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Delivery man: Fetchr founder Idriss Al Rifai

Idriss Al Rifai, founder and CEO of courier app Fetchr, speaks to Arabian Business about the challenges of balancing colossal growth with maintaining the company's DNA



Al Rifai says roughly 98 percent of the firm's orders come from the region's growing band of online retail websites.

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It's been a wild journey so far for Idriss Al Rifai, but he's far from his final destination yet.

The Fetchr CEO founded the region's first 'phone to phone' delivery service in 2012 with just three developers. Today the company employs over 4,500 staff and drivers.

and delivers packages to the location of the receiver's mobile phone.

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It's about making sure that the original DNA of the company still remains when you're growing the whole company

The company has grown rapidly and serves 500 cities across the UAE, Saudi Arabia, Oman, Bahrain, Egypt and Jordan. “Last year we tripled in volume,” Al Rifai tells Arabian Business. “This puts tremendous stress on the company.”

The CEO, who co-founded Fetchr with marketing director Joy Ajlouny, says the ‘velocity’ of Fetchr's growth in the last two years was totally unexpected.

“We are currently considering the pace at which Fetchr will grow,” he says. “We are trying to slow down the growth a bit.”



Al Rifai says Fetchr wants to empower its customers to receive their packages regardless of where they are

Al Rifai says “customer experience, lead time and performance” remain top of mind for Fetchr as it embraces its next expansion phase into the emerging markets. “But the question is, how much growth can the company absorb?” he says.

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We know we are surfing the right waves in the right way, but the real question is, how fast do we want to grow?

Fetchr’s fortunes have been fuelled by the exorbitant rise of e-commerce in the region. The online retail sector, expected to be valued at \$49 billion by 2021, is the fastest growing sector in the region, according to digital marketing specialists eMarketer. Al Rifai says roughly 98 percent of the firm’s orders come from the region’s growing band of online retail websites.

Delivery challenges

Following complaints of late deliveries being circulated on Twitter and local media in December last year, the CEO admits the company’s rapid growth curve has led to challenges.



Fetchr also helps local merchants and brands build, launch and grow their businesses online

He says one of the reasons for the delivery problems was rapid recruitment: “We are growing so fast that we hired 800 people within the last three months of last year. The quality did suffer a little bit. We lost a couple of percentage points with regards to delivery.”

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The CEO also says the issues stemmed from further down the supply chain.

He says: “The customers think the package is late... and they think ‘what is Fetchr doing’? It’s more complicated than this. There were communication issues too [with our clients]. Some clients were underestimating the length of the lead times or unable to fulfil the shipments. A bad [customer] experience is always due to the gap between expectations and reality.”

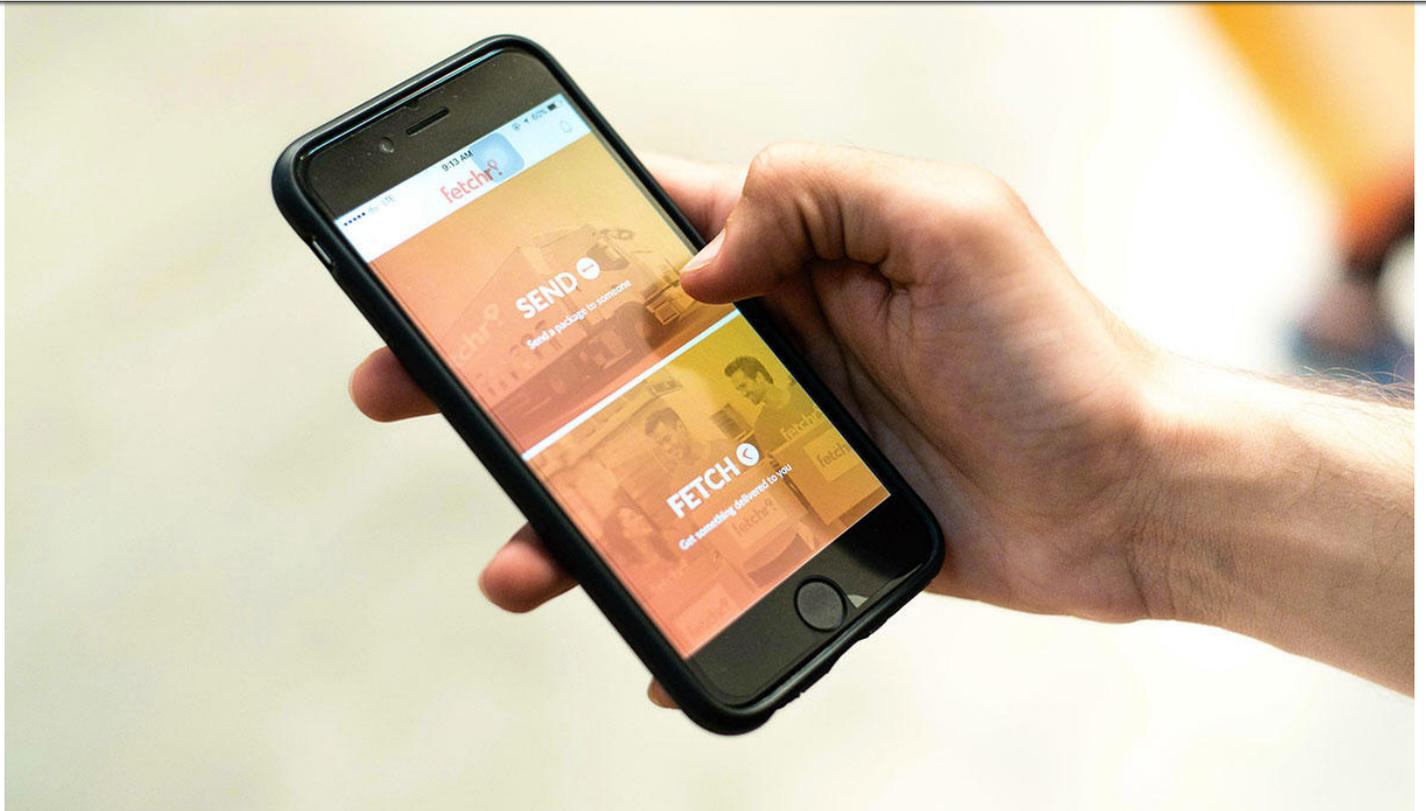
Al Rifai says ‘high peak’ operations over the Christmas period reached 600 percent demand over standard operations.



Fetchr is eliminating the need for a physical address which may not exist in emerging markets

“We cannot sustain operations at that level; it makes no sense. So you have to play with overtime, higher incentives for drivers to deliver more per hour and tap into outsourced drivers,” he explains.

But Al Rifai says delivery times are not the only issue for the rapidly growing start-up.



Fetchr uses the GPS in clients' smartphones for location-based pickup and delivery

“Honestly, we’ve had about 500 challenges. I don’t know which one was the hardest,” he admits.

“There are government regulations which are not able to support start-ups; then there are growing pains of a company that’s expanding at the rate of hundreds of people a week. It’s about making sure that the original DNA of the company still remains when you’re growing the whole company,” he says.



Fetchr's vision includes the creation of the UAE's first autonomous drone delivery service

Fetchr has also been dogged by claims of staff disagreements. Rumours were rife on Twitter that co-founder Ajlouny had left the company amid disputes. Al Rifai categorically denies this.

“Joy is still with us. She is still a shareholder. There have been rumours about a lot of things and we don't understand why, but, yes, that is one of them,” he admits. But perhaps the biggest challenge of all is funding.



Fetchr is looking at ways to enable deliveries through innovative technology

“It’s difficult to raise any money for Middle Eastern start-ups because of the strong apprehension that global investors have about this region. Funding is a big, big issue,” he says.

This is a battle that Al Rifai is winning. Fetchr has raised a total of \$52m in funding over four rounds. The CEO is bracing himself to close the firm’s C-Series funding round within the next three months for an amount considerably ‘more’ than its B-Series funding in June 2017 for \$41m.

Fetchr will use its new round of funding to splash out on expansion into three as-yet undisclosed markets in the next year.



Fetchr employs 3,400 staff from more than 40 nationalities in 200 cities across in the region

Al Rifai says Fetchr will only be targeting emerging markets cities.

“We want to be in markets where e-commerce is growing fast; where our e-commerce clients want us to be. We are providing emerging markets-focused solutions; we can address delivery problems in Africa and South Asia similarly to the Middle East.”



Marketing director Joy Ajlouny co-founded Fetchr in Dubai with Idriss Al Rifai in 2012

With the businessman setting his sights on enabling the growth of e-commerce across multiple nascent markets, it is unlikely that Fetchr's rapid growth will slow any time soon.

Al Rifai says, "I typically get to unplug from work about four to five hours a week. The rest of the time I'm working. We might not have been the region's first unicorn, but we could be the second."

The Amazon-ification of major retailers

E-commerce agency and integrator Absolutnet says it is crucial for retailers to boost customer loyalty, increase average order values and build trust

The world's largest 18 marketplaces sell over \$1 trillion worth of goods every year. Analysts predict that marketplaces will account for 40 percent of the global online retail market by 2020.

Marketplaces — when operated effectively — are likely to boost customer loyalty, increase average order values, and build trust.

Retailers with significant traffic will add marketplace functionality to capture new revenue through commissions on sales and to test product and category interest before direct sourcing the stock

consumer (D2C) storefront.

This will enhance their customers' shopping experiences by providing multiple, complementary products and services on a single website or progressive web app (PWA).

Whether to beat Amazon, eBay and others at their own game, or to get in on the marketplace action, retailers are broadening their reach and selection by integrating the marketplace model to their digital commerce toolkit.

E-commerce market in the UAE

Industry growth is also boosting the need for a fast and reliable delivery services

The UAE is the e-commerce leader among Gulf Cooperation Council (GCC) states. The UAE e-commerce market is currently valued at \$2.5bn. GCC e-commerce is expected to quadruple to \$20bn by 2019 and, according to projections by market research firm Frost & Sullivan, UAE e-commerce reached \$10bn in 2018.

Robust internet and mobile penetration across the GCC has played an active role in enabling the growth of e-commerce in the region. Research conducted by Google reveals that the UAE leads global smartphone penetration at 73.8 percent and the country's internet usage statistics show that 91.9 percent of the population has internet access. A report on online shopping trends in the UAE released by AWOK.com in 2016 indicated that 80 percent of the online retailer's customers shopped using mobile phones. At 46 percent, Dubai has the highest number of online shoppers in the UAE, according to a survey by AWOK. A separate study by Network International found that 34 percent of UAE residents make online purchases between one and five times a week. The product categories that produce the most revenue in online sales in the region are consumer electronics, computers and jewellery, including watches. Online shopping for clothing also has begun to gain in popularity. The most important factors for online shoppers in the UAE were price, customer service, and ease of use. (US Department of Commerce)

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