

DIGILOGIC INSIGHTS #12: HOW CUSTOMER-CENTRIC BUSINESSES AND DIGITAL CONNECTIVITY WILL TRANSFORM THE INDUSTRY

The DIGILOGIC Team talks to Vikas Kumar, CEO of Zambia-based Mercury Express Logistics and The Tigmoor Group.

VIKAS KUMAR tells DIGILOGIC how investment in technology and excellent customer service are fundamental to successful business growth.

The start-up solution

“As Zambia is a landlocked country with no strong manufacturing base, logistics offer huge potential,” observes Mercury Logistics CEO Vikas Kumar. “However, while basic trucking services hold relatively few challenges, consolidating smaller items, such as a half-kilo package, is a much harder exercise. One that the large logistics companies were not focused on.” Today, specialising in small deliveries, Mercury Express Logistics leads the market, handling over 72 tonnes a day.

The Tigmoor Group, in effect, the technology arm of Mercury, offers ecommerce services across its four platforms. The first to launch, Tigmoor.com, is an online marketplace where vendors, wholesalers and customers in Zambia can place orders. Kumar predicts considerable growth potential, with over 8,000 unique SKUs (Stock-Keeping Units) and more than 150 registered vendors selling and trading a wide range of products from office supplies and home essentials to beauty and baby items.

Realising that many products customers wanted were not available in Zambia, the Tigmoor Group developed an international ecommerce platform, called ShopnShip. Acting as a ‘personal shopper,’ ShopnShip liaises between large international retailers such as Amazon, eBay, Zara, Macy’s and SportsDirect, and local customers. ShopnShip has recently expanded into Ghana and Zimbabwe.

The app, Tigmoor Eats, is available in Zambia’s largest cities for last-mile delivery for food takeouts and groceries. While the fourth platform, Tigmoor Distribution, started in 2021. A B2B (business-to-business) service targeted at businesses that struggle to source their basic day-to-day requirements, particularly reliable logistics services, which says Kumar, remain a continuing challenge for many businesses in Zambia.

The development challenges

Kumar was determined that their unique selling point would be their technology, in which the business invested heavily from the outset. “My first focus was to make sure that we had everything in digital format. We want to give consumers real-time tracking, transparency and visibility. If you compare us with other domestic companies in Zambia, and companies in Ghana and Nigeria, they don’t have the right track and trace systems. We are the first company in Zambia to launch APIs (Application Programming Interfaces) and we integrate successfully with existing commerce companies. We do not charge for the API integration, only on usage, which is not the case when you go to developed countries. This was a key reason we decided to get into this business.”



Kumar also understands that what matters most to consumers is excellent customer service. “We invested in CS software and keep records of calls for six months to improve our services.” Chat support options across all apps and websites also benefit customers’ experiences. “We are proud of the investments we have made,” Kumar says, “They have paid off. We have grown over 500%.”

The biggest challenge for Zambia, Kumar argues, is a poor infrastructure. Not just a poor road network, but unreliable electrical supplies and internet connections hinder digital logistics from developing at pace. “You can’t have real-time updates if there’s no internet,” he sums up. The digital divide is a significant factor with large numbers of people with no smartphone, computer or the internet. Another challenge, he quickly noticed, is inadequate information such as the lack of Zip or postcodes to pinpoint destinations. “We use Google maps which helps, but even after getting the right location, you can’t utilise it without the internet.”

Kumar points out that an inconsistent regulatory environment is also a concern. He suggests governments should work together to improve logistics regulations with the aim of making them more transparent and secure for consumers and businesses alike. In fact, there are several issues, Kumar continues, that should involve collaboration between governments, the private sector and international organisations. “We don’t have to reinvent the wheel. We engage the right stakeholders and outline the problems.” As part of this work, and to develop a more skilled workforce for the sector, Kumar says there needs to be better education about logistics and the important role logistics play in the economy. Mercury and Tigmoob recruit management trainees from different universities and train them up for the industry generally.

From a business point-of-view, Kumar believes there are many opportunities for the sector including “massive potential for last-mile delivery businesses.” But, as he says, anyone can provide two or three bikes and start a delivery service. “Are they maintaining standards? Maybe. Is the government monitoring that? Are deliveries secure? These are key areas to improve.”

Looking to the future

Technology will, he says, offer solutions, particularly through basic track and trace software, ideally in real time. Other factors to improve the sector include more cold-chain, temperature-controlled and time-definite deliveries. “There are a lot of players coming in with solutions,” he observes, “And it doesn’t matter how it comes in, or what language it is in, the technology is what is important.”

If a company has 10 trucks or ten bikes or vans, technology will improve utilisation of the assets, making them more efficient and effective. For example, one operator might do 100 deliveries with those assets while another does 500 deliveries with the same 10 vehicles, depending how well organised the planning and routing is. With improved document management software, other key areas for growth include inventory management, warehouse operations, supply chain customer management and compliance.

However, a successful future means building customer-centric businesses. “You need to understand clearly what the requirements of the market are and how you are addressing them. Are you investing enough on innovation? R&D [research and development] to make sure you are up to date? Do you understand where the industry is going and how to stay ahead of the curve?” A further critical factor, Kumar says, is corporate social responsibility. Mercury was the first logistics service to introduce EVs [electric vehicles], even though there was no infrastructure to deal with them at the time. Mercury is looking at charging solutions in Lusaka and other centres.

Kumar believes that over the next five to 10 years there will be much better digital connectivity in Africa. Mobile phone technology will become more important as costs come down. With affordability, more people will own smart phones that will work with most Track and Trace apps. Sensor technology will improve the delivery of temperature-sensitive products such as



medicines while data analytics will contribute to improving logistics services. As Kumar sums up: “There will eventually be players who will start crunching data to improve efficiency, quality of service and reduce the carbon footprint across the board.”

<https://www.mercury.co.zm/>

<https://www.tigmoo.com/>

<https://www.tigmooeats.com/>

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