

DELIVERING RESIDENT SATISFACTION



EXECUTIVE SUMMARY:

Luxer One routinely collects customer feedback in our mission to relentlessly improve the way the world receives goods. In our latest project, Luxer One surveyed residents at 20 properties that moved from Luxer One to an off-site package management service. We found in our surveys that residents preferred on-site package management (Luxer One specifically in this case) compared to off-site package management by a significant margin (4:1) and that **over half of the residents whose properties moved from on-site to off-site package management were more likely to not renew their lease due to this change.**

These survey results relate only to the comparison of Luxer One to off-site package management. They are not necessarily representative of other companies using lockers to manage packages.

INTRODUCTION

In the new age of now, easy-to-use package management has gone from a "nice to have" to a "must have" amenity for resident satisfaction and retention.

The advent of same-day delivery has served to reshape the resident's perception of a successful package amenity. Whether their package is delivered at 9 am or 9 pm, they increasingly and rightfully expect to get their **same-day delivery...the same day.**

Resident dissatisfaction is also caused when the resident is not allowed to have items sent to their own address but must have them sent to an off-site address.

When faced with a package management system that does not provide the delivery experience that the resident expects, it causes a decrease in both resident satisfaction and referrals.

What is off-site package management?

Off-site package management is a relatively new service provided to multifamily properties that promises to solve the package challenge through off-site warehousing using a team of last-mile delivery drivers. In this model, residents use the warehouse address for their delivery address instead of their actual mailing address and schedule a delivery window with the off-site package management company during a time frame provided by the off-site provider, similar to how a cable installation time window works.



Feature	Luxer One	Off-site Package Management
24x7 Access	Yes	No
Deliveries Delayed	No	Yes
Packages Secured in Lockers or Room	Yes	No
Use your home address	Yes	No
Need to be home to receive a delivery	No	Yes

Theoretically, the off-site package management service will ensure that packages are delivered directly to your resident at their door when they are home during the selected delivery window.

But does the service live up to the promise? We surveyed residents at multifamily properties that went from on-site package management (Luxer One) to an off-site package management company. We asked them a series of questions to determine if off-site package management provided a good experience to these residents.

We were interested in learning if this new type of package management service was something customers wanted. Our mission is to relentlessly improve the way the world receives goods, and if this was a better way, we had to know. **We found that users vastly preferred on-site package management using secure Luxer Rooms or Lockers.**



SURVEY STRUCTURE

We surveyed 199 customers at over 20 properties that moved from Luxer One to off-site package management after they had used the new service for at least 60 days.

The primary questions we asked were:

- How happy were you with Luxer One's service when it was in use at your property?
- How happy are you with the service that your package delivery service is providing?

And then we followed up and asked the following questions:

- What do you like most about your current door-to-door delivery service?
- What are your biggest frustrations with the door-to-door service?

■ If you had a choice, would you keep your current package management service, or go back to Luxer One?

■ Are you more or less likely to renew your lease after this change?

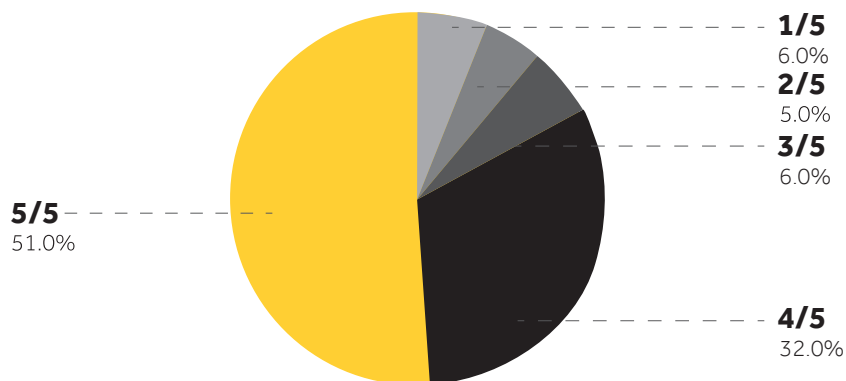
Survey Findings

We found that users at these properties preferred having their packages stored on-site at either package lockers or a package room. **The average user rating for Luxer One's on-site service was 4.18, compared to a 2.31 rating for off-site package management.** The big difference in customer satisfaction is clearly demonstrated in the graphs below -

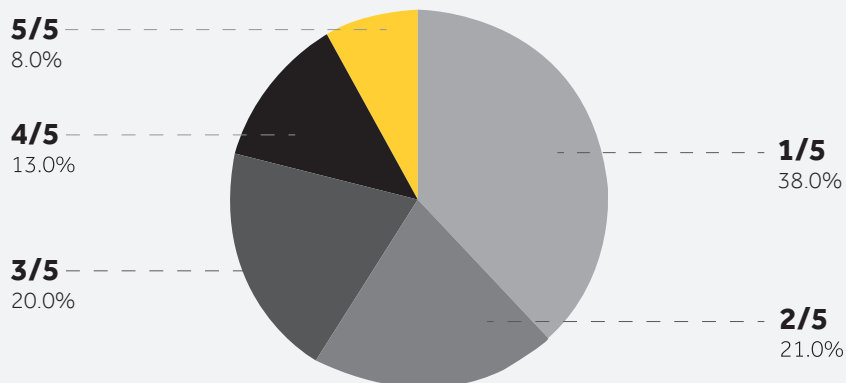
■ Luxer One had 83% of users score 4 or 5 stars.

■ A popular off-site package management company had just 21% of respondents score 4 or 5 stars.

How happy were you with Luxer One's service when it was at your site?



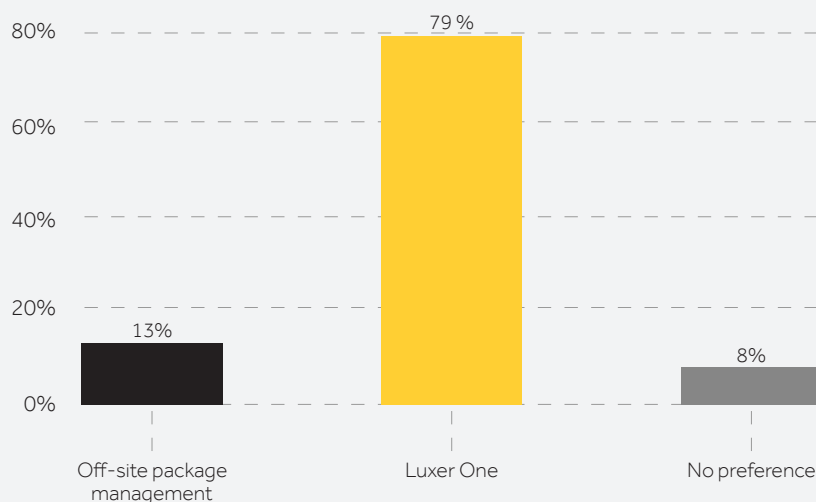
How happy are you with off-site package management?



Clearly, users who have had experience with both Luxer One package management and an off-site package management option **preferred the on-site Luxer One service over off-site package management.**

We asked respondents which package management system they would prefer to have in their apartment community. The answer was overwhelming; they would prefer to have Luxer One over off-site package management. 79% of respondents would prefer to have Luxer One over the off-site package management solution that their property had switched to.

Which package management solution would you prefer?



What do users like about off-site package management?

We asked users what they liked about off-site package management, and we found only one thing, having packages delivered to their door. This makes perfect sense; very few people choose to carry parcels to their apartment if they can avoid it.

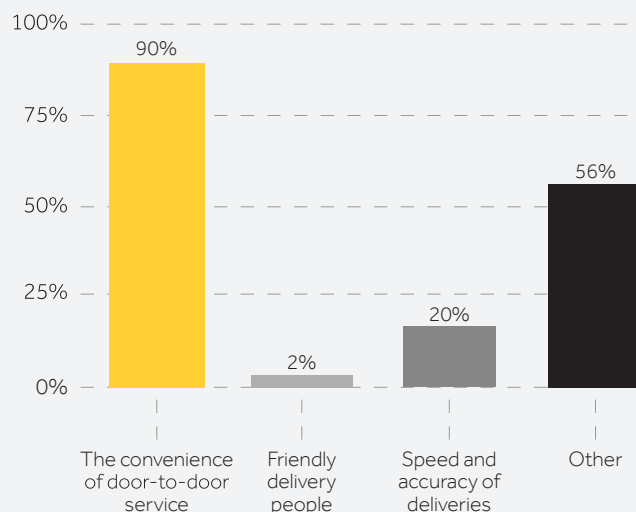


I'd rather have Luxer One than the package service that is presently available, because I could retrieve my packages whenever I wanted to, whereas with this service you have to be at home in order to receive your packages. Very inconvenient! //

A resident from Austin, TX

The experience with the delivery people and the speed and accuracy of deliveries were not positive. In fact, we received many comments like the one above from a resident in Austin, TX. Off-site package management service was found to be inconvenient by a majority of users.

What do you like about off-site package management?

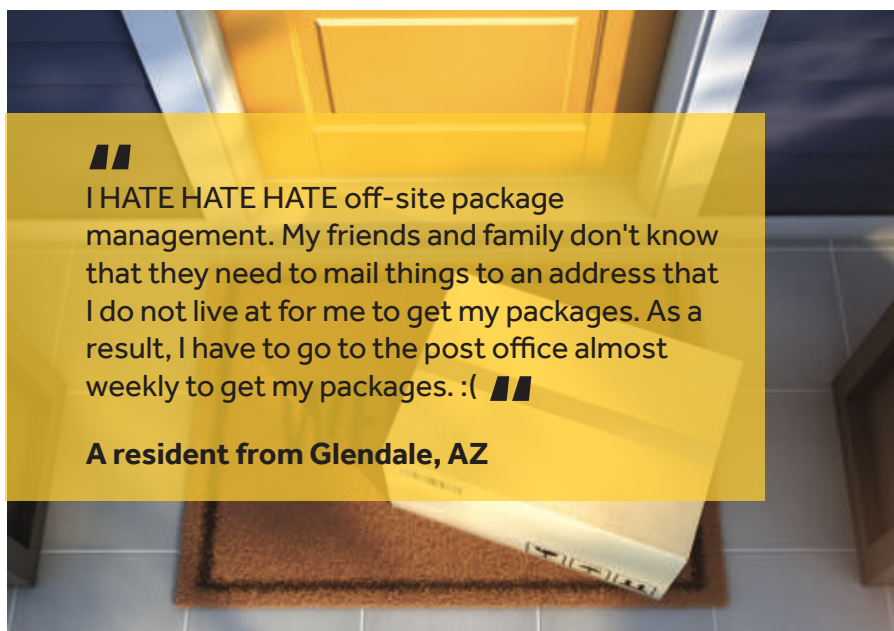


What do users dislike about off-site package management?

We found that users clearly expressed their dissatisfaction with their off-site package management solution, citing three major problems as the root cause.

Those three problems are:

- Users will **lose 24x7 access to their packages.**
- Users will need to enter **the warehouse address instead of their actual mailing address** most of the time they buy something online.
- Users will experience additional delays for their deliveries on top of the user-selected shipping speed at checkout (i.e., same and next-day deliveries).



What do you dislike about off-site package management?



These three key components drove the majority of the dissatisfaction with the off-site package management service. These are core features of the off-site package management model and are not something that can be corrected by either the resident or the property management as long as they retain off-site package management.

After surveying these users, and reading their comments, it was clear to us that off-site package management did not provide a positive experience for the residents, and had some critical flaws.

How does the change to off-site package management impact the likelihood of renewing a lease?

The most critical question any property management or ownership team has to consider is what impact their package management choice will have on lease renewals.

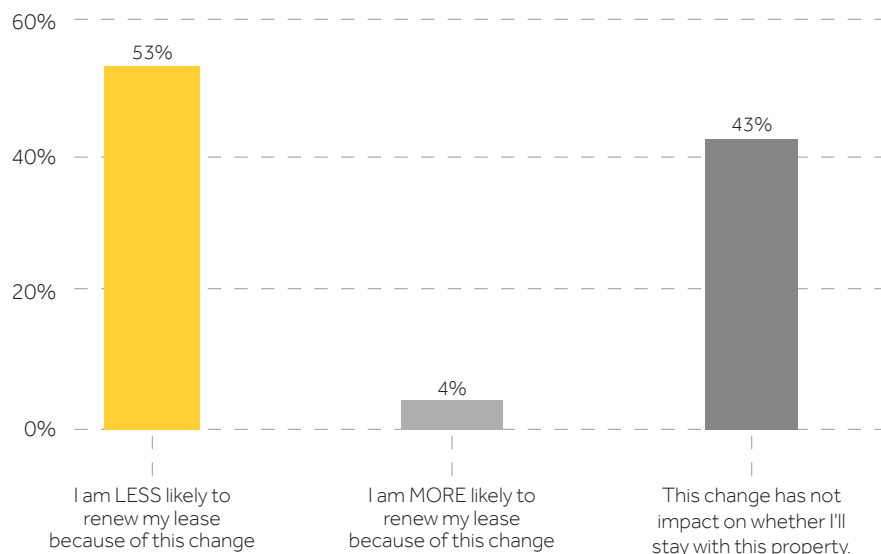
We asked users at these properties how the change of package management would affect their likelihood of renewing their lease.

Renewals and new leases are the lifeblood of a multifamily property, if a package management choice causes users to not renew their lease, then you should stay away from it.

“
Luxer One is an excellent service and one of the main reasons we continued to live at this location. Since it's gone, we will strongly consider moving”

A resident from Plano, TX

How did the change to off-site package management impact your likelihood to renew?



CONCLUSION

Package management has become an important part of the decision-making process for residents when selecting which multifamily community they want to live in. This decision cannot be made only from the perspective of the property staff but must take into account resident preferences. If you make the wrong decision, residents will be unhappy and consider not renewing when their lease is up.



I really loved Luxer One. It was so convenient and made my life much easier. I was, and continue to be, very unhappy that my apartment complex switched from Luxer One to off-site package management. It was an enormous downgrade and I am displeased. //

A resident from Glendale, AZ



Off-site package management sounds great on paper. Everything is handled by a third party, and the package problem is 100% out of the hands of property managers and their staff.

The reality seems to be different, and when we asked actual users of this service about their experience, the answer was overwhelming. Off-site package management is a worse service for the majority of multifamily residents and will cause residents to begin to look for new places to live if the service is implemented.

We also heard loud and clear that they would prefer to have Luxer One service at their apartments by an overwhelming margin. We cannot assume that this would be the same answer for other package management services that utilize lockers to store packages, since we were only able to survey residents that had formerly used Luxer One systems at their apartment communities.

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