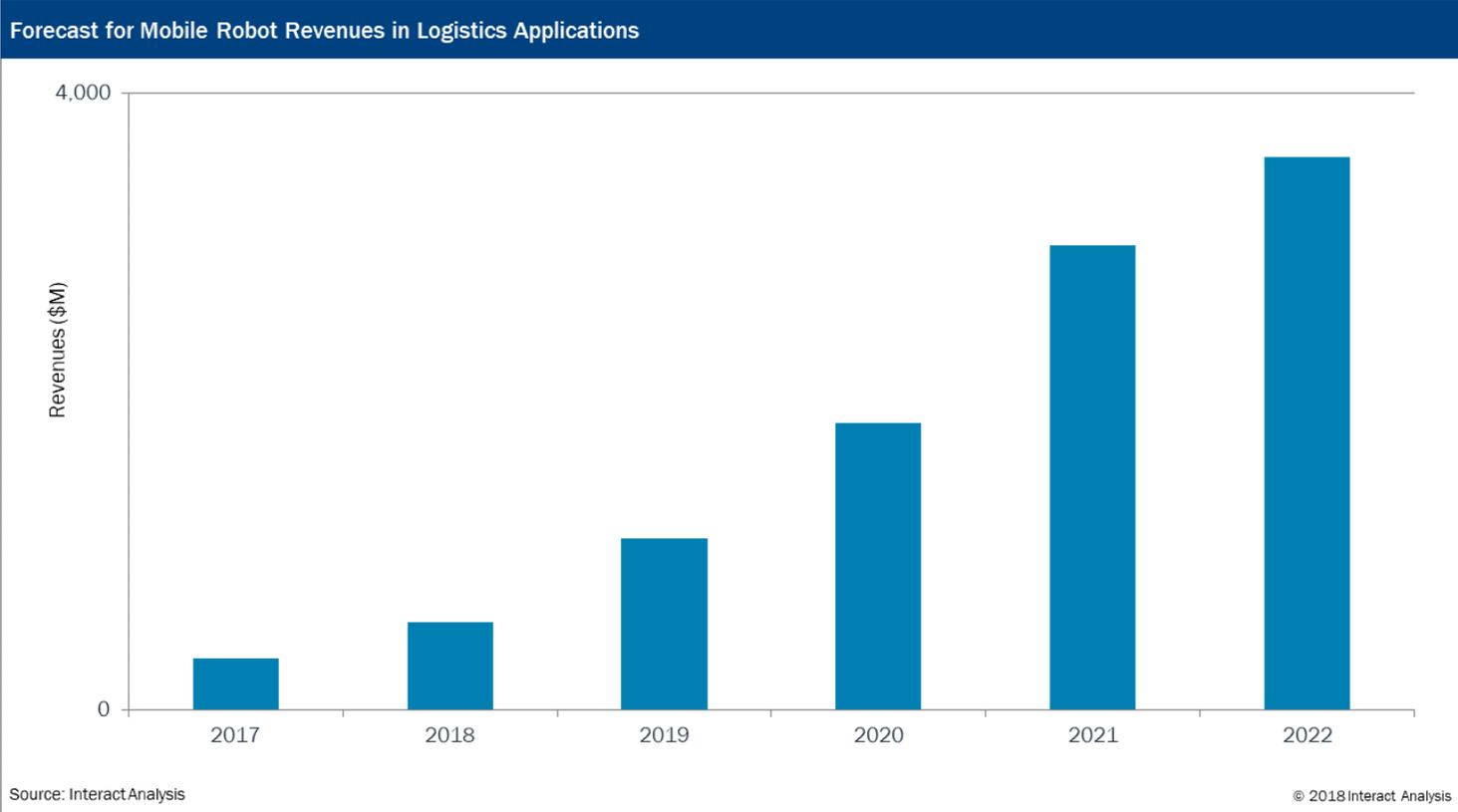


## Mobile Robots in Logistics Centers to Surpass \$3bn in 2022

Despite the market being worth just \$300m in 2017, automated guided vehicles (AGVs) and autonomous mobile robots (AMRs) used in logistics applications are forecast to enjoy massive growth in the next five years and grow ten-fold to exceed \$3bn in 2022, according to a new report from Interact Analysis. The report revealed that more than 400,000 mobile robots are predicted to be installed by the end of 2022.

Whilst AGVs have long been used in manufacturing environments to lower costs and improve efficiencies, logistics and fulfilment centers are a relatively new opportunity. “The proliferation of ecommerce, omnichannel retailing and customer demands for faster and cheaper delivery are forcing logistics providers to look to automation to ease the pressure.” explained Ash Sharma, Research Director at Interact Analysis. “These demands are compounded by a shortage of available workers, the time needed to train new employees and increasing wage costs. All these factors combined are driving up the ROI for mobile robots and shortening the payback time to under a year in some cases.”



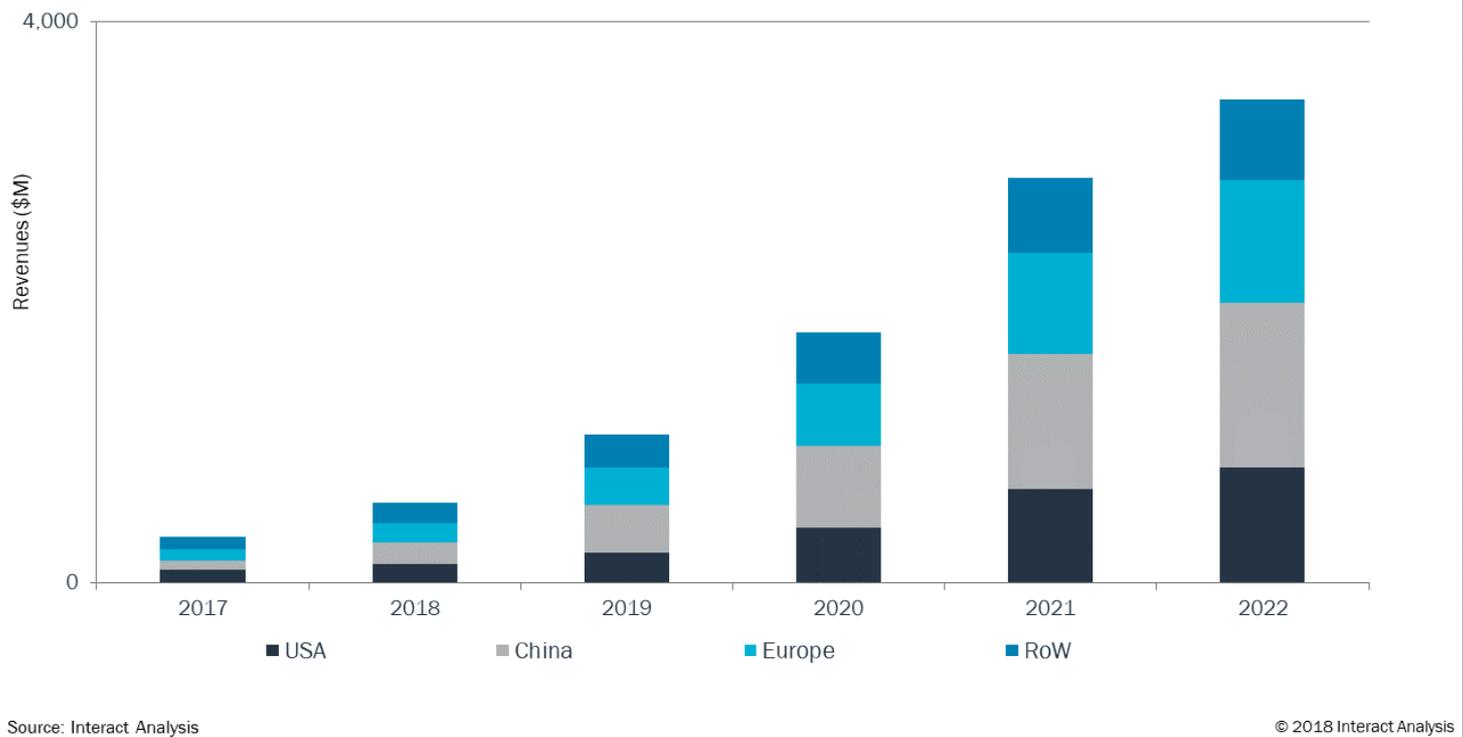
## Investment Flows into New Robot Approaches

Given these underlying macro-drivers and the massive growth forecast for the future, it's not surprising that investment dollars have been flowing into the growing number of mobile robot vendors coffers. Both Fetch Robotics and Locus Robotics raised \$25m each in recent months.

Dozens of mobile robot companies have emerged since the acquisition of Kiva Systems by Amazon in 2012, and the subsequent technology vacuum that resulted. Many of the companies – notably all from Asia – have gone to market with a similar product and solution as Kiva. Whilst they're seeing initial success, and indeed the report forecast substantial growth in the next couple of years, this growth may be short-lived with other approaches set to surpass them.

“The ‘Kiva’ approach of moving mobile racks around a fulfilment center requires substantial infrastructure changes and so is not always well suited for brownfield sites, or for smaller customers that wish to avoid such large capital investment and disruption to their operations” commented Sharma.

The report found a more promising outlook for collaborative mobile robots, that can work in partnership with human workers to improve throughput and at the same time ease the demands coming from labor constraints. AMRs which improve throughput through guiding human pickers, and those that replace manual forklifts and trolleys are tipped for robust growth. Robots – which can be deck-load, tuggers or forklift in design – can be added in phases and scaled after an initial pilot, and in-line with the customers growth in a less capital intense way.



### 3PLs and Ecommerce Companies Start to Embrace Mobile Automation

Multi-national logistics companies such as DHL and FedEx have been deploying mobile robots (from multiple vendors) over the past couple of years and this rollout is likely to accelerate. Similarly, major Chinese ecommerce companies have also begun adopting mobile robots in their facilities. Many of the Chinese companies deploying mobile robots are only now building out their logistics infrastructure and the complexity and cost of incorporating mobile robots and automation within greenfield sites is considerably lower than for existing warehouses. Alibaba for instance has deployed 100 Quicktron robots at a single facility and many more are likely in the next 18 months. Furthermore, the report revealed that the Chinese (logistic) mobile robot market is forecast to almost triple in size in 2018.

### Mobile Robots Create Close to \$7bn in Labor Savings Over Next Five Years

The deployment of such robots is forecast to save the logistics industry over \$4bn in direct labor costs by 2022, even after the additional costs of the robots and associate infrastructure are deducted. Close to \$7bn in total will be saved over the next five years according to the report. Assuming that more than 400,000 mobile robots will be in operation by the end of 2022, a similar number of human roles (or openings) could be eliminated from the logistics sector leading to an annual saving of more than \$4bn.

The Mobile Robots - 2018 report, which features more than 100 pages of analysis and 65 data tables and forecasts was published in March 2018

This forecast was taken from the Interact Analysis Mobile Robots in Logistics Centers forecast, details of which can be found [here](#).

For more information, please contact:

Ash Sharma  
 Research Director  
[ash.sharma@interactanalysis.com](mailto:ash.sharma@interactanalysis.com)  
 +44 1604 936 018

Or

Interact Analysis Media Relations  
[media@interactanalysis.com](mailto:media@interactanalysis.com)  
 +44 1933 654 245

Interact Analysis is an international provider of market research for the Intelligent Automation sector. Founded in 2017, we have offices across the world, including the US and UK. Our team of respected industry analysts delivers high levels of market intelligence in the field of Intelligent Automation. Our analysts have an average 15 years industry experience and our trusted leadership team has close to 100 years' experience in technology-based research, and we are renowned for providing data and analysis of the highest quality.

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