Warehouse Robotics - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Warehouse Robotics Market size is estimated at USD 7.93 billion in 2024, and is expected to reach USD 17.91 billion by 2029, growing at a CAGR of 17.70% during the forecast period (2024-2029).

The emergence of the Industrial Internet of Things (IIoT) and the advent of a network of connected systems are helping industries perform a multitude of tasks, such as material batching, picking, ordering, packaging, warehouse security, and inspection, as well as improve the operational efficiency by huge margins.

Key Highlights
-The growth in the e-commerce industry worldwide and the growing need for efficient warehousing and inventory management are driving the market's growth. Automation in warehousing offers extreme convenience in cutting down overall business costs and reducing errors in product deliveries.
-According to DHL, a prominent 3PL company and a significant end-user of warehouse automation solutions, despite the advantages, 80% of warehouses are 'still manually operated with no supporting automation.' Further, warehouses that use conveyors, sorters, and pick and place solutions, among other equipment (not necessarily automated), account for 15% of total warehouses. In contrast, only 5% of current warehouses are automatic.
-Significant technological advancements, such as sensor technologies that enable an enhanced object perception and an accurate positioning system, have made way for the robotics industry to explore the untapped potential in various warehousing applications while attaining an optimal operational flow and logistics efficiency, among other accomplishments, across the different industry verticals.
-According to the Bank of America, by 2025, 45% of all manufacturing tasks will be executed by robotic technology. With this emerging trend, large firms, such as Raymond Limited, a prominent Indian textile company, and Foxconn Technology, a

China-based supplier for large technology manufacturers like Samsung, have replaced 10,000 and 60,000 workers, respectively, by incorporating automated technology into their factories.
-These factors have directly impacted the increasing adoption of warehouse robotics. The rising number of warehouses and increasing investments in warehouse automation, coupled with the global rise in labor costs and availability of scalable technological solutions, have been driving the market for warehouse robots worldwide. For instance, prominent logistics brands in the United States, like DHL, XPO Logistics, and NFI Logistics, are investing in expansion activities, despite the adverse commercial renting climate.
-During the COVID-19 outbreak, robots and automation played a critical role in managing the situation. Further, the situation is likely to bring new opportunities to the market. Ocado, a British online grocer, aims to make its warehouse robotics and grocery home-delivery technology available to other supermarkets for a licensing fee. Since May 2020, many warehouse sites have recovered after starting their operations post lockdown. However, the fluctuations caused in the starting four months of 2020 could result in order delays and lead time across the warehouse robotics supply chain throughout the year.
-While significant advances have been accomplished in robotics, the human workforce still holds the upper hand in running a well-organized warehouse. Forecast of long-term labor shortages across the United States and Europe and sustained pressure on supply chains to deliver orders quickly and more precisely caused operations executives to seriously assess that question as they look for answers to staffing challenges.

Warehouse Robotics Market Trends

Food and beverage industry is Expected to Hold a Substantial Market Share

- The growth of the food and beverage industry in the warehouse robots market can be attributed to several factors. Firstly, increased demand for efficiency and speed in warehouse operations prompts the adoption of automation technologies, optimizing processes from order fulfillment to inventory management.
- Additionally, the perishable nature of many food products necessitates quick and accurate handling, where robots excel in precision and timely execution. Warehouse robots also contribute to reducing labor costs, addressing challenges associated with manual handling and improving overall supply chain management.
- Moreover, advancements in robotic technology, including enhanced sensors and machine learning capabilities, make robots more adaptable to the diverse and dynamic requirements of the food and beverage sector, further fueling their integration into warehouse operations.
- For instance, in July 2023, SoftBank Group Corp. and Symbotic Inc. an A.I.-powered automation technology for the supply chain, introduced the establishment of GreenBox Systems LLC ("GreenBox"), which is a new joint venture to address around $5001 billion annual warehouse-as-a-service market opportunity. Simultaneously, Symbotic also introduced an approximately $7.5 billion new customer contract with GreenBox, who will be the provider of Symbotic systems in the warehouse-as-a-service market, and will make supply chain services accessible to customers.

Asia-Pacific is Expected to Hold Significant Market Share

- The manufacturing sector is anticipated to account for a significant market share and become one of the key contributors in the region, with investments in the industry increasing massively. As warehouses play a crucial role in manufacturing both for storing raw materials/components and finished products, the expansion of the manufacturing industry will drive the demand for warehouse robotics in the Asia Pacific region.
- Driven by the success of robotics solutions in warehouses, vendors are enhancing their adoption of warehouse robots. For

instance, JD.com, a Chinese e-commerce giant based out of Wuhan, operates a fleet of robotic vehicles in its automated warehouses to supply essential goods to online residents shopping post lockdowns. The company claims it witnessed a growth in daily orders from about 600,000 to double in a single week during the pandemic.
- South Korea's population is aging fast. By mid-century, it will have one of the most senior populations from the Organisation for Economic Co-operation and Development countries, just after Japan, Italy, and Greece. Furthermore, the South Korean government boosted the country's small and mid-size manufacturing companies, establishing 30,000 smart factories by 2022. Due to this, most manufacturing units enforce warehouse robots to maintain competitiveness and drive efficiency in the warehousing process.
- In recent years, the e-commerce industry in the Asia Pacific region has witnessed unprecedentedted growth. Countries like China and India has emerged as the global hotspot for e-commerce companies owing to the presence of a large customer base and a rising penetration of smartphones and digital technologies among them. As a result, the warehousing industry is also on the rise, creating opportunities in the studied market.

Warehouse Robotics Industry Overview

The warehouse robotics market is moderately fragmented and consists of highly competitive players. Regarding market share, some major players, such as ABB Ltd, Honeywell, and Kiva Systems, currently dominate the market. These major players with a significant market share are expanding their customer base across various regions. Many companies are forming strategic and collaborative partnerships with multiple startup companies to increase their market share and profitability.

- In July 2023, Maersk, integrator of logistics, announced that it is implementing an AI-enabled robotic solution in one of the warehouses in East Midlands, UK. According to the company, this state-of-the-art Robotic Shuttle Put Wall System by Berkshire Grey, a US-based company, will significantly automate, enhance, and accelerate warehouse operations in the 685,000 sq ft facility.
- In March 2023, LexxPluss, a Japan-based startup that designs and develops autonomous mobile robots for warehouses & logistics sites, announced their plans to enter the US market with a fresh injection of approximately USD 10.7 million in Series A funding. The funding round was led by Drone Fund and SOSV's HAX, Incubate Fund, SBI Investment, and DBJ Capital.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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