



Ecommerce Report: LATAM

2019



Valued Report Partners



SAP Customer Experience unlocks a world of digital innovation, customer value and growth that builds trusted relationships between brands and customers. Built on the foundation of the Intelligent Enterprise and powered by an open and extensible platform, the SAP C/4HANA integrated technology suite empowers businesses to manage the complete customer experience by putting a consent-driven, single customer view at the centre of business. It brings together customer data management, machine learning and microservices to power real-time, intelligent customer engagements across sales, customer service, marketing and commerce. SAP customer experience helps brands build long-term competitive differentiation and loyalty through experiences that are trusted, simple, personal, helpful, and connected to help customers achieve their goals.



Ecommerce Foundation is an independent organisation, initiated by national ecommerce associations worldwide and omnichannel-online companies from the retail, travel, and finance industries.

Our mission is to facilitate ecommerce through the development of practical knowledge, market insights, and services.






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#1

Latin America Overview



Countries included in this report

- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Costa Rica
- Cuba
- Dominican Republic
- Ecuador
- El Salvador
- Guatemala
- Guyana
- Honduras
- Mexico
- Nicaragua
- Panama
- Paraguay
- Peru
- Suriname
- Uruguay
- Venezuela

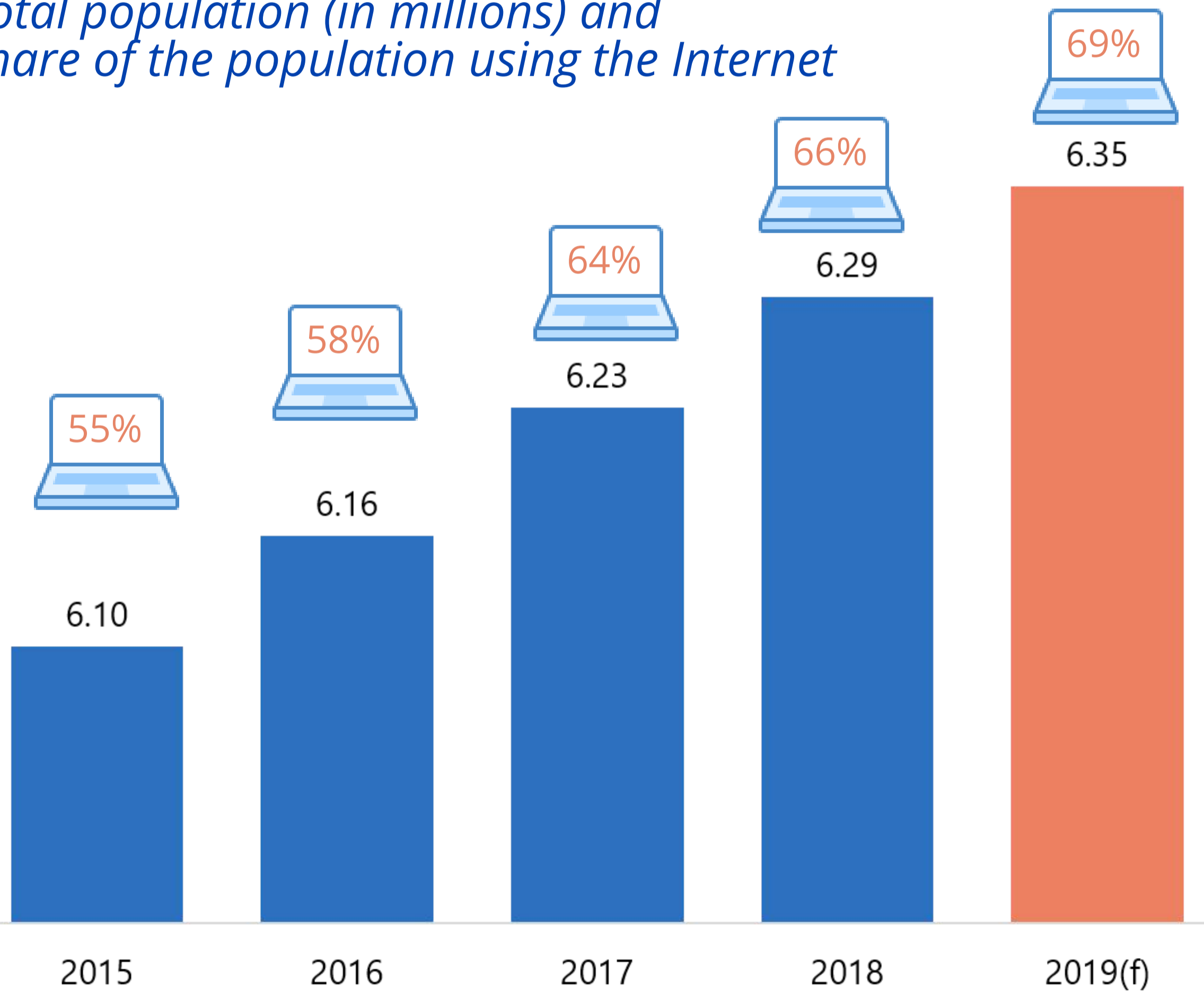


*Not every dataset/indicator includes every country listed here.

LATAM's population continues to increase

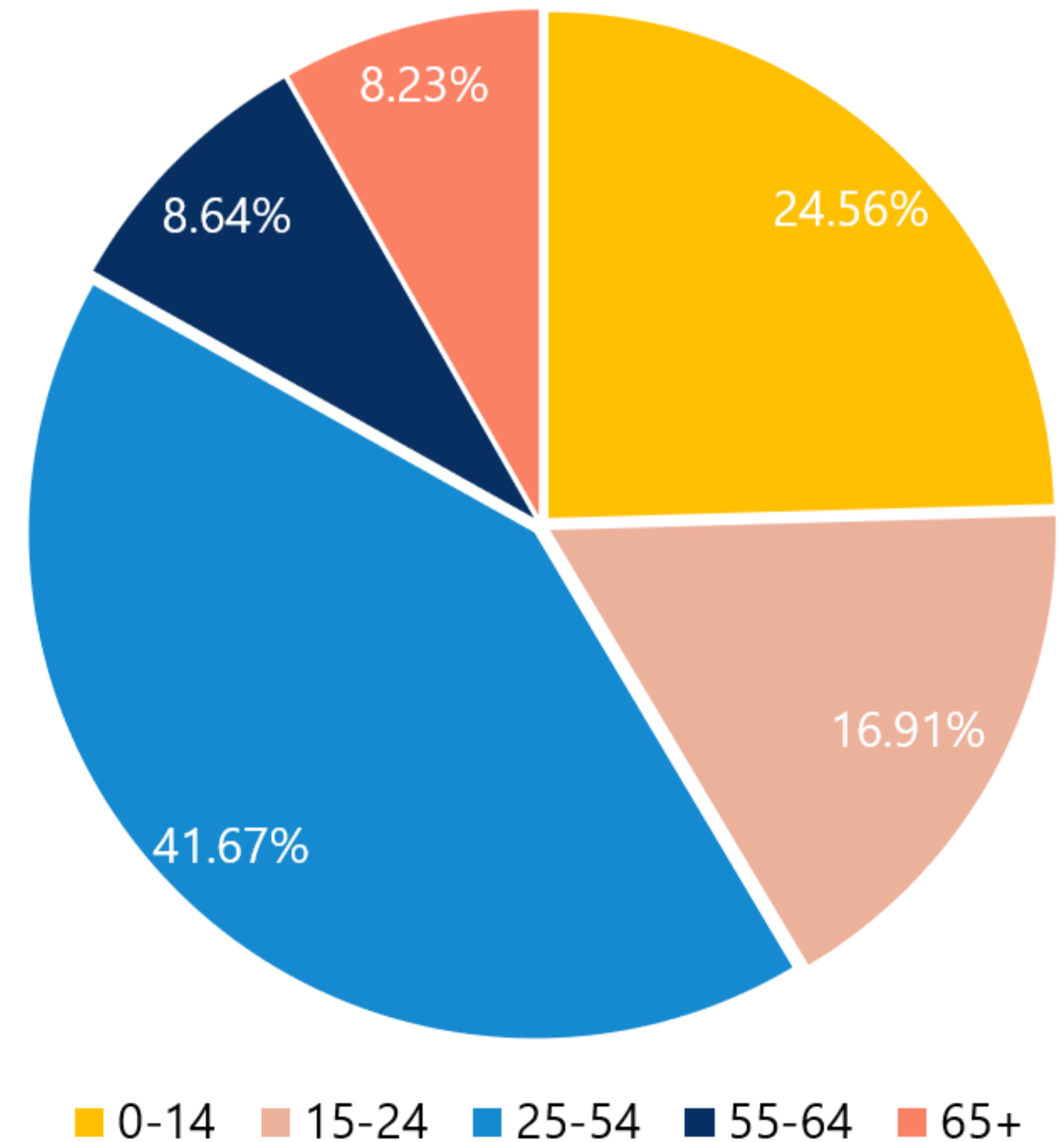
LATAM Population

Total population (in millions) and share of the population using the Internet



Age Structure (2018)

Share of population in select age ranges



#2

Infrastructure & Logistics



Latin American GDP to reach over \$5 trillion in 2019

LATAM Gross Domestic Product

GDP, GDP per capita and GDP growth rate

YEAR	GROSS DOMESTIC PRODUCT (GDP), TRILLIONS USD	GROWTH RATE YOY	GDP PER CAPITA
2014	\$ 6.233	6.50%	\$ 10,450
2015	\$ 5.426	-12.96%	\$ 8,886
2016	\$ 5.226	-3.68%	\$ 8,471
2017	\$ 5.329	1.97%	\$ 8,550
2018	\$ 5.007	-6.04%	\$ 7,954
2019 (f)	\$ 5.216	4.18%	\$ 8,206

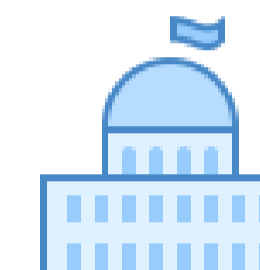
Chile continues to rank high in all e-commerce-related indices for 2019



Top 10 ranked LATAM countries (Ease Of Doing Business)	
Rank	Country
49	Mexico
55	Chile
58	Peru
59	Colombia
61	Costa Rica
73	El Salvador
79	Panama
94	Uruguay
97	Guatemala
99	Dominican Republic



Top 10 ranked LATAM countries (Logistic Performance Index)	
Rank	Country
34	Chile
38	Panama
51	Mexico
56	Brazil
58	Colombia
61	Argentina
62	Ecuador
73	Costa Rica
74	Paraguay
83	Peru



Top 10 ranked LATAM countries (E-Government Development Index)	
Rank	Country
34	Uruguay
42	Chile
43	Argentina
44	Brazil
56	Costa Rica
61	Colombia
64	Mexico
77	Peru
81	Guatemala
84	Ecuador

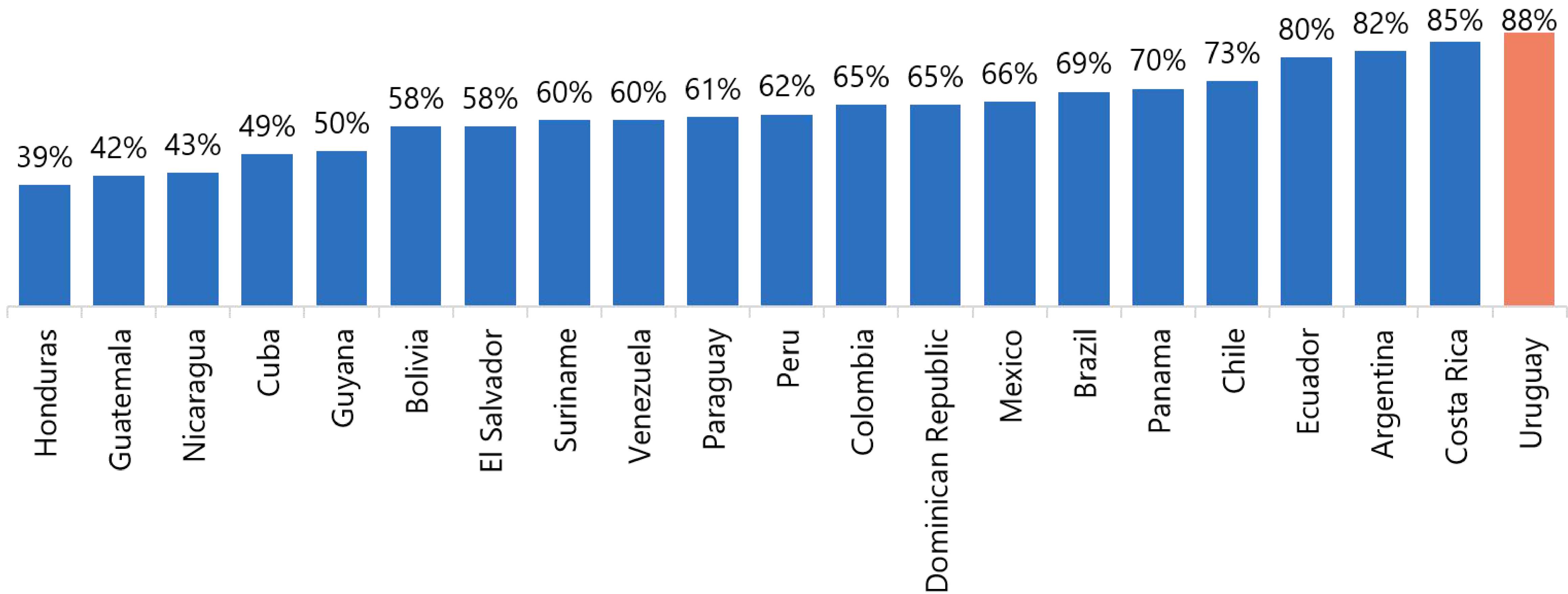
#3

Ecommerce Landscape



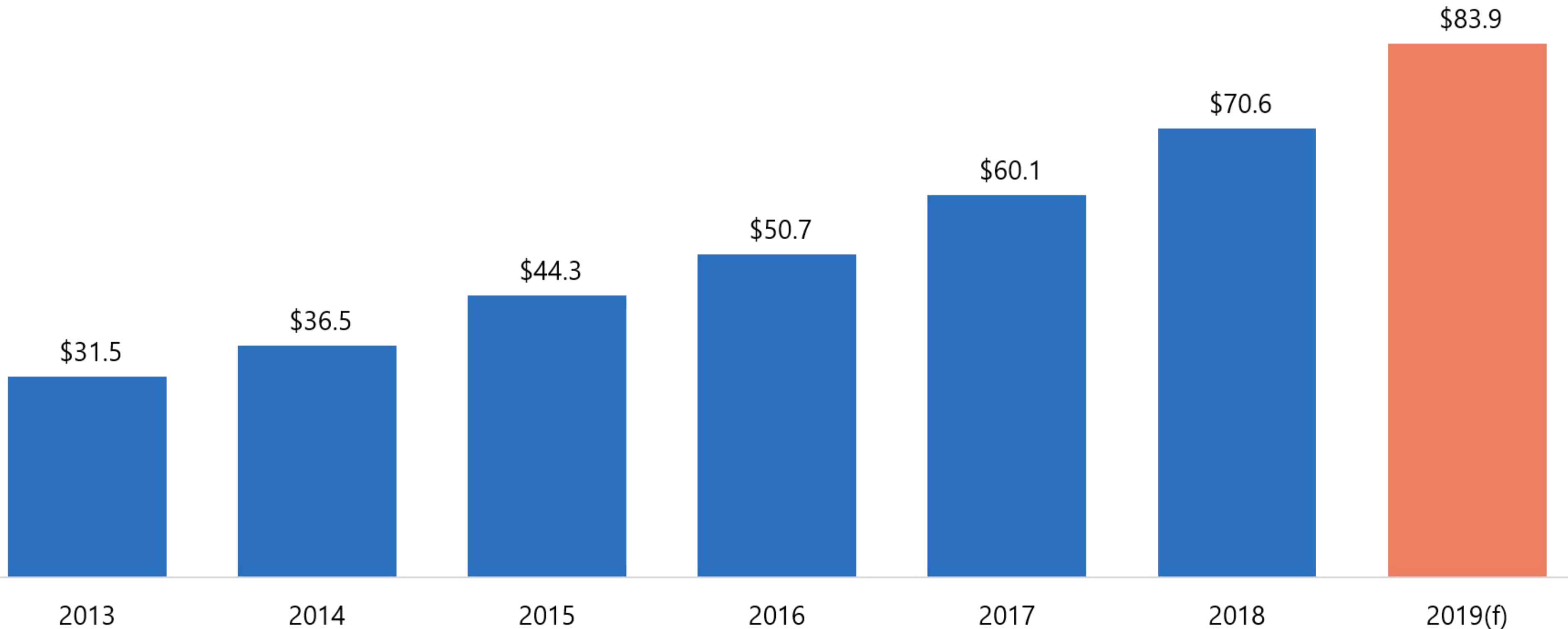
In 2018, Uruguay had the highest internet penetration, while Honduras had the lowest

Country Internet Penetration (2018)



Latin American B2C ecommerce turnover forecasted to reach about \$84 billion in 2019

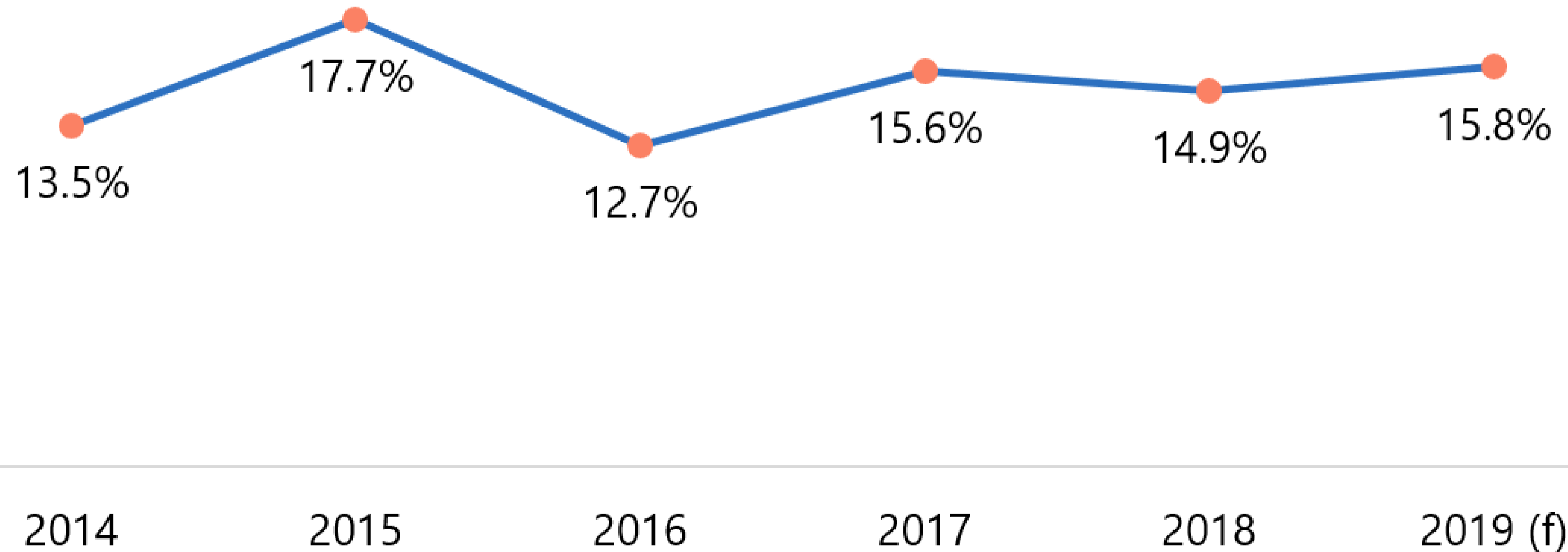
Annual LATAM B2C Ecommerce Turnover*
(USD, billion)



*B2C Ecommerce Turnover includes data of: Argentina, Brazil, Chile, Colombia, Dominican Republic, Guatemala, Mexico and Peru

Ecommerce turnover continues to grow steadily at around 15%

Annual LATAM B2C Ecommerce Growth Rate*



*B2C Ecommerce Turnover includes data of: Argentina, Brazil, Chile, Colombia, Dominican Republic, Guatemala, Mexico and Peru

Mexico is forecasted to still have the highest ecommerce turnover in 2019

Country Statistics (2019f)

E-GDP, B2C Ecommerce Turnover Growth, B2C Ecommerce Turnover, E-Shopper Penetration

COUNTRY STATISTICS FY 2019 (f)	E-GDP, USD	B2C ECOMMERCE TURNOVER GROWTH, USD	B2C ECOMMERCE TURNOVER 2019 (f) (USD, billions)	E-SHOPPER PENETRATION 2019 (f)
Argentina	2.64%	28.57%	12.6 \$	78%
Brazil	1.10%	9.42%	20.9 \$	50.60%
Chile	2.37%	28.77%	7.0 \$	43.18% *
Colombia	2.01%	28.11%	6.6 \$	38.21 % **
Dominican Republic	3.10%	10%	2.5 \$	13%
Guatemala	1.62%	50%	1.3 \$	7.60%
Mexico	2.22%	16.30%	28.8 \$	75%
Peru	1.67%	14.29%	4.0 \$	58.69%
TOTAL	1.78%	15.80%	83.8 \$	---

* Data referring to 2018

** Data referring to 2017



Country Profiles



Argentina



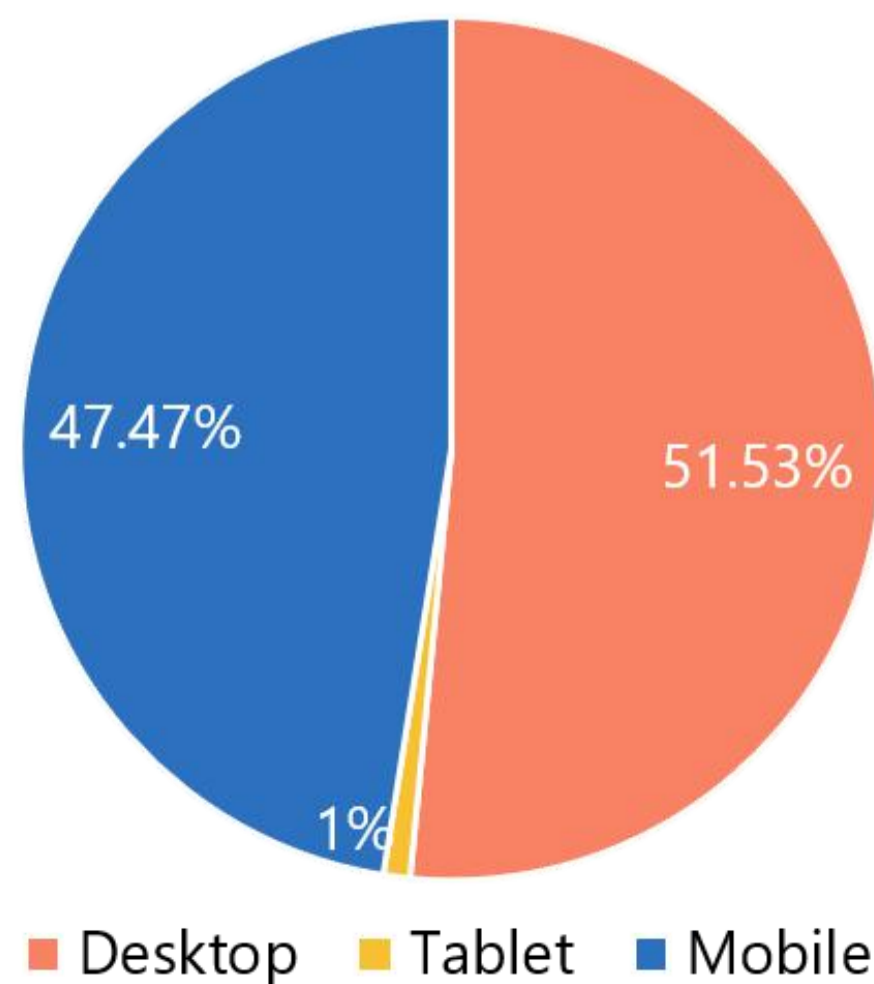
Quick Introduction (2019)

- Population 45 million
- Currency Peso (ARS)
- Logistics Performance 61st
- Ease of Doing Business 117th
- E-Government Index 43rd
- Inclusive Internet 33rd
- GDP per capita \$10,595

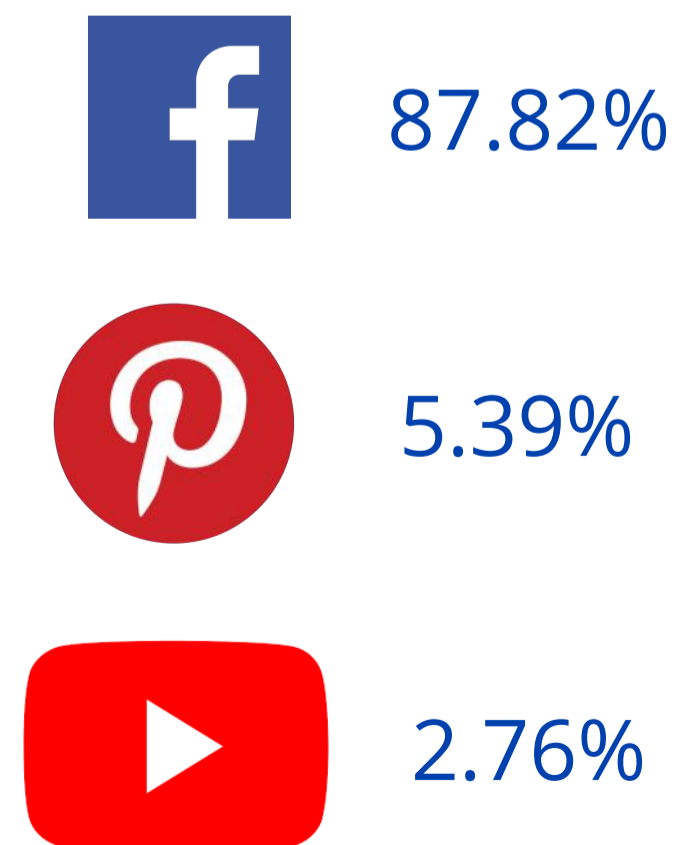
Ecommerce facts & figures (2019)

- Internet penetration 93%
- % of e-shoppers 78%
- E-GDP 2.64%
- Turnover growth 28.57%

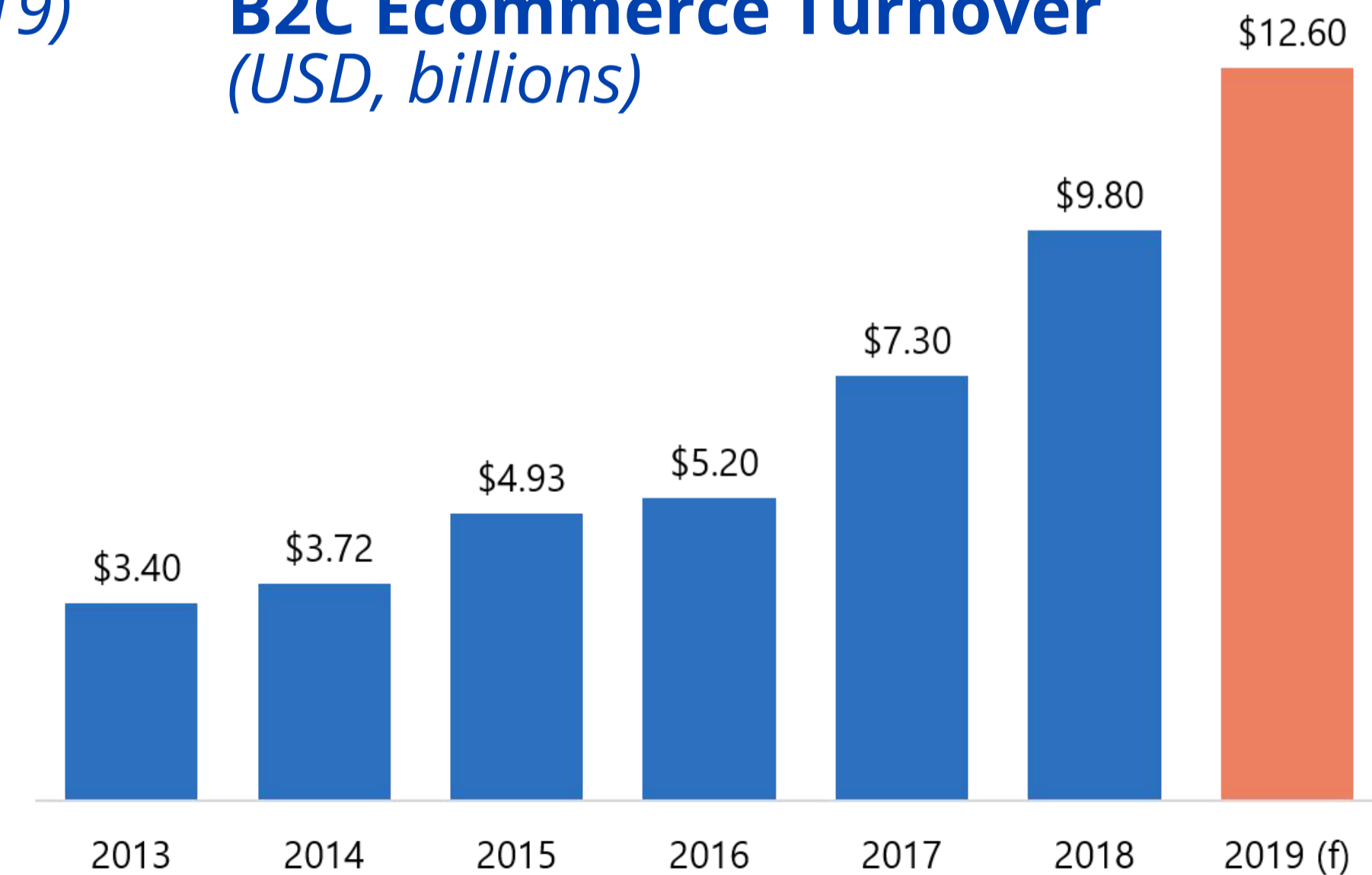
Device usage for online (2019)



Top 3 social media usage (2019)



B2C Ecommerce Turnover (USD, billions)





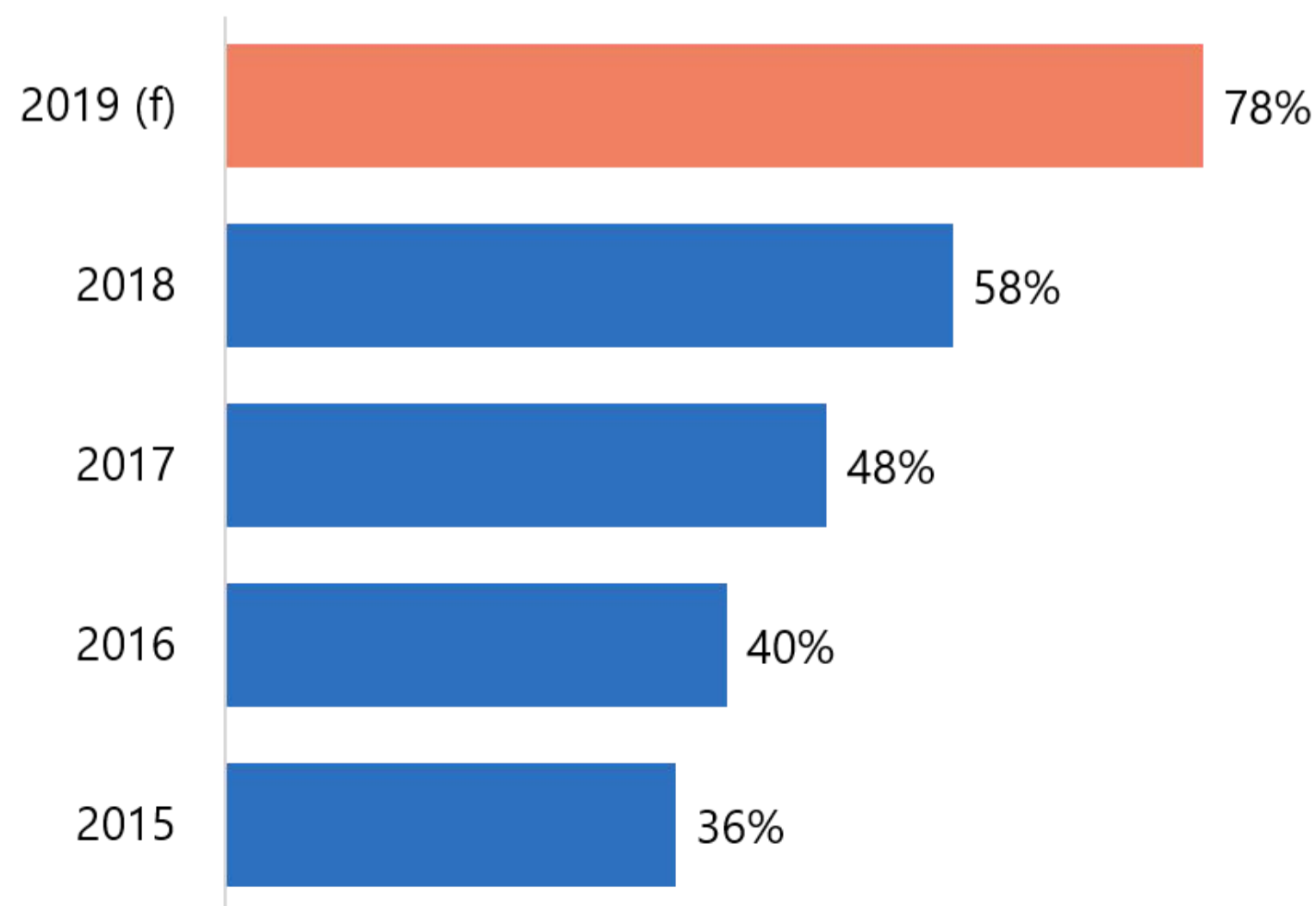
Bolivia



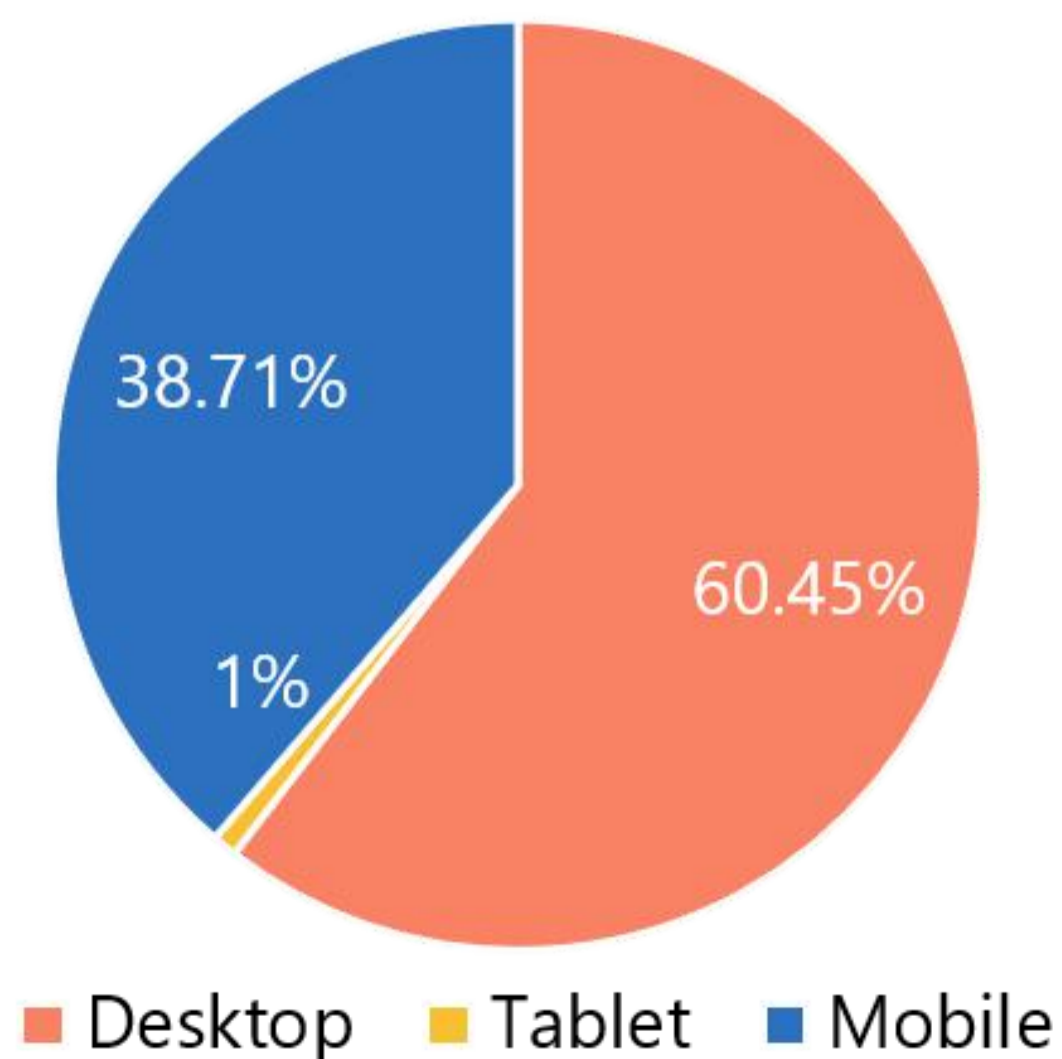
Quick Introduction (2019)

- Population 11.3 million
- Currency Boliviano (BOB)
- Logistics Performance 131st
- Ease of Doing Business 152nd
- E-Government Index 103rd
- GDP per capita \$2,636

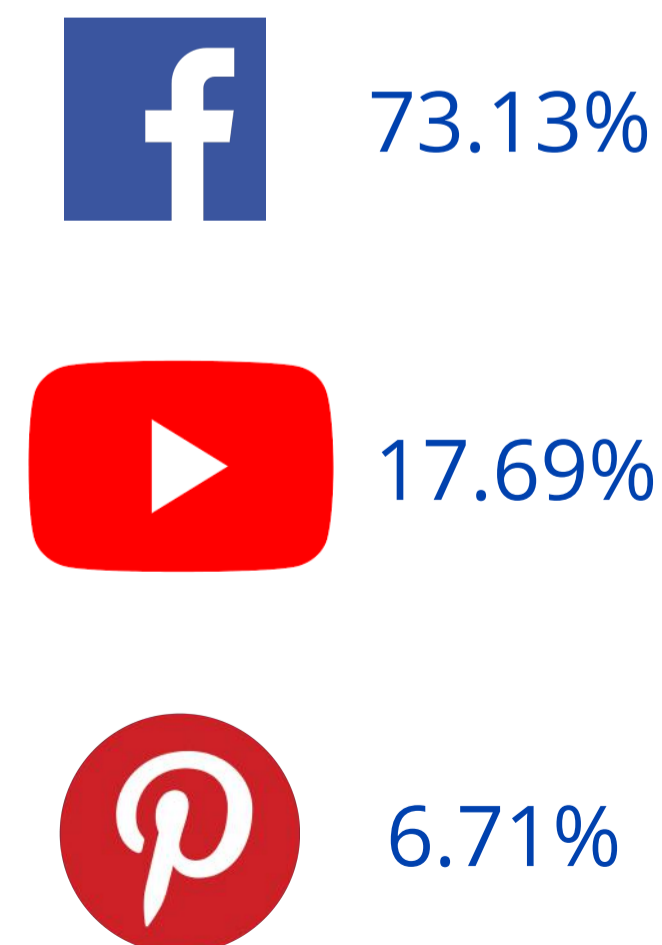
Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





Brazil



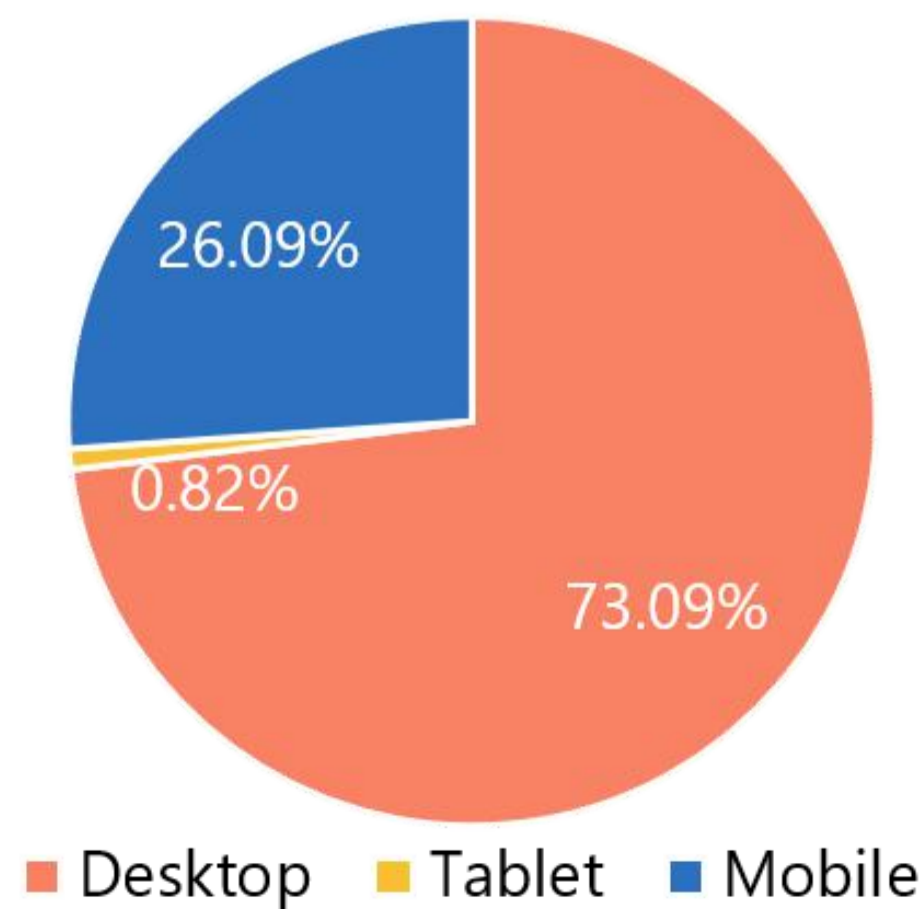
Quick introduction (2019)

- Population 212.8 million
- Currency Real (BRL)
- Logistics Performance 56th
- Ease of Doing Business 125th
- E-Government Index 44th
- Inclusive Internet 31st
- GDP per capita \$8,909

Ecommerce facts & figures (2019)

- Internet penetration 70%
- % of e-shoppers 50.60%
- E-GDP 1.08%
- Turnover growth 9.42%

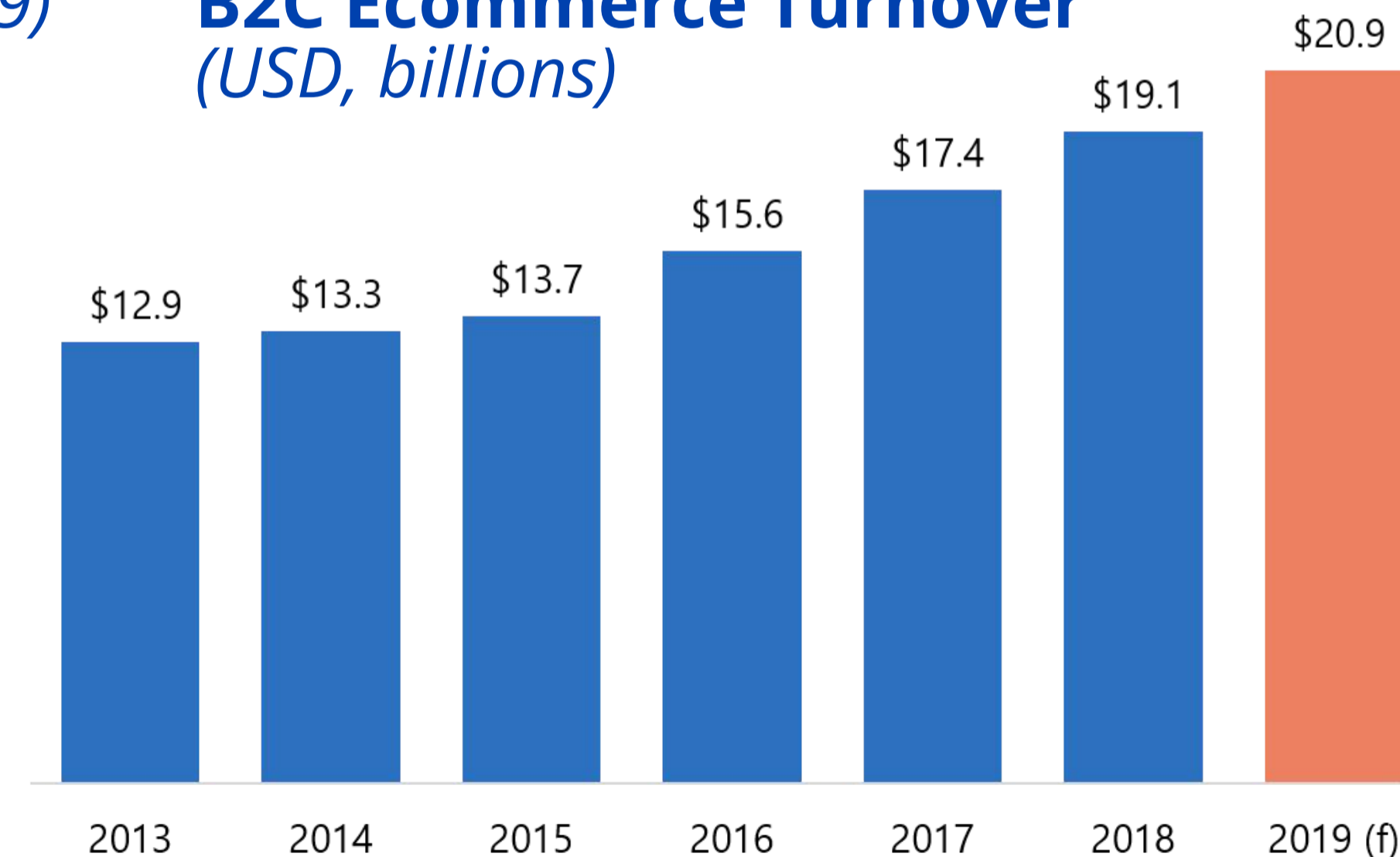
Device usage for online (2019)

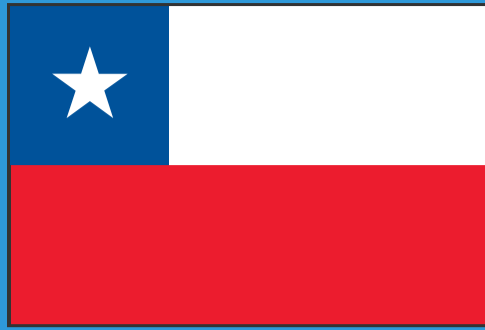


Top 3 social media usage (2019)



B2C Ecommerce Turnover (USD, billions)





Chile



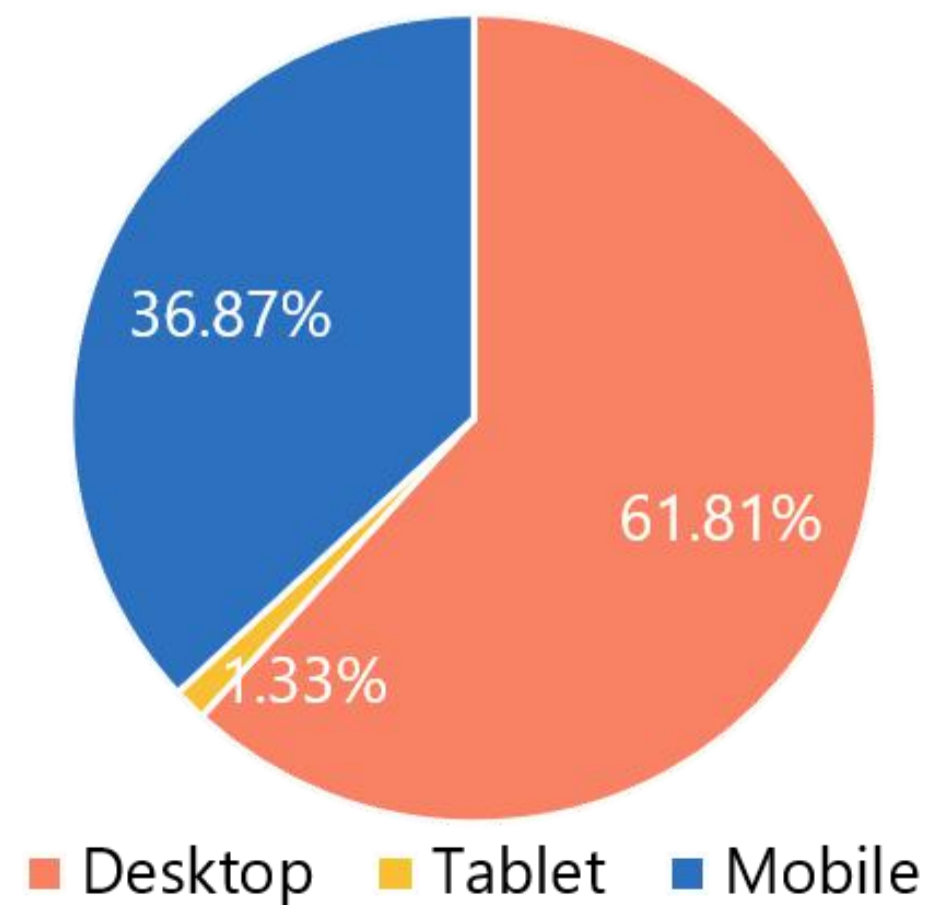
Quick introduction (2019)

- Population 18.3 million
- Currency Peso (CLP)
- Logistics Performance 34th
- Ease of Doing Business 55th
- E-Government Index 42nd
- Inclusive Internet 16th
- GDP per capita \$16,149

Ecommerce facts & figures (2019)

- Internet penetration 77%
- E-GDP 2.37%
- Turnover Growth 28.77%

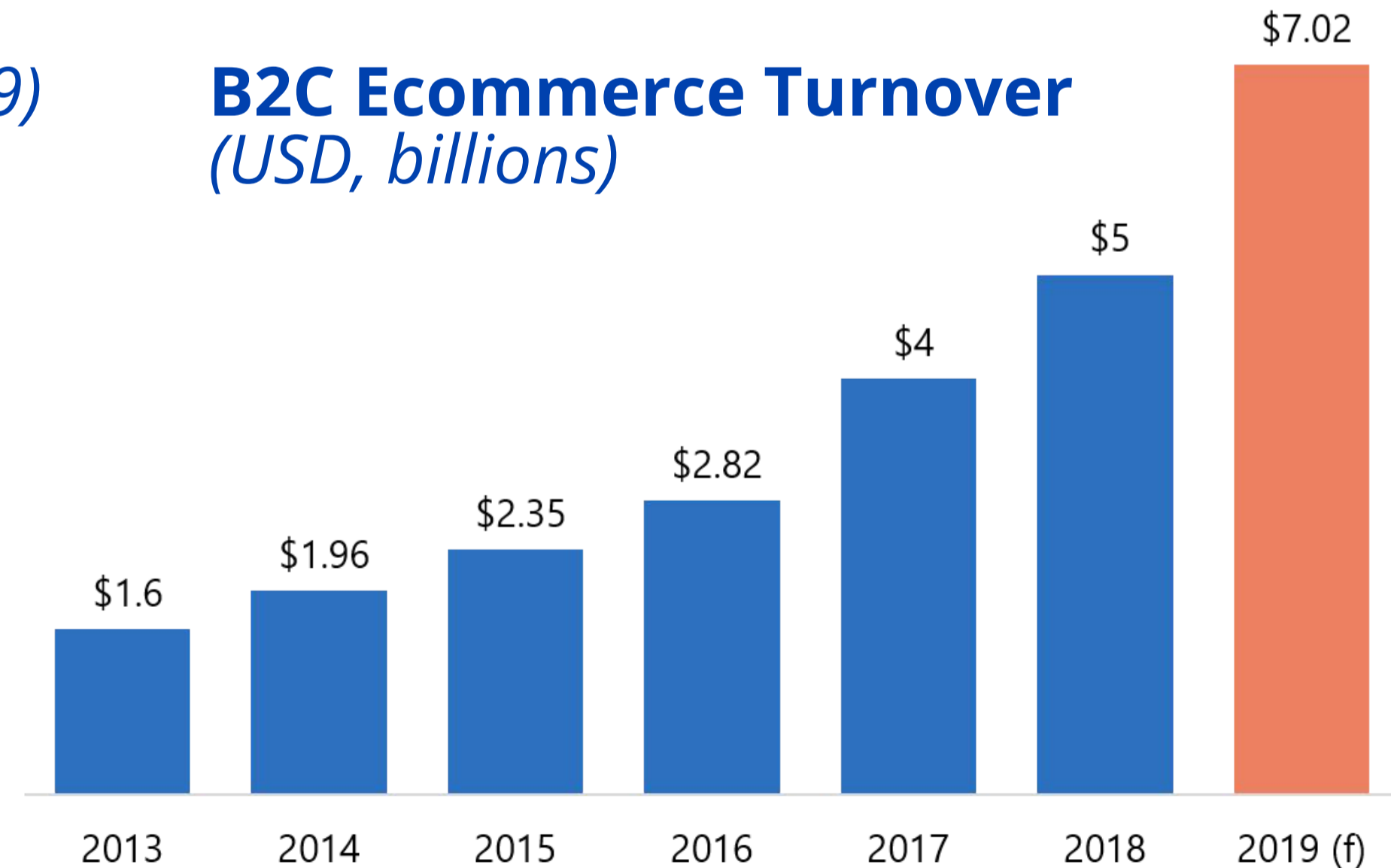
Device usage for online (2019)



Top 3 social media usage (2019)



B2C Ecommerce Turnover (USD, billions)





Colombia



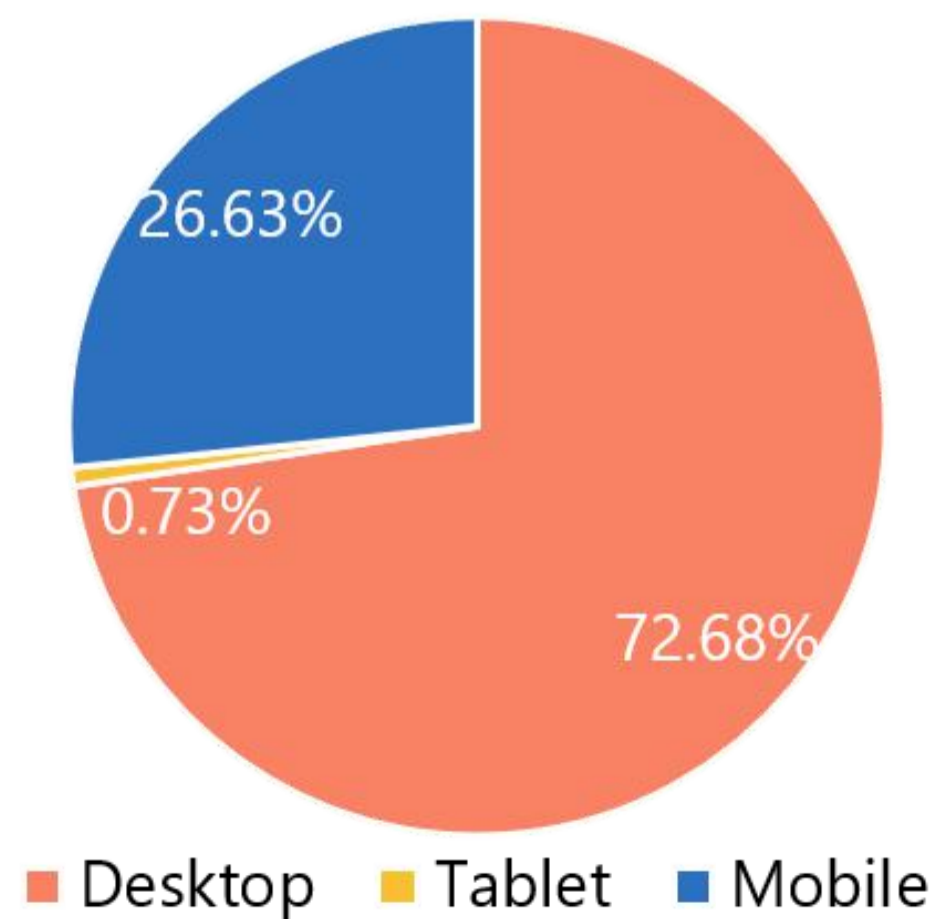
Quick introduction (2019)

- Population 49.8 million
- Currency Peso (COP)
- Logistics Performance 58th
- Ease of Doing Business 59th
- E-Government Index 61st
- Internet Inclusivity 35th
- GDP per capita \$6,590

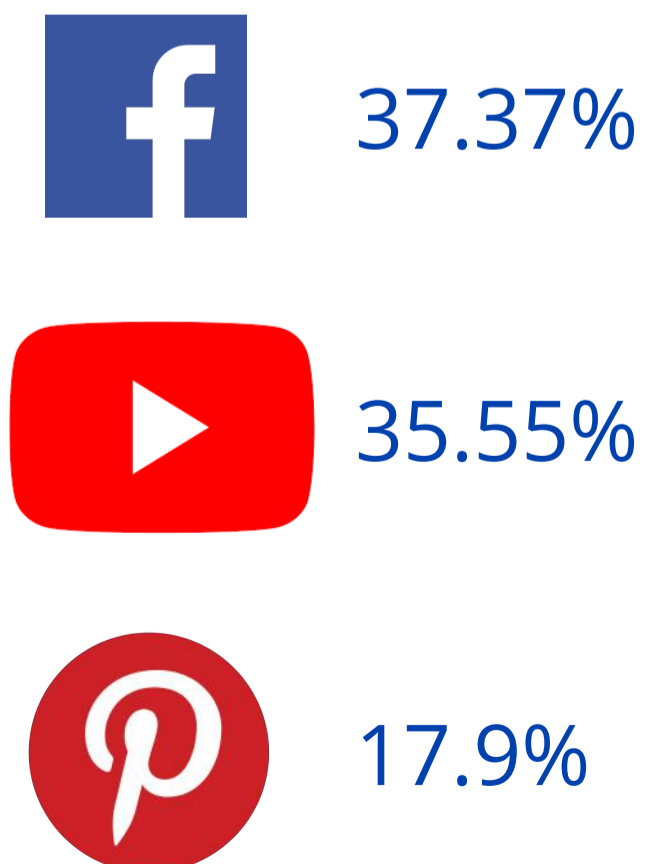
Ecommerce facts & figures (2019)

- Internet penetration 66%
- E-GDP 2.01%
- Turnover growth 28.11%

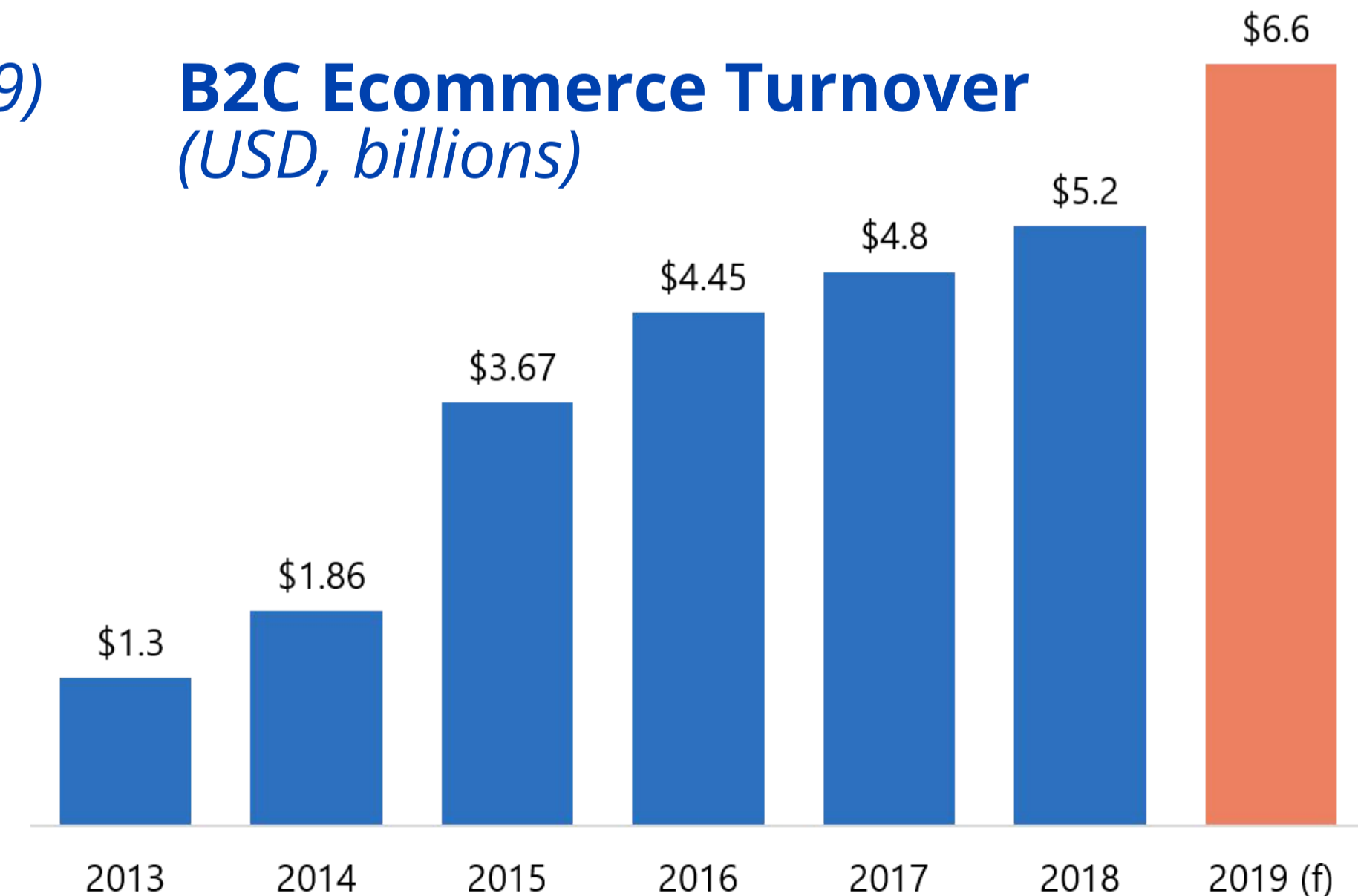
Device usage for online (2019)



Top 3 social media usage (2019)



B2C Ecommerce Turnover (USD, billions)





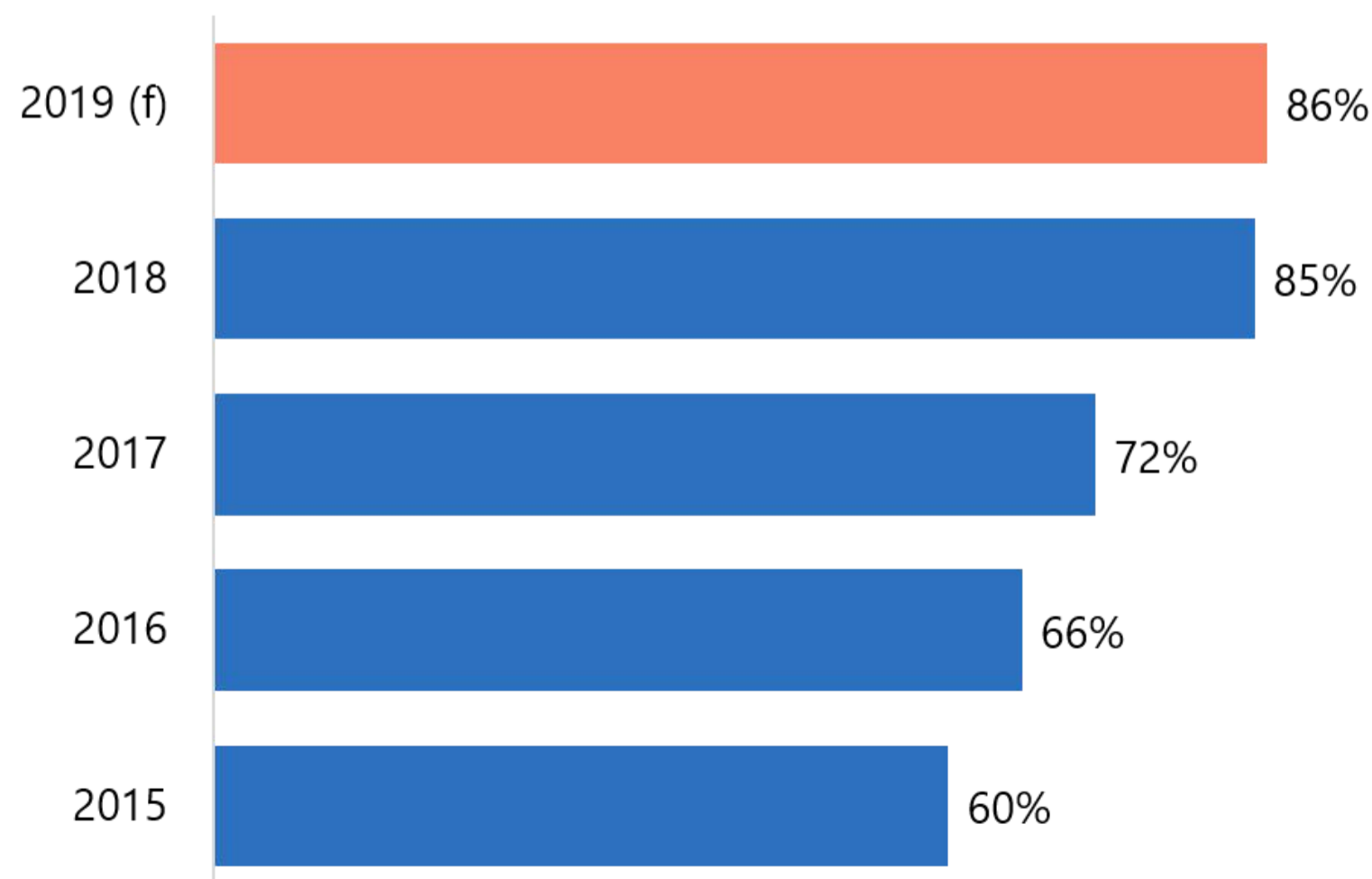
Costa Rica



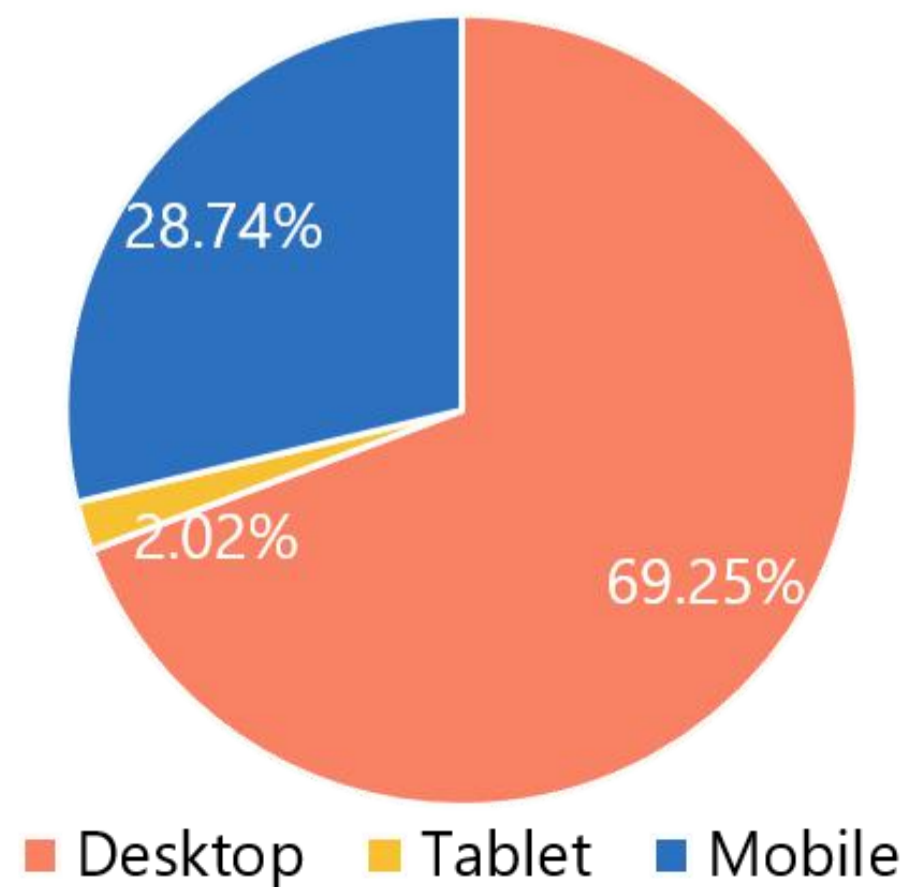
Quick introduction (2019)

- Population 4.9 million
- Currency Costa Rican Colón (CRC)
- Logistics Performance 73rd
- Ease of Doing Business 61st
- E-Government Index 56th
- Inclusive Internet Index 46th
- GDP per capita \$12,702

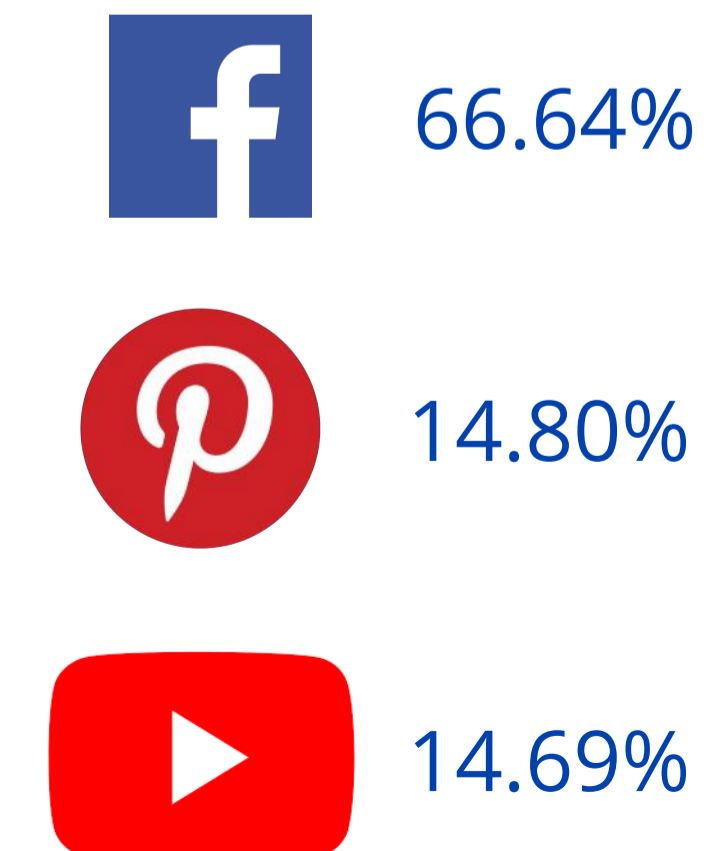
Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





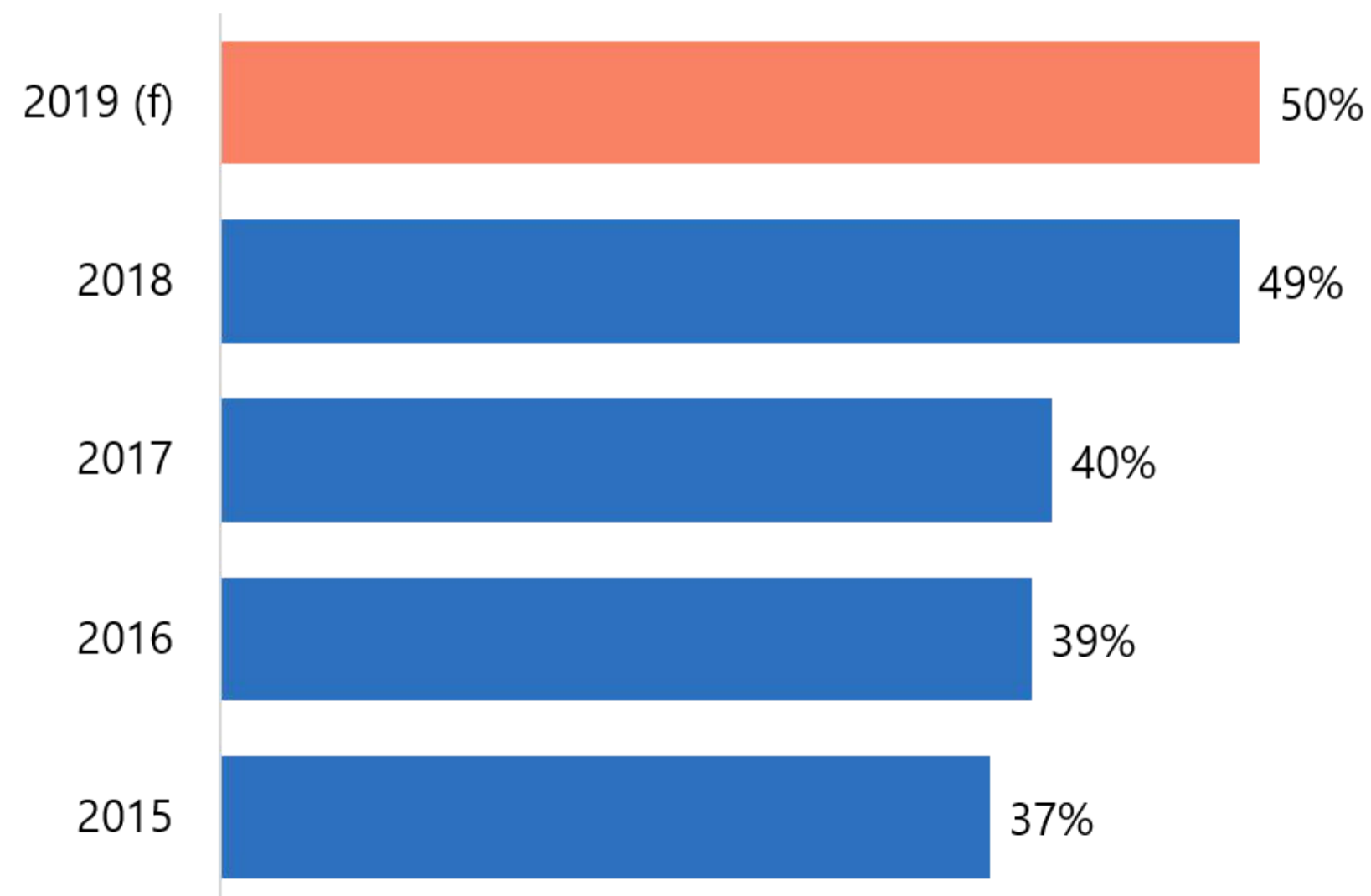
Cuba



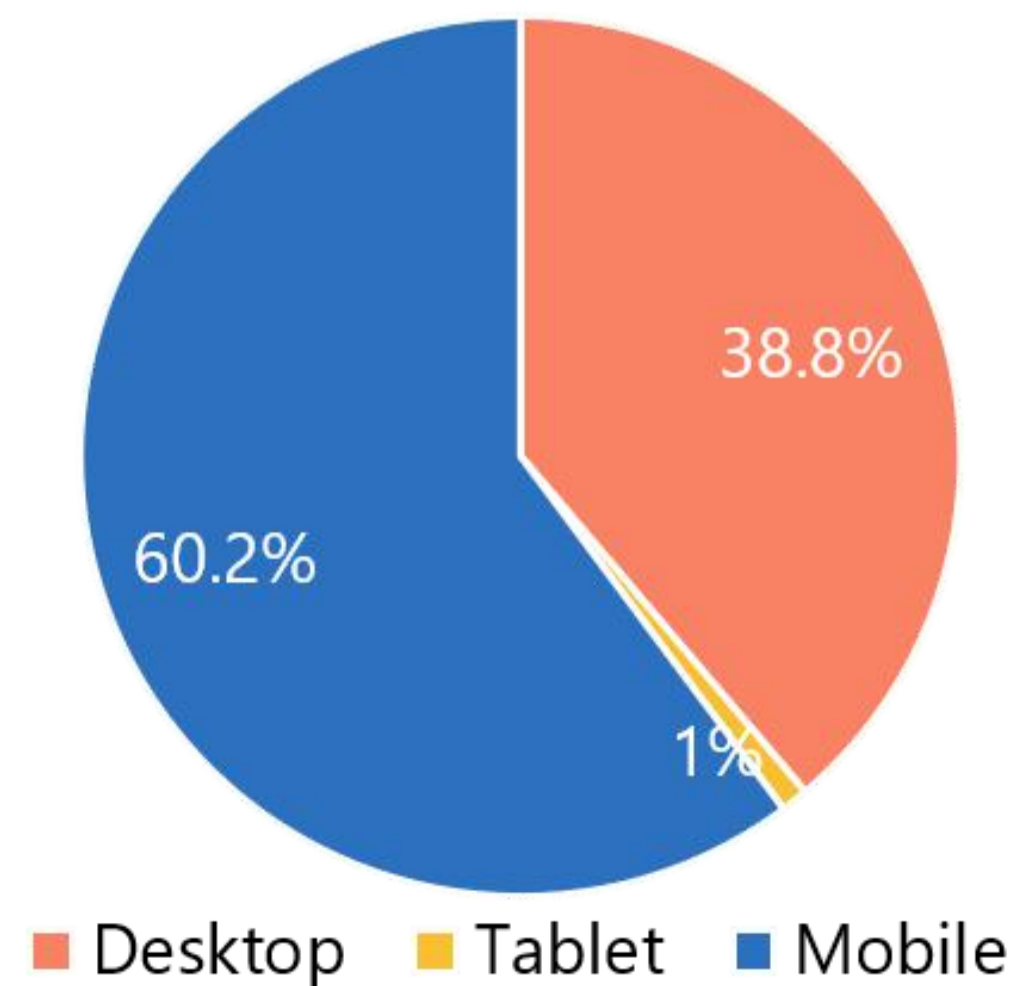
Quick introduction (2019)

- Population 11.49 million
- Currency Peso (CUP)
- Logistics Performance 146th
- E-Government Index 134th

Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





Dominican Republic



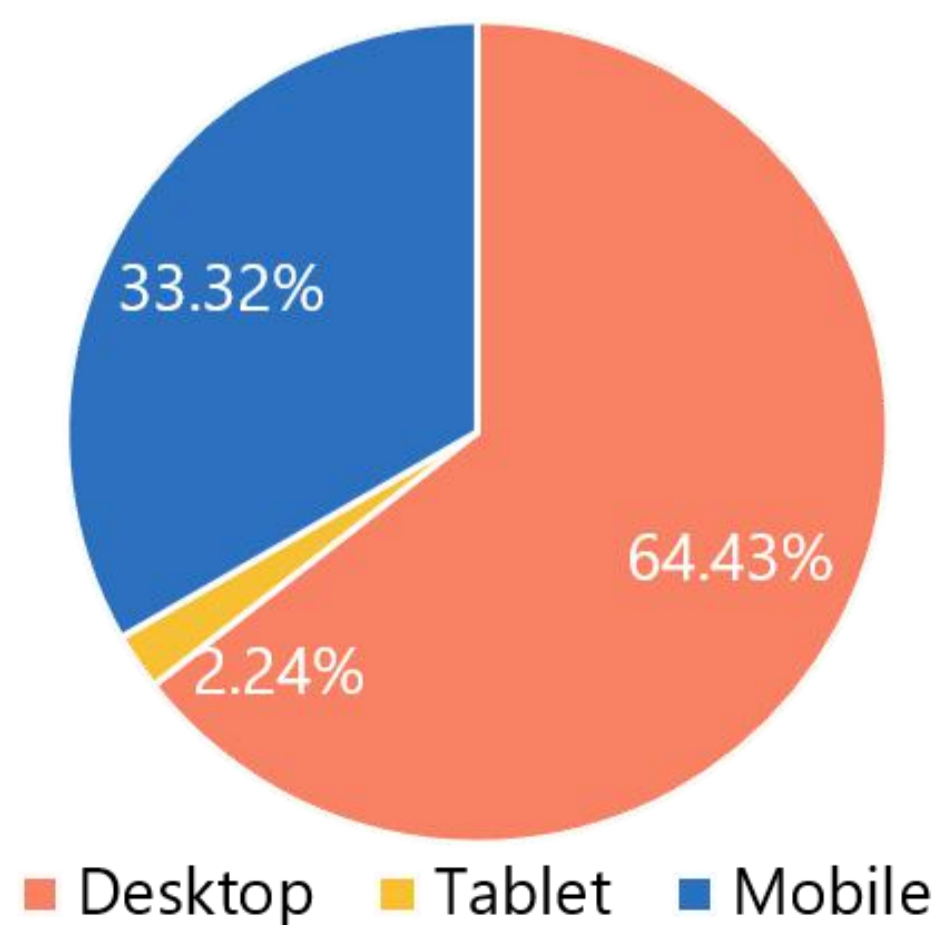
Quick introduction (2019)

- Population 10.96 million
- Currency Peso (DOP)
- Logistics Performance 87th
- Ease of Doing Business 99th
- E-Government Index 93rd
- Internet Inclusivity 61st
- GDP per capita \$7,720

Ecommerce facts & figures (2019)

- Internet penetration 70%
- % of e-shoppers 13%
- E-GDP 3.05%
- Turnover growth 10%

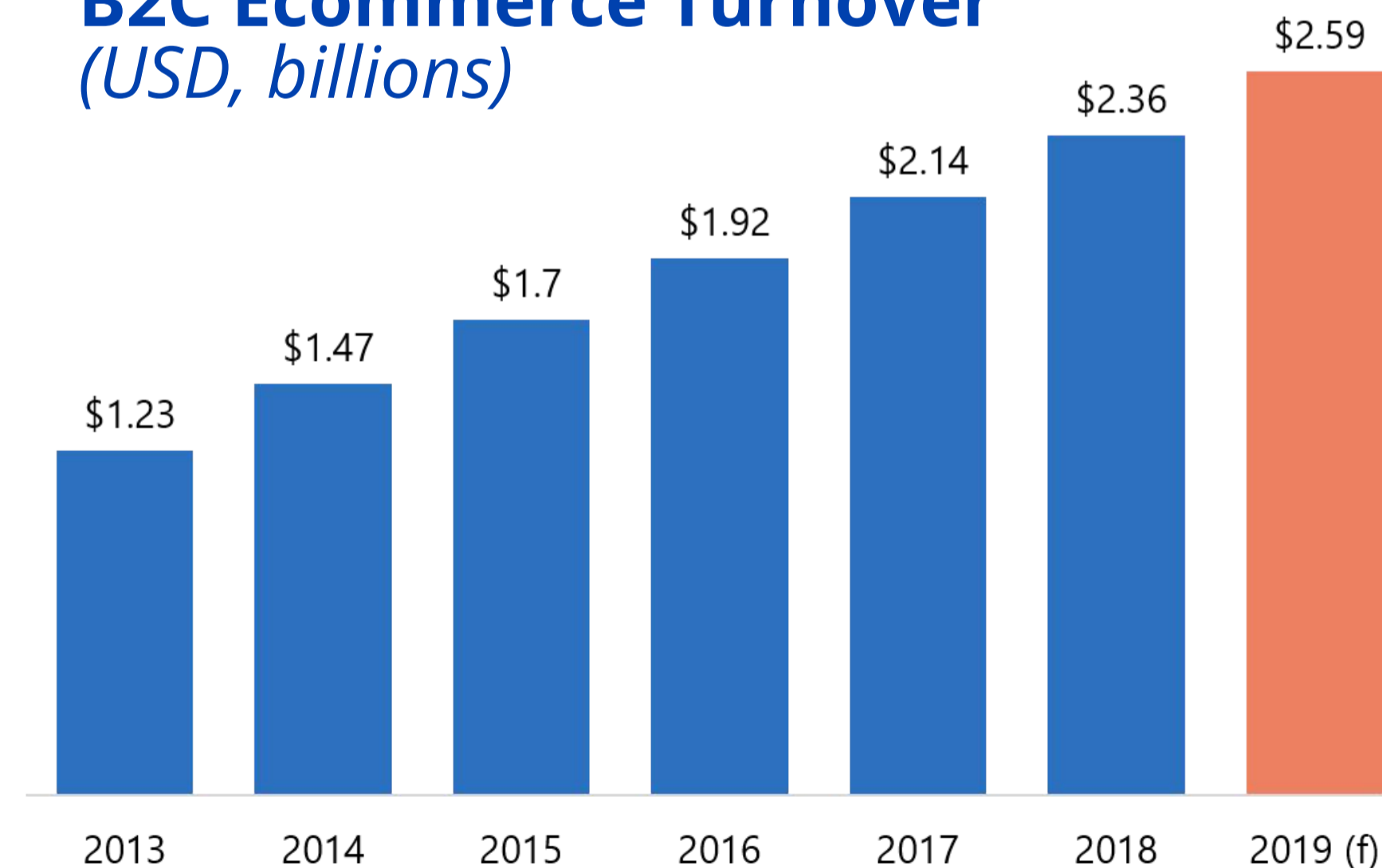
Device usage for online (2019)



Top 3 social media usage (2019)



B2C Ecommerce Turnover (USD, billions)





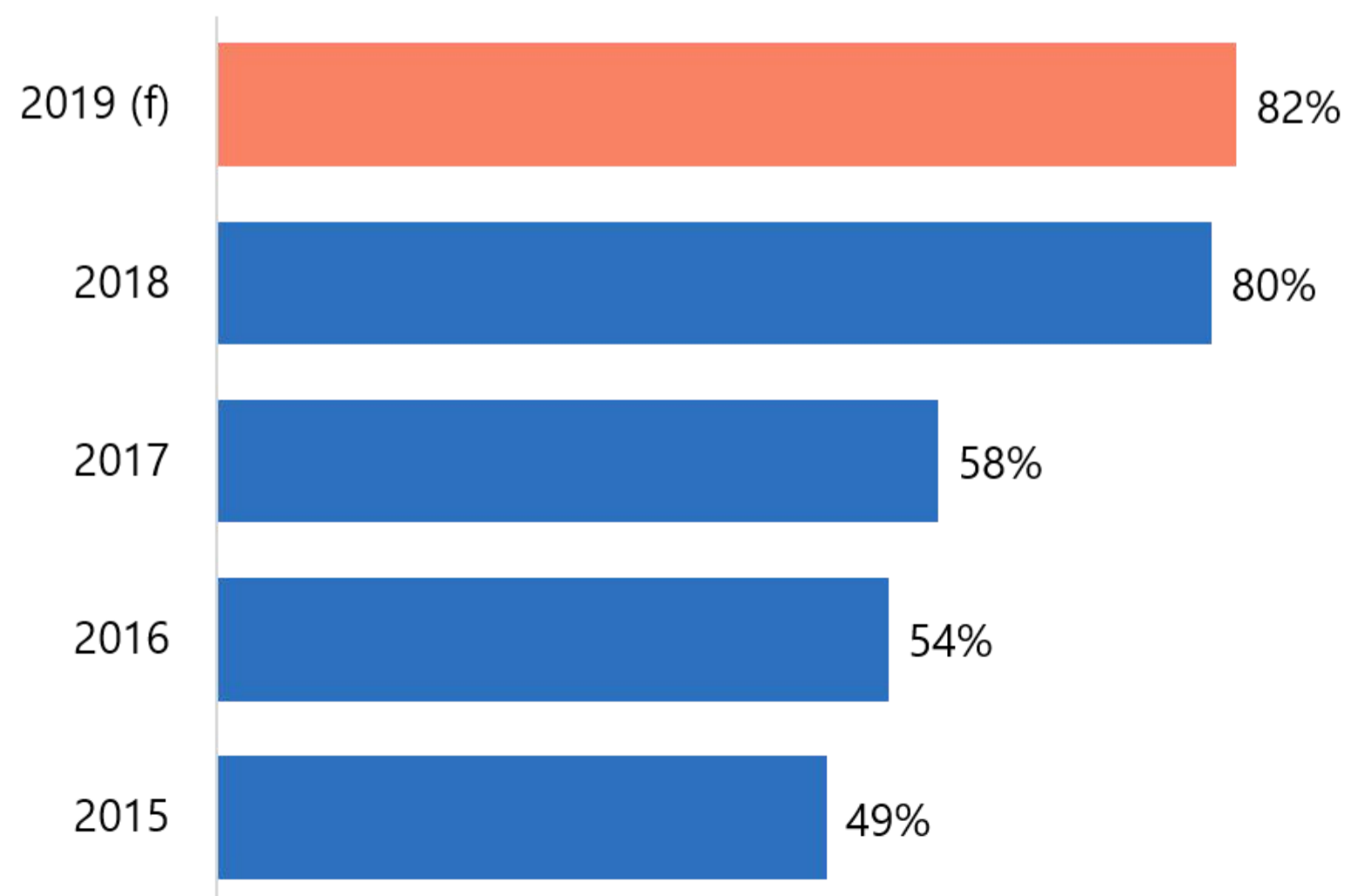
Ecuador



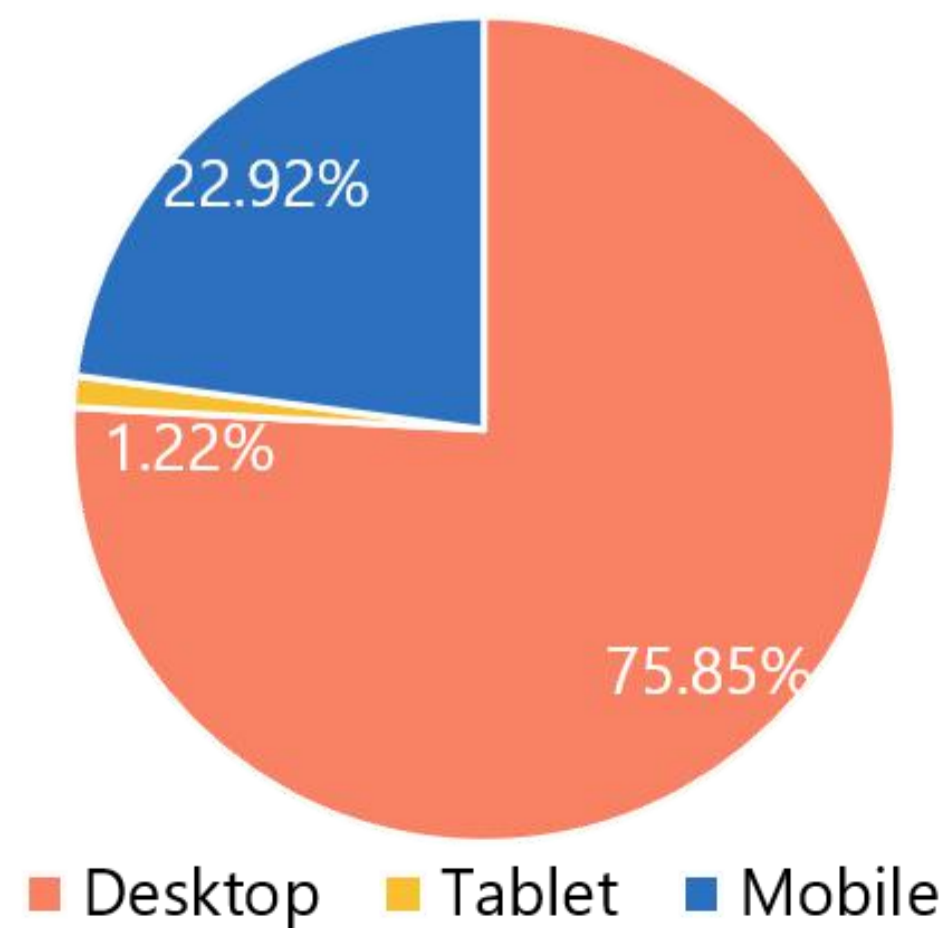
Quick introduction (2019)

- Population 17.1 million
- Currency United States Dollar (USD)
- Logistics Performance 62nd
- Ease of Doing Business 118th
- E-Government Index 84th
- Inclusive Internet 54th
- GDP per capita \$6,215

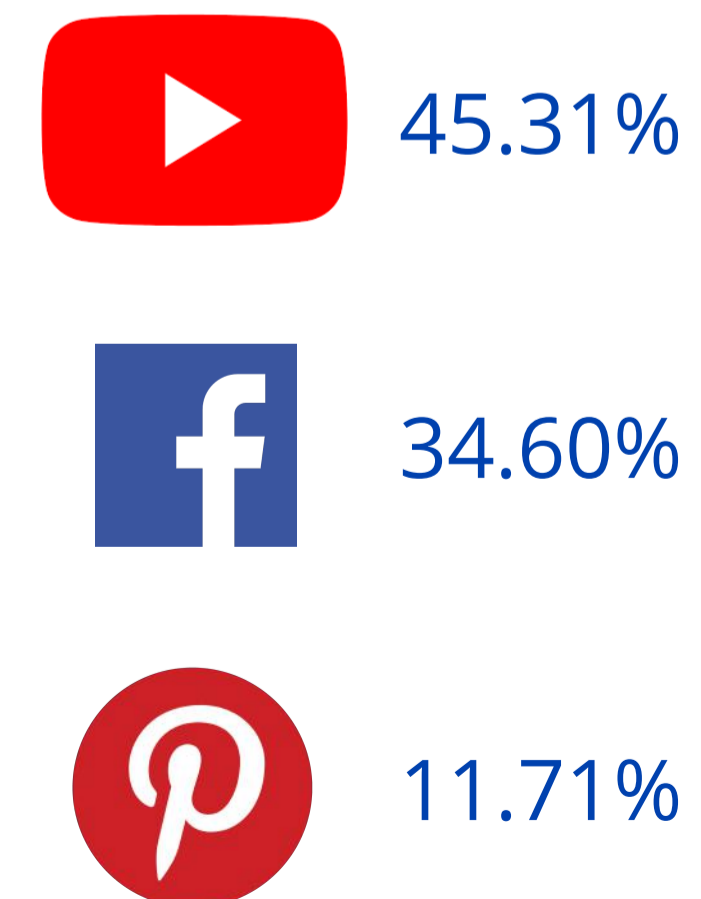
Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





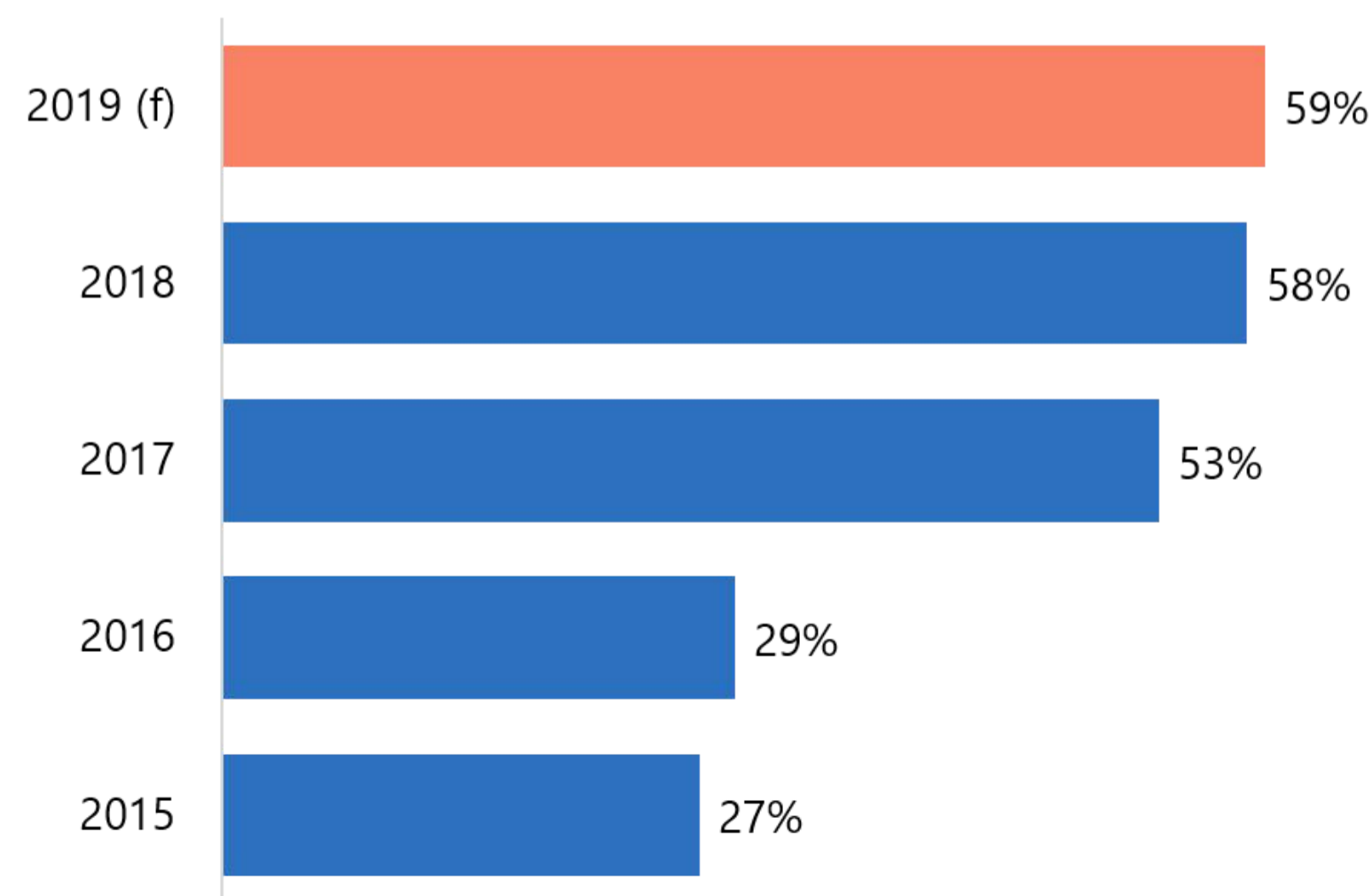
El Salvador



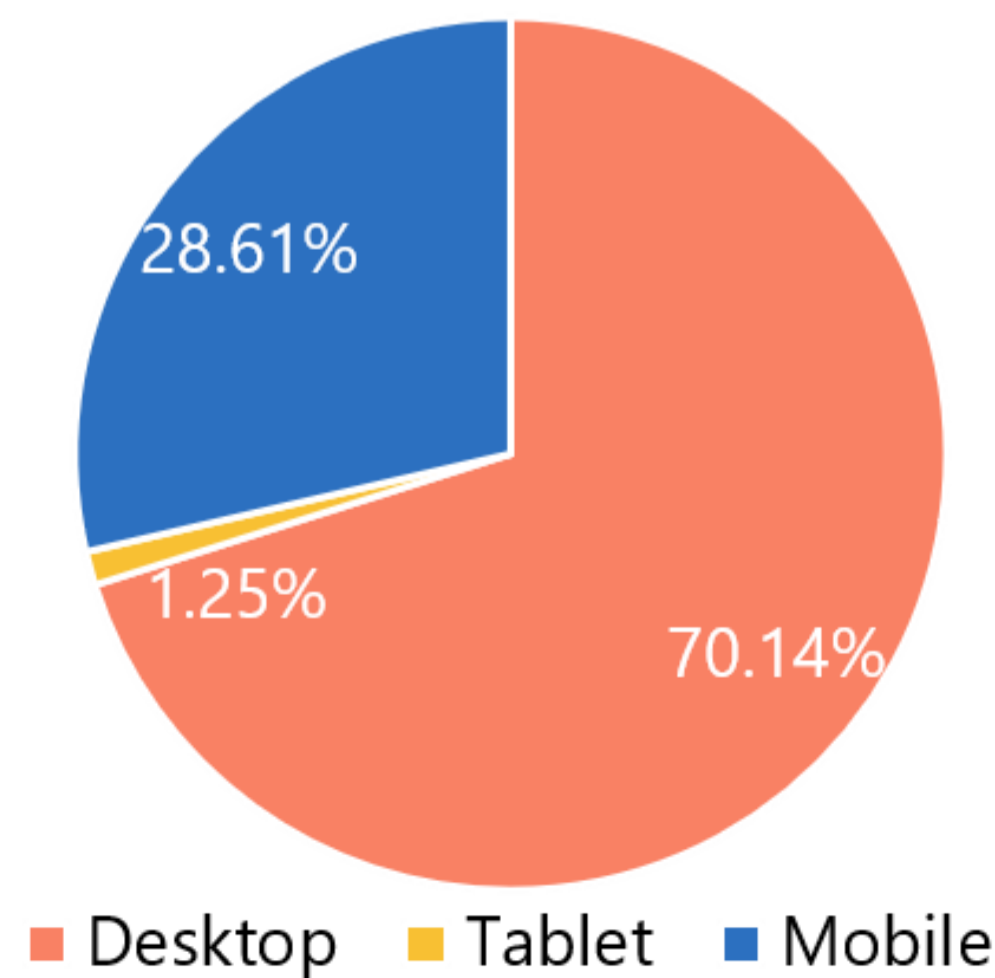
Quick introduction (2019)

- Population 6.45 million
- Currency United States Dollar (USD)
- Logistics Performance 101st
- Ease of Doing Business 73rd
- E-Government Index 100th
- Inclusive Internet 59th
- GDP per capita \$4,187

Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





Guatemala



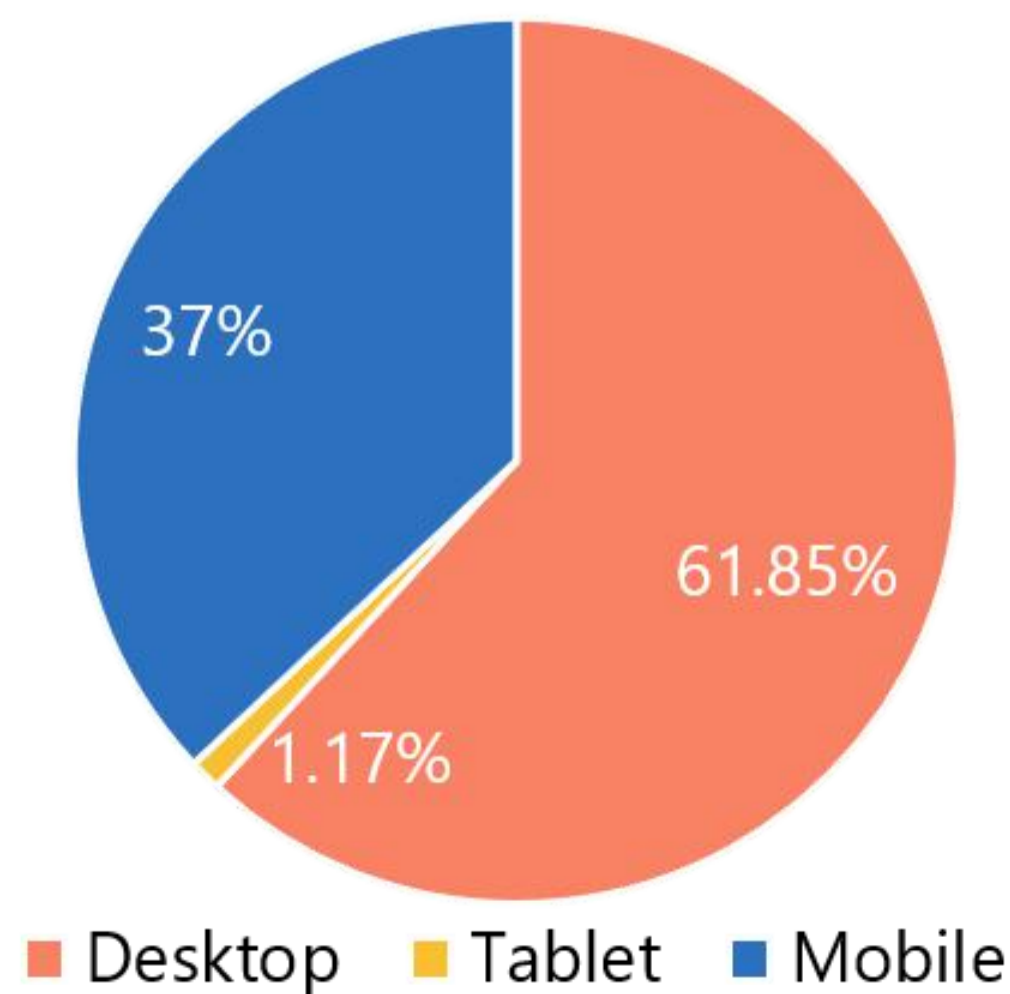
Quick introduction (2019)

- Population 17.5 million
- Currency Quetzal (GTQ)
- Logistics Performance 125th
- Ease of Doing Business 97th
- E-Government Index 81st
- Inclusive Internet Index 67th
- GDP per capita \$4,738

Ecommerce facts & figures (2019)

- Internet penetration 45%
- % of e-shoppers 7.6%
- Turnover growth 50%

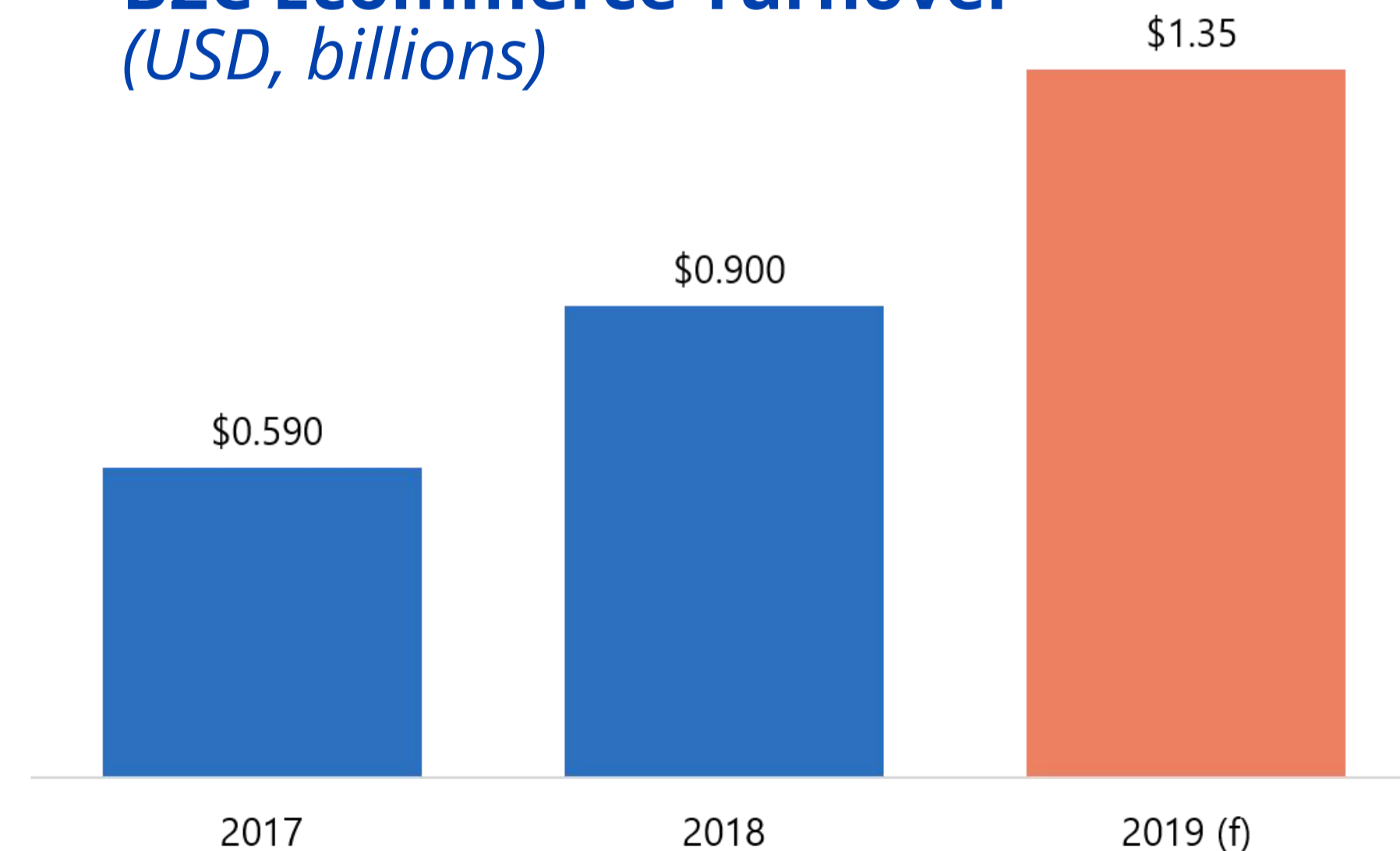
Device usage for online (2019)



Top 3 social media usage (2019)



B2C Ecommerce Turnover (USD, billions)





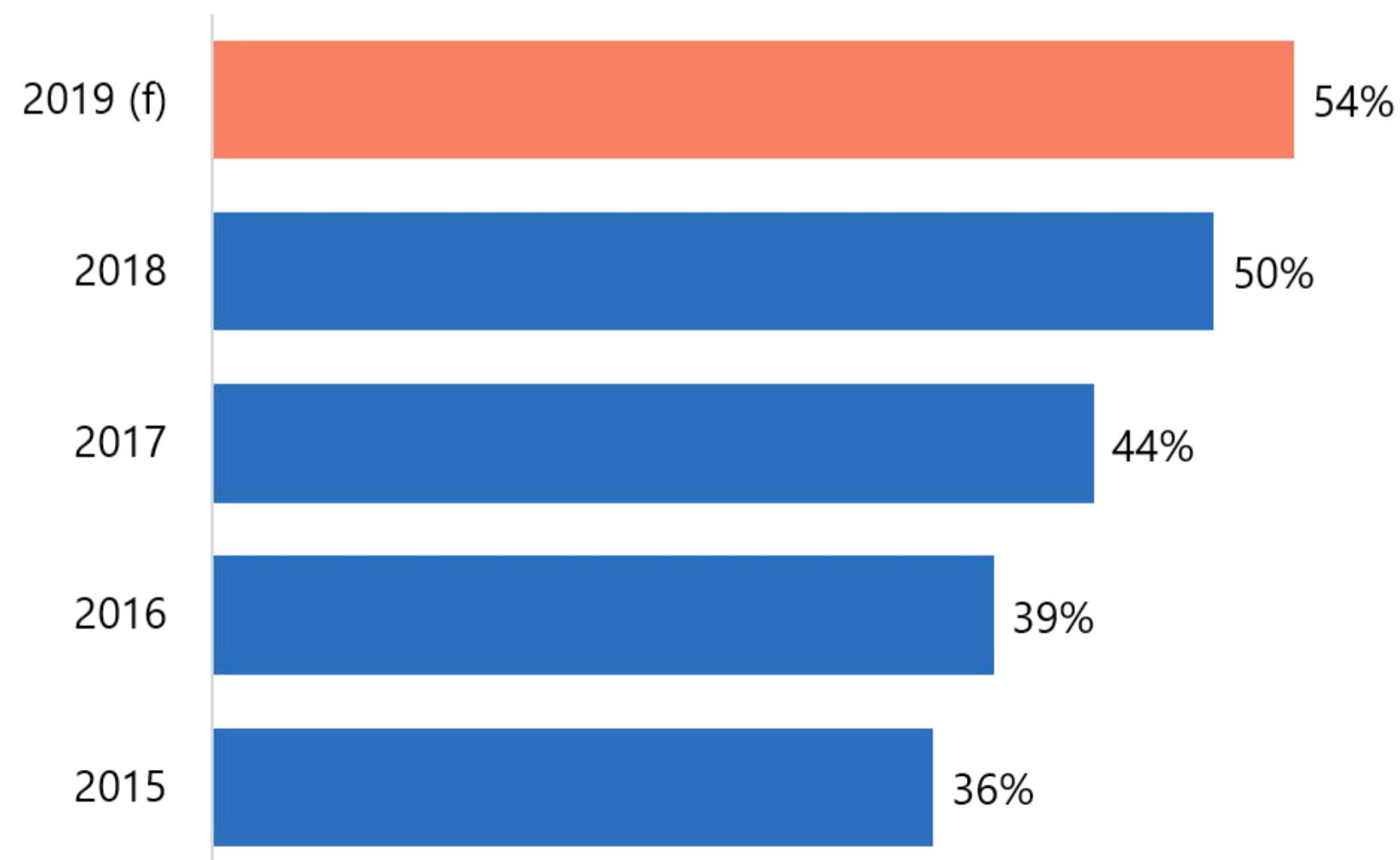
Guyana



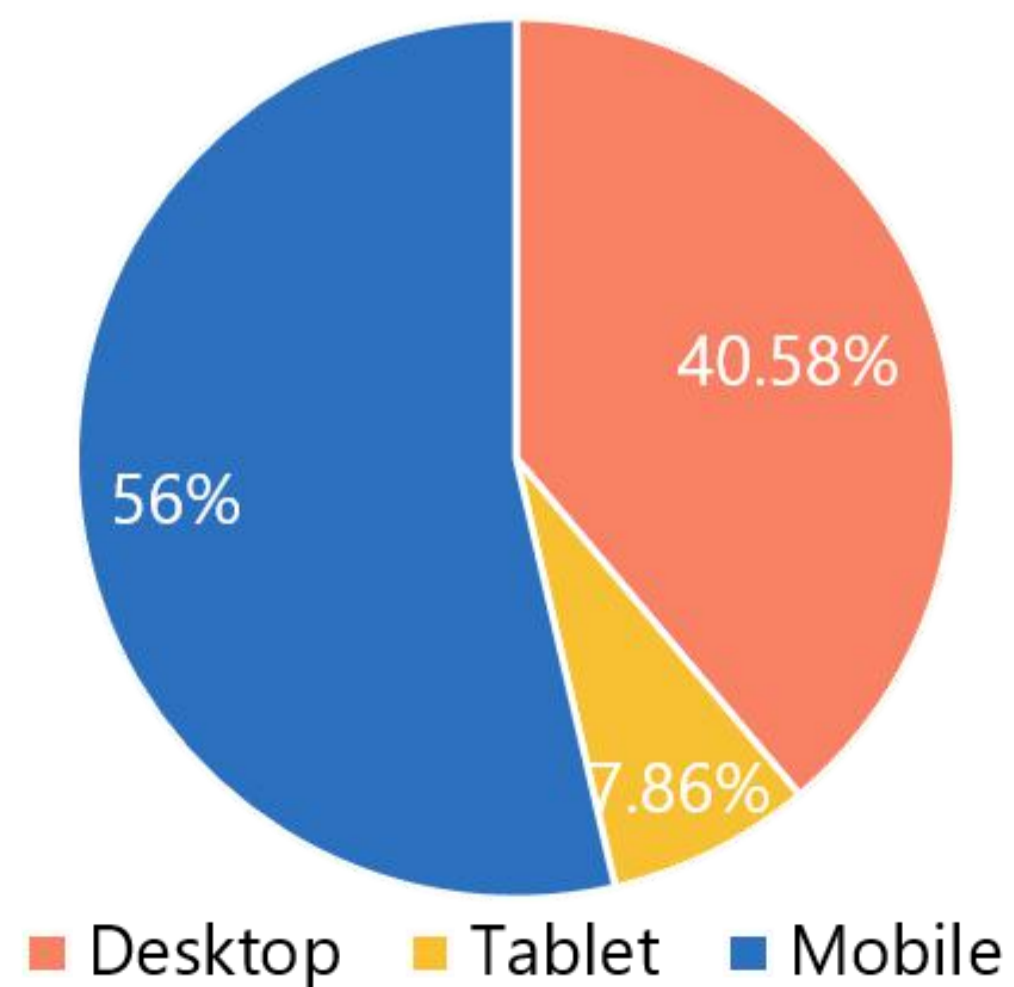
Quick introduction (2019)

- Population 786,000
- Currency Guyanese Dollar (GYD)
- Logistics Performance 132nd
- Ease of Doing Business 126th
- E-Government Index 124th
- GDP per capita \$1,049

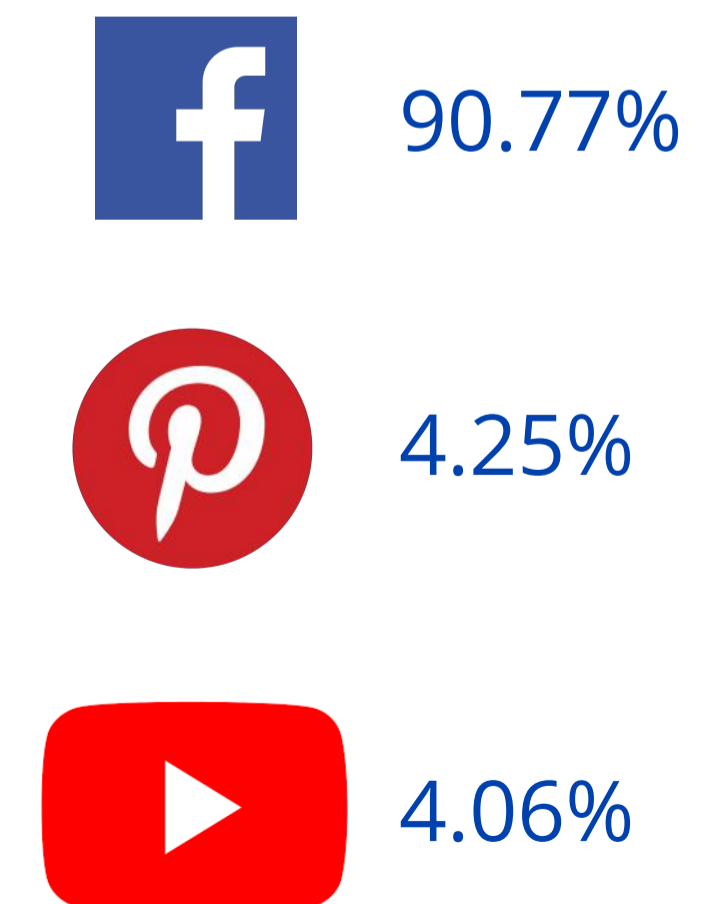
Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





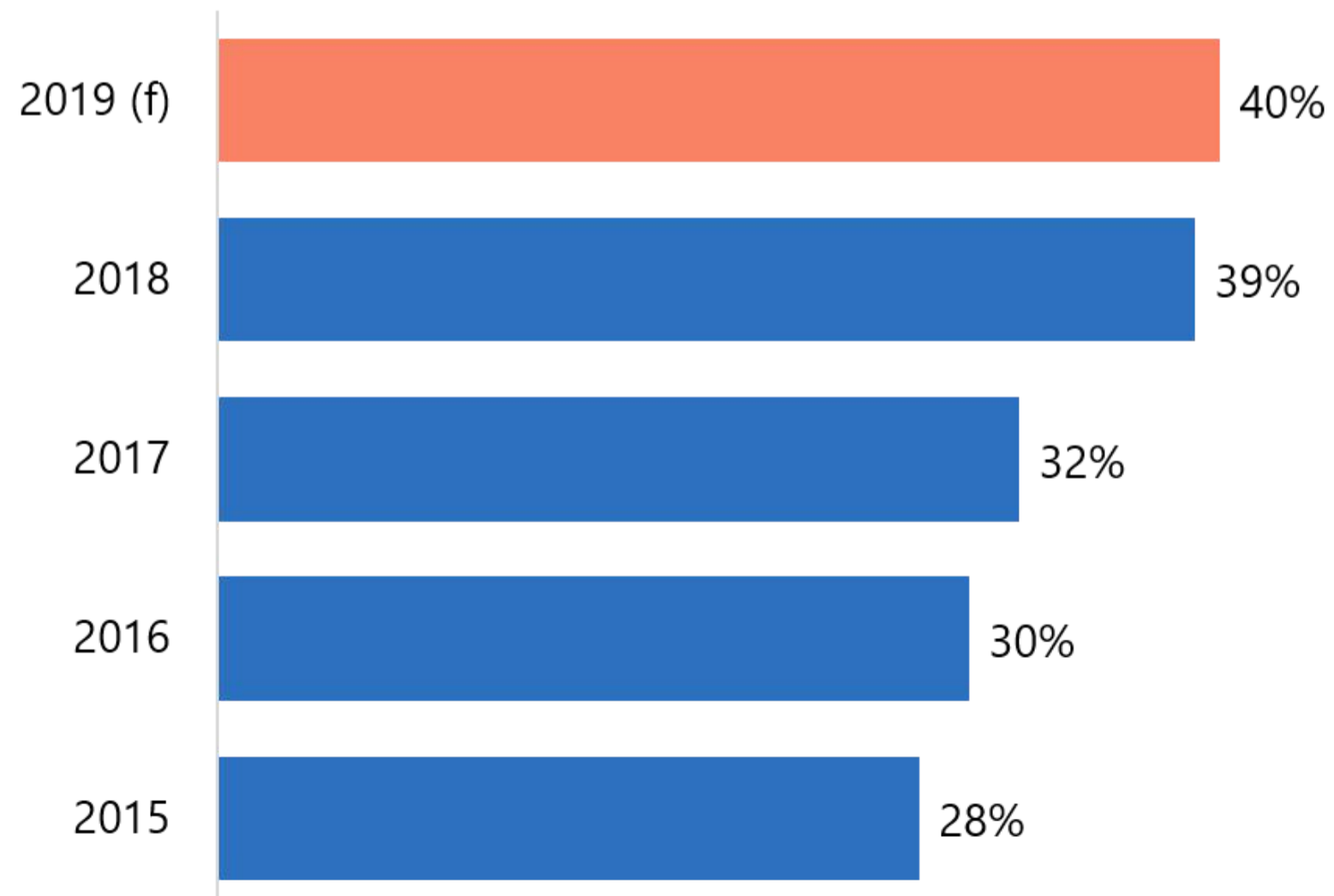
Honduras



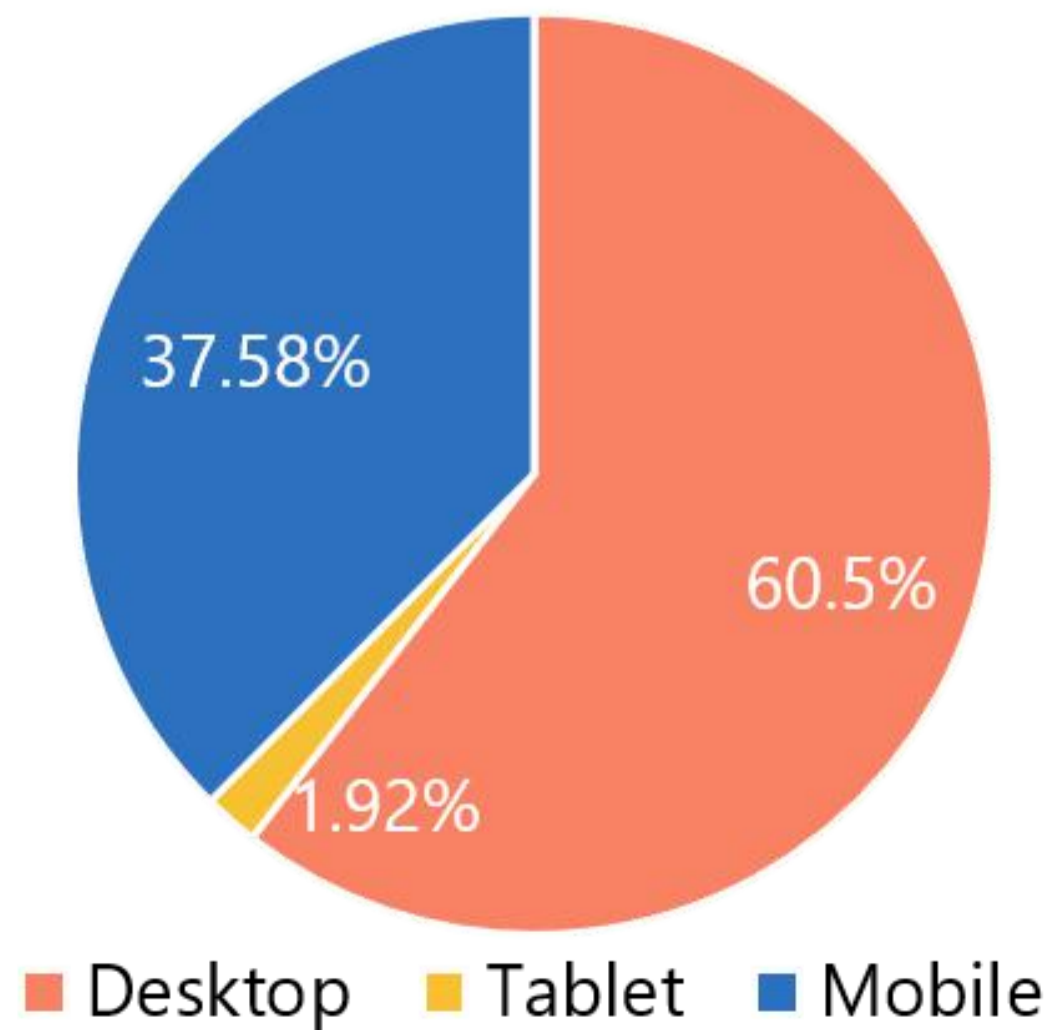
Quick introduction (2019)

- Population 9.56 million
- Currency Lempira (HNL)
- Logistics Performance 93rd
- Ease of Doing Business 115th
- E-Government Index 123rd
- GDP per capita \$2,634

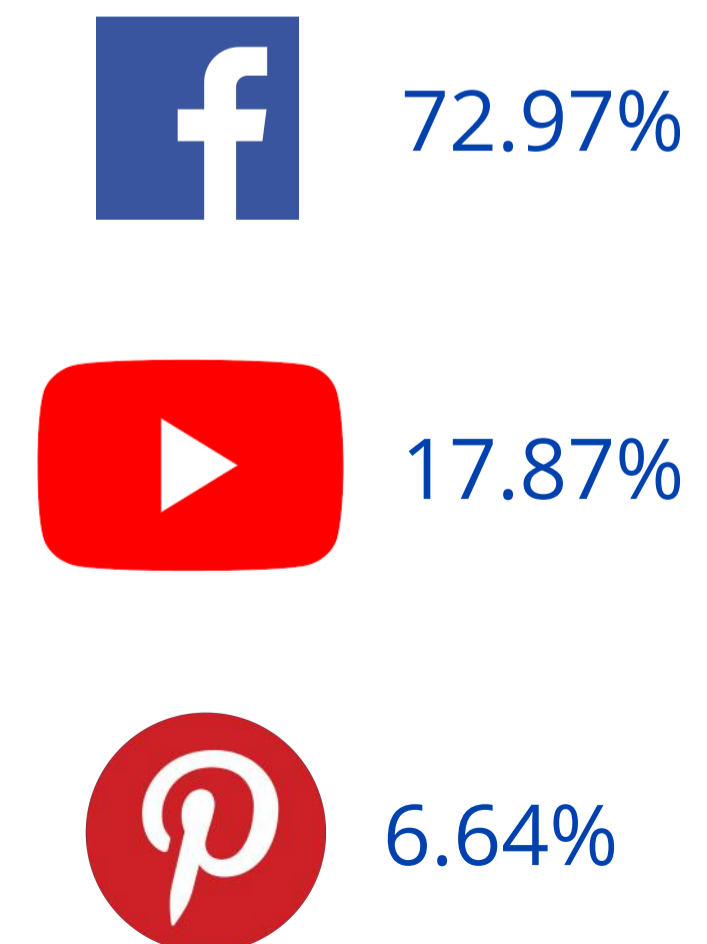
Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





Mexico



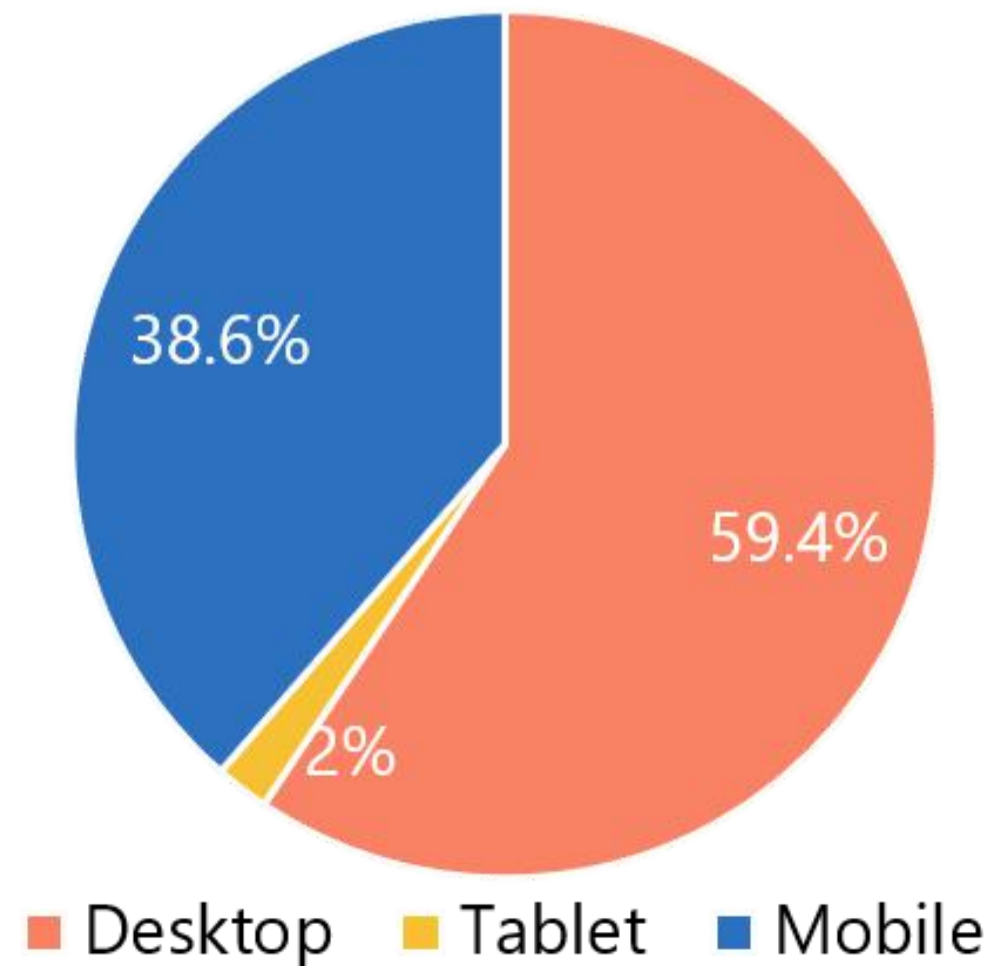
Quick introduction (2019)

- Population 132.3 million
- Currency Peso (MXN)
- Logistics Performance 51st
- Ease of Doing Business 49th
- E-Government Index 64th
- Inclusive Internet Index 45th
- GDP per capita \$9,804

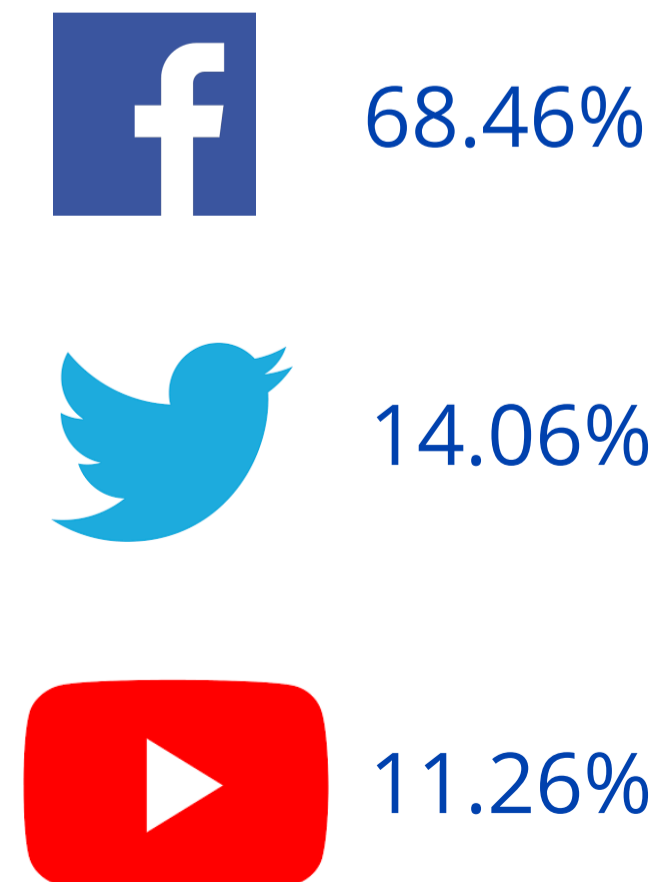
Ecommerce facts & figures (2019)

- Internet penetration 68%
- % of e-shoppers 75%
- E-GDP 2.22%
- Turnover growth 16.30%

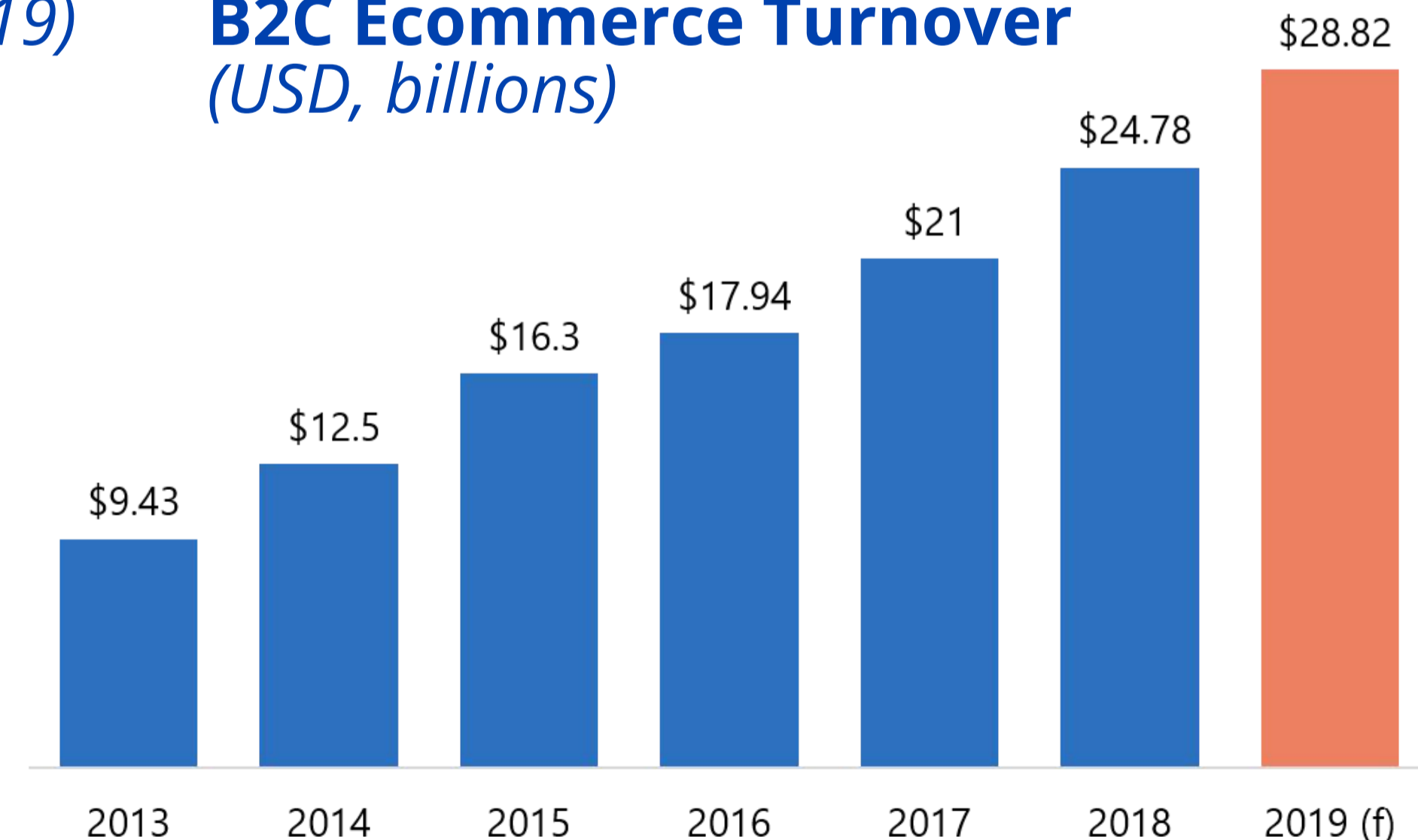
Device usage for online (2019)



Top 3 social media usage (2019)



B2C Ecommerce Turnover (USD, billions)





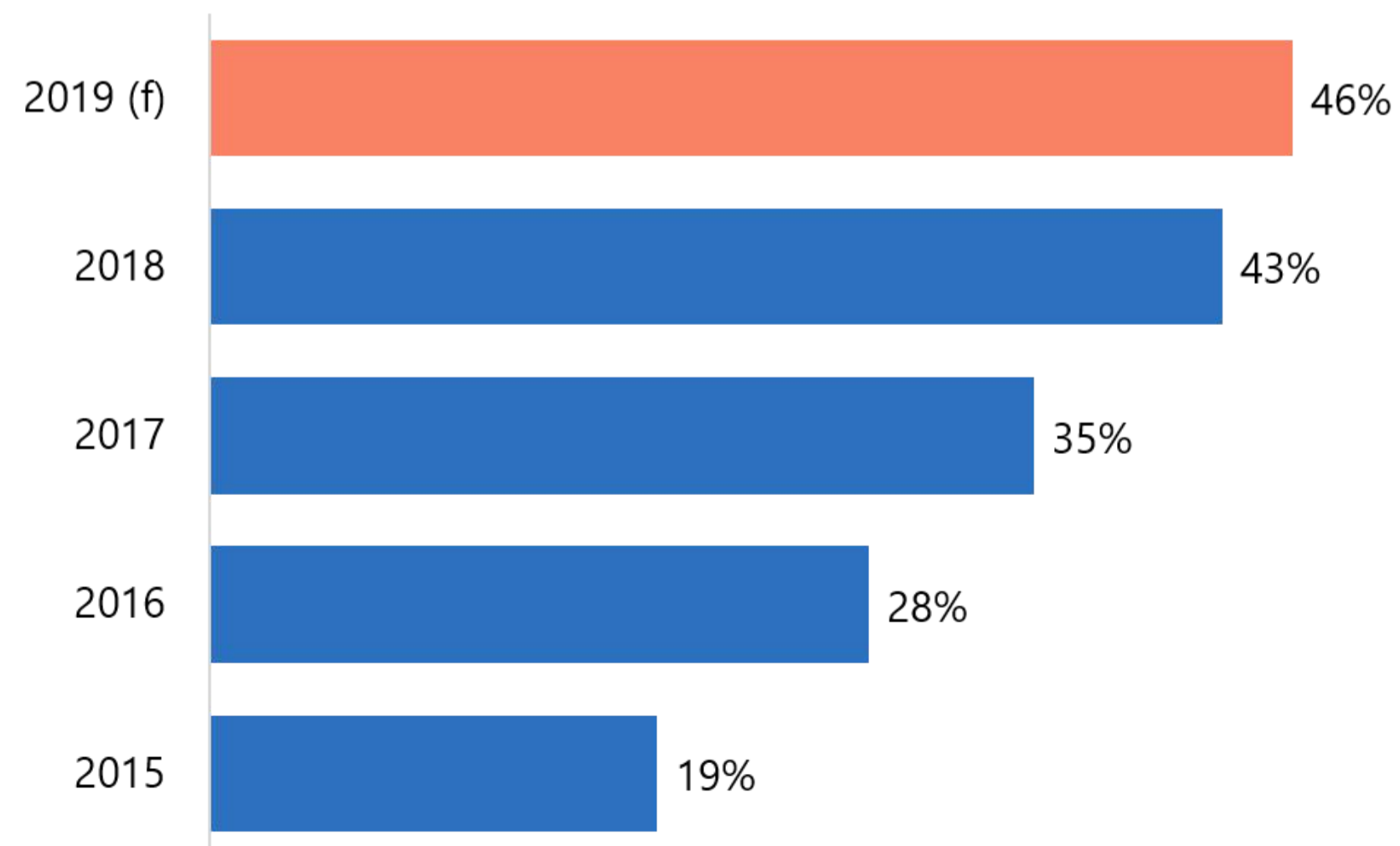
Nicaragua



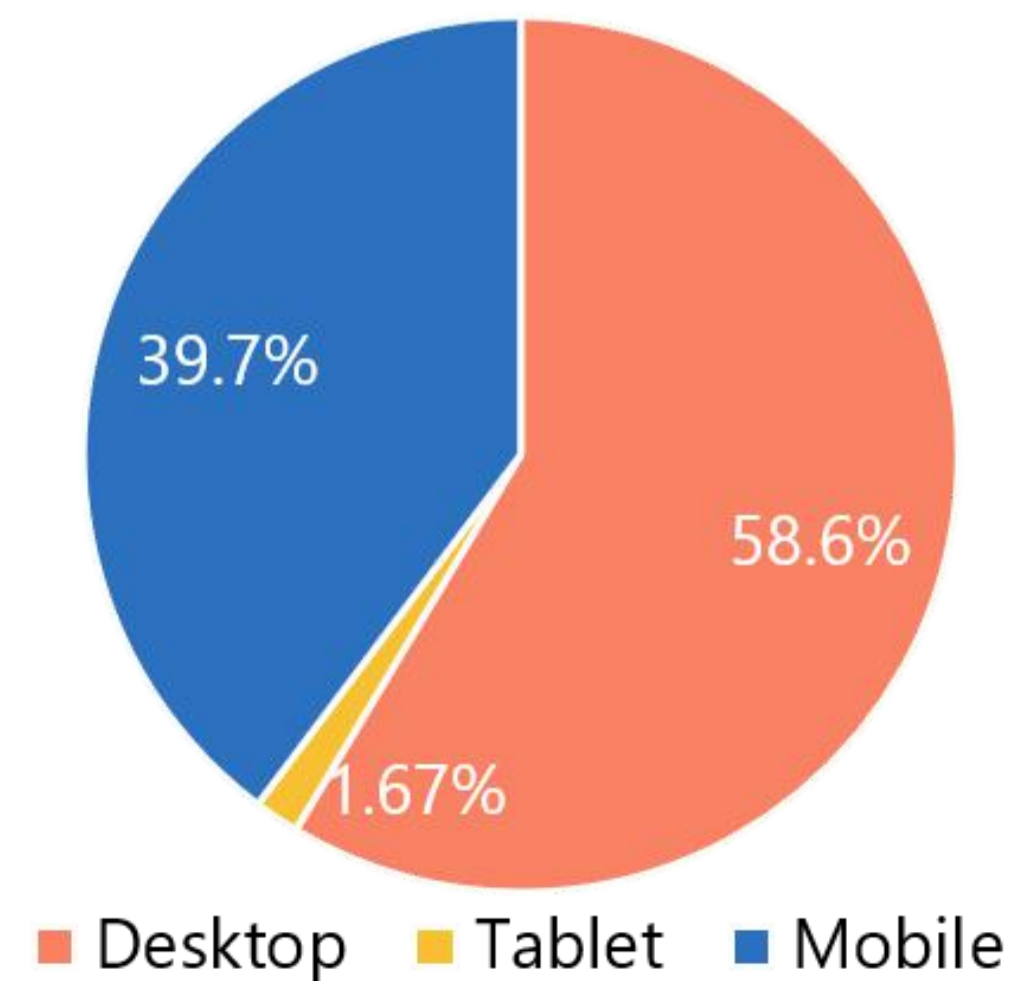
Quick introduction (2019)

- Population 6.3 million
- Currency Córdoba (NIO)
- Ease of Doing Business 131st
- E-Government Index 129th
- GDP per capita \$1,981

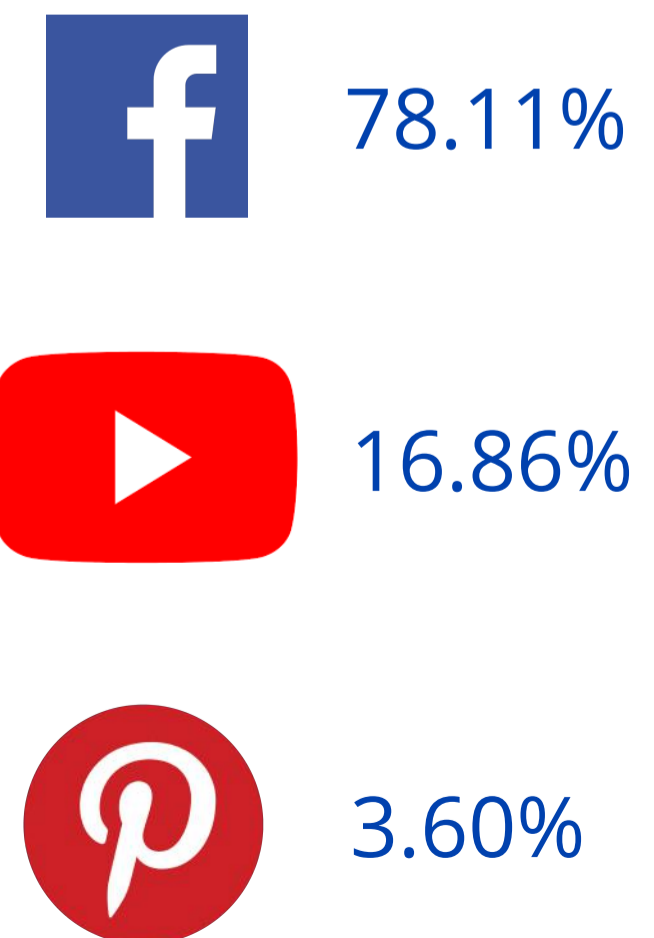
Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





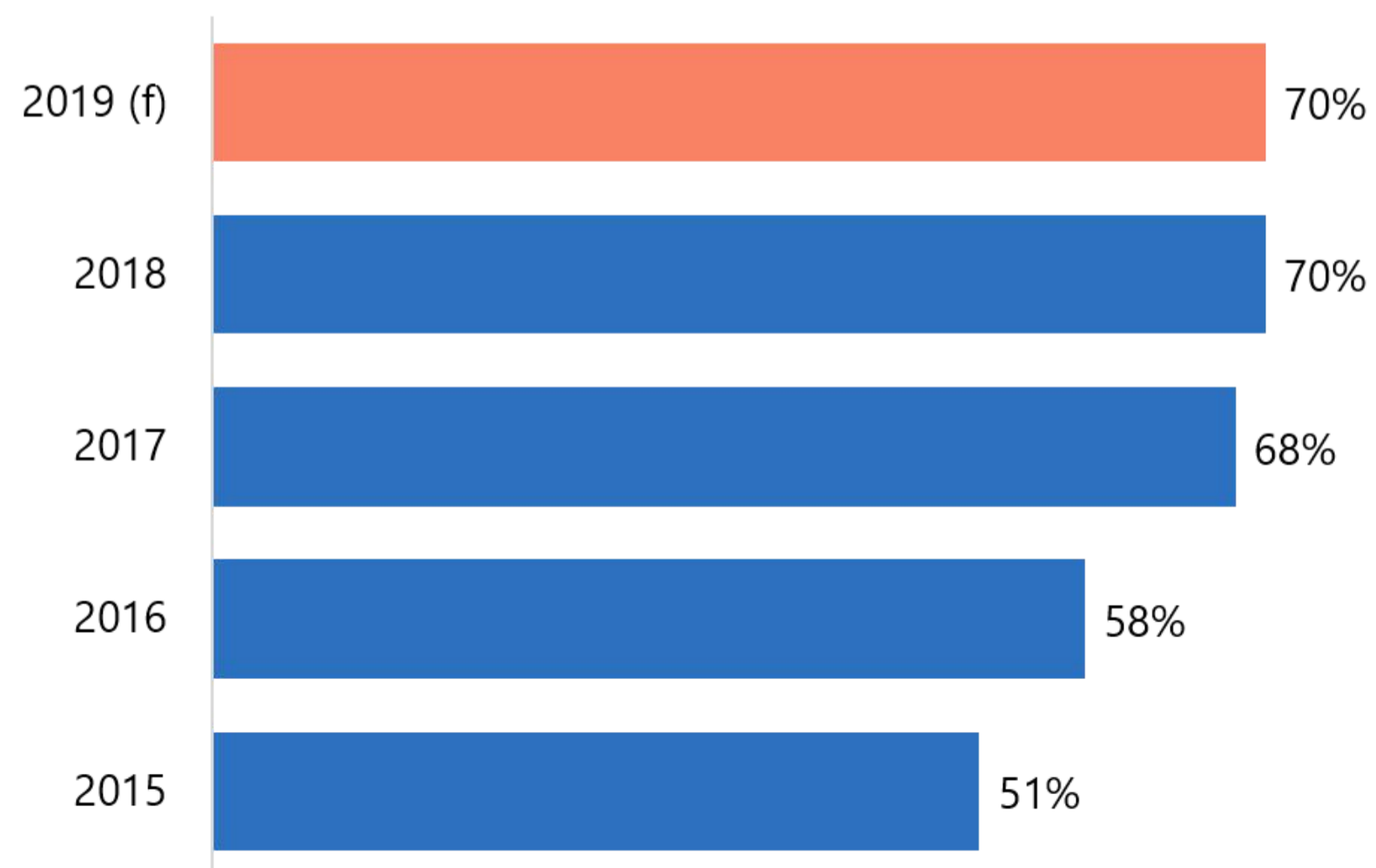
Panama



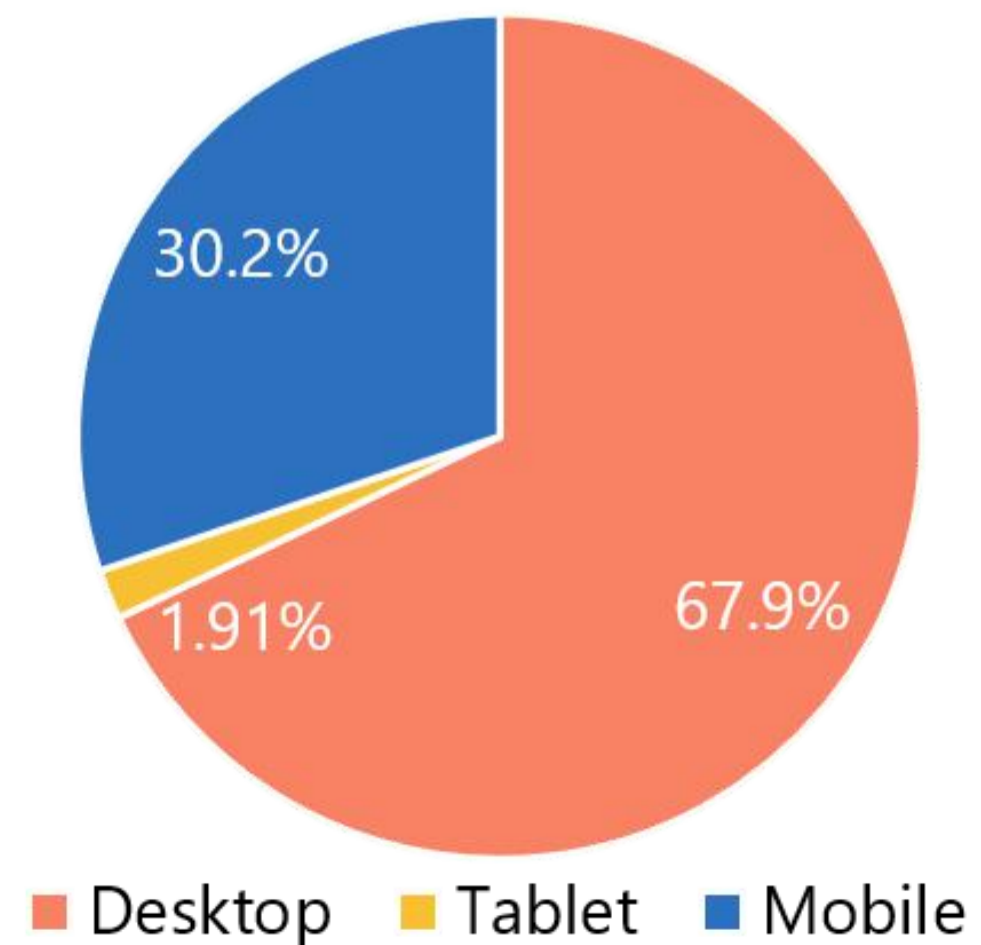
Quick introduction (2019)

- Population 4.2 million
- Currency Balboa (PAB)
- Logistics Performance 38th
- Ease of Doing Business 79th
- E-Government Index 85th
- Inclusive Internet 55th
- GDP per capita \$16,601

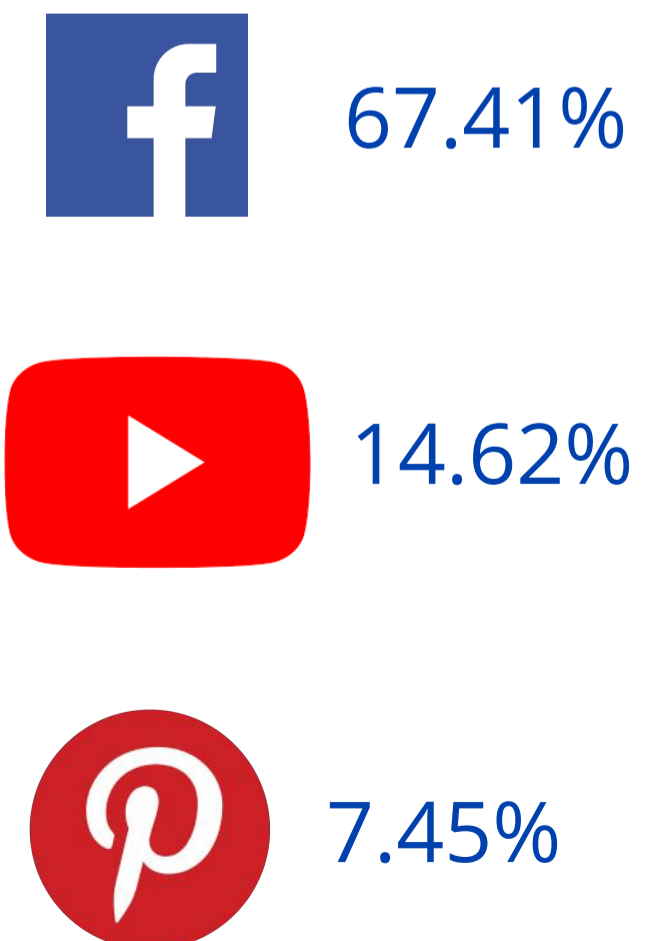
Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





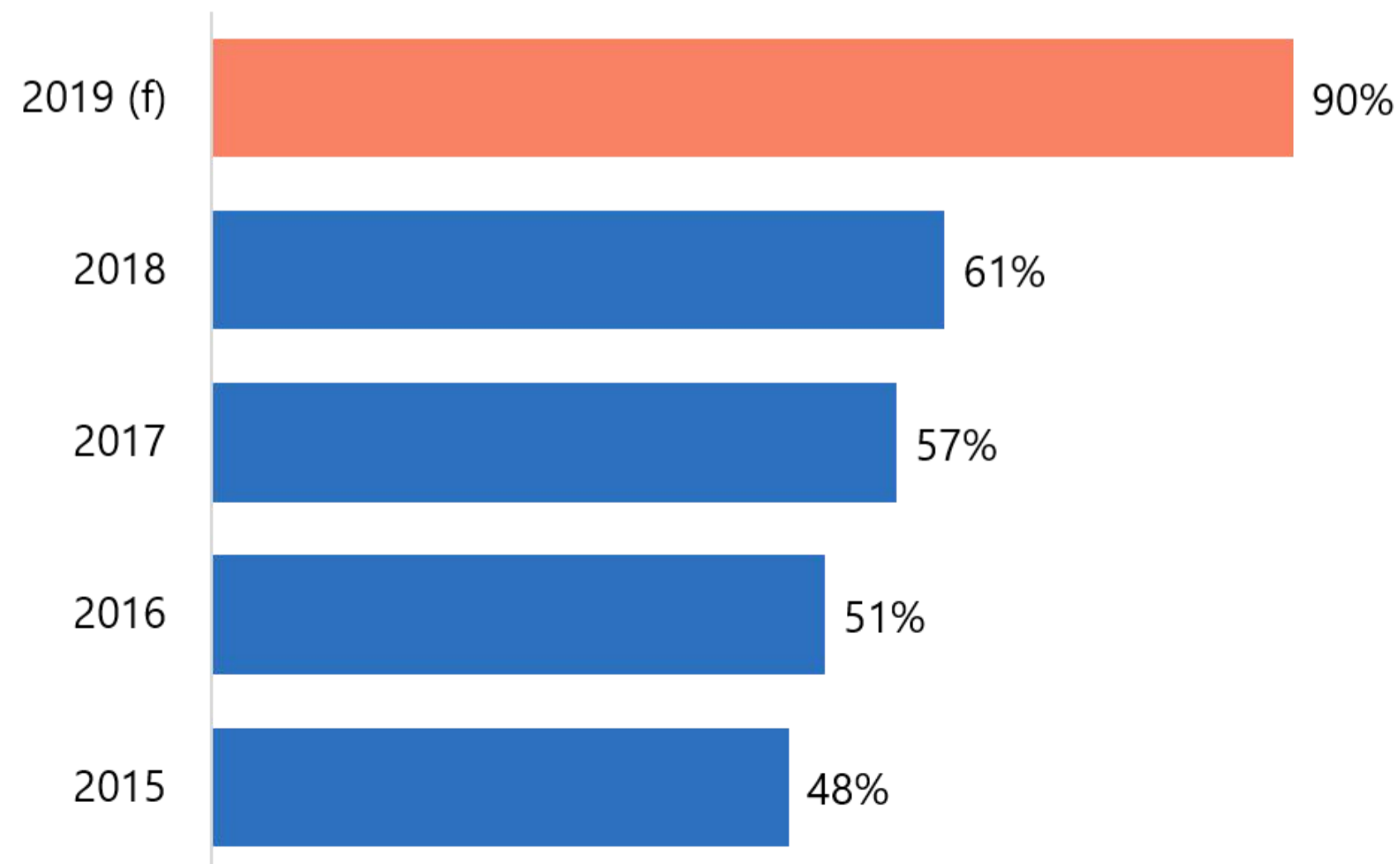
Paraguay



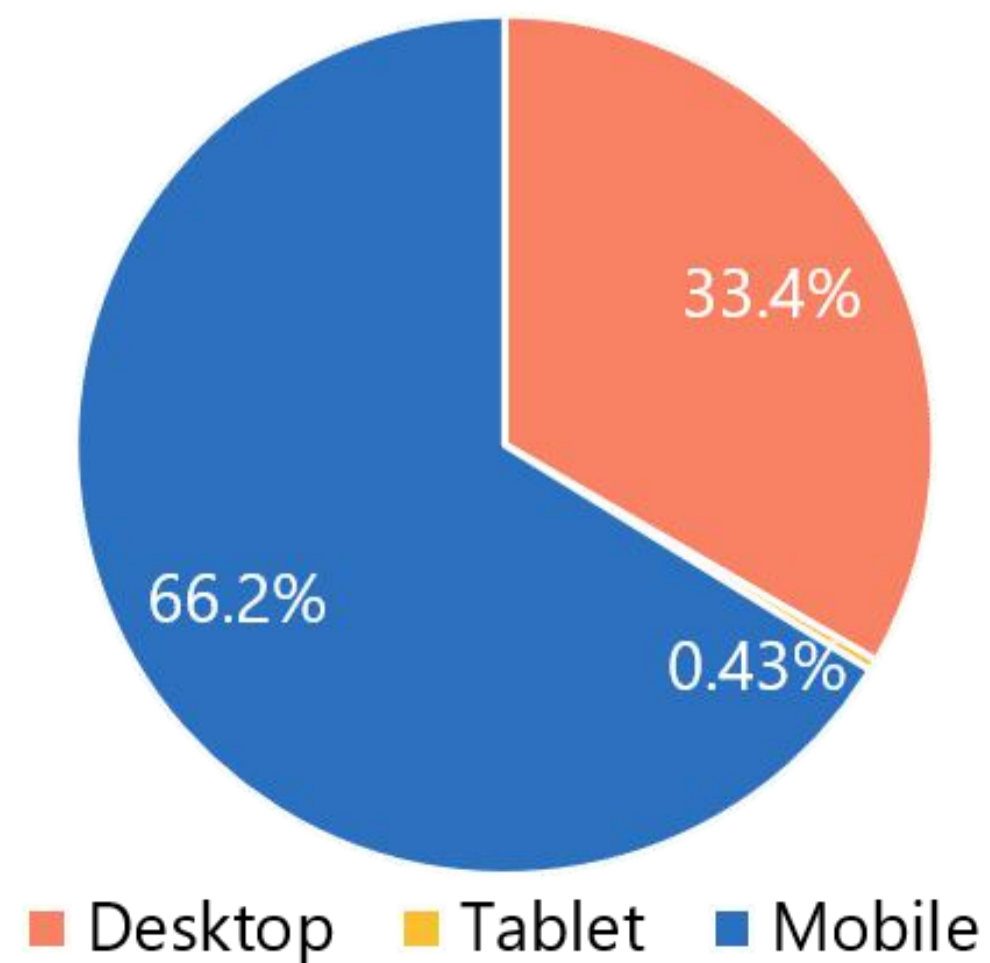
Quick introduction (2019)

- Population 6.98 million
- Currency Guaraní (PYG)
- Logistics Performance 74th
- Ease of Doing Business 108th
- E-Government Index 108th
- GDP per capita \$5,874

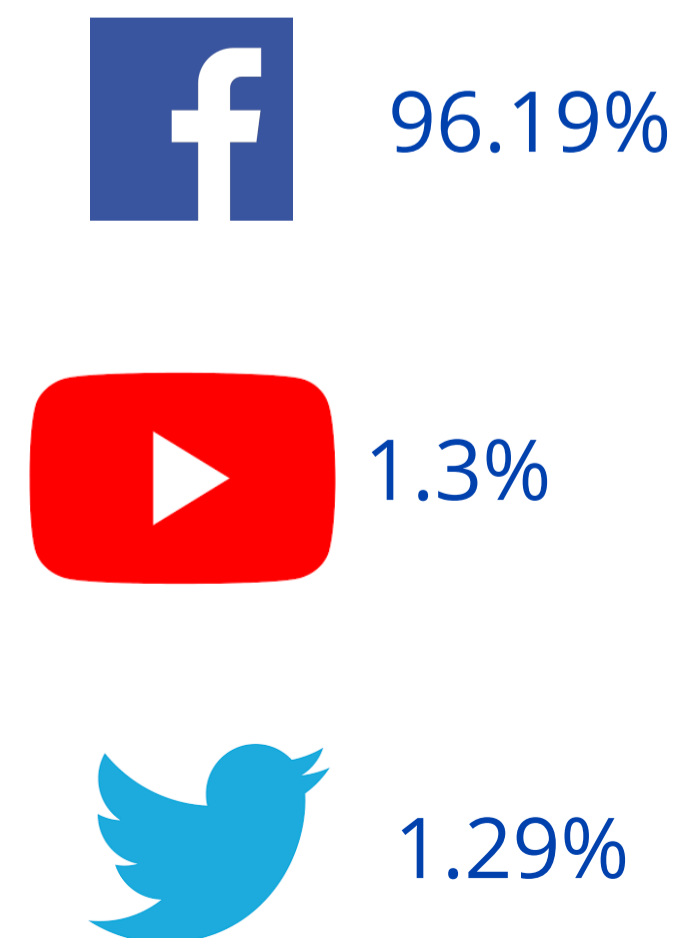
Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





Peru



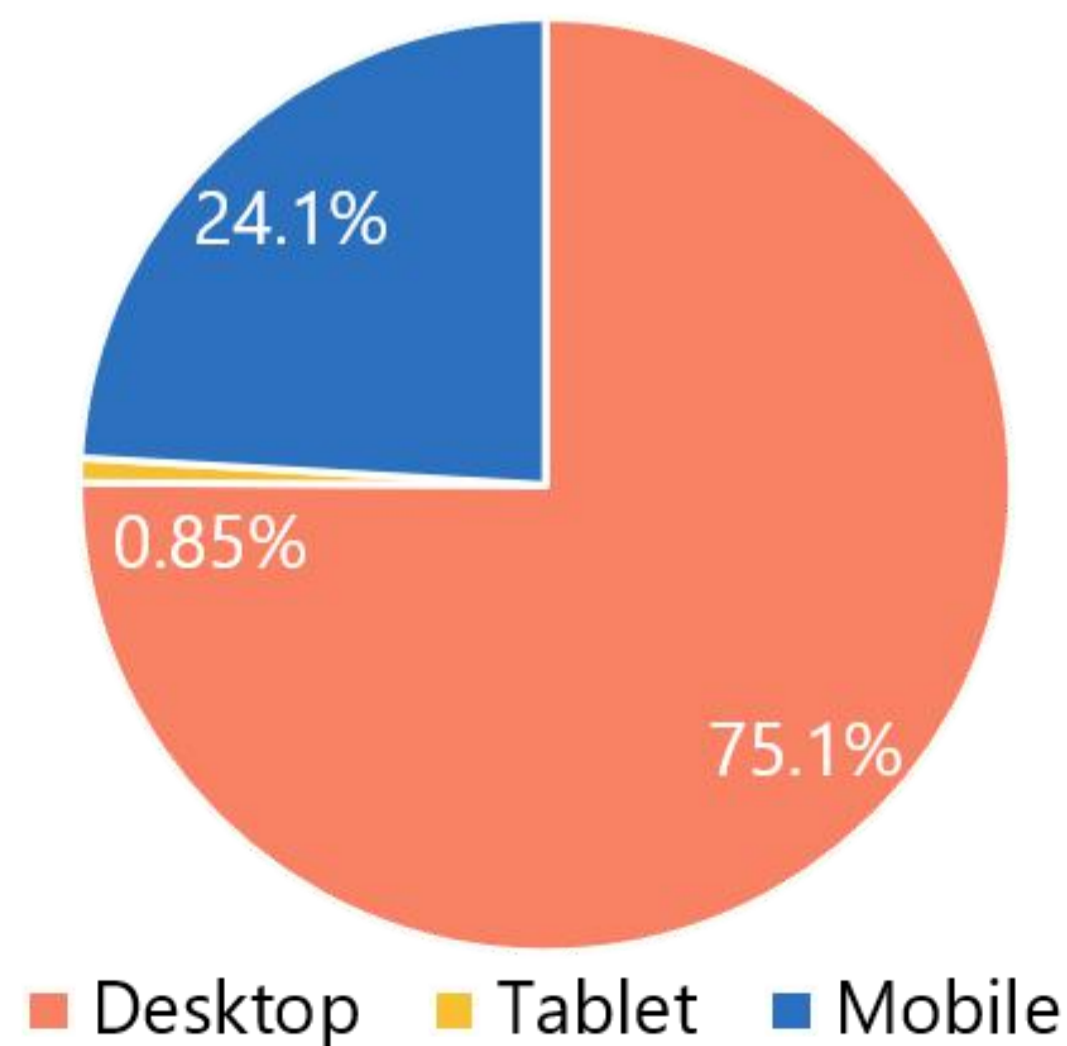
Quick introduction (2019)

- Population 32.9 million
- Currency Sol (PEN)
- Logistics Performance 83rd
- Ease of Doing Business 58th
- E-Government Index 77th
- Internet Inclusivity 56th
- GDP per capita \$7,261

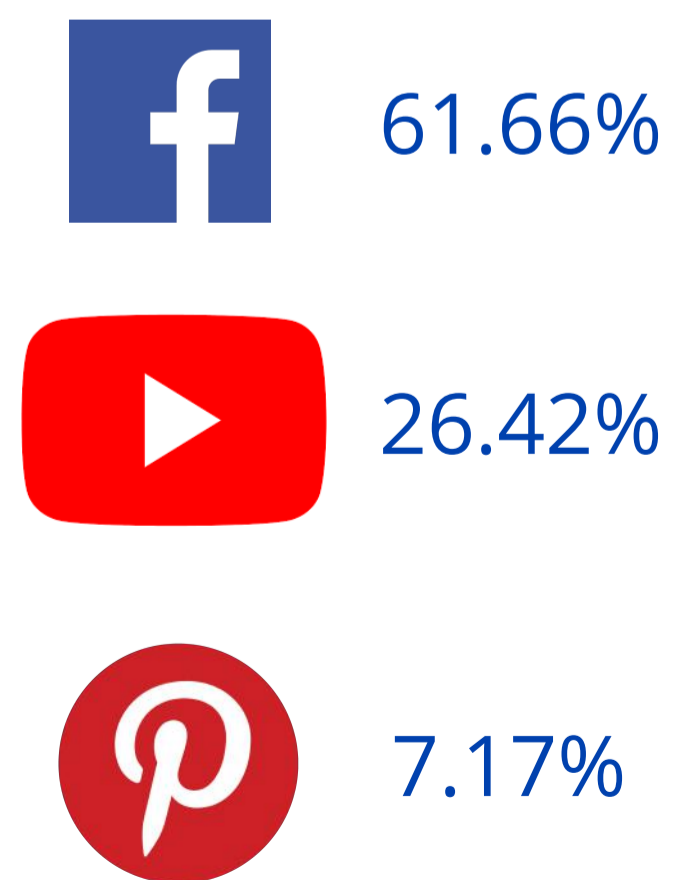
Ecommerce facts & figures (2019)

- Internet penetration 65%
- E-GDP 1.67%
- Turnover growth 14.29%

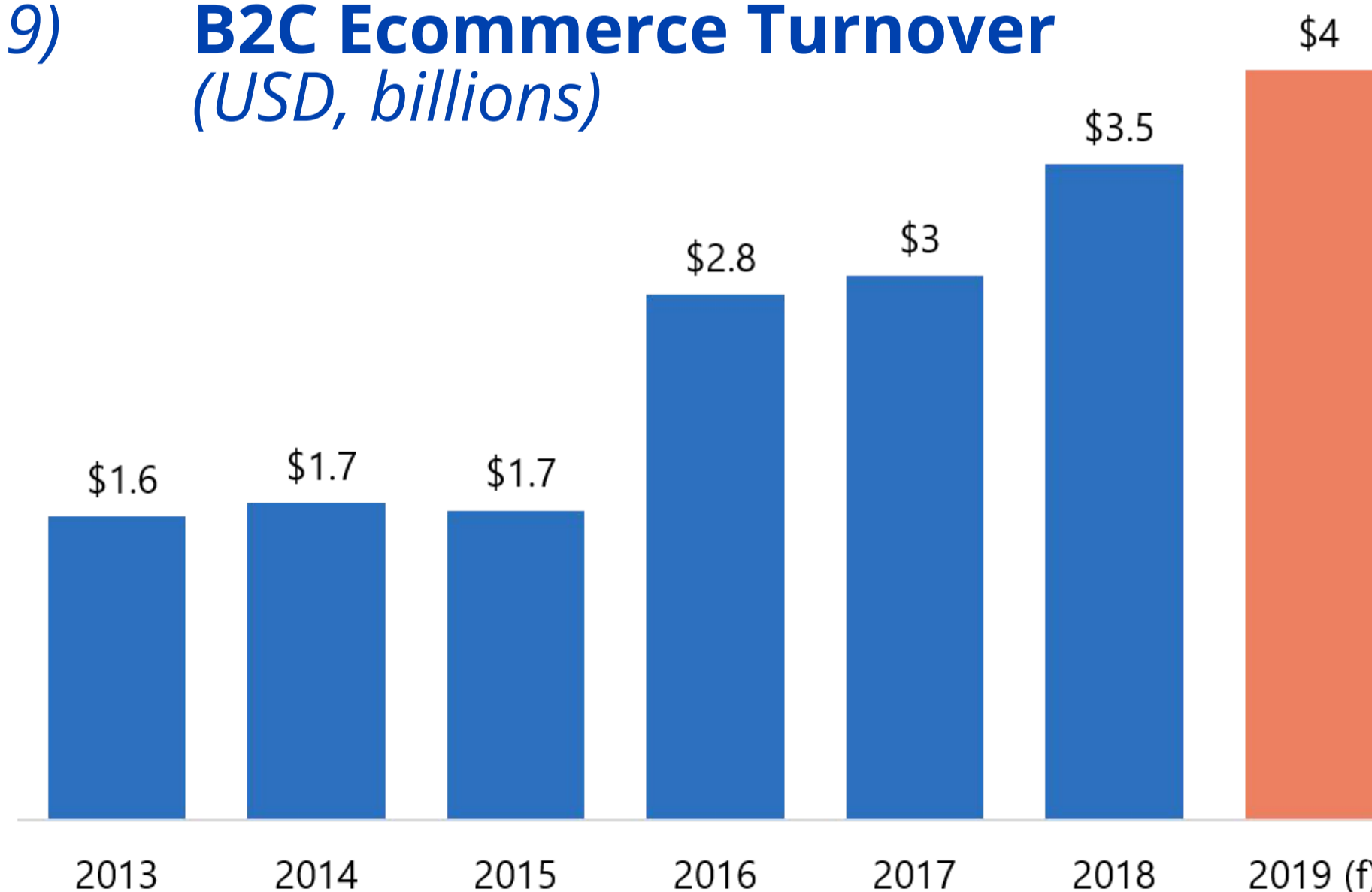
Device usage for online (2019)



Top 3 social media usage (2019)



B2C Ecommerce Turnover (USD, billions)





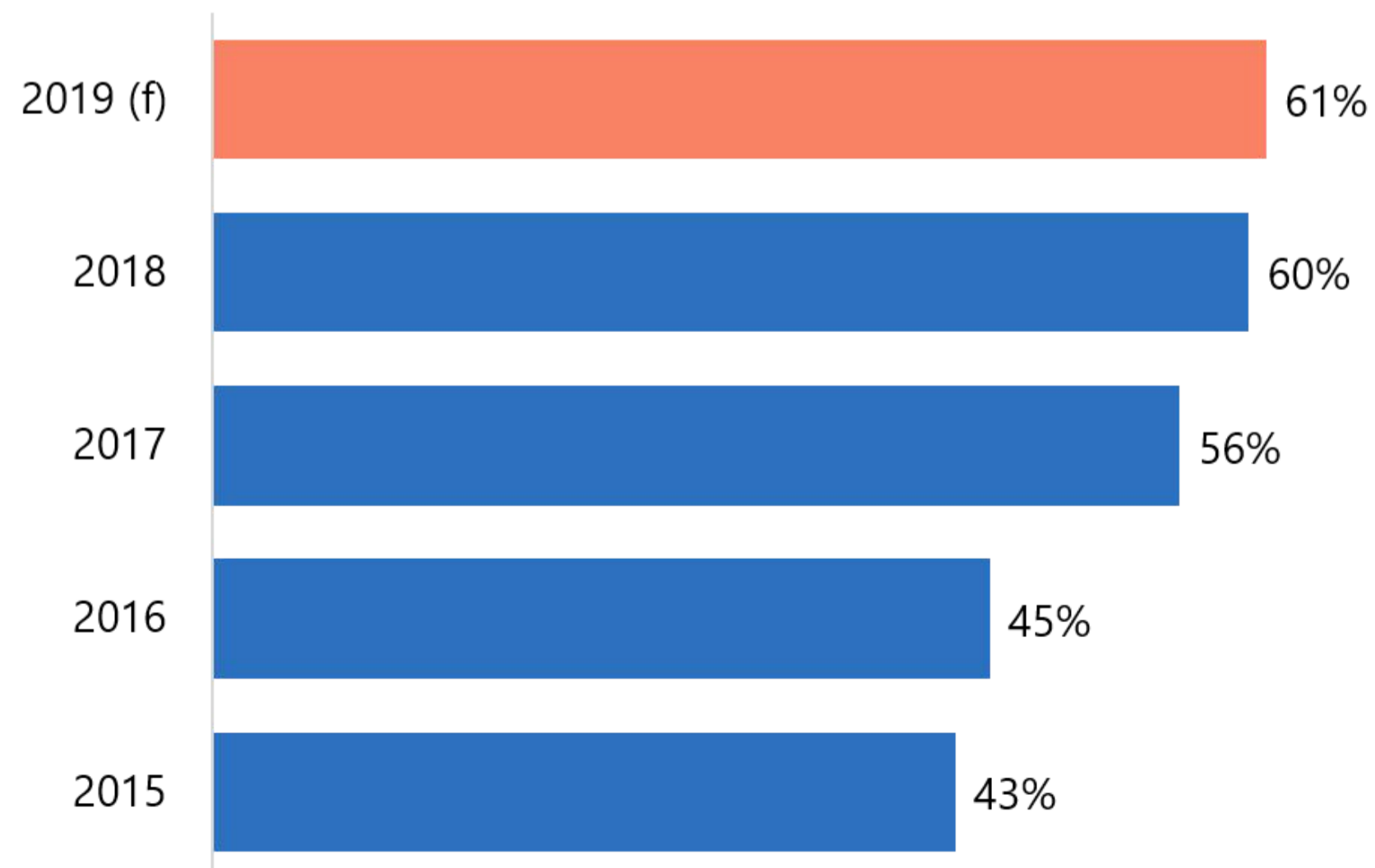
Suriname



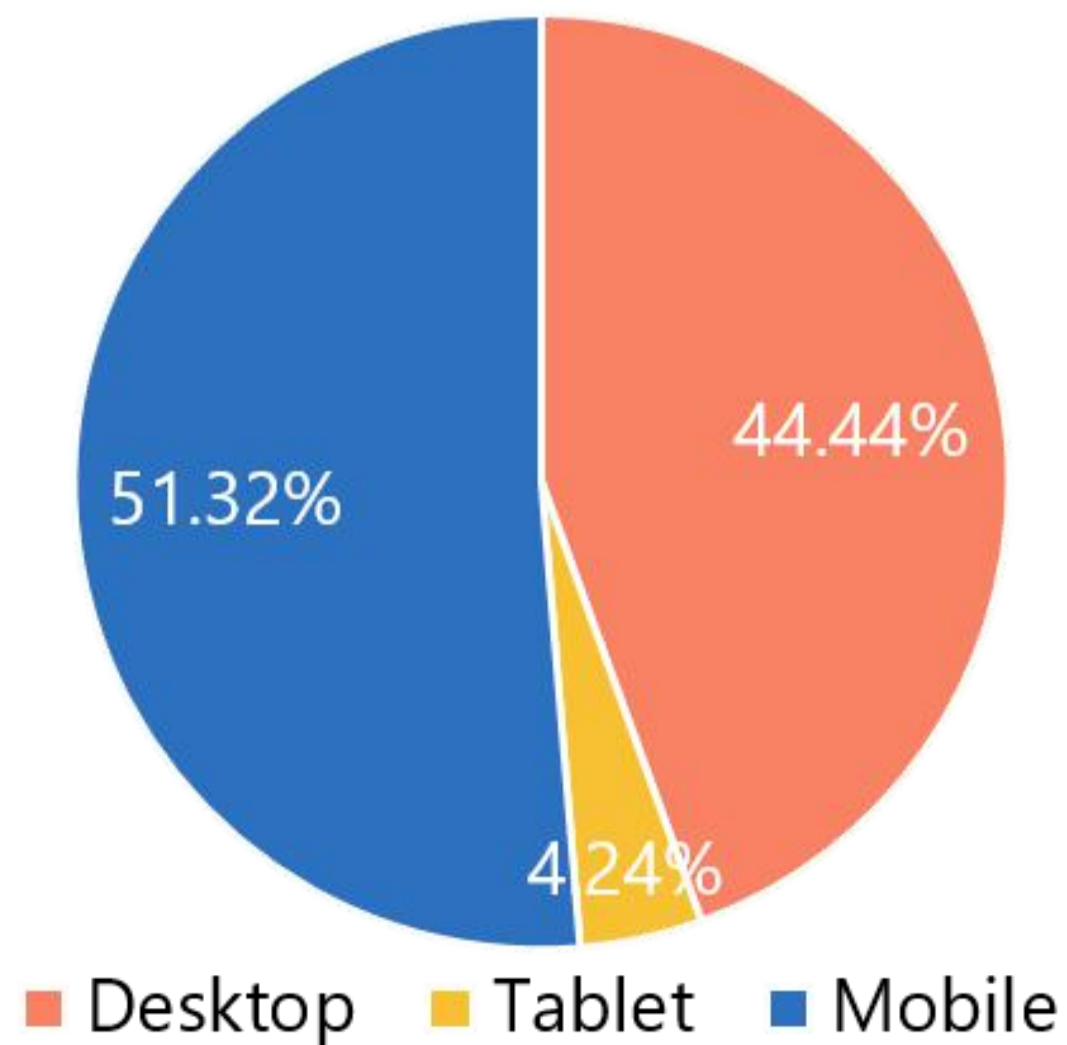
Quick introduction (2019)

- Population 573,000
- Currency Surinamese Dollar (SRD)
- Ease of Doing Business 165th
- E-Government Index 116th
- GDP per capita \$6,507

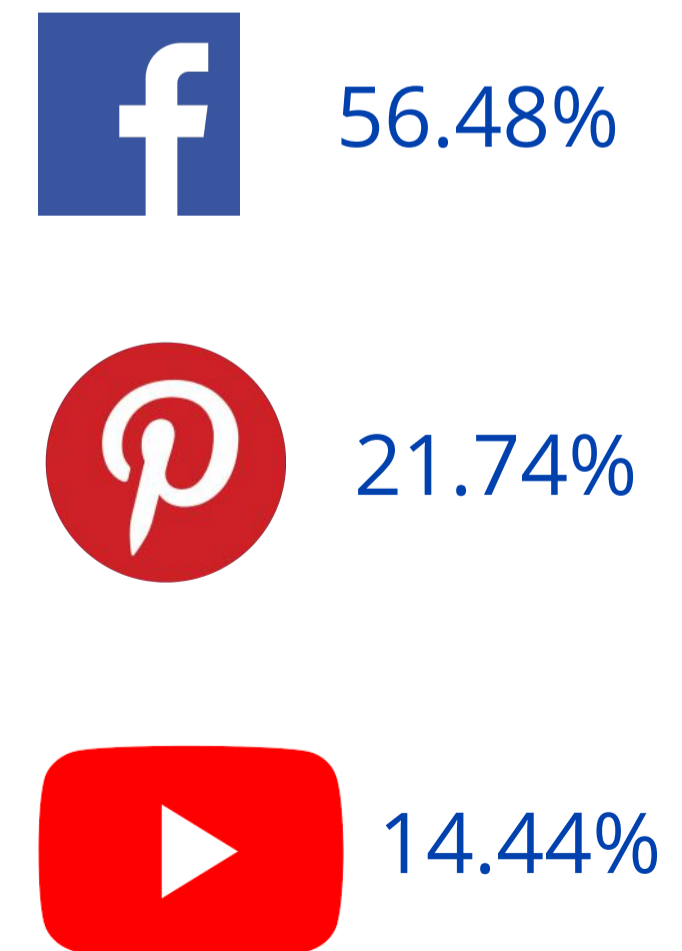
Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





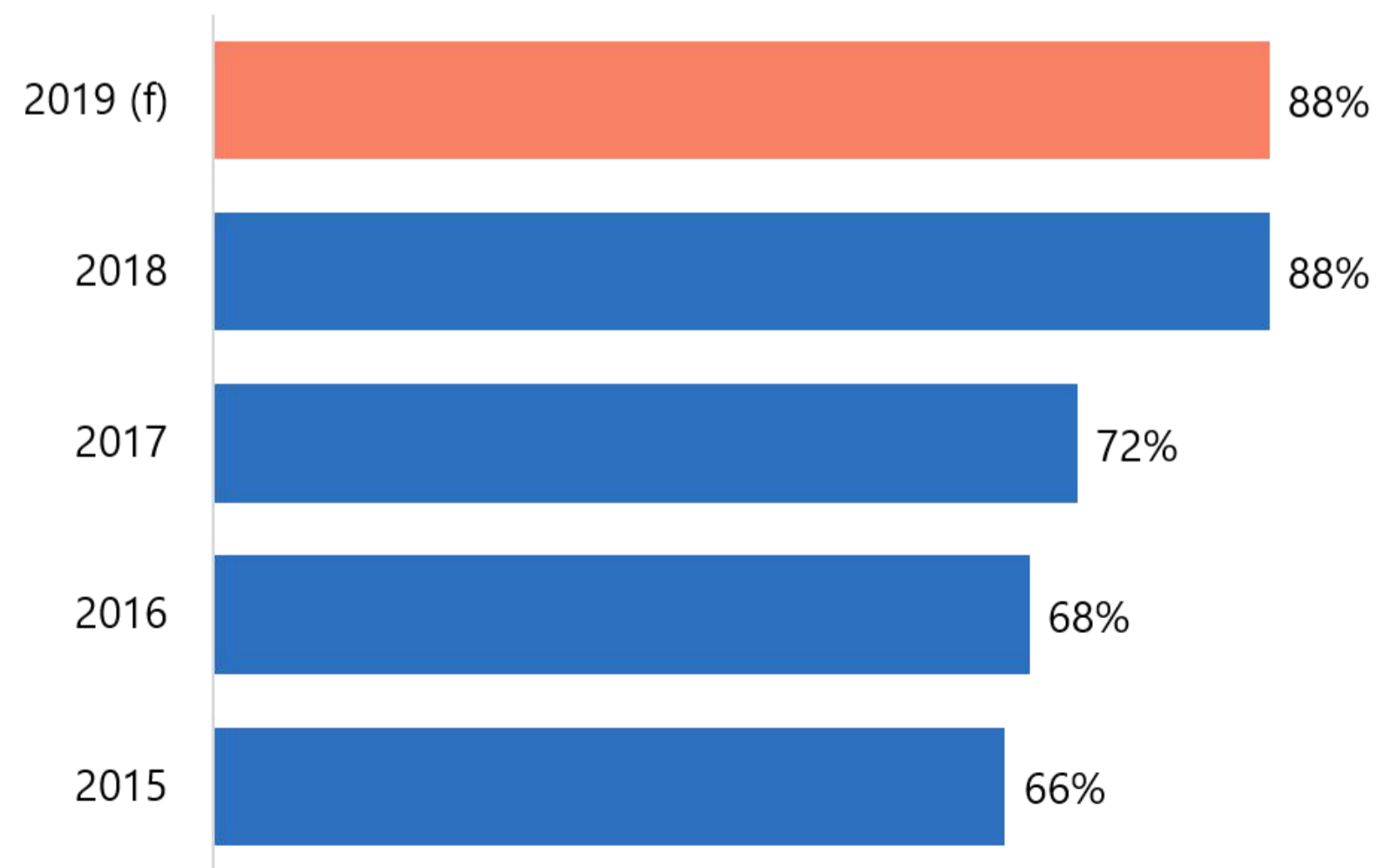
Uruguay



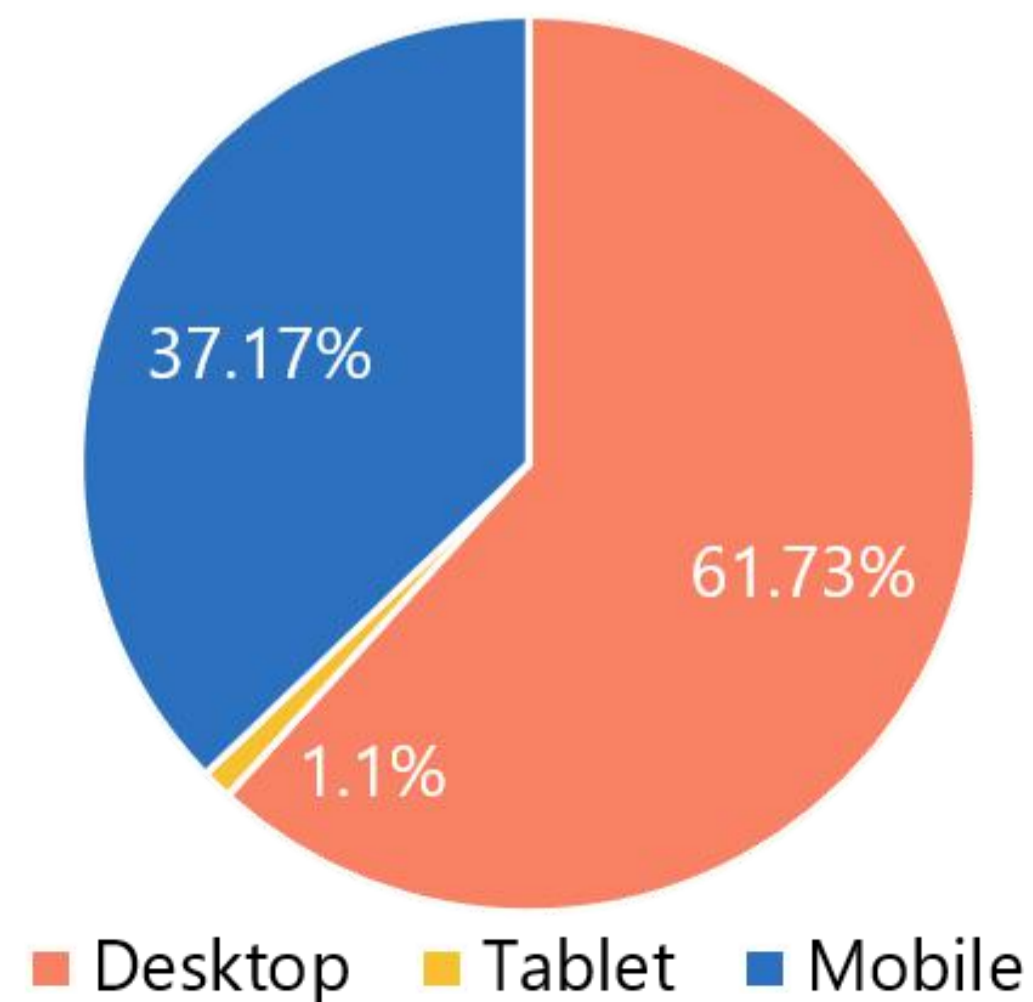
Quick introduction (2019)

- Population 3.4 million
- Currency Uruguay Peso (UYU)
- Logistics Performance 85th
- Ease of Doing Business 94th
- E-Government Index 34th
- Inclusive Internet 48th
- GDP per capita \$16,432

Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)





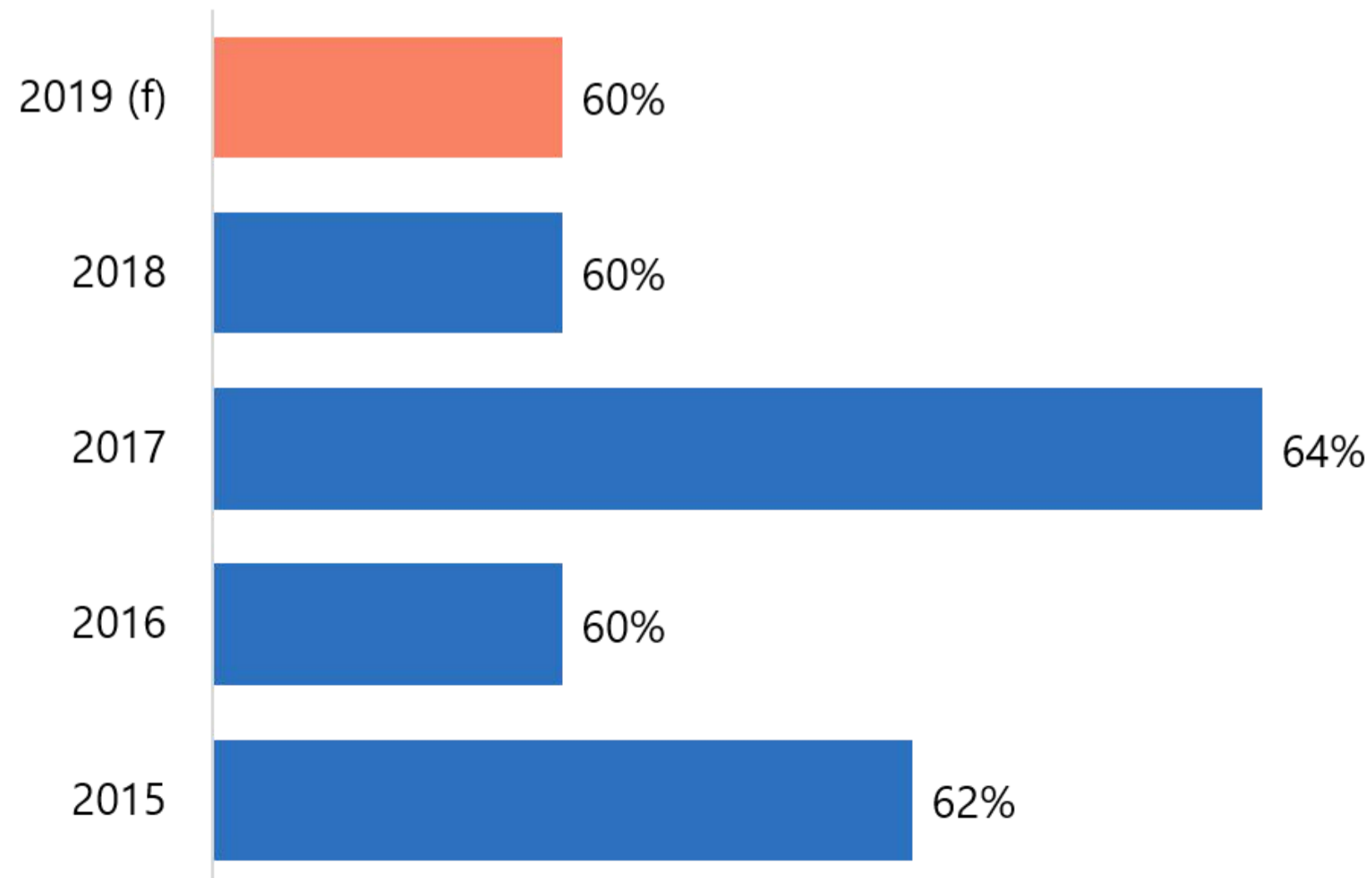
Venezuela



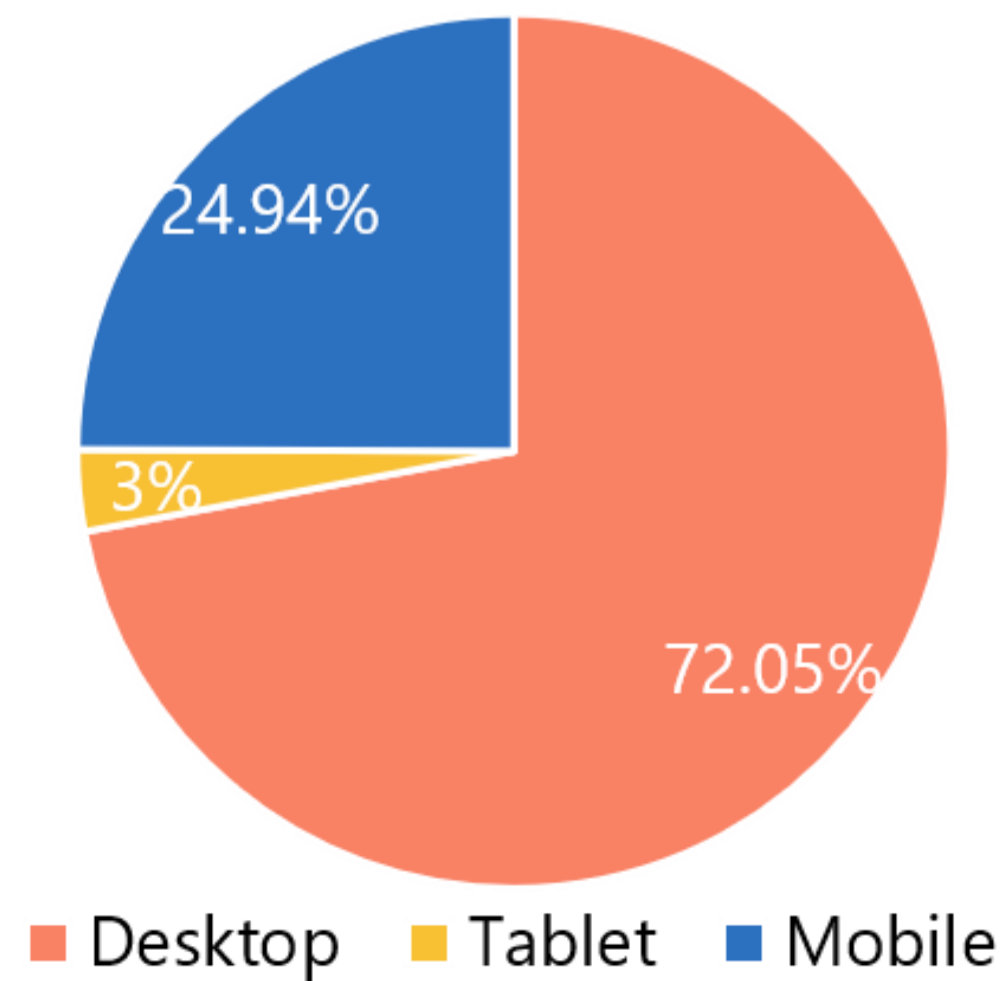
Quick introduction (2019)

- Population 32.7 million
- Currency Bolívar Fuerte (VEF); Petro (PTR)
- Logistics Performance 142nd
- Ease of Doing Business 188th
- E-Government Index 106th
- Inclusive Internet 78th
- GDP per capita \$2,332

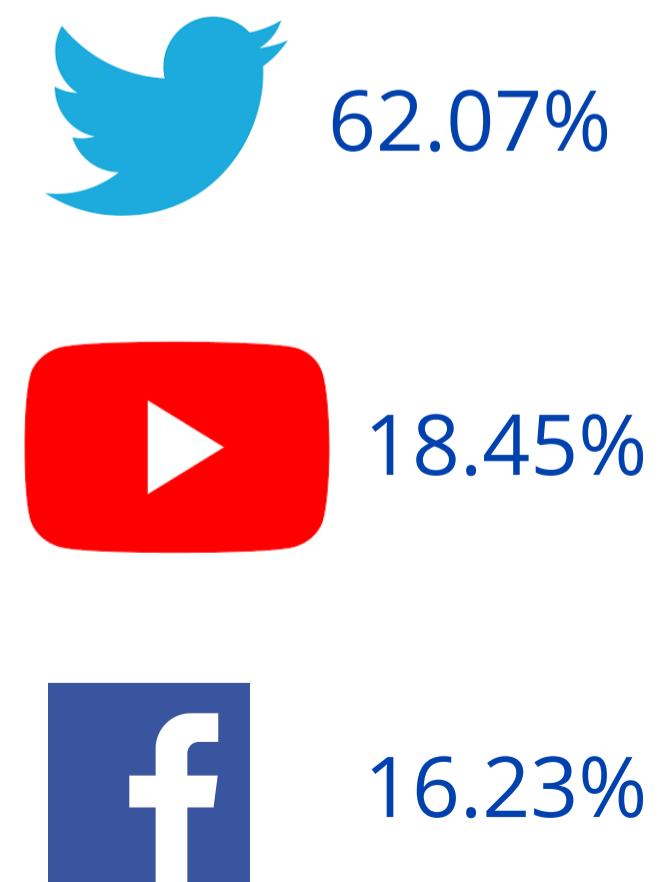
Internet Penetration



Device usage for online (2019)



Top 3 social media usage (2019)



#4

Expert Opinions & Advice





Jorge Barón

VP, SAP Customer Experience,
Latin America

Jorge Barón is currently Vice President of SAP Customer Experience for Latin America and is responsible for the positioning, strategy and commercial execution of the customer engagement and commerce solutions of SAP Customer Experience in Latin America.

He has more than 20 years of experience in sale solutions for different global companies in the telecommunications and technology industries, and leading teams of sales professionals designing marketing strategies.

Q: MercadoLibre and Amazon sites are leading the ecommerce sector in Latin America. What can others learn from their experience and knowledge?

A: These two companies have helped the region to accelerate the adoption of ecommerce. The rest of the companies will need to follow their example to be able to compete and remain in this market.



Most companies in Latin America need to learn how the experience economy is impacting their business and find ways to leverage what they do in this new environment. It is going to be key in the coming years to start measuring the experience and match it with the operational data to make the right decisions for their customers and fulfill the experience consumers are expecting. If they fail to do it, they will be pushed out of the market by players that can.

“It is going to be key in the coming year to start measuring the experience and match it with the operational data to make right decisions for their customers”

**Jorge Barón**

VP, SAP Customer Experience,
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Jorge Barón is currently Vice President of SAP Customer Experience for Latin America and is responsible for the positioning, strategy and commercial execution of the customer engagement and commerce solutions of SAP Customer Experience in Latin America.

He has more than 20 years of experience in sale solutions for different global companies in the telecommunications and technology industries, and leading teams of sales professionals designing marketing strategies.

Q: What topic or area of ecommerce in Latin America has piqued your interest this year, and why?

A: The main topic during this year has been the combination of GDPR and Experience Management.

There are three main factors that Latin American companies need to address if they are to remain competitive in the market: One factor is that it's clear that companies need to be careful with the use of customers data. At the same time, another factor is that they need to start measuring experience. The third factor is to start closing the experience gap that most companies have with their customers.

GDPR and Experience Management are the two key game-changers in the new economy and both have to be addressed seriously by Latin American companies if they want to participate in this market.

Q: Do you think the GDPR implementation in 2018 has impacted the Latin American ecommerce industry? If yes, how?

A: GDPR has started to be relevant in Latin America since 2018 but it is going to have a greater impact over the next couple of years, given the fact that several Latin American countries are starting to use the same, or very similar, rules throughout the region.

It is going to be key for every company that is interested in ecommerce to comply with this regulation which, in the coming years, will change the way to do electronic business in most of the countries. Companies will have to provide a simple way to get consent from their customers and will have to take care of their data in a completely different way to how they do today.

“GDPR is going to have a greater impact in the next couple of years”

#5

Case Study: Cryptocurrency is booming





Crypto currency is booming

Introduction

Cryptocurrency has the potential to be the fastest, easiest, cheapest, safest and most universal way to exchange value that the world has ever seen.

Cryptocurrency is a "form of money that exists as encrypted, digital information". It uses sophisticated mathematics to regulate the creation and transfer of funds between entities. The 'blockchain' is a digital ledger of all the transactions ever made in a particular cryptocurrency. It is comprised of individual blocks that are chained to each other through a cryptographic signature.



Historical background

The first algorithms that now support the modern cryptocurrency were developed in the early 1980s. The most famous cryptocurrency is Bitcoin, which was developed in 2008 by Satoshi Nakamoto. With his publication, Nakamoto started the modern digital currency by outlining the technical aspects of this 'decentralized cryptocurrency'. The main characteristic of any decentralized cryptocurrency is that no user is more influential than any other. It is not controlled by any national banks and it will, therefore, be a viable alternative to fiat currencies.

Major Bitcoin crime scandals happened in 2014, when a prominent US Bitcoin proponent, Charlie Shrem, was arrested. Prosecutors alleged that he had used \$1m in Bitcoin to help users of the Silk Road marketplace, an online black-market selling drugs, to anonymously make illegal purchases. Shrem was sentenced to two years in prison for aiding and abetting the operation of an unlicensed money-transmitting business.



LATAM policies regarding crypto currency

LATAM policies

It is widely accepted that mass adoption of crypto won't be led by developed markets such as the US and Europe. Instead, emerging markets will pave the way.

Latin America in particular is a perfect environment for the rise of crypto, with its wide swings from left to right in politics and its mercurial monetary systems. It has been shown that citizens of troubled countries tend to exploit the benefits of decentralized digital money far more readily than citizens of thriving nations. In a recent study from Statista, Latin America was noted as a region where crypto holders and users form large minorities.

Many Latin American countries have expressed concerns about the effect of cryptocurrencies on financial stability and their money laundering risks. Beyond issuing official warnings, financial authorities across the region have yet to reveal plans for any significant future cryptocurrency regulation.

To help you understand the different country policies and landscape of cryptocurrencies in Latin America, here is an status update for each country.



Argentina

The Argentine parliament does not consider Bitcoin and cryptocurrencies as legal currencies, but rather as 'property'. Rumors abound that hundreds of crypto ATMs will soon come to the country, facilitating the

Responding to the 'world monetary order changing' initiative, Argentina plans to install 200 'bi-directional' Bitcoin ATMs. According to the CEO of Odyssey Group, Sebastian Ponceliz, there would be multiple benefits of such machines in a country where economic policy has been an early driver of consumers towards Bitcoin. However, such an intense spreading of Bitcoin ATMs does not appear to match the demand, which is still quite low.

Bolivia



The Bolivian government has banned the use of Bitcoin in the belief that it will allow tax evasion and monetary instability. For now, all cryptocurrencies are considered illegal.



Brazil

The Brazilian government doesn't consider cryptocurrencies as currencies rather as a 'commodity' and subject to 15% capital gains taxes above threshold. However, cryptocurrencies are now considered legal by the Brazilian government.

At the beginning of 2019, Brazil's President, Jair Bolsonaro, shut down the cryptocurrency project as one of the first actions taken by his administration. Although Brazil is one of the most active countries in

CASE STUDY

LATAM policies regarding crypto currency

Latin America's blockchain sphere, the Brazilian President commented on cryptocurrency being used to bank indigenous people. According to Bolsonaro, stopping the cryptocurrency project will allow the country to save the money needed to teach natives to use Bitcoin.

Despite the president's ignorance of Bitcoin – he has stated that he does not know what it is and even whether it's an actual coin or not – the growing cryptocurrency and blockchain ecosystem in Brazil is impossible to ignore. Currently, Brazil is one of the biggest cryptocurrency markets in Latin America and has the highest Bitcoin trading volume in the entire region, reaching nearly 100,000 BTC in April alone.



Chile

In 2015, the Chilean government helped fund and launch the first Bitcoin exchange to pesos. They want to transform themselves as a Latin American technological and blockchain hub in order to attract innovators and futurists. The Chilean government is neutral concerning cryptocurrencies.



Colombia

Colombia considers cryptocurrencies neither a currency nor a security. They won't be getting a legal recognition there anytime soon.

Ecuador



The government has banned all cryptocurrencies in pursuit of making its own digital currency. Interesting enough, Ecuador has received its first crypto ATM. It is currently illegal to use cryptocurrency for commercial use.

In December 2015, Ecuador's Sistema de Dinero Electrónico (electronic money system) kicked off, allowing qualifying users to set up accounts that act as a real means of transaction. Once the government flipped the switch, Ecuador became the first-ever state-run electronic payment system. The Sistema de Dinero Electrónico is designed to support the dollar-based monetary system, not to replace it.

The economist Diego Martinez, a delegate of the President of the Republic to the Board of Regulation and Monetary and Financial Policy, stated that electronic money won't help the poor, but will act as a cost-saving mechanism for the government. Ecuador spends more than \$3m every year to exchange deteriorating old notes for new dollars.

Ecuador's electronic money system is different from Bitcoin. While Bitcoin is a digital token (referring to a cryptographic string of numbers and letters that contains no real data but relates back to real data) running on a decentralized electronic network, Ecuador's new project would be controlled by the government and tied directly to the local currency, the dollar. Ecuador's project therefore does not represent a competing alternative to Bitcoin, since it can be accessed only by qualifying citizens and residents of Ecuador.

CASE STUDY

LATAM policies regarding crypto currency

Mexico



In 2017, Mexico announced that it will introduce a bill with the scope to expand regulations helpful to include Fintech industries like bitcoin and cryptocurrency. The bill will make cryptocurrency safer and more accessible to the masses, combating illegal uses of cryptocurrency like money laundering or cartel financing. A study conducted in Mexico showed that nearly 120 million people do without any banking solutions whatsoever.

The Mexican government wants to allow Fintech companies to enter the market under its new regulations to tap into the massive number of clients in need of simple banking and means of controlling their wealth.

The bill proposed by the Mexican government is a positive development for cryptocurrency and the Fintech industry in general. The new regulations could serve as a model for other countries to use when considering the integration of cryptocurrency into their national economies.



Panama

Panama is known for its flexibility when it comes to corporations and international trading. Blockchain Embassy has already launched a store in Balboa Boutique mall, which has a crypto ATM and accepts cryptocurrency for all merchandise across the store.

Venezuela



Venezuela is a country ravaged by hyperinflation, with mining cryptocurrency becoming an important source of income. In 2018, the government of Venezuela issued its own cryptocurrency, the Petro. According to Venezuelan president, Nicolás Maduro, the Petro would allow Venezuela to “advance in issues of monetary sovereignty” and would make “new forms of international financing” available to the country. Petros are “pre-mined” by the Venezuelan government, meaning that new tokens cannot be created after the issuance. Venezuela legally allows and encourages the use of Petro for virtually any payment, including oil trade, taxes, fees and more.

Venezuelans have turned to cryptocurrencies as inflation has ravaged the official bolivar. The practice of mining cryptocurrency has become more lucrative and it is a way for people to earn money to pay for basic living expenses. Mining has subsequently become hazardous, since police have cracked down on people suspected of using too much electricity. Since 2016, after two men were arrested on charges of energy theft and possessing contraband, arrests have increased.

There are many different stories of people starting mining for economic reasons. One miner began by using government computers before quitting his job to mine at home. He was earning \$43 a month before starting mining.

Pros and Cons

Pros

- Private and secure transactions: Most cryptocurrencies are built from the bottom up with security and privacy in mind
- Legality: Cryptocurrency is legal and opens up fresh transaction options
- Low transaction costs: The transaction costs are lower compared to other digital payment methods such as PayPal
- Easy international trading: Cryptocurrency is decentralized, opening up financial options for people in countries that do not have access to financial services
- Quick and permanent transactions: It is hard to fake cryptocurrency transactions, which eliminates many of the fraud issues banks deal with
- Pseudo-anonymity: The cryptocurrency's transparency helps build security and trust creates the level playing field

Cons

- Secure and private transactions: Cryptocurrencies can make it easier for people to skirt the law. Also, third parties involved in cryptocurrency do not always have the same level of security as a coin's network itself
- Legality: The value of cryptocurrency changes and laws on how to claim them as taxable income are ambiguous. It can be unclear as to how much value the coins have and thus can confuse what taxes should be paid
- Low transaction costs: Cryptocurrency is only accepted by certain vendors. Between that and fluctuating prices, the money saved in transaction costs could be negligible
- International trading: The coin you trade for a legal thing today can be used to fund illegal things tomorrow. While all currency runs this risk, cryptocurrency makes this sort of thing easier to pull off
- Quick and permanent transactions: If something goes wrong with a transaction, or if a coin is lost, there is no way to recover it. If someone does steal coins, there is no way to rectify the issue
- Pseudo-anonymity: Some privacy coins aside, cryptocurrency is not anonymous in most cases. The public ledger system might provide others insight into previously unknown economic activity

#6

About the Report



About the authors



Sara Lone
Research Director

Sara holds a Master in Public Policy from the University of California in the United States.

Sara oversees the Ecommerce Foundation Research Team in its creation of country reports, custom research, content and webinars. Sara also presents on research around the world and advises stakeholders in furthering ecommerce globally.



Ludovica Quagliari
Junior Research Analyst

Ludovica is pursuing a Masters in Environmental Economics at Wageningen University and Research, The Netherlands.

At Ecommerce Foundation, she is part of the Research Team collecting data and supporting the creation of reports. She is interested in sustainability and data analysis.

Sources used in the report

The report could only be realized by consulting a great number of valuable sources. These were available in various countries and regions in Europe and around the globe. The wide variety of sources includes public domain publications, blogs, websites, industry and financial specialist publications, regional and local news, annual reports and press releases.

Sometimes, these information sources are contradictory and other times, different figures and data were given by varying sources within the same country, for example, due to different definitions. In our reports we have mentioned the different sources, definitions and outcomes of such reports, studies and interpretations.

While the report is based on information that we consider reliable, we cannot vouch for it being completely accurate or complete, nor should it be relied upon as such. Opinions expressed are our current opinions as of the date of this report.

OUR SOURCES

PRB

ITU

Quandl

XE Currency

The Inclusive Internet

Statcounter

Doing Business

Logistics Performance Index

E-Government Development Index

Similarweb

Statista: Ecommerce Sales Argentina

Emarketer Argentina

Slideshare Argentina

Statista: B2C Argentina

Statista: E-Shopper Argentina

Statista: Ecommerce Argentina

Ecommerce Chile

Statista: Ecommerce Chile

Statista: E-Shopper Colombia

Country Insight Colombia

Ecommerce Mexico

Ecommerce Peru

Living in Peru

Statista: E-Shopper Peru

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SAP Customer Experience unlocks a world of digital innovation, customer value and growth that builds trusted relationships between brands and customers. Built on the foundation of the Intelligent Enterprise and powered by an open and extensible platform, the SAP C/4HANA integrated technology suite empowers businesses to manage the complete customer experience by putting a consent-driven, single customer view at the centre of business. It brings together customer data management, machine learning and microservices to power real-time, intelligent customer engagements across sales, customer service, marketing and commerce. SAP customer experience helps brands build long-term competitive differentiation and loyalty through experiences that are trusted, simple, personal, helpful, and connected to help customers achieve their goals.



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