

# How Banco Inter is working to democratize access to the digital economy in Brazil

Article

In more developed markets around the world, consumers are able to gain access to financial institutions with relative ease. But in Brazil—like elsewhere in Latin America—many consumers

continue to be excluded from its formal banking sector.

Being unbanked—or underbanked—has long been one of the primary barriers to broader consumer adoption of ecommerce in Brazil. Fintechs have a unique opportunity to grow market share by increasing their financial inclusion efforts. Doing so will not only benefit the longtime growth of the industry but will also help propel ecommerce.

We recently spoke with Rodrigo Gouveia, CEO of Inter Marketplace, to hear his thoughts on how fintech companies, like Banco Inter, are working to help close the divide between banked and unbanked consumers and democratize access to the digital economy for all.



*This interview was originally featured in "Industry Insights: The World's Fast-Growing Ecommerce Market, Part One" as part of a curated collection of interviews among executives in Latin America, conducted by eMarketer, in partnership with VTEX, an ecommerce and marketplace platform. **Download your complimentary copy today!***

## **How are fintech companies working to help close the divide between banked and unbanked consumers and democratize access to the digital economy in Brazil?**

Many consumers from Brazil's lower socioeconomic classes do not have access to or cannot afford traditional banking services. The rise of fintech companies has helped revolutionize Brazil's banking sector over the past six years by offering unbanked, or underbanked, consumers the ability to access financial services, all from within a single mobile app.

Everyone needs a bank, but we believe that consumers should not have to pay for a checking account. In order to attract new clients, our strategy has centered on offering one of Brazil's first 100% free-of-charge digital checking accounts. This means that we do not charge any annuity to cardholders, nor do we charge fees for ATM withdrawals or wire transfers. In doing so, consumers can now be treated equally and purchase both financial and nonfinancial products.

We currently have more than 10 million clients and are opening approximately 38,000 new bank accounts every day. This is a truly remarkable social accomplishment that Banco Inter has done. And with our digital marketplace, we are quickly becoming a one-stop-shop for consumers.

## **What made Banco Inter decide to expand into the world of ecommerce? What opportunities are you observing within the Brazilian market?**

No other institution knows more about their clients than banks do. We know who they are, what they spend, how they consume—everything. So, the next logical step for us was to leverage our audience as a marketplace. In our view, companies that can provide people with broader and more transparent access to credit and financial services— all while understanding the entire consumer lifecycle—will be the biggest winners of ecommerce.

We first started by competing with Google and Facebook, as an advertising environment, where retailers could come in, reach an interesting audience, and segment said audience. In exchange, they would not just get a lead but a completed purchase.

Financially speaking, that is the opportunity we see for ecommerce—for us as a company and for our customer base. Since our audience is what attracts retailers to our marketplace, it is only fair that we share part of our profits with them in the form of cashback.

“The democratization of the digital economy and transparency are key to us.”

RODRIGO GOUVEIA  
CEO, INTER MARKETPLACE

### **How has that strategy of cash back helped differentiate Banco Inter within Brazil's ecommerce ecosystem?**

The notion of cash back is very popular in the US, but it took a while to catch on in Brazil. At the end of the day, it's money in your pocket. Rather than receiving a credit, or points, our clients can quickly redeem their cash back directly into their checking account.

The democratization of the digital economy and transparency are key to us, and we want to reward our customers for their loyalty. If clients see that a company is on their side, they will be more inclined to do business with them.

### **Throughout the pandemic, consumers have had a higher tendency to pay for digital purchases using a debit card versus a credit card. Is this something you have observed as well?**

Yes. Purchases made with debit cards have been increasing a lot. In fact, almost 45% of all transactions on our marketplace were paid for using a checking account. This trend can be explained by the fact that a lot of our account holders have a debit card but not necessarily a credit card.

Though, we do run promotions from time to time where we double our customers' credit card limits if they have shown progress in managing their finances. We also have offered these credit allowances to our clients who shop within our digital marketplace. Since we know who our clients are and which financial products they have, this makes it easier for us to extend credit to them.

## Payment Methods Used by Internet Users in Brazil to Pay for Their Purchases\*, June 2020

% of respondents

	Used to use	Use	Intend to use
Cash	75%	46%	60%
Debit card	62%	54%	59%
Credit card	55%	43%	50%
Credit card digitally (website & app)	42%	48%	46%
Wire transfer	42%	46%	42%
Cash deposit	33%	22%	29%
Digital wallet (PayPal, PicPay, Pagseguro, etc.)	30%	33%	36%
Proximity card	20%	21%	31%
QR code	11%	14%	17%

Note: ages 16+; \*digital and in-store

Source: Opinion Box, "Impacto nos hábitos de compra e consumo: Novos dados sobre o isolamento, as apostas dos consumidores em relação às tendências que vieram para ficar e dados inéditos sobre meios de pagamento, 12ª edição," June 16, 2020

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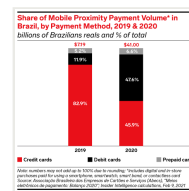
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Want to hear more from Banco Inter's Gouveia? Listen to our podcast interview.

Audio Jun 10, 2021

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