Keep an Eye on the Patterns

- It's important for parking managers to monitor the patterns of their parking customers. Have monthly memberships decreased? Are early bird specials attractive enough? How have rates adjusted to meet new habits?

Put your new insights to use. When you receive your data, it's important to meet with your team to make sure sound pricing decisions are being made to reflect the conditions of your garage.

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This shift in patterns is still emerging. Most of us are calling 2021 a reset year, as we're all trying to figure out what works. The key is communication and monitoring the data as it moves.

What's driving consumer demand for parking and how can facilities best stand out against the competition?



Answered by Brian Bush

A Changing Landscape of Convenience

Parking programs are attracting customers who previously preferred another mode of transportation. These may be customers who were previously ridesharing or using public transportation as their primary means of travel, but who now have found control over their personal bubble by converting to driving and self-parking. As a result, garages are seeing increased demand as new customers join established drivers in the market.

With increased demand and increased competition across the industry, consumers know to leverage their business. Location doesn't dominate the conversation as much as it used to as consumers are more incentivized to find a great deal over a great parking spot. While location does play a major role in a consumer's decision process, a discount could lead them to your garage over your competitors.

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There are certain locations that are going to get their share of volume just because of where they're located, but you also have to have the right rate. Today, people are looking at your rate more than they're looking at your location.

How Did ABM
Achieve a 95-250%
Revenue Uplift?



ABM Parking Revenue Growth with Smarking's Dynamic Pricing: New York City

- Since June 2020, Smarking's dynamic pricing engine and Automated Yield Management (AYM) has generated a **95-250% revenue increase** for online sales in ABM's Manhattan parking facilities, **producing \$90,000 - \$200,000 of additional revenue per year.**
- As of November 2020, online sales channels are approximately **3x pre-pandemic levels**, despite average parking industry revenue being down approximately -60%.



Answered by Cassius Jones

The Dynamics of Dynamic Pricing: Embrace Innovation to Eliminate Friction, Increase Knowledge, and Entice Customers

Smarking has been working closely with the ABM team to implement dynamic pricing across parking's online channels. The shift from physical and in-person payments to digital, automated, and online transactions has transformed the airline and hotel industries; yet adoption of these changes in the parking industry has been far slower. These advancements to payment processing have steadily found a foothold across the parking landscape, putting the garages that welcome innovation ahead of the competition and ahead in preference in the minds of their consumers.

However, these bellwether industries haven't leveraged variable and dynamic pricing as strongly as they could. With dynamic pricing, asset owners can create better revenue outcomes for the supply side, while simultaneously creating a better consumer experience with more evenly distributed demand.

With business intelligence tools, parking managers have been able to automate the pricing of parking on their online digital sales channels. The dynamic pricing algorithm helps predict demand to find an optimal price point that maximizes revenue and occupancy levels.

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If you had a full-time manager sitting in a room with seven computer monitors, constantly analyzing behavior change – that's what dynamic pricing does. It analyzes when parkers enter, how long they stay, and determines the best price point for the moment. Quite frankly, this is a job that's better suited for a piece of software than a human being.

Should data really be the driver of decisions for my parking program?



Answered by Brian Bush

Challenging Parking Norms to Yield Revenue Growth Amid a Pandemic

Despite the impact of COVID-19, ABM garages that leveraged Smarking's platform experienced a significant increase in revenue. Easily accessible analytics can make it simple to make sense of your parking facility's performance. Putting the data to good use is up to you.

The world of parking has used the same systems, procedures, and means for determining pricing for decades. Placing the decision-making power in the hands of a computer is not an easy ask. But placing your trust in data and innovation can be the differentiator between a dismal quarter and the greatest one yet.

The COVID-19 pandemic won't be the last uncontrollable factor that influences the parking industry. Conditions big and small play a part in a consumer's decision to park in your garage. Daily demand varies by region with little understanding beyond the numbers. Customized rates and dynamic prices per location can optimize garage revenue, regardless of the internal or external conditions being faced.



We oftentimes are debating on the phone about what the system is telling us to do. And it goes against our every creed of what we've learned in the parking world. But you have to take that risk. You have to let the data speak for itself. Have the buy-in, set the rates, and watch.

Without dynamic pricing, asset owners and operators are missing out on average \$1,600 per month.

OUR KEY TAKEAWAYS AND TOP RECOMMENDATIONS FOR 2021

1. Make the Most of Your Current Equipment

Real-time access to the performance of your parking assets allows you to make data-driven pricing and demand-based staffing decisions that fit the capabilities of your facility.

2. Leverage Online Sales Channels to Accelerate Revenue Recovery

With a focus on online sales channels and the implementation of dynamic pricing, your parking facilities can automatically balance to the optimal rate that fits the specific demand patterns of each location.

3. You Can't Manage What You Don't Measure: Data-Driven Management

Benchmark your locations against the market and identify regional trends. Real-time data allows you to double down on what's working and adjust what isn't.

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