



Reach  
COUNTRY PROFILES

Brazil |

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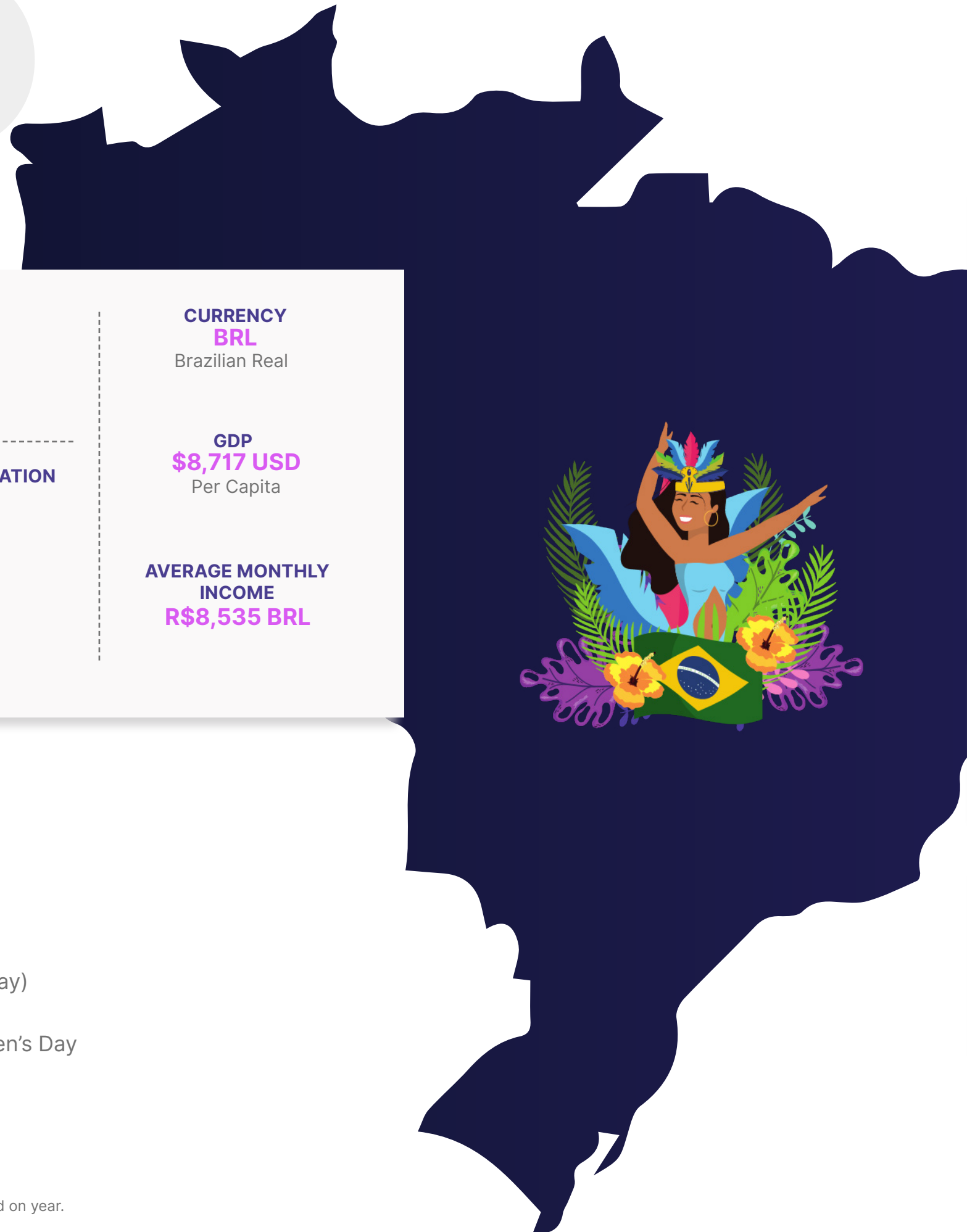
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## Country Facts



**211,049,527**

TOTAL POPULATION



URBAN POPULATION

**86.8%**



RURAL POPULATION

**13.2%**



MEN

**49.3%**



WOMEN

**50.8%**



MEDIAN AGE

**27.0**

CURRENCY

**BRL**

Brazilian Real

GDP

**\$8,717 USD**

Per Capita

AVERAGE MONTHLY INCOME

**R\$8,535 BRL**



### ETHNIC ORIGINS

The majority of the population is of European descent, the remainder is made up of a mixed origin of African, Indian, Arab, or Japanese.

### LANGUAGES

The official language spoken in Brazil is Portuguese; English and Spanish are also prevalent. There is also a small portion of the population that is French speaking.

### TYPE OF GOVERNMENT

Brazil is a Federal Presidential Republic with extensive governing powers.

### TYPE OF ECONOMY

Upper-middle-income economy that's emerging as a financial market and part of the BRICS Nations.<sup>1</sup>

### IMPORTANT SHOPPING HOLIDAYS

- Jan 6 Epiphany (Dia dos Reis)
- Mar 15 Consumers Day
- End of April Free Shipping Day
- May 9 Mothers Day
- June 12 Dia Dos Namorados (Lovers Day)
- Aug 8 Fathers Day (Dia dos Pais)
- Oct 12 Our Lady of Aparecida/ Children's Day
- Nov 11 Double 11 Day (Singles Day)
- Nov 27 Black Friday
- Nov 28 Cyber Monday
- Dec 25 Christmas

\*Dates are based off of 2021 calendar. Specific dates may vary based on year.

# WHO

## Consumer Profile & Behavior

Brazilians have a lower level of education. Only 49% of people ages 25-64 have completed secondary education.<sup>2</sup>



The country is experiencing above average income disparity. The richest 5% of the population have the same income as the remaining 95% of the population.<sup>3</sup>



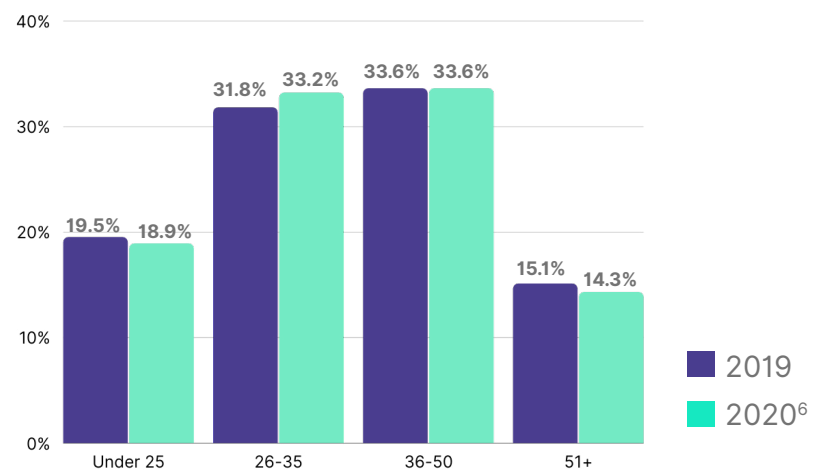
Discount brands are popular, but the Brazilian consumer still demands a quality product and excellent service/customer support.<sup>4</sup>



Even though Brazil has experienced economic hardships, it is a growing ecommerce market. In 2020 alone, Brazil's population spent approximately USD \$19B through online retail channels, making it the 10th globally for ecommerce sales.<sup>5</sup>



## DISTRIBUTION OF ONLINE SHOPPERS IN BRAZIL



## THE IMPACT OF COVID-19

Brazil's current economic situation, and the effects of the pandemic, have consumers looking for more ways to save. 75% of the population are looking for ways to stretch their dollar which has led to people being less loyal to brands and more focused on price. Because of this, 19% of consumers will shop around before they make a purchase decision and another 14% wait for sales.<sup>7</sup>



# WHERE

## Brazilians Place Value



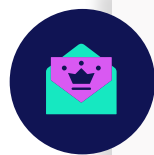
### SUSTAINABILITY & ECO-FRIENDLY PRODUCTS

Buying “Green” is becoming a popular trend in the country, even though Brazil isn’t known for its environmental practices. Awareness of the issue is growing though, and it is starting to influence purchase decisions.<sup>8</sup>



### HIGH-END AND HIGH-QUALITY

Brazilian’s have an appetite for high-end, high-quality products and customer service. The population loves highly interactive, personalized experiences and exclusivity with their products and services. Lower price points should not take away from quality.<sup>9</sup>



### BRAND LOYALTY

Brazilians are very loyal to brands, however they expect high quality service and heavy involvement from merchants. It is common in Brazil to have “in-home” product testing for new entrants to their market.<sup>10</sup>



**Brazil has one of the largest beauty markets in the world.**

Much of the population is buying popular beauty brands from countries like the USA and China. However, only 17% of Brazil’s online shopping comes from merchants that are cross-border.<sup>11</sup>

## Brazilians Spend Their Money



CONSUMER ELECTRONICS



CLOTHING & FOOTWEAR



COSMETICS & PERFUMES

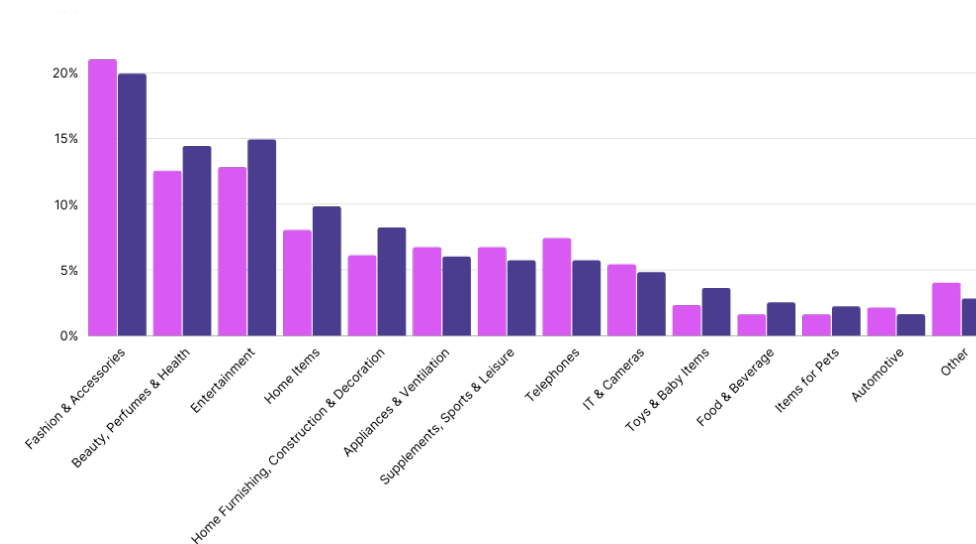


PERSONAL CARE



FOOD<sup>12</sup>

## MOST POPULAR ECOMMERCE CATEGORIES IN BRAZIL, 2019 & 2020



## Brazilians Shop Online

### MOBILE COMMERCE

Brazil is a mobile-first ecommerce nation, with many consumers exclusively using smartphones as their gateway to the internet. Brazil spent approximately USD 11.5B in 2020 using mobile devices and is projected to grow to USD 20.6B by 2023. Furthermore, smartphones are the sole device used to access the internet for 77% of Brazilians in rural areas.<sup>14</sup>

### SOCIAL COMMERCE

Brazil has the fifth largest population of social media users worldwide and the second-largest out of Asia, only second to the United States.<sup>15</sup>

There are over 130 million active Facebook users in Brazil, ranking it as the 4th country with the most users on the social media platform.<sup>16</sup>

### TRENDING ECOMMERCE PLATFORMS<sup>17</sup>



## Brazilian Shoppers Find Out About New Brands

### MOBILE APPS TAKE ON THE ROLE OF "INFLUENCER"

Many engage on Facebook, WhatsApp, and Instagram to view products. Brazilians will use these apps to find reviews on products and new brands.<sup>20</sup>

### ONLINE SEARCHES

Brazilian consumers have responded to long-running economic concerns by investing more time shopping around for bargains and buying in bulk to save money overall. Both of these activities are enabled by the internet.<sup>21</sup>

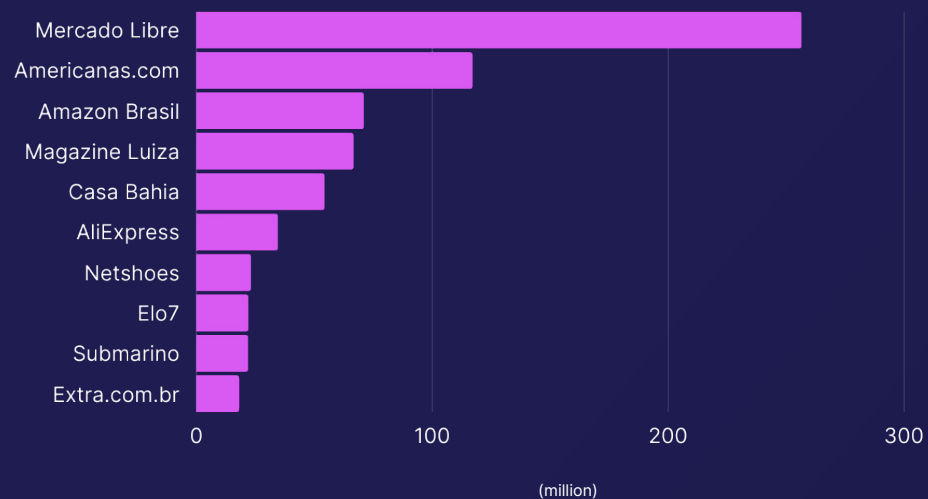
### SOCIAL MEDIA

Fun-loving and sociable, Brazilians spend an average of 3 hours and 40 minutes each day on social media. The Brazilian government has invested heavily in the internet connectivity to bridge the technology gap between rich and poor. As a result, 122 million Brazilians are now on social media – 87.7% of the country's total internet population. Mastering the social media landscape is the best way to boost brand engagement, loyalty, and sales in Brazil.<sup>22</sup>

### YOUTUBE

Brazilians love video – 44% of Brazilian internet users watch at least one video a day. Because internet connectivity is so widespread, YouTube is popular across social groups, so whatever your strategy, you'll find your audience on YouTube.<sup>23</sup>

### MONTHLY ECOMMERCE SITE VISITS



### TOP SEARCH ENGINES USED IN BRAZIL<sup>19</sup>



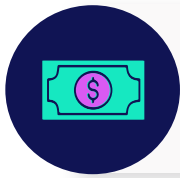
# HOW

## Brazilians Prefer to Pay



### DEBIT & CREDIT CARDS

Card payments are the most popular method of payment at 59% of overall payments.<sup>24</sup> Debit card penetration sits at 1.58 per capita, and credit cards at 1.05 per capita.<sup>25</sup>



### CASH

Cash is the 2nd most popular method of payment at 19%. This is due to a large number of rural areas with a lack of digital infrastructure.<sup>26</sup> Only 79% of Brazilians are banked.<sup>27</sup>



### MOBILE WALLETS

As Brazil experiences high income inequality, many don't have access to desktops or laptops. Due to this many of the country's population rely on mobile devices to access the internet as they are more affordable.<sup>28</sup> This has led to a sizable increase in mobile wallet adoption as 44% of the population in 2020 had access to a smartphone. While a large percentage of the population doesn't have a smartphone, Brazil's mobile commerce market is expected to reach a value of USD 20.6 by 2023.<sup>29</sup>



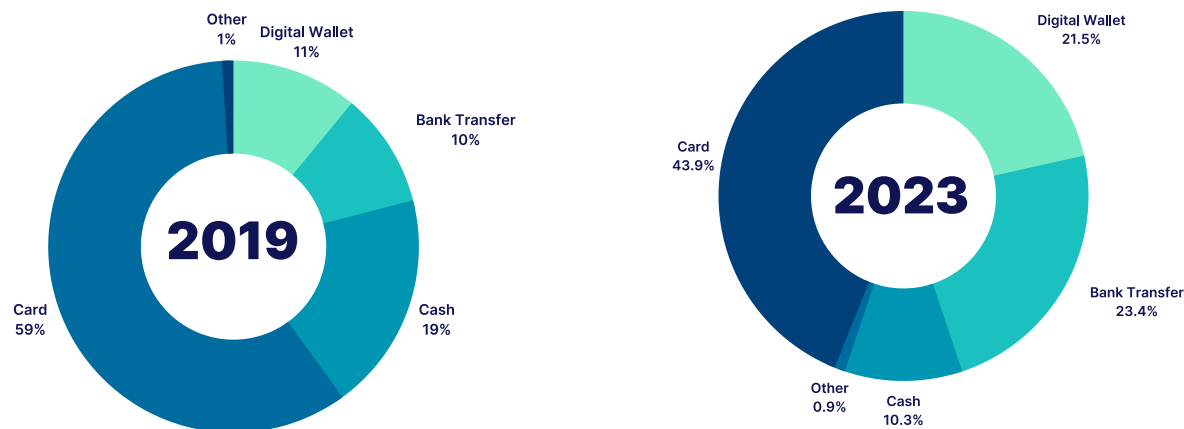
### INSTALLMENT PAYMENTS

Payment by installment is a popular option in Brazil. It gives consumers more purchasing power and boosts the average transaction value per consumer. Three-quarters of consumers are estimated to make payments in installments, and one-third of consumers will not purchase if installments isn't an option.<sup>30</sup>

### BANKS IN BRAZIL

- Itau Unibanco Holding
- Banco do Brasil
- Banco Bradesco
- Caixa Economica Federal
- Banco Santander Brasil
- Brazilian Development Bank
- Banco Safra
- BTG Pactual
- Banco BV
- Banrisul
- Citibank Brasil

### POPULAR PAYMENT METHODS



# WHY

## Merchants Should Tap Into the Brazilian Market



Brazil has the largest and most developed ecommerce market in Latin America and accounts for 32.5% of the total market share.<sup>31</sup> Brazil ranks 10th in the world for most ecommerce sales.<sup>32</sup>



The population is estimated to have spent USD22.8 billion on products sold online in 2019.<sup>33</sup>



The Brazilian ecommerce market is expected to grow at an annual rate of 9.3% until 2023.<sup>34</sup>



47% of online consumers already have purchased from cross-border merchants.<sup>35</sup>



Brazilians spend approximately 25.7 hours a month online, the average for Latin America is 18.6 hours.<sup>36</sup>



Massive population of over 211 million people, which provides a large potential market.



Large smartphone penetration, ranks 5th in the world for mobile use.





# WHAT

## Merchants Should Know Before Tapping Into the Brazilian Market

### REGULATIONS & TRENDS



Brazil may be the most complex market in Latin America from a tax and regulatory standpoint. Red tape, corruption, an onerous tax code, and endless requirements makes it a difficult place to navigate.

### BARRIERS & BENEFITS



Brazil is the largest and most mature ecommerce market in Latin America. As international ecommerce is growing at double domestic ecommerce, Brazil is a significant revenue opportunity for global companies.

More than any other market in Latin America, enabling local payment methods is required to fully leverage the opportunity in Brazil. A cross-border payment processing strategy (processing from a retailer's home country) will exclude 81% of the addressable market. Without leveraging local acquiring, businesses will not only miss sales, but they will also alienate customers as they try to acquire them because of weak and unfamiliar payment options.

Offering local payment processing is not a trivial endeavor. In Brazil local processing and installments requires a local entity and boots on the ground, which adds complexities and costs that can outweigh the benefits of accessing the local payments. With Reach, we handle these nuances and facilitate a seamless entry into a very viable market.

**The Reach Way** – a better way to connect with customers all over the world – wherever they are.



# Merchants Can Do To Optimize



## CUSTOMER EXPERIENCE

Providing a “high-touch” approach to customer service goes a long way to build brand loyalty. Online customer support service is highly useful in maintaining contact with customers. Still, customers expect a fast response when they contact companies via social media, as they mostly hope to have a reply in under one hour.<sup>37</sup>



## THE MORE WAYS TO REACH THE CONSUMER THE BETTER

Brazilians appreciate having a variety of options when it comes to how and where they interact with a brand. Can you diversify your online presence across multiple channels? That way, you’ll make information more widely available to the largest possible pool of consumers—all the better to build a perception of convenience and value.<sup>38</sup>



## PAYMENT BY INSTALLMENT IS A MUST

One third of Brazilian consumers will abandon their purchase if they are not able to pay in installments. By offering this payment option you not only avoid lost sales, but will potentially sell a larger volume of higher priced products.<sup>39</sup>



## Ready to expand your business to Brazil? Reach can help.

In the excitement about sharing your brand with the world, it is easy to forget the critical part global payment solutions play in the success of your business when entering new markets.

Reach understands global consumers and how changes in their shopping experience affect your business. Our experienced legal, financial, compliance and local-market experts provide in-depth global analytics for your business, as well as duty and tax calculations so that you can expand your business to new markets with certainty and ease.



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**CONNECT**  
[withreach.com/connect](https://withreach.com/connect)



**FAQ**  
[withreach.com/faq](https://withreach.com/faq)



**BLOG**  
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