



BRAZIL

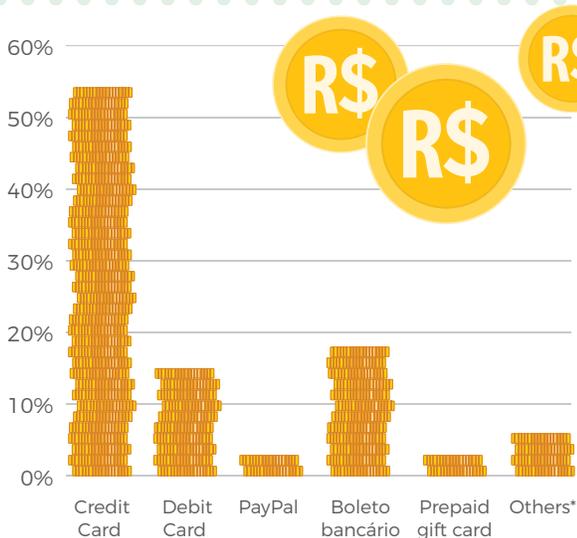
Insights into e-commerce,
mobile app purchasing
and digital subscriptions

June 2019

Key Data Points on Brazilian E-Commerce

Brazil's e-commerce market totaled a massive **\$36 bn** in 2018, but levels of digitization still vary.

3 of 10 Brazilians (30%) prefer using a non-card payment method when shopping online



Q: What is your preferred payment method when shopping online?



*Includes direct carrier billing, other cash payment solutions, and miscellaneous e-wallets

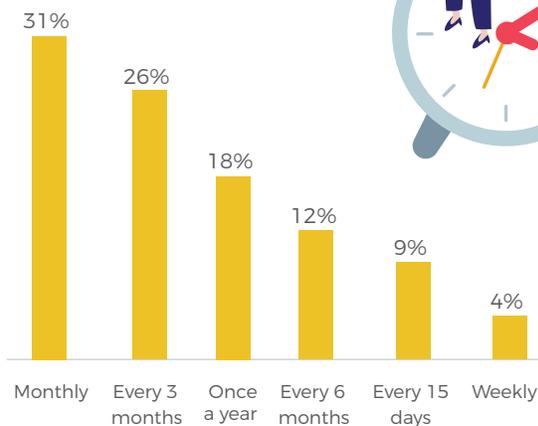
Debit has made impressive gains and is now the preferred payment method of **15%** of e-commerce users

Yet **credit card** remains the preferred e-payment method for **55%** of e-shoppers.



Shopping habits and payment methods

44% of Brazilian digital consumers shop online at least once a month



And they use multiple payment methods, which vary by product category.



Recent online payment methods by category



Clothing



Beauty



Video Streaming



In-app purchases

| Payment Method | Clothing | Beauty | Video Streaming | In-app purchases |
|-----------------|------------|------------|-----------------|------------------|
| Credit Card | 65% | 57% | 63% | 69% |
| Debit Card | 12% | 30% | 11% | 14% |
| Prepaid Card | 0% | 1% | 5% | 2% |
| PayPal | 1% | 1% | 5% | 6% |
| Boleto bancário | 19% | 8% | 8% | 7% |

Q: For each of the following product categories, when making your last online purchase, which payment method did you use?

Digital services and subscriptions

Top **digital subscription services** in Brazil

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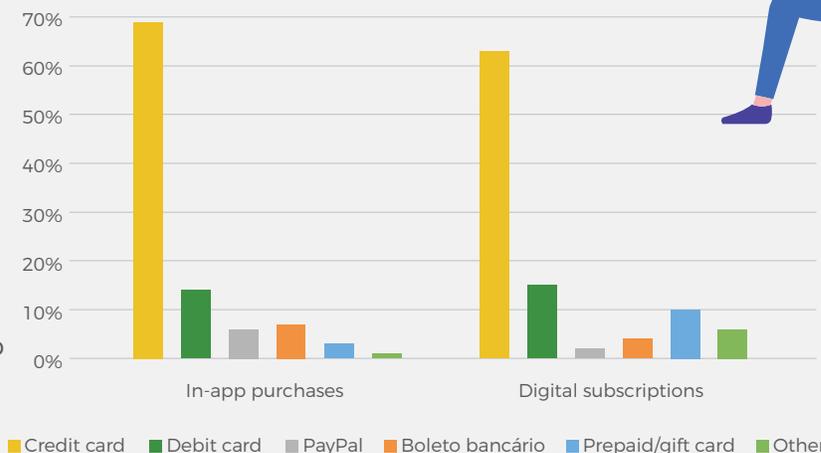


65% of online shoppers subscribe to **at least one digital service**

Preferred payment method by online purchase type



Credit Card penetration increases for in-app and subscription purchases.



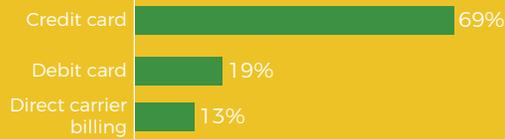
The popularity of **prepaid and gift cards** jumps in the digital subscriptions category.



Digital subscribers

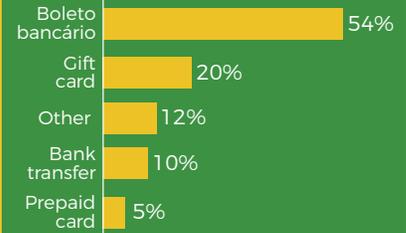
70% use automatic recurring payments

Preferred payment method



30% prepay

Preferred payment method

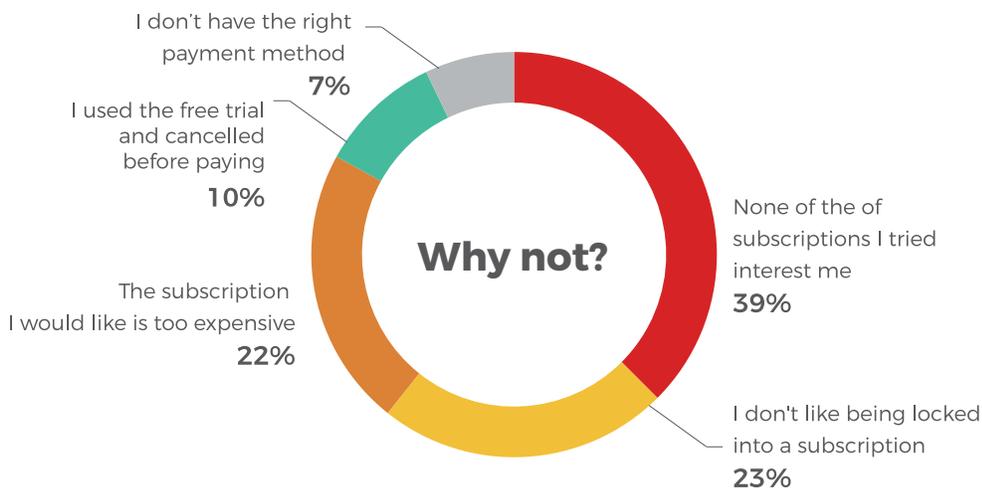


Q: When paying for a digital service, do you pay via automatic recurring payment, or do you prepay? In each case, which payment method do you prefer?

34% of prepaying subscribers purchase just **one month** of service at a time.

Alternatively, **32%** pay for **12 months** up front.

3 out of **4** consumers who downloaded an app in the last 6 months **did not upgrade to a paid subscription**



Interpreting the data

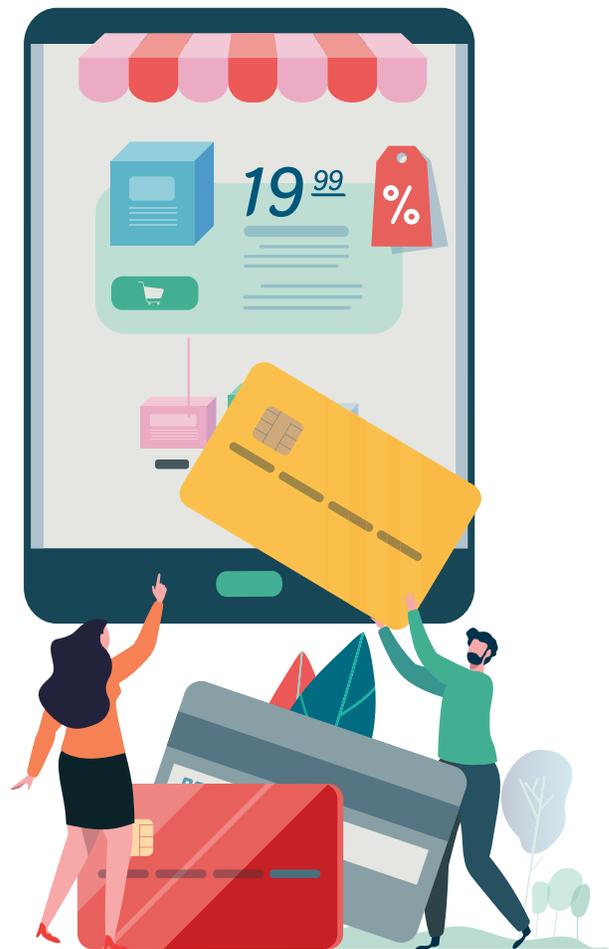
Brazil is Latin America's largest e-commerce market, with an estimated 60 million online shoppers. But these digital consumers represent only 42% of the online population, meaning **Brazilian e-commerce still has more than 100% growth potential.** Achieving this goal, however, requires a deeper understanding of the behaviors and preferences of the Brazilian e-shopper.

E-commerce merchants selling into Brazil can reach the majority of online shoppers by accepting credit cards; it is the preferred payment method of 55% of Brazilian e-shoppers. Another 15% prefer debit.

However, alternative payments are preferred among 30% of Brazilians, meaning merchants must offer a variety of payment methods to satisfy 100% of e-commerce customers. Reaching 100% of the online population in in-app purchases and subscriptions is tougher still. 35% still do not subscribe to any digital service, citing disinterest as the top reason. 8% report not owning the appropriate payment method, indicating that **underbanked Brazilians remain excluded from the digital economy.** To continue to push online sales in Brazil, merchants and financial institutions must work together to fully engage the underbanked. Credit card holders are already well-engaged. **Growth will come from the 57% of e-shoppers who buy online less than once a month, the 35% who do not have a digital subscription, and the 30% of digital subscribers who currently pay month to month.**

Methodology notes

The data in this report come from an online consumer survey conducted in 2018 of 700 Brazilians who reported having made an e-commerce purchase in the last six months.



About About Americas Market Intelligence (AMI)



AMI is the leading independent market intelligence provider in Latin America.

In a rapidly evolving ecosystem, companies need a clear, objective analysis of what's happening in the payments industry in Latin America.

That is precisely what AMI's payments practice provides to financial institutions, merchants, payments gateways and others trying to navigate profitably through Latin American markets.

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- P2P and low-value transactions
- ACH and real-time payments
- Mass payouts
- Payments innovation & fintech



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- Recognized LAC payments thought leader, author and public speaker
- Led 100+ payments studies
- Fluent in English, Spanish and Portuguese

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