parcelmonitor

2023

State of E-Commerce in Latin America

How has e-commerce evolved in Argentina, Brazil, and Mexico?

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01 About the Report

What to Expect

In 2020, [Latin America (LATAM)](#) experienced an unprecedented surge in e-commerce penetration, with **sales reaching a remarkable $85 billion**. That being said, the region started from a significantly low base, indicating that there is ample room for continuous expansion and development in the foreseeable future. Against this backdrop, this report features insights derived from our in-house data, revealing e-commerce delivery performance across the LATAM region, with a specific focus on **Argentina, Brazil and Mexico**.

Data Methodology

Our benchmarking and [carrier performance measurement](#) initiatives involve the collection of **billions of anonymized data points from more than 130 countries** annually. We also harness data from **hundreds of millions of parcels spanning 1,450+ carriers** through our [international tracking page](#), culminating in the creation of high-quality insights.

In addition, our domestic and international data is analyzed on a "trade lane" level, comparing the same combinations of origin and destination to maintain data representativeness. Benchmark data sets have been compiled with strict minimum requirements for data point quantity and comparability.

Want to learn more about our data?

GET IN TOUCH TODAY

02 E-Commerce Landscape in Latin America

Latin America – a region traditionally associated with 'old economy' industries – has witnessed a transformative shift in its e-commerce landscape over the past few years. Driven by changing consumer behavior, coupled with expanding digital infrastructure, and growing internet penetration, the region has emerged as a flourishing market for online commerce and was named the fastest-growing regional market globally back in 2020. This upward trend is expected to continue at a **Compound Annual Growth Rate (CAGR) of 12.77%**, reaching an **estimated market volume of US$133.40bn by 2027**, according to Statista.

Latin America's E-Commerce Revenue: 2017-2027 (USD)

Eyeing international expansion but not sure how?

Take your first step with Parcel Monitor's market data today.

02 E-Commerce Landscape in Latin America

Latin America's Growing Digital Consumer Base

It's no secret that the growing internet penetration rates in Latin America have played a pivotal role in driving the rise of e-commerce. As more individuals gain access to the internet, barriers to entry for online shopping are gradually diminishing. Based on Statista's projections, the **number of e-commerce users in LATAM is expected to exceed 258 million by 2027**, accompanied by a remarkable **user penetration rate of 61.4%** in the same year.

Moreover, RetailX identifies Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Panama, and Peru as the leading e-commerce markets within the LATAM region. These eight countries **collectively have an internet access rate of 79%**, with **approximately 50% of the population having participated in online shopping in 2021**, which marks a significant increase from the 33% recorded in 2017.

Shifting Consumer Preferences in Specific Product Categories

Consumer preferences in Latin America have undergone significant shifts across various product categories. In the **beauty, health, personal care, and household care sector**, there has been consistent revenue growth, with projections indicating a **substantial increase from $9.78 billion in 2022 to $18.07 billion by 2027**. Similarly, for the **electronics category, the revenue is expected to rise from $27.96 billion to $51.41 billion in the same period**.

Meanwhile, the beverages, fashion, food, furniture, media, toys, hobby, and DIY categories have experienced varying degrees of revenue growth, highlighting the dynamic nature of the LATAM market. In order to effectively cater to these changing demands, businesses and e-commerce platforms must adapt and align their strategies accordingly, ensuring that they capture market share and meet the evolving needs of consumers in LATAM.

**Curious about the changing consumer preferences in other markets?**
Here are 5 biggest consumer behavior trends in the United States.

03 The Rise of Social Commerce in LATAM

Just like many other regions around the world, social commerce is beginning to gain ground in Latin America today. This emerging trend combines the power of social media platforms with e-commerce, creating a seamless shopping experience for consumers worldwide. Based on recent data from ResearchAndMarkets, social commerce in LATAM is projected to experience a **CAGR of 28.9% between 2022 and 2028**, which will in turn propel the market volume from **US$6.2 billion in 2022** to an estimated **US$27.3 billion by the end of 2028**.

Even though public data on LATAM's social commerce adoption is somewhat limited compared to other regions, a study by Statista revealed that **about 67% of online consumers in Mexico made a purchase via social media in 2022**. While **62% of Brazilian respondents expressed the same,** the percentage of them who had yet to engage in social commerce and expressed no interest in it was twice as high as the figure in Mexico. In addition, recent findings from the CACE also disclosed that **5 out of 10 Argentines had bought something using social media**.

Percentage of Users Who Have Engaged in Social Commerce

Argentina 50%

Brazil 62%

Mexico 67%
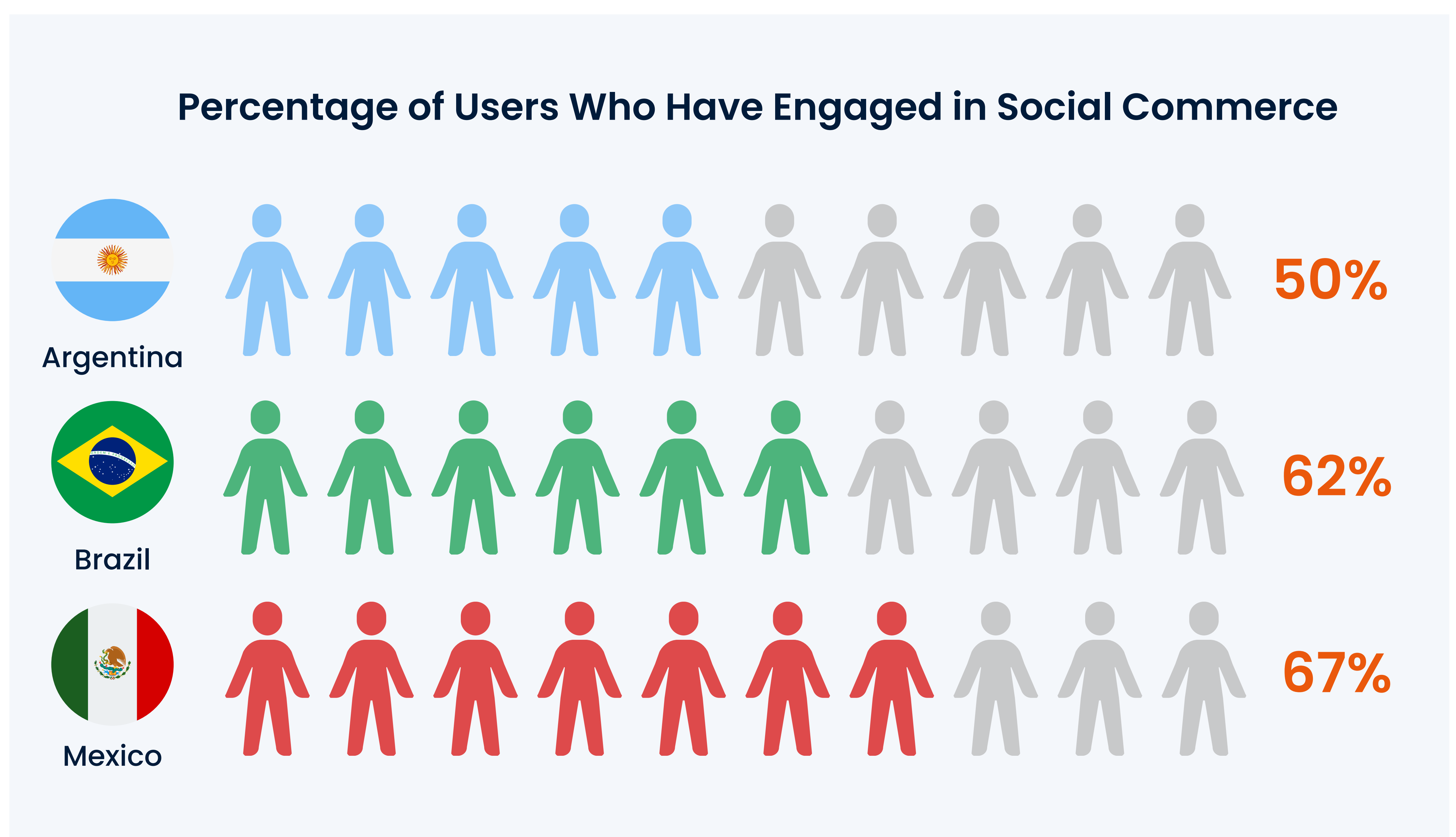
Want to know how the LATAM e-commerce markets fared against one another?
[Check out the latest e-commerce logistics race here.](#)

03 The Rise of Social Commerce in LATAM

Mobile Devices Bringing Shopping Opportunities Within Arm's Reach

LATAM consumers have clearly displayed a strong inclination towards mobile shopping, with approximately **64% of online shoppers stating their preference for using mobile devices to make purchases**. This preference is even more pronounced in **Mexico**, where **over three-quarters (76%)** of consumers **chose mobile shopping as a preferred method** to shop online. The same sentiment was shared by **66% of Brazilians and 52% of Argentines**.

The rise of mobile shopping has significant implications for retailers, payment providers, and e-commerce merchants, especially those who are looking to tap into the LATAM markets. To succeed in the mobile market, businesses must **prioritize a mobile-first approach**, creating optimal mobile experiences and incorporating preferred payment methods.

To learn about the different types of alternative e-commerce payment methods, check out the ultimate guide here.

Preference for Online Mobile Shopping

52%	66%	76%
Argentina	Brazil	Mexico

How our global carrier database can help you excel this peak season

1 **Gain In-Depth Analysis of Delivery Performance**
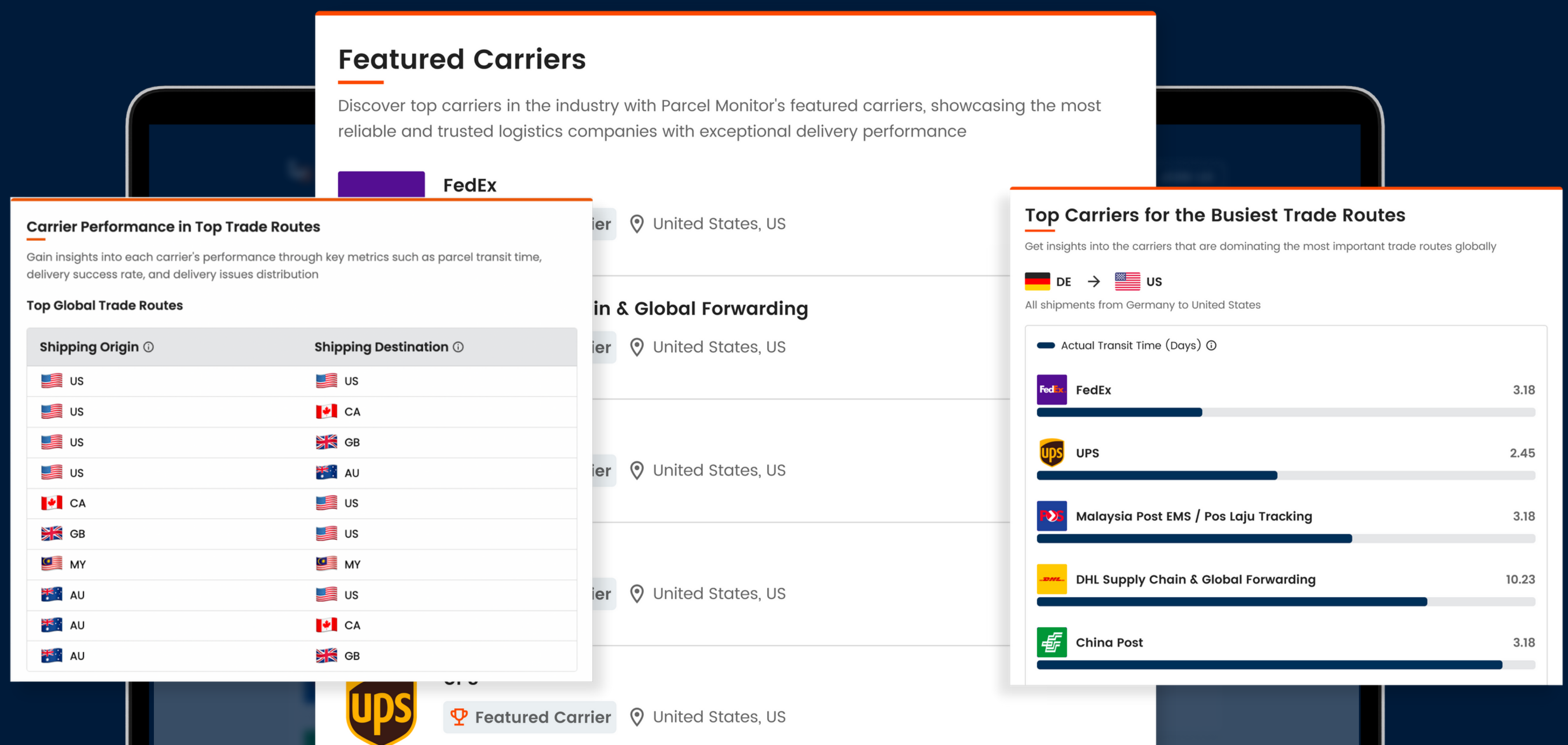
Retailers can utilize our carrier performance data (e.g. parcel transit times) to <u>select the most suitable logistics partners</u> capable of handling the increased e-commerce order volume in the coming months.

2 **Unlock Exclusive Access to Market Data**

By <u>being our esteemed partner</u>, retailers and logistics carriers can gain access to exclusive market data that can provide them with a competitive edge and facilitate well-informed decision-making this holiday season.

3 **Forge Strategic Partnerships With Industry Peers**

Businesses can <u>leverage our carrier listings</u> to identify and forge strategic collaborations to achieve operational efficiency, cost savings, and better delivery experiences for end-consumers during the peak season.

Featured Carriers

Discover top carriers in the industry with Parcel Monitor's featured carriers, showcasing the most reliable and trusted logistics companies with exceptional delivery performance

FedEx

Carrier Performance in Top Trade Routes

Gain insights into each carrier's performance through key metrics such as parcel transit time, delivery success rate, and delivery issues distribution

Top Global Trade Routes

Shipping Origin ⓘ	Shipping Destination ⓘ
US	US
US	CA
US	GB
US	AU
CA	US
GB	US
MY	MY
AU	US
AU	CA
AU	GB

in & Global Forwarding

rier ⓥ United States, US

rier ⓥ United States, US

rier ⓥ United States, US

rier ⓥ United States, US

🏆 Featured Carrier ⓥ United States, US

Top Carriers for the Busiest Trade Routes

Get insights into the carriers that are dominating the most important trade routes globally
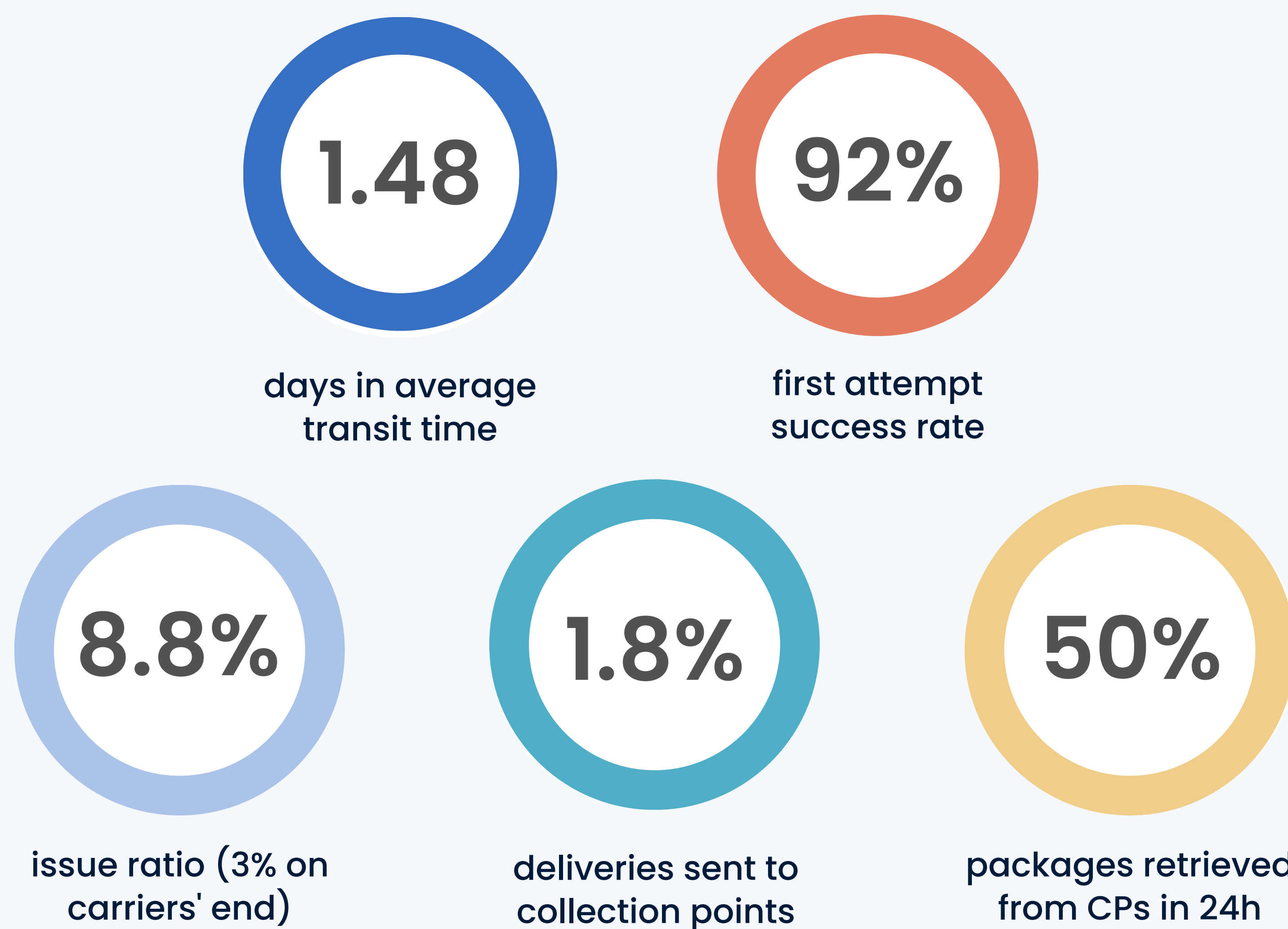
DE → US

All shipments from Germany to United States

— Actual Transit Time (Days) ⓘ

FedEx	FedEx	3.18
UPS	UPS	2.45
	Malaysia Post EMS / Pos Laju Tracking	3.18
	DHL Supply Chain & Global Forwarding	10.23
	China Post	3.18

Argentina's State of E-Commerce in Numbers

1.48

days in average
transit time

92%

first attempt
success rate

8.8%

issue ratio (3% on
carriers' end)

1.8%

deliveries sent to
collection points

50%

packages retrieved
from CPs in 24h

In 2022, Argentina experienced an **average parcel transit time of 1.48 days**, accompanied by an approximate **92% first-attempt success rate**, which was slightly below that of its neighbors Brazil (93%) and Mexico (97%). This could possibly be due to Argentina's vast geographical size and diverse terrain which can present logistical complexities that could cause difficulties in reaching customers on the first attempt. Insufficient infrastructure like road networks and transportation systems could also play a part in hindering the overall efficiency of deliveries in the country.

It is also worth noting that **8.8% of parcels in Argentina encountered delivery issues** in 2022, with **around 3% of them being attributed to carriers**. Furthermore, **approximately 1.8% of all parcels were directed to collection points** (CPs) in the same year. Although nearly half of the retrievals took place within the first 24 hours, the relatively low utilization of CPs suggests that there may still be limitations in terms of distribution and accessibility throughout the country. As a result, customers in Argentina may find it less convenient to opt for CPs compared to the more conventional home delivery method.

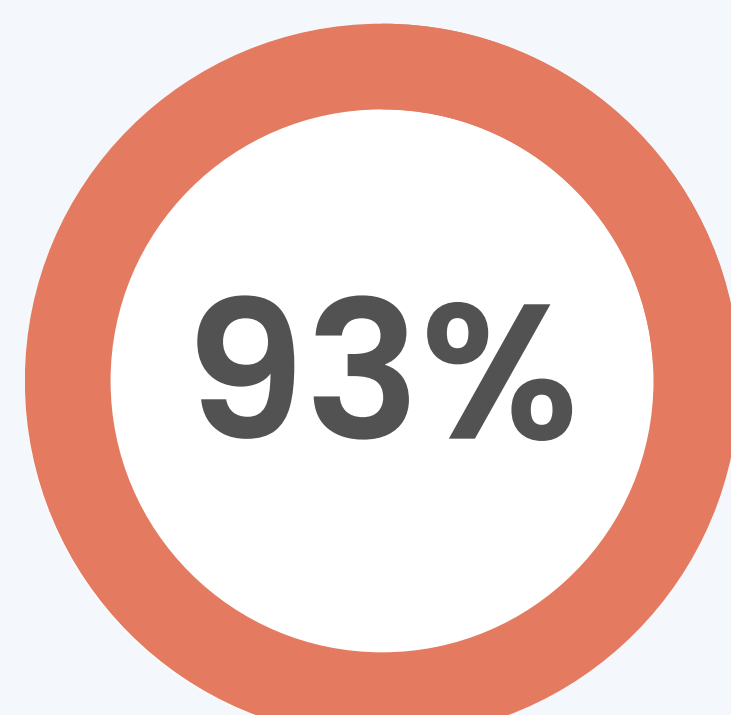**Here's how parcel lockers can help to streamline last-mile delivery.**

Brazil's State of E-Commerce in Numbers

3.02
days in average transit time

93%
first attempt success rate
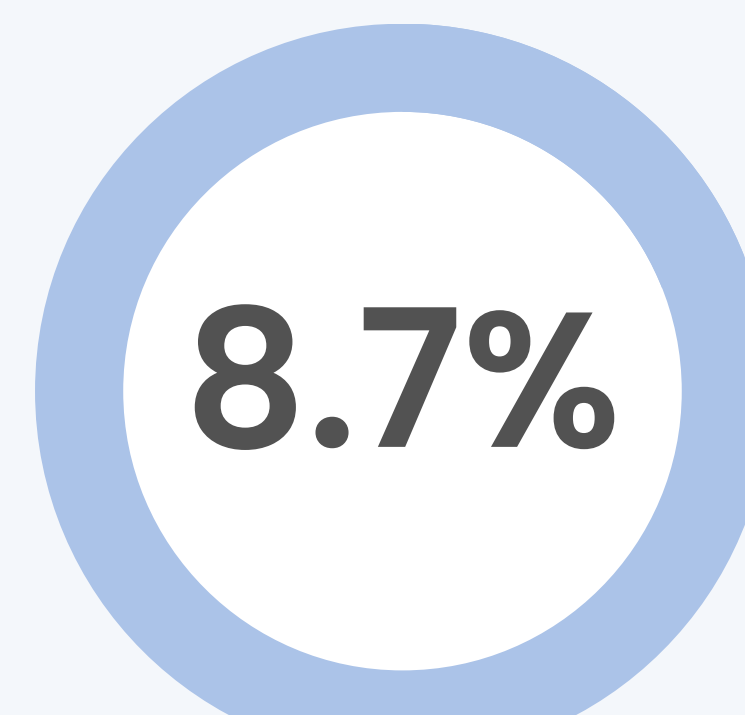
8.7%
issue ratio (21% on carriers' end)
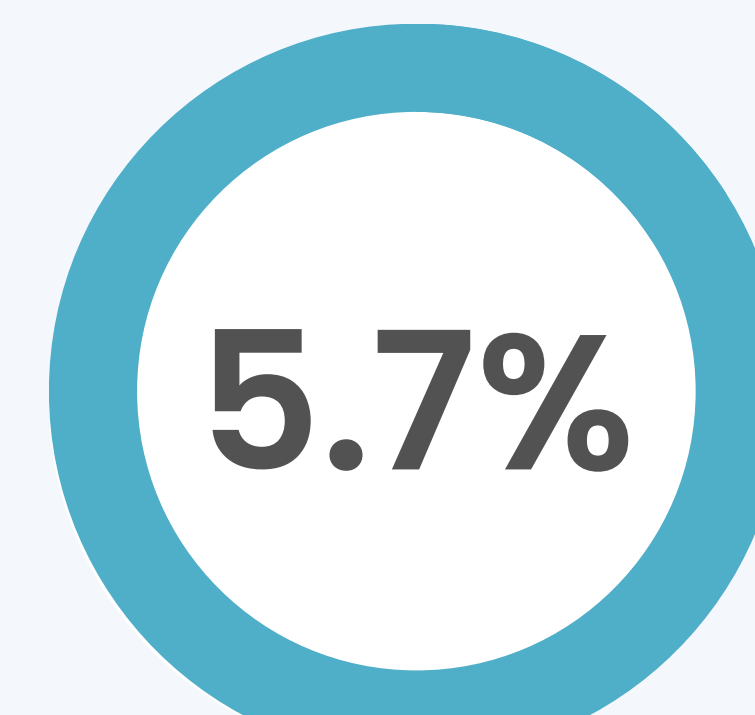
5.7%
deliveries sent to collection points

As the largest economy in Latin America, Brazil continues to undergo rapid expansion in the realm of e-commerce, exhibiting a **16% year-over-year growth in 2021**. According to Statista, Brazil's e-commerce market will have approximately **147.5 million users by 2027**, with the projected **average revenue per user (ARPU) amounting to US$320.3**.

In terms of e-commerce logistics performance, Brazil excels in certain aspects while lagging behind in others. For instance, Brazil's **first-attempt delivery success rate stood at 93% last year**, placing it slightly above Argentina. Brazil also exceeded expectations in out-of-home delivery, with an impressive **5.7% of parcels being sent to collection points.** In addition, there was a **delivery issue ratio of 8.7%** in 2022, with **carriers being responsible for about 21%** of them. These issues could possibly stem from address inaccuracies and inadequacies related to the transportation infrastructure among other things.

Meanwhile, parcel transit time is one key area where Brazil has been struggling, as reflected by its poor performance last year. With **an average of 3.02 days, Brazil fell behind both Argentina and Mexico**, which recorded a faster average of 1.48 days and 1.41 days respectively. One likely contributing factor to the longer transit time would be the absence of nationwide coverage by private delivery carriers. This often results in a heavy reliance on the national post office, which can lead to inconsistent and lengthy shipping times.
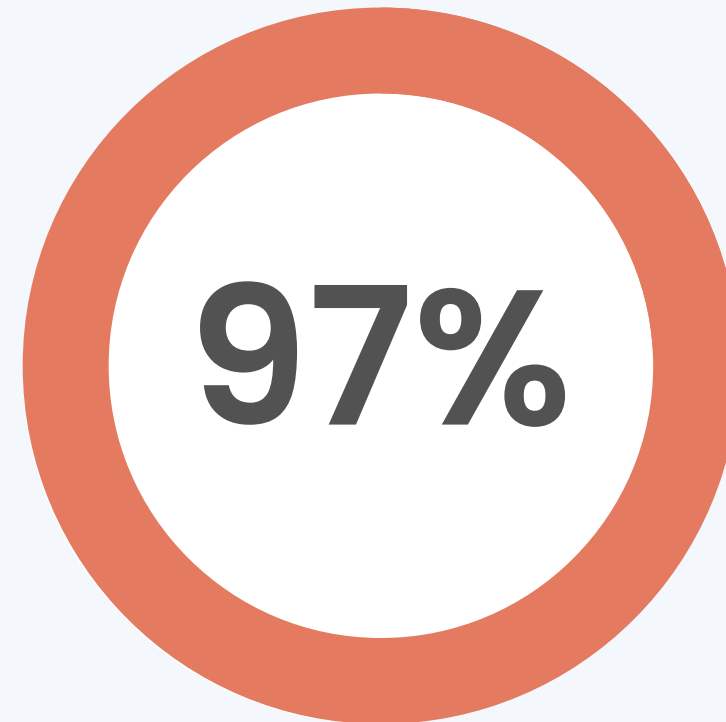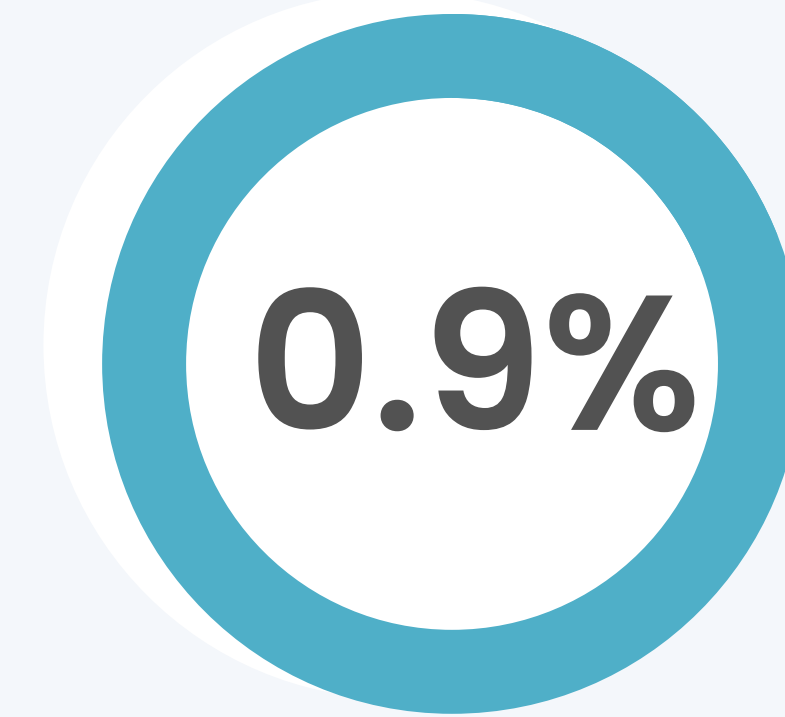
Mexico's State of E-Commerce in Numbers

1.41
days in average transit time

97%
first attempt success rate

0.9%
deliveries sent to collection points (H1 2022)

Similar to the majority of the LATAM countries, the e-commerce market in Mexico has witnessed significant growth and transformation in recent years. Home to a **population of more than 130 million people**, Mexico presents a lucrative market for merchants and online retailers around the world.

In 2022, Mexico showcased its efficient e-commerce logistics performance with an **average parcel transit time of 1.41 days**, a notably swift delivery duration compared to many of its neighboring countries. Moreover, the country achieved an impressive **first-attempt success rate of 97%**, signifying the high likelihood of successful deliveries on the initial try.

However, it is worth noting that **a small proportion (0.9%) of deliveries in the first half of 2022 were directed to collection points**. This indicates the presence of a subset of Mexican customers who prefer the option of collecting their parcels from designated pickup locations rather than opting for the traditional doorstep route.

Want to know how other e-commerce markets are performing?
**Gain access to exclusive e-commerce market data here.**

05 Closing Remarks

In conclusion, our report has provided a comprehensive overview of e-commerce landscape in the Latin America, including the rise of social commerce and the breakdown of delivery performance metrics in major LATAM markets. As we navigate the ever-evolving digital age, where consumer expectations continue to shift and innovations continually emerge, we trust that the insights shared in this report will empower retailers, e-commerce businesses, logistics companies, and industry professionals with the knowledge needed to make informed decisions and steer the course of e-commerce logistics in LATAM and beyond.

Cheers,
The Parcel Monitor Team

Looking for more data insights?
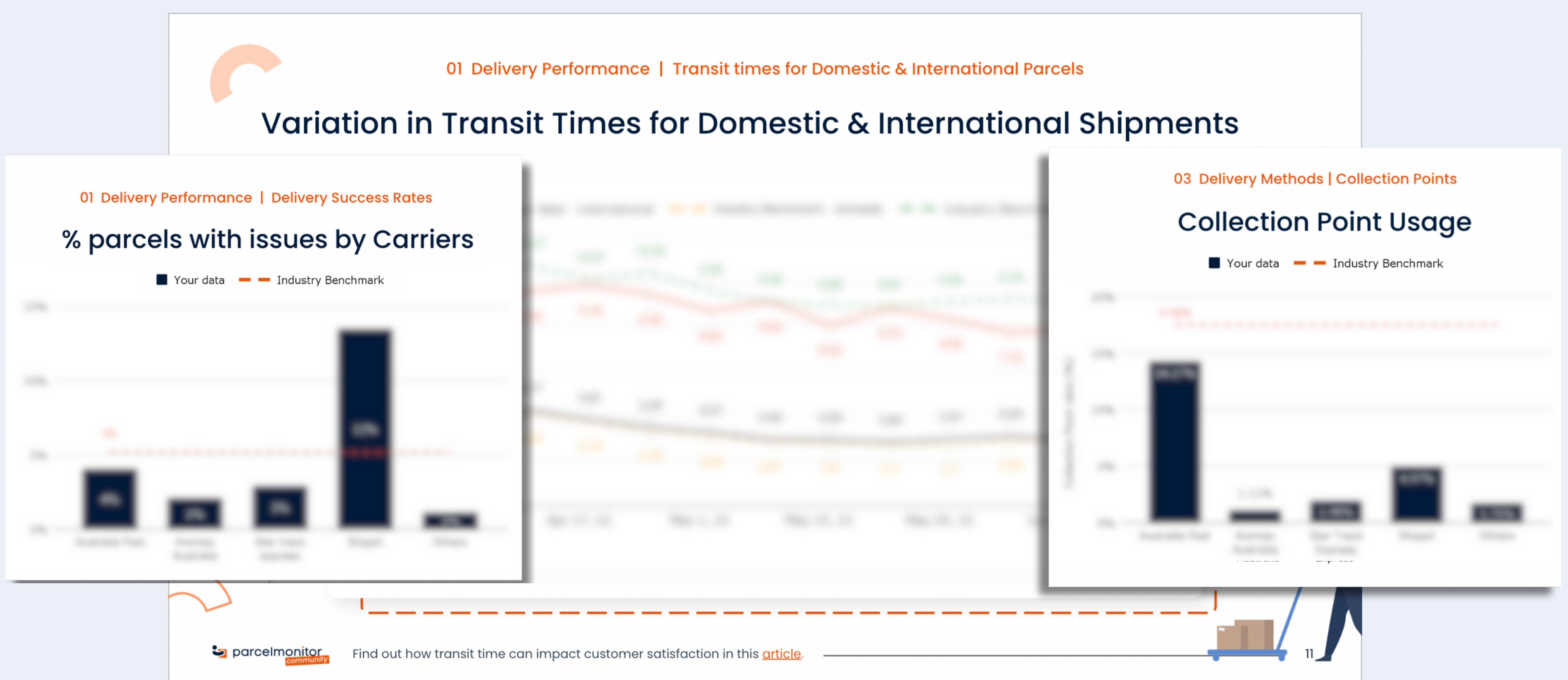
Discover growth opportunities & make data driven decisions with:

✔ Peak season performance benchmarks

✔ Shipment transit times

✔ Delivery success rates...and more!

REQUEST FOR CUSTOMIZED REPORT

An E-Commerce Logistics Community

Initiated by e-commerce logistics enthusiasts at Parcel Perform, Parcel Monitor is a community that aims to inspire the e-commerce logistics ecosystem to create a better delivery experience for everyone.
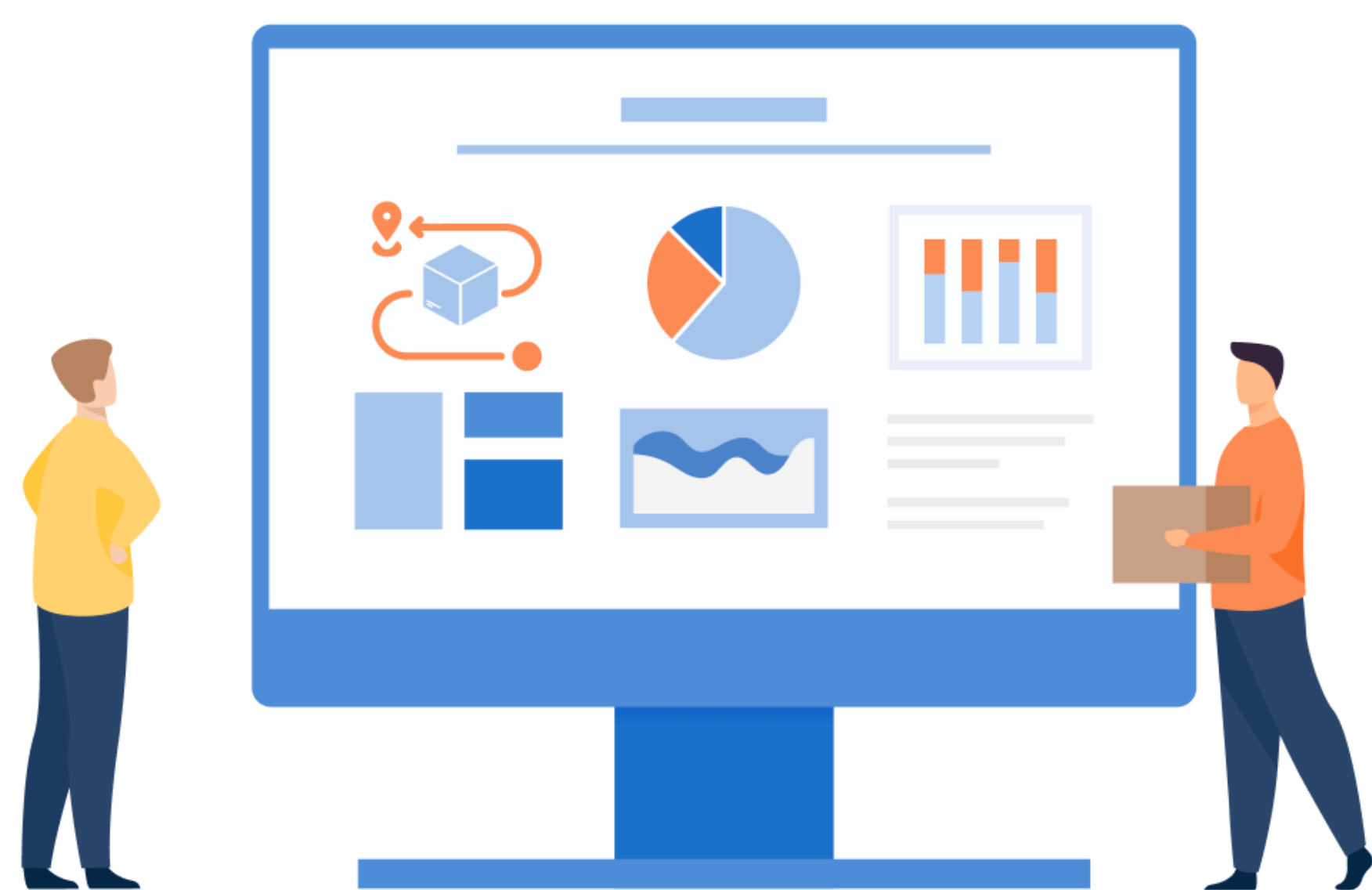
For Industry Professionals

E-commerce logistics professionals leverage our data and resources to derive market insights while forming meaningful collaborations across the entire industry.

For Consumers

Millions of consumers rely on Parcel Monitor's free parcel tracking to monitor the status of their parcels across 1045+ carriers globally on a single platform.

About Parcel Monitor

Parcel Monitor was launched in 2016 as a free parcel tracking platform out of our belief that everyone deserves an outstanding delivery experience. We capture consumer trends, provide market visibility, and derive data insights while fostering collaboration across the entire e-commerce logistics industry.

Whether you are a retailer seeking inspiration from fellow e-commerce businesses, or a professional wanting to pursue in-depth knowledge on specific topics (e.g. cutting-edge retail & logistics technologies and top customer retention strategies), Parcel Monitor has something for everyone.