

# E-commerce surge, contactless deliveries throws lifeline to courier industry

In just over a week, the lift of the e-commerce ban by Minister Patel has delivered a potentially life-saving 'U-turn' to the future of several South African industries, most particularly online retail, and the courier, logistics and freight forwarding industry. President Cyril Ramaphosa's address to the nation continues to show further easing of lockdown measures but e-commerce has proven to see a huge spike in engagement, which has resulted in a ripple effect into the courier industry.



Hilton Eachus, COO, Dawn Wing

Prior to Covid-19, e-commerce contributed 1.4% of national retail sales, according to the Online Retail in South Africa 2019 study conducted by World Wide Worx, with the aim to double this by 2022. Local courier companies that had geared up for this by building streamlined processes, meeting delivery times accurately, and offering robust parcel tracking were prepared for 18 months of solid growth. What happened next, as Covid-19 destroyed the economy, was very different, but lockdown may still prove to be a blessing in disguise for e-commerce.

"When lockdown was implemented, we took a hit on our volume like everyone else, but we have a good number of customers in the healthcare and fresh produce sectors which helped," says Hilton Eachus, chief customer officer at DPD Laser, which operates under the Dawn Wing brand in South Africa. "What we're seeing now though is a tsunami of consumers ready to jump into online shopping, simply because it's a necessity to stay home and, for many, work from home. The courier industry has become an enabler to achieve that; we bring the goods to you, and we'll do it safely through our new contactless delivery process. We believe this will be the big shift to online shopping in South Africa that we've been preparing for. We are expecting massive volumes from the major e-tailers that we service, but also the smaller shops who have been working hard to bring their business online."

His point rings true - according to an analysis by ACI Worldwide, global e-commerce sales in April experienced a 209% growth compared to the same period last year.



## Covid-19 a shot in the arm for e-commerce

Lauren Hartsenber 25 May 2020



According to Garry Marshall, CEO of the South African Express Parcel Association, "Since lockdown, our industry was

down to about 30% of the norm - this makes it extremely difficult because you can hardly send out one-third of a vehicle, or have it one-third empty - so it dramatically impacted the cost base of couriers. However, since Level 4, there has been a dynamic shift. Because of the extension of commodities into permitted products - allowing logistics companies to transport both the inputs and outputs for manufacturing organisations, we managed to get back to about 70% of capacity. But service and safety are essential. We report to government every week on this aspect."

Minister Ebrahim Patel best described the benefits of online sales during the pandemic. "E-commerce can be a critical enabler to opening the economy through contactless transactions, which can reduce the movement of consumers, and the density of shoppers in retail spaces," the section reads. "Further it can accelerate innovation, support local manufacturing and increase access by the informal market and poorer South Africans," he said.

"The challenge is that anxious consumers have understandably high expectations and there is little space for broken promises or poor service under these circumstances," Eachus explains further. "They expect absolute attention to detail when it comes to service, ongoing communication, visibility of their order, and, of course, hygiene and sanitation. We enable recipients to track their parcel in real-time, change the delivery address, select alternative delivery days, as well as receive details of the specific driver and vehicle - a useful feature in South Africa, a very security-conscious environment. There's even a comprehensive audit trail up to the point of delivery, which extends to the provision of photographic evidence of the attempted drop-off in instances where the recipient is not home. Our customers understandably demand this level of service from us, because we are an extension of their brand."

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