

Mexico is the 17th largest market for ecommerce and the second-largest market in Latin America,<sup>1</sup> with ecommerce penetration growing faster than in Brazil, the biggest market in the region.<sup>2</sup>

Ecommerce is expected to double its weight in Mexico, increasing from contributing over 6% of total retail sales in 2020 to 15% by 2023.<sup>3</sup>

With a relatively underdeveloped domestic ecommerce market, cross-border online spending is high. Cross-border ecommerce accounts for 31% of total Mexican ecommerce.<sup>4</sup>



Population<sup>5</sup>  
**129.9M**



Currency  
**Mexican peso**



Language  
**Spanish**

# MEXICO

The Cross-border  
Ecommerce Opportunity

## The Mexican ecommerce market



Internet users  
% of population<sup>6</sup>

**71%**



Digital buyers  
% of internet users<sup>7</sup>

**38.5%**



% of digital buyers  
who buy cross-border<sup>8</sup>

**45.2%**



2020 % ecommerce  
of total retail sales<sup>9</sup>

**6.6%**



2020 retail  
ecommerce sales<sup>10</sup>

**\$26.19 Bn.**



2020 uplift in the  
ecommerce market<sup>11</sup>

**31.9%**

## A fast-growing ecommerce market



Number of digital  
buyers by 2023<sup>12</sup>

**28.4M**



2023 retail  
ecommerce sales<sup>13</sup>

**\$34.96 Bn.**



Ecommerce annual growth  
rate (CAGR 2021-2025)<sup>14</sup>

**3.78%**



Cross-border retail  
ecommerce buyer growth<sup>15</sup>

**12.7%**

### Most popular payment methods for ecommerce purchases



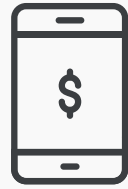
Card



Cash



Bank Transfer



Digital Wallet

Cards are the dominant online payment method in Mexico, used in 47% of all transactions. The use of cards is expected to rise slightly to 2023, when cards will be used for 49% of all online transactions.<sup>16</sup>

Debit card penetration is high, while cash and digital wallets tie as the second most used payment method. The high use of cash, which is often used to settle payment on delivery, can be attributed to Mexico's large (63%) unbanked population. However, according to a JP Morgan report the use of cash is expected to drop dramatically falling to just 2.6% of ecommerce transactions by 2021.<sup>17</sup>

### Tax and Duties



All orders valued above US\$50 are subject to local VAT. The rate varies based on the outbound country (USA and Canada/ROW) and the order value price range. All orders exceeding US\$300 are also subject to import duty at a fixed amount of 240 MXP.

### Local online shopping peaks



May/June

#### Hot Sale:

Organised by the Mexican Association of Online Sales (AMVO), 'Hot Sale' is one of the most important sales events in Mexico. During the 'Hot Sale', online merchants offer substantial discounts across three days in late May to early June.

November

#### "El Buen Fin":

The Mexican equivalent of Black Friday, this promotional event lasts four days, occurring over a mid-November weekend. During this weekend retailers offer many discounts in order to give sales a boost.



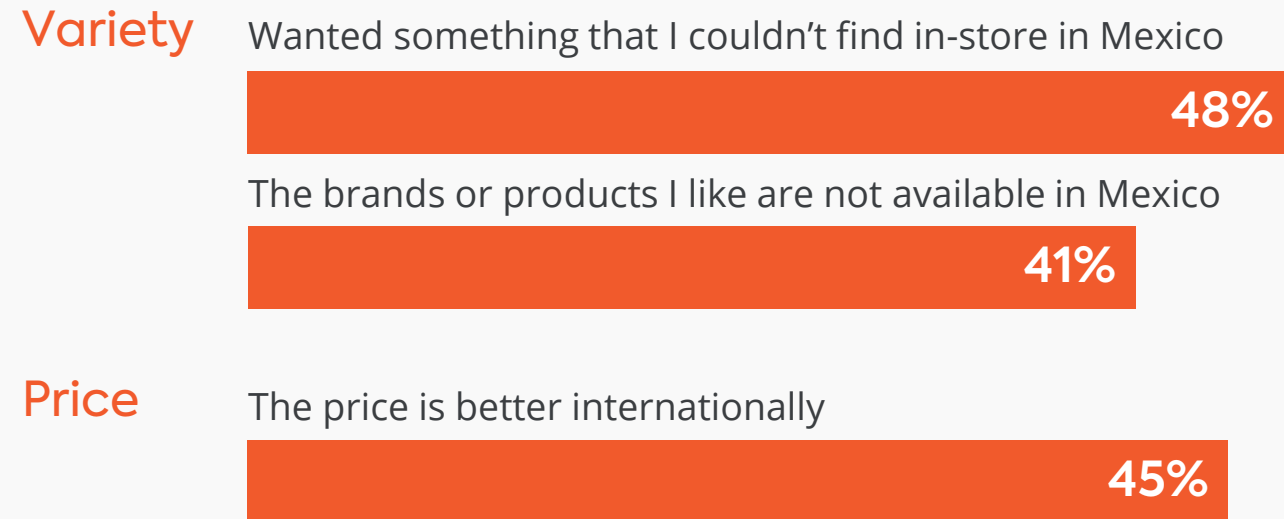
Apparel is the largest segment in ecommerce sales of physical goods, with projected market volume in 2021 reaching<sup>18</sup>

**\$2,912M**



## The Mexican Cross-border Ecommerce Shopper

### Top reasons for buying online cross-border



### Local shopping preferences



**>95%**

of Mexican cross-border shoppers prefer to purchase in the local currency

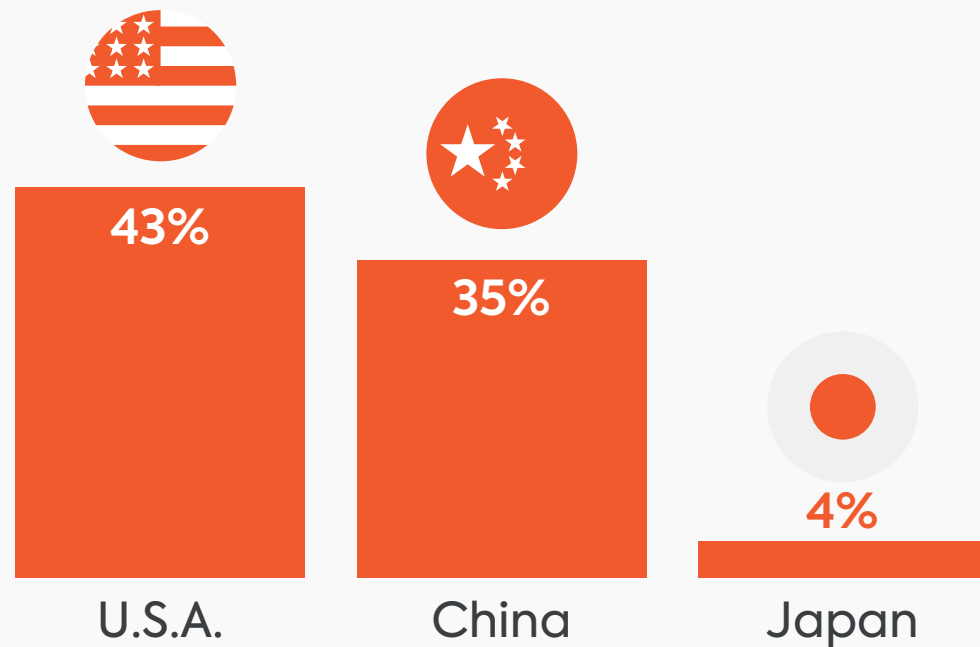


**>91%**

of Mexican cross-border shoppers opt to pay all duties and tax at checkout for a guaranteed landed cost

Source: eMarketer, 2019

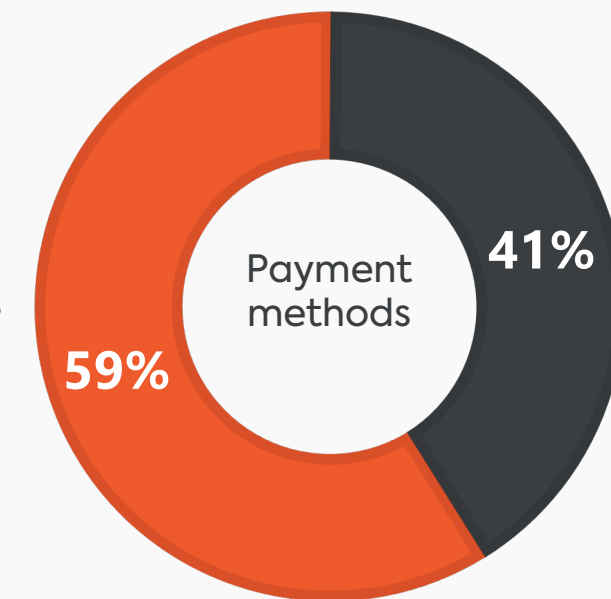
### Top cross-border shopping origin markets



**28%**

of digital buyers in Mexico buy on international websites once a month and **10%** buy once a week<sup>19</sup>

Credit Cards



Alternative payment methods



Source: J.P. Morgan, 2020

Source: Global-e company data, March 2021

To discover more about increasing your online sales for the Mexican market, contact our cross-border ecommerce experts at [info@global-e.com](mailto:info@global-e.com) or visit our website: [www.global-e.com](http://www.global-e.com)

## About Global-e

Global-e (Nasdaq: GLBE) is the world's leading platform to enable and accelerate global, direct-to-consumer cross-border ecommerce growth. The chosen partner of hundreds of retailers and brands across the United States, Europe and Asia, Global-e makes selling internationally as simple as selling domestically.

Our end-to-end ecommerce solutions combine best-in-class localisation capabilities, big-data best-practice business intelligence models, streamlined international logistics and vast cross-border experience, enabling online retailers to offer customers in over 200 destinations worldwide a seamless localised shopping experience. This includes local messaging per market, local pricing supported in 100+ currencies, 150+ local and alternative payment method, local tax and duty calculation with prepayment options for a guaranteed landed cost, multiple shipping options at attractive rates and easy returns.

For more information, please visit our website: [www.global-e.com](http://www.global-e.com)

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