

Frost & Sullivan awards DHL Express Africa with leadership award

Based on its recent research on the transport and logistics market, Frost & Sullivan presented DHL Express with the 2013 Sub-Saharan African Frost & Sullivan Market Penetration Leadership Award.



DHL has not only survived, but thrived in the Sub-Saharan transport and logistics market by establishing partnerships with several postal agencies and retailers. This has not only made the lives of African consumers easier but has also saved the company considerable costs and allowed it to expand its footprint.

In 1978, DHL Express set up shop in Africa with a service outlet in South Africa, becoming the first international express company on the continent. Over the next 30 years, the company expanded to 300 service outlets across over 50 countries in Sub-Saharan Africa, including the newly established South Sudan. Over the last 18 months, DHL Express increased its footprint six fold to 2,200 service outlets to entrench its position as the market leader in international express.

One of the key drivers of this impressive market penetration was a canny partnership with postal agencies in Angola, Botswana, Gabon, Rwanda, Togo, Kenya, Lesotho, Mauritius, Nigeria, Swaziland and Zimbabwe, to name a few. The partnerships offer the company access to warehousing, local delivery chains knowledge and expertise about the local market.

Expansion into Africa

The major driver for DHL's expansion into Africa, however, has been the company's foray into the informal retail market. Instead of establishing more of its own stores at exorbitant costs, DHL sought to mimic the strategy of successful telecommunications companies and approach informal outlets - outlets that sell airtime, clothing or anything that is relevant to the market. Starting with one store in Nairobi, it signed up over 1800 partners across Africa, branded them as DHL outlets, trained their staff and promoted them to the communities they served.

While this increased the company's footprint in Africa, it also acted as a key investment into the local communities, contributing to local economic development. Adding DHL outlets not only increases connectivity for these markets, but also provides an opportunity to local entrepreneurs - either to open their own DHL service outlet and extend their product offering, or to simply take advantage of the company's services to grow beyond community or country borders.

This unique approach is mimicked in other areas of the DHL business, as the courier company uses innovative methods to expand and adapt.

For instance, in 12 countries, DHL Express has motorbikes in its fleet of vehicles for better navigation through traffic and potholed roads to improve delivery times," said Frost & Sullivan Business Unit Leader for Energy & Environment, Cornelis van der Waal. "Similarly, the company uses boat transport in countries such as Congo, Nigeria and Tanzania to facilitate the speedy movement of shipments; and walking couriers in cities such as Cape Town due to heavy traffic, and to reduce its carbon footprint."

Service provider of choice

"Overall, the company is establishing itself as the service provider of choice in the transport and logistics market, with the largest network in Sub-Saharan Africa and first-class customer service," noted Van der Waal. "Furthermore, it is the only logistics provider to operate its own dedicated air fleet in Africa."

"We're very proud to have been awarded this accolade," comments Charles Brewer, Managing Director for DHL Express Sub-Saharan Africa. "We've always had a superior network in Africa but, in the last year or two, we've significantly increased our reach, allowing us to expand into the continent and provide even better service for our customers. This is just further recognition of the fantastic work our employees have been doing across the continent."

Each year, Frost & Sullivan presents this award to a company that has demonstrated excellence in capturing the fastest measured rate of change of market share within its industry. This Award recognises how fast a company increases its penetration of a market, in terms of revenues or units as specified.

Frost & Sullivan's Best Practices Awards recognise companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

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