

LATIN AMERICAN E-COMMERCE REPORT

2023 EDITION.
2023 EDITION.





CONTENT



2023 . E-COMMERCE
REPORT



OVER **325 MILLION**
TRANSACTIONS IN THE
REGION

E-COMMERCE IN LATIN AMERICA



Federico Balige

CEO PayU Latam

The payments and e-commerce industry is undergoing unprecedented changes. Innovation and new technologies, coupled with the growing use of mobile devices, digital buying platforms, and channels, have influenced how people acquire and pay for products and services. We understand that the e-commerce landscape is in constant evolution, with higher security levels, shorter delivery times, and greater availability of product-related information.

The potential of e-commerce in Latin America is promising and expanding due to various key factors. Well-known global e-commerce players have expanded into Latin America, finding growth opportunities in the region, and they are becoming increasingly prominent. With consumers using both physical and digital channels for their purchases, it is crucial for businesses to offer a great experience, personalized and data-driven omnichannel strategies to ensure more online sales. Today, more than ever, e-commerce is a key element in the business strategy of all enterprises.

The e-commerce landscape is optimistic. Thousands of businesses have quickly evolved in adopting strategies in line with the changing behaviors of their consumers.

Our presence in more than 50 markets around the world enables us to swiftly connect businesses and buyers in global markets and easily respond to the shifting needs and preferences of consumers when it comes to payment methods.

For us at PayU, information, data analysis, and an understanding of market trends are the cornerstones that characterize our day-to-day decision-making process. Thanks to the trust and support of our clients, we want to share with you this report where we consolidate e-commerce trends in Latin America from the past three years and provide insights into what can be expected in the future.

Today, we are the preferred platform for over 15,000 businesses, providing payment services to millions of people who make their purchases through our platform every day.

Our responsibility is with all those who trust us daily, and our motivation is to continue offering competitive solutions that are in line with the current times, while fostering the connection between millions of consumers and thousands of businesses.



1

THE BOOM OF LATIN AMERICAN E-COMMERCE

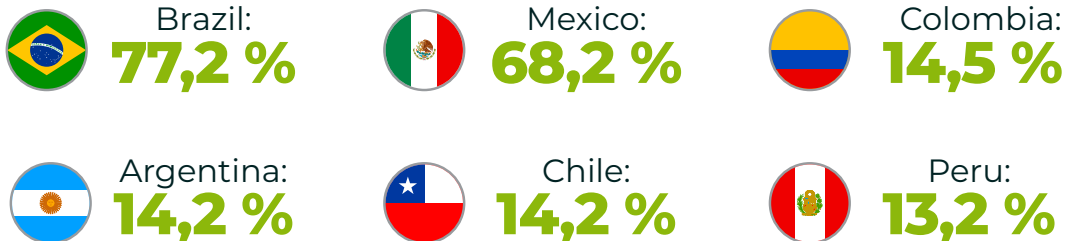


THE TOP 6 MARKETS IN THE REGION

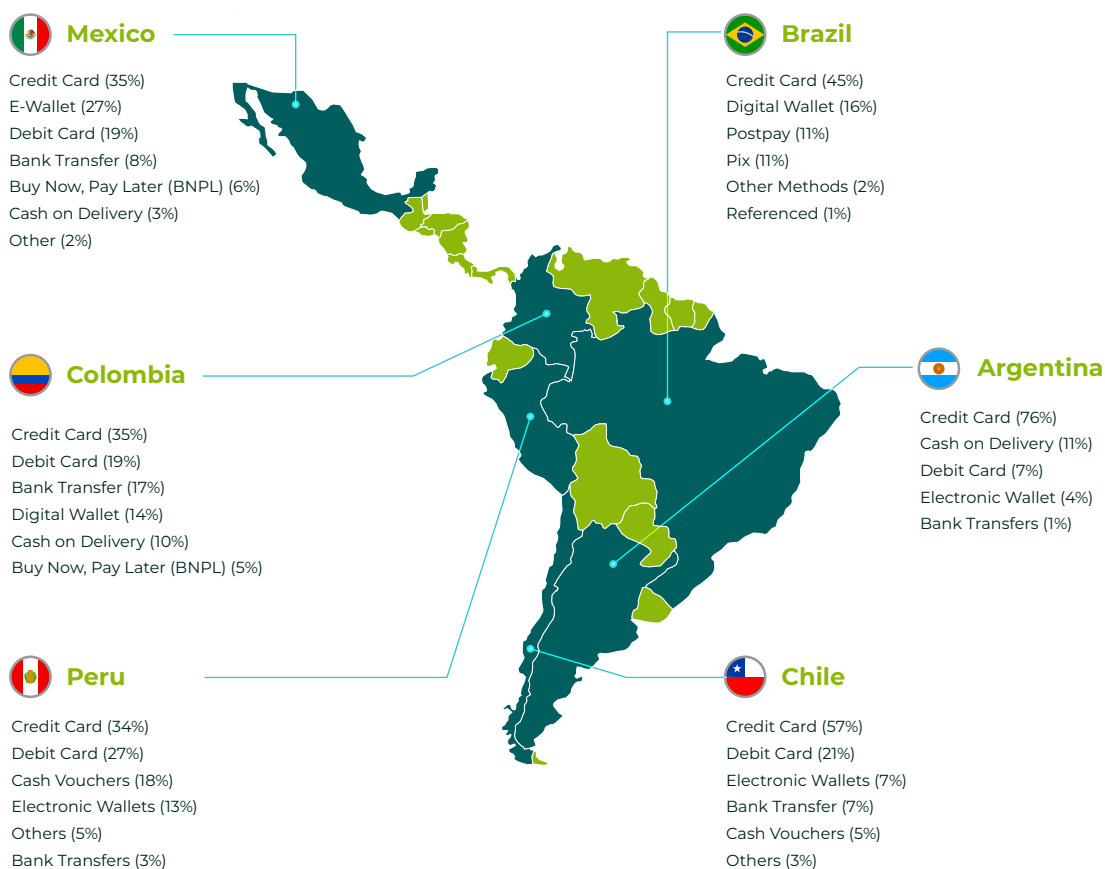
The Future of the E-commerce Market in Latin America will be defined by strong growth, with an expected 25% volume growth among the region's top markets.

While there are more than 20 countries in Latin America, these are the 6 markets that have solidly developed e-commerce, with significant transaction volumes.

For the period between 2022 and 2027, the projected Compound Annual Growth Rate (CAGR) in e-commerce for these markets is as follows:



MOST POPULAR PAYMENT METHODS* FOR ONLINE PURCHASES



When it comes to e-commerce and payment methods, Latin American economies exhibit similar behavior. Brazil leads the region in terms of e-commerce, followed by Mexico and Colombia.

However, each country has specific payment method preferences, reflecting their adoption and adaptation to new trends. Below, we will share the most commonly used methods in the region according to each country's chambers of commerce.

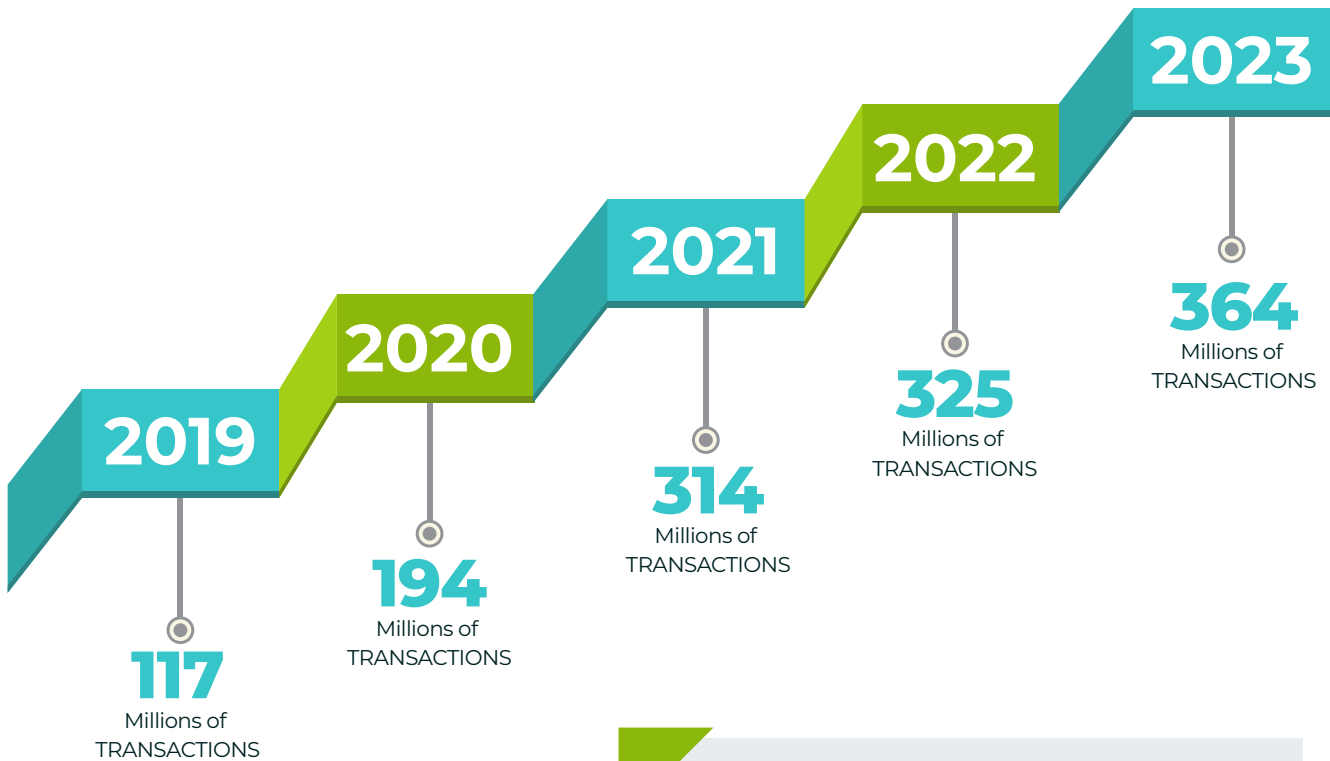
Source: Banco central do Brasil (2022); Asociación Mexicana de Ventas Online (AMVO 2022); Cámara Colombiana de Comercio Electrónico (CGCE); Cámara Argentina de Comercio Electrónico (CACE); Cámara Peruana de Comercio Electrónico (CAPECE,2022); PayU 2022

2

PAYU AS A GLOBAL PAYMENT PROCESSOR IN LATIN AMERICA



GROWTH IN THE LATIN AMERICAN MARKET



In 2023-2024, a 12% growth in transaction volume is expected, indicating that more people are making online purchases. E-commerce is gaining ground as an increasingly popular way of shopping. This growth can be attributed to greater convenience, secure payment options, and a wide variety of products available online.

PAYU AS A GLOBAL PAYMENT PROCESSOR, LEADERS IN LATIN AMERICA

PayU stands out as the undisputed leader in transaction processing in Latin America. Our sustained growth is indicative of our ability to meet and support the growing demand for transaction processing in this dynamic region.

In the competitive landscape of e-commerce in Latin America, PayU has proven to be an essential ally for the success of online businesses.

1. WIDE PAYMENT METHOD COVERAGE:

PayU excels in offering merchants the ability to accept a wide range of local payment methods. This not only simplifies the purchasing process for consumers but also allows them to choose the method that best suits their individual preferences.

2. SECURITY AND TRUST:

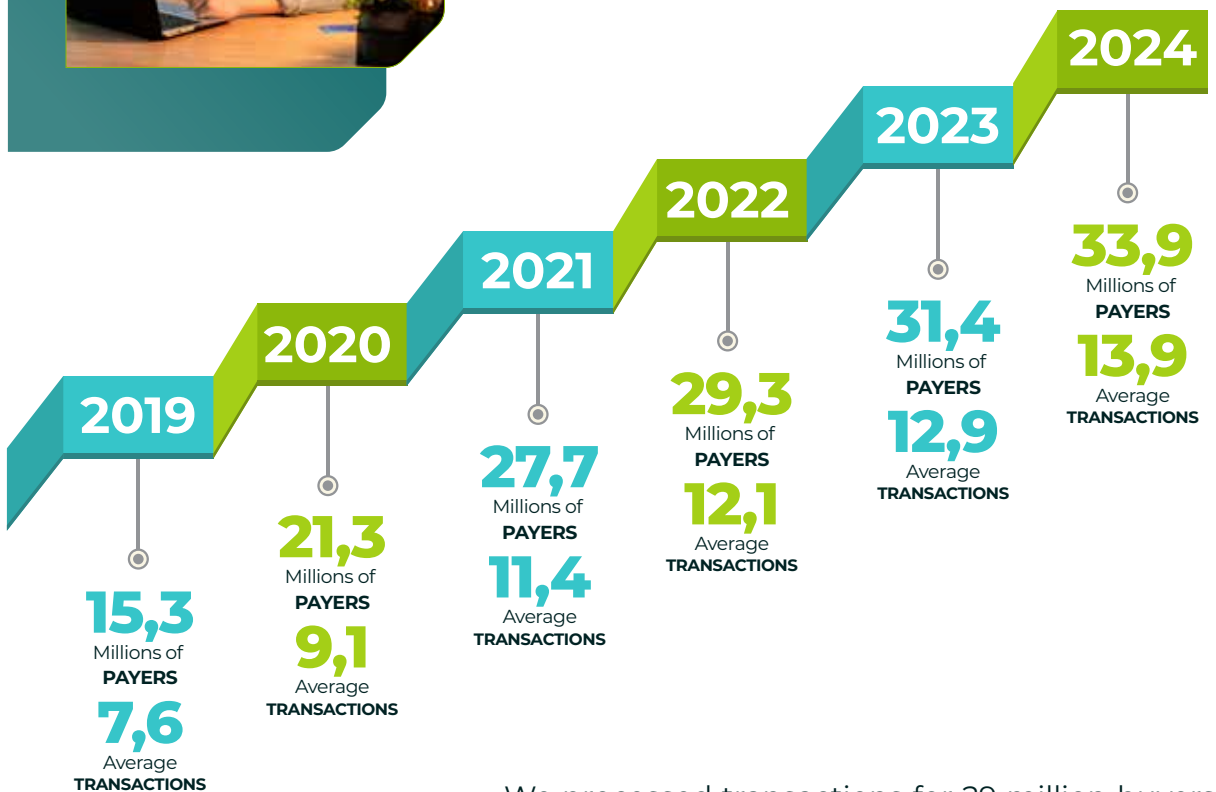
A meticulous focus on data protection and transaction integrity has built a strong bridge of trust for both merchants and consumers. Knowing that their transactions are protected by PayU, buyers can make their online purchases with complete peace of mind.

3. REGIONAL EXPERTISE:

PayU not only processes transactions but also understands the particularities and unique challenges that merchants and consumers face in Latin America. Our expertise enables us to provide solutions tailored to local needs, from specific payment times to compliance with regional regulations. This deep understanding of the region has been a key driver behind the consistent growth of e-commerce sales in Latin America through PayU."



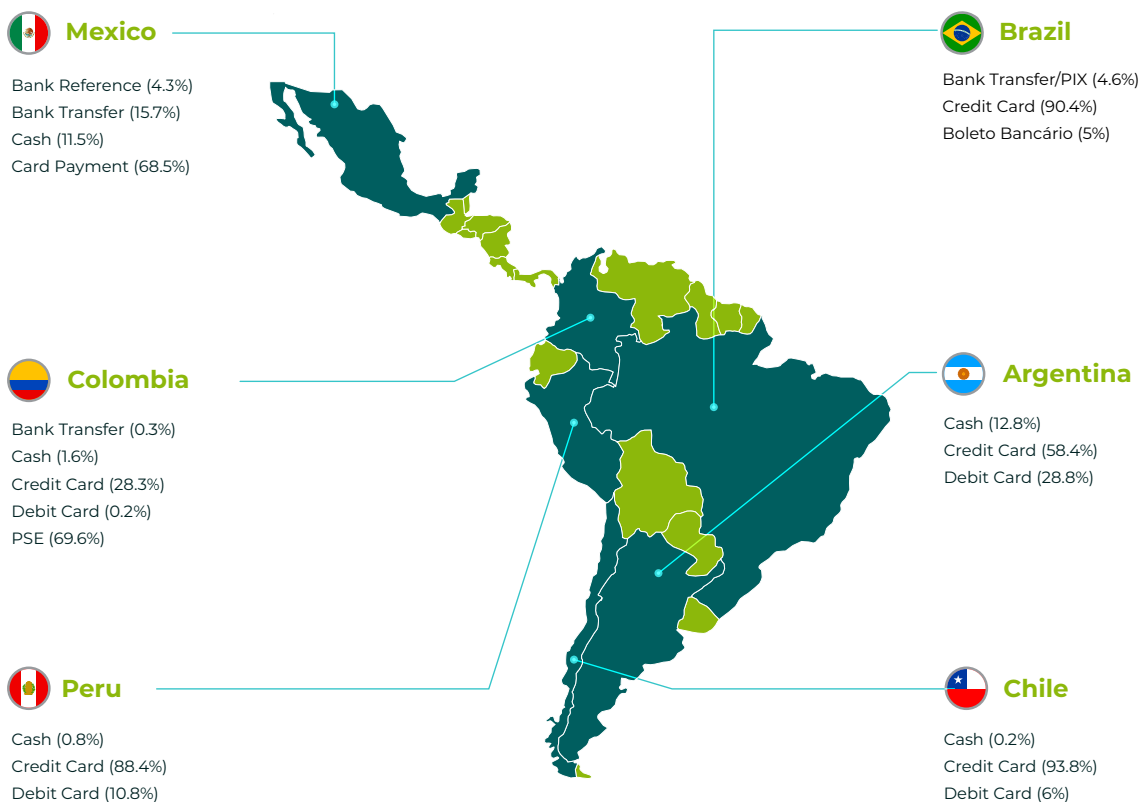
During 2022, we processed transactions for
29 MILLION
payers in Latin America



We processed transactions for 29 million buyers, reflecting the growing importance of understanding and adapting to digital consumer behavior in a highly competitive environment. In this context, the abundance of information accessible to consumers has significantly raised their expectations, making them more discerning when choosing products and services. With a simple click, a vast array of options is available to them, underscoring the need to provide exceptional shopping experiences and personalized solutions to remain relevant in this ever-evolving market.

THE MOST COMMONLY USED PAYMENT METHODS THROUGH OUR PLATFORM

The percentage of transactions



In recent years, consumer buying trends have undergone changes. The use of credit cards has decreased as buyers prefer to avoid acquiring products with explicit debt that generates interest. They are increasingly unwilling to take on long-term debt. On the other hand, there is a trend towards the adoption of debit card payments, with an increase in their share compared to last year.

3

CROSS-BORDER PAYMENTS: INDUSTRY POTENTIAL



CROSS-BORDER PAYMENTS

INDUSTRY POTENTIAL



The rise of e-commerce has allowed buyers to participate and interact in international trade by providing them with the opportunity to purchase products and services from different parts of the world. The democratization of the internet, the growth in smartphone penetration, and lasting changes in consumer behavior have been essential factors in the development of the e-commerce sector.



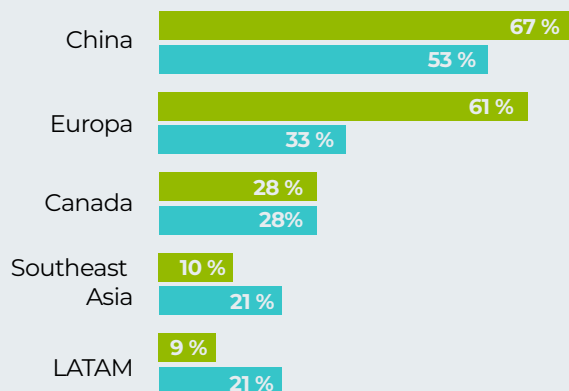
According to estimates, the business-to-consumer (B2C) e-commerce market is expected to surpass 7.5 trillion dollars by 2030. This represents an opportunity for merchants to explore international trade, overcoming geographical barriers and reaching new audiences by offering their products and services in new markets. When comparing the United States, China, and Colombia, our study revealed that consumers behave similarly in terms of their payment method preferences and the types of goods they typically purchase.

KEY FINDINGS

- Approximately one-fourth of respondents in the United States and Colombia stated that they have purchased goods online.
- For Colombians, China and the United States are the primary countries of origin for their international purchases. The most popular categories are fashion (shoes and bags), electronics, and beauty products.
- Data collected in our study allows us to conclude that there are increasingly fewer consumers who rely exclusively on local vendors to meet their needs. Younger demographic groups are more likely to make international purchases.
- Regarding payment preferences, we observed that consumers feel more secure when they recognize the brand of their payment service provider when making online purchases. In most cases, if their usual and trusted method is not available, they will cancel their order. Building trust among customers and having a strategic ally that offers the right and preferred payment options for your target audience is key to success in the e-commerce market.
- With the right payment gateway, both small and large businesses will enjoy multiple advantages, such as reducing barriers to entering new markets, adapting to the needs of local customers, and accelerating the sales process in that market.

The top five countries or regions where consumers have purchased goods and services in the cross-border e-commerce market.

■ Colombia
■ EEUU



4

LOOKING AHEAD: PROSPECTS FOR LATIN AMERICA



- In the economic sphere, it is important to consider that rising inflation rates and high prices can lead to a recession both for Latin American economies and the rest of the world. According to the Organization for Economic Cooperation and Development (OECD) and the International Monetary Fund (IMF, 2022), a GDP growth of 2.7% and 1.7%, respectively, is projected for this year. This indicates a significant slowdown compared to the previous year.
- Furthermore, it is expected that major economies in the region such as Colombia, Mexico, and Brazil will remain stable, experiencing moderate single-digit growth figures. The OECD notes that 'the recovery observed in 2021 and part of 2022 is expected to lose momentum during 2023 and 2024, due to tighter global and local financial conditions, reduced fiscal support, and a drop in commodity prices.' In this regard, inflation and its control become critical for economic growth.
- However, the forecasts for 2023 are more favorable than they may seem. Firstly, the increase in interest rates in the United States seems to be containing inflation, as they are showing signs of stabilization.

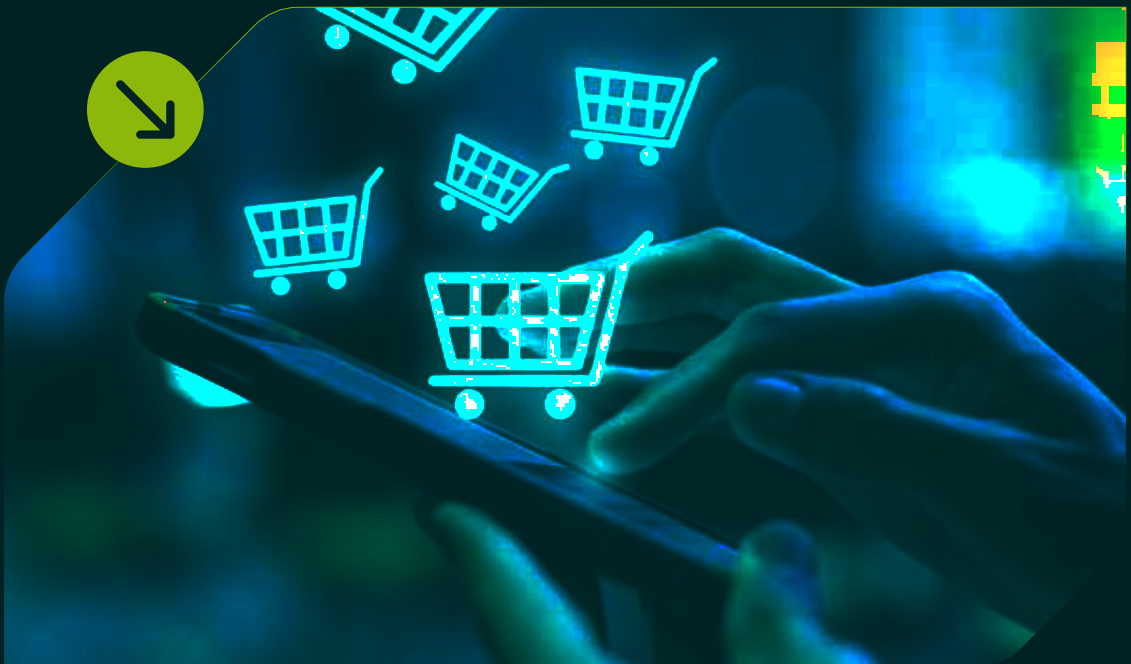


- More and more e-commerce and fintech players in the region are joining forces to strengthen the market as a whole and overcome the economic challenges that arise this year.
- LATAM is not lagging behind in terms of Artificial Intelligence or other components of the fourth industrial revolution. Significant advances have been made, such as nearshoring of assembly processes (for example, in Mexico), incorporating value-added components and innovation to drive growth. The potential of new startups that have emerged in the region, such as Rappi and Habit, among others, demonstrate the vast potential of our economy.
- Other growth drivers include tourism, remittances, and exports of raw materials and energy. However, achieving scalable expansion requires constant efforts in all these areas.
- In summary, despite challenges like inflation, recession, and moderate growth, Latin America presents significant opportunities in the medium and long term, with a trajectory of acceleration that overcomes any obstacles that may arise during this year.



5

TOP 6 MARKETS IN THE REGION



COLOMBIA



Colombia boasts the third-largest population in the region and the fourth-largest online audience. E-commerce sales through PayU have seen a growth of 157% in the last 4 years. Despite the economic slowdown in the country, we anticipate maintaining an estimated growth of 60% between 2022 and 2027



COLOMBIA

GENERAL DESCRIPTION OF THE MARKET
IN E-COMMERCE

OVERVIEW



POPULATION
52 M



COLOMBIAN
PESO
CURRENCY

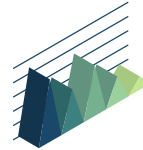


GDP PER CAPITA
\$6,131 USD



EASE OF DOING
BUSINESS
(WORLD POSITION)

67



EXPECTED
GDP GROWTH
0,9 %

INTERNET

INTERNET PENETRATION



NUMBER OF PEOPLE
36,712 M

% OF THE POPULATION

70,6 %

INTERNET USERS



NUMBER OF PEOPLE
35,50 M

% OF THE POPULATION

68,2 %

MOBILE PENETRATION



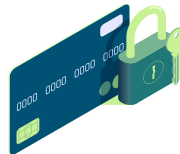
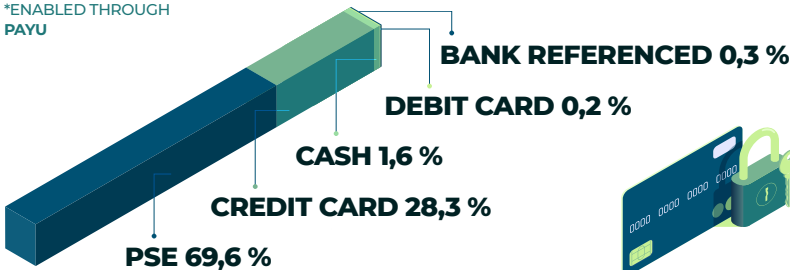
NUMBER OF PEOPLE
35,2 M

% OF THE POPULATION

67,6 %

PAYMENTS METHODS

*ENABLED THROUGH
PAYU



E-COMMERCE

ONLINE SHOPPERS



NUMBER OF PEOPLE
27,6 M

% OF POPULATION

53 %

NUMBER OF PEOPLE WHO ALSO BUY
CROSS-BORDER FROM THE TOTAL
ONLINE SHOPPERS



3,8 M **14 %** FROM THE TOTAL
ONLINE SHOPPERS



YEAR-ON-YEAR GROWTH
IN E-COMMERCE
BUSINESS VOLUME

26 %



E-COMMERCE
MARKETPLACE

\$22,4 Bn



AVERAGE INCOME
PER USER

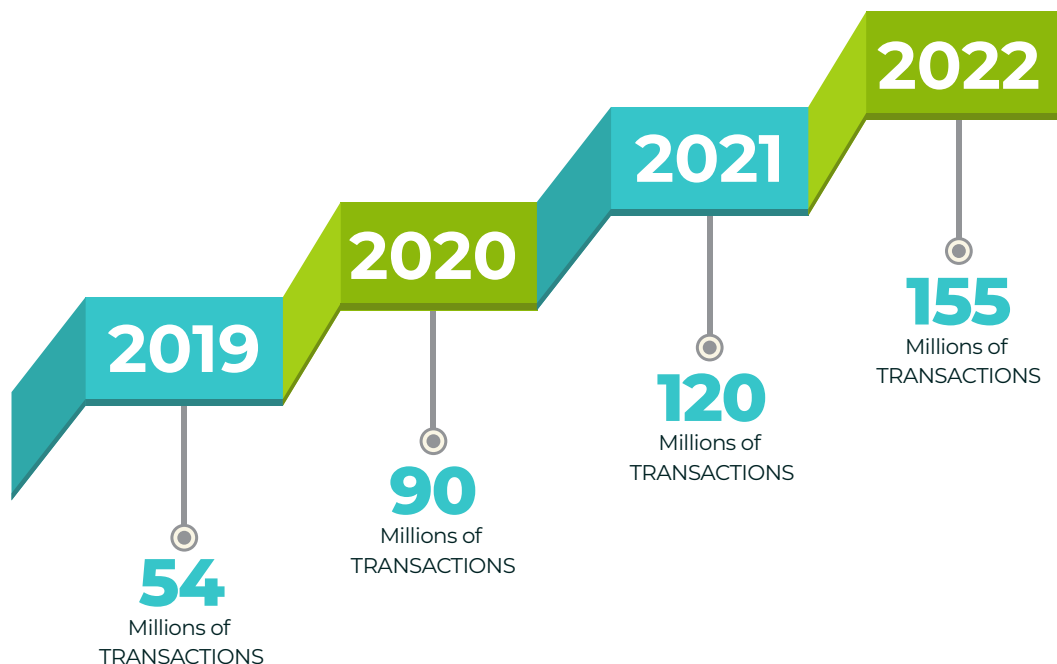
126,03\$

E-COMMERCE'S SHARE
IN TOTAL SALES

4 %



E-COMMERCE THROUGH **PAYU**



With the growth of new technologies, the adaptation of businesses to the electronic world, and new sales channels, buyer behavior has undergone rapid evolution.

At the same time, we have gained the trust of buyers on our platform when making online purchases. In Colombia, the number of buyers continues to increase year after year.

UNIQUE PAYERS

 **2023**
14.865.701

 **2022**
13.977.683

 **2021**
11.803.537



REPRESENTATIVE SECTORS

Telecommunications

The telecommunications sector plays a crucial role in the development of other economic sectors. Various service providers have seen continuous growth year after year

YEAR	GROWTH
2022	57 %
2021	53 %
2020	62 %
2019	12 %

Fashion

The fashion sector has overcome the challenges brought by virtuality and has quickly adapted to digital trends, achieving a growth of 25% compared to last year

YEAR	GROWTH
2022	94 %
2021	75 %
2020	170 %
2019	43 %

Entertainment, Tourism, and Travel Industry

An industry that has experienced cumulative growth of 76% compared to 2021

YEAR	GROWTH
2022	167 %
2021	95 %
2020	-27 %
2019	26 %

Large Retailers

Large stores and markets have achieved strong adoption of e-commerce, experiencing sustained growth of 22% during the year 2022

YEAR	GROWTH
2022	56 %
2021	46 %
2020	318 %
2019	37 %



CONSUMER INSIGHTS IN E-COMMERCE COLOMBIA

According to KPMG survey (2022), colombian buy online for:



THE BENEFIT OF BEING ABLE TO DO IN ANY TIME AND DAY OF THE WEEK

(as mentioned by the **58 %** of the participants).



PRICES
54 %



AVAILABILITY OF OFFERS
46 %



9 OF 10 COLOMBIANS
have some type of banking
product

54 %



of colombian shoppers have
purchased products or services on
social media channels without
leaving the apps



2 OF 3 COLOMBIANS
would be interested in using
cryptocurrencies to make
payments.



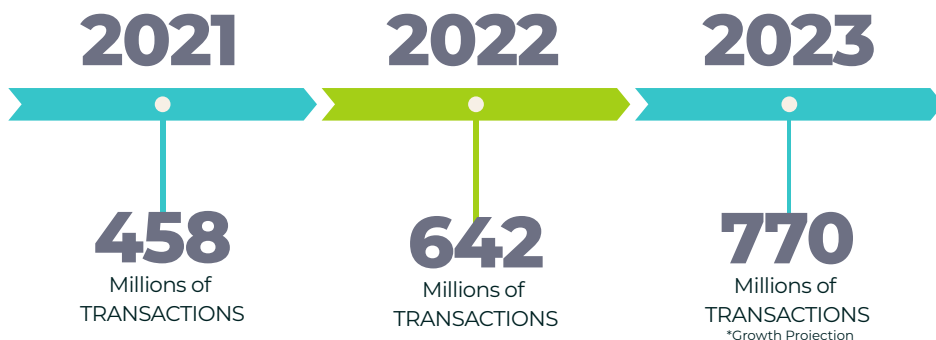
40 %
Consider the **EASY
RETURN POLICIES**
as Relevant



43 %
Consider **DELIVERY
OPTIONS** and Their
COSTS as Relevant



BLACK FRIDAY IN NUMBERS



As the 'Day Without VAT' did not take place in December 2022, consumers shifted their purchases to Black Friday, making it one of the days with the highest number of transactions of the year.

A positive dynamic marked by a recovery scenario with strong consumer spending has been observed, leading to an increase in inflation at the end of the year, reaching 6.4%. The maximum cost of credit stood at 26.19% (usury rate at the end of 2021). Furthermore, there are favorable conditions for recovery, with an economic growth projection of 9.6% in 2021 and 5.5% for 2022, supported by an optimistic consumer perception.

The trend in transaction levels and billed amounts has been on the rise since 2021, with a monthly increase of 1.5% to 2%. This generates positive expectations for November and the following months. The last quarter of the year typically sees an increase in sales and transactions.

At PayU, we continue to work to support and promote commercial days through technological support and backing.

ARGENTINA



Argentina holds the status of the third-largest economy in the Latin American e-commerce market after Brazil and Mexico. Argentina is a key and relevant market due to the widespread adoption of digital payments among buyers and the growth in the number of transactions.



ARGENTINA

GENERAL DESCRIPTION OF THE MARKET
IN E-COMMERCE

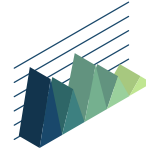
OVERVIEW



POPULATION
46 M



ARGENTINE
PESO
CURRENCY



EXPECTED GDP
GROWTH
- 0,5 %



GDP PER CAPITA
\$10,729 USD



EASE OF DOING
BUSINESS
(WORLD POSITION)

126

INTERNET

INTERNET PENETRATION



NUMBER OF PEOPLE
39,56 M

% OF THE POPULATION

86 %

INTERNET USER



NUMBER OF PEOPLE
37,17 M

% OF THE POPULATION

80,8 %

MOBILE PENETRATION



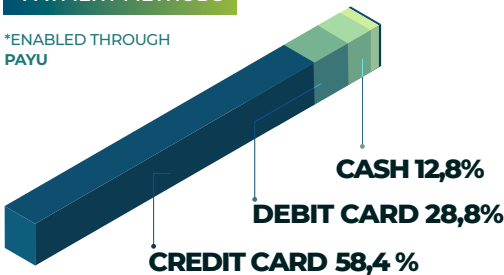
NUMBER OF PEOPLE
36,89 M

% OF THE POPULATION

82,2 %

PAYMENT METHODS

*ENABLED THROUGH
PAYU



E-COMMERCE

ONLINE SHOPPERS



NUMBER OF PEOPLE
25 M

% OF POPULATION

55 %

NUMBER OF PEOPLE WHO ALSO BUY
CROSS-BORDER FROM THE
TOTAL ONLINE SHOPPERS



10.9 M

PERCENTAGE OF CROSS BORDER
BUYERS FROM THE
TOTAL ONLINE SHOPPERS



43 %

YEAR-ON-YEAR GROWTH IN
ELECTRONIC COMMERCE
BUSINESSES VALUE



68 %

E-COMMERCE'S SHARE OF
TOTAL SALES



15 %

E-COMMERCE
MARKETPLACE **16 B**

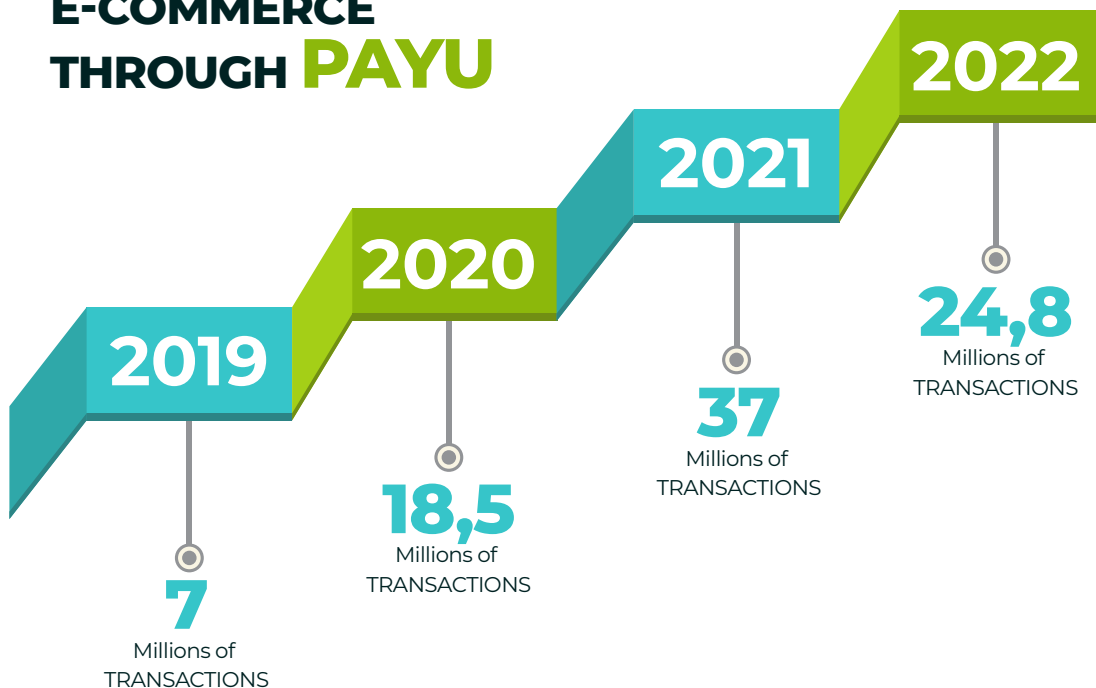
NUMBER OF ONLINE STORES: **6,6 K**

NUMBER OF ONLINE STORES
FOR EVERY 1000 INHABITANTS: **0,6**

AVERAGE INCOME
PER USER **201,77 \$**



E-COMMERCE THROUGH **PAYU**



UNIQUE PAYERS



2021
2.227.005



2022
2.111.712



2023
2.279.802

REPRESENTATIVE SECTORS

Fashion

YEAR	GROWTH
2022	67 %
2021	56 %
2020	330 %
2019	35 %

Throughout 2023, the textile sector has experienced consistent growth and has positioned itself as one of the most relevant sectors for the country.

Delivery

YEAR	GROWTH
2022	146 %
2021	122 %
2020	499 %
2019	32 %

This sector has seen an increase in its sales, leading to high consumer satisfaction due to the offer of higher quality services.



CONSUMER INSIGHTS IN E-COMMERCE ARGENTINA

Interesting aspects of consumer behavior in e-commerce in the country, according to the Argentine Chamber of E-commerce (CACE) (2022)



5 OUT OF 10 ARGENTINE CONSUMERS

made online purchases through social media.



67 %

of Argentine consumers in social commerce have made purchases through Facebook at least once



AT LEAST 5 OUT OF 10 ARGENTINE

social media shoppers have used Instagram for online purchases.



25 %

of social commerce consumers in Argentina have used WhatsApp as a channel for online purchases



8 OUT OF 10 ARGENTINIANS

Are aware of the prices of the products they buy online and choose to search for promotions and discounts.



99 %

of online shoppers in Argentina are satisfied with their shopping experience.



Internet search is the primary means of gathering information before making a purchase for **45% of consumers, followed by apps and marketplaces (39%), and brand websites (21%)**



Argentina is a leader in **cryptocurrency** adoption in LATAM



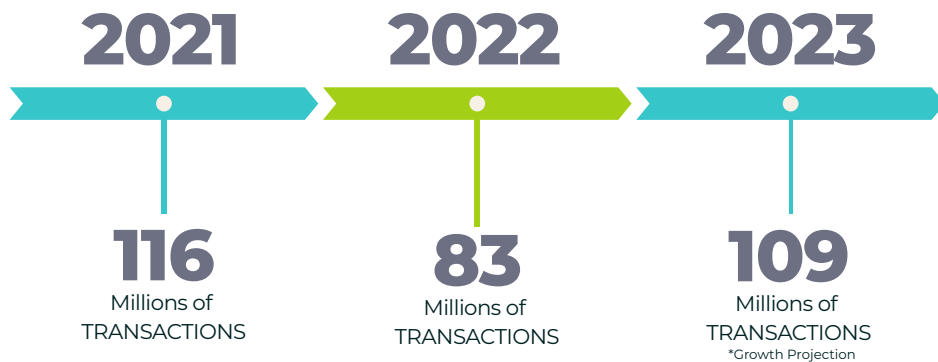
High demand for domestic e-commerce represents **97% of the total** (compared to cross-border commerce).



On average, **7% of each Argentine's expenditure budget** is allocated to e-commerce.



BLACK FRIDAY IN NUMBERS



In recent years, e-commerce in Argentina has undergone a significant transformation, following global trends. According to a study by Google and Ipsos (2022), approximately 48% of Argentinians take advantage of events like Cyber Monday or Black Friday to do their year-end shopping. Moreover, nearly 60% of the Argentine population shops online, and it is projected that transactions in this channel will surpass 62% by the year 2026.

According to the Argentine Chamber of E-commerce (CACE, 2022), online sales have increased significantly, rising from 3.6% of total retail sales in 2019 to 15% in 2022. Argentina stands out as the Latin American country with the greatest interest in discount events such as Cyber Monday and Black Friday.

Regarding the most commonly used payment methods during Cyber Monday 2022 in Argentina, 35% of people opted for cash or debit cards, 32% used credit cards, and 28% preferred electronic payments.

Furthermore, in Argentina, Cyber Monday is one of the most popular events, followed by Black Friday and the Christmas and New Year holidays. In 2022, soccer stood out as one of the most relevant purchase preferences during these discount seasons, capturing the attention of consumers in the country.

BRAZIL



The country has the largest and most advanced e-commerce landscape in Latin America, with an annual processing close to USD 40 billion and projections aiming to reach USD 60 billion.

In this market, PayU's presence is significant, as we have experienced a 51% growth in the value of online payments processed compared to 4 years ago. This has contributed to the success of businesses that rely on our platform.



BRAZIL

GENERAL DESCRIPTION OF THE MARKET IN E-COMMERCE

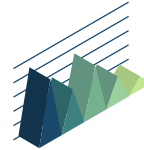
OVERVIEW



POPULATION
216 M



BRAZILIAN
REAL
CURRENCY



EXPECTED GDP
GROWTH
2,64 %



GDP PER CAPITA
\$7,518 USD



EASE OF DOING
BUSINESS
(WORLD POSITION)

124

INTERNET

INTERNET PENETRATION



NUMBER OF PEOPLE
175,6 M

% OF THE POPULATION

81,3 %

INTERNET USERS



NUMBER OF PEOPLE
168,05 M

% OF THE POPULATION

77,8 %

MOBILE PENETRATION



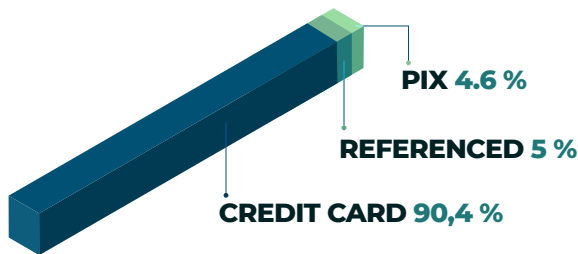
NUMBER OF PEOPLE
168,05 M

% OF THE POPULATION

77,8 %

PAYMENT METHODS

*ENABLED THROUGH PAYU



E-COMMERCE

ONLINE SHOPPING



NUMBER OF PEOPLE
115 M

% OF THE POPULATION

53,2 %

NUMBER OF PEOPLE WHO ALSO
ENGAGE IN CROSS-BORDER SHOPPING
TOTAL ONLINE SHOPPERS



30.7 M

PERCENTAGE OF CROSS-BORDER
SHOPPERS OUT OF THE TOTAL
TOTAL ONLINE SHOPPERS



26,7 %

INTERNATIONAL GROWTH
OF E-COMMERCE TURNOVER



27 %

E-COMMERCE'S
SHARE OF TOTAL SALES



17 %

ONLINE
RETAIL MARKET **\$33.8 B**

NUMBER OF ONLINE STORES: **10 K**

NUMBER OF ONLINE STORES
PER 1000 INHABITANTS: **1**

ARPU **183,14 \$**

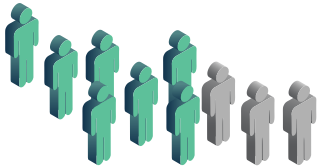


CONSUMER INSIGHTS IN E-COMMERCE BRAZIL

According to data from Ebit/Nielsen and Bexs (2022), some key factors to consider for Brazilian e-commerce shoppers include

7 OUT OF 10 BRAZILIANS

use mobile apps to order prepared food.



63 %

Of Brazilian consumers have made purchases on social media without leaving the application.

3 OUT OF 10 BRAZILIANS

use apps to purchase pharmacy and grocery products.



8 OUT OF 10 BRAZILIANS

want to migrate to exclusively digital banks.



3 OUT OF 10 BRAZILIANS

have purchased cryptocurrencies



OTHER FACTORS TO CONSIDER

The analysis from American Market Intelligence (AMI) provides other important data points to consider regarding T Brazilian e-commerce purchases:



PIX IS THE FASTEST-GROWING PAYMENT METHOD for e-commerce purchases in Brazil: It grew over 80% in 2022.



Another impressive growth was seen in **BUY NOW PAY LATER**, with this method experiencing a growth of over 86% in Brazil in 2022.



Cross-border transactions in Brazil **ACCOUNTED FOR APPROXIMATELY 5% OF ITS E-COMMERCE MARKET** volume in 2022.

CHILE



The e-commerce market in Chile is valued at over USD 9 billion. Over the past 3 years, PayU has contributed to sustained growth by providing accessible and secure online payment solutions for local and global businesses.



CHILE

GENERAL DESCRIPTION OF THE MARKET IN E-COMMERCE

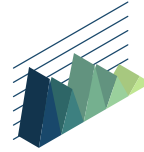
OVERVIEW



POPULATION
19 M



CHILEAN
PESO
CURRENCY



EXPECTED
GDP GROWTH
-1,2 %



GDP PER CAPITA
\$16,502 USD



EASE OF DOING
BUSINESS
(WORLD POSITION)

59

INTERNET

INTERNET PENETRATION



NUMBER OF PEOPLE
16,76 M

% OF THE POPULATION

88,2 %

INTERNET USERS



NUMBER OF PEOPLE
16,13 M

% OF THE POPULATION

84,9 %

MOBILE PENETRATION



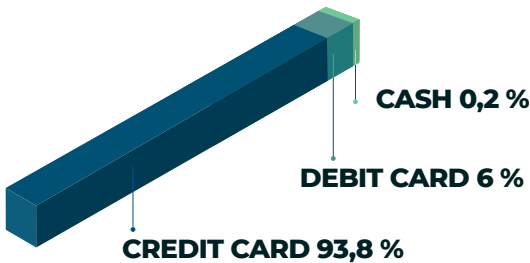
NUMBER OF PEOPLE
168,05 M

% OF THE POPULATION

87.7 %

PAYMENT METHODS

*ENABLED THROUGH PAYU



E-COMMERCE

ONLINE SHOPPERS



NUMBER OF PEOPLE
12,7 M

% OF THE POPULATION

66,8 %

NUMBER OF PEOPLE WHO ALSO ENGAGE
IN CROSS-BORDER SHOPPING
TOTAL ONLINE SHOPPERS



8.76 M

THE PERCENTAGE OF CROSS-BORDER
SHOPPERS OUT OF THE TOTAL NUMBER OF
ONLINE SHOPPERS



69 %

E-COMMERCE'S SHARE OF
TOTAL SALES



4 %

THE YEAR-ON-YEAR GROWTH OF
E-COMMERCE TURNOVER



23 %

THE E-COMMERCE
MARKET

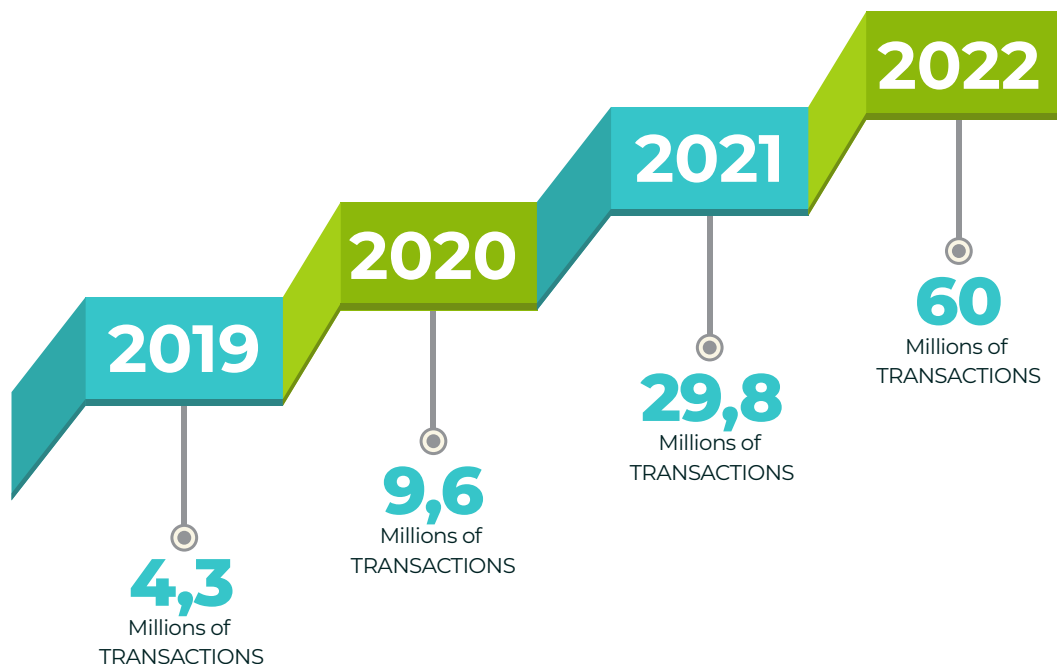
\$7 B

AVERAGE INCOME
PER USER

379,12 \$



E-COMMERCE THROUGH PAYU



REPRESENTATIVE SECTORS

FASHION

YEAR	GROWTH
2022	209 %
2021	191 %
2020	288 %
2019	23 %

In the transition from physical to virtual sales, the fashion sector has managed to be successful and reach buyers, experiencing sustained growth.

TRANSPORTATION SERVICE

YEAR	GROWTH
2022	1432 %
2021	1357 %
2020	744 %
2020	1 %

The transportation service has managed to position itself as one of the most representative sectors for Chile



THE CONSUMER INSIGHTS IN E-COMMERCE CHILE



E-COMMERCE

In March 2022, 85% OF USERS rated their first shopping experience as good or very good.



SUSTAINABILITY

It has not yet been a decisive factor in measuring the success of online selling brands. In the first quarter of 2022, only 14% of users considered environmental responsibility an essential attribute for their purchase. **HOWEVER, CONCERN FOR SUSTAINABILITY HAS INCREASED SINCE 2021.**

Majority of online shoppers in Chile are attracted to large retailers and supermarkets, followed by international online stores and specialized online shops.

A smaller percentage of customers use social media, delivery apps and marketplaces to make online purchases.



**MAJOR RETAILERS
AND SUPERMARKETS**



**INTERNATIONAL
ONLINE STORES**



**SPECIALIZED
ONLINE SHOPS**

MEXICO



The e-commerce landscape in Mexico has experienced continuous and dynamic development. Changes in consumer behavior, preferences, and lifestyle choices driven by the pandemic have played a significant role in transforming the reality for thousands of businesses.

The e-commerce ecosystem in Mexico continues to be promising.



MÉXICO

GENERAL DESCRIPTION OF THE MARKET
IN E-COMMERCE

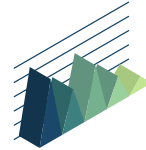
OVERVIEW



POPULATION
132 M



MEXICAN
PESO
CURRENCY



EXPECTED
GDP GROWTH
1,8 %



GDP PER CAPITA
\$9,926 USD



EASE OF DOING
BUSINESS
(WORLD POSITION)

60

INTERNET

INTERNET PENETRATION



NUMBER OF PEOPLE
99,9 M

% OF THE POPULATION

75,7 %

INTERNET USERS



NUMBER OF PEOPLE
96,9 M

% OF THE POPULATION

73,4 %

MOBILE PENETRATION



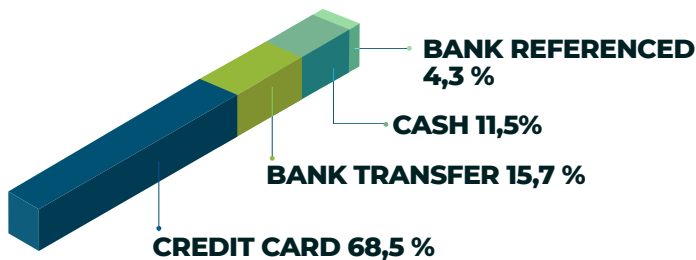
NUMBER OF PEOPLE
98,7 M

% OF THE POPULATION

74.8 %

PAYMENT METHODS

*ENABLED THROUGH PAYU



E-COMMERCE

ONLINE SHOPPERS



NUMBER OF PEOPLE
64 M

% OF POPULATION

70,4 %

THE NUMBER OF PEOPLE WHO ALSO ENGAGE
IN CROSS-BORDER SHOPPING THE
TOTAL NUMBER OF ONLINE SHOPPERS



45 M

THE PERCENTAGE OF CROSS-BORDER
SHOPPERS OUT OF THE
TOTAL NUMBER OF ONLINE SHOPPERS



70.4 %

THE YEAR-ON-YEAR GROWTH
OF E-COMMERCE TURNOVER



27 %

E-COMMERCE'S SHARE OF
TOTAL SALES



11.3 %

THE E-COMMERCE
MARKET

\$19.6 B

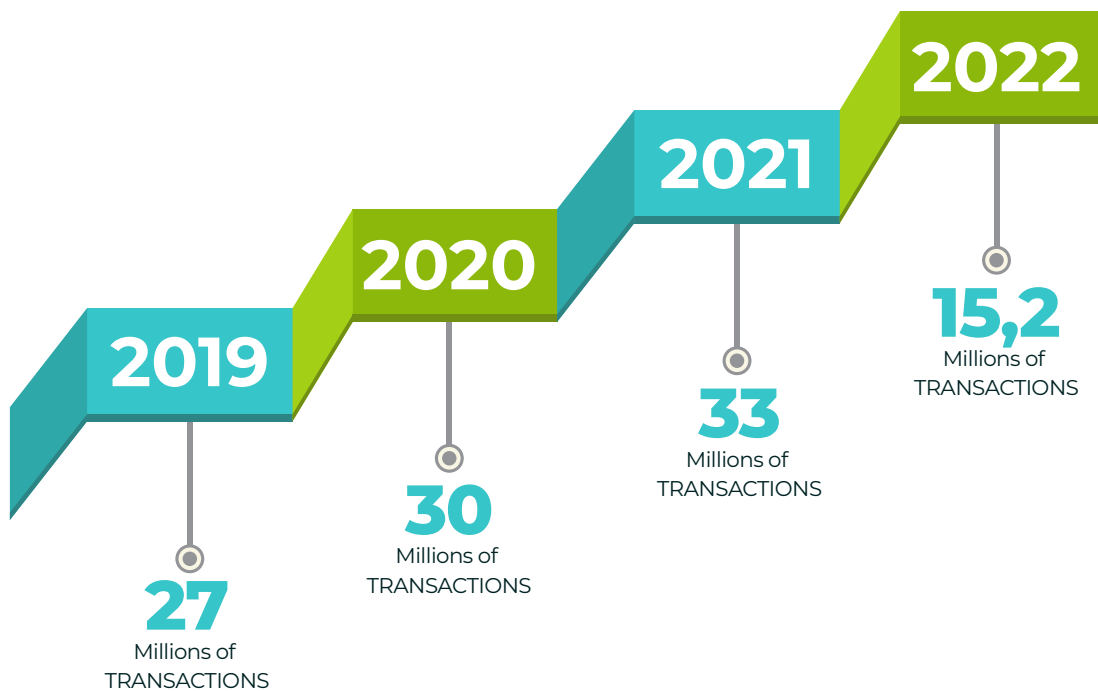
NUMBER OF PEOPLE
IN ONLINE STORE: **80 K**

NUMBER OF ONLINE STORES
PER CAPITA: **8**

AVERAGE
INCOME PER USER **147,66 \$**



E-COMMERCE THROUGH **PAYU**



The Mexican e-commerce consumer is characterized by their preference for cash payments, which has driven the development of cash payment solutions in physical stores. Additionally, online security is a fundamental concern, which is why at PayU, we focus on gaining the trust of users through robust data protection measures and fraud prevention.

UNIQUE PAYERS

 **2023**
1.518.636

 **2022**
1.207.972

 **2021**
915.656



REPRESENTATIVE SECTORS

YEAR	GROWTH
2022	32 %
2021	27 %
2020	182 %
2019	2 %

Multi-level

The multi-level marketing sector in Mexico is highly representative, with more than 500,000 transactions processed. It has established itself as a vertical with constant growth.

YEAR	GROWTH
2022	58 %
2021	47 %
2020	146 %
2019	62 %

Education

The new normality represented a great opportunity for growth in the education sector. Undoubtedly, taking courses and acquiring new knowledge helped many people cope with lockdown during the pandemic. This trend has been adopted in the new reality and continues to grow in 2023.

YEAR	GROWTH
2022	43 %
2021	38 %
2020	49 %
2019	40 %

Fashion

After a successful migration to e-commerce, it has achieved steady growth with sales exceeding USD 15 million.



THE CONSUMER INSIGHTS IN E-COMMERCE MEXICO

9 OUT OF 10 MEXICAN

online shoppers use apps
to purchase groceries.



7 OUT OF 10 MEXICAN

online shoppers make purchases
or payments online at least
once a month



**97% OF CONSUMERS
IN MEXICO**

involve the Internet at some point
in the purchasing process, even for offline
purchases (AMVO)



40%

OF MEXICAN ONLINE SHOPPERS, 73%
ARE INSPIRED BY SOCIAL MEDIA
BEFORE MAKING A PURCHASE
(STATISTA)



3 OUT OF 10 MEXICAN ONLINE

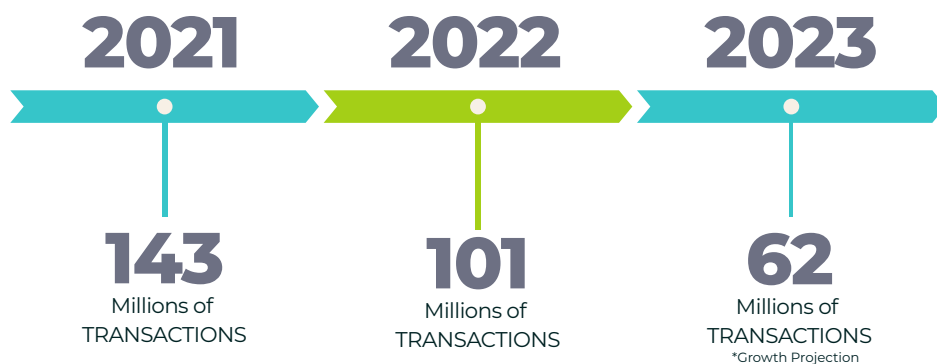
shoppers would use cryptocurrencies.

The main motivators for online shopping
are: **free delivery, coupons and discounts,**
next-day delivery.





BLACK FRIDAY IN NUMBERS



Apart from Black Friday, the most important commercial date in Mexico is El Buen Fin. Since its debut in 2011, this event has attracted increasing interest year after year. The 2020 edition recorded record sales of USD 12.2 billion in total event sales, representing a 109% increase compared to 2019. Furthermore, 15.2% of these sales came exclusively from online purchases, which saw a 225% increase due to the pandemic.

During the 2021 event, e-commerce demonstrated its value in the market. According to the latest AMVO study, 70% of shoppers who participated in the celebration combined in-store and online shopping. On the other hand, 33% chose to buy exclusively online, with an average expenditure of USD 50.

This translated to USD 1.6 billion in sales generated through the online channel, representing 16.5% of the total for the day. Additionally, El Buen Fin reported approximately 30.5 million online transactions, accounting for 20% of all transactions made.

In 2022, online sales during El Buen Fin increased by 45% compared to the previous year. This growth was accompanied by positive performance during the holiday season. The top product categories for online sales were food delivery, beauty and personal care, fashion, and electronics.

PERU



The e-commerce landscape in Peru has seen significant growth in the past 4 years. In 2019, the volume of online sales across the country reached USD 286 million. By the end of 2022, this number had increased by 98%, and it is expected to continue showing a positive trend in the coming years, with projected sales of over USD 1.4 billion by 2026.



PERÚ

GENERAL DESCRIPTION OF THE MARKET IN E-COMMERCE

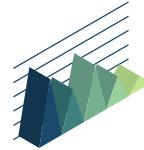
OVERVIEW



POPULATION
33 M



PERUVIAN
SOL
CURRENCY



EXPECTED
GDP GROWTH
2.3 %



GDP PER CAPITA
\$6,692 USD



EASE OF DOING
BUSINESS
(WORLD POSITION)

76

INTERNET

INTERNET PENETRATION



NUMBER OF PEOPLE
23,69 M

% OF THE POPULATION

71.8 %

INTERNET USERS



NUMBER OF PEOPLE
23,03 M

% OF THE POPULATION

69,8 %

MOBILE PENETRATION

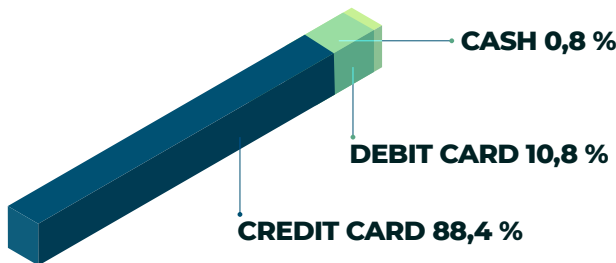


NUMBER OF PEOPLE
22,8 M

% OF THE POPULATION

69 %

E-COMMERCE



ONLINE SHOPPERS



NUMBER OF PEOPLE
14 M

% OF THE POPULATION

42 %

THE NUMBER OF PEOPLE WHO ALSO
ENGAGE IN CROSS-BORDER SHOPPING THE
TOTAL NUMBER OF ONLINE SHOPPERS



3.6 M

THE PERCENTAGE OF CROSS-BORDER
SHOPPERS OUT OF THE
TOTAL NUMBER OF ONLINE SHOPPERS



26 %

THE YEAR-ON-YEAR GROWTH
OF E-COMMERCE TURNOVER



55 %

E-COMMERCE PARTICIPATION



18 %

E-COMMERCE
MARKET

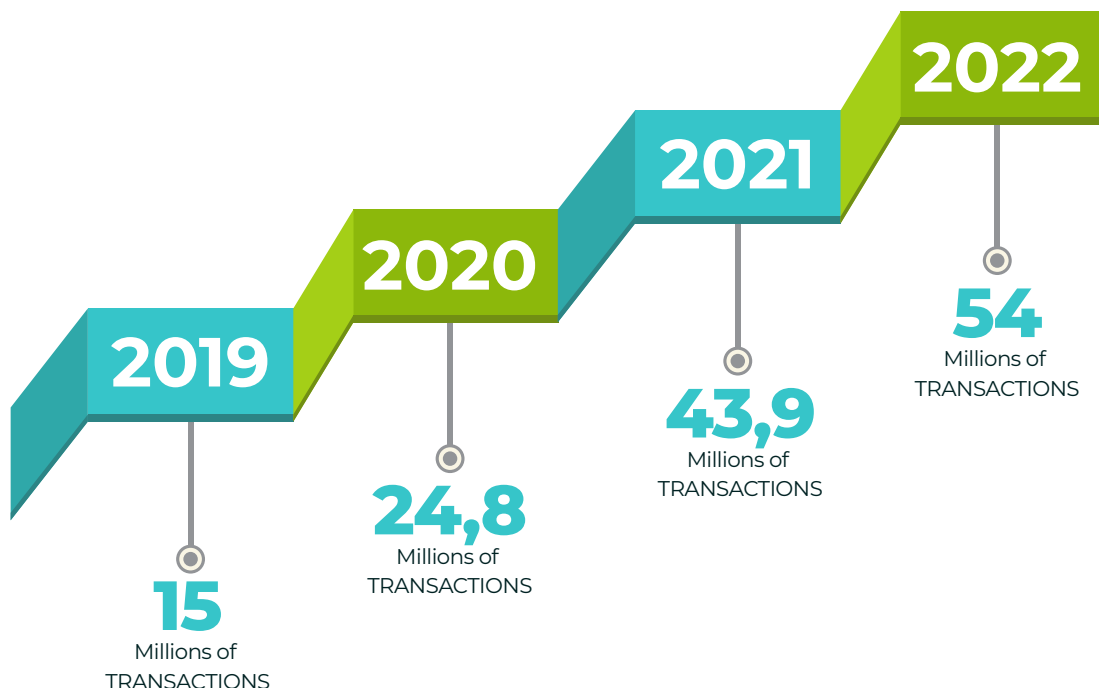
\$9.3 B

AVERAGE INCOME
PER USER

154,1 \$

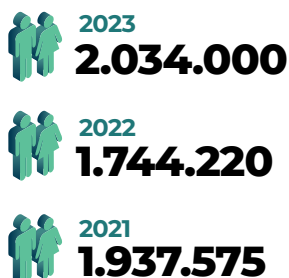


E-COMMERCE THROUGH **PAYU**



Peruvian consumers value the convenience of shopping from their mobile devices and expect a seamless user experience. Like in other parts of the world, they expect more personalized shopping experiences. Companies that effectively use customer data can provide relevant product recommendations and specific offers that boost conversion rates.

UNIQUE PAYERS





REPRESENTATIVE SECTORS

YEAR	GROWTH
2022	223 %
2021	213 %
2020	316 %
2019	336 %

Delivery

Indeed, home delivery services offer convenience and practicality for many, and the sector has become a support for both consumers and the businesses involved.

YEAR	GROWTH
2022	57 %
2021	46 %
2020	148 %
2019	29 %

Multi-level

Absolutely, the direct selling sector has shown significant growth in Peru, accumulating sales totaling USD 78.6 million. These figures highlight that direct selling represents a significant opportunity for the Peruvian economy.

YEAR	GROWTH
2022	106 %
2021	96 %
2020	257 %
2019	164 %

Large Retailers

Large retailers in Peru have transitioned from physical sales to virtual sales, leading to significant growth from 2019 to 2022



CONSUMER INSIGHTS IN E-COMMERCE PERU



62 %

OF SHOPPERS PARTICIPATED
IN ONLINE SHOPPING
DURING THE PANDEMIC.

46 %

WILL CONTINUE SHOPPING ONLINE
even once the pandemic ends.



44 %

Of digital shoppers, did not have a planned purchase, and decided
DURING BROWSING.



46 %

Of digital shoppers, did not have a planned purchase, and decided
DURING BROWSING.



6 OUT OF 10 INTERNET USERS

visited websites related to **HOT SALE** in 2021.

51 %

OF CUSTOMERS USE GOOGLE
to gather information about the purchase they are about to make.

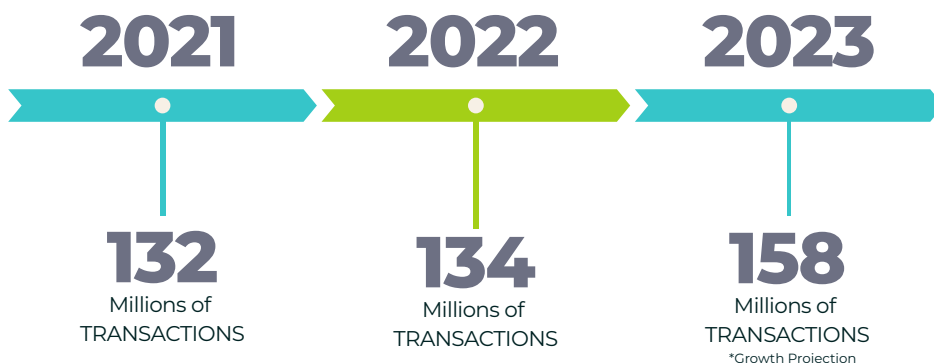


57 %

OF PERUVIANS search for **PROMOTIONS** on company websites



BLACK FRIDAY IN NUMBERS



The Black Friday has experienced positive dynamics in recent years in Peru. In 2022, the average value of online purchase invoices during Black Friday was approximately USD 16, representing a slight decrease compared to the previous year. This shows that the Black Friday event is maturing, with an increasing number of Peruvians making online purchases, even for lower-value items. The main purchases were made in department stores (clothing), groceries, delivery, and others.

However, Peruvian consumers were more cautious when purchasing non-essential products this year. There was a 25% decrease in spending during Black Friday 2022 compared to the previous year (2021). According to data from the Bureau of Labor Statistics, this is partly due to an 8.2% increase in the inflation of goods during the period from September 2021 to September 2022, making consumers more conscious of their expenses.

The main categories of consumer products during this season were travel, fashion, beauty, and home goods.

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