Amazon and its international supply systems

Business, Marketing

Amazon. com is a popular and well-known multinational E-commerce company in the world, based in United State and expended the retail web site in United Kingdom on 15th October 1998 (D Brown, 2008), which composes of buying and selling products or services through internet and another essential computer network systems. Jeff Bezos, founder and CEO of Amazon claimed that a company can be resilient is made by focusing on the customer (Zach, article, 2013).

Obviously, customer centricity (Mark, YouTube, 2009) is the tenet that Amazon is working on, which is the strongest key to raise the global prominence and earn the credits from their consumers and suppliers. By reaching the goal of customer satisfactions, Amazon divided their internal operation aim into five main parts of components to ensure that they have delivered what consumer needs, which is controlled by Lean system combined with the efficiency of Six Sigma system (Andrew, 2009, Mark, YouTube, 2013) and Pull system to shorten the time of operation and focus on identifying the needs of customer or place order to co-sourced.

After that, both of them will send the parcel to Royal Mail or commercial courier after certificated and packed by Total Quality Management system (TQM) (Nigel, Alistair, Robert, 2011) and ABC Warehousing system (Jay, Barry, 2008) respectively. The first one is provide an easy purchase process and platform to customer that contain a user-friendly web page and mobile " app" (Annual report, legal proceeding, 2013) with clear catalogues, simple order and payment procedure to reduce the time of procurement.

Second one is offer a wide range of goods selection (Annual report, Overview, 2013) from all over the world to fulfill different type of customer

needs. Pricing management (Annual report, consumer, 2013) is also another important element; it can separate into two parts that are internal and external. Internal is the price of products that tempted the consumers with lowest possible price, which is operated by Amazon. External part is postage, Amazon provide Prime and Supersaver to lower the cost of shipment (Annual report, consumer, 2013) to their customers, but the delivery part is still handling by Royal mail or other logistic company.

The next component is quality (Annual report, 2013) of the products that they have a set of quality level to decrease the defect or product return. The last one is efficiency (Annual report, 2013), sequence the duration of the operation from the order placed until ship out the parcel. In the meantime, Drop Shipping (Annual report, 2013) is providing by some of the vendors of Amazon to shorten to procedure. Furthermore, the speed of problem solving is fast since Amazon is using E-mail and Electronic Data Interchange (EDI) (Nigel, Alistair, Robert, 2011) to communicate with their customer and vendors.

Amazon is performed well in the internal supply chain system, yet there still have some conundrum appear frequently such as the unpredictable delivery time, delivery address label and document missed (Cathrin, 2007), postmen did not even knock their door to save time when deliver (Andrew B, 2012), no one response during long holiday (G. Charlton, 2013), ignore the request from customers (A. Jones, 2011) and customer needs to postpone the shipping time (M. Lewis, 2011). Here also have some customer reviews as following that had experience of online shopping.

Fiona blamed that she got her parcel a year late (Andrew B, 2012). Tony Rudder said that he had been waiting a package for a whole day in his house, but he just discovered a little note on the floor saying that they tried to delivery his parcel at the end (Andrew B, 2012). Richard Wilding claimed that his parcel was founded about half a mile away from his house few weeks later (Andrew B, 2012). The above customers' reviews showed that the system of delivery is existence some significant factor that infuriating their customers and also losing the confidence from the consumers.

According to the research studies, since the whole system of Amazon is complex and unsure with people involved such as unpredictablehuman beingof psychological issues that may affect the outcome, so that, Soft System Methodology (SSM) (Checkland, 1999) with tools CATWOE, " Rich Picture" and Root Definition will be the ideal way to apply in this case. As shown in the " Rich Picture" (Figure 1), it indicated that once the computer system received the order from customer, it directly assign to the distribution center.

But then, there has a blockage appear between the logistic part and customers after Amazon passed the parcel to Royal Mail or other commercial couriers, it is because of customer is unable to predict and check the exact arrive time of the parcel by themselves. Moreover, when customer tries to contact with the customer service of Amazon, the staff may not answer immediately due to the part of delivery is not under their control. With the reviews and tools of CATWOE (Appendix 1), Root Definition will be formed. Amazon owned system operated by staffs of Amazon that supports since received order from customer to parcel delivered.

All goods need to passed a standard quality control in order to provide a quality products and also with good service of delivery on time, while recognizing the constraints of the barriers of third party logistic company. Concluded with the analysis of delivery conundrum of Amazon, we found that they should strengthen the Customer Relationship Management (CRM) (Andrew, 2009) to achieve the objective of delivery service to meet customer expectation. Besides, cooperate with a logistic company that operated with goodTechnologyManagement (TM) (Jay, Barry, 2008) with new IT system to enhance the value of delivery.

To begin with the whole delivery process, three best delivery dates and time selected by customers should be added in the purchase procedure. Secondly, use GPS (eCourier, 2013) real time tracking system to monitor the parcel once it passed to the logistic company; let customers check with their smartphone. In the meanwhile, the computing system will send a pre-delivery alert SMSy (Whitepapers) and 1 hour before the parcel arrive reminder to the customer that make sure the parcel can be well delivered.

The other advantage would be allowing customer to rearrange the delivery time with SMS (Whitepapers). At last, use a PIN code (The iBin, 2013) to identify the parcel delivered to the right person.