



# Electronic Commerce In Latin America

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“Latin America: Clicks and Mortar”  
LABA, Stern School of Business  
6 October 2000

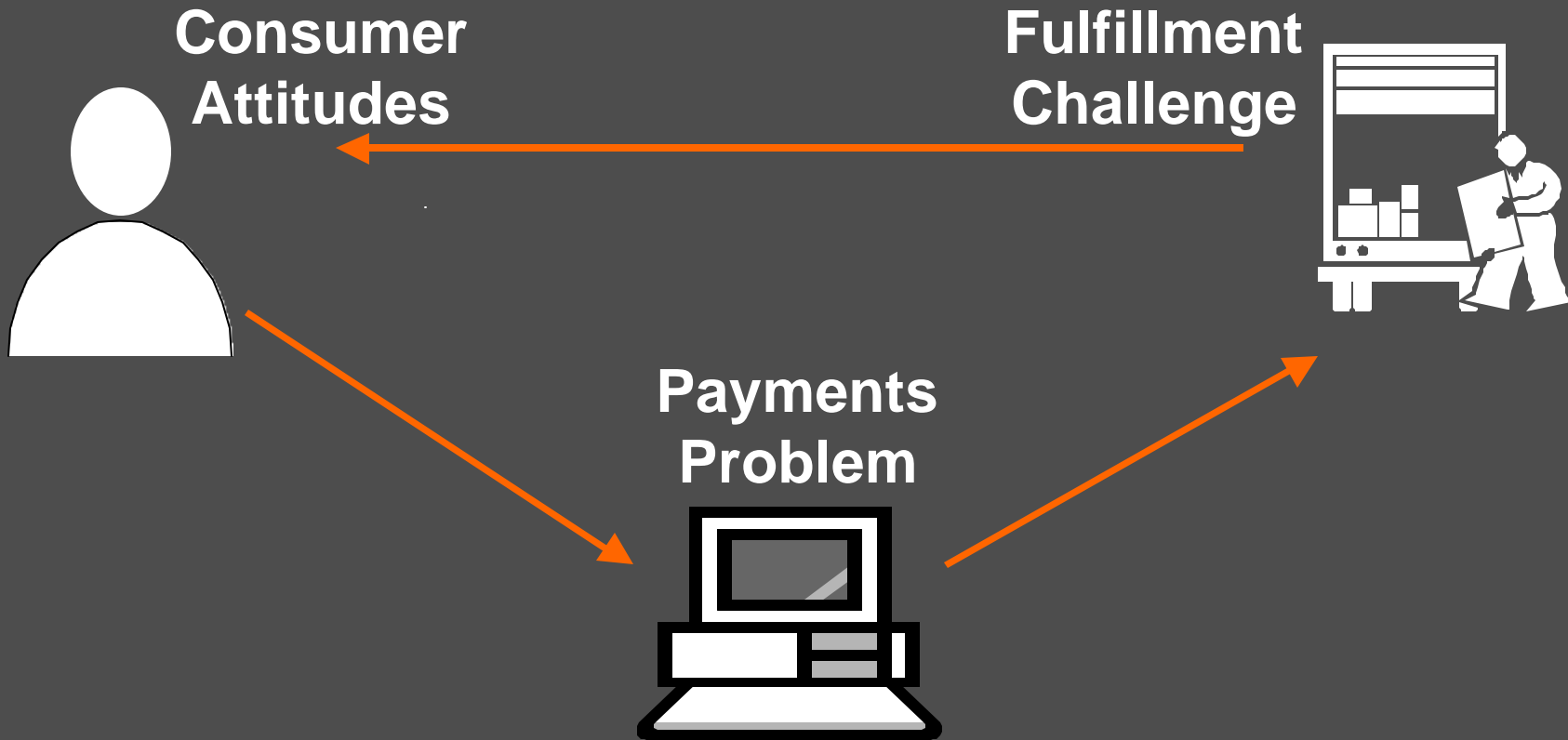




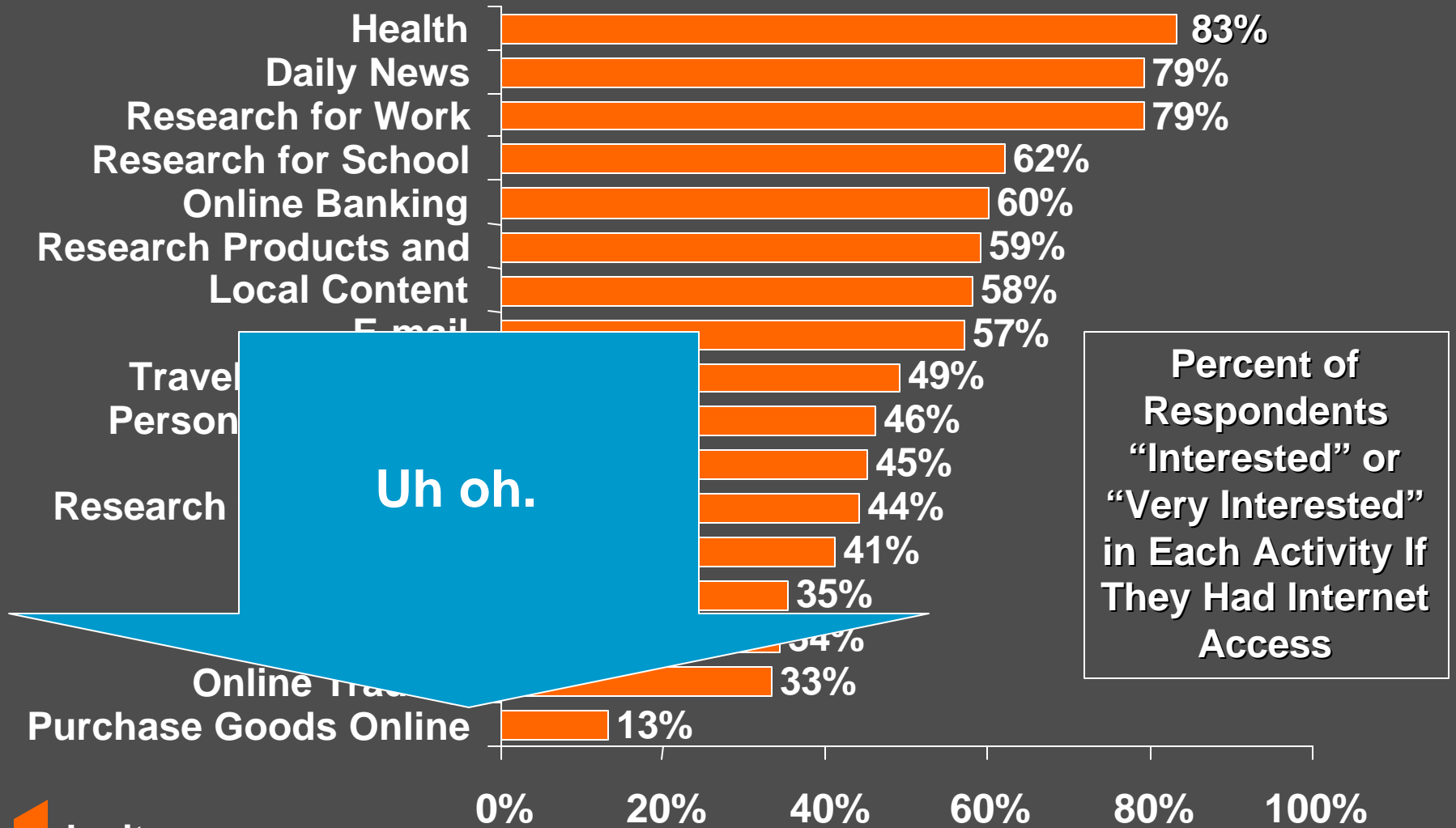
Landscape:

“Caveat Emptor” Hinders  
Electronic Commerce

# Three Key Obstacles to Online Commerce in Latin America

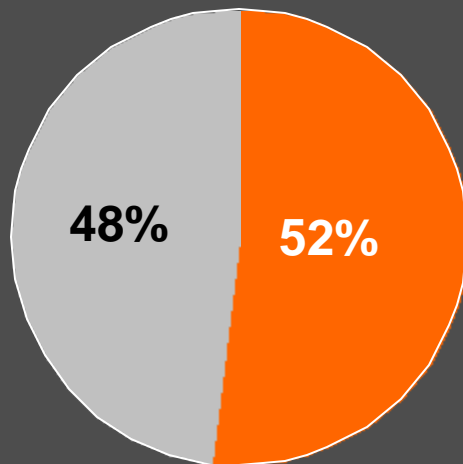


# Online Shopping Holds Little Appeal for Future Users

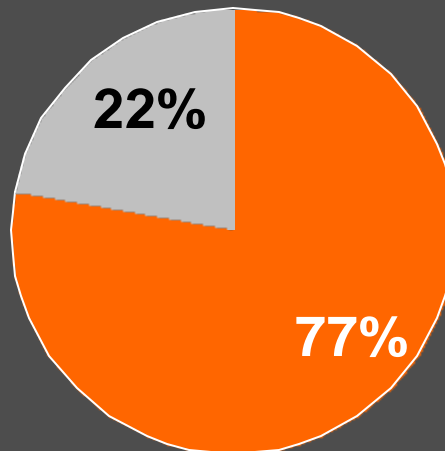


# Credit Card Challenge Less Grave Online

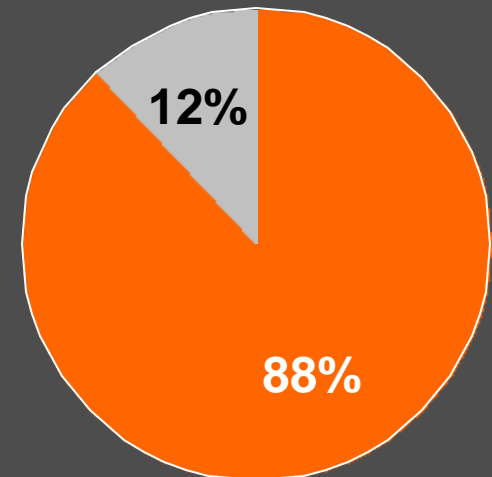
All Respondents



Respondents Who Are Very Likely to Get Internet Access

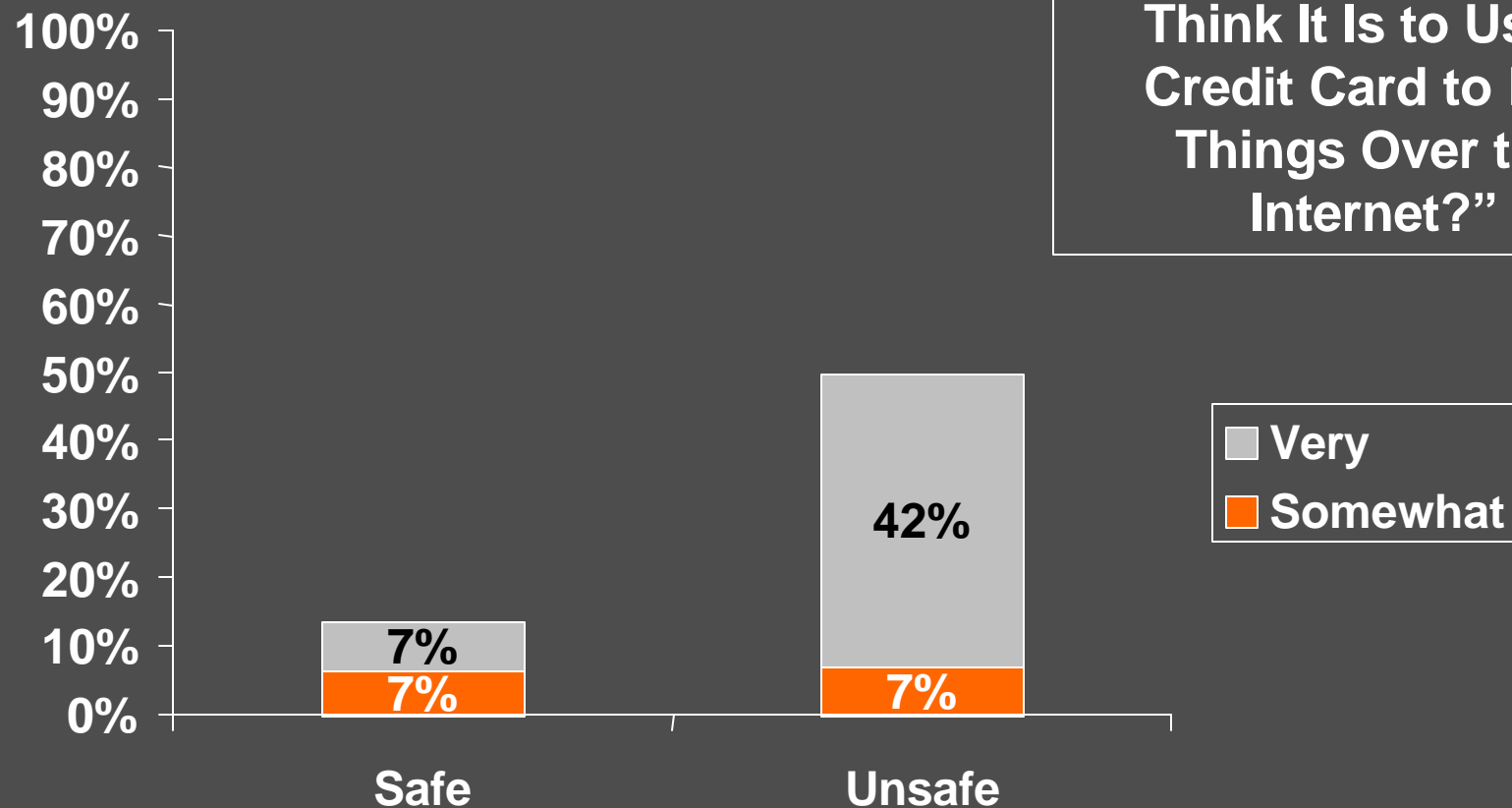


Respondents Who Have Internet Access at Home



Own Credit Card(s) Do Not Own Credit Card(s)

# Payment Fears Pose Serious Problem in Latin America



# Weight of Brick-and-Mortar in Latin America

Company		Categories	Geography
<b>Pao de Acucar</b>	Brick & Mortar	Groceries	Brazil
<b>Garbarino</b>	Brick & Mortar	Electronics	Argentina
<b>Fiera</b>	Online only	PCs, electronics, books, videos, toys, CDs, beauty	Regional
<b>Disco</b>	Brick & Mortar	Groceries	Argentina
<b>Tematika</b>	Brick & Mortar	Books	Argentina
<b>Submarino</b>	Online only	Books, videos, CDs, toys, DVDs, videos, MP3	Regional
<b>Americanas</b>	Brick & Mortar	Electronics, CDs	Brazil



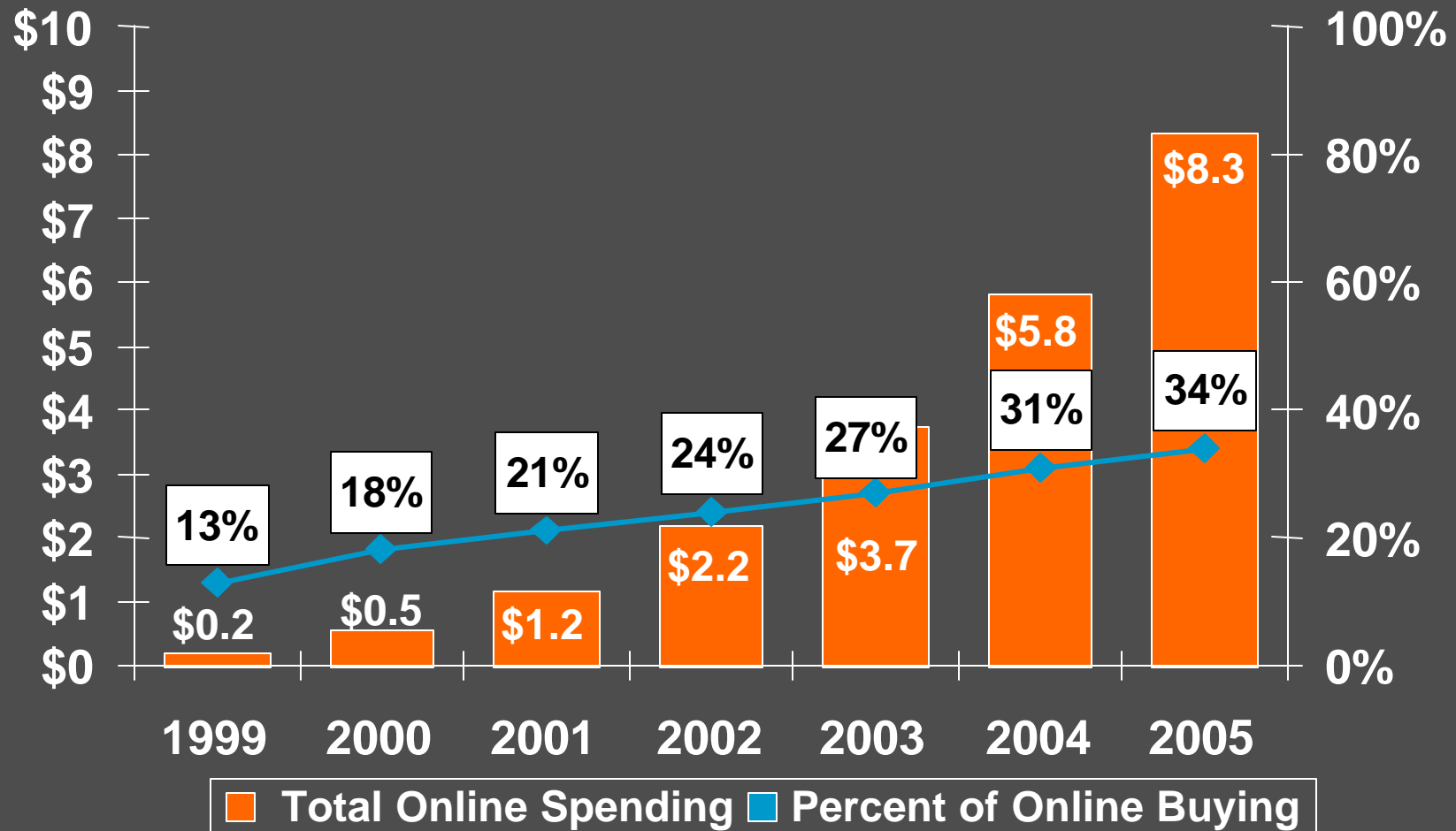
Outlook:

Barriers to Online Commerce  
Will Give Way



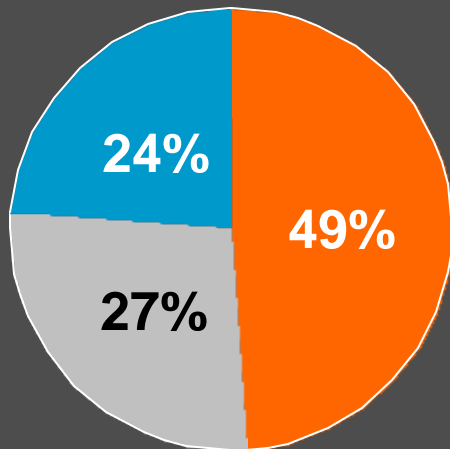
# Consumer Online Spending Reaches \$8.3 Billion in 2005

(in billions)

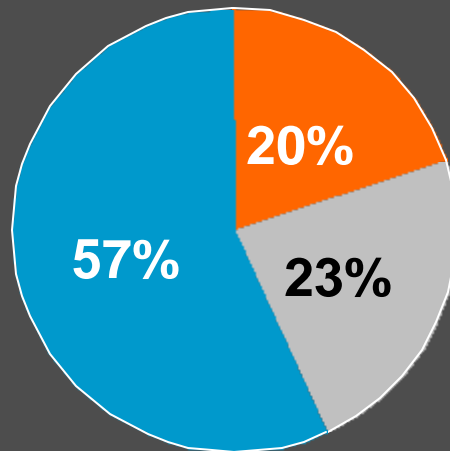


# Tenure Holds Back Online Shopping in Latin America

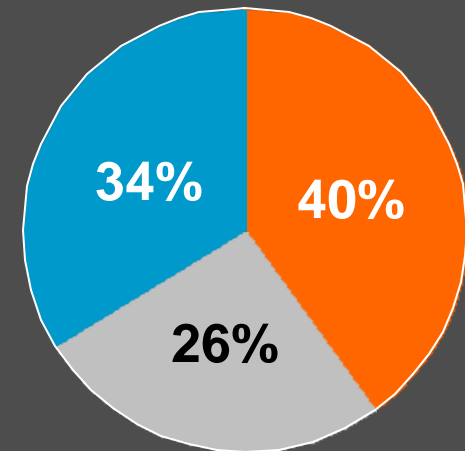
Latin America



United States

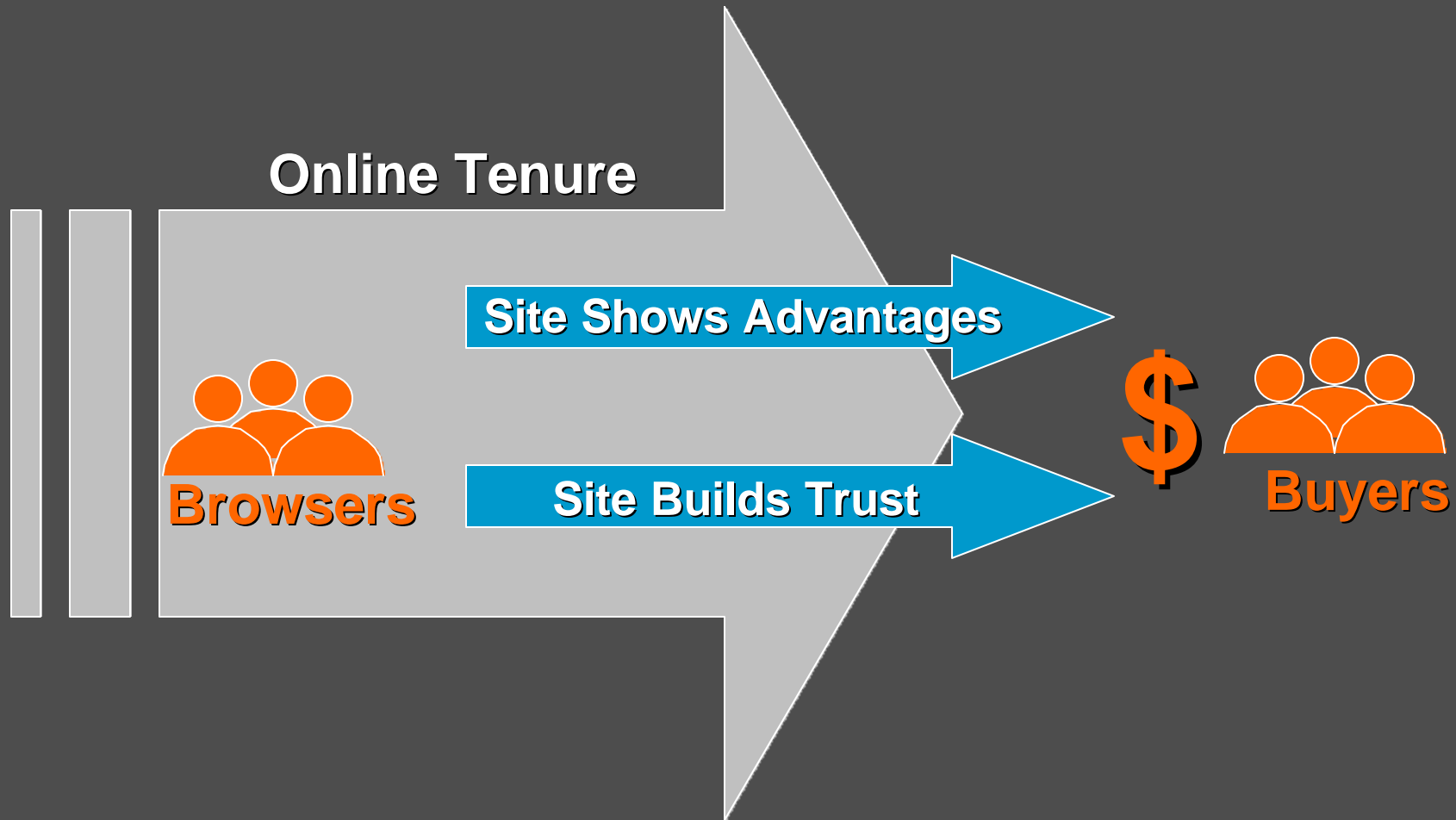


Western Europe

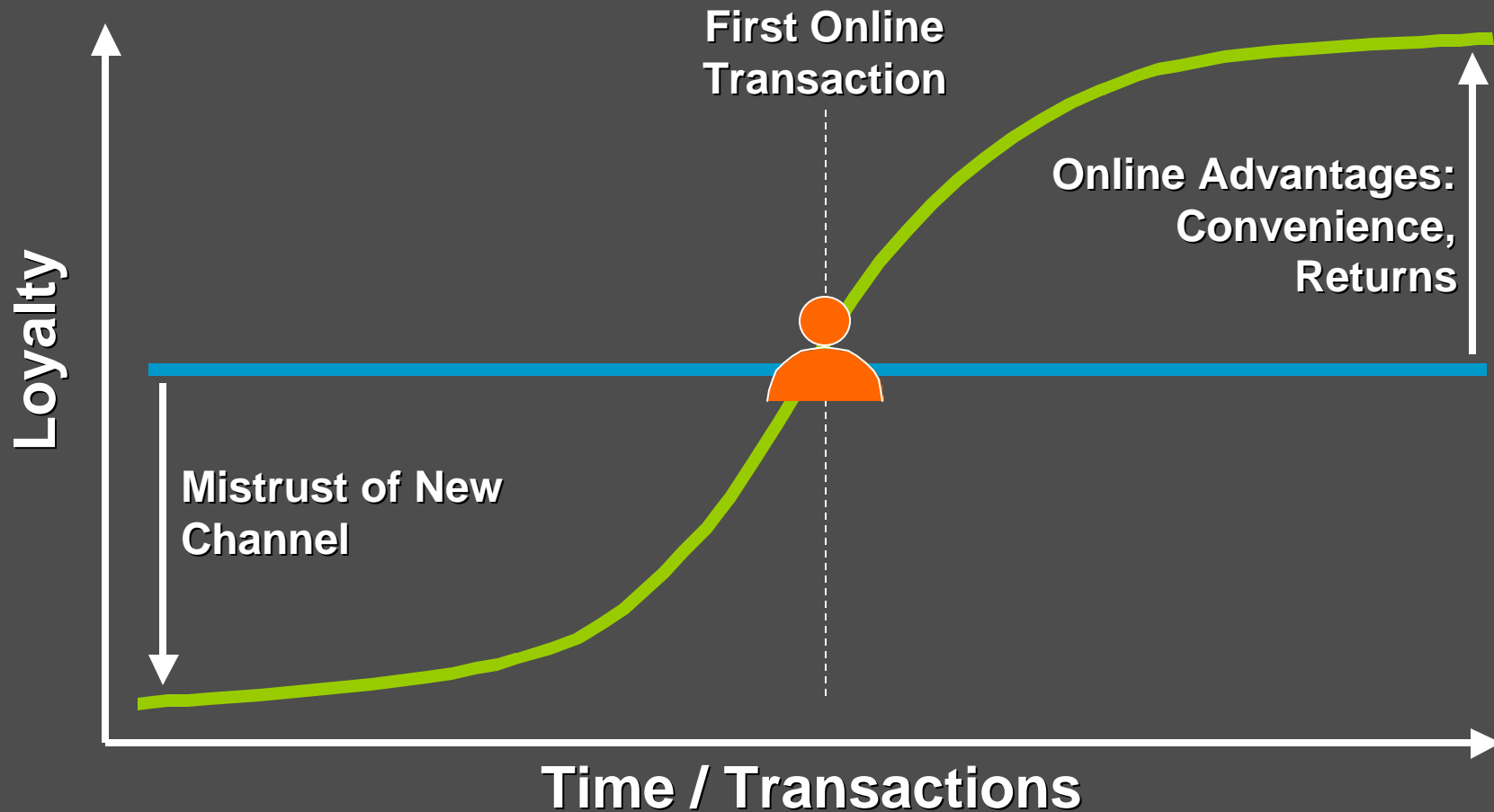


 Newbie  Intermediate  Veteran

# Site Efforts Will Capitalize on Rising Tenure



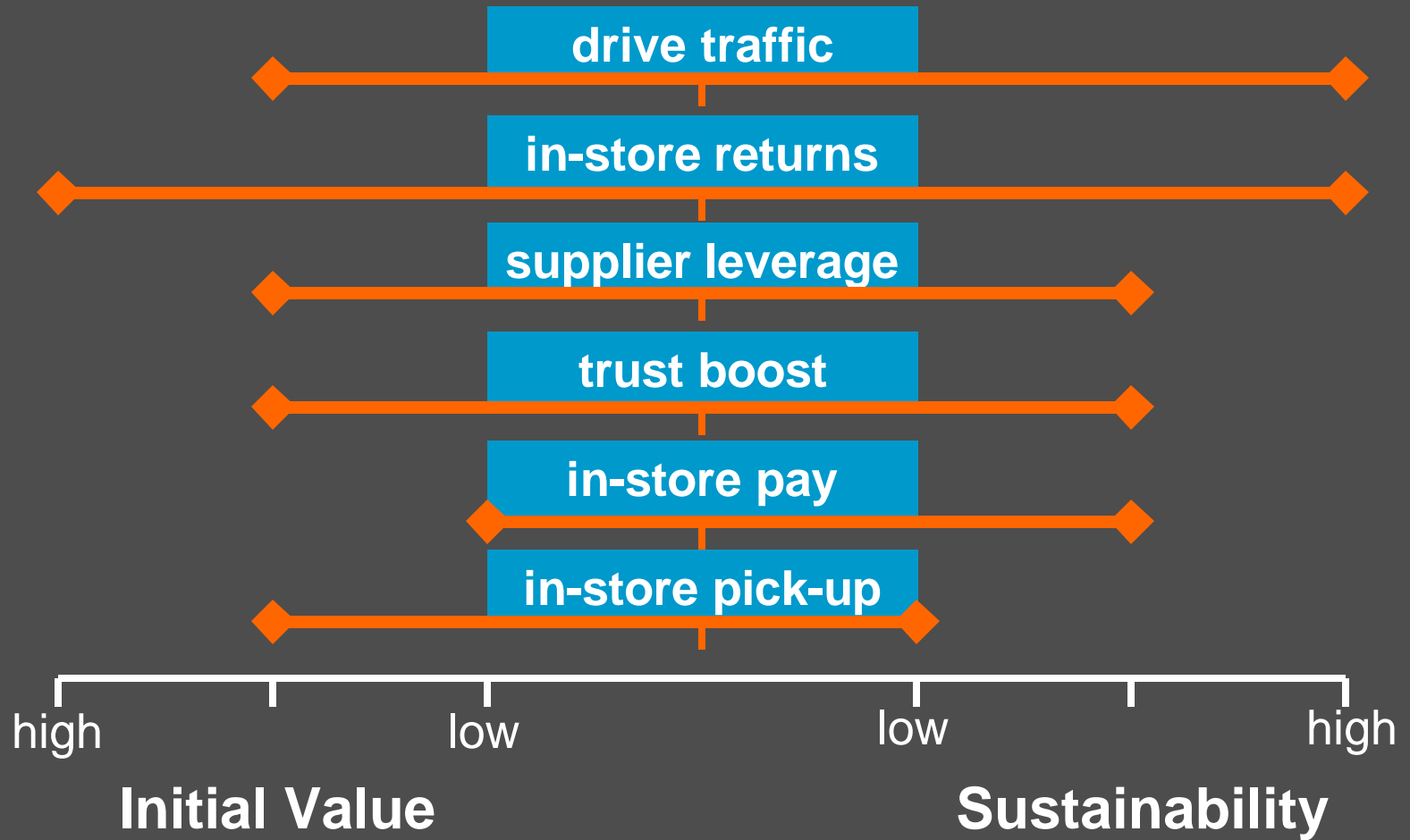
# Online Advantages Translate Into Loyalty Bonus



■ Online Retail

■ Off-line Retail

# Cross-channel Quick Fixes Won't Prove Sustainable

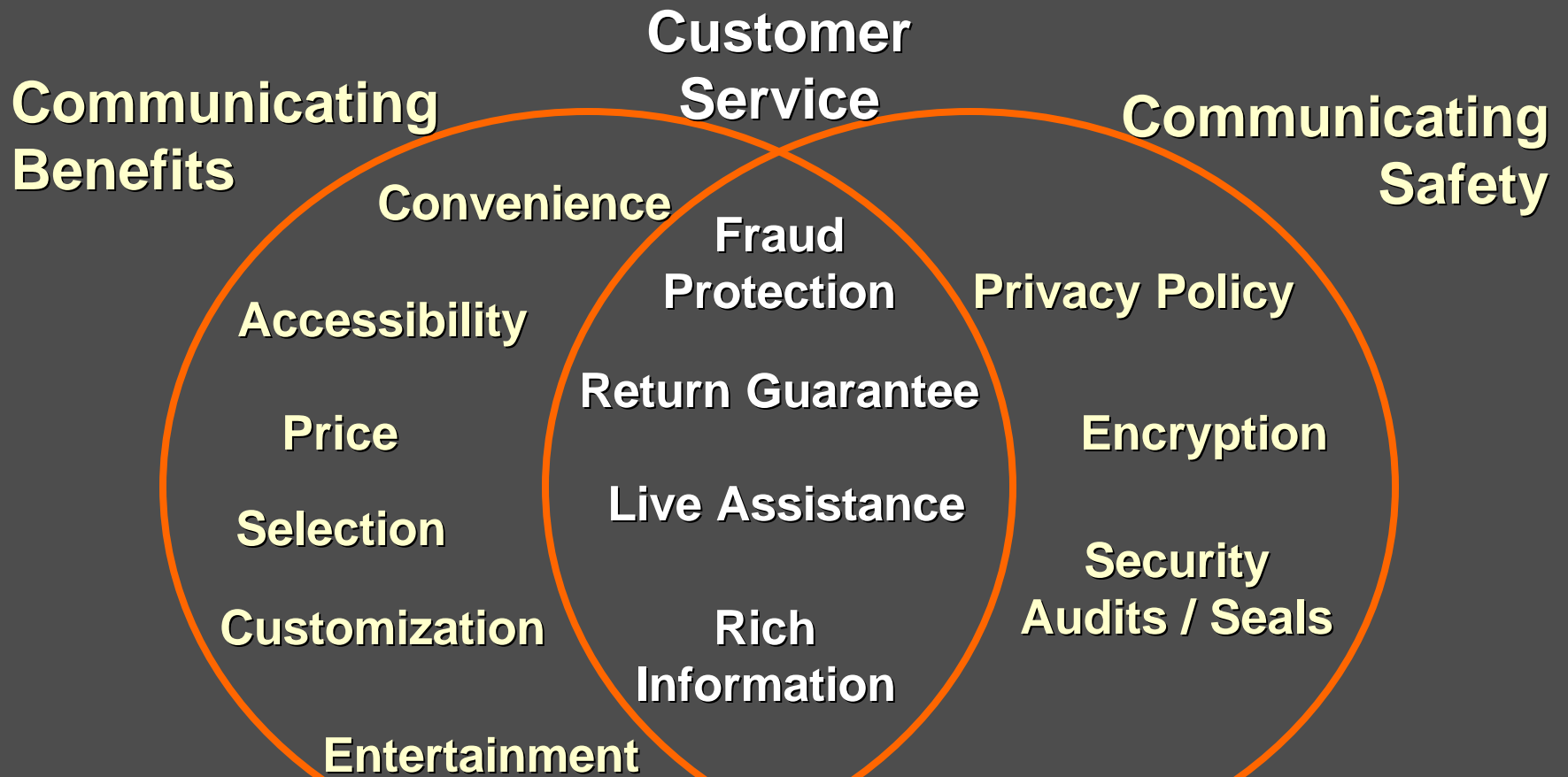




Mandate:

Win Consumer Confidence  
Online

# Customer Service Combines Benefits and Reassurance



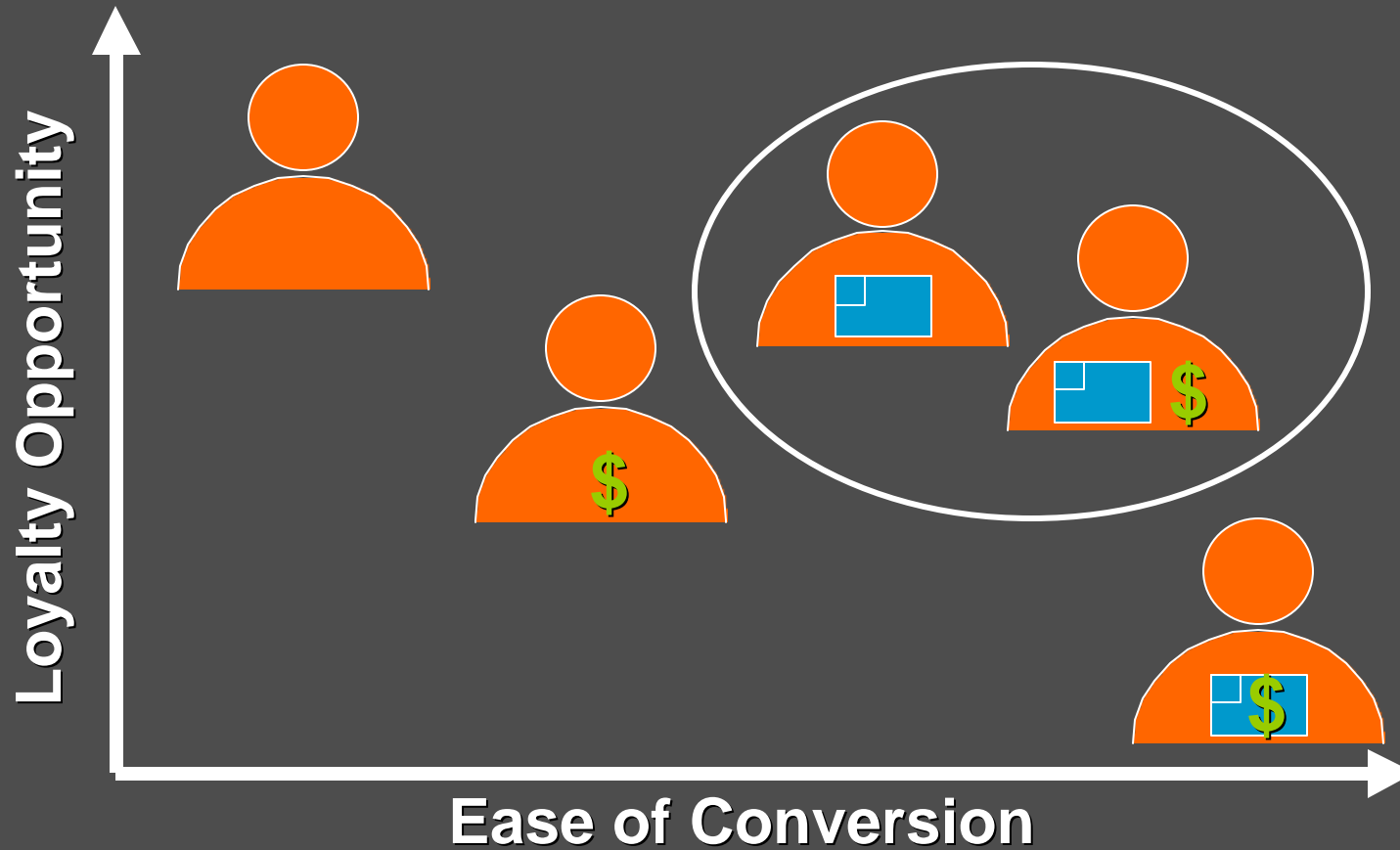


# Returns Lead the Customer Service List In Latin America

- **Simple, generous return policies:**
  - In-store returns via retail partnerships
  - Free shipping for returns
  - No questions asked
  - Say it loud



# Build Trust and Win Loyalty With Credit Card Owners



Has Credit Card



Shops Online



Shops With Credit Card



# Support Alternative Payments but Encourage Credit Cards

- Drive credit card transactions:
  - Link to loyalty programs
  - Independent / supplemental fraud protection
  - Phone orders



# Thank you.

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