

THE DISTRIBUTION OF AMAZON AND THE FOOTPRINT OF FREIGHT DIGITALIZATION



Jean-Paul Rodrigue

This paper provides an overview of a rapid retail footprint shift that has taken place since 2010 as a result of the proliferation of large e-commerce firms with a particular focus on Amazon. This study examines the physical growth of e-commerce practices, as these companies have transitioned from what was once a marginal complementary activity to now a direct competition for conventional retail.

APPROACH:

This study uses an analysis of the geographical expansion, market coverage, and functional specialization of Amazon's distribution network as a case study.

MAIN FINDINGS:

- The retail sector is shifting from commercially accessible locations towards transportation-accessible locations that are better posed to facilitate access to consumer markets. E-commerce retail companies such as Amazon are basing their physical site locations to maximize regional market accessibility as it balances the need to service high market density in central areas from low-density peripheral locations.
- The weighted median center of most of Amazon's facilities corresponds to the demographic center of the United States. This consistent locational attribute underlines the market servicing function of e-commerce as the goal is to achieve a distributional hierarchy of facilities to access consumer markets.