

Players gear up for boom in e-commerce on the continent

Driven by the increased use of mobile devices and the internet, and economic growth across the continent, e-commerce is burgeoning in Africa.



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In their quest to win a share of this business, courier and express parcel companies are increasingly looking for ways of innovating and distinguishing their services from those of their competitors. This requires a multidisciplinary approach. While retailers generally choose courier services according to the volume of their business and the countries and cities they serve, they also take things such as branding, efficiency, experience, cost, terms, service levels, customer relations, tracking systems and warehousing into consideration. Selecting a courier services company is a big deal in e-commerce.

"The courier company making your deliveries is your first and most important point of contact with your customer, and you don't want to mess that up," says Tanya Rao of Indian e-commerce company, Zepo. "It makes for major disappointment when you get a call from a customer complaining about the state and time of deliveries made."

Moreover, because of the diversity of their needs and the extent of their distribution, more and more online retailers are making use of several different courier companies, making it increasingly important for all suppliers to remain competitive and innovative. If you let retailers down, there's no shortage of companies - some already serving the client, albeit in different regions or for only certain product lines - willing to snap up the business.

Speed of delivery, says MD of SkyNet Worldwide Express, Fatima Sullivan, is more important than ever for the sustainable success of e-commerce businesses.

"It's an odd quirk of human nature that once you've ordered the goods from the factory on the other side of the world by tapping on your magic box, you expect the genie to teleport them to you instantly," she says. "The ease of online shopping creates an expectation that delivery will be equally souped up. The idea of waiting two to three weeks for delivery is as outdated as a mail-order catalogue. As a courier and express parcel company servicing these retailers and their clients, we have to have the footprint and the infrastructure to collect from anywhere and deliver anywhere within a matter of days."

SkyNet's international business includes the daily dispatching, from London, of eight containers packed with goods ordered online to its hub in Lagos. Nigeria is one of the many African countries served by the company as the continent's consumers get hooked on shopping online. SkyNet operates in 190 countries worldwide with 23 hubs in SA and 47 hubs in SADC countries.

"With e-commerce expected to grow by as much as 40% annually (according to a 2014 yStats.com survey), we're opening new offices all over the continent every year to keep up with demand," says Sullivan.

"But when it comes to delivering a reliable service in foreign countries, local knowledge is vital. Each country presents its own challenges in areas such as law, customs tariffs and levels of infrastructure. Local expertise is required to operate

effectively, which is why we seek to partner with the best local courier and express parcel company in each new country we enter."

However, rather than outsource last-mile delivery entirely, SkyNet merges the new partner into its operation. The idea, she explains, is to retain a consistent standard in every link of its supply chain and to be able to monitor all deliveries from factory floor to the customer's door using its iSkyNet tracking network.

"It's the final link - fast, reliable delivery - that allows the combination of increasing access to online retailers and the growth in Africa's consumer spending power to provide good opportunity for growth for business," says Sullivan.

Source: Business Day via I-Net Bridge

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