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Report Name: Mexican E-Commerce Surges and It Is Here to Stay

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Report Highlights:

In 2020, e-commerce sales in Mexico grew 81 percent over 2019 due to the COVID-19 pandemic and the Government of Mexico's restrictions during the declared state of emergency. Mexicans opted for online shopping to avoid crowds and contagion. Existing food delivery apps thrived during the strict confinement months and new e-commerce platforms emerged. Social media played an increasingly important role in purchase decision making. The growth of e-commerce during the pandemic is likely to continue into the future, as it has become an important tool for companies due to the changes in consumer habits.

E-Commerce in Mexico

The development of e-commerce in Mexico goes hand in hand with the increase in internet users and improvement in internet connectivity. According to the 2020 National Survey on the Availability and Use of Information Technologies in Households (ENDUTIH, in Spanish), Mexico has 84.1 million internet users, and 91.8 percent of the population has a smartphone.

According to a study from the Mexican Online Sales Association (AMVO, in Spanish), COVID-19 pandemic accelerated the growth of e-commerce in Mexico, as more consumers turned to online platforms in lieu of in-store shopping. Mexican consumers shifted to online shopping during the pandemic to avoid crowds and contagion in physical stores. Consumers also grew to appreciate the convenience of finding out-of-stock products, comparing prices, and home delivery. In 2020, online sales comprised nine percent of retail sales in Mexico.

In March 2020, Mexico declared a sanitary emergency, limiting operating hours of essential businesses (pharmacies, grocery stores, etc.) and temporarily closing non-essential businesses (shopping malls, clothing stores, etc.) in accordance with contemporary COVID levels. During this period, consumers faced intermittent periods of confinement as their ability to conduct in-person shopping was severely hindered. March and April were the months where e-commerce grew the most due to the Mexican consumers' limited in-person options. **Graph 1** shows the major interest of products and services from Mexican consumer during the pandemic.

Graph 1: 2020 Mexican Online Consumption During COVID-19



Source: Data collected from AMVO Online Sales Study 2021

Online Shopping Platforms and Delivery Apps

Online Shopping Platforms

Table 1 shows the most popular online retailers in Mexico.

Table 1: Popular Retailers in Mexico

Retailer	Origin	Description
Aliexpress	China	Founded in 2010, belongs to the Alibaba group. Offers a wide range of products at affordable prices.
Amazon	United States	The preferred marketplace for Mexican SMEs as it has its own site Amazon Mexico.
Coppel	Mexico	Founded in 1941, is one of the most important department stores in Mexico. Consumers prefer it as it offers store credit, free delivery, and rewards.
Ebay	United States	Offers a wide range of international products.
Linio	Chile	Founded in 2012, is the most popular online retailer in Latin America. It offers products from well-known brands and from SMEs.
Liverpool	Mexico	Liverpool was founded in 1847 in Mexico City. It has 123 units. Liverpool offers curbside pickup, website, and mobile app.
Mercado Libre	Argentina	Is the largest Latin American marketplace selling new and used products, it has with its own method of payment Mercado Pago.
Shein	China	Founded in 2008, is one of the most downloaded apps in Mexico. Shein offers low-cost fashion for women.
Walmart	United States	Walmart has a total 2,634 units operating in Mexico. Their online platform includes same day delivery for their supermarkets and an online store that offers products that are not available at physical stores.
Wish	China	Like Aliexpress, this marketplace sells affordable products from Asia. It has 90 million users around the world and 1 million sellers.

Delivery Apps

The first food delivery apps in Mexico arrived in 2016, starting with Uber Eats covering 100 restaurants in Mexico City, followed by Rappi (from Colombia). By 2017, market share was divided among Uber Eats, Rappi, Postmates and Sin Delantal (Spain). Postmates concentrated their efforts in the United States and discontinued its services in Mexico in 2019. That same year, Didi Food (China) entered the Mexican market. Sin Delantal left in October 2020 due to the impact of the COVID-19 pandemic and strong competition by Uber Eats, Didi Food and Rappi.

Uber Eats leads the market with a total of 47,267 users and 35,000 affiliated restaurants. Didi Foods has a total of 24,188 users and covers 34 cities in Mexico. Rappi has 23,754 users and also offers grocery delivery, pharmacy delivery, cash delivery, and Rappi Favores, where the user can request special deliveries from business outside the platform.

Online Supermarkets

In addition to existing supermarkets online platforms of the supermarkets, since 2019, some startups developed online-only supermarkets, or “dark stores.” Online-only supermarkets offer grocery deliveries at competitive prices. They do not have a physical store where the consumer can buy products directly. Orders are placed through a website or mobile application; a delivery driver picks up the order at warehouses located in different parts of the city. These online supermarkets are currently available only in Mexico City, though there are plans to expand to populated cities like Monterrey and Guadalajara in 2022.

The market share is divided between two companies: Jüsto (Mexico) and Merqueo (Colombia). Jüsto buys directly from producers and works mostly with domestic companies for fresh products like produce and meats. Similarly, Merqueo does not have intermediaries and buys directly from the producer. Merqueo is developing a pilot program in three neighborhoods in Mexico City that offers deliveries in 10 minutes.

Social Media

Mexico has a total of 100 million active social media profiles. The average number of browsing hours increased from 8.4 in 2019 to 9.01 in 2020. The preferred communication device is the smartphone as 91.8 percent of the Mexican population owns one, followed by computers, tablets, Smart TV, and video game consoles. The preferred social media platforms in Mexico are Youtube, Facebook, Whatsapp, Facebook Messenger and Instagram.

Social Media plays an important role on the purchase decision. Mexican consumers use social media to access information about brands, product reviews, and opinions from other consumers. Facebook is one of the most preferred social media platforms, according to a study from Lab Mexico, Facebook ads influence 63 percent of consumers in their purchasing decisions and 56 percent click on the posts redirecting them to online stores.

Influencer Marketing

Mexico ranks third in Latin America with a total of 443,030 influencers. Mexican influencers are divided in three categories: celebrities (actors, singers, athletes); professionals (internet natives) with good reputation, loyal follower communities and engagement; and citizens that influence their local or regional communities. This group is mainly comprises teenagers, housewives and amateurs.

Several brands have decided to focus their efforts on nano influencers (accounts with less than 100,000 followers). They reason that these accounts have greater potential to reach niche markets and their content generates more credibility than celebrities.

E-commerce will continue to grow in Mexico in the coming years as it has become a reliable alternative for consumers to make purchases, and it offers an additional distribution channel for U.S. companies. It is important to have a good social media strategy to advertise the brand and products and their attributes. If you decide on an influencer marketing campaign, it is recommended that you work with a specialized agency to choose the influencer that best suits the brand values.

For further information and to learn more about the services provided by the Agricultural Trade Offices in Mexico, please contact us at:

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No Attachments.