



## **A Study on Importance of Logistics in Amazon**

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### **ABSTRACT:**

One of the biggest issues facing the current marketing system is coming up with tactics for safer logistics that are both feasible and high-quality for the market's competitive process. Because it affects transportation costs and places restrictions on the region's ability to expand economically and socially, transportation infrastructure is important to logistics operations. Due to the state's unique geography and the numerous rivers that impede the flow of production, there are still challenges with transportation logistics in the Amazon that businesses are continuously working to avoid or resolve. Comprehending the role played by public waterway transportation policy in the Amazon's logistical obstacles is crucial. The nation of Amazonia sustains approximately.

### **Introduction:**

Every business has its own supply chain for manufacturing or sorting goods. Nevertheless, in order to maximize its maximum benefits, the business must manage the supply chain. Effective supply chain management enables the business to guarantee that the right goods or services will be available when needed, at the right location, and for the right price (Kamal 2007). One of the businesses with the best supply chain strategies is Amazon, which enables it to respond to customers with an exceptionally high level of responsiveness.

### **Company Profile:**

Amazon is a US-based online retailer with its main office in Seattle, Washington. The company used to be just a bookshop, but it has since expanded into a whole new category of goods. Amazon wants to provide customers with a one-stop shop where they can get anything they need, making it the best option on earth (Warman 2012).

Amazon functions as a purely online retailer; it has no physical storefronts of its own, and its networks of distribution centers will handle the supply. Through this operation, the company is able to offer a greater variety of goods at a lower price for high-quality products. Additionally, because it promotes consumer comfort, it will raise customer satisfaction.

### **Objectives of the study:**

Find the answer to the problems preventing Amazon's logistics services from expanding.

Create plans and approaches to ensure the supply chain is sustainable.

Gain experience using a variety of supply chain-related technologies and techniques.

Assess deficiencies pertaining to various freight forwarding services offered by Amazon.

Create and carry out each suggested action pertaining to supply chain interruption.

#### **Methodology:**

The research method used is comparative case study approach to investigate the market entrance of Amazon logistics. Primary data was collected by conducting extensive, secondary, literature research into the development of last mile logistics operations. Secondary data was collected conducted expert interviews with representatives from companies.

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### **ANALYSIS OF AMAZON LOGISTICS:**

Most businesses seek profitable supply chain management in order to establish long-term competitive advantages. Effective supply chain management has several benefits, including decreased inventory, improved delivery services, and shortened product life cycles (Fawcett et al 2008). This section outlines the state of Amazon's supply chain strategy, how the company operates in a broader framework, factors that affect its supply chain, and an assessment of the strategic and operational ramifications.

#### **Transportation:**

Amazon offered a variety of delivery options to balance the cost of shipping and level of service. The business is too small to deal with full truckloads. In order to acquire a longer lead time for transportation, the company provides free transportation. This will put the business in a position to attain economies of scale and lower prices (Robinson 2010). But there are also incredibly responsive options available to the business, which is worth a lot of money. Although customers are prepared to pay more for items in order to receive them more quickly, Amazon shouldn't charge for anything, but that isn't how things work. Amazon is unable to fully capitalize on the benefits of its transportation networks. For this reason, the business must plan its supply chain networks to cut expenses.

#### **Order sourcing:**

Determining which internal warehouse or outside partner should be in charge of a certain buyer order is Amazon's challenge. After placing an order on the website, a consumer can expect to receive their things on schedule. When there are numerous devices spread out across different locations that need to be delivered in one shipment, finding the most affordable solution in a short amount of time is the most difficult issue. The business made the decision to leverage knowledge such as warehouse management systems in order to obtain a single, real-time view of its inventory for efficient sourcing.

#### **Supply chain network:**

In the United Kingdom (UK), Rugeley, Hemel Hempstead, Marston Gate, Doncaster, Peterborough, Dunfermline, Gourock, and Swansea are the eight distribution centers run by Amazon. The locations are chosen according to how far they are from markets, from major transportation hubs like highways and rail links, from airports, and from rivers (Amazon Location 2013). Melendez (2013) asserts that a number of DC would help the business provide easier accessible, quicker delivery, and lower transportation expenses.

Additionally, in locations with high customer demand, transportation hubs—also known as injection points—have historically been utilized to reduce transportation costs. The goods will be transported by full truckload from Washington, DC, to transportation hubs. The merchandise and products will next be unloaded from the inbound vans into the departing vans, which are operated by smaller service partners in accordance with

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### **RECOMMENDATIONS:**

The drawback is that Amazon depends too heavily on courier services like UPS and FedEx to be able to reduce the cost of shipping and increase efficiency. According to Jayakumar (2013), this courier has recently caused Amazon to have a bad reputation because it is unable to ship goods on time during periods of high demand and low customer satisfaction. Because Amazon places a high value on timeliness, the business should operate its last-mile supply using its own private fleet. Hirsch (2010) claims that using their private fleet has advantages beyond improved customer service and increased visibility, such as complete driver management for safety, improved branding, and the avoidance of driver shortages during peak demand/season.

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### **CONCLUSION:**

The logistics is essential to Amazon's success. The company's main goal is to provide a one-stop shop so that customers can find anything they need on Amazon's website and that corporate would bring it to their location on schedule. To do that, the business plans to collaborate with partners to put up multi-tier stock methods that will enable it to supply an almost limitless number of products. Furthermore, efficient distribution networks are required to provide goods to buyers on schedule. All of them emulate Amazon's primary strategy of providing consumers with a high level of responsiveness.

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