

How does a company ensure happy customers?

This unit looks at warehousing and logistics, and how our orders get from A to Z. It uses the context of Amazon: a company that most students will be familiar with.

There are over one hundred million items on the Amazon UK website. If you can imagine it, Amazon sells it.

Warehouses and local distribution centres are located around the UK, as shown below.

Students could be asked to find and locate these on a map:

UK corporate offices

- Principle Place, London
- Hanover Building, Manchester

Development Centre

- Waverley Gate, Edinburgh

Fulfilment Centres

- BHX1 - Amazon Rugeley : Goods in, Towers Business Park, Power Station Road, WS15 1NZ Rugeley, Staffordshire, United Kingdom
- BHX2 - Amazon Coalville : Amazon Coalville, Robson Way, LE67 1GQ Ellistown, Coalville, United Kingdom
- BHX3 - Amazon Daventry : Amazon UK Services Ltd, Royal Oak Way North, NN118QL Daventry, Northamptonshire, United Kingdom
- BHX4 - Amazon Coventry : Amazon Fulfillment Centre, Plot 1, Lyons Park, Coundon Wedge Drive, CV5 9FA Coventry, West Midlands, United Kingdom
- CWL1 - Amazon Swansea : Amazon Swansea - Goods In, Fford Amazon, SA1 8QX Crymlyn Burrows, Swansea, United Kingdom
- 3N67 / XBH8 - Amazon / Syncreon Burton/ DP World Logistics Unit 6, Quintus at Branston Locks, Burton-on-Trent WSTMID DE14 3EZ
- DBI2 : Birmingham: Amazon Logistics, Battery Way, Tyseley, Birmingham B11 3RE
- DNG1 : Coalville: Interlink Way E, Bardon Hill, Coalville LE67 1PD
- DST1 - Amazon UK Stoke on Trent : Trentham Lakes, Stanley Matthews Way, Stoke-on-Trent ST4 8GR
- EMA1 - Amazon Derby : Derby DE74 2BB
- EMA2 - Amazon Mansfield : Sherwood Way S, Mansfield NG17 5NB

- EMA3 - Amazon Nottingham : 10 Oyster Rd, Eastwood, Nottingham NG16 3UA
- EDI4 - Amazon Dunfermline: Amazon Dunfermline - Goods In, Amazon Way, KY11 8XT Dunfermline, United Kingdom
- EUK5 - Amazon Peterborough : Amazon Peterborough - Goods In, Phase Two, Kingston Park, Flaxley Road, PE2 9EN Peterborough, United Kingdom
- Geodis - (Amazon) XBH5 and XUKO : CQX5+2M, Lutterworth LE17 4XY
- GLA1 - Amazon Gourock : Amazon Gourock - Goods In, 2 Cloch Road, Faulds Park, PA19 1BQ Gourock, Inverclyde, United Kingdom
- HUK5 UUK3 Amazon Birmingham : Wingfoot Way, Birmingham B24
- LBA1 - Amazon Doncaster : Amazon Doncaster - Goods In, Unit 1, Balby Carr Bank, DN4 5JS Balby, Doncaster, United Kingdom
- LBA2 - Amazon Doncaster : Amazon, Unit 1, Iport Avenue, DN11 0BG New Rossington, Doncaster, United Kingdom
- LCY2 - Amazon Tilbury : Amazon Distribution Depot, Unit 2, London Distribution Park, Windrush Road, RM18 7AN Tilbury, United Kingdom
- LCY3 - Amazon Dartford : Littlebrook Power Station (Oil Fired, Dartford DA1 5PZ
- LCY5 - Amazon Dunstable : Amazon Fulfilment Centre Unit DC2 (Prologis, Boscombe Rd, Dunstable LU5 4FE : Temporarily closed
- LCY8 - Amazon Rochester : Unit 1A London Medway Commercial Park James Swallow Way, Rochester ME3 9GX
- LTN1 - Amazon Milton Keynes: Amazon Milton Keynes - Goods In, Marston Gate Fulfulment Centre, MK43 0ZA Ridgmont, Bedfordshire, United Kingdom
- LTN2 - Amazon Hemel Hempstead : Amazon Hemel Hempstead - Goods In, Boundary Way, HP2 7LF Hemel Hempstead, Hertfordshire, United Kingdom
- LTN4 - Amazon Dunstable : Amazon Dunstable - Goods In, Unit DC1 (Prologis) Boscombe Road, LU5 4FE Dunstable, United Kingdom
- Amazon LTN7/STN7/HTN7 - Amazon Betford : Amazon Wootton, Bedford MK43 9QJ
- MAN1 - Amazon Manchester : Amazon Manchester, Manchester Airport, 6 Sunbank Ln, Altrincham M90 5DL
- MAN2 - Amazon Warrington : Amazon Man2 goods vehicles. Great Sankey, Warrington WA5 3XA
- MAN3 - Amazon Bolton : Bridgewater Ave, Bolton BL5 1BT
- MAN4 - Amazon Chesterfield : 29 High Hazels Rd, Barlborough, Chesterfield S43 4PZ

- MAN8 - Amazon St Helens : 525 Haydock Park, Haydock, Saint Helens WA11 9FS
- XUKA - DHL Preston Brook : DHL Preston Brook (XUKA), Preston Brook, Runcorn WA7 3BN

Here are some facts about the Tilbury warehouse, for example:

- 2,000,000 square feet
- The same floor area as 28 football pitches
- It contains 16 miles of conveyor belts

In the month before Christmas, there is a dramatic increase in the rate at which goods are ordered, as consumers delay purchases in the hope that a bargain might appear. The growth of Black Friday and Cyber Monday as days when consumer spending is promoted and reported in the news has been a feature of the news media. Cyber Monday refers to the first two Mondays in December each year, when online orders peak. This is driven by the growth in options for delivery with a range of couriers offering guaranteed delivery in time for Christmas, although in 2014, one of these: [City Link](#), ceased trading permanently on Christmas Eve. This is a reminder of the importance of logistics in the preparation of items for dispatch, followed by efficient delivery. Customer confidence is vital.

In 2023, the promotion of 'Black Friday' reached new levels: a record \$9.8 billion was spent, up 7.5% year-over-year. Mobile devices accounted for 54% of sales.

The fulfillment centres that Amazon uses are distribution warehouses. Warehousing has changed over the years. JIT or 'just in time' ordering means that there has been a reduction in the amount of stock that needs to be kept in the buildings themselves. Bar codes and QR codes for tracking also allow automated 'picking' systems to support the people ('associates') who organise each order by hand, but lots of robots are also deployed to support ([The Telegraph video](#) shows them in action)

Starter



Look at the Amazon logo below. You may have seen it many times before, but there are some hidden messages inside it. Can you work out what they are?

The arrow in the logo connects A and Z. Amazon sells everything from A-Z is the implication, but the parcels have also travelled from A-Z.

The arrow which connects the letters A and Z is also in the shape of a smile, suggesting happy customers.

How does the company ensure that customers are kept happy, and get their correct item promptly?

The term that is used for this process is 'fulfilment'



Look at the FedEx logo next – can you see the 'hidden' arrow? Now try 'not' to see it again.

Main activity

It's a month before Christmas and Miss K is looking at ordering some gifts. She wants to print out special newsletters to go along with the gifts to let people know what she's been up to all year. She prints the first one, and the ink cartridge on her printer runs out.

She loads up the Amazon website on her computer, and chooses a replacement ink cartridge. As an Amazon Prime member, she knows it will arrive the next day.

- What are the alternative ways that Miss K could obtain an ink cartridge within the next 24 hours?
- What are the pros and cons of these alternative methods compared to ordering via Amazon?
- What 'geographical' factors could influence Miss K's decision to use this particular method of ordering her ink cartridge?

When she presses SUBMIT ORDER a chain of people start to be involved in the whole process. In order for Miss K to get her ink cartridge on time, these processes and people have to work correctly.

Download: [Amazon Order](#) (PPT)

Print the slides out as handouts: 2 per page, and use this as a card sort activity where the students are asked to sequence the cards to show the stages involved and people involved, or to group them into the different stages of the order e.g. website, fulfilment centre, courier or delivery service.

Later slides in the presentation include images of some of the people involved, which could be used as central points to position the cards around during this activity.

- How could these systems be affected by 'spikes' in demand e.g. Black Friday or Cyber Monday?
- How do the companies try to plan for these busy periods?

Discuss the various jobs that are produced by this method of ordering items, which is used by over 310 million people (Amazon alone), and the 'traditional' method, which was visiting a shop, perhaps on the High Street. Consider the questions above, with respect to the logistical decisions that are made, including recruitment of temporary staff.

Amazon has introduced a system called Amazon Locker, where the products are delivered to a physical location that people can visit and pick up their item. Many Post Offices are part of this network. How does this change things?

Other examples of Amazon's innovations include Amazon Prime Now, which provides same day grocery shipping and delivery service. What might be next for Amazon?

Plenary

Three discussions could take place here.

Discussion 1

The growth in home delivery means an increase in vehicles on the roads, meaning more traffic congestion and air pollution in cities, along with lots of waste from packaging.

Is shopping in the High Street more sustainable than using home deliveries?



Discussion 2

Drones (or UAVs) are also predicted as a delivery system to be used in the future.

How realistic do you think this future scenario is?

Discuss the possible benefits and problems associated with the use of drones in this way. There are plenty of recent news stories which could be referenced here.

Discussion 3

Is online shopping killing the High Street?

Reference could be made here to the current plans to try to save the High Street: [100 Ways to Help the High Street | Resources | High Street Task Force \(highstreetstaskforce.org.uk\)](http://highstreetstaskforce.org.uk)