



How to Sell More in Latin America: Your Guide to Success

As retailers get more comfortable with the pandemic's impact on an ever-changing shopping landscape, it may be time for businesses to start thinking about the next step for their ecommerce strategy. With rapid growth in online sales and digital adoption across the globe, opportunities for international expansion have skyrocketed.

One region that has shown tremendous growth in the past year is Latin America (LATAM). 2020 was a record year for ecommerce in which online retail [sales surged to 63.3% and — for the first time ever — surpassed the \\$100 billion mark](#), making it one of the world's fastest-growing retail ecommerce region.

“Selling across Latin America isn't a nice-to-have. It is a must-have. And businesses should really consider shifting, whether it's platform services, partnerships, or ad dollars to these markets, because there's a huge penetration of consumers that are willing and ready to spend their money.”

- VANESSA SANTOS, DIGITAL PRODUCT & STRATEGY EXPERT AND EMPOWERMENT BUSINESS COACH



This recent shift in online consumer shopping behavior has unlocked a huge opportunity for cross-border selling.

In this guide, we'll explore why a strong cross-border strategy is key to sustaining ecommerce growth, including:

- ▲ Why you should sell in LATAM
- ▲ How to get started with Mercado Libre
- ▲ Tips and best practices

Why should you sell in Latin America?

With over 600 million people in 33 countries, Latin America has shown dramatic ecommerce growth in the past year. In fact, **52 million people bought something online for the first time** in 2020 — that's huge, and due in large part to more [people utilizing smartphone technology and having access to 4G mobile internet](#).

LATAM's increased internet penetration rate has not only led to a spike in online shopping, but also boosted the demand for a variety of products, resulting in local suppliers not being able to keep up. Thus, we're seeing more interest from LATAM shoppers in US products and global brands.

As the world's fastest-growing retail ecommerce region, Latin America is an attractive market to target and consider for your cross-border strategy. With its recent economic growth, market size and ecommerce opportunity, the opportunities and benefits are vast:

A larger reach

A broader, more visible international profile can boost your reputation and catapult your brand. Success in one country influences success in another, especially in a fast-growing market such as Latin America. Selling cross-border is a great opportunity to share your products to a larger audience.

An additional revenue stream

The more saturated and competitive your domestic market, the more appealing international opportunities will be. You'll be able to maintain margins instead of cutting prices to compete. And if you are dominant at home, you can use that as a springboard to grow new sales opportunities abroad.

Unlocking the LATAM Opportunity with Mercado Libre

When it comes to tapping into the potential of the LATAM market, our trusted partner [Mercado Libre](#) is your best bet. Dubbed the "Amazon of Latin America," Mercado Libre has grown exponentially as Latin America's leading online marketplace operating in 18 countries and reaching 65 million shoppers daily.



“We are always looking for ways to better serve our customers, and this partnership gives them access to an entirely new variety of products from BigCommerce merchants. As ecommerce continues to expand in Latin America, choosing BigCommerce as our first major platform partner is important for our long-term strategy and gives storeowners access to this fast-growing market.”

- JOSÉ LUIS HERVÁS FERNÁNDEZ, DIRECTOR OF CROSS BORDER TRADE, MERCADO LIBRE

First established in Argentina in 1999, Mercado Libre has been one of the biggest winners of the pandemic-fueled ecommerce boom. Mercado Libre saw its [net revenue increase by 73% and reach almost 4 billion US dollars](#) in 2020 — more than its revenue in 2018 and 2019 combined. The company’s total number of unique active users in 2020 had a similar surge, amounting to [132.5 million users](#).

“Mercado Libre has experienced massive growth and is forecasted to account for 25% of all ecommerce sales in Latin America by the end of 2021. Mercado Libre also makes selling in Latin America as simple as selling within the U.S.”

- MARIANO MIGUES, CROSS-BORDER MANAGER, MERCADO LIBRE

Let’s take a look at the benefits Mercado Libre has to offer:

1. Seamlessly handle shipping and fulfillment

With Mercado Libre’s logistics solution, called [Mercado Envios](#), sellers can easily ship their products to Latin America. Sellers can choose between two shipping methods — fulfillment and direct-to-consumer — and select the option which best fits their commercial operation and strategy.



Option 1: Fulfillment

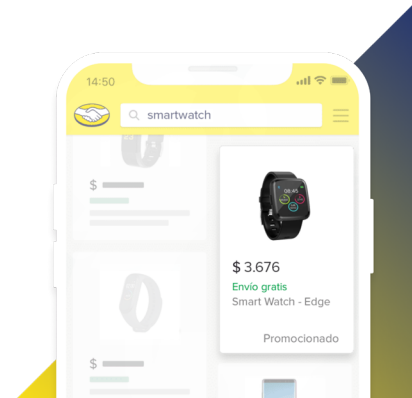
This shipping solution takes the selling experience to another level. Sellers simply send their products directly to Mercado Libre's fulfillment warehouses, and Mercado Libre takes care of everything else — from storage and preparation to shipping on the same or next day.

Option 2: Direct-to-consumer

In this [shipping solution](#), sellers are provided ready-to-print shipping labels and are responsible for sending their packages to Mercado Libre's partner carriers (DHL, MailAmericas and Bringer).

2. Increase exposure with Product Ads

[Product Ads](#) is an integrated advertising solution that boosts product visibility to shoppers who are looking for what you sell within the platform. With Product Ads, sellers have the ability to hide, pause or activate campaigns, as well as set daily budgets. This platform works under a pay-per-click (PPC) model, meaning sellers only pay once users click on their ads.



3. Don't worry about local currency fluctuations

In Mercado Libre, sellers list and collect in dollars. This means you don't have to worry about local currency fluctuations since the platform automatically adjusts and updates prices for their buyers. This is a phenomenal feature that helps sellers to stay focused on selling rather than on price updates.

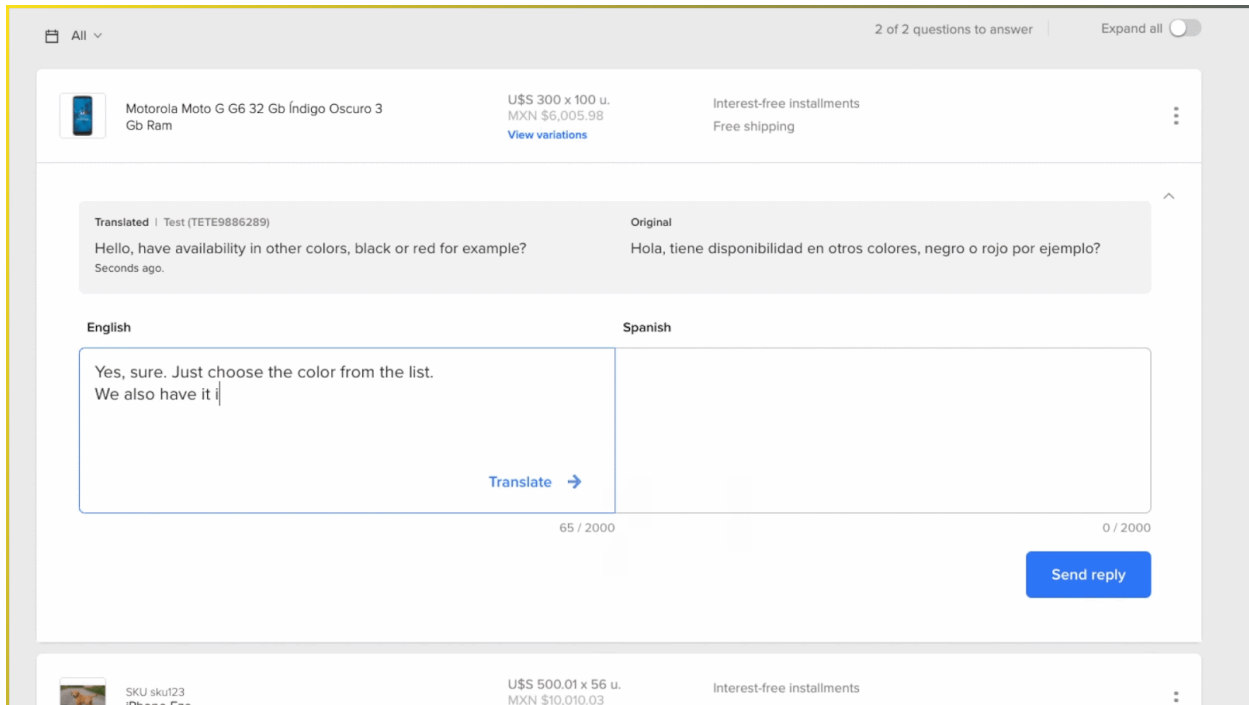
4. Grow with a leader in the region

Mercado Libre has seen resounding success across Latin America. The ecommerce retailer has become the most valuable company in Latin America, surpassing other big players such as Petrobras (oil) and Itaú (banking).

5. Eliminate language barriers

With Mercado Libre, merchants don't have to worry about language barriers and content localization. The platform provides tools for sellers to handle all their processes in English. This includes automated translations for pre- and post-sale questions and claims, making your customer's service response time quick and easy.





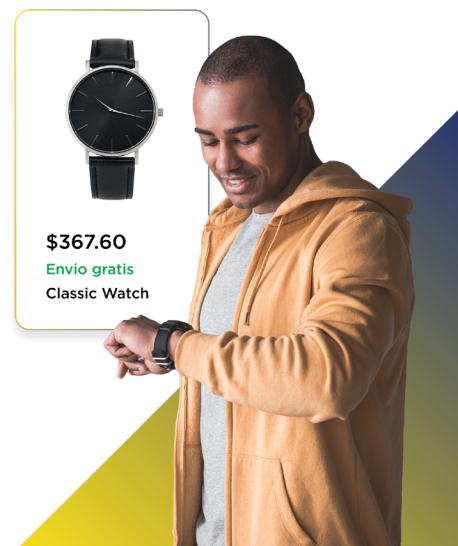
6. Provide a better shopping experience

One of the key differentiators of Mercado Libre is its reputation system, which is calculated based on the following metrics:

- ▶ The number of complaints a seller receives from their buyers
- ▶ The rate of cancelled orders by the seller
- ▶ The handling time

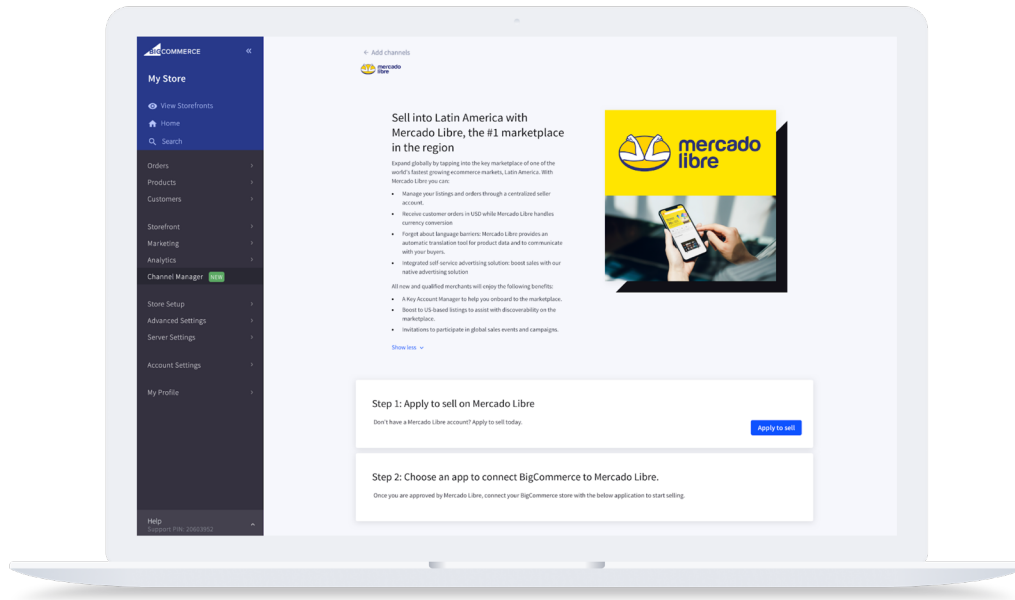
This simple yet powerful system allows sellers to identify and correct any issues that may affect their brand reputation, and ultimately offer a better and efficient shopping experience.

Ready to learn more about our Mercado Libre integration? Click [here](#).



How to Get Started

If you're new to cross-border selling, it can seem a bit overwhelming. Which territories should you target? How do you market to non-local customers? What about shipping and logistics? How should you handle the financials, the different payment systems and tax regulations?



Mercado Libre helps international merchants sell throughout Latin America easily by reaching millions of customers. A single account enables you to sell in Mexico, Brazil, Chile and Colombia while managing everything from one platform. You can list your products for free, receive payments in USD and communicate with your Latin American buyers using Mercado Libre's automated translation tool — just one of many tools to utilize. Our [platform integration](#) automatically syncs with Mercado Libre, making it easy to track orders, inventory and fulfillment — all from one place.

Additional tools help simplify order management and optimize your sales on Mercado Libre while managing transactions right from your BigCommerce dashboard. Mercado Libre simplifies the process so you don't have to worry about local currency or fluctuations since the platform automatically adjusts and updates prices for shoppers.

Tips and Best Practices: Act Global, Think Local

Remember, Latin America is a large region of many countries so your strategy should not be a one-size fits all approach. There are different regulations — various duties and taxes, stricter restrictions and sometimes, a challenging ecosystem. And if you are a new seller to the region, which country or countries should you prioritize? Our cross-border experts from Mercado Libre suggest targeting Mexico as your first point of entry.

As the closest country to the United States, there are shorter delivery times (4–8 business days) and Mexico has seller-friendly import duties and taxes.

Did you know?

78%

Of **Mexicans** regularly order things internationally, mainly from the **United States**.



Once you're up and running in Mexico, some other countries to consider are Brazil, Chile and Colombia. As the largest country in the region, Brazil has the biggest market size (over 200 million people), making it an attractive market to target and expand your reach. This year, 34.9 million people in Brazil, or more than one-fifth (20.3%) of the country's population, will make an online purchase from a seller in a foreign country.

Chile and Colombia have also seen strong economic growth and have a strong appetite for US products. By the end of 2020, Colombia was estimated to have close to 22 million online buyers, that is, over 60 percent of the internet-using population. In turn, Colombia ranked as the fourth largest e-commerce market in Latin America, a position it is expected to maintain through 2021.

Selling in another region for the first time can be intimidating, but we partnered with Mercado Libre to share tips and best practices for successful and seamless transactions. The products you offer not only need to be relevant but adapted for local conditions.

Keep these factors in mind:

- ▲ **Seasons** can influence the actual products that are offered, in addition to timing, as seasonal collections will be out of sync.
- ▲ **Weather** also has an impact, from both a real-time perspective but also in terms of the types of products that consumers may wish to purchase.
- ▲ **Consumer preferences** and different cultures associate different meanings with certain colors. Ensure that the items offered do not offend in any way and that the right color choices are provided to motivate purchase and optimize conversion.
- ▲ **Product exclusions** should be considered since certain products will not work in a specific market and in certain cases, that cannot or should not be sold for cultural, ethical, environmental, technical or legal reasons.

Localize your content

The more you can frame your brand and your products in a way that reflects local circumstances, the more relevant you become to the consumer. This motivates engagement and can help the consumer see how your offering fulfills their specific needs.

Images

Humans are visual by nature. Images matter and need to reflect local conditions especially when models are used and rooms or outdoor spaces are depicted.

Campaigns

For a campaign to resonate with a shopper, it must connect emotionally. The shopper needs to be able to empathize and to see how their values, needs and aspirations are reflected. This may simply require localized images and text, but in some cases, the themes will also need to be adapted.

Holidays and Events

Campaigns should match the holidays and events that are popular and revered in the local market.



FAQs

1. I don't speak Spanish or Portuguese, can I still sell on Mercado Libre?

Yes! With Mercado Libre, sellers don't have to worry about language barriers and content localization. The platform provides tools for sellers to handle all their processes in English. This includes automated translations to Spanish and Portuguese for pre- and post-sale questions and claims, making your customer's service response time quick and easy.

2. How much does it cost to list products on Mercado Libre?

There are no fees to list on Mercado Libre. Fees only apply after an order has been made and depend on the market (country) and product category. Learn more [here](#). There is also no additional fee or charge from BigCommerce to sell on Mercado Libre. However, if your provider sends orders into the BigCommerce control panel, then those sales are included in your store's trailing 12-month GMV, which is used to determine your BigCommerce subscription plan.

3. Do I have to worry about currency fluctuations?

In Mercado Libre, sellers list and collect in US dollars. This means you don't have to worry about local currency fluctuations since the platform automatically adjusts and updates prices for their buyers. This is a phenomenal feature that helps sellers to stay focused on selling rather than on price updates.

4. How do I get paid?

Funds are deposited in USD into your US bank account or Payoneer account [every 2 weeks](#). Learn more [here](#).

5. What is Mercado Envios?

Mercado Envios is a fulfillment solution offered by Mercado Libre that can ship your Mercado Libre orders to all your Latin American customers. Learn more [here](#).

