

## Crunching data for painless e-Fulfilment growth

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An enduring trend of the e-commerce market is continual growth. Proving that convenience is king, online purchases have become a ubiquitous part of the global economy. While this is good news for e-commerce businesses, demand puts increased pressure on e-fulfilment centres and warehouses to accommodate growth. Specialised analytics software is providing a solution, which helps to overcome traditional space, personnel and inventory constraints by harnessing big data to identify and implement efficiency improvements.

*Hans Jongebloed, Senior Postal Expert at Prime Vision, a global leader in computer vision integration and robotics for logistics and e-commerce, explores how bespoke analytics software allows warehouses to scale up operations and support growth.*

### No stopping online shopping

The e-commerce market is an unstoppable juggernaut. Revenue from online shopping in the USA is predicted to be US \$ 915,354 million in 2023, with a compound annual growth rate (CAGR) of 11.3% expected between 2023 and 2027.<sup>1</sup> In the UK, over 60 million users of e-commerce services were forecasted for 2022.<sup>2</sup> With online shopping becoming ever more popular, the pressure is on e-commerce fulfilment centres to keep pace.

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<sup>1</sup> [eCommerce market in the U.S. - ecommerceDB](#)

<sup>2</sup> [Value of online retail sales in the United Kingdom \(UK\) from 2012 to 2022 - Statista](#)

There are three key factors in effectively managing this growth. Arguably the most important is people. Having access to the right amount of skilled personnel can make all the difference when expanding. Available space is another consideration for growth. Maximising the business footprint may involve moving to another facility or installing an automatic storage and retrieval system to hold more items in less space. The final aspect is inventory. The key here is to achieve an efficient stock profile that provides everything customers require while optimising internal warehouse processes.

### **Analysing an e-commerce operation**

Any constraint regarding these factors can stifle growth, and many warehouse managers see digitalisation and specialised software solutions as a way to overcome staff, space and inventory limitations, whilst admitting that their own operations are not quite there yet. The criticality of this was illustrated in a recent survey of 250 facility managers – 45% of respondents thought that their business could become unviable without an improvement in digital technology and skills.<sup>3</sup> Optimising an e-fulfilment operation with software analytics requires data, and thankfully, warehouse infrastructure and other sources can provide plenty of it. Collating information from warehouse management systems, barcode scanners, sorting machines, plus online shops, retail sales, personnel and trucks allows warehouse managers to identify e-commerce trends, spot the underlying reasons behind them and make improvements.

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<sup>3</sup> [The critical role of technology in facilities management – Smart Automation](#)

### **Turning correlations into improvements**

For example, stock replenishment can be informed by data on which products sell well in certain seasons or those that are often bought together. Therefore, stock profiling can be more optimised to demand at certain times or locations. This data can even be used to influence consumers, offering recommendations through online shops of what products are popular with other buyers, or setting up repeat orders, or subscriptions, for consumables. Employing sales data and shaping customer behaviour means warehouses can tailor their offerings between fast- and slow-moving stock. Ultimately, sales forecasting greatly improves inventory and maximises space, leaving room for growth.

This information optimises internal processes too. If Mondays are busier than Tuesdays, personnel and resources can be allocated more efficiently, targeting days with higher demand. With data and expectations regarding inbound goods from suppliers or returns, warehouses can manage stock more effectively. Information can be displayed on dashboards in the facility, allowing operators to easily digest findings and react accordingly. Streamlined warehouse processes are always a strong foundation for expansion.

### **No single solution for all**

However, every logistics operation is different, and the effective application of analytics software differs from warehouse to warehouse. Prime Vision supports customers by assessing their data, analysing it in detail and providing relevant observations as part of a joint consultation process. This ensures that what's actually important to a customer's particular operations is prioritised, with findings

on these topics translated into concrete and applicable improvements. With its broad experience across a wide range of e-commerce customers, Prime Vision can interpret this from large quantities of data.

However, operators often know their challenges but struggle to come up with a solution. A recent Prime Vision project involved optimising the usage of parcel chutes at a facility. Designed to sort parcels to 500 shops, the volume of items passing through the different chutes varied wildly. Some received the vast majority, overworking personnel, while on others, staff had little to do. Using analytics software to map trends and implement general rules for daily operations, an optimal parcel sorting plan was achieved, resulting in equal parcel distribution and better staff allocation across the chutes, improving efficiency. This example shows the ability of bespoke analytics software to provide an answer to a very specific question.

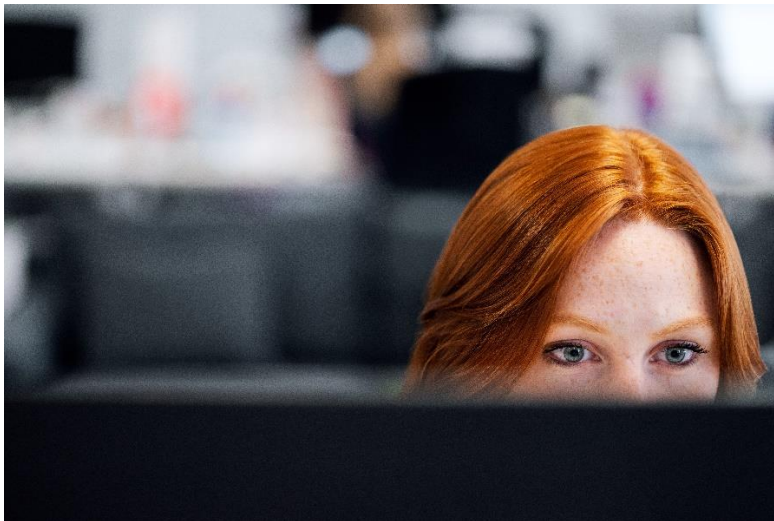
### **Prepared for anything**

If growth hits a warehouse operation, it is important to be prepared. This is hard when staff, space and stockholding can't expand proportionately. However, by identifying the 'what, where and when' regarding a purchase, or, improving internal processes by applying real-world data, warehouse managers can be prepared for anything.

Software analytics solutions from Prime Vision, especially when combined with other scalable automation infrastructure, such as autonomous mobile robots (AMRs) and automatic storage and retrieval systems, provide a proven route for accommodating rapid e-commerce growth. By connecting to any surrounding warehouse system, combining data and delivering actionable insights – businesses can ensure that meeting future expansion places less pressure on their e-fulfilment operations.

**Image captions:**

**Image 1:** Specialised analytics software can help with harnessing big data to identify and implement efficiency improvements at a warehouse or fulfilment centre. (Source: AdobeStock\_272286058)



**Image 2:** Prime Vision supports customers by assessing their data, analysing it in detail and providing relevant observations as part of a joint consultation process. (Source: Pexels\_thisisengineering-3861963)

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**About Prime Vision**

Prime Vision is a global leader in computer vision integration and robotics for logistics and e-commerce. As an award-winning company, Prime Vision designs and integrates solutions using the latest recognition, identification, and robotics techniques to optimize the automation of sorting processes.

Headquartered in Delft, The Netherlands, more than 170 experts provide comprehensive market and domain knowledge to digital companies around the world.

For more information, visit <https://primevision.com/>

**Editorial Contact:**

DMA Europa: Aija Senberga

Tel: +44 (0)1905 917477

Web: [news.dmaeuropa.com](https://news.dmaeuropa.com)

Email: [press-team@dmaeuropa.com](mailto:press-team@dmaeuropa.com)

Address: Progress House, Midland Road, Worcester, Worcestershire, WR5 1AQ,  
United Kingdom

**Reader Contact:**

Prime Vision: Ellen Brender à Brandis

Web: <https://primevision.com/>

Tel.: +31 15 219 2090

Email: [info@primevision.com](mailto:info@primevision.com)

Address: Olof Palmestraat 10, P.O. Box 6034, 2600 JA Delft, KVK 08068458