



Building Opportunity in Africa's Last-Mile Logistics Industry

A strategic look at market size, demand drivers, business models,
and the path to operational scale.



Delivery in Africa is not one business. It is a group of distinct operating models that include courier and parcel, food delivery, grocery and quick commerce, and B2B urban dispatch for merchants, pharmacies, wholesalers, and SMEs.

That distinction matters because many founders overestimate the market by treating all delivery segments as one category. In reality, each segment has different customer behavior, route economics, fulfillment requirements, and margin structures.

What makes delivery attractive in Africa is not only demand for movement of goods. It is the growing link between urban concentration, mobile commerce, digital payments, and merchant demand for reliable fulfillment.

Supports the

USD 25.93Tn
e-Commerce Industry

Facts to note

- Demand is recurring, not occasional
- The market is tied to commerce, not just transport
- Payment and dispatch are as important as movement
- Reliability matters more than scale at the start

Courier and Parcel

Handles documents, retail orders, and SME shipments across cities. Works well for same-day, next-day, and scheduled parcel movement. It is one of the most flexible and repeatable delivery models in urban markets.



Food Delivery

Built around restaurants, cloud kitchens, and convenience-driven demand. Order frequency can be high, especially in dense urban areas.



Groceries

Focused on essentials, fresh food, and household replenishment. Demand can be frequent because customers reorder based on daily needs.



B2B Urban Dispatch

Supports pharmacies, boutiques, florists, electronics sellers, and wholesalers. It helps businesses move goods quickly without building their own logistics fleet.



Last-Mile Logistics is not just about moving items from one point to another. The real value comes from coordinating payments, dispatch, routing, tracking, and proof of delivery. The strongest operators build systems, not just transport networks.

Delivery businesses perform best under specific commercial and operating conditions:



Strong urban demand

Delivery services perform best where there is a high concentration of people, businesses, restaurants, and retailers needing frequent movement of goods.



Reliable transport infrastructure

Good roads, accessible routes, and manageable traffic conditions help ensure faster, more consistent, and more cost-effective deliveries.



Digital and payment readiness

High smartphone usage, internet access, and widespread mobile money or digital payment adoption make ordering, tracking, and payment easier.



Efficient logistics support

A steady supply of riders or drivers, clear location systems, and smooth dispatch coordination are essential for reliable delivery operations.





Last-mile Logistics Market Value

The Global Delivery-as-a-service
Market

USD 545.64 Bn

USD183.51 Bn

Global last-mile Delivery
market

USD 1.58 Bn

Africa's last mile delivery
market

USD 288 Bn

Global Online Food
Delivery Market

Delivery in Africa is strengthened by the combination of dense cities, handheld commerce, and digital payments.

Urbanisation by 2050

1.4B

Africa's E-Commerce value

\$84B

Global Mobile Money processed

\$2.09T

Africa's foodservice market

\$75.92B

Delivery does not grow on its own. It is powered by larger markets that need fulfillment.

\$18.98B

Online Grocery Delivery

The Middle East and Africa's online grocery delivery market is estimated at **\$18.98 billion** in 2025, with projected growth to **\$34.59 billion** by 2031.

\$84.5B

Africa's E-commerce

Africa's e-commerce market is projected to reach about **\$84.5 billion** by 2030



Recurring Daily Demand

Food, pharmacy, retail, and parcel movement create steady, repeatable demand.



Multi-Sector Exposure

Delivery is linked to commerce, payments, foodservice, groceries, healthcare, and retail.



Can Start Narrow

Unlike capital-heavy businesses, delivery can begin in one dense zone with one strong use case.



Fast Feedback Loops

Operators can quickly see route failures, customer behavior, repeat demand, and merchant reliability



Strong B2B Entry Paths

B2B dispatch and white-label logistics often have lower acquisition costs and better operating predictability than mass consumer launches.



Scalable by Adjacency

Once density works in one area, expansion can move to nearby zones, adjacent categories, and larger merchant clusters.

Threat of New Entrants: Moderate

Entry is possible with limited starting capital, but sustaining service quality and margins is difficult.

Supplier Power: Moderate

Riders, fuel, devices, and payment infrastructure influence operating costs.

Buyer Power: High

Merchants and customers can switch quickly if pricing, speed, or reliability fail.

Threat of Substitutes: Moderate

In-house merchant delivery, informal dispatch riders, and customer pick-up remain alternatives.

Competitive Rivalry: High

The market attracts many entrants, but only a few build density, reliability, and contribution margin.



Demand Generation

Orders originate from merchants, customers, or digital channels.

Payment Confirmation

Payment is confirmed through mobile money, card, wallet, or selected cash-on-delivery flows.

Dispatch and Assignment

Orders are routed to riders or dispatch partners based on distance, service level, and availability.

Pickup and Route Execution

Goods are collected, verified, and delivered within a defined service window.

Proof of Delivery

Confirmation closes the transaction and reduces disputes between customer, merchant, and platform.

Reconciliation and Retention

Payments are settled, service performance is tracked, and merchants are retained through reliability.

The strongest delivery businesses do not only move goods. They reduce friction across the entire fulfillment journey.



PHASE 1: Choose One City

Objective

Do not start with the question, "How do I serve everyone?"
Start with the question, "Whose delivery pain is frequent, expensive, and urgent?"

Strong starting niches include:

- Pharmacies
- Florists
- Restaurants and cloud kitchens
- Boutiques and electronics sellers
- SME merchants and wholesalers

A dense starting geography is better than broad city coverage. One corridor that works is worth more than five zones that fail.

PHASE 2: Secure Anchor Merchants Before Building Brand

Objective

The business should begin with committed demand, not speculative visibility.

Get a small cluster of merchants that can generate recurring daily volume before pushing a large consumer launch.

PHASE 3: Keep the Product Thin

You do not need a super app on day one.

You need:

- Order intake
- Dispatch
- Payment confirmation
- Rider assignment
- Live tracking
- Proof of delivery
- Exception handling

PHASE 4: Build The Operating Dashboard Early

Track the numbers that determine survival:

- Order volume
- On-time delivery rate
- Failed deliveries
- Rider utilization
- Average cost per drop
- Gross margin per order
- Repeat order rate
- Refund rate

If these are not visible from week one, the business is running on guesswork.

The strongest entry models in African cities are usually narrower than founders expect.

Best starting models

- B2B intra-city dispatch
- B2B2C white-label delivery for merchants
- Corridor-based parcel delivery in one dense zone

Scaling principles

- Price for contribution margin, not vanity growth
- Make the service promise narrow and credible
- Expand only when repeat rates and per-order economics are stable
- Add zones by adjacency, not excitement
- Add categories only after operations are controlled

Demand growth alone does not prove the model works. Jumia's scale shows demand is real, but its path also shows that growth without disciplined economics can still destroy value. Glovo's exit from Ghana makes the same point from another angle.



Infrastructure and
Transport Friction



Start in one dense zone and optimize route efficiency before expanding.

Address Ambiguity



Build landmark capture, pin-drop accuracy, and call-ahead confirmation into the workflow.

Payment Friction



Support mobile money and card, encourage prepayment, and use cash-on-delivery selectively.

Weak Digital Usage Depth



Offer omnichannel ordering through app, web, WhatsApp, and assisted flows.

Regulatory and Labour
Exposure



Formalize rider contracts, insurance, reconciliation, and compliance early



About Us

One Africa Markets is a leading global financial services firm that bridges Africa's dynamic and rapidly growing financial markets with the rest of the world, while seamlessly bringing global markets closer to Africa. We combine world-class technology, institutional-grade execution, and a client-centric service model to deliver speed, reliability, and strategic insight across the financial value chain.

Our offerings span global payments, fixed income, commodities, foreign exchange, digital assets, technology solutions, data, and advisory services providing integrated solutions tailored to our clients' evolving needs. Over the past decade, we have built a trusted track record serving a diverse and sophisticated client base, including governments, multinational corporations, high-net-worth individuals, SMEs, fintechs, global and local banks, and leading investment institutions.

Rooted in Africa yet globally connected, we position ourselves as a true gateway to the continent. With a team of experienced professionals across key financial centers worldwide, we bring deep market expertise, local insight, and global best practices to deliver exceptional value to our clients at every stage of their journey.

Advisory

Commodities

Fixed Income

Payments

Research & Data

Technology

\$18bn+

traded in fixed income & forex markets

140+

teams across our global offices

1000+

global client coverage

100+

global banking partnerships