

**UNIVERSIDAD DEL ROSARIO**



**ASPECTS THAT SHOULD BE CONSIDERED TO IMPLEMENT DIFFERENT  
METHODS OF PAYMENT IN LATIN AMERICA**

**GRADUATION PROJECT  
APPENDICES**

**SOFÍA VALENTINA DÁVILA MIRANDA**

**BOGOTA D.C, COLOMBIA**

**2020**

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**ADMINISTRACIÓN DE NEGOCIOS INTERNACIONALES**

**MENCIÓN: MERCADEO**

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## Appendices

A. According to Nielsen, an American company working in more than 100 countries and leader worldwide for the measurement of data for fast moving goods, media and consumer behavior, this is the consumer confidence index in countries of Latin America . (*Acerca de nosotros | Lo que lo Consumidores Ven y Compran | Nielsen – Nielsen, n.d.*)

**CONSUMER CONFIDENCE INDEX ▲**

	<b>GDP Q1 2019 (% ANNUAL GROWTH)</b>	<b>INFLATION Q1 2019</b>	<b>Q1 2019</b>	<b>Q1 2019 VS Q4 2018</b>
Peru	3.9	2.3	109	13
Costa Rica	2.7	1.4	83	7
Argentina	-6.1	51.0	72	5
Mexico	1.4	4.3	101	4
Columbia	2.7	3.2	101	2
Brazil	1.4	4.3	99	-
Chile	2.7	2.0	91	-

The Conference Board® Global Consumer Confidence Survey is conducted in collaboration with Nielsen.  
Source: GDP and Inflation from Latin Focus, Q1 2019

*(Confianza del Consumidor en LATAM Q4 2018 – Nielsen, n.d.)*

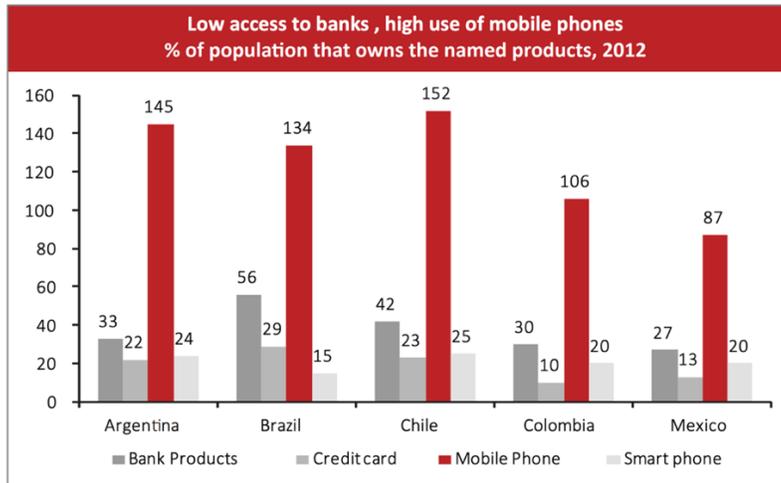
According to the graph, we should consider 100 as the average for the quarter one of 2019 represent the pessimism or optimism regarding their consumer’s perceptions with their personal finances and how are they willing to spend it (above 100) or to save it for the future (below 100).

B. The Bank of Canada developed a study in 2017, where they determined the percentage of the different methods of payment that customers implement. They determined a percentage of 99.8% of customers who used cards for the payment of the purchases. On the other hand they determined also the percentage of different methods of payment accepted by retailers, they established that a 22% of them accept cash while 5.7% accept payments by cash and card (credit or debit).

variable	consumers		merchants	
	frequency	percent	frequency	percent
cash only	24	1.23	162	22.10
cash and debit	197	10.08	31	4.23
cash and credit	118	6.04	24	3.27
all methods	1,616	82.66	516	70.40
Total	1,955	100.00	733	100.00

(Huynh et al., 2019)

C. According to the World Bank Financial Inclusion, it was determined the percentage in which customers in Latin America had been adapting to the different methods of payment by 2012, where customers were still unaware of some methods and the credibility of them was weak.



Source: World bank Financial Inclusion

(Latin America Cards & Payments Trends Whitepaper, n.d.)

D. As we can identify in the graph, Colombia's GDP had a progressive growth since the first quarter of 2018 and by the end of 2019 its numbers remained eased. Considering the Covid19 situation, Colombian economy had the weakest evolution in comparison with the first quarter of 2017.



SOURCE: TRADINGECONOMICS.COM | DANE, COLOMBIA

(Trading Economics, 2020)

E. Overview of Mexican economic activity by sector is represented in the image below, as it is shown, the sector that contributes the most to the development of the country is the Services, followed by the industry and the agriculture. The country had specialized on each

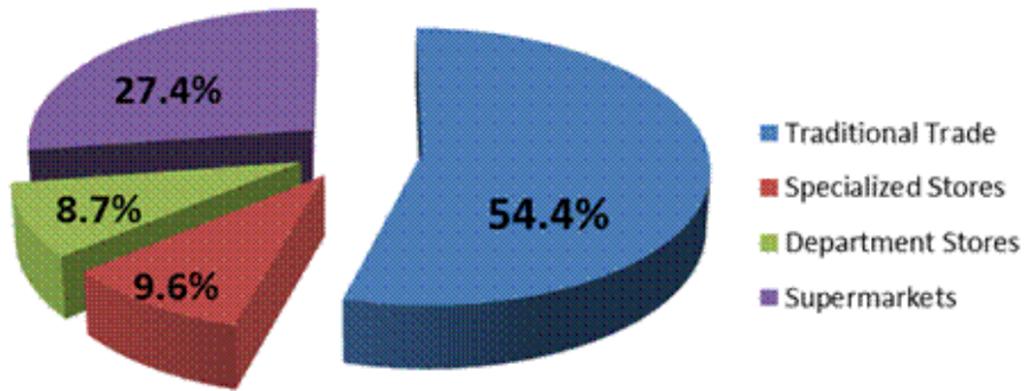
<b>Breakdown of Economic Activity By Sector</b>	<b>Agriculture</b>	<b>Industry</b>	<b>Services</b>
<b>Employment By Sector</b> <i>(in % of Total Employment)</i>	12.9	25.9	61.2
<b>Value Added</b> <i>(in % of GDP)</i>	3.4	30.9	60.9
<b>Value Added</b> <i>(Annual % Change)</i>	2.4	0.5	3.4

of the industries below and those provide the annual growth to the GDP of Mexico

(The World Bank, 2020)

F. This graph represents how the retail sector is distributed in Mexico 2014. We can identify people are resilient to implement new trade facilities and are still engaged with the traditional one. It is important to consider that by this time the country was recovering from a recession and most of the retailer were looking to implement different strategies to encourage customers to buy again. For this reason, we can assume this is the point where retailers started implementing new methods/strategies as a way to differentiate from competitors and improve their selling propositions.

### Retail Sales by Type and Percent



(Castellanos, 2015)