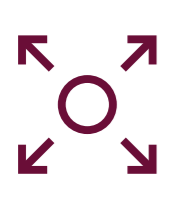


Kick-start Retail for Achieving Micro-fulfillment Maturity



Retail Micro-Fulfillment Is Going Full Scale

And Getting Ready Doesn't Have to Be Rocket Surgery
The pandemic may be over, but the micro-fulfillment megatrend it skyrocketed is here to stay. Consumer appetite for "I need it yesterday" e-commerce is accelerating. Now it's about more than overnight groceries and couriered takeout.



The Road to Micro-Fulfillment Center Rollouts 2030

With SaaS-native technologies enabling micro-fulfillment, the recent trend of network expansion and customer acquisition will give way to micro-fulfillment center rollouts and a stronger focus on per-site profitability through renewed investment in automation.^[2]



Consumers Are Paying for Speed, But Retailers Aren't Keeping Pace

Even as far back before the pandemic as 2019, 40% of Gen Z, 32% of Millennials, 29% of Gen X, and 12% of Baby Boomers said they'd pay more for same-day delivery.^[4] Yet, most retailers are falling behind, with just over 50% offering same-day shipping.^[3]

\$88.3B

Micro-fulfillment to reach \$88.3 billion by 2031, with 44.8% CAGR from 2022 - 2031 ^[1]

7,300

7,300 fully-automated micro-fulfillment centers forecast to be installed by 2030 ^[2]

Same-day

41%

of consumers are willing to pay extra for same-day delivery in 2023 ^[3]

1-2 hours

24%

say they'll pay more for delivery within one or two hours of chosen slots ^[3]

The Perfect Storm of Omni-Channel Retail Challenges Driving Micro-Fulfillment Center Rollouts



Urbanization

68% of the world's population predicted to live in urban areas by 2050 ^[5]



Warehouse Space

Vacancy rates reached historic lows in 2020 ^[6]



Labor Challenges

Transportation and warehousing had a turnover rate around 56.7% in 2023 ^[7]



Post-pandemic Trends

56% of consumers aged 18-34 expect same-day delivery in 2023 ^[8]



SKU Proliferation

Inventory and product lines are ever-more complex and diverse



Last-Mile

Last-mile costs make up almost half of all supply chain costs ^[9]

The Six Stages of Micro-Fulfillment Maturity.

According to Tomorrow Retail Consulting CEO Jordan Berke — also one of the forces behind Walmart's e-commerce expansion in China — there are six stages in the micro-fulfillment maturity curve.

01

In-Store Picking

1 - 50 daily orders

Just as customers would, fulfillment teams pick orders from store aisles.

02

Enhanced In-Store Picking

51 - 150 daily orders

Like regular in-store picking, with added automation for inventory tracking, order orchestration, and time-to-value.

03

Dedicated In-Store Manual Picking

151 - 250 daily orders

Fulfillment of fastest-moving goods shifts into a dedicated space, away from customers.

04

Dedicated In-Store Picking with Automation

251 - 500 daily orders

Now partial or full automation comes into play, with next-gen micro-fulfillment systems and robotics.

05

Dark Stores

501 - 1000 daily orders

'Dark stores' take micro-fulfillment out of customer environments with dedicated layouts and smart systems for max efficiency.collaboration.

06

Automated Dark Stores

1000+ daily orders

Fully-automated as either dedicated micro-fulfillment center facilities or attached back-of-store warehouses using SaaS-Native integration.

Ready to Place Omni-Fulfillment and Experience Closer to Customers?

To get started, visit <https://blueyonder.com/solutions/adaptive-fulfillment-and-warehousing> and speak with a Blue Yonder expert.

They'll answer any questions on how best to implement Blue Yonder Adaptive Fulfillment and Warehousing, to achieve faster MFC rollouts and time-to-value (TTV).

Boost Micro-Fulfillment Center Rollout Time-to-Value with Adaptive Fulfillment and Warehousing from Blue Yonder

Talk to us about leveraging Blue Yonder's Adaptive Fulfillment and Warehousing to scale your micro-fulfillment strategy while tackling last-mile cost challenges and optimizing operational efficiencies.



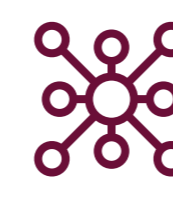
Real-time inventory visibility

And mobile-based interface for rapid actions, onboarding, and results.



Extensible architecture

With customizable dashboards and mobile workflows to flex micro-fulfillment capabilities as operational scenarios evolve.



SaaS-native microservices

That you can pick, mix, and plug right into your existing architecture for faster time-to-value and remote staff training and onboarding.



Versionless

with seamless upgrades and integrations into the Blue Yonder Platform for easily scaling fulfillment capability up- and downstream in the supply chain.

¹ <https://www.alliedmarketresearch.com/micro-fulfillment-market-A17069>

² <https://interactanalysis.com/7300-automated-micro-fulfillment-centers-to-be-installed-by-2030/>

³ <https://www.conveyco.com/blog/delivery-statistics/>

⁴ <https://chainstorage.com/technology/survey-these-consumers-will-pay-for-fast-delivery>

⁵ <https://www.dni.gov/index.php/gt2040-home/gt2040-structural-forces/demographics-and-human-development>

⁶ <https://www.savills.com/impacts/market-trends/industrial-and-logistics-2020-global-investment.html>

⁷ <https://zipdo.co/statistics/employee-turnover-by-industry/>

⁸ <https://www.invespcro.com/blog/same-day-delivery/>

⁹ <https://www.statista.com/statistics/1043253/share-of-total-supply-chain-costs-by-type-worldwide/>

