The Challenges for eLogistics That 2020 Left in LATAM

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The big theme of 2020 was, without a doubt, COVID-19. The pandemic not only modified social and work behaviors, but also transformed businesses, especially those related to logistics. Thanks to the pandemic, e-commerce has increased its demand in very significant percentages, causing a challenge for supply chains and home delivery services.

The quarantine and the inability to leave home, generated new consumption habits, which have affected the speed of delivery, demand and supply planning. However, the Latin American market, with cases such as Pibox, has seen the pandemic as an excellent growth opportunity, which largely depends on the development of eLogistics.

In fact, the logistics application Pibox generated in this period more than 2 million shipments in the four countries where it operates (Colombia, Mexico, Peru and Brazil), positioning itself as the logistics player with the highest growth in the last year. Based on these data, the company also expects to grow by 300% in the coming months to establish itself in the logistics sector in the region.

Electronic logistics, the organization to promote e-commerce

ELogistics or electronic logistics refers to each of the digital strategy and organization processes that make up an e-commerce, from purchase management to logistics transport, through product inventories, storage and sale. This is to

offer the customer a user experience that is not only effective, but completely satisfactory, encompassing all the demands of virtual commerce.

Thanks to electronic logistics, e-commerce acquire more effective methods to optimize their procedures, especially product deliveries, since this involves more services, as well as greater management of information in real time in order to be attentive to each of the steps in the supply chain. For this, eLogistics uses the most advanced and adapted technology of the moment.

Logistics panorama in Latin America

“Digital logistics platforms not only reduce operating costs, but also facilitate the meeting between the client and the company, reducing delivery times and improving communication”, says Daniel Rodríguez, CEO of Pibox. In fact, the World Trade Organization (WTO) predicts that these platforms could increase trade in goods by 2 percentage points compared to a baseline scenario.

As if that were not enough, last January the World Economic Forum anticipated that the demand for last-mile deliveries would grow 78% worldwide by 2030. However, it is almost a fact that this sum is much higher due to the pandemic and at the moment that we live in, where LATAM is presented as one of the main developing markets.

Advantages of applying eLogistics

“The great advantage of the application of electronic logistics is an increase in the productivity of the logistics process, this thanks to the conjunction of the most current technology that includes tools such as Data Analysis, Big Data, IoT, Open Data, connectivity in time real, augmented reality and virtual reality ”, said Rodríguez.

ELogistics can help improve business and retail operations in Latin America. Similarly, by digitizing or optimizing purchasing and delivery processes, companies could achieve a reduction of up to 25% in shipping costs mainly. Which represents significant amounts, since in Latin America shipping logistics means 15% of the cost of a product, almost double that of Europe and the United States.



Photo: Courtesy Pibox

Main logistics challenges in the future

Both in the immediate future and in the one that extends to the following years, the logistics sector still has great challenges ahead:

- **Facilitate returns:** take advantage of reverse logistics, forwarding and reselling services offered by logistics operators.
- **Adapt to "green logistics": it is** no longer enough to be socially responsible companies, but they must seek methods that do not pollute or affect the environment, as well as use the greatest amount of organic resources.

- **Up-to-date professionals:** today it is necessary that those involved in a logistics chain must constantly update themselves to implement new strategies and not delay in procedures.

“Although the pandemic stopped some commercial operations, e-commerce soared in unthinkable amounts before 2020, which represents a great opportunity to exploit the Latin American market, which is ready to adapt to new technologies through electronic logistics to improve each of its processes and to be able to boost itself globally as it deserves ”, concluded the CEO of Pibox.

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