The growth of e-commerce is reshaping the logistics landscape

At present, online consumers are far more demanding than those in previous eras. This is simply because they want their orders to be delivered as fast as possible. It, therefore, follows that online marketplaces are left with no choice than to ramp up their delivery capacity.

The supply chain or logistics of any online marketplace can make or mar such a platform especially if they are always experiencing logistics nightmare which might lead to late order delivery. Definitely, the customer will be unhappy. Thus, as e-commerce is growing and disrupting the economic landscape across Africa and the world, so is logistics changing to meet the delivery demands of the 21st-century consumer.

To ensure a seamless delivery, Jumia Services, which is the arm that handles logistics in the Jumia ecosystem came on board. Currently, Jumia Services with operations in 12 African countries, and over 50 logistics partners delivered over 10 million packages in 2017, over 250 pickup locations and 10 large warehouses. This is all in a bid to ensure that orders are delivered at the customers across the continent.

When you compare this to what happened in the past, you will observe that the idea of logistics has drastically changed. Then, the goods you bought can sit in the warehouse for days before it is even shipped and it will never be delivered at the agreed duration. You have to accommodate delays. But as e-commerce became the trend, logistics had no choice than to change. Indeed, Jumia has innovated and with Jumia services, logistics are better managed and handled.

E-commerce and logistics

Logistics and distribution networks have considerably evolved over the last couple of years. From the moment electronic commerce was introduced, everything changed, including logistics. To be more precise, traditional logistics chains are basically outdated. Retail models do not imply any more freight moving from one distribution centre to the other. This takes a considerable amount of time and does not provide insight into product inventory.

Before we talk about e-commerce in SA, let's define it properly

Claire Cobbledick 26 Nov 2018

The growth of e-commerce management has led to the redefinition of logistics functions to include: e-fulfilment centres, parcel sortation centres, parcel packaging, order tracking and much more.

E-commerce logistics challenges

In Nigeria, there are quite a number of challenges facing logistics in the country despite the countless opportunities provided by e-commerce.

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Some of the challenges include:

- Ineffective home numbering: the fact is, if a location is ineffectively numbered, there will be delays in order delivery.

Although, the Lagos State Government has made efforts in numbering houses as it did in 2012 when it numbered no less than 1.2 million houses in the state, there is still the need for another round of numbering which should be done with the aid of technology.

Regardless, e-commerce platforms like Jumia and others have been delivering orders 8 hours a day and 5 days a week.

- Infrastructure: roads have improved over the years. However, more needs to be done to improve roads in certain parts of the country.

The future of logistics

Undeniably, as e-commerce continues to grow, logistics will also grow in tandem. Today, some e-commerce companies are experimenting with and contemplating employing drones for last mile deliveries. Furthermore, as the autonomous or self-driving vehicle technology becomes more sophisticated and satisfy the five stages of autonomous driving levels, e-commerce companies can use them to deliver orders. These smart cars will further reduce delivery times and data can easily be gathered.