

Couriers and consumers reap benefits of 'quick commerce' boom

Imagine a future in which your new cellphone is delivered to your home by a courier who also sets up your new device for you. What about a courier who can deliver a spare part for your washing machine and install it while he is there?



Sapics Conference panelists Diederick Stopforth, Nelson Teixeira, Garry Marshall and Martin Bailey discuss e-commerce and the last mile.
Source: Supplied

These were some of the scenarios explored by parcel industry experts in a panel discussion on e-commerce and the last mile at the recent 2022 Sapics Conference for supply chain professionals.

The Covid-19 pandemic triggered unprecedented growth in e-commerce and the courier industry. The challenges and opportunities for the industry were examined by panelists Garry Marshall, CEO of the South African Express Parcel Association (Saepa) and managing director of BidAir Cargo; Industrial Logistic Systems executive Martin Bailey; Diederick Stopforth, the sales and marketing executive at Skynet Worldwide Express South Africa; and CourierIt SA operations director Nelson Teixeira.

Quick commerce skyrockets

According to Marshall, the technology needed to drive the e-commerce and Q-commerce (quick commerce) boom in South Africa developed virtually overnight as a result of the Covid-19 crisis. "As the saying goes, never waste a good emergency. The pandemic propelled us to leap ahead in South Africa and swiftly embrace and implement innovative e-commerce and Q-commerce technology and solutions. It has been good for the last mile industry and for the public."

Q-commerce has skyrocketed in South Africa since the start of the pandemic. It entails the super-fast fulfilment of orders for smaller quantities of things like food, groceries and over-the-counter medicines. Leading South African retailers have implemented Q-commerce solutions.

Teixeira, whose company handles the successful Checkers Sixty60 delivery service, said that the Q-commerce grocery market in South Africa has doubled in size since before Covid-19 and further exponential growth is expected.



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Stopforth told Sapics Conference attendees that home deliveries of chronic medicines have also shot up since the start of the pandemic. “We have gone from doing 500 to 600 deliveries a day for some pharmaceutical industry clients to 5,000 home deliveries a day.”

Security risks and no consolidation are among the challenges, he noted. “Thousands of deliveries to individual homes make parcel and transport consolidation impossible. Locker boxes for deliveries may offer one possible solution. Medicines, especially high-schedule drugs, are a security risk. We are also seeing more hijacking of courier vehicles delivering high-value items like cellphones.”

One of the innovative solutions offered by Skynet is a partnership with security service provider Fidelity ADT.

“Who would have thought that a courier company and a security company would partner? It is, however, the ideal arrangement to address the unacceptably high volume of hijackings and robberies in the courier sector,” Stopforth asserted.

Courier skills of the future

With security and last-mile delivery converging, it is plausible that the courier of the future will have the skills to set up a new television, cell phone or computer that is delivered.

“There are vast opportunities to add new skills and services to the last mile industry to meet consumer demand. With the high rate of returns in e-commerce, there are now couriers that iron, fold and repack clothing returns. They then store these in their own warehouse, ready to go out for delivery again when an appropriate order is received,” Stopforth explained.



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Multi-faceted e-commerce opportunity

E-commerce is usually viewed as a challenge to bricks and mortar retail, but according to Marshall, the future could see the two co-existing harmoniously. “Some innovative retailers are using their bricks and mortar outlets to create orders for e-

commerce,” he explained. “If a customer goes into the store and cannot get a particular item or size, they are invited to place an online order for delivery to their home.”

South African producers are also reaping the benefits of the e-commerce boom, according to Marshall. “E-commerce has opened up the world for South African producers. Today, it’s not unusual for a customer to tell their courier company to come and collect as they have deliveries for Kempton Park, Lusikisiki and New York.

“E-commerce growth has also opened up more opportunities for smaller e-commerce companies as courier companies can offer the small players shared warehousing, technology and services. Job creation and skills development are among the positive spinoffs.”

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