

IMPROVEMENT OF LOGISTICS MANAGEMENT IN JUMIA LOGISTICS NIGERIA

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Summary

Organizations need to have a constant awareness of how its products are evenly distributed from production point to the point of consumption. But organizations' awareness can be hindered by its external, internal, integration of technology, structure of the system, and cost of resources. However, Nigeria organizations functioning in the logistics business areas do not necessary understand the roles and contributions of logistics especially outbound in accessing organization performance. Physical distribution of finished goods to the customers across various States in Nigeria is not actualized in Nigeria because of lack of improvement strategies. Hence, investigating ways to improve logistics management process in line with the study aim will help improve the organization's goals and increase customer service. The study used quantitative analysis to collect data using questionnaire, which were distributed to 35 respondents. The collected data were measured using descriptive and inferential analysis. The findings showed that the challenges with the highest means were loopholes in government, bad road network, interstate cost, and inefficient communication techniques. However, the findings established that logistics management companies in Nigeria employed different measures such as electronic order processing, timely processing and delivery, inventory management to prevent inventory bottleneck in production for improvement of logistics management process.

Keywords: logistics management, inventory, orders, warehouse.

Introduction

Logistics is an essential part of the management operations functions and helps in the transportation flow of products to and from the organization. Managing the logistics in the business environment helps to reduce lead time because flow of material from upstream towards the downstream end of the supply chain becomes effortless (Ristovska, Kozuharov and Petkovsk, 2017). Organizations need to have a constant awareness of how its products are evenly distributed from production point to the point of consumption. But organizations' awareness can be hindered by its external, internal, integration of technology, structure of the system, and cost of resources (inventory cost, holding cost, haulage cost and order processing cost) (Neeraja, Mehta and Chandani, 2014). Hence, the complexities faced by logistics but an essential part of the business circle because it deals with the flow of products. Many researches have shown that organizations' capability to distribute its product effectively is the major issue faced with logistics management (Neeraja, Mehta and Chandani, 2014; Gitonga, 2017; Abdul *et al.*, 2019). The inadequate capacity to deal with product flow results in organizations losing resources and about 4 percent of its annual profits (Yung-yu, Wen-Long and Michael, 2005; Gitonga, 2017). However, Nigeria organizations functioning in the logistics business areas do not necessary understand the roles and contributions of logistics especially outbound in accessing organization performance. Outbound or physical distribution of finished goods to the customers across various States in Nigeria is supposed to be a major dominant activity of transportation due to the benefits of logistics to organization but this is not actualized in Nigeria. Hence, investigating ways to improve logistics management process in line with the study aim will help improve the organization's goals and increase customer service.

Research aim: To evaluate logistics management improvement in organizations operating in Nigeria using Jumia Logistics Company as the case study

The following **objectives** have been set to achieve the aim:

1. To evaluate the importance of logistics management at Jumai Logistics company in Nigeria;
2. To present logistics management processes and the impact of logistics management in Nigeria.

Research object and methods

The research logic for this study includes a theoretical analysis of articles, open-ended questionnaires and inductive analysis of the collected data. The study applied the use of quantitative research method to enable participants express their perspectives on the factors impacting logistics management improvement in organizations operating in Nigeria. The selected participants for the study followed a purposive sampling technique to ensure a good representation of the employees and management at Jumia Logistics company Nigeria. The study choice of an open-ended questionnaire was to enable participants have the opportunity to share their personal views aside the tailored questions on the questionnaire.

The questionnaire was simple and easy to understanding and most took about 10 mins to complete. The questionnaire didn't contain any identifying information in order to protect the confidentiality and anonymity of the participants.

The research participants for this study are individuals conversant with logistics management processes in Nigeria using employees at Jumia Logistics company. The research method follows a quantitative to collect data about the factors impacting logistics management improvement in organizations operating in Nigeria. Questionnaire is a good tool to use and it allows for responses to be gathered in a standardized form, which makes it more objective than interviews (Van der Berg, 2016). For generalization and repeatability of quantitative research, identification of sample size is crucial, hence, 35 participants were selected for the study. The collected data will be analysed using both descriptive and inferential analysis. The purpose of descriptive studies is to define and deduce meanings from the participants on the improvement of logistics management process, no attempt to manipulate the conditions or events of the current status of individuals, settings, conditions, or events (Mertler, 2009). The study ensured that all participants were informed on the purpose of the study. The participants have rights to accept or refuse to participate in the study. No personal identifier such as their name or address in the questionnaire were required (Orb, Eisenhauer, and Wynaden, 2000).

Research results and discussion

A total of 35 questionnaires were distributed but 33 responses were returned. The analysis was conducted using descriptive analysis such as mean, percentage and standard deviations. This was followed by inferential analysis using Chi square to determine the relationship between variables. The final part of the study contains summary of the findings, conclusion, and recommendations.

In this section, the respondents' demographic was analyzed using descriptive analysis. The profile analyzed includes gender, age, educational level, department, duration, and organization's operations outside Nigeria. As shown in Figure 5, it can be seen that 64% were males and 36% were female proving that the organization is male dominated.

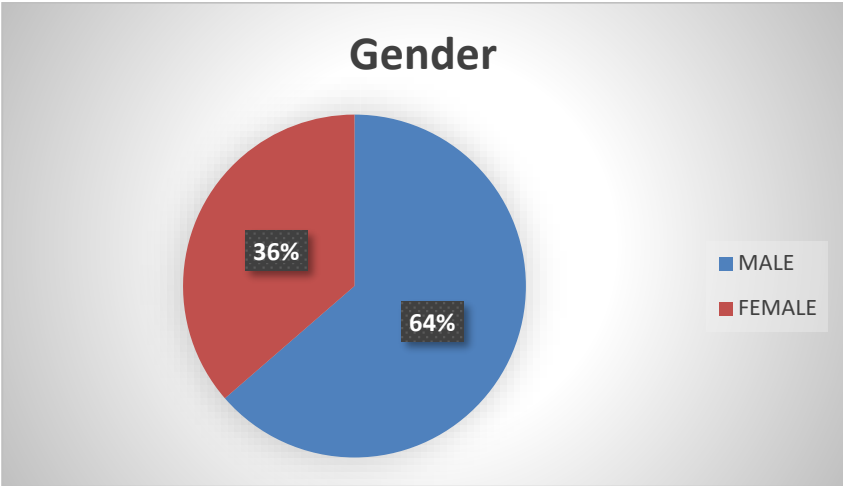


Fig 1. Gender Analysis
Source: Author

Majority of respondents were between the age of 30-39 years (82%) and 18% were 21-29 years as a prove that respondents are young adults in the organization. This analysis can be seen in Figure 6 below.

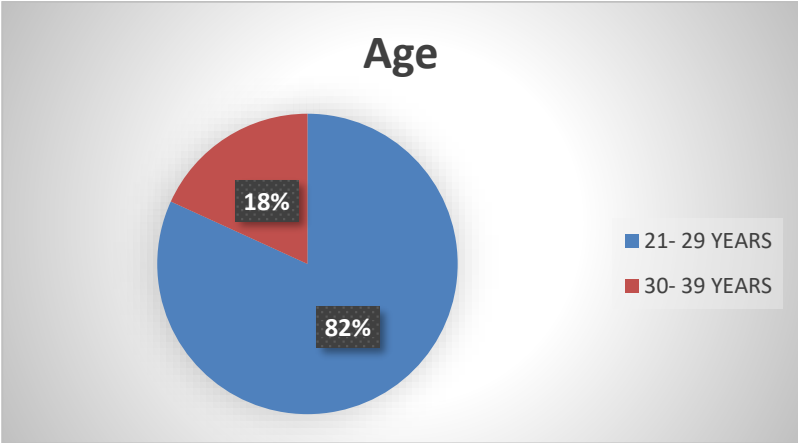


Fig 2. Age Analysis.
Source: Author

Furthermore, 52% of the respondents has a Bachelor degree or Hight National degree, followed by 27% respondents with a Masters’ degree, 12% with a National Diploma degree and 9% with a PhD degree, proving that respondents are educated for the job roles they are assigned to perform. The statistic representation can be seen in Figure 7 below.

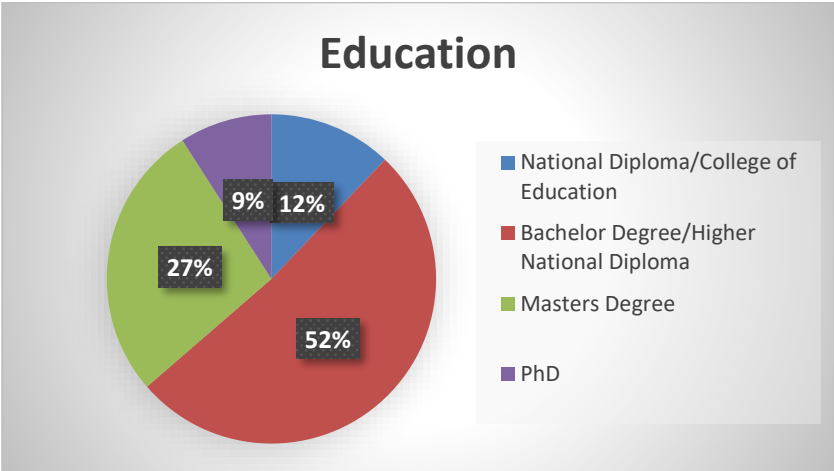


Fig 2. Educational Level Analysis
Source: Author

Majority of the respondents’ function in the operations/logistics department at 25%, followed by 24% functioning in the marketing/sales department, 24% in the human resources department, 15% in the accounting/finance department, 6% in the production department and 6% in the purchasing/procurement department. As shown graphically in Figure 8 below, the response showed that by virtue of their job positions at the organization, the respondents were in the position to understand the logistics management challenges and improvement sought by the study aim.

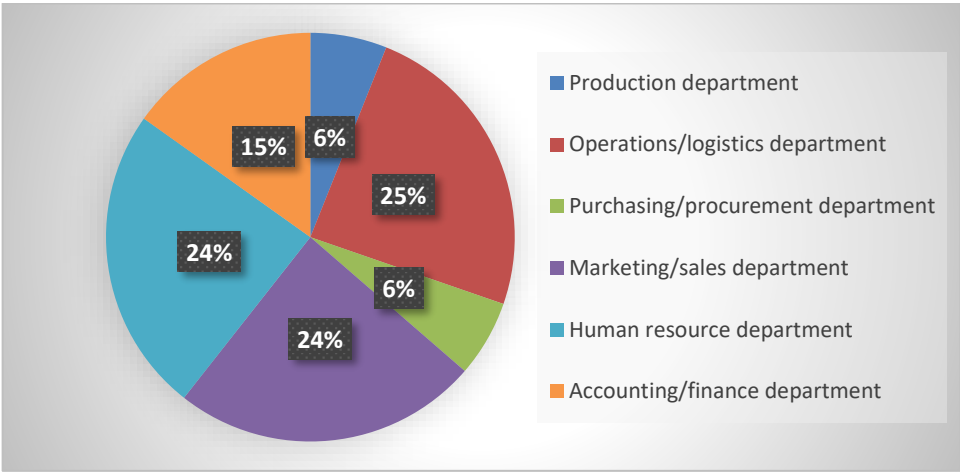


Fig. 8. What department do you function
Source: Author

Finally, 73% of the respondents have been in the organization between 1-3 years, followed 21% who have been with the organization between 4-7 years and 3% have been with the organization between 7 -9 years, as shown graphical in Figure 9 below.

For this analysis of the quantitative data, descriptive statistics was applied. The mean, standard deviation and frequency to show the respondents’ perception of the challenges of logistics management practice at Jumia Logistic, Nigeria. From the Tabulated analysis shown in Table 1 below, the overall mean (M= 2.25, SD= 1.11) was registered indicating that majority of the respondents did not agree on the variables considered as challenges to logistics management practices in the organization. The statement that Jumia Logistics respondents considered country-wide branches helps them to fulfil orders at the branch level as a challenge to logistics management practice in the organization had a mean of 3.21 and standard deviation of 1.27, indicating that majority of respondents consider it at moderate extent (21) and some consider it at large extent (18) and others at little extent (18). This is followed by statement Jumia Logistics respondents considered bad loopholes in government policies on imported goods as challenge to logistics management practice in the organization had a mean of 3.21 and standard deviation of 1.36, indicating that majority of respondents considers it a challenge.

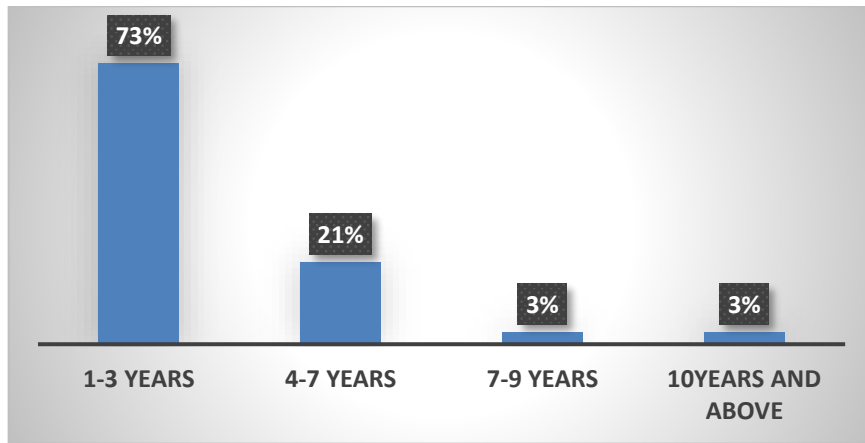


Fig. 10. Organization have operations outside Nigeria
Source: Author

The statement Jumia Logistics respondents considered bad road network for transportation of goods as challenge to logistics management practice in the organization had a mean of 3.16 and standard deviation of 1.34, indicating that majority of respondents consider it a little extent and 24 respondents considered at large extent. The statement that the Jumia Logistics considered interstate cost of moving goods is high as a challenge had a mean of 3.16 and standard deviation of 1.30, indicating it was considered majority of the respondents at 30 and large extent at 24. The statement that the Jumia Logistics considered inefficient communication techniques among suppliers and the organization had a mean of 3.15 and standard deviation of 1.27, indicating it was considered at moderate extent majority of the respondents at 21 and others at little extent and large extent at 18.

Table 1. Challenges of Logistics Management Practices

Item	Statement	No Extent	Little Extent	Moderate Extent	Large Extent	Very Large Extent	Mean± SD
1	Critical components outsourcing to suppliers can open up opportunities to competitors	3	39	36	9	12	2.79±1.03
2	Inadequate storage capacity to manage customers' future demand across the organization's service network	12	21	36	15	15	2.89±1.15
3	High level of insecurity in the country impedes the organization's 24-hour service to customers	3	33	24	18	21	3.0±1.29
4	Bad road network for transportation of goods	9	27	18	24	21	3.16±1.34
5	The interstate cost of moving goods is high	3	30	21	24	21	3.16±1.30
6	Inefficient communication techniques among suppliers and the organization	3	27	30	33	6	3.15±1.12
7	The organization has country-wide branches that helps it to fulfil orders at the branch level	6	18	21	18	9	3.21±1.27
8	Loss of control e.g cybercrime and cyber security issues	9	36	15	24	15	3.05±1.27
9	Slow custom clearance process at the country port	9	36	21	18	15	2.89±1.24
10	Loopholes in government policies on imported goods	12	21	21	21	24	3.21±1.36
		Overall mean 2.25 overall STD 1.11					

Furthermore, the statement that the Jumia Logistics loss of control e.g cybercrime and cyber security issues had a mean of 3.05 and standard deviation of 1.27, indicating it was considered by majority of the respondents at little extent (36) and moderate extent by others at 24. The statement that the Jumia Logistics considers high level of insecurity in the country 24-hour service to customers as a challenge had a mean of 3.0 and standard deviation of 1.29, indicating it was considered by majority of the respondents at little extent 33 and others moderate extent at 24. This was followed by the statement that the Jumia Logistics considers inadequate storage capacity to manage customers' future demand across the organization's service network as a challenge had a mean of 2.89 and standard deviation of 1.15, indicating it was considered by majority of the respondents at moderate extent at 36 and little extent by other respondents at 21. Similarly, the statement that the Jumia Logistics considered slow custom clearance process at the country port had a mean of 2.89 and standard deviation of 1.24, indicating it was considered by majority of the respondents as little extent at 36 and other respondents at 21. Finally, the statement that the Jumia Logistics considered outsourcing to suppliers a critical component to open opportunities to competitors had a mean of 2.79 and standard deviation of 1.03, indicating it was considered at moderate extent by some respondents and little extent at other respondents. The body text should include references to the figures and tables. If any tables, figures or formulae from other sources are provided in the article, references to the sources should be provided at the end of the title.

. From the Tabulated analysis shown in Table 2 below, the overall mean (M= 3.2 SD= 1.14) was registered indicating that majority of the respondents did agree on the variables considered as practices that can improve logistics management in the organization. The statement that Jumia Logistics respondents considered the use of a database to track it orders and inventory as an improvement practice to logistics management in the organization had a mean of 3.45 and standard deviation of 1.15, indicating that majority of respondents consider it as moderate extent at 33 and other respondents as large extent at 21. This was followed by the statement that Jumia Logistics respondents considered goods delivered to customers in the right amount and good condition to meet the needs of the customers as an improvement practice to logistics management in the organization had a mean of 3.33 and standard deviation of 1.24, indicating that majority of respondents consider it as moderate extent at 30 and other respondents as little extent at 21.

Table 2. Improvement of logistics management practices in the organization

Item	Statement	No Extent	Little Extent	Moderate Extent	Large Extent	Very Large Extent	Mean± SD
1	The organization inventory management practices keep cost at a minimum	21	21	30	21	6	2.69±1.21
2	Inventory management practices enable the organization to avoid inventory bottleneck	3	21	36	21	18	3.30±1.10
3	The organization uses electronic order processing	6	18	42	18	15	3.18±1.10
4	The organization has a country wide branch that it uses to ensure orders are processed at the branch level	3	21	42	18	15	3.21±1.05
5	Orders are processed in a timely manner	0	21	39	27	12	3.30±0.95
6	The organization uses a database to track it orders and inventory	3	18	33	21	24	3.45±1.15
7	The organization has country-wide branches that helps it to fulfil orders at the branch level	3	24	36	18	18	3.24±1.12
8	The organization has a tracking system for customers to track their orders	9	18	30	18	24	3.30±1.29
9	The organization's warehouse is in close proximity to the customers	6	24	39	12	18	3.12±1.17
10	Goods are delivered to customers in the right amount and good condition to meet the needs of the customers	6	21	30	18	24	3.33±1.24
		Overall mean 3.2 SD 1.14					

The statement that Jumia Logistics respondents considered organization's use of a tracking system for customers to track their orders as an improvement practice to logistics management in the organization had a mean of 3.30 and standard deviation of 1.29, indicating that majority of respondents consider it as moderate extent at 30 and other respondents as very large extent at 24. Furthermore, the statement that Jumia Logistics respondents considered the orders processing in timely manner as an improvement practice to logistics management in the organization had a mean of 3.30 and standard deviation of 0.95, indicating that majority of respondents consider it as moderate extent at 39 and other respondents as large extent at 27.

Additionally, the statement that Jumia Logistics respondents considered inventory management practices to avoid bottleneck as an improvement practice to logistics management in the organization had a mean of 3.30 and standard deviation of 1.10, indicating that majority of respondents consider it as moderate extent at 36. The statement that Jumia Logistics respondents considered that the use of country-wide branches helps it to fulfil orders at the branch level as an improvement practice to logistics management in the organization had a mean of 3.24 and standard deviation of 1.12, indicating that majority of respondents consider it as moderate extent at 36 and other respondents as little extent at 24. Furthermore, the statement that Jumia Logistics respondents considered the use of a country wide branch ensures orders are processed at the branch level as an improvement practice to logistics management in the organization had a mean of 3.21 and standard deviation of 1.05, indicating that majority of respondents consider it as moderate extent at 42. The statement that Jumia Logistics respondents considered the use of electronic orders processing as an improvement practice to logistics management in the organization had a mean of 3.18 and standard deviation of 1.10, indicating that majority of respondents consider it as moderate extent at 42 and other respondents as little extent at 21. The statement that Jumia Logistics respondents considered the placement of warehouses in close proximity to the customers an improvement practice to logistics management in the organization had a mean of 3.12 and standard deviation of 1.17, indicating that majority of respondents consider it as moderate extent at 39 and other respondents as little extent at 24. Finally, the statement that Jumia Logistics respondents considered use of inventory management practices helps to cut cost as an improvement practice to logistics management in the organization had a mean of 2.69 and standard deviation of 1.21, indicating that majority of respondents consider it as moderate extent at 30.

Based on different challenges considered as impacting improvement of logistics management practice, One-Way ANOVA was calculated. One-Way ANOVA was used to provide significance of the result to show a substantial effect of the challenges recognized in the organization on the improvement of logistics management practices. Hence, the One-

Way ANOVA will help determine if there are differences between the means of the group. The significance level was P-value < 0.05. The significance value was genuine, where P-value was 0.91, F-value (0.446) is lower than the F-critical (1.909). Therefore, there is evidence that there is significantly no mean difference between the groups. Hence, each of the variables measured can impact marketing strategy.

SUMMARY				
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
questions 1	33	95	2.878787879	1.10984848
QUESTION 2	33	99	3	1.5
QUESTION 3	33	106	3.212121212	1.48484848
QUESTION 4	33	106	3.212121212	1.73484848
QUESTION 5	33	109	3.303030303	1.46780303
QUESTION 6	33	103	3.121212121	0.98484848
QUESTION 7	33	102	3.090909091	1.58522727
QUESTION 8	33	99	3	1.625
QUESTION 9	33	97	2.939393939	1.55871212
QUESTION 10	33	107	3.242424242	1.87689394

ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	6.00303	9	0.667003367	0.44681271	0.908774	1.909186
Within Groups	477.697	320	1.49280303			
Total	483.7	329				

The figures should be legible. All table and figure titles should be written in Lithuanian and English and aligned with the left margin. Headings and other captions of tables and figures should be written in Lithuanian and English using size 8 fonts. Use single line spacing between the body text and tables and figures. Tables are included in the body text below the paragraph that contains the first reference to the table (Table 1).

Conclusions

1. The findings showed the importance of logistics management as logistics management companies in Nigeria used different improvement measures of logistics to enhance the process of order and delivery of customers' orders.
2. From the findings, logistics management companies in Nigeria employed different measures such as electronic order processing, timely processing and delivery, inventory management to prevent inventory bottleneck in production for improvement of logistics management process.
3. Finally, the One-Way ANOVA implied that there was no significant mean difference within the group, thus, each challenge has an equal impact on improvement of logistics management practices.

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