INTERNATIONAL ADVANCED DIPLOMA IN LOGISTICS AND TRANSPORT

STRATEGIC NETWORK PLANNING

ADIP03

Note to Candidates
The aim of this paper is to establish your in depth understanding of the principles and applications involved in Strategic Network Planning. Candidates are encouraged to make use of relevant examples where applicable.

Instructions to Candidates

¶ Duration of examination: **3 hours**

¶ **Answer Question 1(Compulsory) in Section A and 3 Questions in Section B**

¶ Questions may be answered in any order.

¶ Allocation of marks is indicated alongside each question.

¶ Credit will be given for citing relevant examples.

¶ Write legibly.

Section A Complusory

Question 1

AMAZON.COM: AN E-BUSINESS
Amazon.com sells books, music, and other items over the Internet and is one of the pioneers of consumer e-business. Amazon, based in Seattle, started by filling all orders using books purchased from a distributor in response to customer orders. This practice differs from that of a traditional bookstore, which usually purchases directly from publishers and stocks books in anticipation of customer orders. Today, Amazon has six warehouses where it holds inventory. Amazon stocks best-selling books, though it still gets other titles from distributors or publishers. It uses the U.S. Postal Service and other package carriers such as UPS and FedEx to send books to customers. Amazon has continued to expand the set of products that it sells online. Besides books and music, Amazon has added many product categories such as toys, apparel, electronics, jewelry, and shoes. After several years of losses, Amazon has been profitable since 2003.
Several brick-and-mortar players including traditional booksellers such as Borders and Barnes & Noble have also started selling using the Internet channel. Barnes & Noble has set up Barnes&Noble.com as a separate company, whereas Borders uses Amazon to fulfill its online