

Unisys Predicts the Rise of an Even Smarter Warehouse and New Strategic Alliances Will Transform the Cargo Industry by 2020

IoT and voice AI-enabled smart devices and systems, warehouse drones and strategic alliances between airlines and distributors will be key to the air freight industry capitalizing on the e-commerce market

BLUE BELL, Pa., October 11, 2017 – The global air cargo industry will transform by 2020 through “even smarter” warehouses in an effort to capitalize on the e-commerce boom and new alliances that help them better manage increasing capacity, according to a new set of predictions from experts at [Unisys Corporation](#) (NYSE: UIS).

The air cargo industry is experiencing growth and transformation driven by rapidly increasing capacity supply on passenger flights, and a shift to small parcel shipments as a result of e-commerce. Growing passenger demand will further increase the number of passenger flights and add to cargo capacity supply. The [International Air Transport Association \(IATA\) expects](#) the number of air passengers globally will almost double between 2016 and 2035, with the United States as the second fastest growing market globally.

“At Unisys we predict these market pressures will bring innovation in three areas in the cargo supply chain: smart warehouses will become even smarter, drones will finally take off in the cargo supply chain – but inside the warehouse – and new alliances between airlines and global distributors will enable longer term capacity management. Much of the underlying technologies are already in use in other sectors. But now, more than ever, cargo operators will be forced

to embrace such innovation to be more efficient, agile and proactive in an increasingly competitive and price conscious environment,” said [Venkatesh Pazhyanur](#), senior industry director, Freight Solutions, Unisys.

“The cargo industry needs to embrace disruptive technologies from the consumer world, including Internet of Things (IoT), digital assistants and drones, to increase efficiency and meet customer expectation for greater transparency throughout the supply chain,” said Pazhyanur.

Based on its more than 55 years of experience in providing innovative IT solutions to the aviation industry, Unisys believes the following predictions will become reality within the next five years or less:

Smart warehouses will become a reality

To meet the growing demand for small parcel deliveries, warehouses will transform from a storage location, to a dynamic facility using IoT and voice artificial Intelligence (voice AI) enabling faster processing of more shipments to generate a higher return on the real-estate investment. Just as connected wearable devices such as smartwatches are becoming mainstream in the consumer world, IoT-based technology will create the “smart warehouse” of the future. Recent innovations such as smart glasses used to display information triggered by a barcode or QR code on a container will be taken to a new level by incorporating scanners to automatically capture and input information into the warehouse system, and integrating voice AI to initiate actions. Similar technology is already in use in digital assistants such as Siri, Cortana or Amazon Echo. Unisys expects cargo operators to invest in converting machine commands to voice within the next three years.

Drones will be used inside the warehouse

While drones have become a familiar way to provide TV sports aerial footage, the much-anticipated mainstream rollout of drones to deliver

parcels to the customer's doorstep is hampered by flight space restrictions, government approvals and privacy considerations. Unisys predicts the immediate application of drones in the cargo supply chain will be within the confined space of warehouses to conduct inventory checks more often and more accurately, replacing the largely manual process. Beyond locating lost or misplaced items, the drones will use sensors to monitor environmental information such as light or temperature for perishable food, pharmaceuticals or livestock, and raise alerts to unusual noise or movement that may indicate animals are in distress. Unisys predicts this within the next 12 months.

New alliances between airlines and global distributors will pave the way for long-term revenue optimization

With cargo capacity potentially increasing faster than cargo demand due to extra passenger flights and larger aircraft, cargo capacity management has become the number one challenge for airlines. In this environment of unconstrained capacity, the traditional approach to yield management will not work as airlines may dump cargo space onto the market, creating a price war. Unisys predicts a fundamental move to longer-term revenue optimization based on strategic alliances between airlines and organizations with large ongoing delivery requirements such as postal authorities, major online retailers, global distributors and supply chain management companies. This will require airlines to provide their alliance partners with transparent real-time access to available capacity and predictive analytics to determine best routes based on speed, reliability and cost. This expectation for visibility will also extend to the "last mile" of the business-to-consumer cargo supply chain, leading to the development of mobile apps to allow the final recipient to be able to track the approach of their delivery – similar to how consumers currently track an approaching taxi or Uber.

Twenty-one of the top 25 airlines depend on Unisys solutions. Recently, Unisys launched [Digistics™](#), a holistic and integrated cargo logistics solution that allows carriers to streamline freight

management and improve their operational efficiencies. Unisys cargo solutions are used by many of the world's leading carriers, which collaborate via the Unisys Cargo User Group (UCUG). Unisys and UCUG members have worked with the International Air Transport Association (IATA) for more than 20 years on initiatives such as e-Freight, Cargo iQ and XML messaging.

About Unisys

Unisys is a global information technology company that specialises in providing industry-focused solutions integrated with leading-edge security to clients in the government, financial services and commercial markets. Unisys offerings include security solutions, advanced data analytics, cloud and infrastructure services, application services and application and server software. For more information, visit www.unisys.com.

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