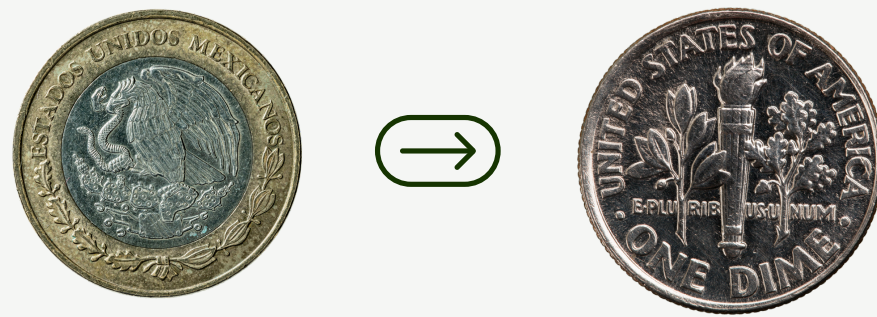# Wise

Product Analytics Case
Demand Estimation for MXN → USD

August 2025

Opportunity: Launch Wise solution for MXN → USD

From pesos to dolars

MXN → USD is an asymmetric currency route with demand anchored in deep ties between the US and Mexico. Key use cases to be considered

- Family/network support
- Bi-national household expense coordination
- Education payments
- B2B supplier flows
- Migration preparation
- Hedging

Mexico has deep ties with US

37.2 million
People of Mexican origin in the U.S. (2023)

10.9 million
Mexican-born residents living in the U.S. (2023)

97% of all mexicans living abroad are in US

USD 63.3B in remittances
Received by mexicans in 2023 alone

Opposite flow can help to close the loop

27.5 million
Mexicans using digital banking

Existing info

Wise data

- Comparable corridors such as LATAM → USD, India → US/UK, Kenya → US/UK, Poland → EU/UK have been open for a few years and can provide detail on Jobs to be done.
- Existing data from US user base can be treated (KYC, IP Metadata, Customer Service inquiries, that reveal customers who are intested in those routes
- Will fail to reveal actual growh opportunities

Market & Competition

- Mexican Gov and Credit Bureaus can help to provide some estimation total adressable market
- Existing competition data can be used - but might prove hard to find.
- Macro trends and Data from Government might not fit properly in our existing product offering

Surveys

- Can provide a good segmentation in Jobs to be Done
- Can capture intent, but might prove weak to capture action

We evaluated different methods, but our selected is a segmented bottom up model

Method	Description	Pros / Cons	Selected & Why
Segmented Bottom-Up Model	JTBD-level framework (addressable users × propensity × frequency × size × adjustment) seeded by analog priors, TAM estimates and internal company data	Pros: Rapid calibration of conversion and elasticity; segment-aware; behaviorally grounded.	✔ Chosen – combines rigor of segmentation with existing validated data. Combines internal company data with external on field information
Top-Down Macro Sizing	Use diaspora population counts and aggregate remittance/trade data to bound total potential volume.	Pros: Very quick sanity check. Cons: Too coarse, no user-level conversion insight.	Not chosen – lacks granularity for JTBD forecasting Can Help with Cross validation
Analog Corridor Proxy Scaling	Adapt volumes/behaviors from corridors like India→US, Kenya→EUR/GBP, Brazil→USD to MXN→USD.	Pros: Leverages real-world flows to seed priors. Cons: Risk of context mismatch; requires adjustments.	Input to priors – supports model initialization but not standalone.
Interest Capture ("Fake Door")	Offer waitlist/"notify me" to measure declared user interest in MXN→USD.	Pros: Cheap, rapid intent signal. Cons: Intent ≠ action; selection bias.	Supplemental – helps prioritize JTBD and refine survey targeting.
Surveys / Stated-Preference Alone	Structured surveys querying intended transfer size, frequency, and price sensitivity.	Pros: Direct insights into motivations and WTP. Cons: Intent-action gap, response bias.	Supplemental – informs parameter priors in the bottom-up model.
Internet Search Trend Analysis	Analyze search volume for relevant keywords (e.g., "enviar dinero EEUU") over time and by region.	Pros: Real-world interest signal; captures seasonality and emerging spikes. Cons: Noisy; interest ≠ conversion; requires normalization.	Supplemental – provides temporal/seasonal context and helps validate survey and analog priors.

Proposed calculation and step by step

$$\text{Demand} = \Sigma j(\text{TAM} * P * F * \text{Avg Volume} * \lambda)$$

j = each job to be done

TAM = Total Adressable Market

- Estimated with extenal base
  - Eg.: Census, Bureau, Research Data
  - Correspond to the total audience that could perform that action

P (Propensity) and F Frequency

- **Use of internal data**
  - Comparable money routes for each one of the JTBD can help us to create a propensity model

  - Also they can hint at the frequency on which each transfer is done
  -

Avg Volume

- **Use of internal data**
  - Use comparable JTBD in the other corridors as your proxy. Normalize when needed using external proxies (eg.: Income)

λ

- **Adjustment**
  - When markets are not properly comparable we can throw an adjustment (eg.: Comparing Brazil vs Mexico in B2B relations with US can fall short due the difference like the products. Thus we use this factor to adjust.

Total Demand is the sum of the demand for each JTBD

Proposed Corridors to Benchmark

Corridor	Live Since	JTBD Applicability	Why Chosen	Key Adjustments Needed
India → US	2020	Family / Network Support Education / Tuition Migration Preparation	Large, mature diaspora corridor; rich data on education payments, recurring support, one-off prep flows	Scale down uplift for smaller Mexican diaspora; adjust for cultural/price-sensitivity differences
Philippines → USD	2018	Family / Network Support Education / Tuition Migration Preparation	Stable, high-volume family & student remittances; long-standing Wise presence	Normalize for lower per-capita remittance; adjust seasonality to Mexican academic calendar
Brazil → USD	2016	B2B Supplier Payments	Deep SME-to-US supplier payment history; reliable invoice cadence	Adjust average invoice size to typical Mexican SME; account for different trade-finance regulations
Poland → GBP	2018	B2B Supplier Payments Bi-national Household Mgmt	Professional services and household flows in an emerging→developed corridor	Filter reverse-flow patterns; adapt for UK-specific FX friction; scale for Mexican-US regulatory differences
Kenya → GBP/EUR	2016	Bi-national Household Mgmt Family / Network Support	Frequent small-value, cluster-based remittances; sticky household flows	Adjust for higher digital-adoption; account for time-zone and EU corridor nuances

We prioritized 5 Jobs to be done that we can use signals and analogies to evaluate

Job to Be Done (JTBD): Describes what is the usage customer is doing of the procut

How it's done: Possible other channels used

Analogies: Markets/corridors wise have launched - we focused in markets Wise Opened launched pre-2022 so we have at least 2 years of full data

Signals: Can help us to identify the behavior in our sexisting base

JTBD	Detail	How It's Done Today	Analogies/Benchmarks	Signals
Family / Network Support	Ongoing financial support to U.S.–based relatives	Wires/remittances, cash via travelers, informal intermediaries	India → US : high-frequency personal remittances, stickiness of repeat sends; Philippines → USD (2018): stable monthly family flows, consistent transfer sizes	saved U.S. beneficiaries; repeat quote/transfer logs; support tickets tagged "family," "US"; diaspora/residency confidence
B2B Supplier Payments	Mexican SMEs paying U.S. vendors for goods or services	SWIFT/correspondent banking; corporate FX; trade-finance platforms	Brazil → USD (2016): mature SME-to-SME invoice payments, predictable cadence; Poland → GBP (2018): professional B2B transfers with high reliability and large AOV	business-account flags; recurring payee patterns; invoice-metadata; saved USD payout accounts
Education / Tuition	Payments to U.S. schools or universities	Flywire/university portals; international wires; FX-enabled cards	India → US (Nov 2020): seasonal lump-sum tuition payments; Philippines → USD (2018): coordinated pre-semester spikes with high-value transfers	purpose tags ("tuition," "school"); institutional beneficiary patterns; p term quote spikes; support inquirie
Migration Preparation	Pre-funding USD ahead of relocation/travel	FX brokers; multi-leg transfers; informal networks	India → US (Nov 2020): urgent one-off transfers around visa/travel dates; Philippines → USD (2018): clear timing sensitivity and high peak volumes	KYC relocation signals; new U.S. payout saves; quote buildup; sessi activity spikes
Bi-national Household Mgmt	Shared cross-border household expense coordination	Reciprocal small transfers via banks or digital wallets	Kenya → GBP/EUR (2016): frequent micro-remittances among family clusters; Poland → GBP (2018): consistent dual-country household expense flows	frequent small transfers to same U.accounts; inferred household cluste recurring schedules; dual-timezone activity

(Example) Proposed calculation and step by step

Demand = Σ_j (TAM * P * F * Avg Volume * λ)

Where:

TAM: Total Adressable Market (Create a look alike model based in existing data from comparable routes)

P: propensity of using the service (calculated using internal propensity data in newly launched routes

F: Frequency

Avg Volume: Average Transfer Volume

λ: Adjustment factor for MXN → USD dynamics

j: each Job to be done

Component	Definition	Primary Data Sources	Source Type
TAM	Total universe of potential users for a given JTBD	Government Census; Partners Data	External
P (Propensity)	Fraction of TAM who actually send per period	Conversion rates in analog corridors (India→US, PH→USD, BR→USD, etc.)	Internal
F (Frequency)	Average transfers per converting user per period	Wise transaction logs tagged by JTBD	Internal
AvgVol	Typical USD amount sent per transfer for each JTBD	Internal transaction database (median/mean transfer sizes) from comparable data	Internal
λ (Adjustment Factor)	Composite multiplier capturing uplift, friction, seasonality, elasticity	Funnel completion metrics; cohort uplift analysis; pilot price/spread tests	Both

Quick Example

Education:

MX Students in US: 300k (from bureau data)

Propensity to use the Product: (7%) - from similar corridors

Frequency: Once per quarter (4 per year)

Median Value: 5k (from comparable data)

Adjustment: 1 (not needed)

Total: 300 * 7% * 4 * 5 * 1 = 420M

Risks, Caveats and Validation

Key Risks

- Comparability is not 100% - can lead to distortion in the overall demand assessment.

- MX banking penetration is very low (~45% of adults does not have a bank account)

- Take rates/pricing sensitivity is not being considered

- Proportions in the share of each JTDB are an educated guess; they need to be validated with real data

Cross-Validation and Sanity Checks

- Whereas data from analog corridors is used - compare with public data to check whether the estimate is sound.

- Search for data of existing customers who might be similar to the ones who can use the corridor, and check if they match the patterns we're looking at.

Next Steps

- Before launching the product survey can help to refine JTBD and current solutions that fit them

- Fake door/pilots can help to refine even more these estimates and enrich it with a take rate.

Conclusion and Next Steps

Bottom Up give more granularity to tackle other problems

- By using a JTBD approach in a bottom-up format, we will have more granularity from Day 0, allowing better understanding of different customer needs.

- Price sensitivity and competition might be different by each source, thus a good mapping of JTBD will help

- Share among the methods will be in need of constant refinement

Iteration will be needed

- First estimation can be good, but will need more data from the field. Small pilots, fake door intent,s and surveys can deal with that.

- Wise customers that have ties with Mexico (Phone +52, IP data in Mexico, CS requests tied to this demand) can be an important source of iteration and feedback

Next Steps

- Revisit the external data needed - Census/Bureaus etc who can be of good usage
- Model the propensity and frequancy of transfer based in comparable corridors.
- Define adjustment factors for each Job to be done and corridor