

Mexico

Guide to the market
& payment methods

MEXICO



Market overview



Mexico is one of the biggest countries in Latin America and an important economic force. The 128m inhabitants produce a GDP of over 1 trillion USD mainly due to heavy economic ties with the USA, the biggest partner for imports as well as exports. The e-commerce sales with 4.6% of the total sales is still small compared to Brazil or other neighbors, but the potential is huge. This percentage translates to a sales amount of 24bn USD in 2020, and it is expected that the sales volume will grow steadily for the upcoming years, according to eMarketer.

The categories of e-commerce with the most users by the end of 2020 according to CIU have been taxi services (17m), payment of services (14m), clothing & accessories (12m), food (11m) and electronics (10m), although electronics amount to the largest revenue share with 6.5bn USD.

The most used websites for e-commerce based on estimated data of Statista are Mercado Libre with a big margin to Amazon, Coppel, Walmart and Liverpool. The e-commerce user penetration in Mexico is expected to grow to 58% from the current 44% of the population until 2025 which is a huge opportunity for market entrants.

KPIS of the country



Currency:
Mexican Peso
(MXN)

\$24bn

total e-commerce-
revenue in 2020.

128m

population, second-
largest country in
LATAM.

81m

internet users.

20m

e-shoppers.



Mexico is the most important market in Latin America besides the Brazilian one as the e-commerce development has just begun and will continue for the next decade. Still, only the minority of the population uses e-commerce services, but the trend goes towards a shift.



Expand your business to Mexico ▶▶▶

The main sectors of the economy

The domestic e-commerce giant

Mexico is one of the countries that have a high share of domestic e-commerce purchases. For 2021 it is expected to be around 95%. 61% of all e-commerce purchases are paid for by cards which shows a strong standing of traditional payment options. This reality is being undermined by new technologies that start to grow in Mexico. During the pandemic the growth of e-commerce app installations has been 14% what signalizes the interest of the Mexicans in easier shopping experiences and payment solutions. The biggest e-retailer, Mercado Libre, accounted for a net revenue of over 150m USD in Q3 2020 which is double the amount of the Q3 2019. This enormous revenue growth can be attributed to the immense effort of SMEs that pushed for changing their distribution strategies towards more online sales. Numbers show that end of 2020 64% of these businesses have been selling through only channels – double compared to pre-pandemic times.



Manufacturing

Since the millennium Mexico has ever-more become a pillar for manufacturing of all trades. Many major companies in the world rely on the Mexican workforce for electronic component and audio/video equipment manufacturing. Especially all big car manufacturers in the world use Mexican made parts.



Air transportation

This sector is strong in Mexico and is expected to grow the most together with the manufacturing sector in the coming years due to the strong demand for people and goods transports domestic as well as foreign.



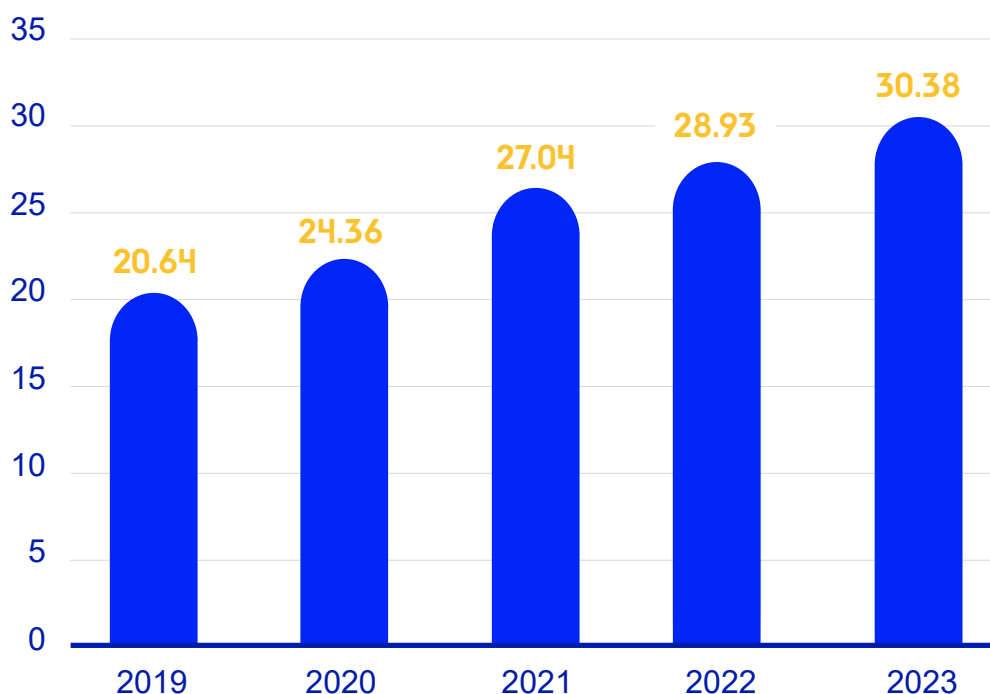
Real estate rental

Linked to the upturn in populations' wealth, a significant growth of the Mexican real estate rental sector can be observed.

Retail e-commerce sales in Mexico from 2019 to 2023



Sales in
billion
U.S.
dollars



Sources:
eMarketer, Mercado Libre.
© Statista 2021

Economic insights

3.8%

e-commerce
revenue CAGR
2021-2025.

\$1.2bn

e-commerce
revenue generated
in China.

78m

expected number of
e-commerce users in
2025.



Our payment methods in Mexico



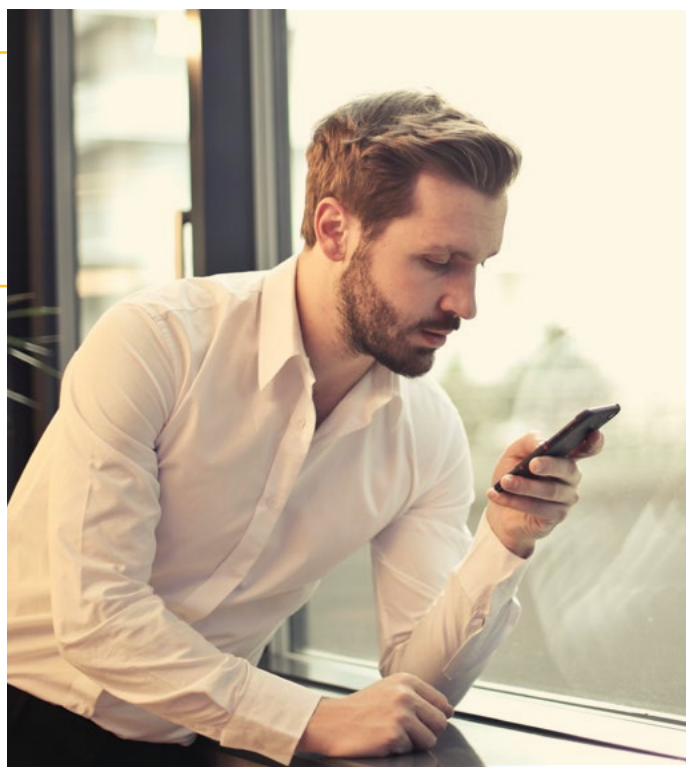
Mexicans mainly like to use credit cards for their domestic purchases which have a share of 29% of all methods used. Credit cards are an easy and convenient way of paying for goods and services, but the development of the smartphone and software finance sector allowed for a wide adoption of wallet services that offer real-time settlement or card-less/contactless payments from the comfort of the home. Therefore, we see a substantial usage of e-wallets with a share of 27%.

Followed by these options are debit card payments with 18%, traditional bank transfers with 10%, cash on delivery with 8%, and others with a combined 8%.

For cross-border payments the preferred options look different as the most used method is the debit card with half of the sales. Credit cards

amount to only 29%, bank transfers to 15% and e-wallets to 5%.

Our suite of payment methods for Mexico is the largest of all our countries due to the inhomogeneous landscape of payment providers in Mexico. The suite comprises online payment options of BBVA, Scotiabank, SPEI and HSBC. Our cash payment selection has over 40 methods, and we cover of the smaller providers while the big players like OXXO, 7-Eleven and Walmart – the biggest retailers in the country that are used by next to all Mexicans. Oxxo is a preferred way for Mexicans to pay their bills with cash as the country has more than 17,000 points of sale. The customers can print a voucher and present it at an Oxxo store to pay for their purchase. This is a clever way to give the large unbanked population of Mexico a somewhat convenient solution to tie themselves into the world of online payments.



Online payments

Cash payments



Online shopping insights >>>

Debit card

most popular payment method for online food delivery, grocery and fashion shopping.

Samsung Pay

most popular e-wallet.

35%

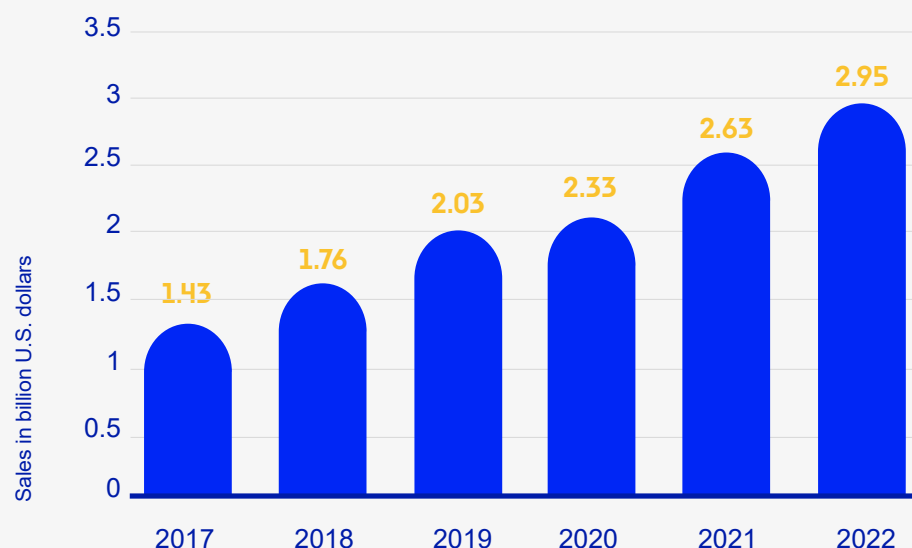
share of consumers who increased time spent on online shopping after Covid-19

167%

Black Friday e-commerce growth rate

Growth of online shopping

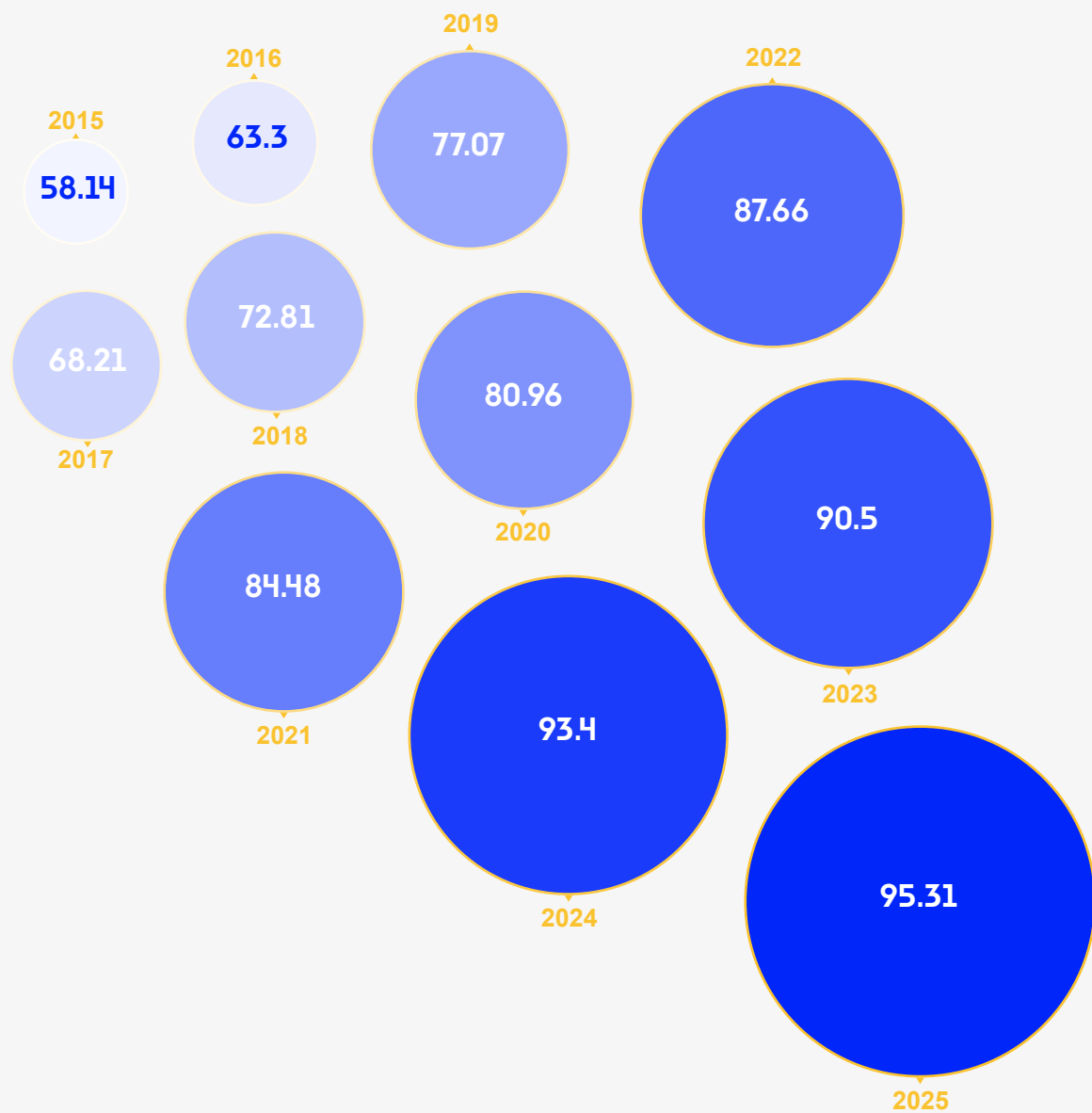
Mobile retail e-commerce sales in Mexico from 2017 to 2022 (in billion U.S. dollars)



Sources:
eMarketer, EPA Digital. ©
Statista 2020

Growth of online shopping

Number of internet users in Mexico from 2015 to 2025 (in millions)

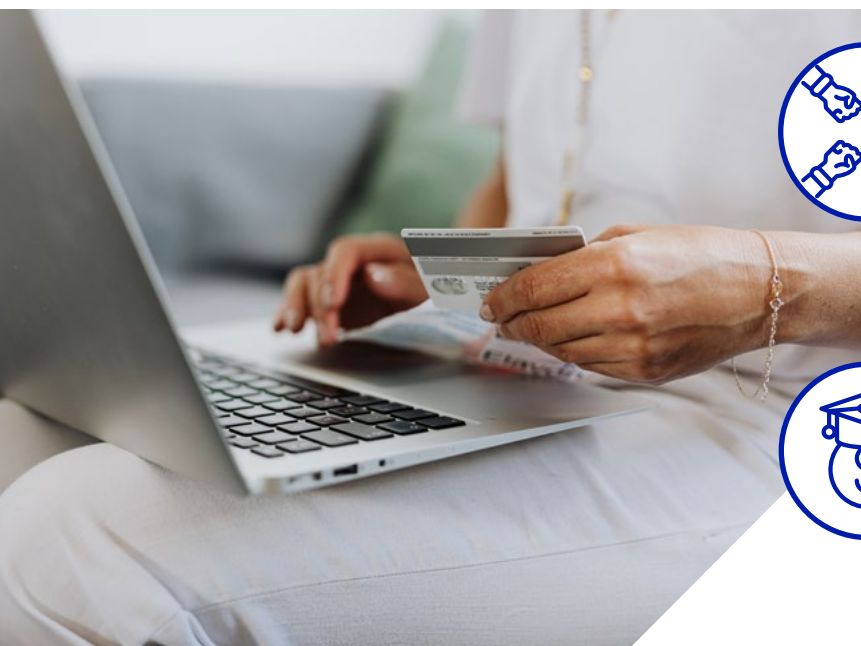
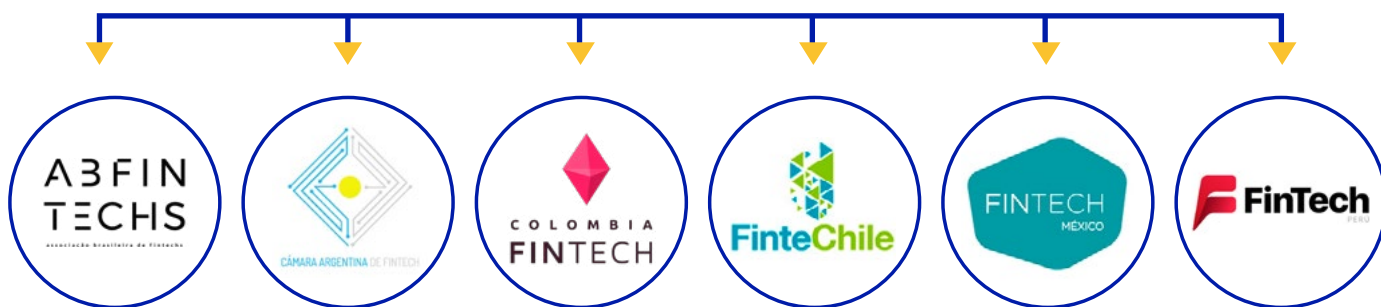


Source:
Statista.
© Statista 2020

Our Associations

We are members of several Fintech associations throughout Latin America with the common goal of creating a dynamic ecosystem for business development.

Fintech Associations



Financial Inclusion

We promote the business of companies, driving the creation of new, technology-based financial products that provide solutions to current user demands, helping to increase the level of financial inclusion.



Financial Education

We are aware of the importance of helping people acquire the knowledge and skills to better manage their personal finances and improve their well-being. We use our collective knowledge and industry best practices to improve financial services for everyone.



Offices around the world

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