

READY TO BOOST ORDER FULFILLMENT EFFICIENCY? 3 THINGS TO KNOW

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The popularity of online grocery ordering skyrocketed in recent years as consumers embraced the convenience of purchasing their favorite products online.

However, a lack of efficient order fulfillment processes and technologies has made it difficult for retailers to keep pace with the high volume of orders – and it's impacting profitability. Although grocery sales topped \$128 billion in 2022, the industry lost \$298 million in margin from e-commerce operations.

Looking ahead, the online grocery marketplace is expected to reach \$146 billion in 2023 – more than 15% of the total grocery market. Retailers that do not prioritize process efficiency in the coming months will fall behind – but automation may offer the secret to helping retailers bridge the gap between online order fulfillment and profitability.

Automation Opens the Door to Next-Level Online Order Fulfillment Operations

Tedious tasks like manual invoice creation and inventory count often prolong the fulfillment process and increase the risk of human error, resulting in incorrect or late orders and unhappy customers. Although increasing headcount may help, it's not an option for most companies considering the current economic climate and rising workforce costs.

The good news? Grocers with a digital fulfillment operation are aware of process inefficiencies and 77% rank “improving fulfillment efficiency” as their top priority for the year. For many retailers, this means integrating automation technologies into their operations.

If boosting efficiency is at the top of your to-do list, here's what you need to know about introducing automation to order fulfillment routines:

1. Automation increases efficiency and reduces errors.

You can incorporate automation into nearly any aspect of order fulfillment, from processing to picking and packing. For instance, automated systems can process online orders and route pick lists to the employees responsible for picking and packing the order in-store. The automated system can also check inventory levels in real time to ensure the customer's items are in stock.

Automating these functions streamlines the order fulfillment process and eliminates the need for human intervention. It also eliminates the potential for human error. And by automating functions like invoice creation and order picking, you can free up your team members' time so they can focus on value-added initiatives like customer service.

2. Bring operations in-house to own your data.



Heinen's is one of many grocery chains to move away from third-party fulfillment marketplaces like Instacart and bring operations in-house. This shift not only eliminates third-party fees, but also gives you ownership of your customer, inventory, and purchasing data — creating opportunities to further boost efficiencies and improve the customer experience.

For instance, by implementing automated purchasing systems in your stores you gain the ability to view and analyze historical data more efficiently. When coupled with predictive analytics capabilities, you can navigate

fluctuations in consumer demand and ensure staple products are in stock when consumers need them.

3. You don't have to be an automation expert.

If implementing automation technologies sounds daunting, you can still reap the benefits of automation on a smaller scale — and mobile is a great place to start.

Mobile capabilities play a key role in online order fulfillment for employees in the warehouse and on the store floor. For example, you can set up automated notifications to flag low inventory levels for employees picking

and packing orders. These staff members can also use mobile devices to scan products as they pick them, which helps ensure order accuracy at a much faster pace than if they were to handle the process manually.

When you augment your workforce with automation, you can increase efficiency, reduce errors, and create a seamless experience for your customers — no matter the size of your business. Automation doesn't happen overnight, but by starting now, you can set up your business for future success as online grocery orders continue to climb.

