



Online grocery retailing: Develop efficiencies and growth opportunities with the right storage technology

Tips for online grocery retail

USE OPTIMISED STORAGE SYSTEMS TO WIN NEW CUSTOMERS FOR YOUR ONLINE GROCERY STORE

Customers purchasing groceries online have two key requirements: goods must be guaranteed fresh and home delivery must be fast and free.

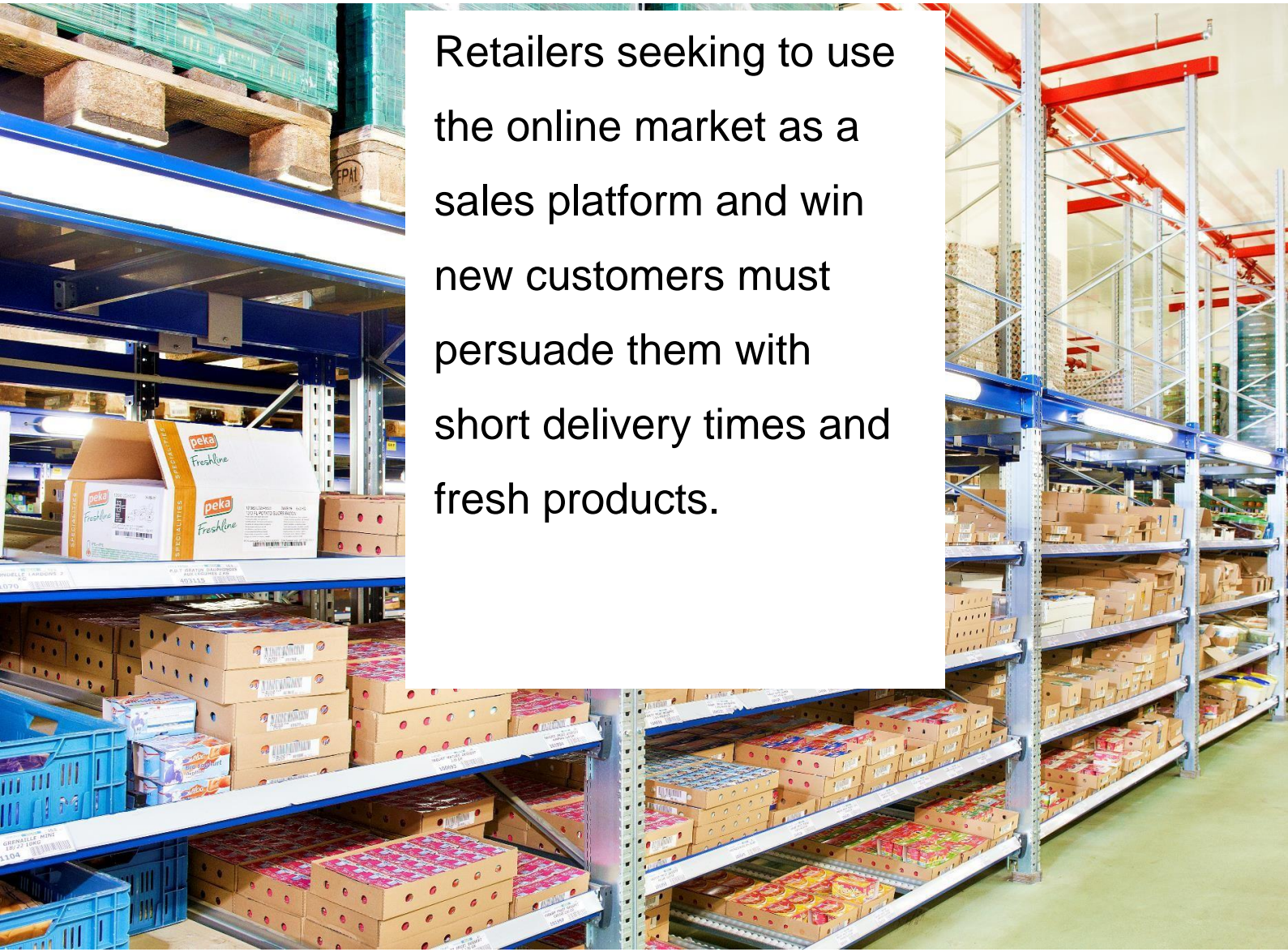
Online grocery sales in the UK grew in 2017 to nearly £7 billion. Despite the growth, consumers remain relatively cautious about buying groceries online, compared with products from non-food sectors (particularly fashion, electronics and media).

The most popular grocery products online are long-life luxury products such as wine, coffee, tea, confectionery or specialities that are hard to find elsewhere. The drinks and deep-frozen food sectors also offer potential: customers have been ordering such products to their homes since long before the rise of the Internet. For all other types of groceries, such as fresh produce or dairy items, e-commerce still represents a low percentage of overall sales.

However, the proportion of those who would in theory be interested in buying groceries or other day-to-day products online reached 19% in 2016, and this figure has been trending upwards for years. (Source: Statista)

According to the studies, these (potential) customers want free delivery and a fixed delivery window in as short a time as possible.

How to win customers in online grocery retail



Retailers seeking to use the online market as a sales platform and win new customers must persuade them with short delivery times and fresh products.

Choosing the right **storage** and **picking** system



Aside from basic considerations such as delivery areas and warehouse locations, online retailers in the e-food sector must also ask themselves how they can optimise their logistical processes to meet the demand for faster, free delivery of fresh goods in order to win new customers.

The answer is to choose the right storage system, thus creating the right conditions for keeping delivery times as short as possible. In order for free delivery to be a viable option, online retailers need to implement as many cost-saving measures as possible.



Which storage systems and solutions are suitable?



Example: BITO carton live storage systems

Fresh produce represents the high-turnover element (the so-called “fast-moving consumer goods” or FMCG in an online retailer’s product range. As a result, live storage systems which essentially replace solid floors with rollers are growing in importance. Since goods automatically replenish themselves on each shelf, this enables constant item availability. This system functions on the “operator-to-goods” principle.



Live storage systems are also ideal for supplying cartons in the e-food sector. They enable storage and picking on a FIFO basis: goods are sorted by expiry date, and the picker always reaches for the product with the nearest best-before date.

This is essential in the grocery sector, including in online retail.

Picking and replenishment routes are kept separate, preventing pickers from blocking each other when servicing shelves. The result is faster picking, which in turn accelerates the process of assembling online orders and therefore the delivery process as well.

Drastically reduce travel times – save huge amounts of space



The use of carton live storage allows businesses to drastically cut down travel times (between 40% and 70%) compared with conventional shelving. The amount of floor space required is also reduced by up to 30%. These factors can save e-commerce retailers significant amounts of money.

Long, straight working aisles reduce time spent correcting picking errors, significantly improving employee productivity.

The costs of procuring a live storage system can be recovered quickly. It will reduce delivery times and save money which can therefore be shaved off shipping fees – helping to win customers as a result.



BITO MB – A multi-purpose container to keep fragile groceries fresh and undamaged

Last mile
delivery to
the customer

A critical aspect of online retail is how to complete the last mile to the customer. After goods have been optimally stored and picked, this phase is decisive in ensuring that the cold chain remains unbroken and groceries are delivered fresh to the customer. By using highly stable, coolable and securely sealable plastic containers such as the BITO MB multi-purpose container, retailers can ensure that goods stay fresh and well protected when out for delivery, with no damage to products or their packaging.



About us:

A global player, proud of its region

BITO-Lagertechnik Bittmann GmbH stands for innovative storage technology. As one of the few full line providers in this field, BITO supplies shelving & racking, bins & containers, order picking and in-house transport solutions for all industries. Our customer-oriented and innovative product range as well as our competence as full service provider made us one of Europe's leading intralogistics providers with currently more than 70,000 customers.

Storage systems and material handling equipment made in Germany: We are a long established, medium sized family business, locally rooted, yet acting on a global scale.

Ever since BITO was founded in 1845, our company headquarters including research & development as well as our production facilities have been located in our region.



+ **FINDING THE RIGHT STORAGE SYSTEM FOR ANY INDUSTRY, ANY PRODUCT AND ANY BUSINESS**

We have gathered a selection of particularly interesting projects to demonstrate our ability to provide the ideal storage solution for the widely varying needs of different industries.

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