

Marketers' Roundtable: The Secrets to Success in Latin America's Ecommerce Market

Regional executives from eBay, OLX and PayPal weigh in

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Ecommerce in Latin America is still in the early stages of consumer adoption, but there's no question that it's growing. According to eMarketer's June 2018 forecast, retail ecommerce sales in the region will grow 17.9% to reach \$53.20 billion this year. And though growth will slow a bit in subsequent years, sales are expected to total \$82.33 billion by 2022.

eMarketer's Matteo Ceurvels spoke with three regional ecommerce executives from eBay, OLX and PayPal about the state of ecommerce in Latin America, and how their companies found early success in the market. These interviews were conducted as part of our August report, "[Latin America Ecommerce 2018: Digital Buyer Trends for Argentina, Brazil and Mexico.](#)"

eMarketer:

What are the main barriers hindering ecommerce growth in Latin America?

Andrea Stairs:

From eBay's perspective, anything that causes barriers or frictions to online global trade weakens the growth of ecommerce for the Latin American region. Shipping, for example, can be a challenge for Latin American sellers looking to export, as they need to find the right balance between speed and cost to keep their business competitive while offering great customer service. Local postal services may offer competitive pricing at the expense of speedy delivery and tracking accuracy, while private carriers can be expensive.

Andries Oudshoorn:

Logistics and reliability are a key barrier for the continued growth of ecommerce in Latin America. Many Latin Americans do not yet experience the reliable and fast delivery times that are common in more mature ecommerce markets. Another important barrier has to do with culture, especially when it comes to used goods. Traditionally, Latin American consumers were not used to selling things they no longer needed.

Lucas Medola:

Undoubtedly, one of the biggest limitations for Latin American consumers is security. This is still an important issue since the cost of cybercrime around the world will reach \$2.1 billion. Even though ecommerce offers consumers a number of possibilities, it has also become fertile ground for online scams. They are even more commonplace especially for those consumers who are not used to surfing the web in search of offers.

eMarketer:

Despite these challenges, what's driving the growth of ecommerce in Latin America?

Andrea Stairs:

Cross-border trade is by far one of the most important growth drivers for ecommerce in Latin America, from both consumer and retail business perspectives. Shopping a global marketplace like eBay gives consumers access to greater inventory selection and value, which increases their purchase power.

On the flip side, retailers—particularly small and medium-sized businesses—who reach consumer markets beyond their immediate region automatically increase their chances of making a sale.

Lucas Medola:

The digitization of money, rapid expansion of internet access and mobile phone adoption have created the perfect conditions to make saving, spending, giving and borrowing both easier and cheaper for consumers. This gives banks an important role in promoting ecommerce.

We also believe that digital payments are making financial services more universally accessible. This has provided an opportunity to foster financial inclusion and financial health for millions of people worldwide.

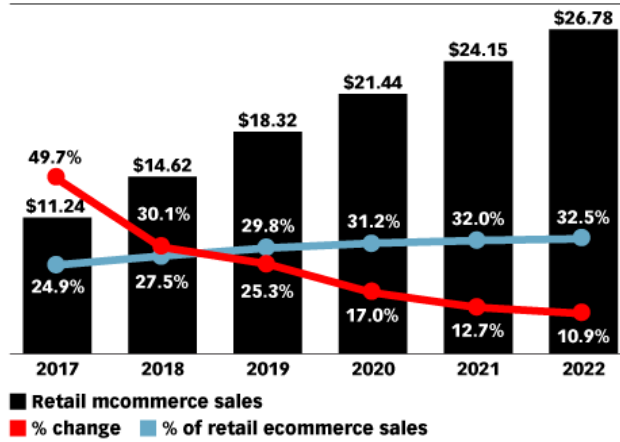
Andries Oudshoorn:

Growth is primarily driven by increased access to smartphones and credit cards, especially among consumers in urban areas. When it comes to the buying and selling of used goods, increased awareness has been an additional driver since we need a more sustainable consumption model that is good for our economy, society and environment.

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ANDREA STAIRS
EBAY

Retail Mcommerce Sales in Latin America, 2017-2022
billions, % change and % of retail ecommerce sales



Note: includes products or services ordered using the internet via mobile devices, regardless of the method of payment or fulfillment; includes sales on tablets; excludes travel and event tickets
Source: eMarketer, June 2018
239781 www.eMarketer.com

eMarketer:

How important is mobile to your ecommerce strategy in the region?

Andries Oudshoorn:

Over 75% of users access OLX on their mobile phone, particularly through the OLX Android app. It is the most convenient way for users to buy and sell since they can take product photos with their phone and publish them immediately. Our users can also communicate with one another by using the OLX chat feature.

Andrea Stairs:

Mobile is a critical component of our business: More than 60% of eBay's volume involves a mobile touchpoint—from a buyer starting a search or watching an item, to fully completing a transaction on their phone. Mobile is also changing how consumers and businesses sell. Roughly 13.7 million eBay listings are created each week via mobile devices. We continue to think "mobile first" as we design new products and experiences.

Our mobile-first approach directly applies to the Latin American region, where we see strong smartphone adoption. We're continually innovating to provide the very best mobile experience for consumers in Latin America.

Lucas Medola:

According to a recent study by BigData Corp. conducted for us this year, the results showed positive growth for mcommerce: 74.26% of online businesses in Argentina now have websites that are optimized for mobile devices, compared to just 10.42% in 2017. Bearing this in mind, this is why PayPal has developed products and strategies that are able to adapt to this reality, such as One Touch™ [automatic login] for the web and its mobile version. This product was very well received by consumers, and we've been able to fulfill our vision of providing a fast and safe experience for merchants.

eMarketer:

What does your company do to differentiate itself in Latin America's ecommerce ecosystem?

Lucas Medola:

PayPal differentiates itself since the company promotes the democratization of financial services, especially through our various partnerships. Globalization has not only changed our customers' needs, but also the way in which we must serve them. We've made it easy and reliable for people around the world to move and manage their money digitally. That's why we're quickly becoming a daily necessity for people since they now rely more on technology to make their day-to-day activities simpler and faster.

Our success is based on our approach of not sharing financial data during the transaction. This is how we've managed to fight against criminals and earn the trust of our clients. As scammers get smarter, we've also become smarter.

Andrea Stairs:

eBay has one of the world's largest selections of inventory, with 1.1 billion items worldwide and more than 500 million available for our users in Latin America. This access to such a wide range of inventory also brings great value for buyers, which, combined, makes our platform stand out as a leader in ecommerce and cross-border shopping.

eBay also gives both small and large Latin American sellers the tools and services they need to build their businesses and drive sales by having access to buyers in 190 different markets around the globe. This access to a global marketplace has been the key to our success in the region.

Andries Oudshoorn:

Since OLX focuses on C2C [consumer-to-consumer] trade, we have unique content that is not available on any other site. This unique content generates a lot of engagement because users come back daily or even several times a day to check out what new offers are available in their area.

OLX also has a unique horizontal model that offers all kinds of different products and services, ranging from household goods to real estate. This gives us the benefit of being a top-of-mind brand in each of the verticals where we operate as well as having the opportunity to engage users on an ongoing basis.

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LUCAS MEDOLA
PAYPAL

eMarketer:

What excites you most about the future of ecommerce in Latin America?

Lucas Medola:

I am very excited to be part of a company that represents innovation. The future is here, and we can no longer think that ecommerce is something that will come in a few years. It's a reality today. I am also very excited to see that Latin America is growing and improving. That is why we are dedicating a lot of time and energy into promoting ecommerce throughout the region.

Andrea Stairs:

What excites me the most about the future of ecommerce in Latin America is its tremendous growth potential, and how eBay is playing a key role in this growth by creating a better form of ecommerce for both buyers and sellers.

Andries Oudshoorn:

What most excites us at OLX is how we are changing the consumption model in Latin America. We are impacting the lives of millions of families in a positive way by allowing them to get money from products they no longer need. In turn, users are able to buy unique used products at an attractive price and also build a more sustainable consumption model by extending the economic life of products.

How is online shopping progressing in Latin America? In the latest episode of "Behind the Numbers," Latin America specialist Matteo Ceurvels and forecaster Eric Haggstrom discuss the unique challenges in the market, the top ecommerce properties, the role of mobile and more.

Interview conducted on July 10, 2018