

Jumia: Navigating Africa's E-commerce Frontier

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Abstract. Imagine navigating a market in which over 70% of transactions occur through mobile money, yet half of the population remains unbanked. Logistical challenges, such as unreliable roads and limited addressing, turn straightforward deliveries into complex operations. This is the battleground for Jumia, Africa's e-commerce giant, which is striving to conquer a continent rich with potential but also with unique obstacles. As global titans, such as Amazon and Alibaba, set their sights on the African market, the question becomes: Can Jumia sustain its first-mover advantage, or will it be outpaced in this rapidly evolving digital frontier? This case focuses on Jumia's unique position in the African e-commerce landscape to explore the immense opportunities and persistent challenges it faces, while addressing the central question of Jumia's ability to maintain its competitive edge.

Keywords: logistics, online retail, first-mover advantage, African digital economy.

1. Introduction

Globalization and e-commerce have surged due to the proliferation of the internet (Bennani, 2024). The global e-commerce landscape is marked by rapid expansion, fierce competition, and continuous technological advancements (Chebichiy & Odhiambo, 2020). Major players, such as Amazon, Alibaba, and eBay, have extended their influence worldwide. Africa's e-commerce sector, however, remains less developed than other regions, offering challenges and opportunities. With over 1.5 billion people, a growing middle class, and increasing internet access, Africa's e-commerce market is on the brink of significant growth. Key obstacles include logistical issues, payment infrastructure, and varying digital literacy levels across the continent (Boßerhoff & von der Decken, 2022).

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In this ever-evolving landscape of e-commerce where global giants, such as Amazon and Alibaba reign supreme, one company has managed to carve out a distinctive niche: Jumia. Often dubbed the “Amazon of Africa,” Jumia’s journey is a testament to strategic innovation and local adaptation. Leveraging its proprietary logistics, Jumia Logistics, and its fintech platform, JumiaPay, the firm has established itself as a prominent e-commerce platform.

This case study examines Jumia’s strategic navigation of Africa’s complex e-commerce landscape, characterized by an underdeveloped infrastructure, limited financial access, and logistical challenges within a volatile, uncertain, complex, and ambiguous (VUCA) environment. We analyze Jumia’s business model, competitive strategies, and financial performance, assessing how the company has adapted to market dynamics while leveraging strategic initiatives to sustain growth. The study also explores Jumia’s ability to compete with regional and international challengers. Finally, we evaluate Jumia’s prospects in the evolving African e-commerce landscape, questioning whether it can maintain its first-mover advantage or whether emerging competitors will reshape the market. Jumia’s journey, as an example of an emerging multinational market thriving in a VUCA environment, offers critical insight into e-commerce in Africa.

2. Jumia’s Provenance

Jeremy Hodara and Sacha Poignonnec are the co-founders and former co-CEOs of Jumia. They played a crucial role in launching Jumia in 2012 as part of Rocket Internet, a German startup incubator, and expanding it across multiple African countries. Initially competing with Konga in Nigeria’s e-commerce market, Jumia quickly outpaced its rival, fueled by substantial investments. Over the years, it raised over \$850 million, becoming Africa’s first unicorn and laying the groundwork for its 2019 IPO on the New York Stock Exchange (NYSE) (Kene-Okafor, 2022).

Leveraging their experience at McKinsey & Company, where they advised global firms on strategy and operations, Hodara and Poignonnec built Jumia’s leadership team with professionals from technology, finance, and retail. This diverse expertise enabled Jumia to tailor its strategies to Africa’s unique market conditions, driving growth and operational efficiency. Nigeria became Jumia’s first and largest market, serving as the foundation for its expansion. Through offering a wide range of products, including electronics, fashion, groceries, and household goods, Jumia leveraged its first-mover advantage to establish a strong e-commerce presence across Africa. To address challenges such as an inadequate infrastructure and limited payment systems, Jumia developed JumiaPay, a digital payment platform, and Jumia Logistics, a network supported by over 100,000 local partners.