d·local

Give your customers the joy of an international eCommerce buying experience, from the comfort of their home

The retail industry in emerging markets faces distinct challenges, including limited payment options, logistics, and security concerns. The need for efficient, familiar checkout processes in these regions is even more paramount than in their developed counterparts.

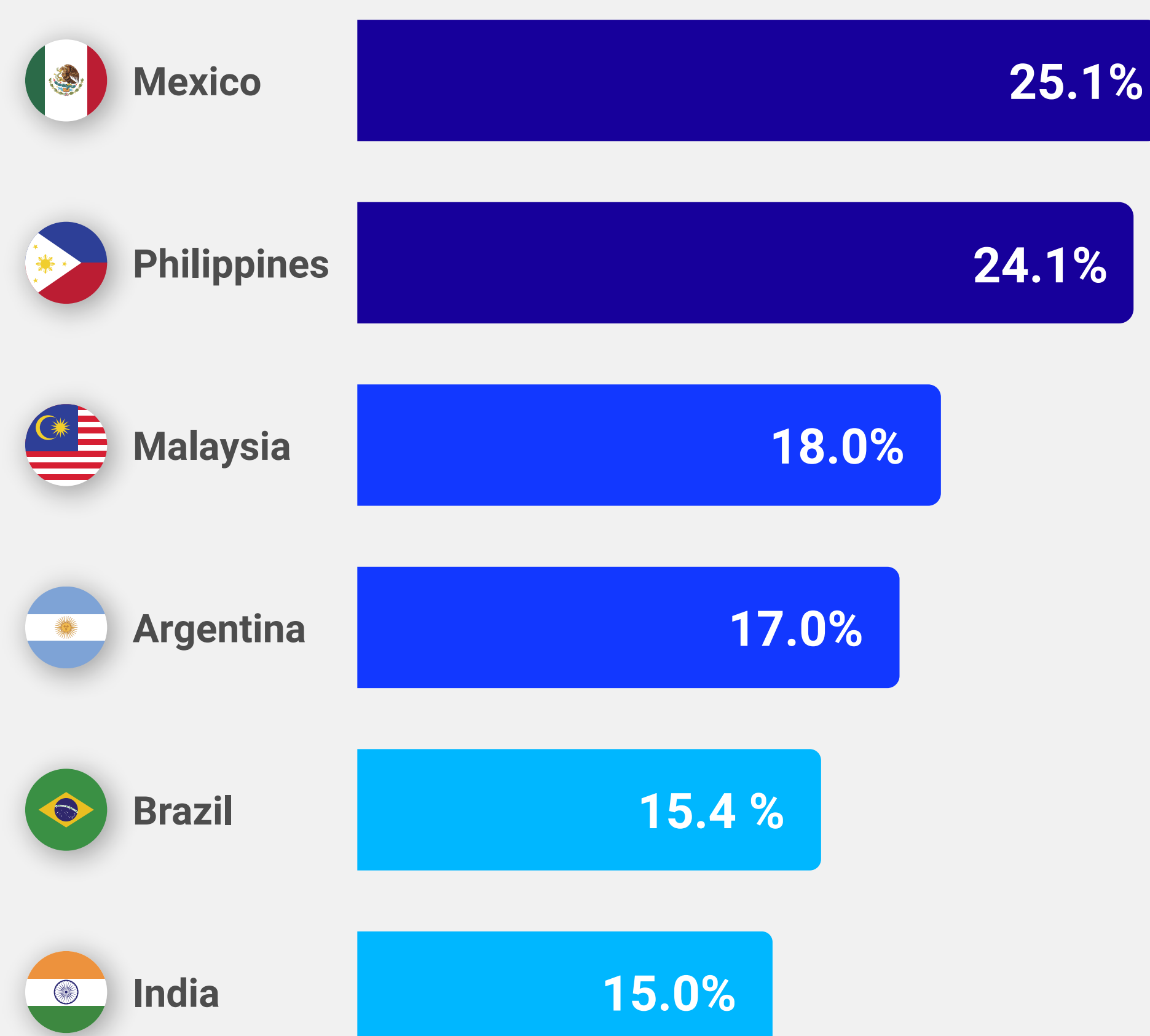## Emerging markets for digital retail

Developing markets may not be on your radar currently, or you don't believe expanding across Africa, Asia, and Latin America is in your company's best interest. However, if an eCommerce merchant is looking for exponential growth over the next few years – these regions hold the opportunity you're looking for.

In 2024, emerging and developing economies are expected to contribute 66.7% of global growth. Nearly 90% of the world's under-30 demographic resides within them—the present and future spenders and decision-makers.

As the infographic shows, in 2023 the top six countries by retail eCommerce sales growth were all in developing economies.

Top 6 countries, ranked by Retail eCommerce Sales Growth, 2023
% change

Country	% change
Mexico	25.1%
Philippines	24.1%
Malaysia	18.0%
Argentina	17.0%
Brazil	15.4 %
India	15.0%

Checklist for a cross-border eCommerce launch

Implementing alternative payment methods

Owning an international credit card is not a given throughout emerging markets. And sometimes, even if there is access, it takes up more time than it's worth.

Take Pakistan for instance, international credit cards have a very low penetration of 0.22% – a contributing factor of this low rate is the extensive verification needed for in-person card applications. In Sub-Saharan Africa, the average ownership of a credit card is at 4.2%, with Latin America in the lead at 15% ownership.

While this may seem disconcerting, it's one of the many reasons local alternative payments methods have flourished in these regions. Necessity brought about innovation that hasn't been seen to the same extent in more developed countries.

- Mobile money
- eWallets
- Cash
- Real-time payments

Accepting local currency

Using local currency makes it easier for emerging market consumers to shop online. Not only can they see the exact cost of the purchase, it's also less likely they will be charged any FX fees from their end.

The good news is, with a trusted payments partner like dLocal you can receive the currency of your choice, while your consumers pay with theirs. Enabling local currency transactions broadens your reach and conversion rate, while lowering your cart abandonment rate. It's a win-win.
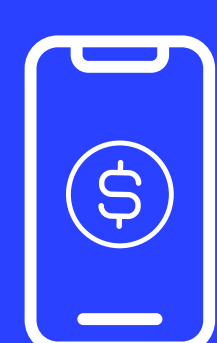
Enabling local acquiring vs. international acquiring for online retail transactions

Regarding payment processing, "local acquiring/local-to-local" and "international acquiring" refer to different methods and scopes of handling transactions.
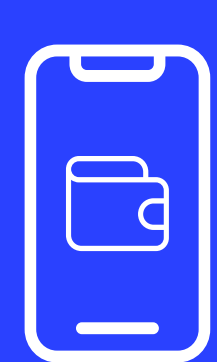
Local-to-local transactions involve processing payments through banks or financial institutions in the same country as the payment being made. While international acquiring processes payments through international banks or financial institutions.

Local acquiring benefits

- **Lower transaction fees** compared to international acquiring, which may include additional cross-border fees and currency conversion costs, making your product less accessible
- **Faster settlements** and no more cash flow issues, as there are less routing complexities
- **Regulatory compliance**

Paying multiple sellers and partners

Operating a retail marketplace in these regions adds even more logistical, regulatory, and payment solutions challenges into the equation.

Connecting to multiple processors in each emerging economy where your retail marketplace operates is unnecessarily complex – link to all the most popular processors with a single API.

With one integration

- Distribute and split payments to any number of users
- Payout in users' preferred currency
- Sell from a local and cross-border seller in one single transaction (mix basket)

Grow where your shoppers are with one API

You're ready to expand into these high-growth markets, now what?

Reach billions of new consumers through a single integration, and remove the complexities of operating your digital retail business in these regions with a payments partner like dLocal. Accept local payment methods, streamlining your checkout experience with dedicated optimization and smart-routing to enhance customer satisfaction.

Our regional experts are ready for your expansion, get in touch.

[Start now]