

Insight



How can e-commerce companies turn inclusive strategies into business advantage?

Practical thinking on investing for development

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Foreword

In the dynamic landscape of e-commerce, we stand at a pivotal moment where inclusive strategies are not just social imperatives but also key drivers of competitive advantage in the Global South. The remarkable growth of the sector, projected to reach over half a billion users by 2029, underscores the transformative potential of digital commerce in the region.

British International Investment (BII) has been at the forefront of supporting ventures that embody this potential. Our work with Jumia, a leading e-commerce company in Africa, exemplifies our commitment to fostering inclusive growth. With BII's technical assistance, Jumia expanded its reach to secondary cities and rural areas, connecting underserved customers with quality products and services.

This publication explores the innovative approaches of marketplace companies like Jumia, Frontier Markets, and Niokobok, which have redefined accessibility and affordability for peri-urban and rural populations. By using advances in technology, mobile money, and data-driven logistics, these companies have crafted a blueprint for inclusive e-commerce.

As we reflect on the insights shared by industry leaders, and the impact of inclusive strategies, we recognise the link between social impact and business success. The forward-thinking models discussed here not only enhance the lives of millions, but also attract blended capital, marrying financial returns with meaningful change.

At BII, we remain dedicated to investing in businesses that contribute to the economic development of communities across Africa. We believe the lessons learned from these e-commerce pioneers will inspire further cooperation among investors and companies, ultimately fulfilling the promise of inclusive e-commerce at scale.



Simon Meier
Director and Head of BII Plus
British International Investment

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Frontier Markets sales agent ('Saheli') presenting products to potential customers
Photo credit: Hystra

1

Context

E-commerce is one of the fastest-growing sectors in Africa, projected to reach over 153 million users by 2029.¹ The size of Africa's e-commerce market is projected to increase by nearly 40% in the next four years, reaching \$56 billion by 2029, from \$40 billion in 2025.² In India, even faster growth is expected: the e-commerce industry is projected to expand from \$67 billion in 2025 to approximately \$100 billion by 2029, with 375 million users.³

Naturally, most e-commerce companies started by focusing on wealthier populations located in easily accessible locations (namely large cities), as attempting to reach more remote customers meant overcoming not just lower purchasing power and higher transport costs, but also connectivity challenges.

Yet today there is a unique opportunity to make e-commerce more inclusive and reach more remote areas with quality products. All the ingredients are here:

- 1) Smartphone connections are expected to grow from 51 per cent in 2023 to 81 per cent by 2030 in sub-Saharan Africa⁴ and from 78 per cent in 2023 to 94 per cent by 2030 in the Asia-Pacific region.⁵
- 2) The growing adoption of mobile money is further boosting demand.
- 3) Improved logistics and online platform technology are helping e-commerce companies manage supply and delivery more efficiently.
- 4) Innovative business models, which we discuss in this publication, show these more remote markets can be reached profitably.

While different types of e-commerce models exist (marketplace, social e-commerce, sales via own brand websites⁶), this publication focuses on pioneering marketplace companies implementing 'inclusive' strategies. We define these as strategies enabling either improved inclusion of customers otherwise underserved (due to geographic or economic challenges), or improved livelihoods for value chain intermediaries.

1 Statista. (2024). Number of users of e-commerce in Africa 2019-2029 ([link](#))

2 Statista. (2024). Revenue of the e-commerce industry in Africa 2019-2029 ([link](#))

3 Statista. (2024). eCommerce – India. ([link](#))

4 *Ibid.*

5 GSMA (2024). The Mobile Economy Sub-Saharan Africa. ([link](#))

6 GSMA (2024). The Mobile Economy Asia Pacific. ([link](#))

153 million

projected e-commerce customers in Africa by 2029

40%

projected increase in Africa's e-commerce market in the next four years

We will also show how these inclusive strategies not only create impact, but also drive growth and competitive advantages for the e-commerce companies implementing them. The key inclusive strategies followed are summarised in the graph below.

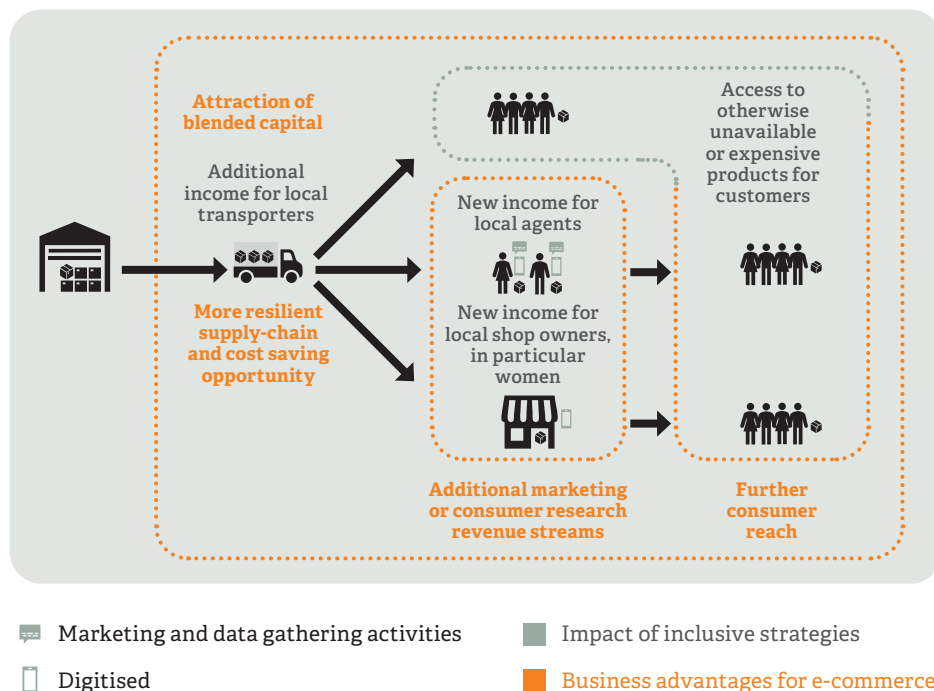


Figure 1: Inclusive strategies implemented by e-commerce platforms in Africa and beyond

This publication was prepared by Hystra, a consultancy that specialises in designing and scaling inclusive businesses. Research is based on field visits to Jumia Côte d'Ivoire in 2019 and 2024, a field visit to Frontier Markets in 2022, interviews with the senior management, and analysis of company data of the following e-commerce firms:

1. **Jumia**, a leading e-commerce company in Africa, launched its operations in 2012. It now serves 5.4 million annual active customers,⁷ and, by 2024, had a logistics network across 9 countries, which included 11+ warehouses and over 1,460 drop-off and pick-up stations.
2. **Frontier Markets** is the largest rural women-led e-commerce platform in India. Founded in 2011, it has a network of 30,000 women sales agents, called Sahelis, reaching 5,000 villages. It has sold more than 100 million products/services to 1.5 million rural households across several categories, from fast-moving consumer goods (FMCG) and agricultural inputs to appliances, clean energy solutions, electronics, and digital banking and financial services.⁸
3. **Niokobok** was created in 2012 to help Senegalese living abroad to support their families back home by purchasing products for them. It has served 10,000 families (corresponding to 100,000 people) at their doorstep. Since 2023, Niokobok has pivoted towards direct online sales and is exploring innovative sales channels, enabling it to reach more than 15,000 active annual customers.⁹

The publication has also been aided by conversations with Emile Schmitz, Managing Director of Bopinc, a non-profit that helps organisations deliver inclusive, commercially viable business solutions.

7 Jumia (2024). <https://groupjumia.com/about>

8 Frontier Markets (2023). <https://www.frontiermkt.com/>

9 Information shared by Laurent Liautaud, Founder of Niokobok.



Photo credit: Jumia

2

Providing hard-to-reach populations with otherwise unavailable or expensive products – at a profit

Access to quality products – either FMCG or durable goods – at an affordable price is a long-standing challenge for peri-urban customers in low and middle-income countries, and even more so for those living in rural areas. Key reasons include the high logistics costs per customer, driven by long distances and low population density, along with the difficulty of assessing market potential, discouraging investments from commercial players.

Today, the main value proposition of inclusive e-commerce platforms is to make a broader choice of quality products accessible to these underserved populations. Research conducted by Hystra and Bopinc in 2020 revealed that 47 per cent of Jumia's customers opted for e-commerce due to the local unavailability of desired products. Also, 45 per cent chose Jumia for its superior product quality compared to local offerings.¹⁰ This value proposition turned out to be particularly attractive for agricultural products in Côte d'Ivoire, as demonstrated by the 360 per cent growth in this category between 2020 and 2022.¹¹

Beyond accessibility, e-commerce also helps customers save money, notably on transport. Some companies even price themselves below the local competition. The Jumia 2020 study showed 50 per cent of Jumia customers had saved over 5,000 FCFA (\$8.50) on their last purchase.¹² Indeed, Jumia actively evaluates and compares its prices with other online platforms and traditional brick-and-mortar markets to guarantee competitive pricing. While Jumia maintains uniform product prices across areas served, delivery fees vary between urban and rural regions. As volumes increased, Jumia optimised deliveries and was thus able to reduce its shipping fees in 2023. It lowered them for clients outside of Abidjan and made delivery free for small and medium products in the Greater Abidjan area. Similarly, interviews with Frontier Markets' consumers show they value saving time by avoiding long trips to shops or local markets in nearby cities and towns, as well as cutting product and transportation costs.¹³

47%

of Jumia's customers opted for e-commerce due to the local unavailability of desired products

¹⁰ BII (2022). [Expanding online marketplaces across secondary cities – lessons from Côte d'Ivoire](#)

¹¹ Hystra (2024). Quantitative analysis of the data provided by Jumia (Côte d'Ivoire, Kenya, Nigeria, and Uganda)

¹² *Ibid.*

¹³ Interviews conducted by Hystra with women customers in Nangal Heera (Alwar, Rajasthan), October 2022.

Field experience and data-driven site selection help e-commerce platforms to deliver these benefits sustainably. When Jumia-Côte d'Ivoire ventured into harder-to-reach regions as part of a strategic business move in 2019, it used government census data to identify where to start. The 2021 census in Côte d'Ivoire revealed significant shifts in urban dynamics, with some cities experiencing a tenfold population increase since 2014. Using this data, Jumia compiled a list of a hundred cities for expansion. Today, Jumia serves over half a million customers outside of Abidjan, generating 70 per cent of gross merchandising value (GMV) in Côte d'Ivoire from these areas, marking a significant leap from zero in 2016.¹⁴

Similarly, Frontier Markets has refined its criteria to enter new villages over time. It ensures each new area has between 300 and 1,000 households within a 1 to 3km radius, and recruits local Sahelis, so that each covers at least 50 households in their vicinity, with a target to convert 100 per cent of households to buying via tech-assisted commerce.¹⁵

500,000

Today, Jumia serves over half a million customers outside of Abidjan

¹⁴ Information shared by Renaud Glenisson, Regional CEO at Jumia.

¹⁵ Information shared by Laurent Liautaud, Founder of Niokobok.



Frontier Markets sales agent ('Saheli') with a customer
Photo credit: Frontier Markets

3

Building customer trust and capabilities through local sales support while also unlocking new revenue streams

Customers in peri-urban and rural areas struggle to use e-commerce due to limited digital skills, lack of access to digital payments, and in some regions, high data costs.¹⁶ Indeed, the digital divide remains, with unreliable connectivity stemming from underdeveloped infrastructure,¹⁷ especially in peri-urban and rural areas. The average rate per gigabyte in sub-Saharan Africa stands at \$4.47, with wide disparities between countries, whereas North Africa's average cost is at \$1.05.¹⁸ In India, only 31 per cent of the rural population uses the internet compared to 67 per cent of the urban population.¹⁹

Some companies use sales intermediaries to help customers overcome digital barriers, to address the need to pay cash, as well as to build trust in e-commerce. Two key intermediary models exist:

- 1. Self-selecting agents who sell in person or on social media:** At first a fully online platform, Jumia introduced direct sales agents known as J-force to adapt to the market conditions and to consumer behaviours. Today, the J-force sales channel in Côte d'Ivoire is twice as significant in secondary cities²⁰ (24 per cent of GMV²¹) as in primary cities (11 per cent of GMV).²² J-force sales agents also allow cash-on-delivery options to build trust and overcome digital payment hurdles. At Jumia Côte d'Ivoire, only 8 per cent of orders are pre-paid, the rest are settled after delivery, via cash or mobile money apps.²³

31%

of the rural population in India uses the internet, compared to 67 per cent of the urban population

¹⁶ GSMA (2023). [What is the opportunity for e-commerce in Africa?](#)

¹⁷ *Ibid.*

¹⁸ Le Monde (2023). [Sub-Saharan Africa suffers from overpriced internet](#)

¹⁹ Oxfam India (2022). [Digital Divide: India Inequality Report 2022](#)

²⁰ Secondary cities are defined as cities with fewer than 100,000 inhabitants.

²¹ The total value of merchandise sold over a given period of time through a customer-to-customer (C2C) exchange site, as defined by [Investopedia](#)

²² Information shared by Renaud Glenisson, Regional CEO at Jumia.

²³ *Ibid.*

Niokobok has opted for a fully online social media reseller model, highly popular in Africa,²⁴ leveraging the trust that resellers inspire in their social media ‘followers’. Niokobok’s CEO Laurent Liautaud explains: “In Senegal, buying on WhatsApp is mainstream and buying on a site is exotic”. Niokobok’s social media sales channel, launched a year ago, already represents one quarter of the company’s sales. Like the J-Force, Niokobok’s resellers benefit from the company’s online catalogue and can also opt for managed deliveries, allowing them to focus solely on marketing while receiving commissions in return.

- 2. Agents selected by the company:** Since its early days, Frontier Markets has used Sahelis to sell products in their villages and collect data on household needs. Frontier Markets actively selects these Sahelis with the help of local networks, ensuring that each Saheli has a dedicated catchment area and is responsible for 50 households in her village.

Local agents can make it easier to deliver to remote and hard-to-locate areas.

When making deliveries, Frontier Markets uses its own technology platform, Meri Saheli App, and local Sahelis, who assist with locating customers’ homes and scheduling delivery times. Together with a ‘no-return’ policy that confirms customer interest multiple times during ordering, this approach lowers re-delivery costs and improves efficiency and reliability.

E-commerce gives sales intermediaries the opportunity to earn extra income while enjoying flexible working arrangements.

Frontier Markets’ Sahelis earn \$34 (INR 2,500) per month on average, working 2-4 hours per day, which corresponds to \$100 in a full-time equivalent basis. This is more than 1.6 times the minimum salary in India, and better than other opportunities women can access in rural areas. With 80 per cent of Sahelis active every month, the role remains consistently attractive over time.²⁵ Interviews with Sahelis have shown they can gain confidence, more bargaining power within their household, and an improved position in their community.²⁶ Similarly, most J-force agents, who work part-time, appreciate the discretionary (even if limited) income that this side job provides, alongside the flexibility to combine it with other obligations, making the role appealing for students, housewives, and others.²⁷ While earnings vary every month, special occasions like Black Friday allow the best full-time agents – who regularly earn more than the minimum wage with Jumia – to double their earnings.²⁸

Men and women tend to sell slightly different portfolio of products, creating opportunities to drive growth in different categories.

Jumia’s sales data show some level of gender-based distinctions. While both female and male agents serve a similar mix of customers, women J-force agents sell more beauty (twice the share of male agents, in value) and appliance products (over 15 per cent)²⁹ than their male counterparts, whereas male agents sell 20 per cent more computing products.³⁰

These intermediaries help e-commerce platforms generate revenues by conducting marketing and data-gathering activities.

For instance, Frontier Markets uses its Sahelis to conduct surveys or gather feedback on new products for donors and brands, with minimal additional overhead costs. These pilots are a valuable resource for companies, donors, and other stakeholders seeking to penetrate the rural Indian market. For Frontier Markets, this creates a high-margin revenue stream that uses existing technology, data, and infrastructure.

24 The Economist (2023). [Why African businesses take a DIY approach to selling online](#)

25 To be considered active, Sahelis need to make transactions of at least \$100 per month.

26 Source: Interviews conducted by Hystra with Sahelis in Nangal Heera and Sirmoli (Alwar, Rajasthan), October 2022.

27 Bopinc, Hystra (2024). Qualitative analysis of Jumia’s operations, >100 agents interviewed across Côte d’Ivoire and Nigeria.

28 Information shared by Renaud Glenisson, Regional CEO at Jumia.

29 This product category at Jumia consists of small and large home appliances (e.g., blenders, kettles, ovens, fridges, freezers, etc., as displayed on the [Jumia website](#)).

30 Bopinc, Hystra (2024). Quantitative analysis of the data provided by Jumia (Côte d’Ivoire, Kenya, Nigeria, and Uganda).



Jumia delivery agent
Photo credit: Techcabal

4

Enhancing service quality by working with local logistics partners while also reducing delivery costs

Customers outside of primary cities face unreliable delivery services, high fees, and long waiting times, due to poor regional infrastructure. The problem is worsened by fragmented delivery services³¹ and the lack of street names and property numbers.

E-commerce companies successfully partnered with local third-party logistics firms (3PLs) to reach areas outside of large cities. These 3PLs can have different levels of sophistication, but in many sub-Saharan countries, these are mostly small and medium-sized enterprise (SME), which can be as simple as a villager owning a truck and renting it out a few days a month.

For e-commerce users, this strategy means a more reliable and affordable delivery service. For Jumia in Côte d'Ivoire, working with 3PLs offers greater route flexibility. Local drivers understand the community, speak the language, and can overcome local obstacles, like washed-out bridges, more easily. Ultimately, this reduces delivery costs, which Jumia passes on as savings to its customers.

Renaud Glenisson, regional CEO, believes this drop in delivery prices clearly helped attract more customers. For example, after Jumia reduced delivery fees for coastal cities in Côte d'Ivoire by 50-75 per cent, orders surged by 20 to 526 per cent year-on-year in cities such as Grand Lahou, Sassandra, and Jacqueville.³²

³¹ GSMA (2023). [E-commerce in Africa: Unleashing the opportunity for MSMEs](#)

³² Information shared by Renaud Glenisson, Regional CEO at Jumia.

For local 3PLs, these partnerships are an opportunity to receive consistent income and evolve professionally. With volume guaranteed over several years, Jumia has seen its 40 transporters in Côte d'Ivoire³³ formalise their operations, filling in the required legal paperwork and meeting government tax requirements. These 3PLs have also grown their revenues. Frontier Markets observed a similar shift with its local distributors. By offering formal contracts and ensuring consistent delivery volumes (around \$200 worth of goods per stop), Frontier Markets helps distributors move beyond gig work. This stability makes their business more viable, removing the need for them to take on deliveries at a loss just to stay competitive.³⁴

Local 3PLs can also provide greater flexibility. Niokobok calls on the informal sector during peak periods or to reach the last mile, as a flexible complement to their existing fleet. The company uses its own vehicles to reach bus stations and then partners with informal transporters for the final leg. Despite challenges such as tax management and tracking, the informal sector offers unmatched flexibility, lower costs, and operational efficiency. According to all three companies, these advantages make partnerships with informal 3PLs worthwhile compared to formal delivery companies.³⁵

³³ *Ibid.*

³⁴ Information shared by Ajaita Shah, founder of Frontier Markets.

³⁵ Preplanned route for multi-package delivery.



Presentation of the Niokobok SuperLinguere programme, focused on women
Photo credit: Niokobok

5

Generating social impact while also attracting blended capital

As well as boosting revenue and competitiveness, the socio-economic benefits that these strategies create for customers and local value chains can attract impact investors and donors. Three non-exclusive topics have particularly raised interest from impact investors:

- **Serving hard-to-reach populations:** Frontier Markets was launched by Ajaita Shah because rural households couldn't access the basic products they needed. As a result, the company had an 'impact first' mindset from the start. In its early stages, Frontier Markets received a combination of grants and impact investments from Acumen Fund, Unilever Transform and USAID. Similarly, Jumia received technical assistance support from BII (beyond its equity investment of \$55 million in 2016, with subsequent divestment of shares following the company's Initial Public Offering (IPO) in 2019) to expand Jumia's model to secondary cities and reach underserved customers.³⁶
- **Including women in the economy:** Frontier Markets counts 30,000 local female intermediaries in its network, and has secured nearly \$3 million in funding for supporting women's empowerment. Similarly, Niokobok has received financial support from the Challenge Fund for Youth Employment to design and implement a program with a sole focus on women. With this funding, Niokobok plans to enable 1,500 young women to run a digital business and earn an average monthly income of CFA 150,000 (\$250).³⁷ After less than two years, the network has more than 500 active resellers and is selling \$50,000 worth of products every month.³⁸
- **Testing market creation for socially beneficial products:** Frontier Markets has received approximately \$2.5 million for its role in enhancing products and services in rural areas. After starting with clean energy products, it has now expanded to a basket of thousands of offerings.

³⁶ BII (2022). [Expanding online marketplaces across secondary cities – lessons from Côte d'Ivoire, Practical thinking on investing for development](#)

³⁷ Challenge Fund for Youth Employment (2024). [Selection Senegal - Niokobok](#)

³⁸ Information shared by Laurent Liautaud, Founder of Niokobok.



Photo credit: Jumia

6

The way forward

E-commerce has the potential to drive inclusive economic growth in Africa and South Asia. Strengthening cooperation between e-commerce platforms and local intermediaries (women lending groups, community health worker networks, last mile distribution organisations such as those supported by the Global Distributors Collective³⁹ and others) could further expand access to essential products and services for low-income households.

This is especially important in sub-Saharan Africa, where over 80 per cent⁴⁰ of those living in multidimensional poverty live in rural settings, and in South Asia, where about 20 per cent of the Indian rural population lives in multidimensional poverty.⁴¹ It could create better job opportunities for sales and logistics intermediaries, as we have seen in the examples above.

All actors have a role to play in realising this potential. E-commerce companies can expand their reach to more remote areas, while impact investors and donors can support this outreach with concessional funding to support experimentation and adaptation. Pay-for-impact models can help finance initiatives that achieve socio-economic development goals, and governments can invest in developing the physical and digital infrastructure that could further accelerate the growth, reach, and impact of these models.

We hope the insights from this publication inspire further cooperation between governments, donors, impact investors, and businesses, to fulfil the promise of inclusive e-commerce at scale.

If you have any further questions about this publication, please contact lkarsfeld@hystra.com or amagand@hystra.com

39 Global Distributors Collective (2024). <https://www.globaldistributorscollective.org/>

40 Oxford Poverty & Human Development Initiative and UNDP (2022). [Leaving no one behind: Poverty reduction in sub-Saharan Africa](#)

41 NITI Aayog and UNDP (2023). [National multidimensional poverty index: a progress review](#)

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