Activity 1: Amazon stock management answers

Suggested possible answers to the following questions.

**1. What would the impact be on Amazon if they did not have contingency plans in place?**

* Stock control: levels of stock may not be accurate, without technology and stock counting this could lead to issues fulfilling orders and stock inefficiencies.
* Supply chain issues: significant delays could result if there was an issue within the complex network of warehouses, transportation and suppliers.
* Inventory management problems: if there was an unexpected surge or drop in demand, this could cause an issue with inventory levels.
* Warehouse and fulfilment issues: issues such as equipment failures, power outages, or labour shortages, would impact on efficiency and reliability.
* Delivery delays and unreliability: potentially reducing customer satisfaction and harming reputation.
* Legislation: any breaches of stock management legislation would have a reputational impact.

**2. What do you think would happen to the company’s reputation if the stock was not managed effectively?**

If Amazon failed to manage its stock effectively, it would harm the company's reputation. This would likely be through:

* Negative reviews and feedback
* Loss of repeat business, including loyal customer base via Prime membership
* Difficulty attracting new customers
* Damage to partnerships including suppliers and third-party sellers