

DHL Express cements commitment to growing African ecommerce with strategic investment in Link Commerce

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- DHL acquires a stake in their strategic partner company, Link Commerce, in support of growing e-commerce in sub-Saharan Africa and other global emerging e-commerce markets
- Africa's online retail market predicted to reach an 11-digit dollar value in 2020

DHL Express announced its minority stake acquisition in Link Commerce, the UK-based e-commerce firm that helped the logistics company develop its hugely successful DHL Africa eShop platform.

Hennie Heymans, CEO of DHL Express sub-Saharan Africa, says that the acquisition demonstrates the company's commitment to growing e-commerce on the continent. "Acquiring a stake in Link Commerce – the company behind the MallforAfrica.com platform – shows our tremendous support of e-commerce in Africa. It also positions us to realize our ambitions of growing the eShop offering globally and to work on the scalability of the platform when the opportunity arises."

"DHL's investment in Link Commerce is a perfect fit. With the DHL investment, we are now able to grow faster by leveraging the amazing shipping network DHL has built globally. This will help us expand our white-label turnkey B2B e-commerce platform and provide online shoppers with the ability to shop more at great shipping rates, fast," said Chris Folayan, the founder and CEO of Link Commerce and Mall for Africa.



Hennie Heymans, CEO of DHL Express sub-Saharan Africa

Just over one year from its initial launch, the DHL Africa eShop

continues to see massive growth in sub-Saharan Africa. Heymans notes that the DHL Africa eShop has consistently outperformed expectations since its launch. "The platform was developed in partnership with Link Commerce and initially launched in 11 African countries in April 2019. It was an immediate success, gaining around 5,000 subscribers within the first six weeks. Today, DHL Africa eShop is live in 34 countries across sub-Saharan Africa with 10s of thousands of users across the continent."

The DHL Africa eShop offers African consumers unprecedented access to international retailers via an easy-to-use platform, with great convenience, speed and reliability. "DHL Africa eShop enables African customers to shop directly from over 200 US- and UK-based online retailers, with purchases delivered directly to their door, by DHL Express."

Heymans adds: "Online buying behaviours and product mixes have evolved quite significantly since the onset of Covid-19. Some of the most popular items on the platform now include productivity and communications devices to support remote working, home and kitchen appliances, entertainment gadgets and health-related products, in addition to the historic orders of fashion and beauty products."

Consumer interests have shifted towards goods that are harder to source locally. With brick-and-mortar retailers in many regions operating at reduced capacity, consumers have turned to online shopping to acquire the goods they need. "It's

been great to see eShop providing vital online shopping access during this time, with impressive growth coming from countries like Nigeria, Ghana, Rwanda, Angola, Uganda and Kenya during the various stages of lockdowns, and with South Africa back on board to access e-commerce, we are thrilled for our users to be able to use service offering once more," says Heymans.

Assurance for delivery has become a top priority for consumers, notes Heymans. "Basket sizes have also increased, as shoppers seek to get all of what they need immediately, rather than to space out their orders. Online shopping supports the ultimate level of social distancing – connecting consumers to everything they need at a click of a button."

Heymans explains that while the e-commerce market in sub-Saharan Africa has been largely overlooked by international retailers in the past, it currently offers some of the biggest opportunities for rapid growth in the world.

E-commerce is proving to be one of the most important and fastest-growing market sectors in Africa. A report published by Rapid B2C forecasts that Africa's online retail market will reach an 11-digit dollar value in 2020, while another report by the McKinsey Global Institute estimates that this value could potentially reach \$75bn by 2025.

"These growth predictions, coupled with the incredible demand and quick uptake of the DHL Africa eShop offering, confirm that this acquisition is the right move to ensure DHL Express is geared for continued growth," adds Heymans.

As part of the acquisition, Heymans has been made a board member of London-based Link Commerce Ltd. "We have no doubt that deepening our partnership with Link Commerce in this way will take both companies as well as e-commerce on the continent and in new markets across the globe, to new heights. I am honoured to take on this new role as part of DHL's growth strategy."

"At Link Commerce, our strategy is to help businesses grow and provide shoppers globally with access to US and UK online retailers like never before. DHL's investment in the company gives us the edge we need to expand rapidly around the globe and gives us access to products like never before," said Folayan.

With operations across 51 markets in sub-Saharan Africa, servicing customers, efficient delivery is an important factor for DHL Express. "Our strategic investments in innovative technology and connectivity across the region are all aimed at promoting global trade while enabling businesses and individuals across the continent to leverage global opportunities," Heymans concludes.

DHL Africa eShop – <u>https://www.africa-eshop.dhl</u> Link Commerce Ltd – <u>http://www.LinkCommerce.com</u>

Sources:

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