



Latin America 2022

Ecommerce Region Report

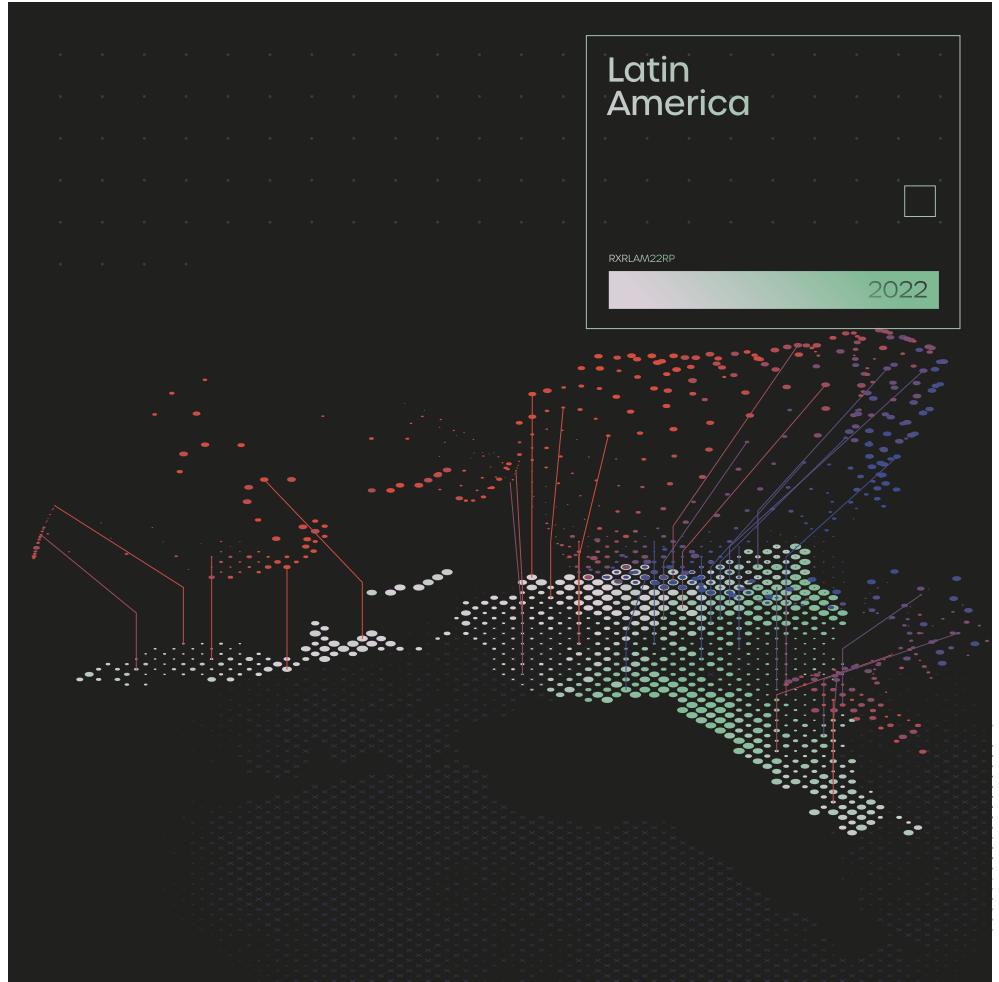
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Introduction



Welcome to the first RetailX Latin America Regional report in which we look at the overall region from an ecommerce and multichannel retail perspective.

The region's diversity – comprising more than 21 countries or territories – makes it a fascinating market

to study. **In this report, we have focused on eight key markets.** Within just these eight market the diversity is fascinating in itself - with huge variations in scale, consumer adoption and ecommerce penetration.

The Latin American markets we have focused on include Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Panama and Peru. When we talk about Latin America as a whole in this report it's a combined look at these eight markets in total. We then look at the individual countries in greater detail later in the report.

One of the retailers we have examined in detail in the company profile section in this report is H&M. The international fashion retailer has put Latin America firmly on the expansion map for 2022 for both online and physical expansion. It's no surprise that retail giants like

H&M are taking advantage of the opportunities that the rapid growth in internet and ecommerce adoption in Latin America offers.

Such retailers are taking on retail giants of their own though. Marketplaces are huge in the region and the market is dominated by Argentina's Mercado Libre, also profiled in this report.

Embracing opportunity in Latin America also means overcoming the challenges that the market has. The diversity we mentioned earlier means there is often little common ground between different countries. From logistics to payments and variations in consumer behaviour and shopping habits, making the most of the Latin American opportunities involves doing your research and working with trusted partners if you want to ensure success.

Is the Latin America region somewhere you are looking at and if so, which countries have caught your eye and what challenges have you seen in the market? As ever we welcome your feedback and comments on this regional report and would love to hear how you are making the most of the ecommerce opportunity in Latin America.

Ian Jindal, CEO, RetailX

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Regional profile

Despite diversity in size Latin America's key markets offer huge opportunities for ecommerce expansion

Comprising more than 20 countries or territories, **Latin America is a market of huge scale and varying size and densities** that covers everywhere from Mexico in North America, Costa Rica in Central America and Peru and Chile in South America, as well as Caribbean markets such as the Dominican Republic and Puerto Rico. With a geography this diverse is it any wonder that expansion in the market can be challenging?

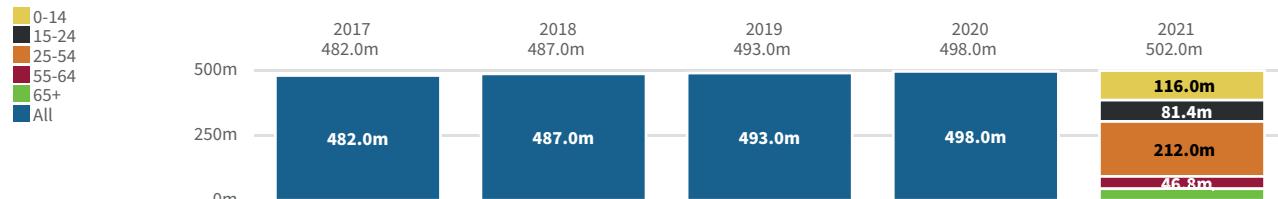
In this report, our focus is on eight key markets in Latin America. Of these, Brazil, Mexico, Argentina, Chile and Colombia are the largest markets in the region, generating the lion's share of ecommerce sales^[1].

Latin American consumers have tended to prefer domestic retailers, with companies such as Mercado Libre and Falabella having a strong presence in the region. However, the region's 500 million-plus population is increasingly hungry for new retail options, making it a focus for retailers looking for international growth opportunities.

Reference

[1] https://unctad.org/system/files/official-document/tn_unctad_ict4d17_en.pdf

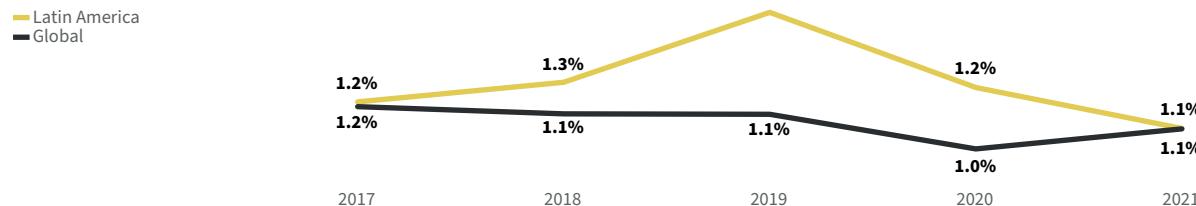
Population structure by age group



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

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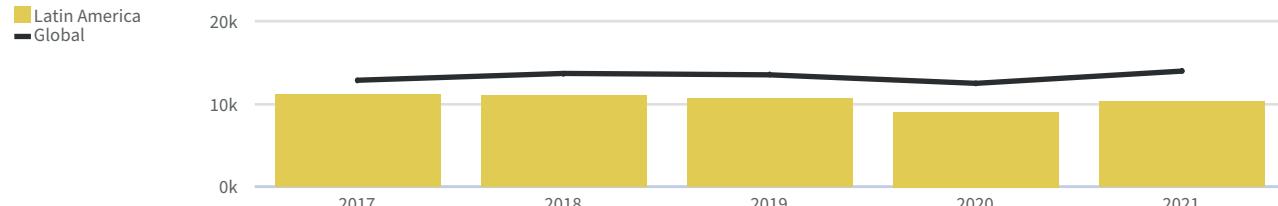
Population growth



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

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GDP per capita (USD)



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

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Market overview

Despite its challenges fast growth means that Latin America is most definitely a market of opportunity

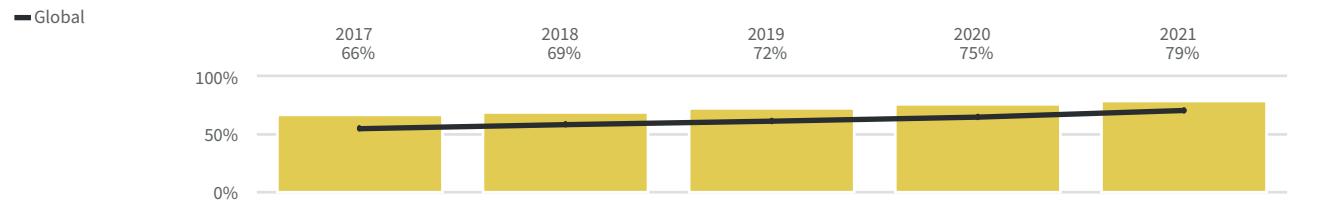
Latin America is a market ripe for opportunity and **many brands and retailers are taking advantage of the growth opportunities** available to them in the region.

Countries in Latin America saw some of the highest rates of ecommerce growth globally during Covid and the momentum gained from that change is being continued.

Taken as a whole, internet penetration in the eight Latin American countries we've profiled in this report is above the global average with 79% of consumers having access to the internet. Of these **50% of internet users shop online in Latin America, up from 33% in 2017** and also higher than the global average. In markets such as Chile, the share of ecommerce shoppers is even higher.

The incredible growth seen by the region is illustrated by **the ecommerce revenue index, which far outstrips the global average**. This is a region that has seen much greater change than other markets since the pandemic, partly

Percentage of internet users

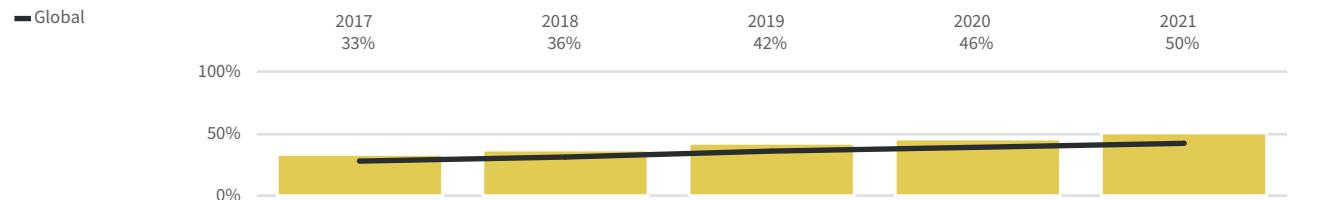


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from the World Bank. World Bank data for 2021 not available. RetailX creates forecast values by extrapolating the previous five years' growth

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Percentage of internet users who shop online

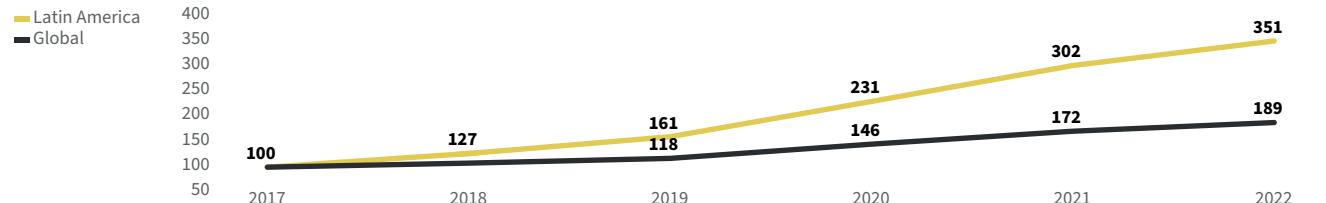


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from Statista

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Ecommerce revenue Index



Index 2017=100. The Latin America figures are an aggregate of the eight countries profiled in this report

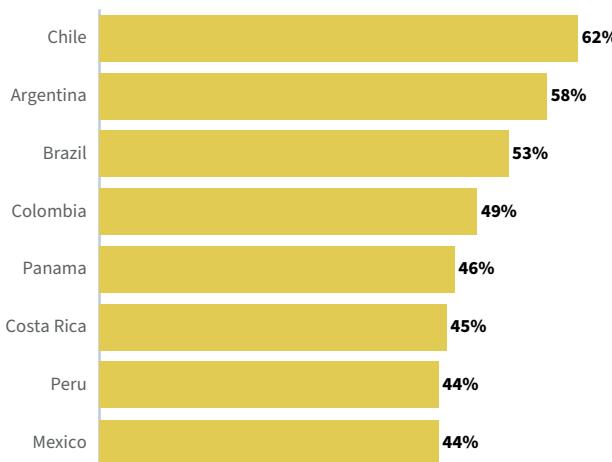
Source: Statista

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because the base figures were so low. **Retailers had to overcome the barriers that had put them off digital adoption**, such as logistics and digital evolution and consumers had to overcome their fears too. The result? A market rich in opportunity and evolving fast.

Such growth is expected to continue with growth rates expected by 2024 ranging from 21%^[1] for Colombia to 42% for Peru.

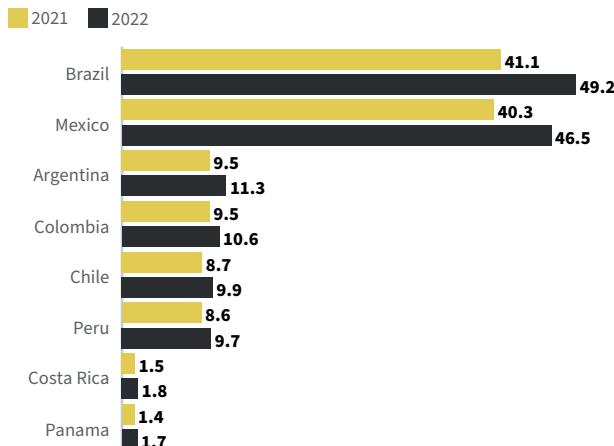
Share of eshoppers in Latin America, 2021



Source: Statista

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Ecommerce sales revenue in Latin America, 2021–22 (\$bn)



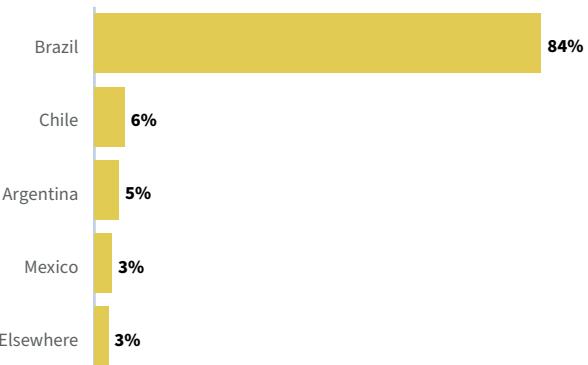
Source: Statista

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The **strongest growth is seen in Brazil** where ecommerce sales revenue grew by \$8.1 billion in 2022 on the previous year. It's also the biggest market in terms of sales, bringing in \$49.2 billion in revenue.

Mexico, which saw exceptional growth during the pandemic, grew by \$6.2 billion to \$46.5 billion in 2022. The other markets we've profiled rank in size from Argentina (\$11.3 billion), Colombia (\$10.6 billion), Chile (\$9.9 billion), Peru (\$9.7 billion), to the tiny in comparison markets of Costa Rica (\$1.8 billion) and Panama (\$1.7 billion).

Web traffic to the largest Latin America-based retailers split by consumer location



Note: Data from 52 retailers are used. These are the 8 Latin America and the Caribbean-based retailers that belong to the Latin America and the Caribbean Largest 100
Source: RetailX, drawing on data from SimilarWeb

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The rankings are different when looking at the share of eshoppers in the Latin America countries we've profiled, however. **Chile has the highest share of consumers shopping online at 62% while Mexico has the lowest at 44% - equal with Peru.**

The highest share of web traffic to Latin American retailers is Brazil, which has an 84% share of traffic.

References

[1] <https://americasmi.com/insights/latin-america-e-commerce-market-projections-2024/>

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Expert insight

Mike Goodenough
Global Head of eRetail and Marketplaces – Digital Commerce, Worldline



The Latin American e-commerce market is growing at an unprecedented rate, presenting global retailers with a unique opportunity to penetrate the market. The region is home to a growing young and tech-savvy population, and the growth potential is significant with the rapid expansion of internet access and smartphone penetration across the region.

A challenging payment landscape

However, one of the biggest challenges retailers face is the payment landscape. A large percentage of the population remains unbanked or underbanked and many countries still rely on cash transactions.

Fraud is also prevalent. To be successful, a secure, trustworthy, smooth payment experience is essential, with a range of payment options, such as credit cards, debit cards, bank transfers, and the instant payment Pix, besides cash-based payment methods.

What to consider before expansion in the region

As well as the payment landscape there are also country-specific considerations, including unique cultural and economic factors. For example, Brazil is the largest e-commerce market but is also highly competitive, and dominated by the likes of Amazon and MercadoLibre. In contrast, Colombia is much smaller but has high growth potential due to its young population and fast-growing economy. In some countries, such as Brazil and Mexico, there are also strict regulations governing e-commerce which retailers must be comply with.

The importance of knowledge

Researching specific markets and developing localised strategies is key. It's also essential to work with payment processors who understand the unique payment needs of the region. At Worldline we have built local integrations with leading local acquirers and partners in the likes of Brazil, Mexico, Colombia, Chile, and Argentina, with an average of 70-80% market share in those countries.

Today, Worldline has two main offerings in Latin America which companies can access through one integration. Our Gateway Plus solution connects local acquirers with global merchants and is for merchants with a local entity in the region. Worldline can provide the entire transaction process and all the reporting, reconciliation, and invoicing that merchants need.

We also have our Cross-Border Remittance solution, designed for merchants who do not have a local entity in Latin America. Through this setup, the merchant can accept payments from local cards and all the alternative payment methods, such as bank transfer, Pix, Boleto, instalments, etc. For instance, we assist one of our clients in processing all their transactions in the region and remit the funds in USD and EUR to the client in their home country.

With careful planning and execution, and working with partners that know the region, retailers can find success in Latin America's burgeoning ecommerce market.

WORLDLINE

Worldline is a global leader in the payments industry and the technology partner of choice for merchants, banks and acquirers. Available in more than 50 countries, Worldline provides sustainable, trusted and innovative solutions. Services include in-store and online commercial acquiring, highly secure payment transaction processing and numerous digital services.
worldline.com

Indices

The indices for the Latin American markets show how much the market can vary

There is little doubt that despite its opportunities **Latin America is a challenging market** in which to do business. That is reflected in the indices for the eight countries that we focus on in this report. **Argentina and Brazil fall low down the table when it comes to the ease of doing business index** while Panama is in the lowest quartile for the integrated index for postal development.

By contrast, Chile is a stronger market, in the top quartile for both the logistics performance index and the e-government development index. **Chile is also in the top quartile for two of the four indexes that make up the overall internet inclusive index** where it sits in 16th place.

When it comes to relevance however Brazil is the leader, taking first place globally. **Mexico holds a strong position in the top ten for both relevance and readiness** although its availability score drags its overall index score down.

INDICES LATIN AMERICA 2022	LOGISTICS PERFORMANCE INDEX (LPI)	EASE OF DOING BUSINESS INDEX	E-GOVERNMENT DEVELOPMENT INDEX	INTEGRATED INDEX FOR POSTAL DEVELOPMENT (2IPD)	AVAILABILITY	AFFORDABILITY	RELEVANCE	READINESS	OVERALL INTERNET INCLUSIVE INDEX
LATIN AMERICA									
ARGENTINA	61	126	32	85	40	33	18	24	37
BRAZIL	56	124	54	48	38	16	1	44	23
CHILE	34	59	34	72	27	13	36	4	16
COLOMBIA	58	67	67	52	52	32	31	45	48
COSTA RICA	73	74	56	93	N/A	N/A	N/A	N/A	N/A
MEXICO	51	60	61	76	52	21	9	3	36
PANAMA	38	86	84	145	57	37	67	46	54
PERU	83	76	71	88	52	36	16	6	42

KEY: Top quartile Second quartile Third quartile Bottom quartile

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Retail Sales Growth (RSG) Online, CAGR 2017-21 (\$bn)

COUNTRY	GDP (BN USD)	RETAIL SALES GROWTH (RSG) ONLINE CAGR (2017-21)
BRAZIL	1,645.80	20.70%
MEXICO	1,285.50	44.50%
ARGENTINA	455.2	35.80%
CHILE	331.3	31.30%
COLOMBIA	300.8	36.60%
PERU	225.9	32.10%
COSTA RICA	61.5	23.40%
PANAMA	60.1	25.60%

Source: GDP- IMF, CAGR- Statista

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The Latin American consumer

Consumer preferences can vary widely in Latin America

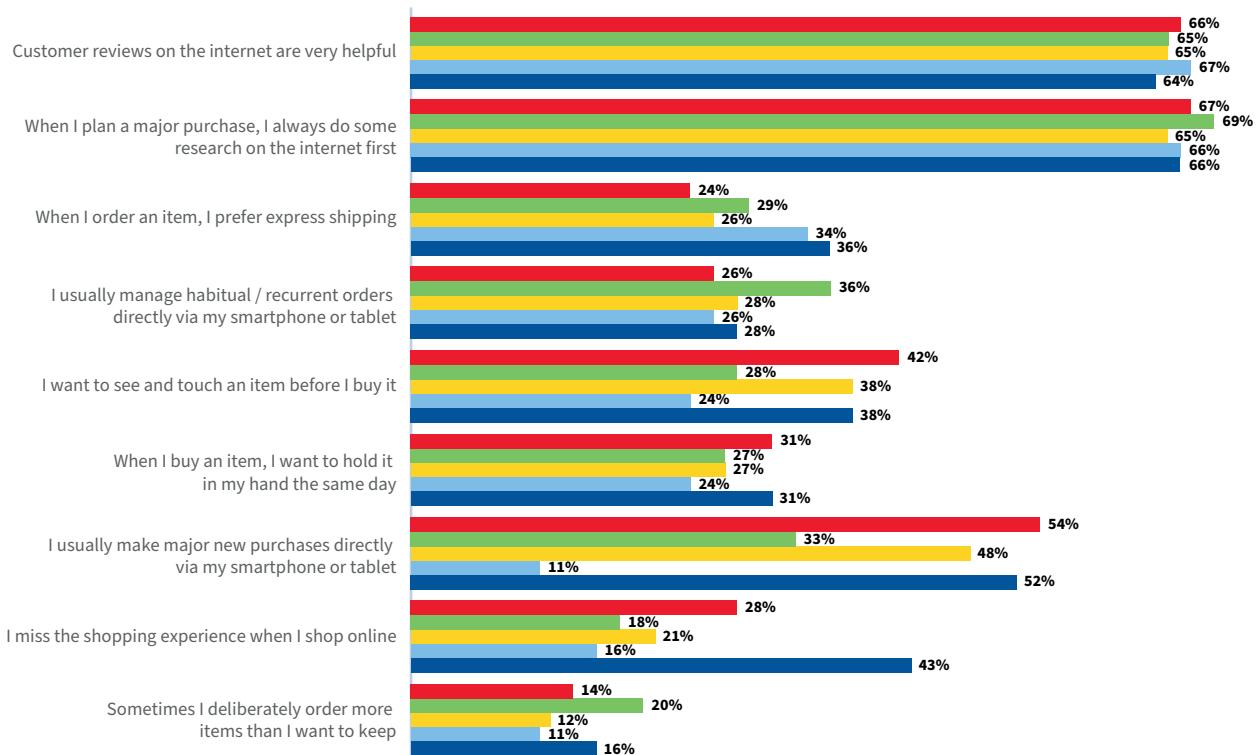
Although internet and ecommerce adoption differ in the five countries we focus on in this section - Argentina, Colombia, Chile, Brazil and Peru - we see a consistent **appreciation for consumer reviews and internet-based research from around two-thirds of consumers** in each country.

Other preferences have greater extremes. Consumers have a higher preference for express shipping in Chile and Argentina while **shoppers in Peru, Colombia and Chile have a greater demand for wanting to see and touch an item before purchase.**

The demand for using mobile for major new purchases is highest for consumers in Peru, Colombia and Chile. However, **43% of consumers in Chile say that they miss the shopping experience when shopping online** compared to only 16% of consumers in Argentina.

Attitudes towards online shopping

Argentina, 2022 Colombia, 2021 Chile, 2021 Brazil, 2022 Peru, 2022



Argentina data based on 1,045 residents of Argentina aged 18-64, January - March 2022. Colombia data based on 1,049 residents of Colombia aged 18-64, April - June 2021. Chile data based on 1,047 residents of Chile aged 18-64, April - June 2021. Brazil data based on 2,031 residents of Brazil aged 18-64, April 2021 - March 2022. Peru data based on 1,049 residents of Peru aged 18-64, April - June 2021.
Source: Statista

Product categories

Electronics is the most profitable product sector by annual revenue

The figures show that electronics is the most profitable ecommerce sector by annual revenue across each of the eight Latin American countries that we have profiled. But the size of the sales in each country varies dramatically from \$20 billion in Brazil to \$495 million in Panama.

Fashion sales are also strong, taking second place in Brazil, Mexico, Colombia, Costa Rica and Panama and third in Argentina and Chile. Fashion revenues range from \$8.9 billion in Brazil to \$310 million in Costa Rica.

Furniture sales have equal first place ranking with electronics in Argentina, generating \$3.1 billion in sales. The sector ranks the third strongest in Mexico (\$6.5 billion) and Peru (\$1.3 billion).

Most profitable ecommerce sectors by annual revenue

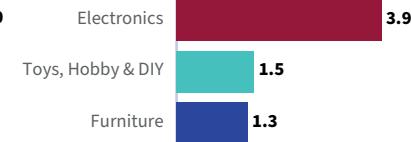
Argentina, 2022 (\$bn)



Brazil, 2022 (\$bn)



Peru, 2022 (\$bn)



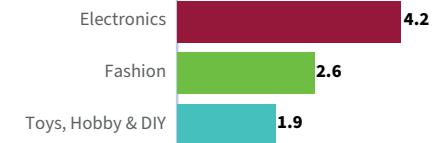
Mexico, 2022 (\$bn)



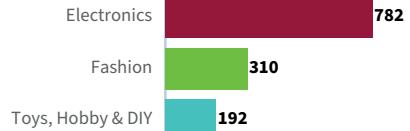
Chile, 2022 (\$bn)



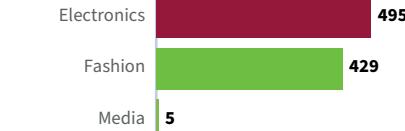
Columbia, 2022 (\$bn)



Costa Rica, 2022 (\$M)



Panama, 2022 (\$M)



Source: Statista, June 2022

RetailX 2022

Payment methods

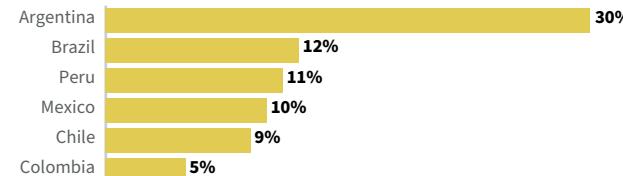
Payments have been a hurdle for Latin America but that's changing fast

The embracing of digital payments since the pandemic is helping to change traditional methods of payment and overcome the barriers faced. Previously the lower level of account ownership – nearly half of the population doesn't have a bank account – had hampered growth.

This is accompanied by new initiatives from banks and other fintech organisations. In Brazil, for example, the central bank launched Pix^[1], a peer-to-peer instant payments option in late 2020, racking up 885 million transactions within eight months of launch.

Reference
[1] <https://worldline.com/en/home/knowledgehub/magazines/futuring-payments/latin-america-revolutionary-payments-growth.html>

Share of ecommerce spending via digital wallets, Latin America, 2021

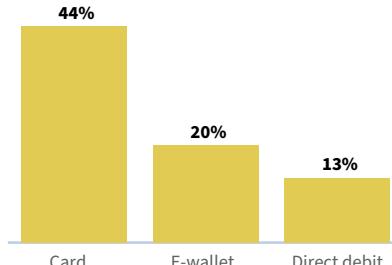


Source: Statista

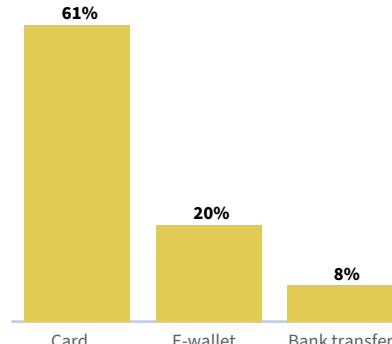
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Preferred payment type for online shopping (%)

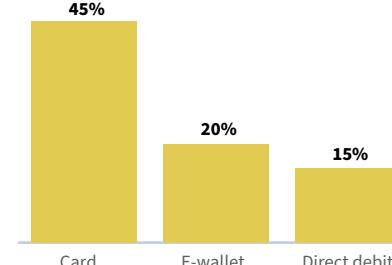
Argentina, 2022



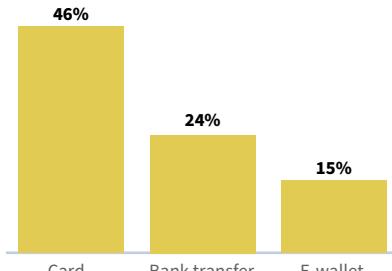
Brazil, 2022



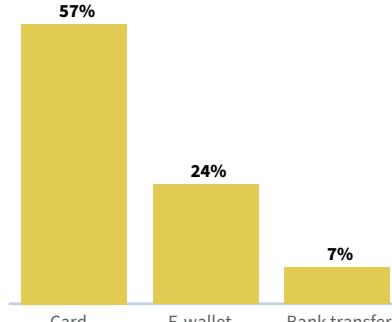
Chile, 2022



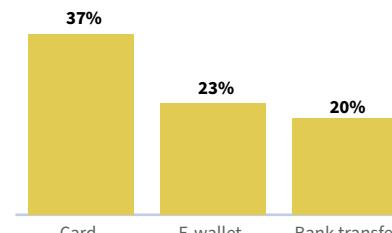
Colombia, 2022



Mexico, 2022



Peru, 2022



Source: Statista

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Delivery & logistics

Many companies are looking to solve the delivery challenges of Latin America

Logistics is one of the biggest challenges for retailers in the Latin American region since **infrastructure quality and ability can vary hugely**. This means ecommerce is often concentrated in the main cities, and the density of urban traffic concentration can provide further challenges. Transit times can vary, with **Mexico the fastest at 1.54 days in 2021, compared to Brazil's 2.28 days**.

All are looking to solve the delivery change and investment is huge^[1]. Mercado Libre, the region's leading marketplace, is investing heavily to improve delivery times and drive cost efficiencies.

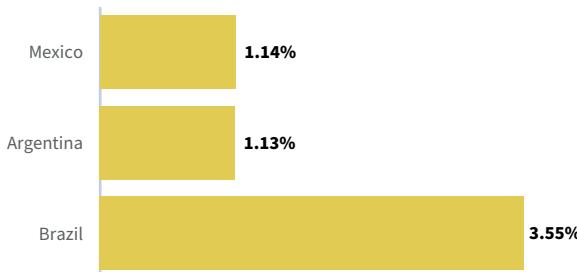
One example is the expansion of MELI Air^[2], a **partnership with aircraft carriers that allows dedicated planes** for its Mercado Envios operation to enable delivery within two days in most large cities and capitals in the north and northeast regions of Brazil.

References

[1] <https://www.retailtouchpoints.com/topics/fulfillment-last-mile/why-latin-america-is-poised-to-become-the-next-last-mile-delivery-battleground>

[2] <https://investor.mercadolivre.com/static-files/707802c1-7cfb-4fcf-86a1-cc99dea44df7>

Collection Point (CP) ratio
Selected Latin American countries, 2021

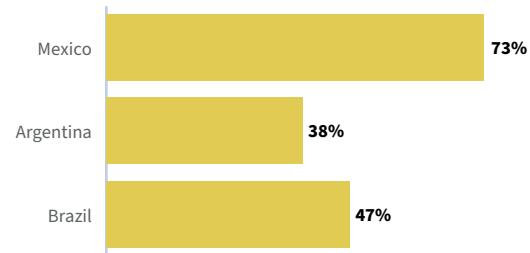


CP ratio = % of parcels delivered to collection points and parcel lockers

Source: ParcelMonitor

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Share of parcels picked up after 24 hours at collection points
Selected Latin American countries, 2021



Source: ParcelMonitor

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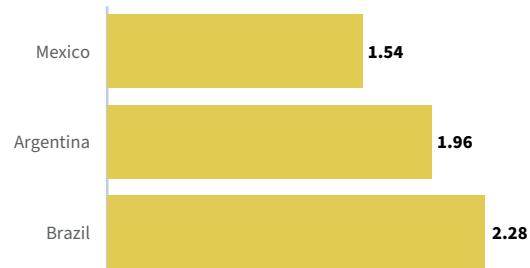
Share of parcels delivered to the end-consumer at the first attempt
Selected Latin American countries, 2021



Source: ParcelMonitor

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Transit time (days)
Selected Latin American countries, 2021



Transit time = Number of days taken for logistics carrier to pick up and deliver parcel to end-consumer
Source: ParcelMonitor

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Mobile growth

Mcommerce is strongest in Brazil but growing across the region

Brazil has the strongest preference for mobile over desktop for online shopping at nearly half of consumers (48%). It also has one of the strongest uplifts – up from 27% in 2017. Mcommerce sales were estimated to be around \$23 billion^[1] in Brazil in 2021 and are expected to increase by 126% to hit \$52 billion by 2025. **Colombia, Costa Rica and Panama also have a strong preference for mobile** although Panama has seen little growth in preference since 2017.

Only 19% of consumers in Peru prefer to perform their shopping via mobile and mcommerce sales in 2021 were only \$6 billion, although they are expected to double to \$13 billion by 2025. In Argentina 16% prefer mobile over desktop.

The market as a whole is expected to hit \$107 billion^[2] by 2025. **The increased use of mobile wallets has also helped to drive the adoption of mobile** with fintechs making it easier than ever for consumers to pay via mobile.

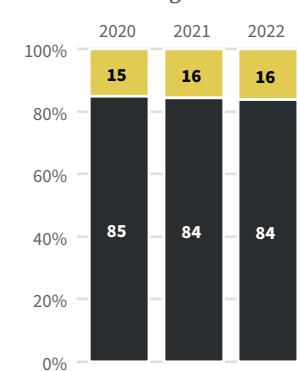
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- [1] <https://www.statista.com/statistics/734597/latin-america-m-commerce-sales/>
- [2] <https://www.statista.com/statistics/955707/mobile-retail-e-commerce-sales-latin-america>

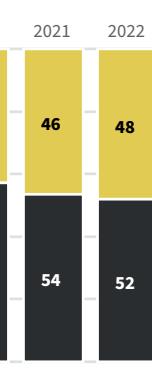
Preferred device for online shopping, 2020–22 (%)

■ Mobile ■ Desktop

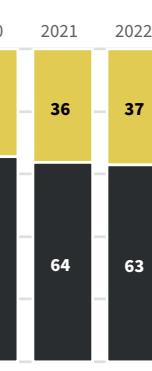
Argentina



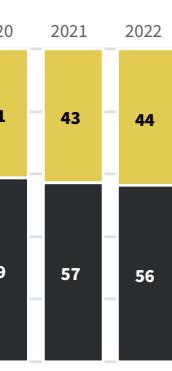
Brazil



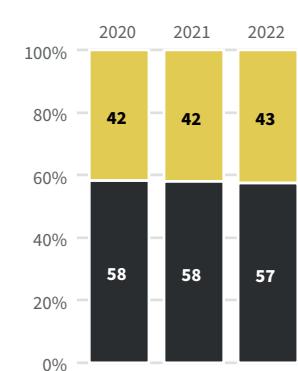
Chile



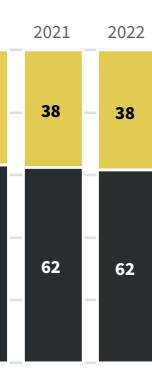
Colombia



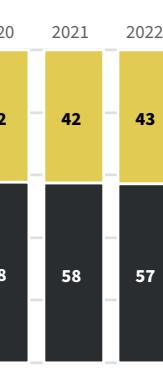
Costa Rica



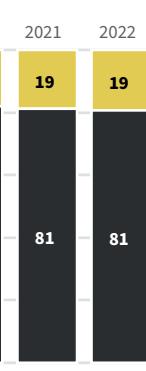
Mexico



Panama



Peru



Source: Statista

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Marketplaces

The Latin American marketplaces sector is dominated by homegrown Mercado Libre

The largest of Latin America's marketplaces is

Argentina's Mercado Libre^[1], owned by the company of the same name and profiled later in this report. Launched in 1999, more than two decades later it is the **top marketplace in all but two of the eight countries we profiled** attracting more than 2.5 billion visits in 2021. Almost a billion of these came from Brazil and more than half a billion from its home market of Argentina.

Mercado Libre offers buyers a wide range of goods often at cheaper prices than its physical rivals. All but 2% of total listings represent new products and the platform can be used by both businesses and individuals.

Although the domestic player leads the region, **Amazon also has a strong foothold. It is the marketplace leader in Costa Rica and Panama** and ranks in the top three of the other countries we've profiled. Giants such as Amazon and eBay have been investing in the region and building out operations and infrastructure as they look to take advantage of Latin America's marketplace opportunity.

Leading online marketplaces, Latin America, 2021 (million visits)

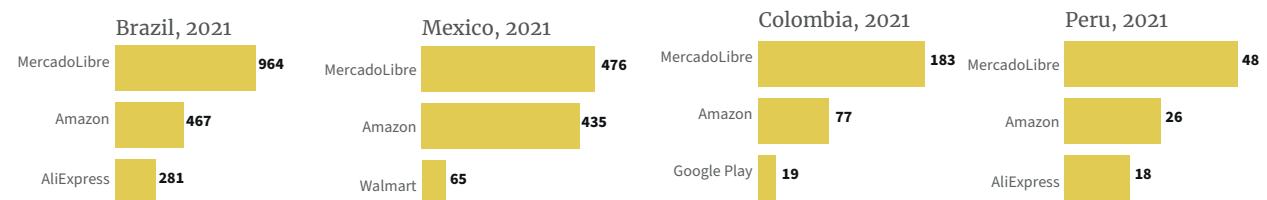
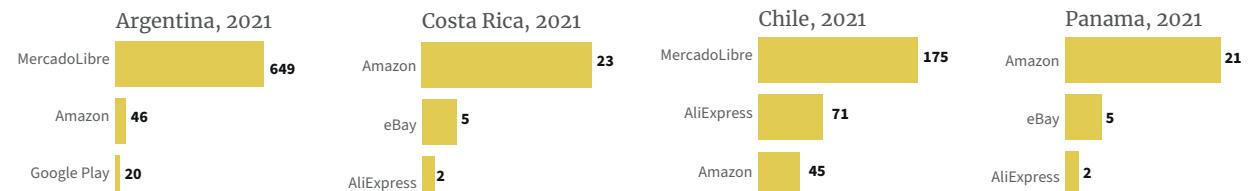


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Top 3 leading online marketplaces by country (million visits)



Source: RetailX, drawing on data from SimilarWeb

Holidays

Latin America has a plethora of shopping holidays

Shopping holidays are popular in Latin America with several country-specific events. **Awareness of Black Friday is high and 2021 saw the highest intended per capita spend in Brazil.**

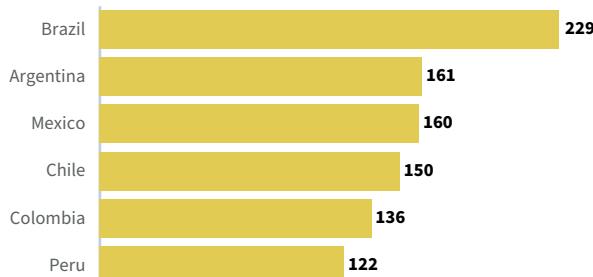
But in 2021 Brazil's Lover's Day event, held on June 12, saw sales during the 15-days before the event hit 6.9 billion reals^[1] - making it one of the most profitable shopping holidays in the country.

In Mexico mid-November's El Buen Fin^[2] was launched in 2011 and occurs the weekend before Mexican Revolution Day. Retailers extend store hours and offer special promotions. In late May/early June Hot Sale^[3] is a discount-driven event instigated by the Mexican Association of Online Retailers in 2013.

In Peru Cyber Monday has been promoted by the Lima Chamber of Commerce since 2012^[4]. It also promotes CyberMami, which is held on Peru's Mother's Day on the second Sunday in May.

Spending intention per capita on Black Friday (USD)

Selected Latin American countries, 2021



Survey conducted between October 15 and 31, 2021

Source: Picodi. Accessed via Statista

RetailX 2022

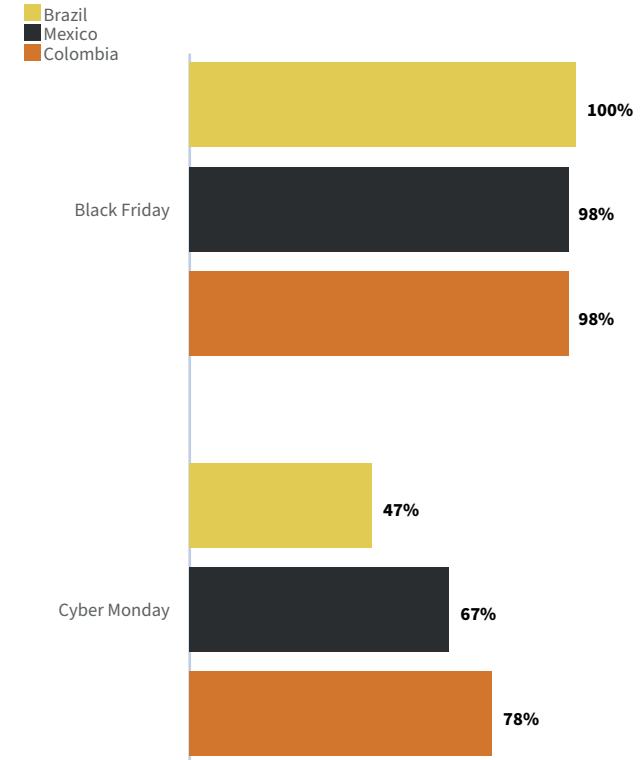
CyberDay is the leading shopping holiday in the Chilean retail calendar. CyberDay 2021 took place on May 31 and generated sales of \$640^[5] million in 2021, nearly twice the 2020 figure.

References

- [1] <https://www.statista.com/topics/4697/e-commerce-in-brazil>
- [2] https://en.wikipedia.org/wiki/El_Buen_Fin
- [3] <https://www.trade.gov/country-commercial-guides/mexico-e-commerce>
- [4] <https://www.trade.gov/country-commercial-guides/peru>
- [5] <https://www.trade.gov/country-commercial-guides/chile-e-commerce>

Awareness of Black Friday and Cyber Monday, by country

Selected Latin American countries, 2021



Source: Simon-Kucher & Partners, October 2021. Accessed via Statista

RetailX 2022

Argentina

High numbers of internet users drive ecommerce adoption

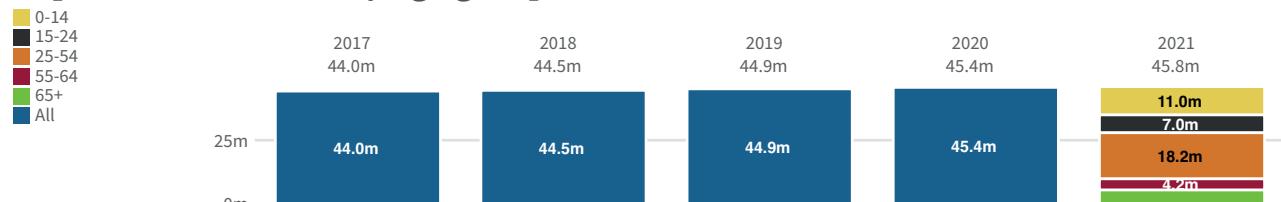
Internet and mobile penetration are both high in Argentina, helping to drive ecommerce and mcommerce adoption.

At 90% the percentage of internet users is the second highest of the markets we've studied. Of these 58% shop online. Both figures are higher than the global and Latin American totals.

According to the Argentine Chamber of Information and Communications (CICOMRA)^[1], nine out of 10 people have a mobile and access the internet through it.

Argentina	
Area: 2,780,400 km ²	
Capital: Buenos Aires	
Currency: Argentine Peso (ARS)	
Official language: Spanish	
Foreign languages spoken: Italian, English, German, French, indigenous (Mapudungun, Quechua)	
Government: Presidential republic	
VAT: 21% Reduced VAT: 10.5%	

Population structure by age group

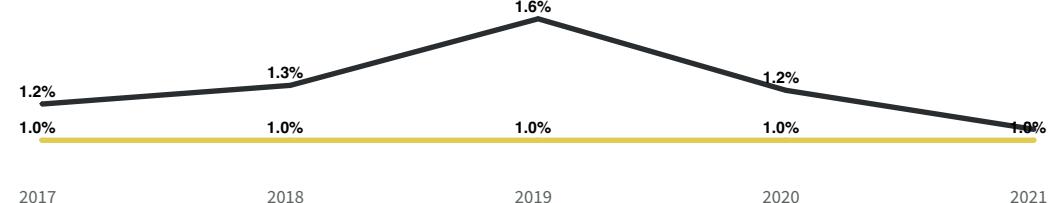


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

 RetailX 2022

Population growth

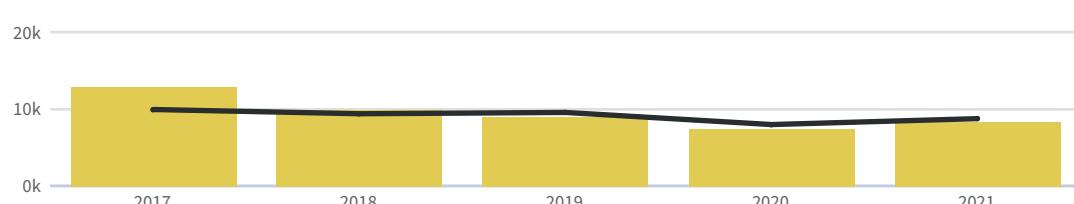


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

 RetailX 2022

GDP per capita (USD)



The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

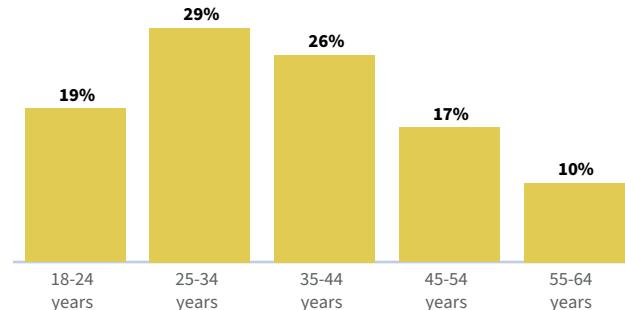
 RetailX 2022

The Argentine Chamber of Electronic Commerce (CACE) is responsible for helping to promote the growth of ecommerce in the region and has carried out an annual study on the sector since 2010.

Its figures show that **ecommerce in Argentina grew by 68%^[2] in 2021 compared to the year before** with 381 million units sold, a 52% increase on 2020. Its figures also showed that 8 out of 10 transactions were made through a credit card.

2021 was the first time that mcommerce overtook desktop commerce, according to CACE with more than half (56%) of purchases made via a smartphone, as opposed to 41% via desktop.

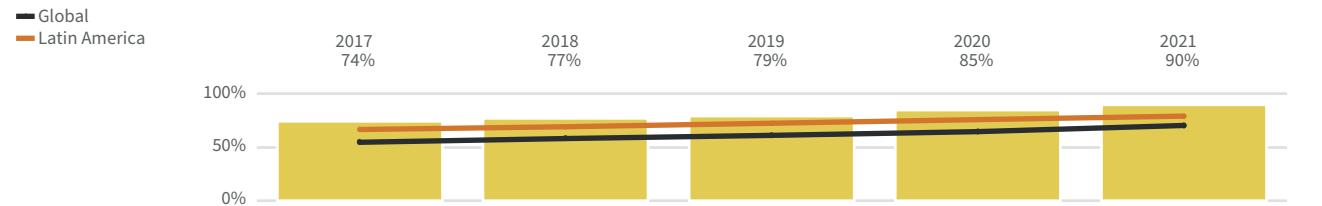
Age distribution of ecommerce shoppers in Argentina, 2021



Source: Statista

RetailX 2022

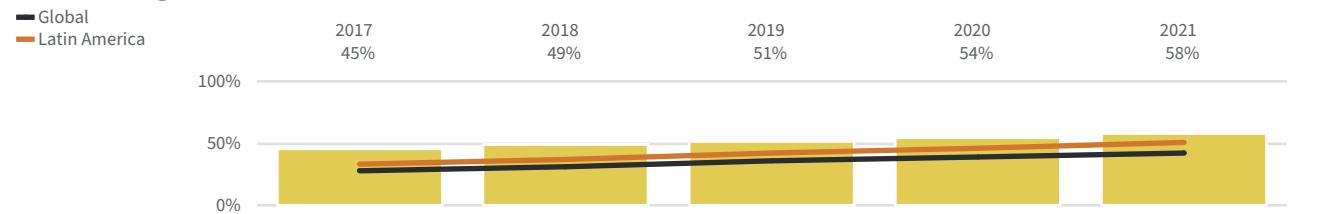
Percentage of internet users



The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from the World Bank. World Bank data for 2021 not available. RetailX creates forecast values by extrapolating the previous five years' growth RetailX 2022

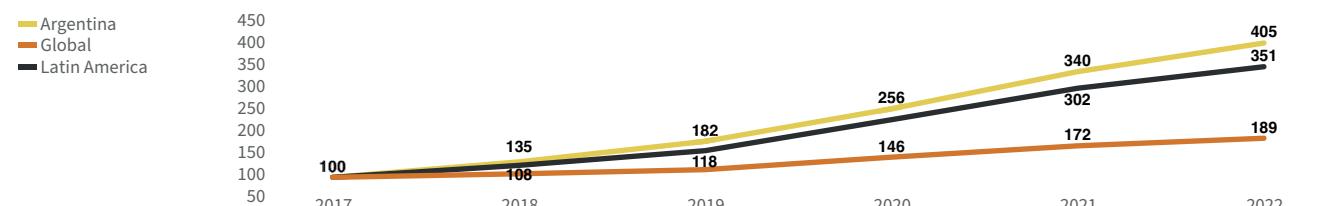
Percentage of internet users who shop online



The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from Statista RetailX 2022

Ecommerce revenue Index



Index 2017=100. The Latin America figures are an aggregate of the eight countries profiled in this report

Source: Statista

RetailX 2022

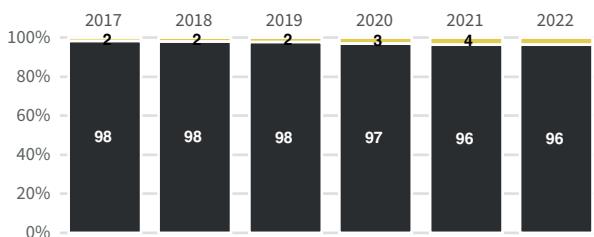
Like many other markets in Latin America, growth is often concentrated in the more populated areas, such as the greater Buenos Aires region.

Argentina is the home of Mercado Libre, the biggest marketplace in the Latin American region, with Argentina making up 22% of the company's net revenue. The company's co-founder, chairman, president and CEO **Marcos Galperin^[3]** is the richest person in the country with an estimated net worth of \$6.1 billion as of April 2021.

References
 [1] <https://www.trade.gov/country-commercial-guides/argentina-e-commerce>
 [2] <https://cace.org.ar/estadisticas/>
 [3] <https://cace.org.ar/estadisticas/>

Preferred shopping channel for ecommerce multichannel shoppers in Argentina, 2017–22 (%)

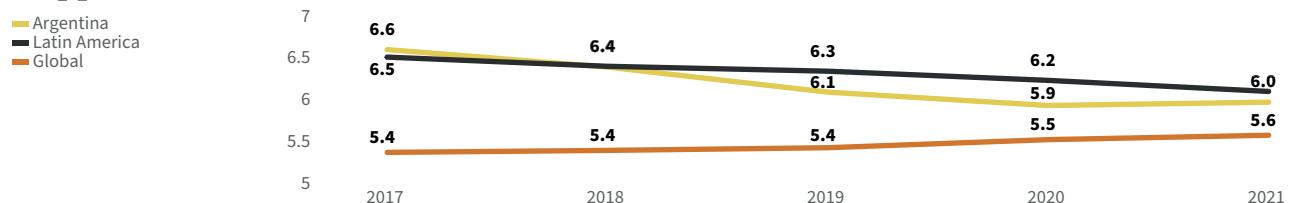
■ Online ■ Offline



Source: Statista

CC BY RetailX 2022

Happiness Index

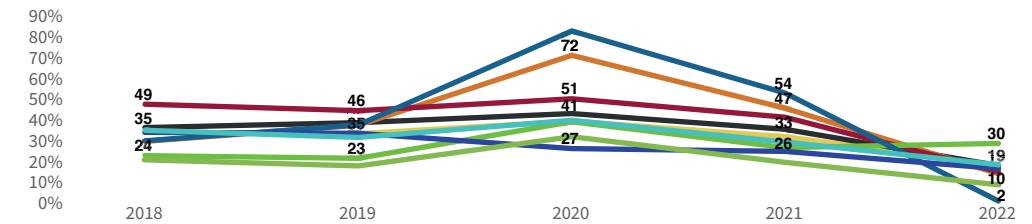


Survey respondents evaluate the quality of their current lives on a scale of 0 (unhappy) to 10 (happy). The Latin America figures are an aggregate of the eight countries profiled in this report. Source: The World Happiness Report

CC BY RetailX 2022

Annual change in revenue for the online ecommerce market (%) in Argentina, 2018–22

■ Total
 ■ Beauty, Health, Personal & Household Care
 ■ Beverages
 ■ Electronics
 ■ Fashion
 ■ Food
 ■ Furniture
 ■ Media
 ■ Toys, Hobby & DIY

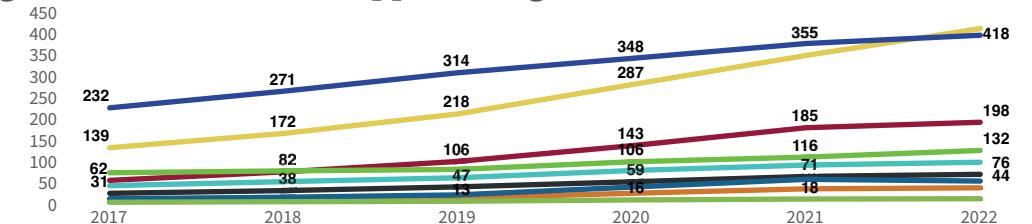


Source: Statista

CC BY RetailX 2022

Average spending of the ecommerce shopper in Argentina, 2017–22 (USD)

■ Total
 ■ Beauty, Health, Personal & Household Care
 ■ Beverages
 ■ Electronics
 ■ Fashion
 ■ Food
 ■ Furniture
 ■ Media
 ■ Toys, Hobby & DIY



Source: Statista

CC BY RetailX 2022

The Largest 100

Argentina's Largest 100 is dominated by homegrown giant Mercado Libre

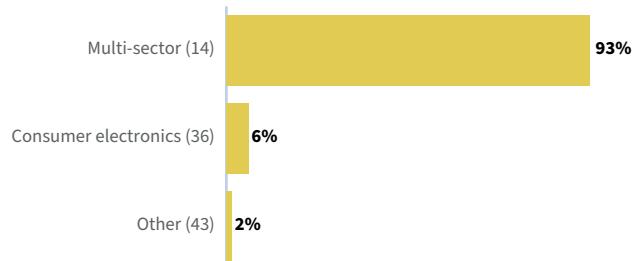
Argentina retailers attract nearly two-thirds (65%) of the traffic of the Largest 100 retailers in the country. That's followed by a quarter (25%) for the USA.

More than a third (36%) of Argentina Largest 100 retailers are based in the USA, followed by China at 13%. Despite the huge share of traffic only 3% of Argentina's Largest 100 are actually based in Argentina.

The high traffic share is likely a result of the dominance of homegrown retailer Mercado Libre in the country, which also explains the 93% share for multisector retail in Argentina.

Web traffic by sector in Argentina

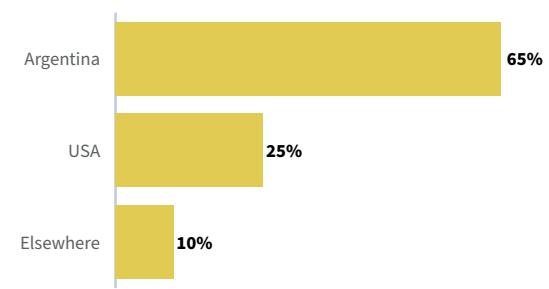
Web visits of local consumers to the Argentina Largest 100 retailers



The number of retailers in a sector is shown in parentheses
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

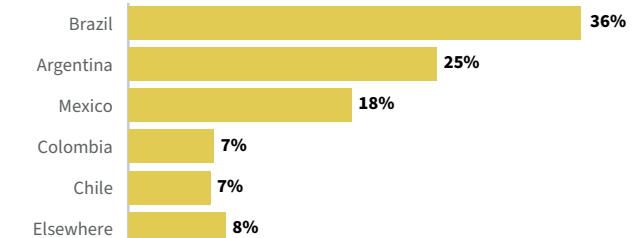
Countries where the Argentina Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

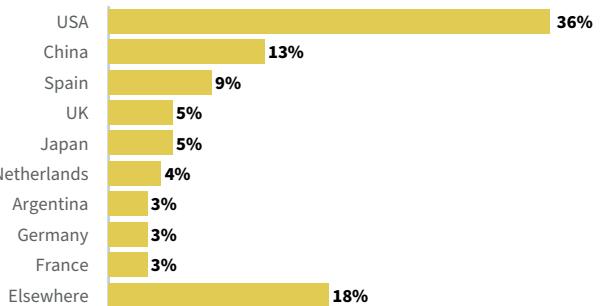
Web traffic to the largest Argentina-based retailers split by consumer location



Data from 3 retailers are used. These are all the Argentina-based retailers that belong to the Argentina Largest 100
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Where the Argentina Largest 100 are based



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Brazil

Brazil is the largest market in Latin America with strong growth

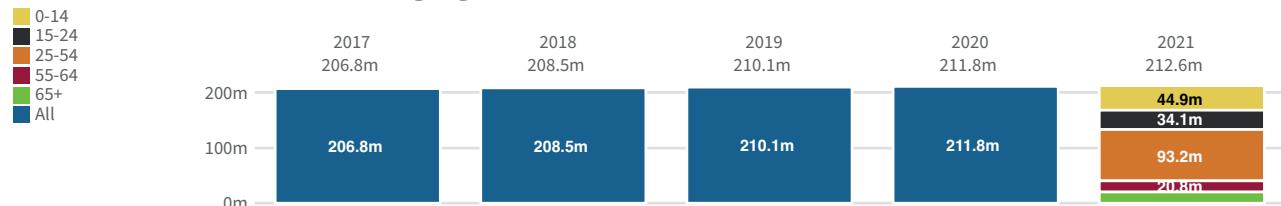
Brazil was already the largest market in Latin America and although the growth seen by Mexico was also impressive Brazil's evolution during the pandemic saw it hone its ecommerce operations further.

In 2021 online sales were more than double what they were in 2019 and were also 30% up on the previous year^[1]. Mcommerce has also grown strongly, and Brazil is the region's leader here too.

84% of the population are internet users but ecommerce penetration is lower with just over half

Brazil	
Area: 8,515,770 km ²	
Capital: Brasilia	
Currency: Brazilian Real (BRL)	
Official language: Portuguese	
Foreign languages spoken: Spanish, German, Italian, Japanese, English	
Government: Federal presidential republic	
VAT: 12% Reduced VAT: 7%	

Population structure by age group



The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

 RetailX 2022

Population growth

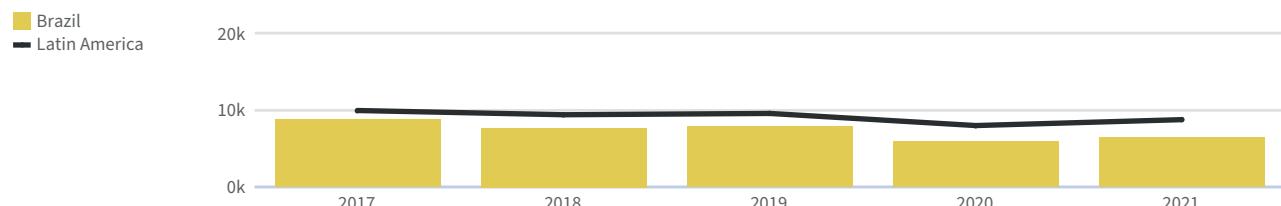


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

 RetailX 2022

GDP per capita (USD)



The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

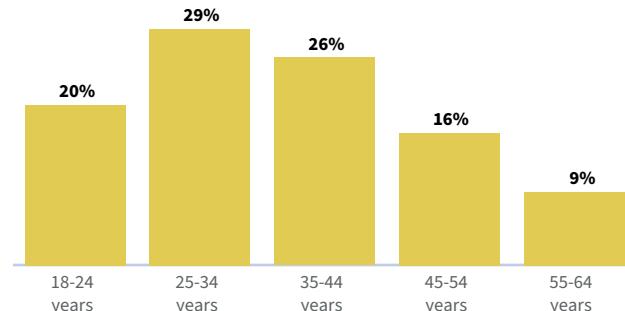
 RetailX 2022

(53%) of internet users shopping online, up from 38% in 2017.

Brazilian ecommerce shoppers tend to be younger with **just under half (49%) of Brazilian ecommerce shoppers less than 35 years old**. Only 9% are aged 55 or above.

Online is now the preferred shopping channel for 6% of ecommerce multichannel shoppers, twice the number in 2019 and as a result ecommerce revenue has grown steadily, especially since the pandemic. **Ecommerce shoppers now spend an average of \$397 online versus \$245 in 2019.** Spend is highest in the electronics sector.

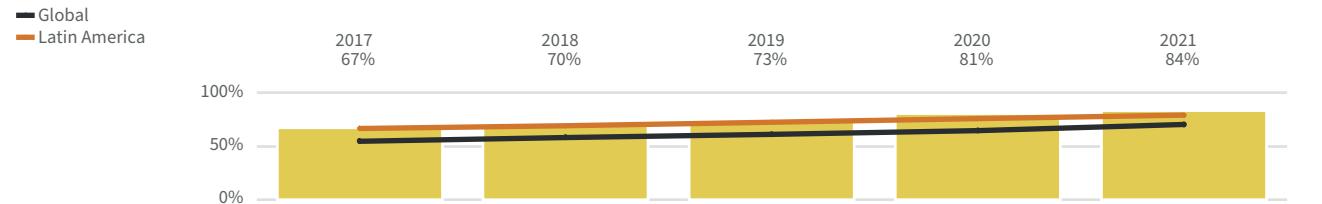
Age distribution of ecommerce shoppers in Brazil, 2021



Source: Statista

RetailX 2022

Percentage of internet users

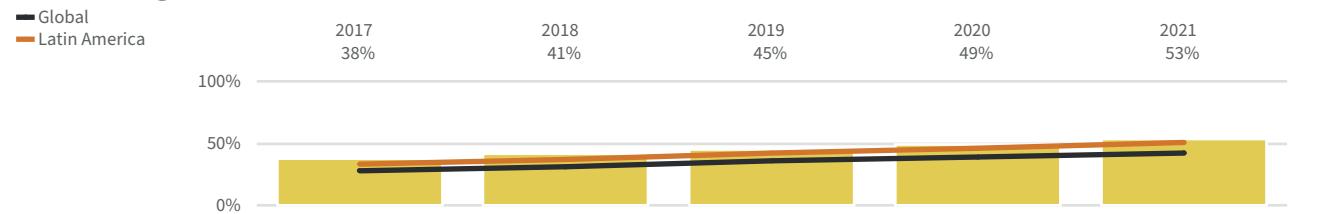


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from the World Bank. World Bank data for 2021 not available. RetailX creates forecast values by extrapolating the previous five years' growth

RetailX 2022

Percentage of internet users who shop online

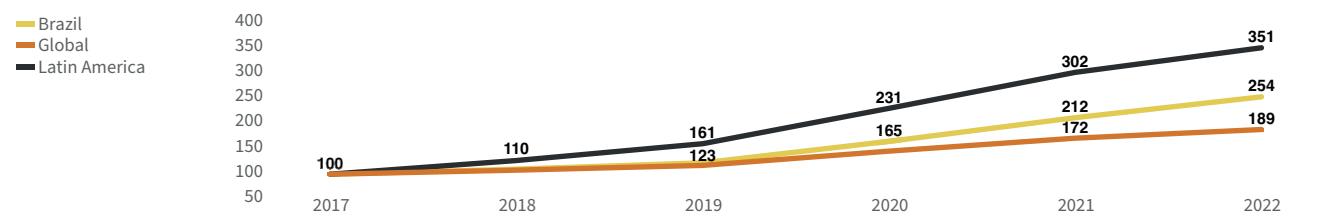


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from Statista

RetailX 2022

Ecommerce revenue Index



Index 2017=100. The Latin America figures are an aggregate of the eight countries profiled in this report

Source: Statista

RetailX 2022

In terms of the change in online sales as a result of the pandemic **food saw the biggest jump**, up 11% in 2019 to a peak of 73% in 2020 and 62% in 2021. This has since dropped back to pre-pandemic levels.

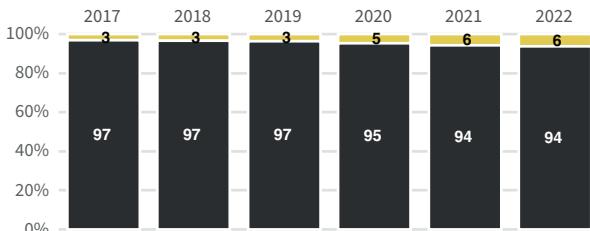
Like many countries in the region, Brazil is dominated by ecommerce giant **Mercado Libre which was the most visited ecommerce website in the country in early 2022**.

Reference

[1] <https://www.statista.com/topics/4697/e-commerce-in-brazil/>

Preferred shopping channel for ecommerce multichannel shoppers in Brazil, 2017–22 (%)

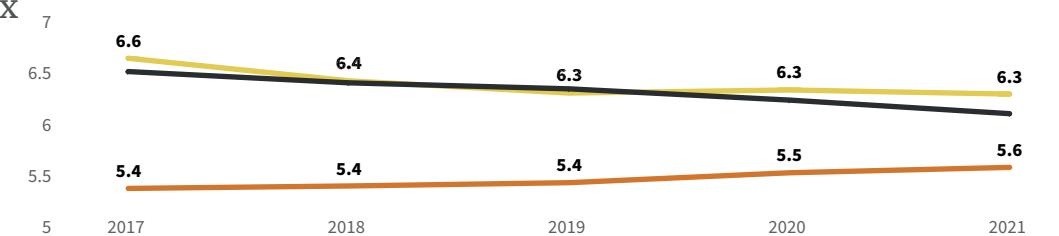
Online ■ Offline



Source: Statista

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Happiness Index

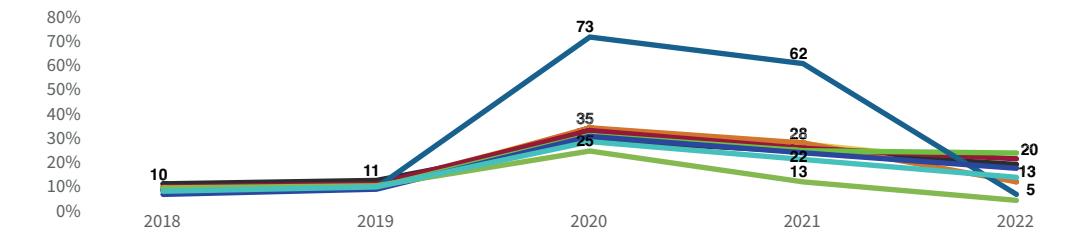


Survey respondents evaluate the quality of their current lives on a scale of 0 (unhappy) to 10 (happy). The Latin America figures are an aggregate of the eight countries profiled in this report. Source: The World Happiness Report

(CC BY) RetailX 2022

Annual change in revenue for the online ecommerce market (%) in Brazil, 2018–22

Total
Beauty, Health,
Personal & Household Care
Beverages
Electronics
Fashion
Food
Furniture
Media
Toys, Hobby & DIY

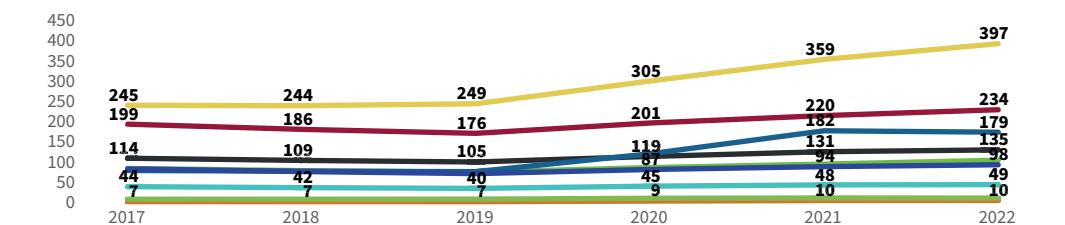


Source: Statista

(CC BY) RetailX 2022

Average spending of the ecommerce shopper in Brazil, 2017–22 (USD)

Total
Beauty, Health,
Personal & Household Care
Beverages
Electronics
Fashion
Food
Furniture
Media
Toys, Hobby & DIY



Source: Statista

(CC BY) RetailX 2022

The Largest 100

Brazil has a strong regional market for its domestic retailers

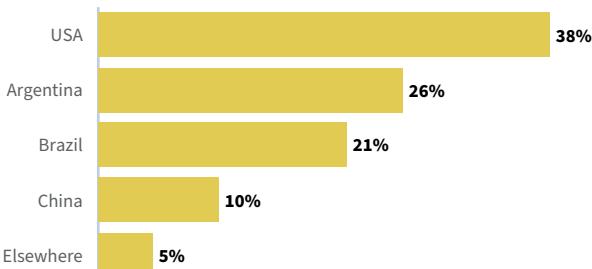
Just over a third (35%) of Brazil's Largest 100 are headquartered in the USA, 18% are in Brazil itself and 12% are in China.

However, the country's strong regional market is illustrated by the fact that **almost all (99%) of traffic to Brazilian retailers comes from within Brazil itself**.

US retailers attract more than a third (38%) of traffic, followed by Argentina at 26% and Brazil at 21%.

Brazilians mostly buy from multisector retailers with such retailers accounting for 88% of web traffic to Brazil's Largest 100 retailers.

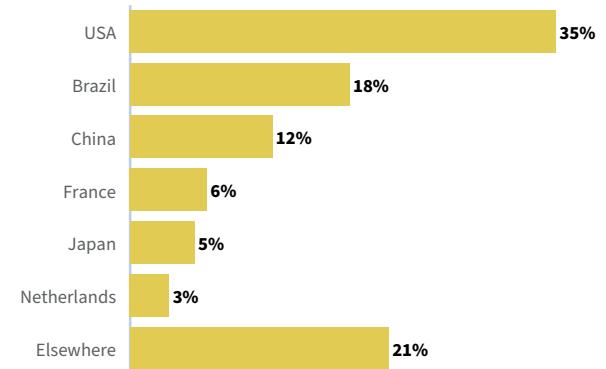
Countries where the Brazil Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

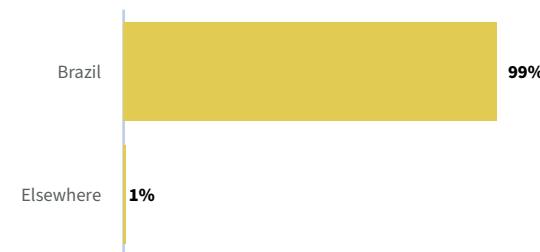
Where the Brazil Largest 100 are based



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Web traffic to the largest Brazil-based retailers split by consumer location



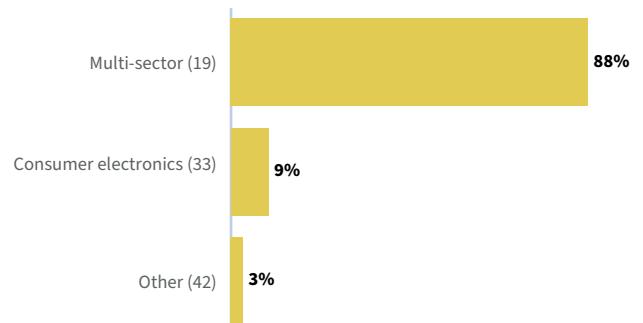
Data from 18 retailers are used. These are all the Brazil-based retailers that belong to the Brazil Largest 100

Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Web traffic by sector in Brazil

Web visits of local consumers to the Brazil Largest 100 retailers



Note: The number of retailers in a sector is shown in parentheses
Source: RetailX, drawing on data from SimilarWeb

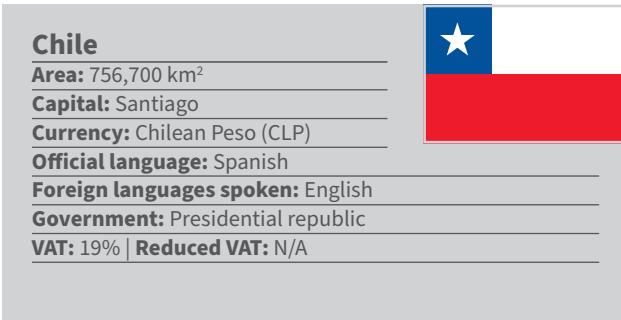
RetailX 2022

Chile

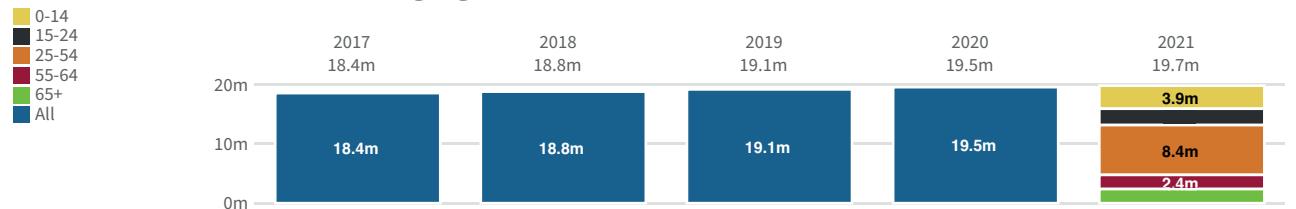
Chile has the highest proportion of internet users and ecommerce adoption

Chile's ecommerce market is maturing fast. Its 19.7 million population has grown slightly above the Latin American average and **GDP per capita is well above the regional average.**

The country has the highest proportion of internet users, 94% in 2021. 62% of internet users shopped online. The **average spend of ecommerce shoppers in the region is high - at \$780 for 2022** - more than double the likes of Brazil. This is less surprising when we see that **37% of Chilean ecommerce shoppers are high-income earners.**



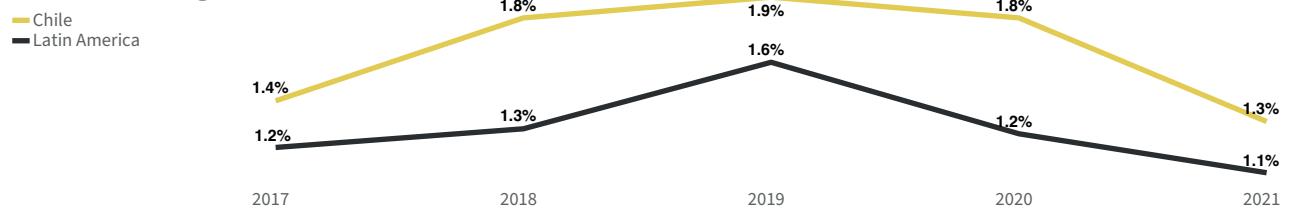
Population structure by age group



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

 RetailX 2022

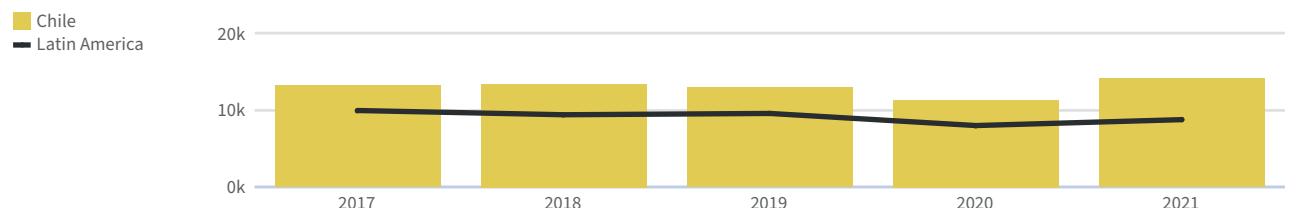
Population growth



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

 RetailX 2022

GDP per capita (USD)



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

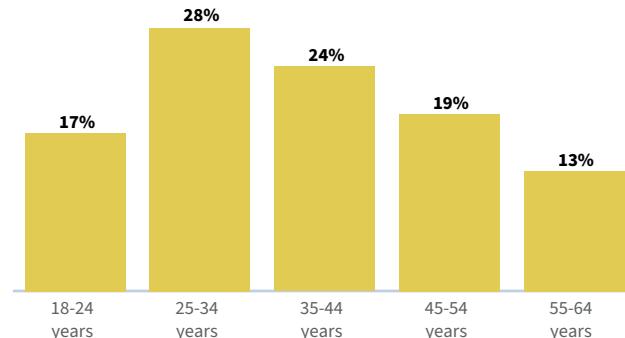
 RetailX 2022

In the other countries in our report, the split between low, medium and high-income earners is more even.

The online share of spending on food peaked during 2020 with a 79% change in revenue but although it's fallen back since it's still above pre-pandemic levels.

In September 2021^[1] Chile published the Electronic Commerce Regulation, aimed at strengthening the transparency of information provided to consumers via ecommerce platforms around important elements such as price and product details.

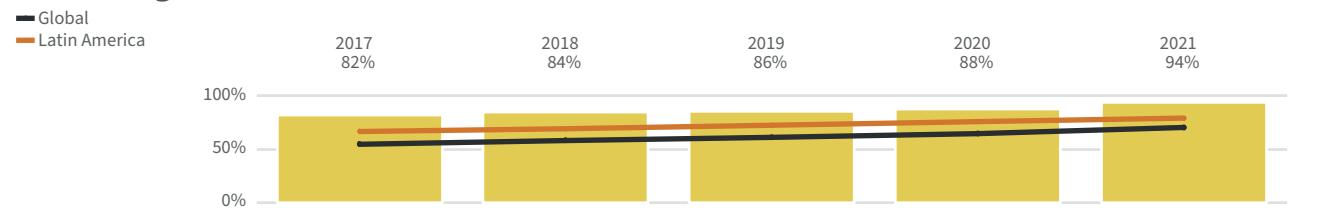
Age distribution of ecommerce shoppers in Chile, 2021



Source: Statista

RetailX 2022

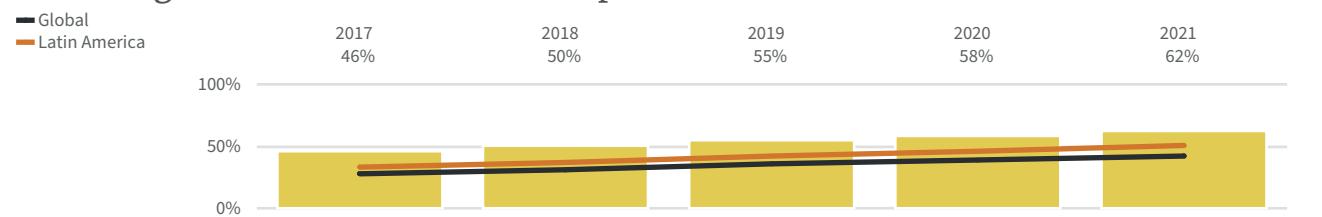
Percentage of internet users



The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from the World Bank. World Bank data for 2021 not available. RetailX creates forecast values by extrapolating the previous five years' growth RetailX 2022

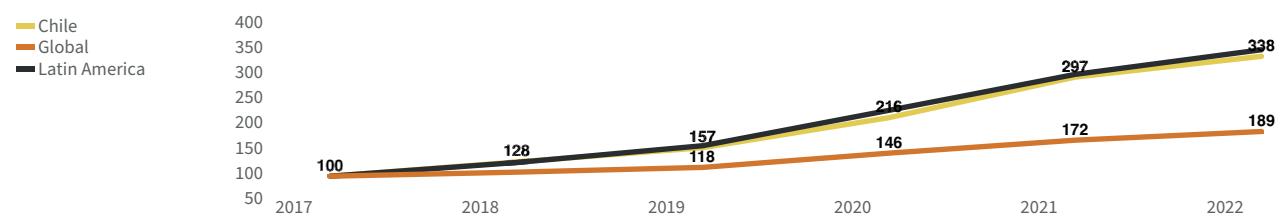
Percentage of internet users who shop online



The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from Statista RetailX 2022

Ecommerce revenue Index



Index 2017=100. The Latin America figures are an aggregate of the eight countries profiled in this report

Source: Statista

RetailX 2022

Ecommerce development in the country is also supported by Matrix Digital 2018-2022, a Chilean government roadmap on national connectivity that aims to help the development of the digital economy.

At the end of 2018 nearly half (44%)^[2] of Chilean families didn't have access to fixed connection internet but the high internet adoption rates seen today illustrate the dramatic change.

References

[1] <https://www.dlapiper.cl/en/2021/09/24/alerta-legal-nuevo-reglamento-de-comercio-electronico/>

[2] <https://www.diarioelpulso.cl/2019/06/19/serem>

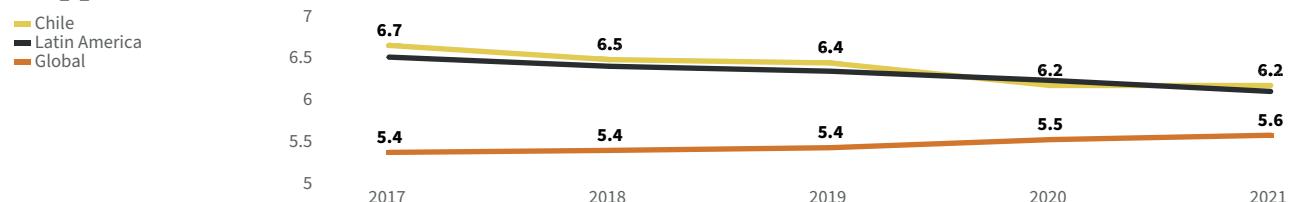
Income status split of ecommerce shoppers in Chile, 2021



Source: Statista

RetailX 2022

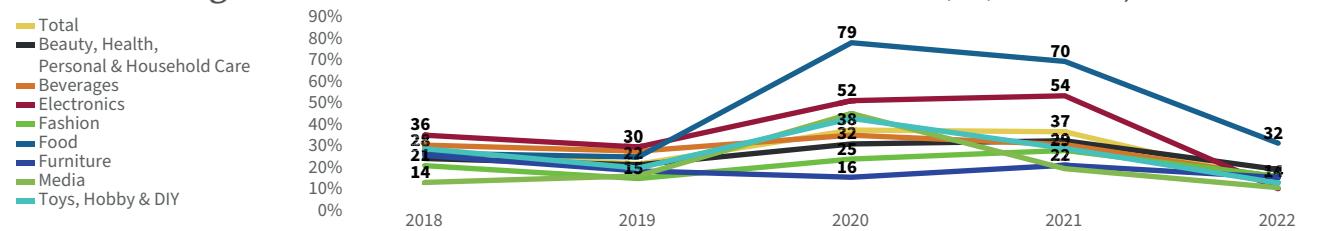
Happiness Index



Survey respondents evaluate the quality of their current lives on a scale of 0 (unhappy) to 10 (happy). The Latin America figures are an aggregate of the eight countries profiled in this report. Source: The World Happiness Report

RetailX 2022

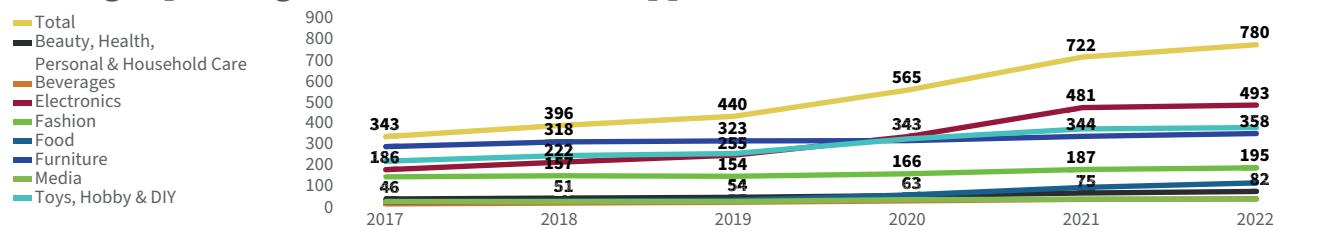
Annual change in revenue for the online ecommerce market (%) in Chile, 2018-22



Source: Statista

RetailX 2022

Average spending of the ecommerce shopper in Chile, 2017-22 (USD)



Source: Statista

RetailX 2022

The Largest 100

Four in ten of Chile's Largest 100 are based in the US

Chile has a strong reliance on the US with 40% of Chile's Largest 100 based in the USA. 14% are based in China, which also attracts 14% of traffic, and 9% of the Largest 100 are based in Spain.

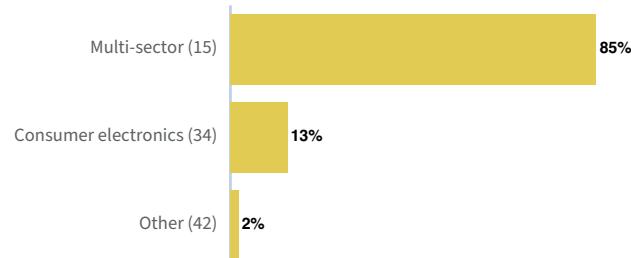
The UK has a 5% share, followed by Switzerland and Japan. **Chile has only a 2% share of retailers in the Largest 100 headquartered in the country.**

The USA attracts more than a third (38%) of web traffic. That's followed by fellow Latin American markets Argentina, which attracts 26% of traffic, and Chile, which attracts 17%. **85% of traffic is to multi-sector retailers.**

For the Chilean-based retailers we've measured in this report 84% of their web traffic comes from Chile itself, 10% from Peru and 4% from Argentina.

Web traffic by sector in Chile

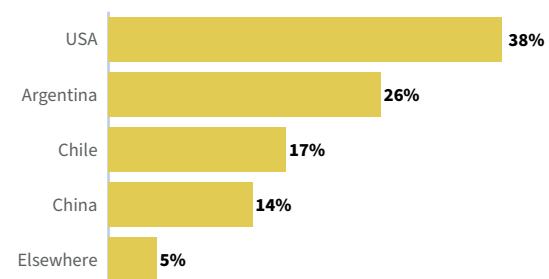
Web visits of local consumers to the Chile Largest 100 retailers



The number of retailers in a sector is shown in parentheses
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

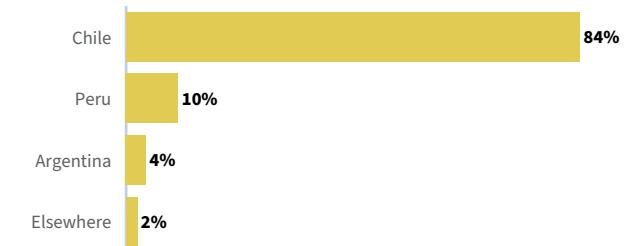
Countries where the Chile Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

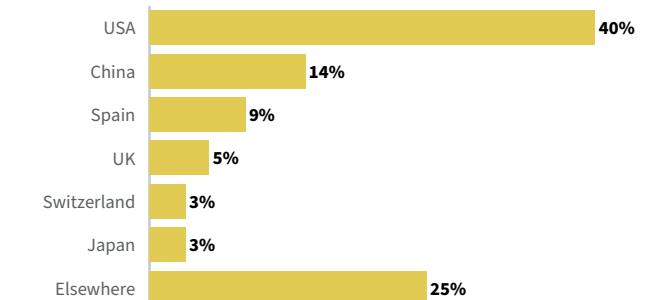
Web traffic to the largest Chile-based retailers split by consumer location



Data from 2 retailers are used. These are all the Chile-based retailers that belong to the Chile Largest 100
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Where the Chile Largest 100 are based



Source: RetailX, drawing on data from SimilarWeb

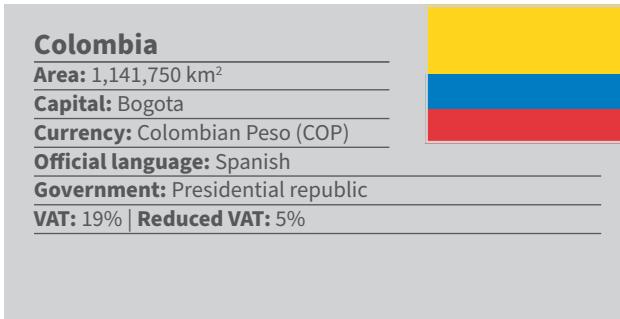
RetailX 2022

Colombia

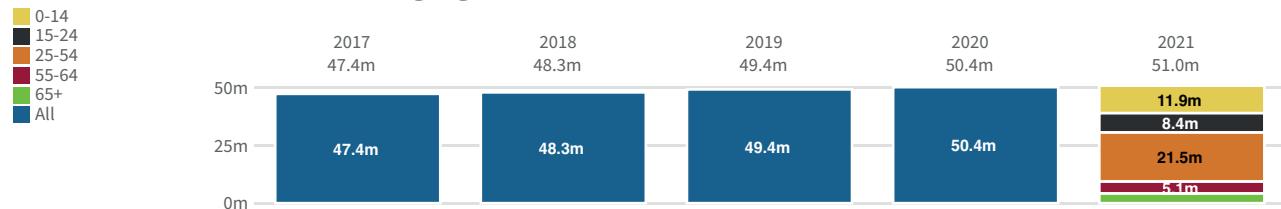
Colombia has witnessed a higher-than-average growth in the ecommerce revenue index

Greater accessibility online, as well as improving banking and payment services, are helping to fast forward the adoption of ecommerce in Colombia. **In 2021 it ranked as the third largest ecommerce market in Latin America^[1].**

Colombia's ecommerce revenue index is above that of Latin America at 387 for 2022 and the **number of ecommerce multichannel shoppers saying that online is their preferred shopping channel has tripled** since 2017.



Population structure by age group



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

 RetailX 2022

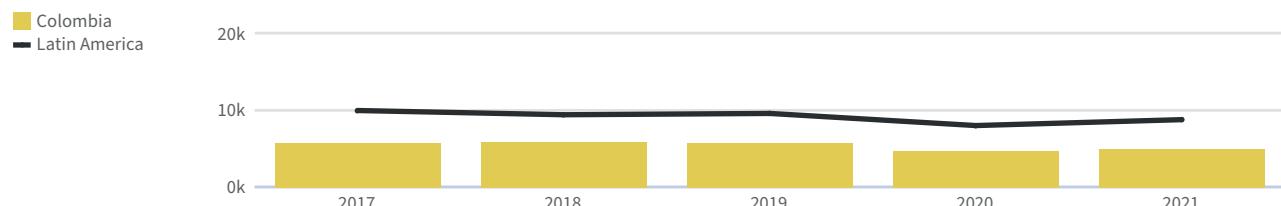
Population growth



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

 RetailX 2022

GDP per capita (USD)



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

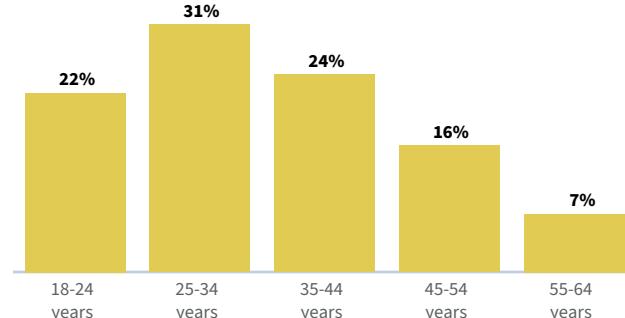
 RetailX 2022

It has higher-than-average population growth although GDP per capita remains below the Latin American average. 76% of the population are internet users and just under half (**49%**) **shop online. That's up from 28% in 2017.** More than half (53%) of ecommerce shoppers are aged 34 or under.

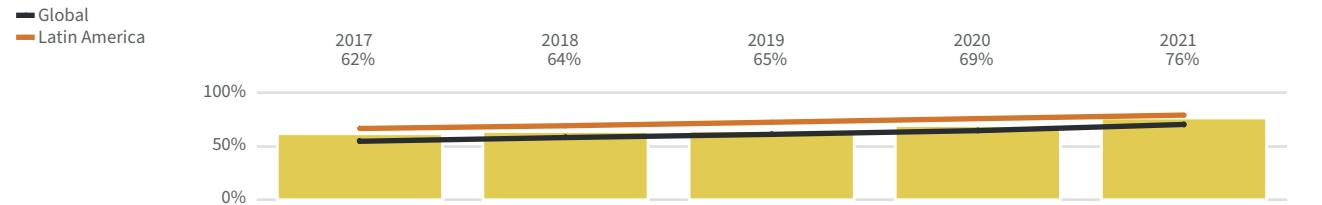
Where other countries have seen a variety of peaks in annual change in revenue across sectors, for online ecommerce in Colombia all sectors have followed a similar pattern as each other.

However, despite the potential for ecommerce, **infrastructure still heralds problems for retailers** in the country, impacting both supply chains and delivery.

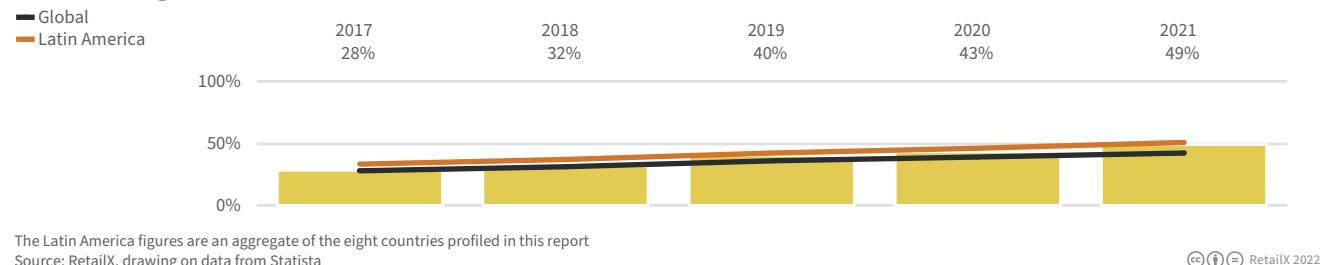
Age distribution of ecommerce shoppers in Colombia, 2021



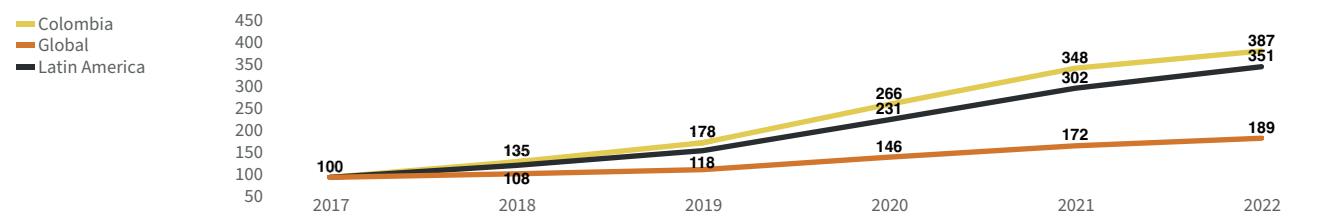
Percentage of internet users



Percentage of internet users who shop online



Ecommerce revenue Index



Transport networks are underdeveloped and inadequate for demand, meaning additional costs and delays suffered by retailers and customers alike^[2].

This makes it a focus for those looking to overcome such challenges. For example in January Mellon^[3], a Colombian startup that provides fulfillment and software services to small and medium-sized ecommerce companies in Latin America, announced it had raised \$20 million a Series A funding round^[4].

[1]https://www.trade.gov/country-commercial-guides/colombia-e-commerce

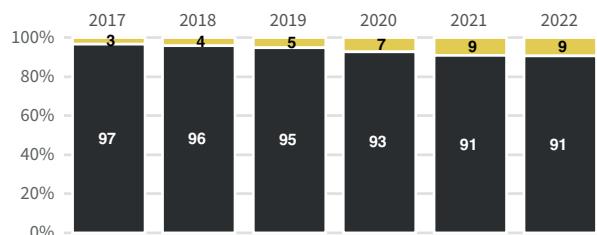
[2]https://www.trade.gov/country-commercial-guides/colombia-e-commerce

[3]https://melonin.com/que-hacemos

[4]https://techcrunch.com/2022/02/02/colombian-e-commerce-enablement-startup-melonn-raises-20m

Preferred shopping channel for ecommerce multichannel shoppers in Colombia, 2017–22 (%)

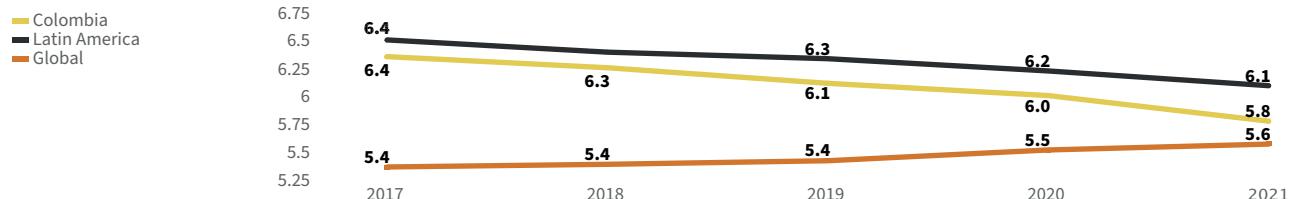
■ Online ■ Offline



Source: Statista

© RetailX 2022

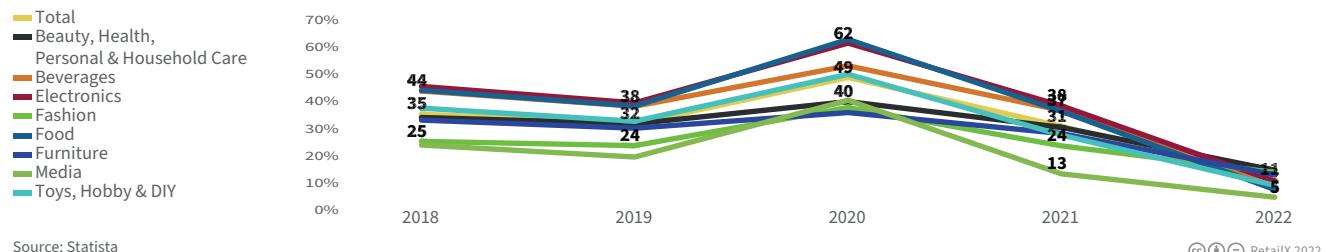
Happiness Index



Survey respondents evaluate the quality of their current lives on a scale of 0 (unhappy) to 10 (happy). The Latin America figures are an aggregate of the eight countries profiled in this report. Source: The World Happiness Report

© RetailX 2022

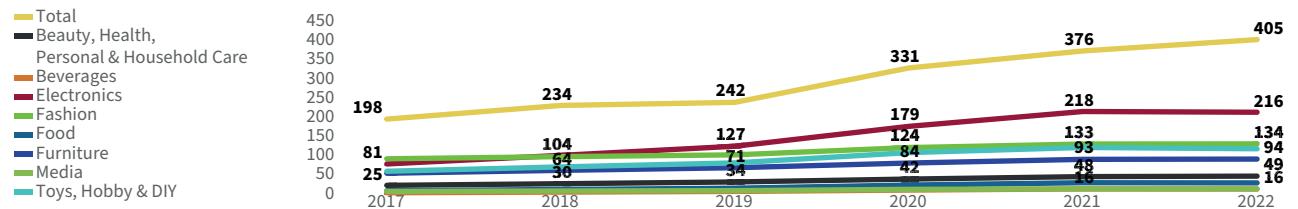
Annual change in revenue for the online ecommerce market (%) in Colombia, 2018–22



Source: Statista

© RetailX 2022

Average spending of the ecommerce shopper in Colombia, 2017–22 (USD)



Source: Statista

© RetailX 2022

The Largest 100

US retailers attract more than two-thirds of the traffic of Columbia's Largest 100

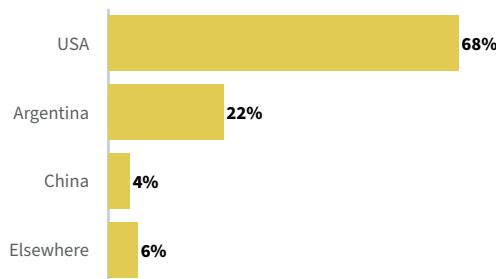
The biggest majority of Colombia's Largest 100 retailers are based in the USA, with 41%. Retailers there attract more than two-thirds (68%) of traffic.

14 of the Largest 100 are based in China, although they attract only 4% of traffic by comparison. After the USA, Argentina attracts the next highest share of traffic with 22%.

11% of the Largest 100 are based in Spain, half that amount (5%) are based in the UK, 3% in Japan and 26% elsewhere.

More than two-thirds (69%) of web visits of local consumers to Colombia's Largest 100 retailer are to multi-sector retailers. That's followed by 29% for consumer electronics retailers.

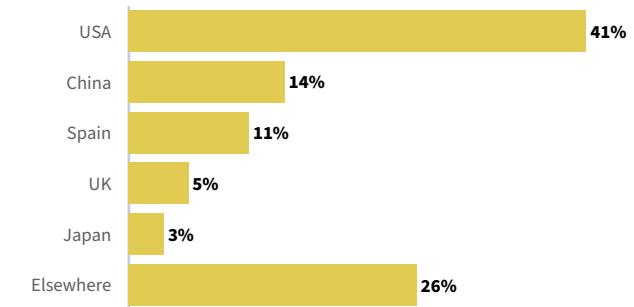
Countries where the Colombia Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

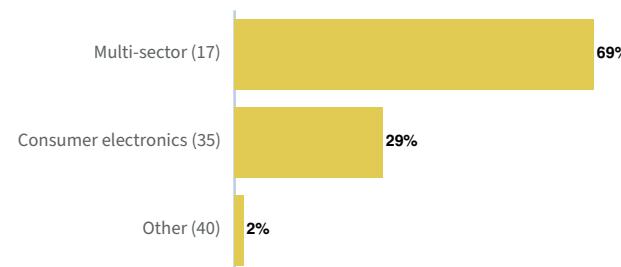
Where the Colombia Largest 100 are based



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Web traffic by sector in Colombia
Web visits of local consumers to the Colombia Largest 100 retailers



The number of retailers in a sector is shown in parentheses
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Costa Rica

Costa Rica may have a small population but its ecommerce potential is high

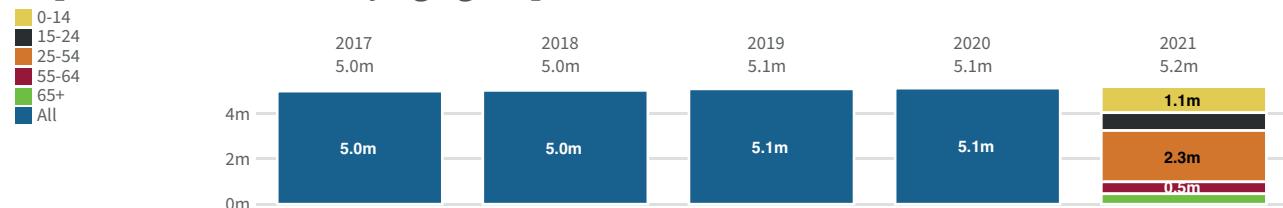
Costa Rica, which is Spanish for ‘rich coast’, has a **5.2 million population that is tiny in comparison to its Latin American peers**, and which has stayed relatively static for the past few years.

80% of the population are internet users but less than half (45%) shop online. The country is below Latin America when you look at the ecommerce revenue index.

But the **preference for online over offline is growing, doubling since 2017** and the average spend of the

Costa Rica	
Area:	51,100 km ²
Capital:	San Jose
Currency:	Costa Rican Colón (CRC)
Official language:	Spanish
Foreign languages spoken:	English
Government:	Presidential republic
VAT:	13% Reduced VAT: N/A

Population structure by age group

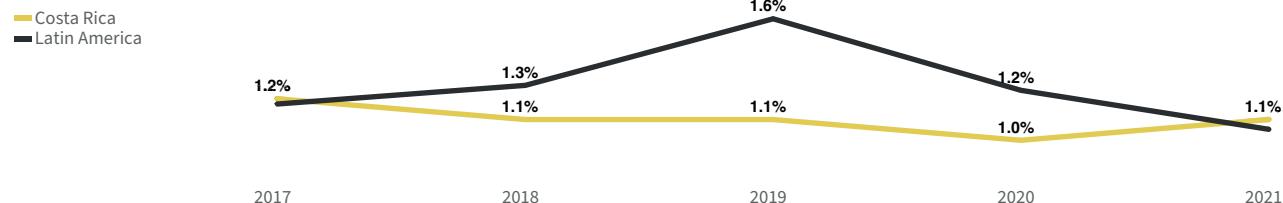


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

RetailX 2022

Population growth

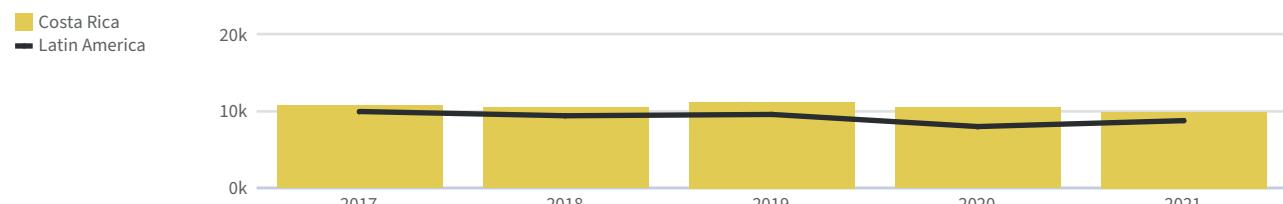


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

RetailX 2022

GDP per capita (USD)



The Latin America figures are an aggregate of the eight countries profiled in this report

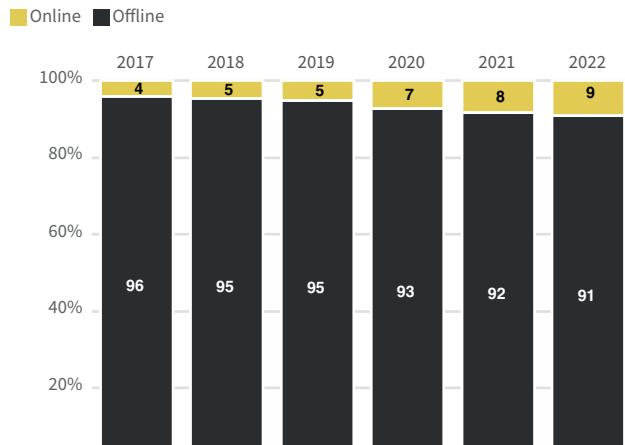
Source: RetailX, drawing on data from IMF

RetailX 2022

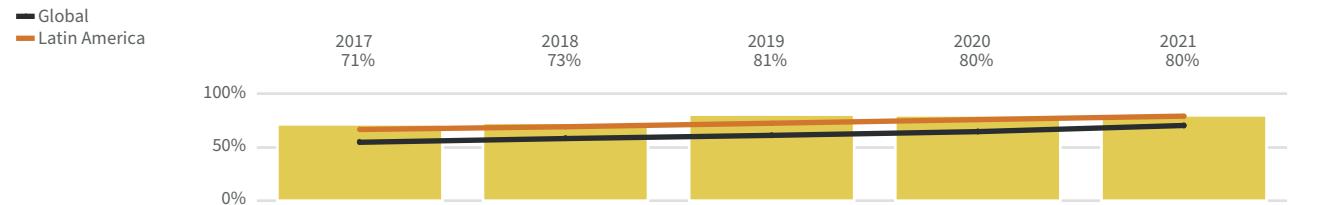
ecommerce shopper in 2022 is estimated to be \$711, up from \$477 in 2019. **Costa Ricans also score above average on the happiness index.**

Although Costa Rica's online revenue change was dramatic during 2020 for most sectors, including food which saw a 73% uplift in revenue, the market saw a peak for beverages in 2021, up by 51%.

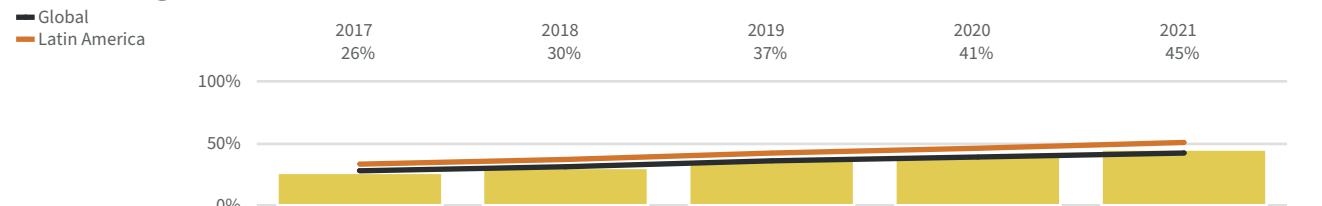
Preferred shopping channel for ecommerce multichannel shoppers in Costa Rica, 2017–22 (%)



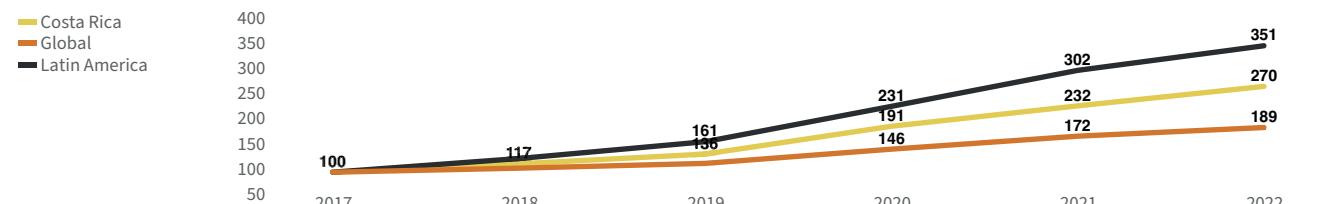
Percentage of internet users



Percentage of internet users who shop online



Ecommerce revenue Index



Its shoppers have traditionally favoured physical stores over ecommerce but that's changing. According to local trade associations, ecommerce grew from 0.3% in 2019 to 41% in 2020^[1] as a result of the pandemic.

In 2021,^[2] it was revealed that Costa Rica had risen six places within the UN Conference for Trade and Development (Unctad) annual index on the implementation of ecommerce, the highest of any country in Latin America.

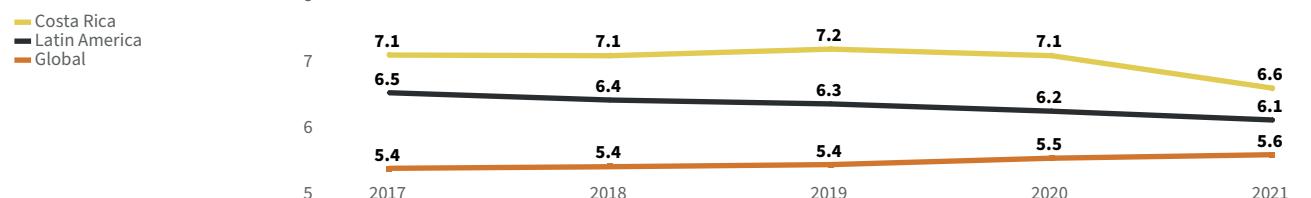
Costa Rica operates Free Trade Zones where freight companies can benefit from investment and tax incentives^[3]. These zones help to provide incentives for manufacturing and service industries to operate in the country.

[1] <https://www.trade.gov/country-commercial-guides/costa-rica-ecommerce>

[2] <https://thecostaricanews.com/costa-rica-and-chile-lead-in-e-commerce-ranking-of-latin-america/>

[3] https://en.wikipedia.org/wiki/Costa_Rica

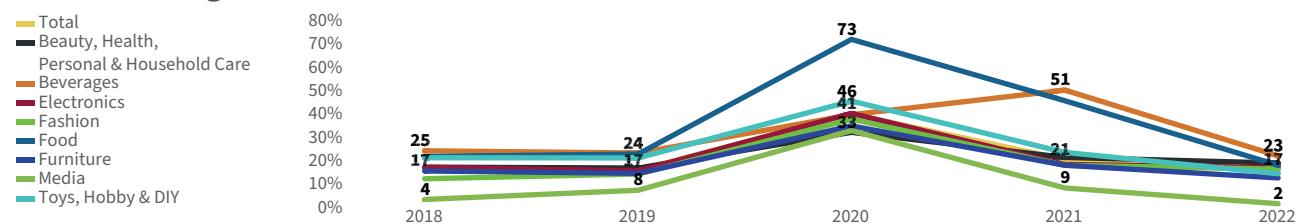
Happiness Index



Survey respondents evaluate the quality of their current lives on a scale of 0 (unhappy) to 10 (happy). The Latin America figures are an aggregate of the eight countries profiled in this report. Source: The World Happiness Report

RetailX 2022

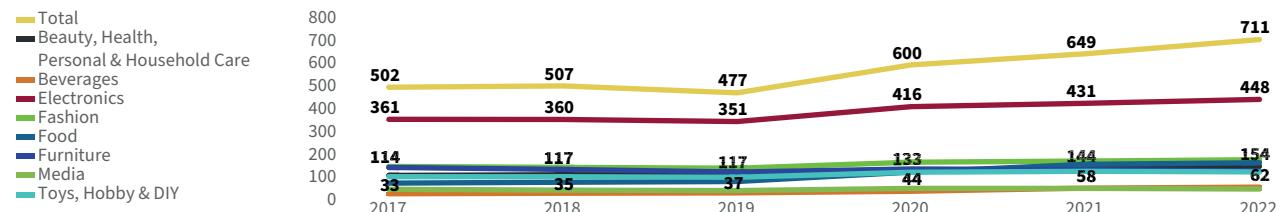
Annual change in revenue for the online ecommerce market (%) in Costa Rica, 2018–22



Source: Statista

RetailX 2022

Average spending of the ecommerce shopper in Costa Rica, 2017–22 (USD)



Source: Statista

RetailX 2022

The Largest 100

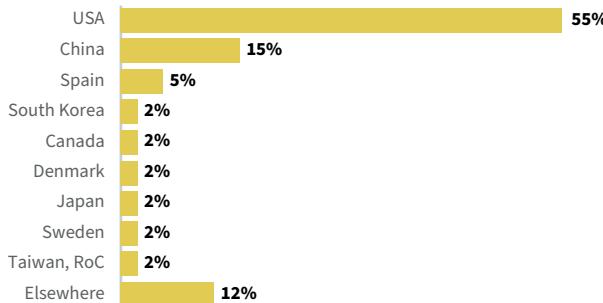
USA attracts a 91% share of Costa Rica traffic

More than half (55%) of Costa Rica's Largest 100 retailers are based in the US yet the **share of traffic for the US is one of the highest in the region (91%)**. By contrast, 15% of the Largest 100 are based in China attracting 4% of web visits.

Countries including South Korea, Japan, Sweden and Canada each have a 2% share of where Costa Rica's Largest 100 retailers have their headquarters.

Almost two-thirds (65%) of web traffic to Costa Rica's Largest 100 retailers is to multi-sector retailers while just under a third (32%) is to retailers in the consumer electronics sector.

Where the Costa Rica Largest 100 are based

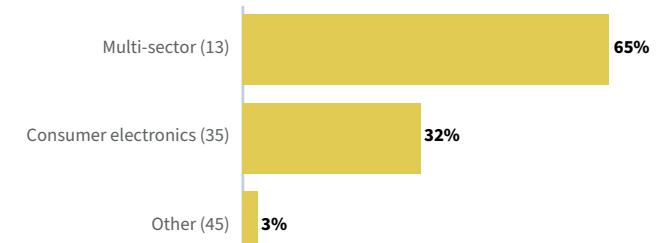


Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Web traffic by sector in Costa Rica

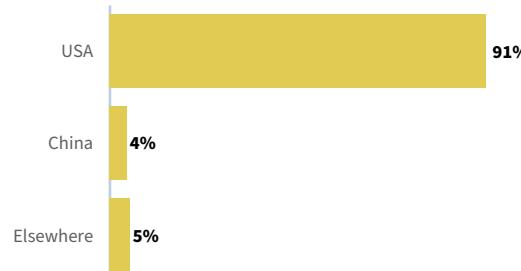
Web visits of local consumers to the Costa Rica Largest 100 retailers



The number of retailers in a sector is shown in parentheses
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Countries where the Costa Rica Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

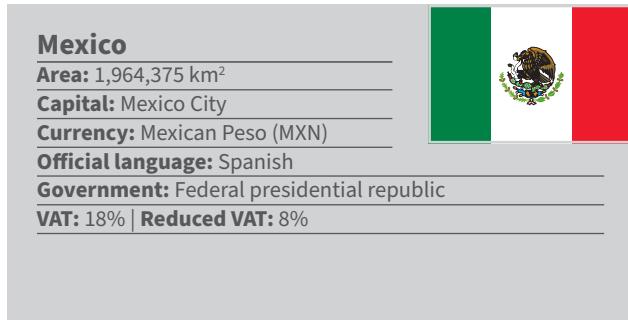
Mexico

Mexico is one of the fastest growing ecommerce markets in the world

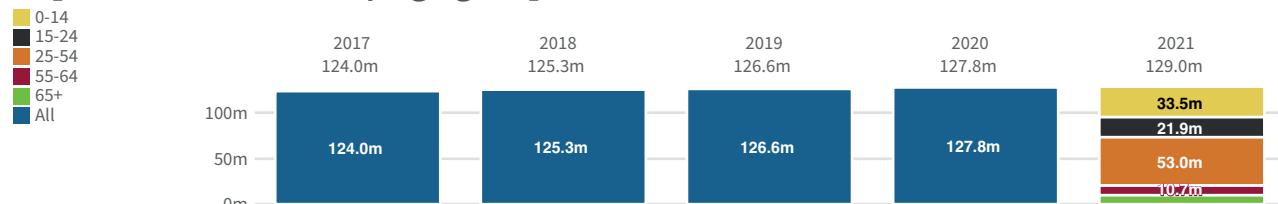
Mexico's domestic ecommerce market grew by 81%^[1] between 2019 and 2020, according to the Mexican Online Sales Association, making it the **fourth fastest growing ecommerce market in the world**.

Mexico is predicted to have around 77 million ecommerce shoppers by 2025 as infrastructure, and other factors such as digital literacy, continue to drive adoption. That's up from 50.7 million ecommerce shoppers in 2020.

Our figures show that **just over three-quarters (76%) of the population were internet users in 2021**, with 44%



Population structure by age group



The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

 RetailX 2022

Population growth

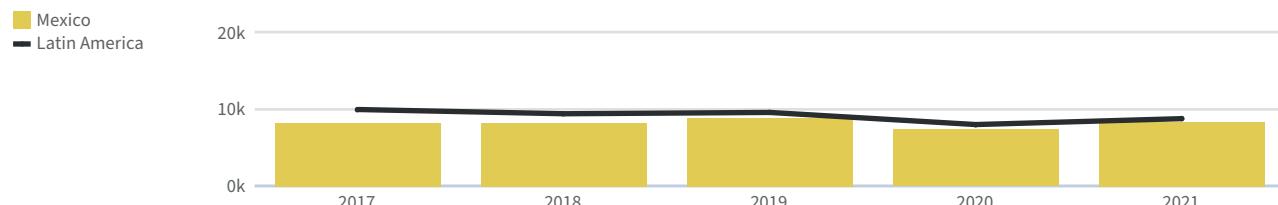


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

 RetailX 2022

GDP per capita (USD)



The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from IMF

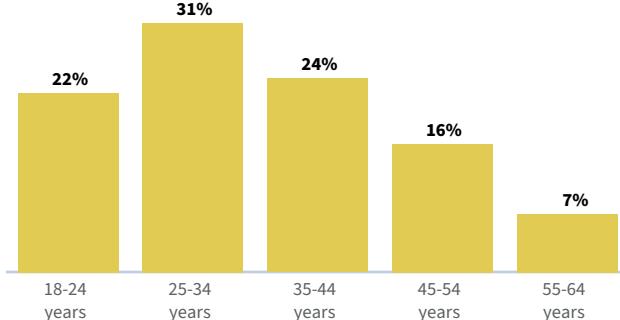
 RetailX 2022

shopping online – up from 29% in 2017. The country's ecommerce revenue index is higher than both the global and Latin American markets and has seen steady growth. **Online shoppers spent an average of \$727 in 2022**, a significant jump from 2017's figure of \$249.

In February, Mercado Libre said Mexico was a priority focus when it announced plans to invest nearly \$1.5 billion^[2] in its operations in Mexico, a 34% increase on its 2021 investment.

Individual sectors were already seeing significant revenue uplifts before the pandemic with **food ecommerce sales** up significantly in 2018, for example. **This peaked at a 119% uplift in 2020** as the pandemic struck.

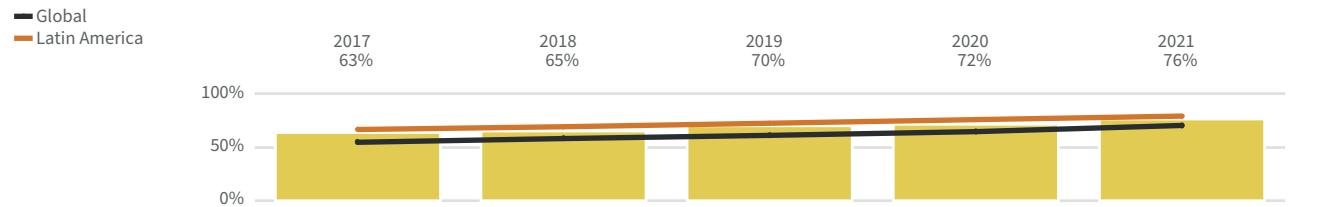
Age distribution of ecommerce shoppers in Mexico, 2021



Source: Statista

RetailX 2022

Percentage of internet users

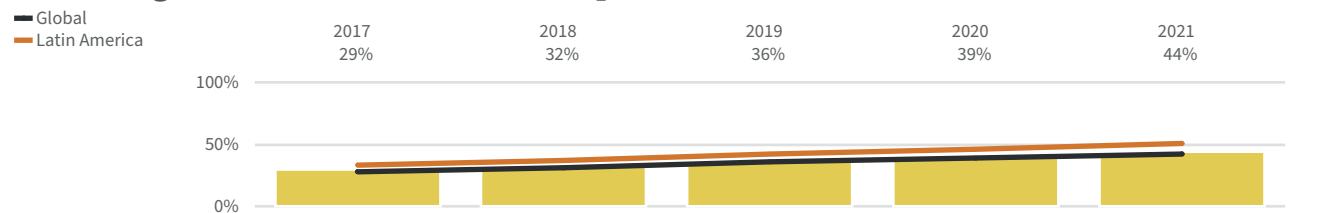


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from the World Bank. World Bank data for 2021 not available. RetailX creates forecast values by extrapolating the previous five years' growth

RetailX 2022

Percentage of internet users who shop online

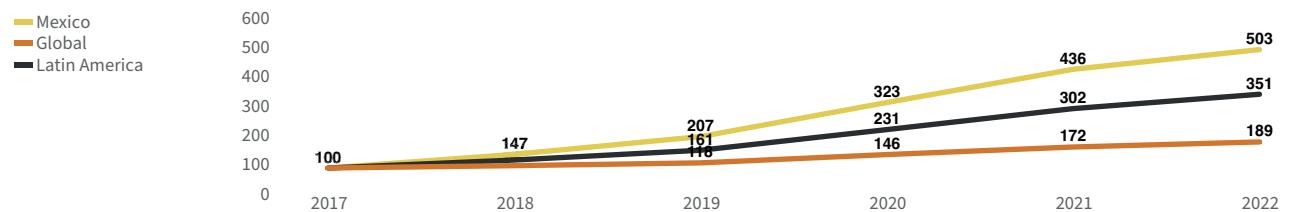


The Latin America figures are an aggregate of the eight countries profiled in this report

Source: RetailX, drawing on data from Statista

RetailX 2022

Ecommerce revenue Index



Index 2017=100. The Latin America figures are an aggregate of the eight countries profiled in this report

Source: Statista

RetailX 2022

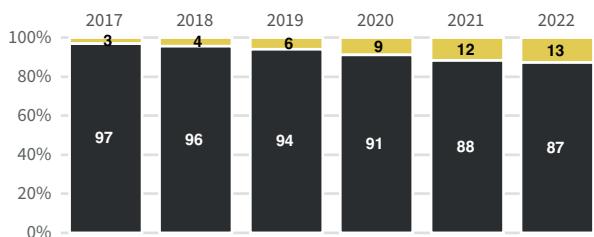
The ecommerce market is second to Brazil, although the rapid growth seen has led some to believe that its growth will soon outpace that of Brazil. Certainly, the country has seen the biggest preference shift to online out of the Latin American markets we've studied with 13% of multichannel shoppers preferring online to offline in 2022, a quadrupling of the 2017 figure.

But like other markets such as Peru the **market is hampered by accessibility**, with ecommerce levels in rural areas much lower thanks to lower internet usage.

References
 [1] <https://www.trade.gov/country-commercial-guides/mexico-e-commerce>
 [2] <https://mexiconewsdaily.com/news/mercado-libre-will-invest-34-more-in-mexico-this-year/>

Preferred shopping channel for ecommerce multichannel shoppers in Mexico, 2017–22 (%)

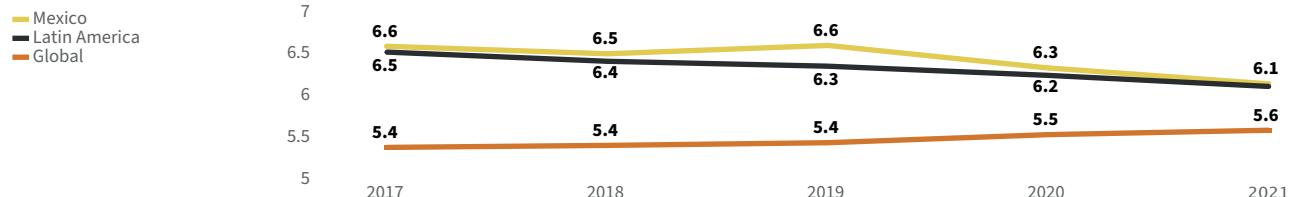
■ Online ■ Offline



Source: Statista

RetailX 2022

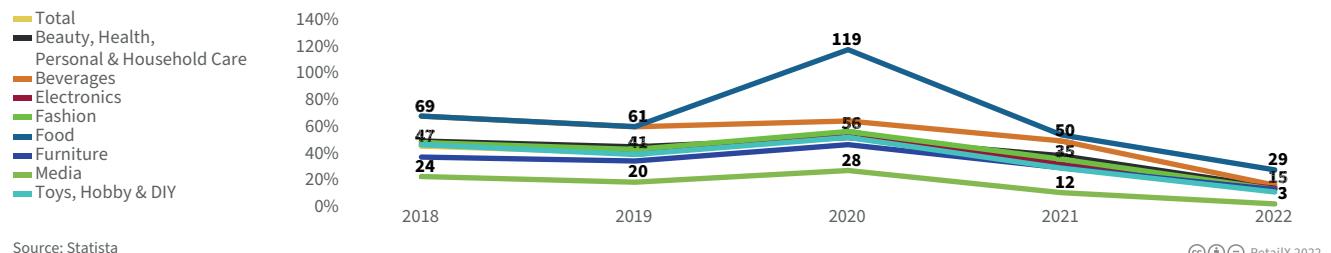
Happiness Index



Survey respondents evaluate the quality of their current lives on a scale of 0 (unhappy) to 10 (happy). The Latin America figures are an aggregate of the eight countries profiled in this report. Source: The World Happiness Report

RetailX 2022

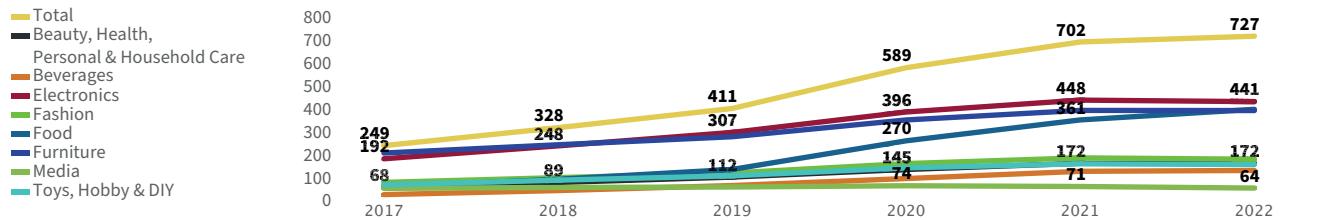
Annual change in revenue for the online ecommerce market (%) in Mexico, 2018–22



Source: Statista

RetailX 2022

Average spending of the ecommerce shopper in Mexico, 2017–22 (USD)



Source: Statista

RetailX 2022

The Largest 100

Mexico's domestic retailers see the most trade from Colombia

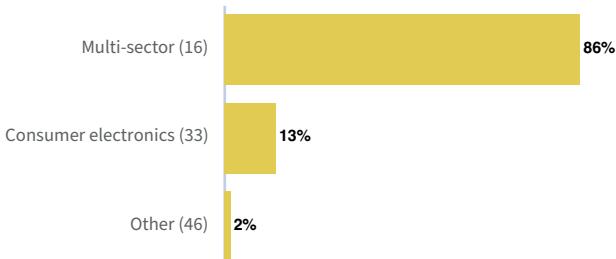
Two-thirds (66%) of the traffic for Mexico's Largest 100 retailers is to those based in the USA.

That's followed by Argentinian retailers who attract a quarter (25%) of the traffic and Chinese retailers who account for 4% of the traffic although 14% of the Largest 100 are based there. 42% of the Largest 100 retailers in Mexico are based in the USA.

There is strong cross-border trade between Mexico and Colombia with nearly half (48%) of the traffic to the Largest 100 Mexico-based retailers coming from Colombia. That compares to less than a third (29%) coming from Mexico itself. **20% of traffic to domestic retailers in the Largest 100 comes from Peru.**

Multi-sector retail attracts the majority of traffic at 86%.

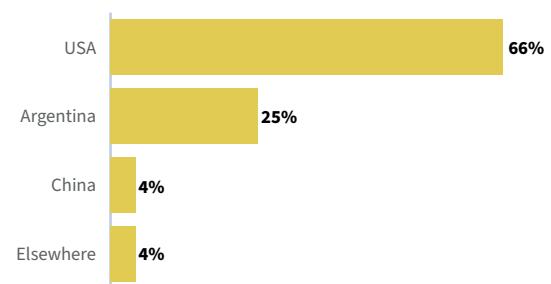
Web traffic by sector in Mexico
Web visits of local consumers to the Mexico Largest 100 retailers



The number of retailers in a sector is shown in parentheses
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

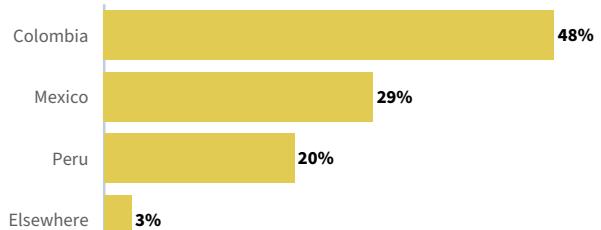
Countries where the Mexico Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

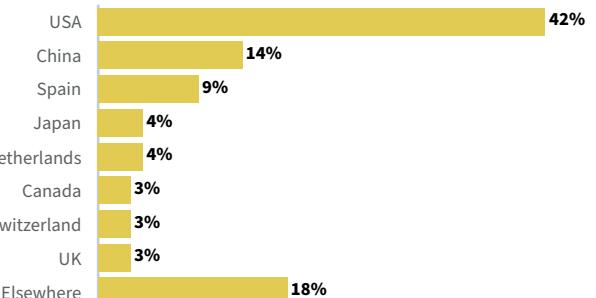
Web traffic to the largest Mexico-based retailers split by consumer location



Data from 1 retailer are used. These are all the Mexico-based retailers that belong to the Mexico Largest 100
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Where the Mexico Largest 100 are based



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Panama

Panama offers attractive benefits for those looking to benefit from its free trade zones

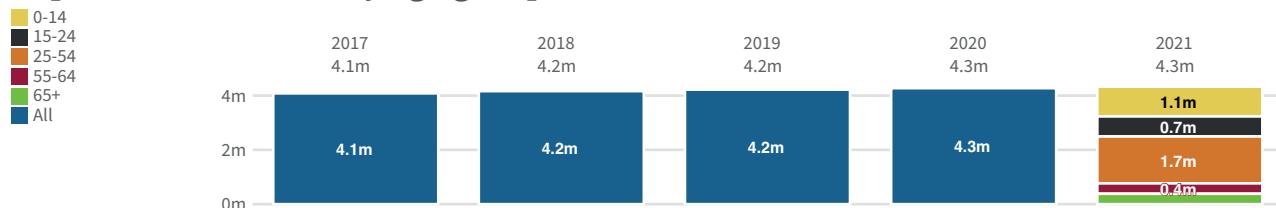
Of Panama's 4.3 million population almost three-quarters (73%) are internet users with **just under half (46%) shopping online, a number that's risen from 25% in 2017.**

Spend is strong with customers spending an average of \$710 online in 2022. **Media is a particularly strong sector for the market with a 290% uplift in 2018** and strong increases since too, although this has fallen back.

Although the retail market is strong, ecommerce is a growing market although its tax benefits and US dollar

Panama	
Area: 75,320 km ²	
Capital: Panama City	
Currency: Balboa (PAB)	
Official language: Spanish	
Foreign languages spoken: English, Chinese, Arabic, French	
Government: Presidential republic	
VAT: 7% Reduced VAT: N/A	

Population structure by age group



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

 RetailX 2022

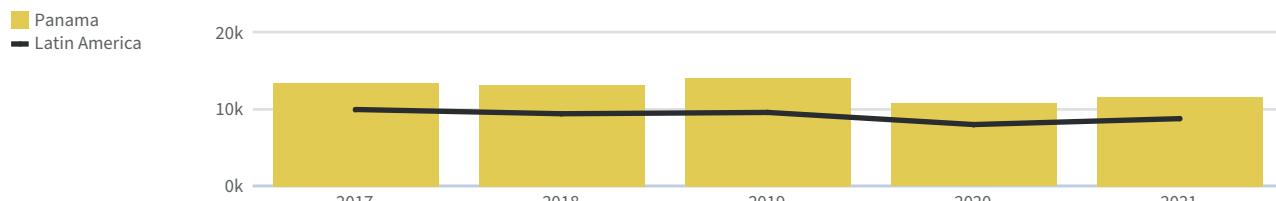
Population growth



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

 RetailX 2022

GDP per capita (USD)



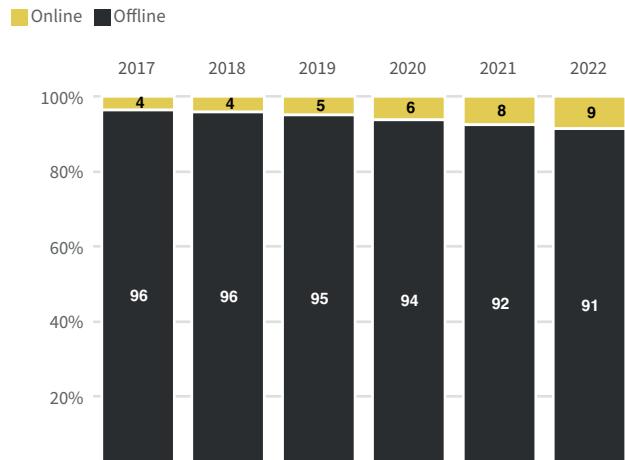
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 RetailX 2022

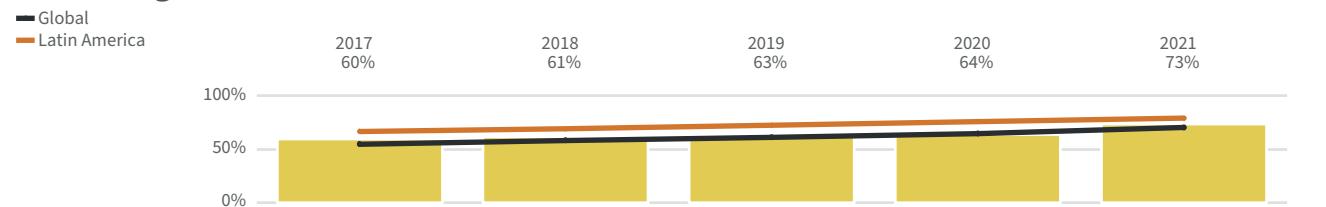
economy certainly attract attention. Preferences are changing with a more than doubling of those multichannel customers that prefer online to stores since 2017.

Panamanian consumers and companies are said to have embraced the company's payment options – including Banco General's Yappy service^[1]. Delivery platforms are also growing in popularity in the country, including PedidosYA, Uber Eats, ASAP and Glovo.

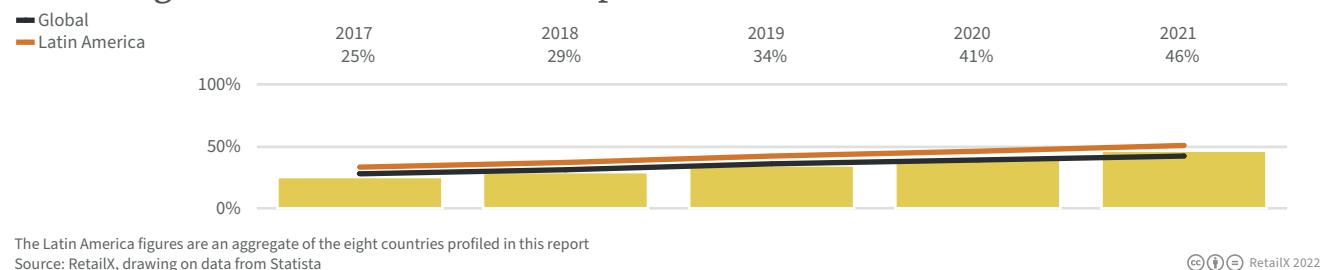
Preferred shopping channel for ecommerce multichannel shoppers in Panama, 2017–22 (%)



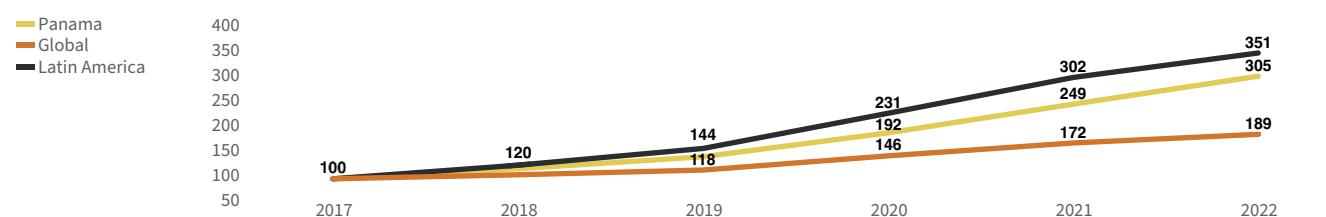
Percentage of internet users



Percentage of internet users who shop online



Ecommerce revenue Index



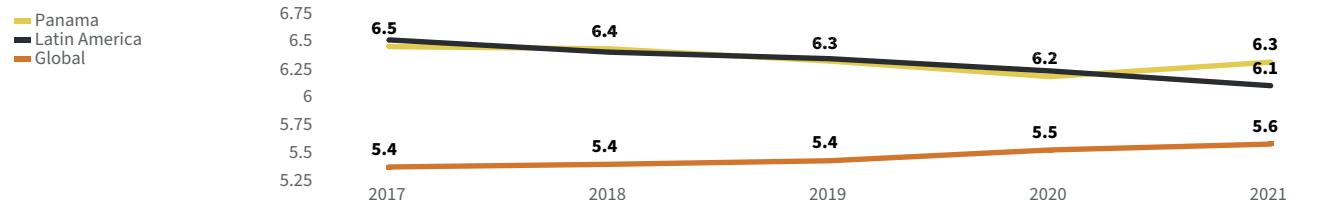
Panama offers attractive tax benefits to companies that operate in its free trade zones. The largest free-trade zone in the Americas, the Colon Free Zone (CFZ or Zona Libre de Colón) has recently introduced ecommerce. The electronic documentation web-based system^[2] allows freight forwarders, custom brokers, importers and exporters to submit all their documentation to the Administration of the CFZ and Panama Customs, eliminating the use of paper documents with the aim of efficiency and productivity gains.

The country is in the process of digital transformation and the Ministry of Commerce and Industries (MICI)^[3] is helping ecommerce companies in the region grow both domestically and internationally. In August 2022 it was set to launch its first statistical overview of the ecommerce market.

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- [2] <https://mici.gob.pa/zf-dmce-2-0/>
- [3] <https://mici.gob.pa/2022/07/22/se-realiza-primer-simposio-de-propiedad-intelectual-de-la-pollera/>

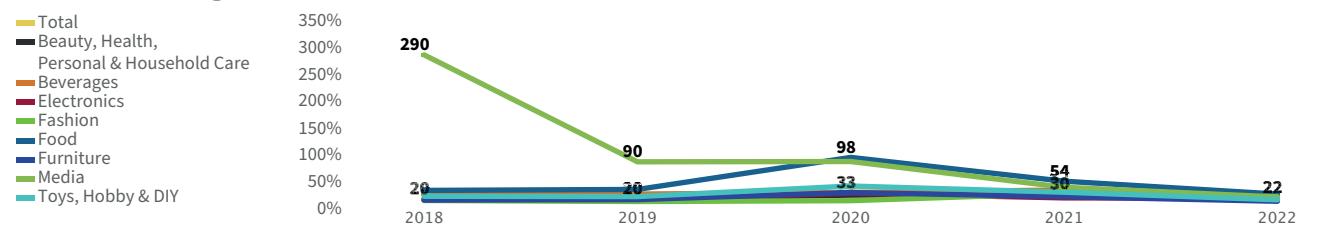
Happiness Index



Survey respondents evaluate the quality of their current lives on a scale of 0 (unhappy) to 10 (happy). The Latin America figures are an aggregate of the eight countries profiled in this report. Source: The World Happiness Report

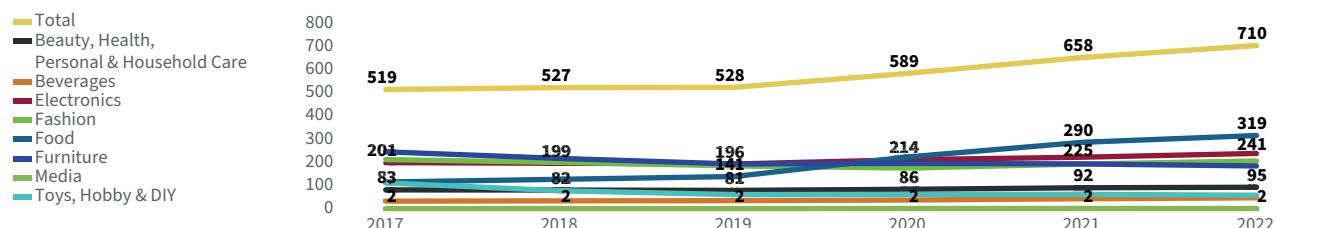
RetailX 2022

Annual change in revenue for the online ecommerce market (%) in Panama, 2018–22



RetailX 2022

Average spending of the ecommerce shopper in Panama, 2017–22 (USD)



RetailX 2022

Peru

With ecommerce largely concentrated in Lima there are opportunities to extend

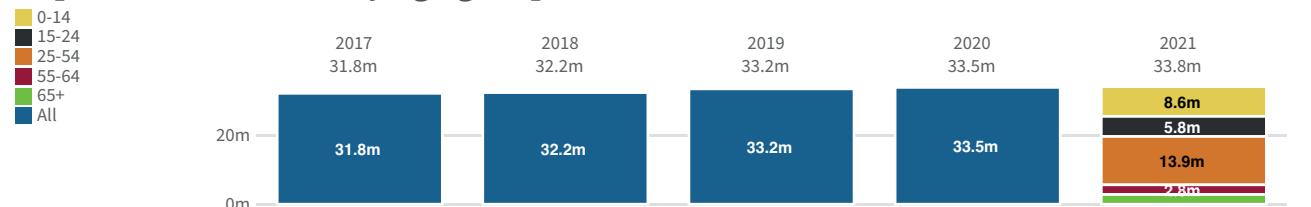
After a 2020 peak, which saw ecommerce grow by 50%^[1] during the pandemic compared to the previous year, Peru's use of ecommerce has settled again but is still seeing good growth.

The pandemic is reported to have seen a **quadrupling of businesses selling online during 2020**, up from 1.5% to 5% by the end of the year.

Ecommerce in Peru is forecast to see a yearly growth rate of 8%^[2] between 2021 and 2025, which is higher than the global average of 6%.



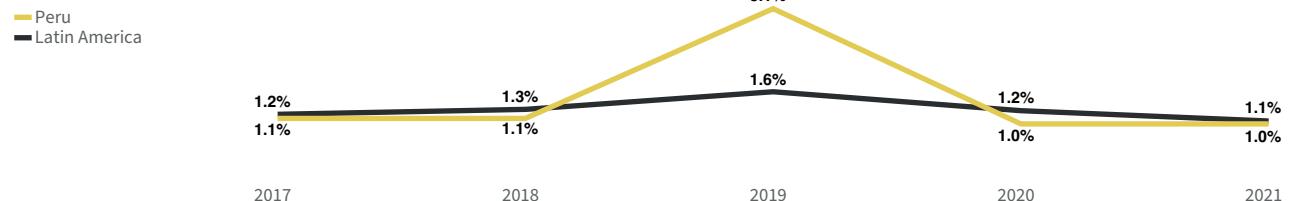
Population structure by age group



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

 RetailX 2022

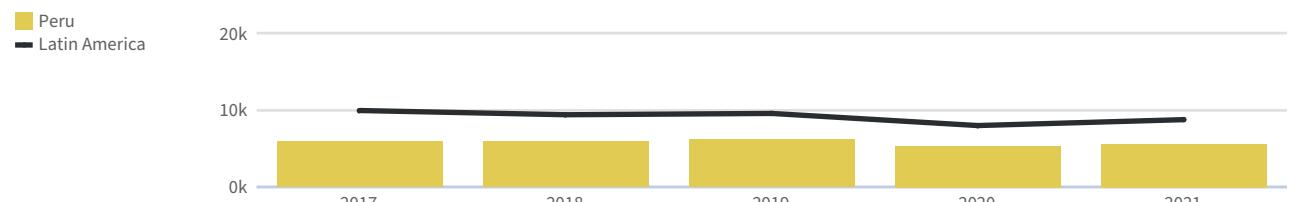
Population growth



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

 RetailX 2022

GDP per capita (USD)



The Latin America figures are an aggregate of the eight countries profiled in this report
Source: RetailX, drawing on data from IMF

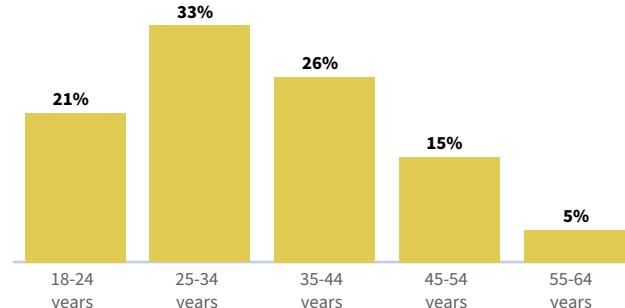
 RetailX 2022

In 2021, 71% of Peruvians were internet users but only 44% shopped online. However, the **number of consumers shopping online has nearly doubled** since 2017 when it stood at 25% and the **preference for online has tripled** during the same period.

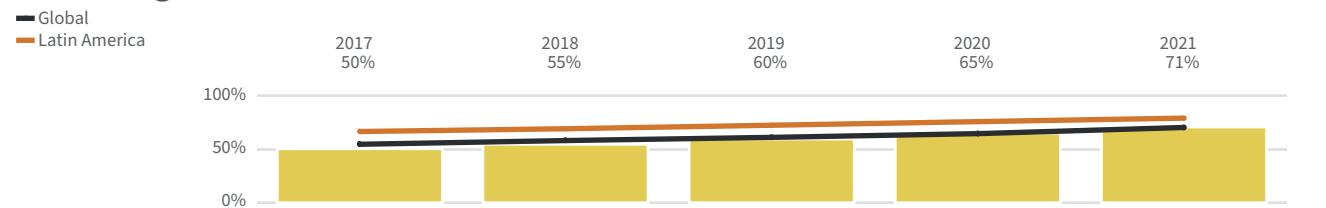
A third (33%) of ecommerce shoppers in Peru are aged between 25-34 years of age, while only one in five (20%) are 45 or over.

According to the Peruvian Chamber of Electronic Commerce, CAPECE^[3], more than half (52%) of online sales come from ecommerce retail with **nearly half (47%) of online purchases taking place on marketplaces**.

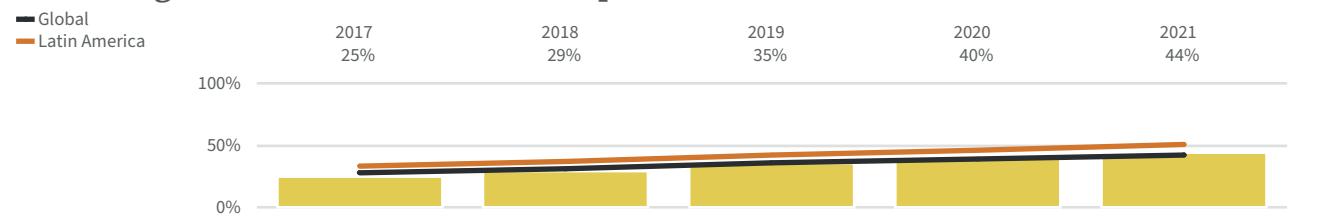
Age distribution of ecommerce shoppers in Peru, 2021



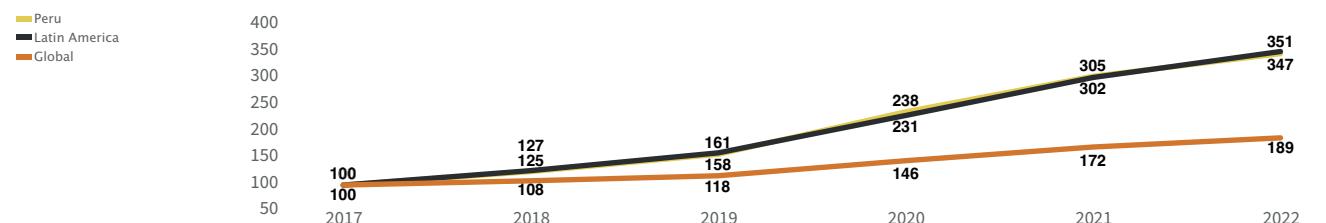
Percentage of internet users



Percentage of internet users who shop online



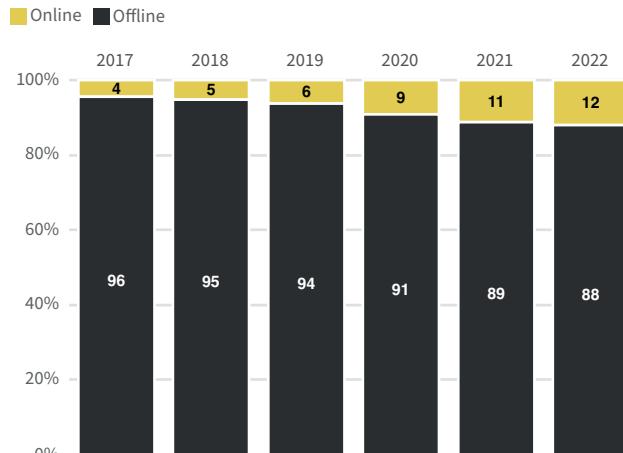
Ecommerce revenue Index



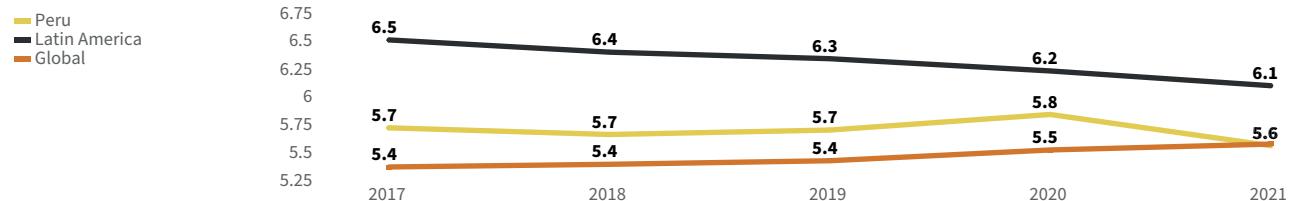
But although Peru is showing growth the concentration of buyers remains focused on the capital, meaning there is much opportunity to encourage ecommerce in the other regions within the country.

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 [1] <https://www.trade.gov/country-commercial-guides/peru-e-commerce>
 [2] <https://www.commercedb.com/en/markets/pe/all>
 [3] <https://www.capeco.org.pe/>

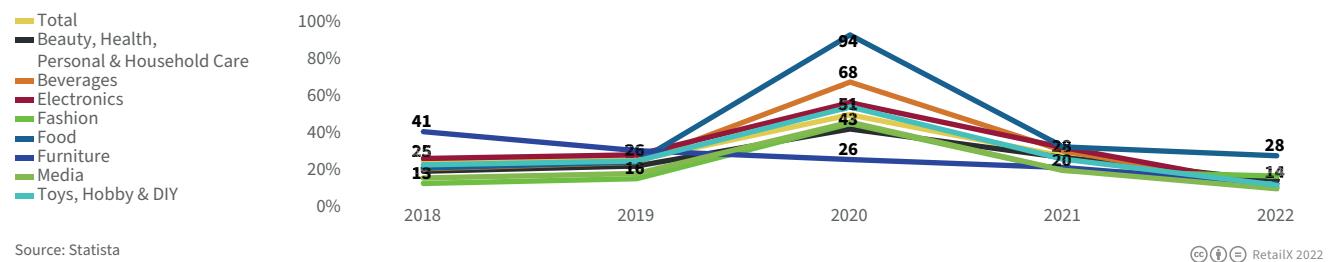
Preferred shopping channel for ecommerce multichannel shoppers in Peru, 2017–22 (%)



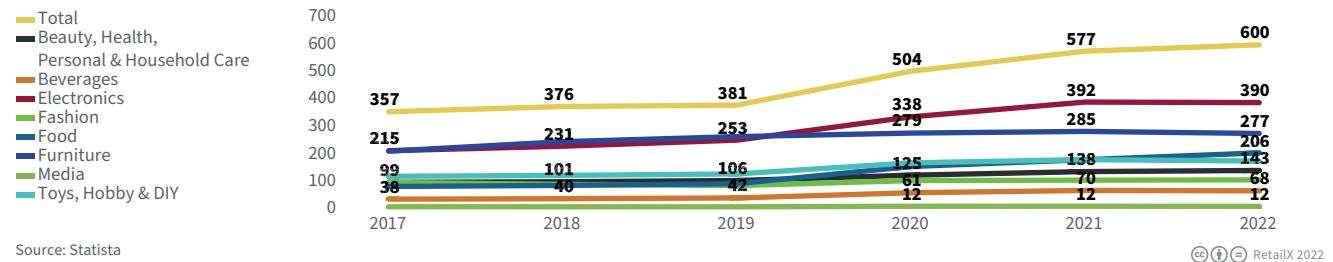
Happiness Index



Annual change in revenue for the online ecommerce market (%) in Peru, 2018–22



Average spending of the ecommerce shopper in Peru, 2017–22 (USD)



The Largest 100

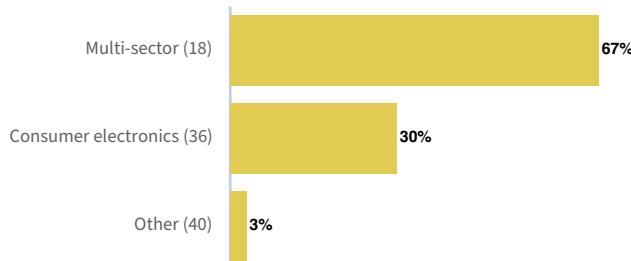
The US attracts two-thirds of traffic to Peru's Largest 100

The USA, China, Spain, UK and Netherlands are the most popular locations for the headquarters of Peru's Largest 100 retailers.

41% of the Largest 100 are based in the USA and 13% in China. The US attracts two-thirds (66%) of traffic, while China attracts 10%. Argentina retailers attract 15% of traffic.

The largest proportion of web visits – more than two-thirds (67%) – are to multi-sector retailers. 30% is to consumer electronics retailers.

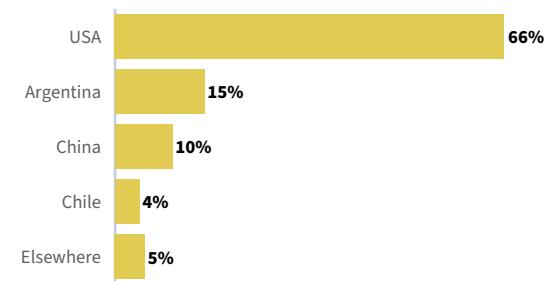
Web traffic by sector in Peru
Web visits of local consumers to the Peru Largest 100 retailers



The number of retailers in a sector is shown in parentheses
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

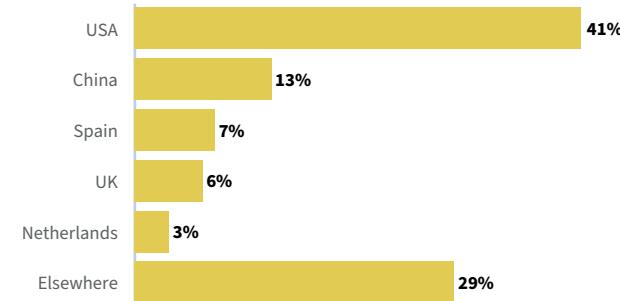
Countries where the Peru Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

Where the Peru Largest 100 are based



Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

H&M

Company: H&M Group
Headquartered: Sweden
Founded: 1947
Online: www.hm.com



H&M

H&M has highlighted Latin America as a key market for expansion in 2022

H&M has identified Latin America as a key focus for growth for 2022^[1] and has signed several new store leases for the brand. As well as physical stores it is also focusing on online expansion in the region. **Of the six new markets in which H&M is launching in 2022 half are based in Latin America.**

H&M opened its first store in Latin America in Mexico City's Centro Santa Fe mall in 2012^[2]. The new store was one of H&M's largest in the world at the time, with the chosen mall the third biggest in Latin America attracting around 8 million visitors^[3] a year.

Ten years on H&M has physical stores in Mexico, Puerto Rico, Chile, Colombia, Peru and Uruguay. It will also launch in Ecuador this year with its own stores, as well as into Costa Rica and Guatemala via franchise. It opened its first



H&M is expanding online and with stores in the region

H&M store in Panama via a franchise agreement with Hola Moda S.A^[4], in September 2021^[5].

The retailer has often chosen to open physical stores before online in Latin America. For instance, at the opening of its Panama store it said that the physical store would initially not be accompanied by an online presence.

H&M online launched in Colombia and Peru earlier in 2022 and in Uruguay in the second half of 2022. It launched H&M online in Chile in autumn 2021.

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- [4] <https://www.reuters.com/article/us-h-m-central-america-idUSKBN1ZG0P2>
- [5] <https://hmgroup.com/wp-content/uploads/2022/01/The-full-report-PDF.pdf>

Mercado Libre**Company:** Mercado Libre**Headquartered:** Argentina**Founded:** 1999**Online:** www.mercadolibre.com**Mercado Libre**

Leading ecommerce business Mercado Libre includes Latin America's most popular marketplace offering.

Mercado Libre is Latin America's leading ecommerce technology company, offering two primary platforms – Mercado Libre and Mercado Pago.

Through these it provides solutions to individuals and companies buying, selling, advertising and paying for goods and services online.

Mercado Libre has a presence across Latin America serving millions of users and operating in all the key markets we are focusing on in this report and 19 Latin American countries in total. The company went public in 2007 and now trades on the Nasdaq Global Market^[1].

The Mercado Libre marketplace sells a broad range of products including everything from cars to computers, art products to antiques. New products represent around 98% of total listings.

The Mercado Libre marketplace sells everything from cars to antiques

The company claims to be the seventh most visited retail site in the world and says that based on unique visitors and page views it is a market leader in each of the major countries in which it has a presence^[2].

In its second quarter results published in August^[3], the company said that it reached 40.8 million unique buyers in the second quarter and that its average user bought seven items in the period, with 275 million items sold in total. Growth is strongest in its key markets of Argentina, Brazil and Mexico.

Customers can pay for goods in a range of ways. For instance, in the company's home market of Argentina^[4] they can choose to pay by credit or debit card, direct bank transfer or cash, in which case they are sent a code to pay in person at their bank. Alternatively, customers can pay using money in their Mercado Pago account.

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- [1] <https://investor.mercadolibre.com/investor-faqs>
- [2] <https://investor.mercadolibre.com/>
- [3] <https://investor.mercadolibre.com/news-releases/news-release-details/mercadolibre-inc-second-quarter-2022-letter-shareholders>
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Falabella

Company: Falabella Group
Headquartered: Chile
Founded: 1889
Online: www.falabella.com



A Latin American retail giant

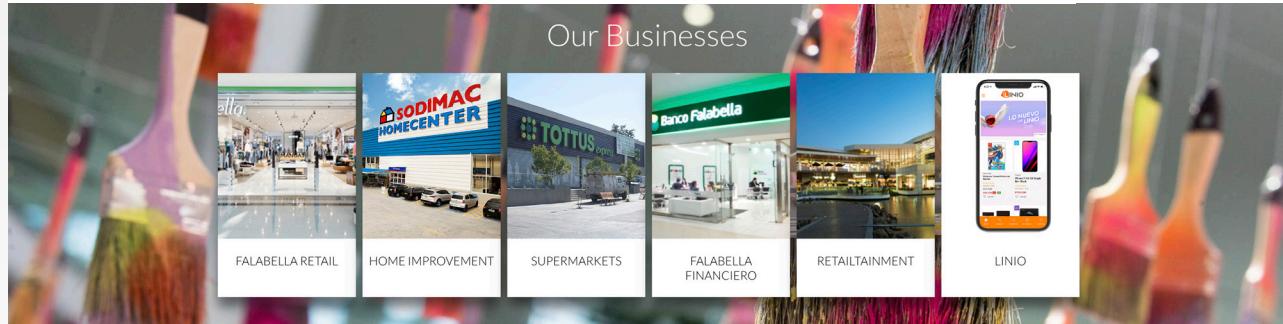
Offering everything from personal care to home improvement goods, and groceries to finance, Falabella Group is one of Latin America's leading retail platforms

Falabella is one of Latin America's leading retail groups but was originally launched as a tailoring store in Santiago, Chile by Salvatore Falabella in 1889.

Today **the company has more than 500 stores, as well as a network of more than 400 click and collect points** in the Latin American region.

The group comprises several different formats^[1]. **Falabella retail is said to be the largest retail platform in Latin America** with both physical and online stores in Chile (47 stores), Peru (29 stores) Colombia (25 stores) and Argentina (10 stores).

The stores sell personal care and household products fulfilled from 11 regional distribution centres and more than 100 click and collect points.



Caption

The home improvement and construction materials division Sodimac, bought by Falabella in 2003, operates more than 250 stores. They include formats such as Sodimac Homecenter, Sodimac Constructor, Imperial, Homy, Dicico, Sodimac Dicico and Maestro are served by 28 regional distribution centres and more than 200 click and collect points.

Stores are located in Chile (89 stores), Peru (54 stores), Brazil (53 stores), Argentina (9 stores), Colombia (40 stores), Argentina (9 stores), Uruguay (3 stores) and Mexico (3 stores).

The group's supermarket division Tottus^[2] began operations in Peru in 2002 before expanding into Chile two years later and now operates more than 150 stores, roughly split between the two countries. It operates from four distribution centres in the region and offers 90-minute delivery in Santiago, Chile.

The group also operates a finance division, shopping centres and Linio, the group's marketplace offering which has a presence in Mexico, Argentina, Chile, Colombia and Peru.

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- [1] <https://investors.falabella.com/English/about-us/default.aspx#section=about>
- [2] <https://tottus.falabella.com/tottus-cl/page/nuestra-empresa>

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Conclusion

We hope that you have found our research and analysis to be of interest and commercial value. We would be very pleased to hear from you with questions, suggestions or comments, and in particular we would like to hear about any areas you think we should include in the 2023 report.

Please get in touch via: research@retailx.net

RESEARCH:

Researcher Anna Segarra Fas

For questions about our research and to send feedback, please email Anna via: research@retailx.net

Research Director Martin Shaw

CEO Ian Jindal

EDITORIAL:

Editor Liz Morrell

Production Editor Gary Tipp

DESIGN:

Art Editor Daniel Tero

MARKETING:

Marketing and Circulation Addison Southam

marketing@retailx.net

SALES:

Commercial Director Andy James andy@retailx.net

Group Creative Solutions Director Marvin Roberts

marvin@retailx.net

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RetailX

123 Cannon Street,
London, EC4N 5AU
Tel: +44 (0) 20 7062 2525
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Global Retail Research RV
Van Heuven Goedhartaan 13D
1181LE Amstelveen
The Netherlands

