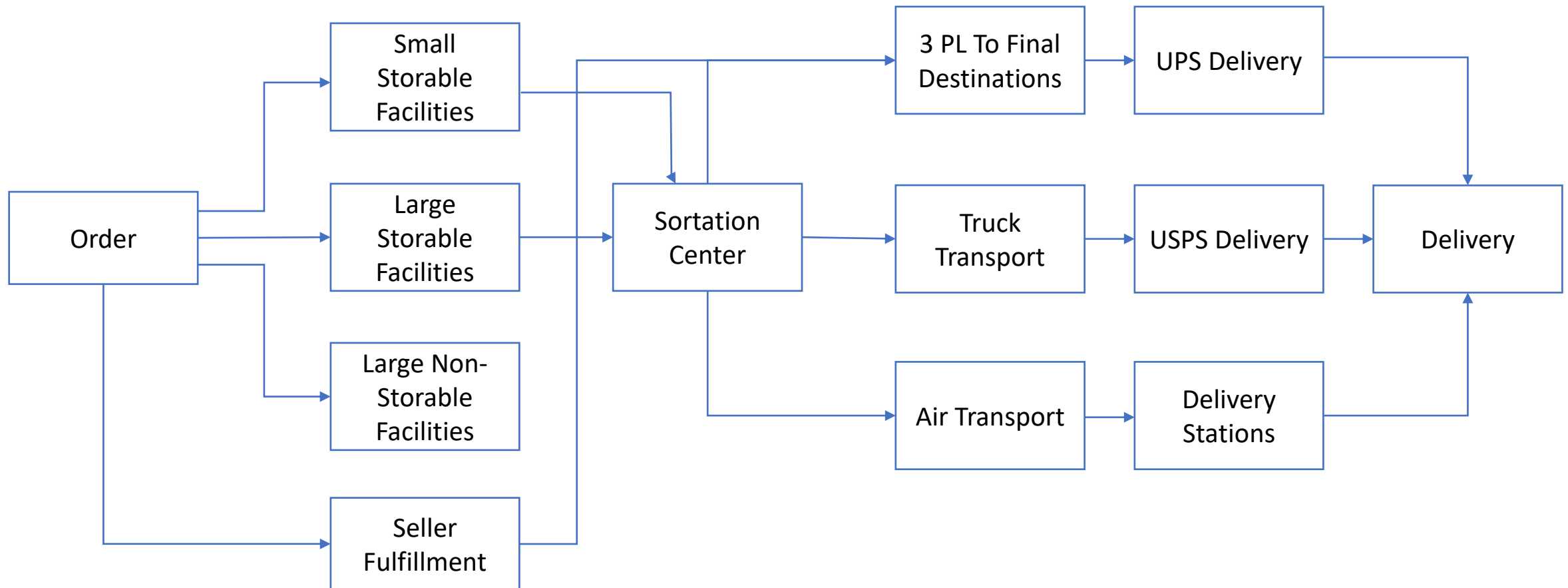


Amazon Logistics

Submitted By: Gaurav Bhatia



Process



Cost Centers

Fixed costs:

- Warehouses: Rental and leasing costs
- Transportation: Leasing costs
- Automation & Machine learning costs
- Overhead costs

Variable costs:

- Shipping costs
- Packaging costs
- Wages/Labor costs
- Marketing costs

Cost Drivers: Packaging

- Packaging: Frustration free packaging
Fewer packets: lower costs
- Packaging: Plastic mailer, paper padded mailer
- Optimizing the shape and size of the cardboard boxes



Cost Drivers: Shipping

- Air delivery: More efficient: 2-day delivery
- Delivery via USPS (2 dollars/package): Lower rates for last mile delivery
- Delivery to rural areas via UPS: 20% of the amazon packages



Thank you!