

# THERE'S NO SHORTAGE OF SUPPLY CHAIN LESSONS LEARNED FROM AMAZON PRIME DAYS

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With 2021 Amazon Prime Day now in the books, the company issued some results for the event, which it called its “biggest two-day period ever for Amazon’s third-party sellers, nearly all of which are small and medium-sized businesses, growing even more than Amazon’s retail business.” And it added Prime members in 20 countries shopped more this Prime Day than any previous Prime Day, with members purchasing more than 250 million items globally—and saving more—than any other previous Prime Day.

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Some of these things were laid out in comments from cloud ERP services provider VAI and FourKites, a provider of real-time tracking and visibility solutions across transportation modes and digital platforms.

Joe O’Hea, Sales & Account Manager, at VAI, provided his take on the biggest supply chain disruptions for Amazon Prime Day (and other days, too), as well as the e-commerce supply chain in general.

“Interruptions that hit supply chains this past year came from differences in supply and demand due to the COVID-19 pandemic, which created global shortages of certain products,” he said.

“Supply and demand planning can be resource-intensive and when unforeseen or even long-term, large-scale events occur, delays can have lasting effects. For an

event like Prime Day, aligning the global e-commerce supply chain at one time is no easy feat, and out of stock products or shipment delays are likely to occur. However, Amazon was built on technology, and the company has already proved its capability to quickly streamline orders, send customers real-time order and delivery notifications and move millions of products throughout the world. For the e-commerce supply chain moving forward, companies can learn from the delays of the past year and follow in Amazon’s footsteps to create a tech-enabled warehouse and fulfillment system, allowing third-party partners and customers to stay updated every step of the way.”

As for what can be done by shippers, carriers, and 3PLs to help top alleviate supply disruptions, O’Hea explained that by closely aligning themselves



with the operations of businesses and vendors, both shippers and carriers can alleviate any supply chain disruptions and keep both parties updated on any upcoming challenges.

“By leveraging predictive analytics and business intelligence as part of an ERP solution, for example, carriers can better forecast any hiccups that may arise during Prime Day,” he said. “Shippers can leverage data insights to track the number of available resources, follow the movement of products and purchasing trends, and allow room to shift gears in the case of a backup in the supply chain. For both Prime Day and other large sales events such as Target’s ‘Deal Days,’ shippers and 3PLs can best prepare and alleviate supply chain disruptions by capitalizing on advanced technologies to keep vendors, the larger supply company, and consumers updated—potentially avoiding any major fallout, which is the ultimate goal.”

O’Hea also observed that the e-commerce supply chain has changed drastically in the past year, due to the COVID-19

pandemic, severely impacting the operations of many companies and increasing the need to rely on technology to operate everything from the warehouse to the mobile sales force.

“Brands who have prioritized e-commerce and mobile technology to be at the core of their business models are the ones who have succeeded in the current online shopping and Buy-Online-Pickup-In-Store (BOPIS) climate,” he said. “In the e-commerce space, I expect customers to continue engaging with brands in innovative and digital ways, such as on their mobile devices, and an increase in curbside pickup and home delivery. Even as some shoppers return to stores as vaccinations increase, e-commerce delivery will remain a priority. As a result of the past year, many brands have come to rely on tech-enabled strategies not only at the front end with customers, but throughout the supply chain—ensuring fast delivery and pickup options.”

#### **FourKites analysis:**

Glenn Koepke, SVP of Customer Success, for FourKites, provided an overview of things shippers need to be aware of, as it related to Prime Day and market conditions in general, including:

- Parcel carriers reaching capacity thresholds and ability to scale up for peak season will be key to managing the overall demand surge in the market;
- Current ocean conditions will mean that product has to be at US ports or warehouses ahead of planned time otherwise risks of shortages to meet customer demand will be a problem;
- Amazon has a very strong air freight network and will leverage its fleet of airplanes to get higher value product in DC’s as necessary;
- All retailers will continue to rise even as restaurants open up, Prime days, etc. With a strong economy and discretionary spending still increasing this will put pressure on the logistics chain globally.

