

The Turbulent Journey of Jumia; Africa's Would-Be Amazon

When Jumia launched in Nigeria in 2012 as Africa's first unicorn startup, it had huge dreams of becoming the continent's Amazon. Founded by two former McKinsey consultants, Jeremy Hodara and Sacha Poignonnec, Jumia promised to use e-commerce and logistics to transform commerce and retail across Africa.

The company expanded rapidly, launching online marketplaces in 14 African countries by 2015. Jumia raised over \$860 million from investors and grew its delivery fleet to over 5,000 staff. By 2018, it claimed over 4 million active customers.

In 2019, Jumia became the first African startup to list on the NYSE, achieving a peak valuation of over \$1.5 billion. Hodara declared they would become "the Alibaba of Africa."

But Jumia's path turned turbulent. Questions emerged about fake product listings and inflated sales numbers. After share prices plunged in 2019, Jumia exited 3 countries and laid off staff. When the COVID-19 pandemic hit, losses mounted.

By 2021, Jumia was only operating in 11 African countries. Its accumulated losses had ballooned to over \$2.5 billion. Delivery volumes and active customers dropped. Once the darling of African e-commerce, Jumia looked to be faltering.

Jumia's journey underscores the immense challenges in building a digital commerce giant across Africa's complex and fragmented markets. Infrastructure gaps, low online spending, and competition from informal markets have hampered progress.

While Alibaba found success in China, charting a similar journey in Africa has proven vastly more difficult for Jumia. But the company still aims to cement itself as Africa's Amazon-equivalent. Whether Jumia can rebound and finally achieve that vision remains the great unknown.