



August 2011

## State of The Internet with a Focus on Mexico



Iván Marchant, Country Manager Mexico, comScore, Inc.

# comScore is a Global Leader in Measuring the Digital World

## NASDAQ

## SCOR

### Clients

1700+ worldwide

### Employees

900+

### Headquarters

Reston, VA

### Global Coverage

170+ countries under measurement;  
43 markets reported

### Local Presence

32+ locations in 23 countries



# Global Coverage, Local Presence

## comScore Locations



# comScore Leverages Rich Panel Data to Deliver Unique and Broad Digital Business Analytics

## 2 Million Person Panel 360° View of Person Behavior



## The Only Global Measurement of Audience and E-commerce



**170+ Countries Under Measurement**  
**43 Markets Reported**

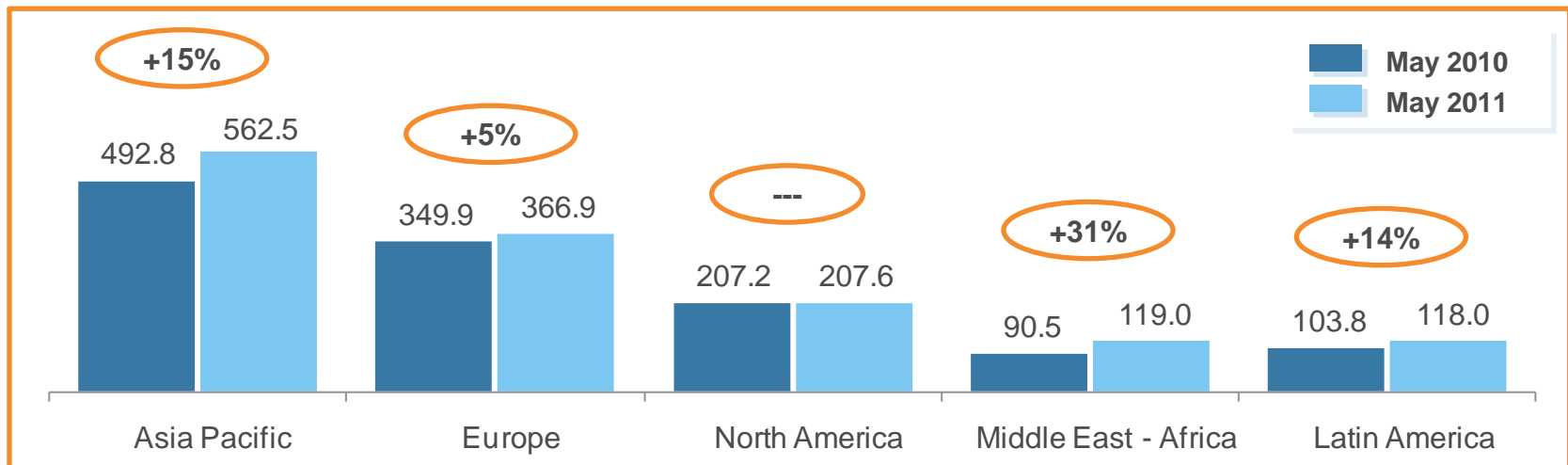
# Some of Our Largest Clients in Latin America Include...



# Latin America Continues Audience Growth

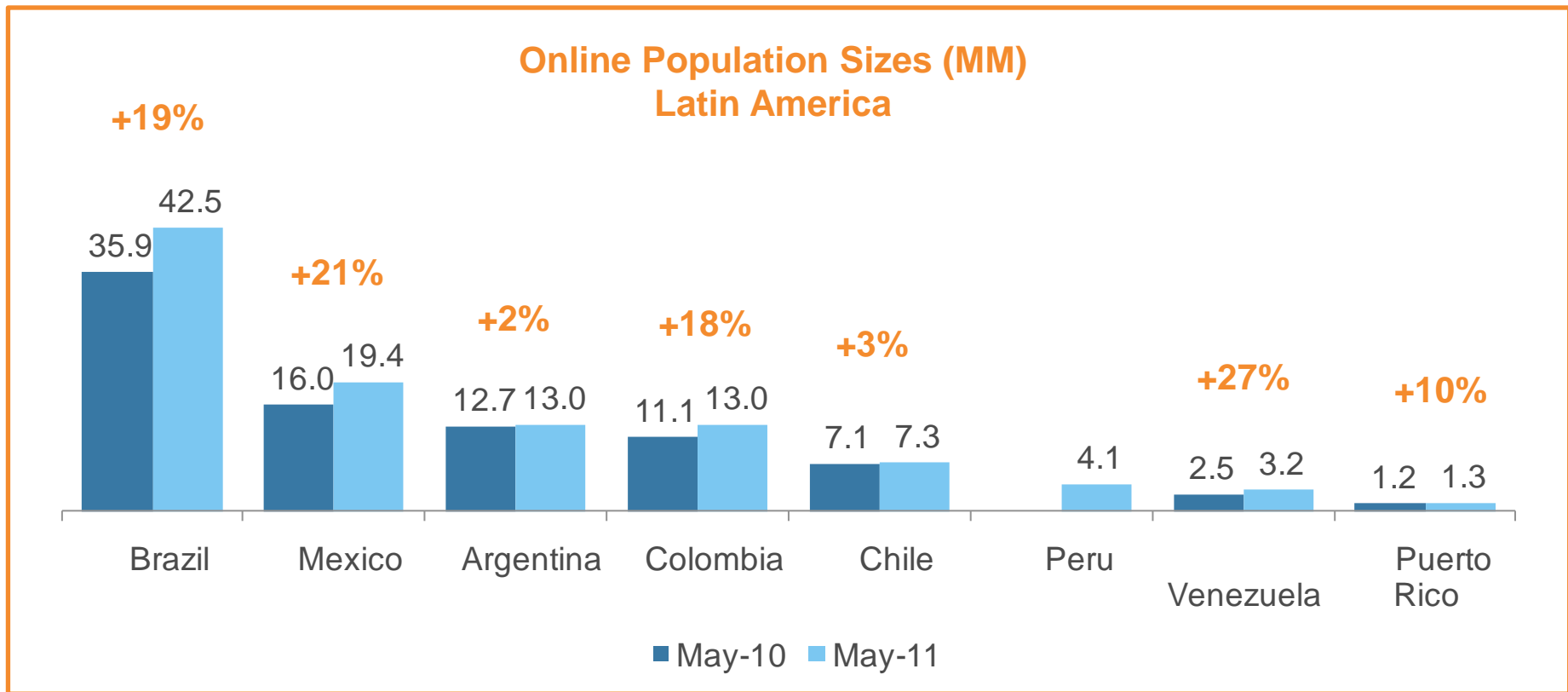
- Growth is flat in North America, European growth mostly driven by Russia
- Growth in Latin America expected to continue on the back of increased residential broadband penetration region-wide
- Growth in Latin America likely to also continue as more people move from shared-access environment to home & work use

## Worldwide Online Population (Millions)



## Online Audience Sizes in Latin America, 15+ Home & Work

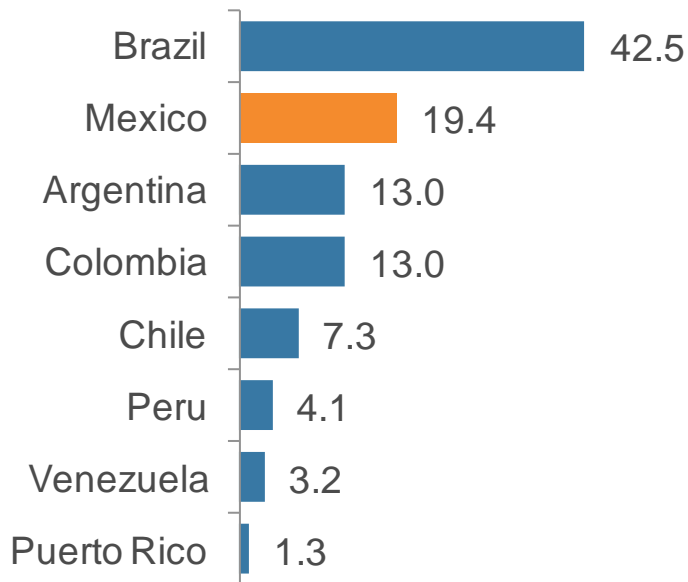
- Mexico is one of the largest and fastest-growing online populations in the region
- Growth in mature markets of Argentina and Chile flattening



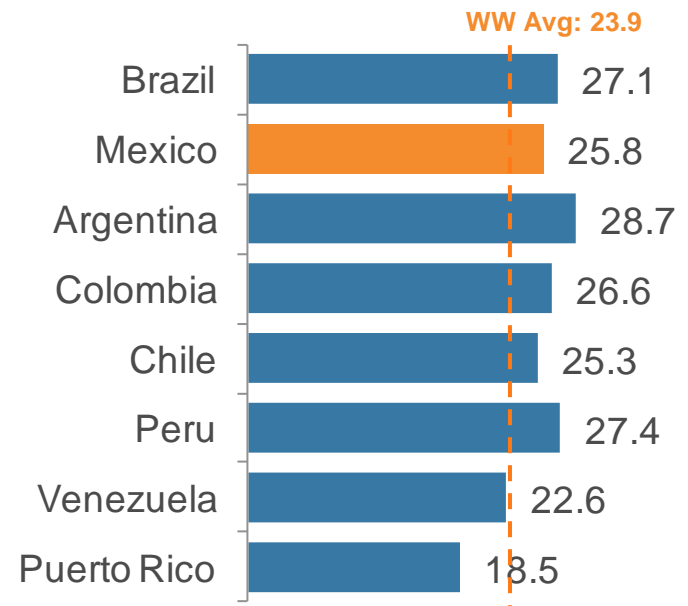
# Argentina, Peru, Brazil Have Highest Internet Usage Rates in Region

- Average usage in Mexico was almost two hours more than the global average, but still lagged behind other markets in the region
- Users in Argentina, Peru, and Brazil posted the heaviest usage

**Internet Users (Millions) in Latin America**

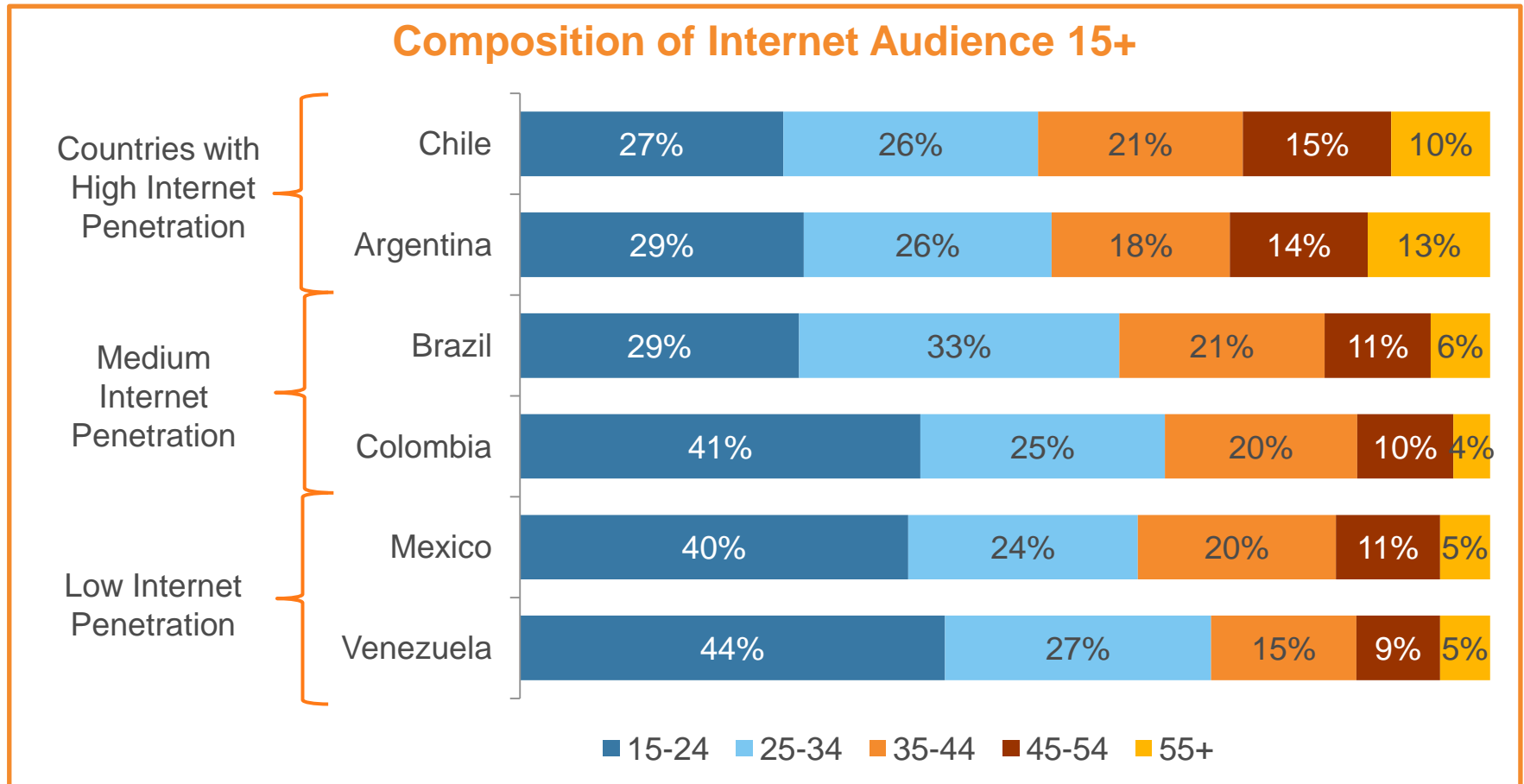


**Total Hours Online per Visitor in Latin America**



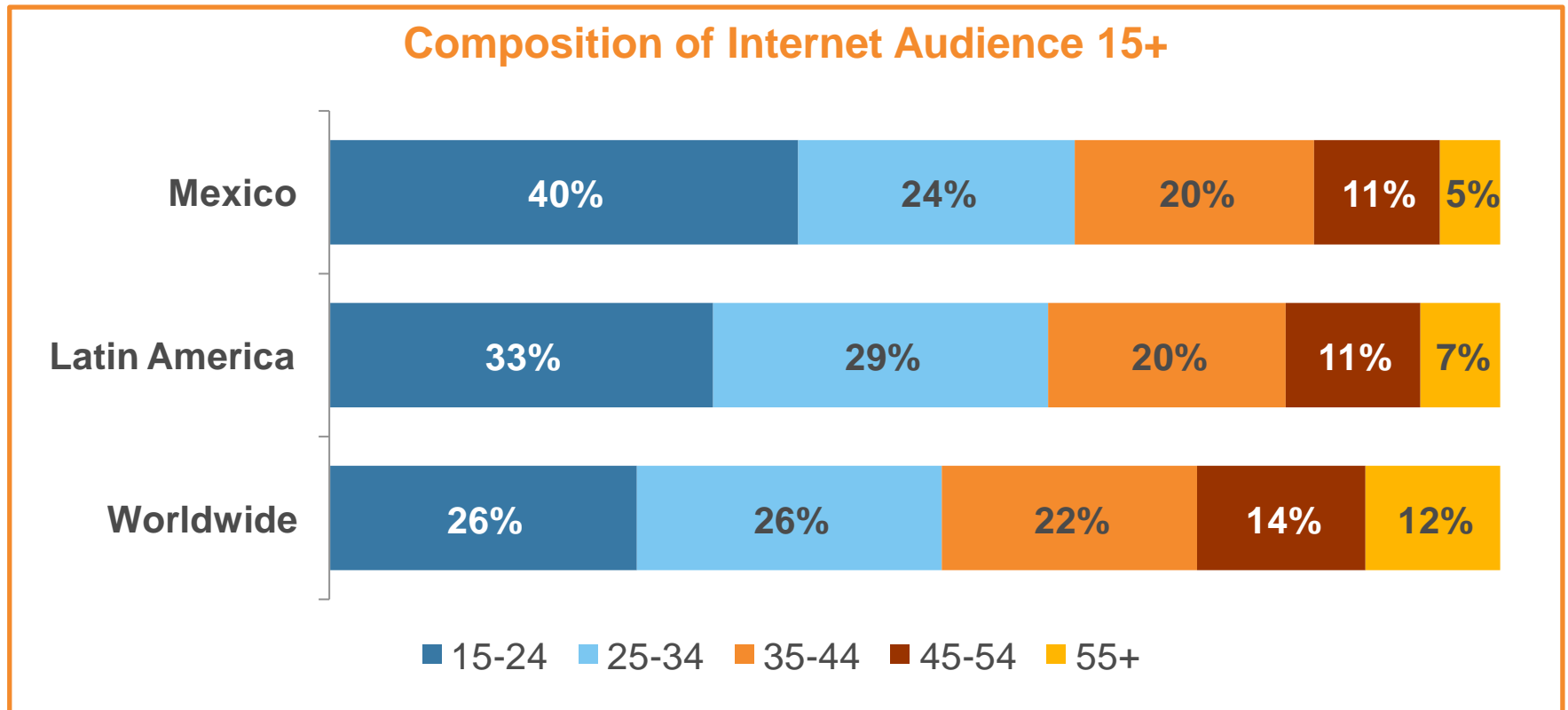
# Individual Countries' Demographic Composition Varies Widely

- Venezuela, Colombia, Mexico and Brazil have largest proportion of young users
- Chile and Argentina's youth composition is close to global average



# Age Distribution in Mexico is Even Younger Than LatAm Average

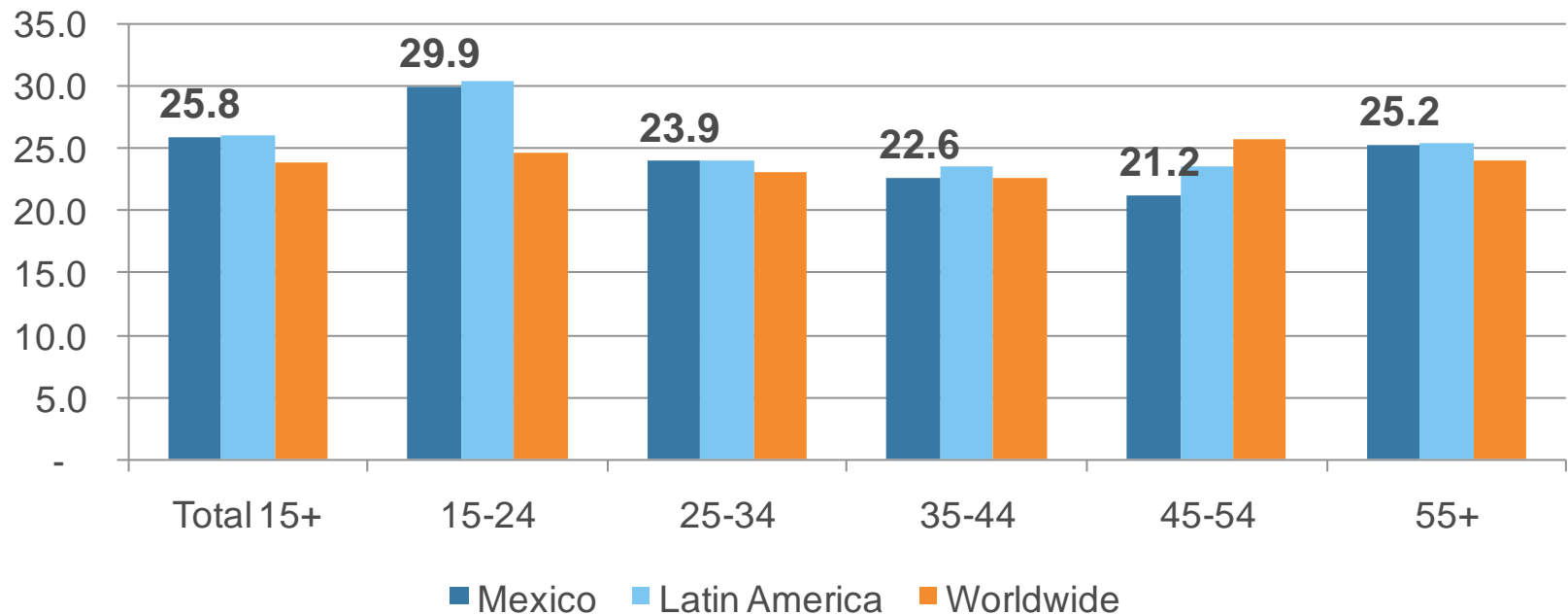
- Internet users in Latin America skew slightly young: 62% of the Internet audience is between 15 and 35 years old, compared to 53% of the global online population
- Mexico's population skews even younger, with 64% of the population under 35



# Young People Drive Internet Consumption in Mexico

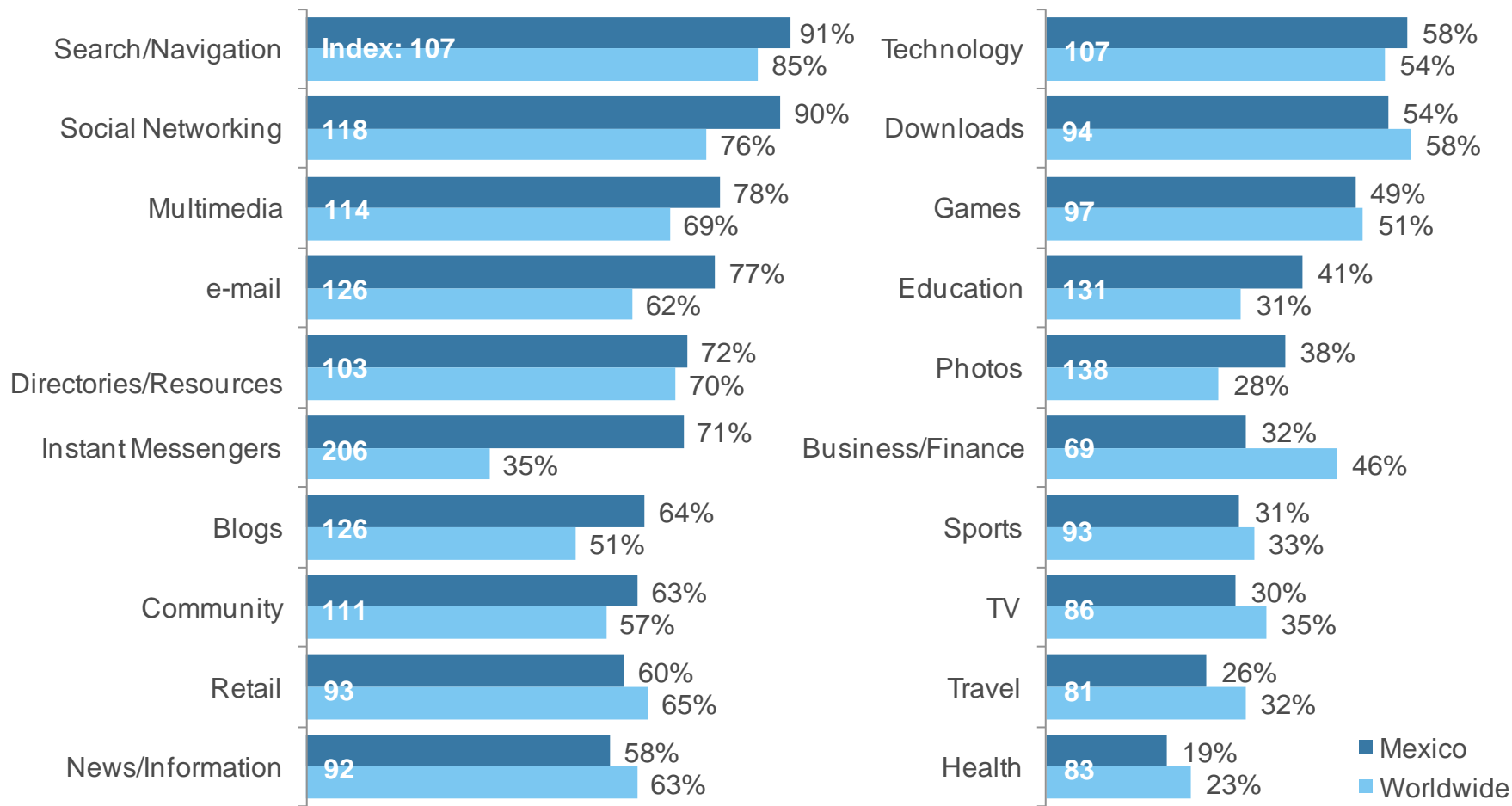
- 15-24 year olds in Mexico spend the most time online, on average

**Average Time Online by Age**  
Hours per Visitor



# Instant Messengers, Webmail, and Blogs are Key Online Categories

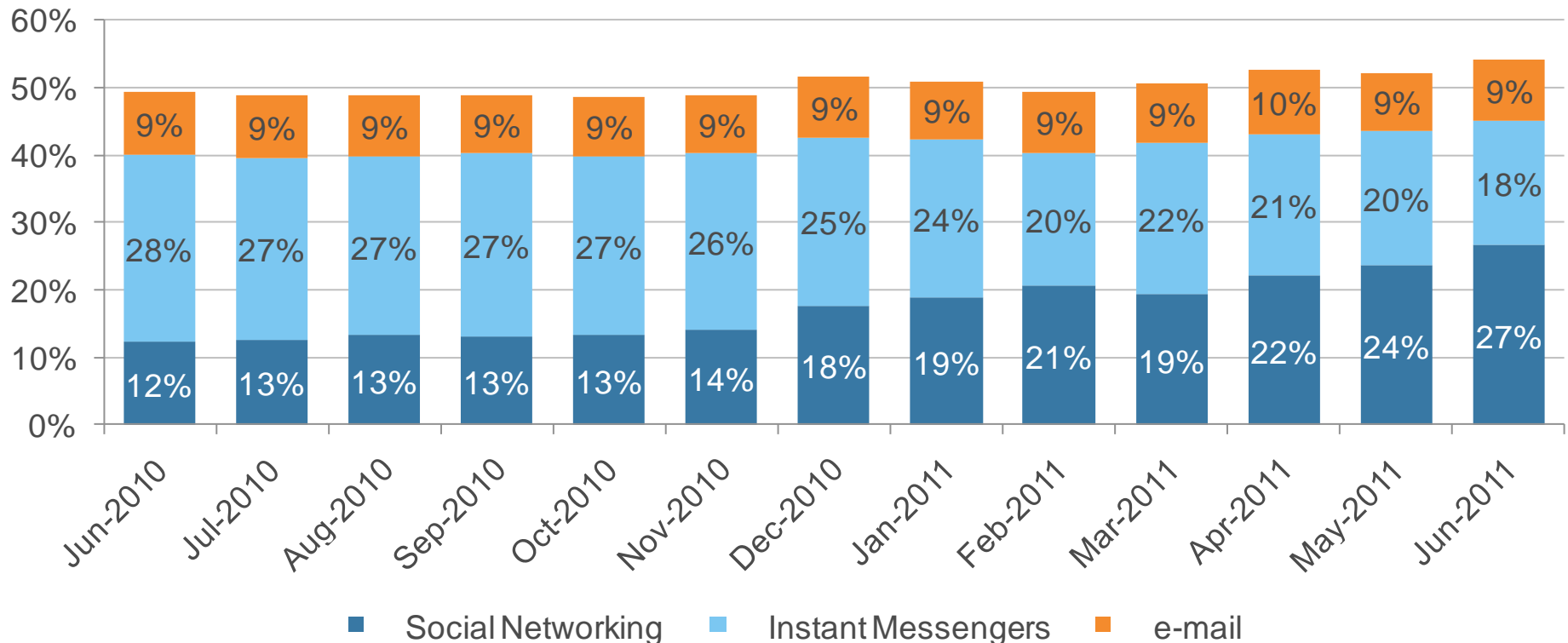
## Reach of Key Categories



# Share of Time Spent on Social Networks Has Increased Tremendously

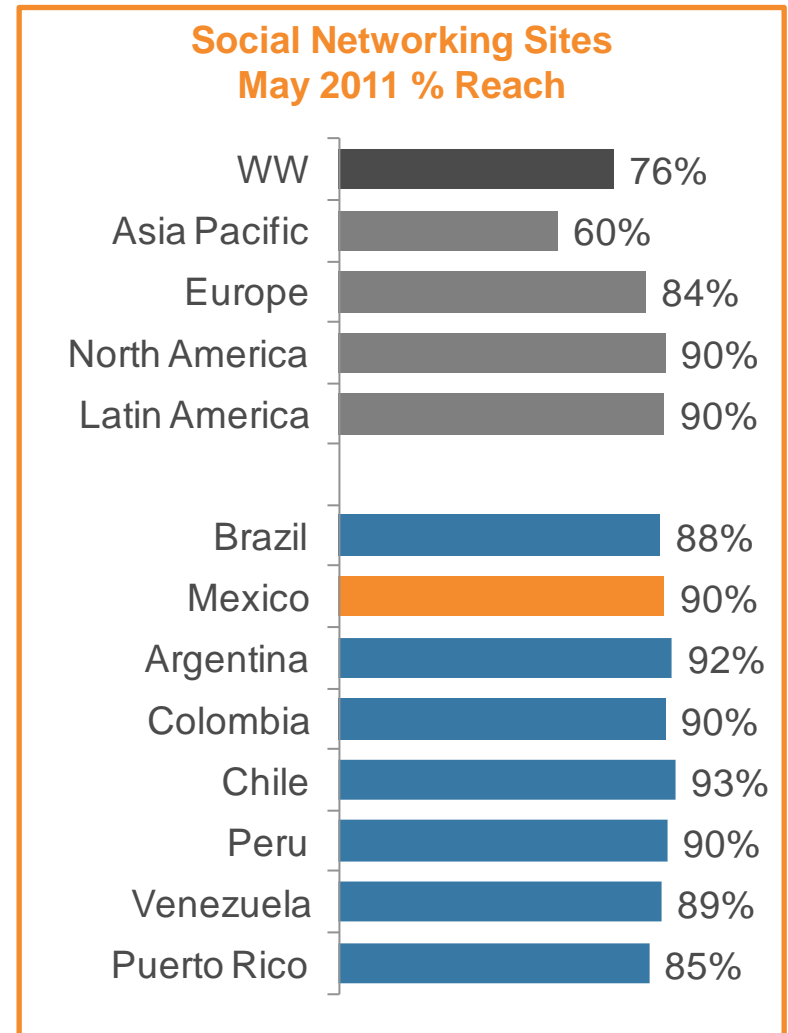
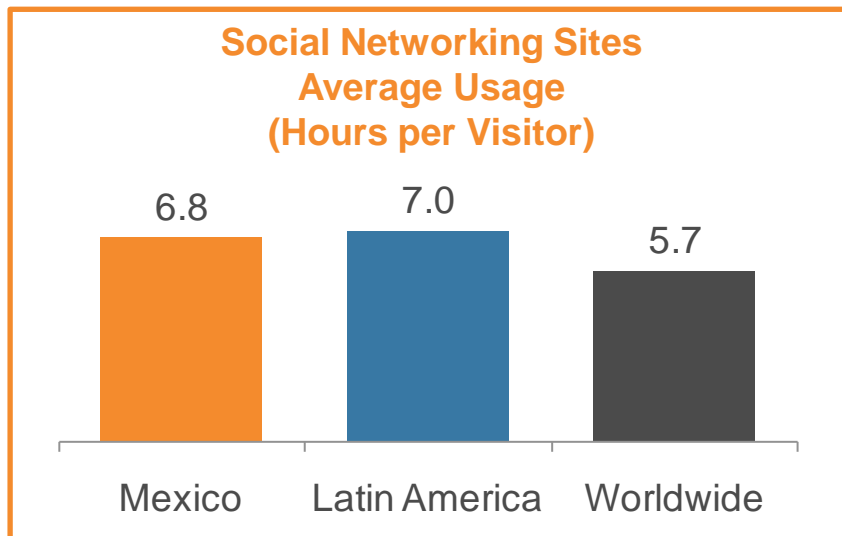
- Combined time spent on Social Networks, IM, and Webmail continues to hover around 50%, but share of time spent on SNs has doubled over the past year, mostly at the expense of Instant Messaging

Share of Time Spent on Social Networking, Instant Messengers & Email  
Mexico % of Total Minutes



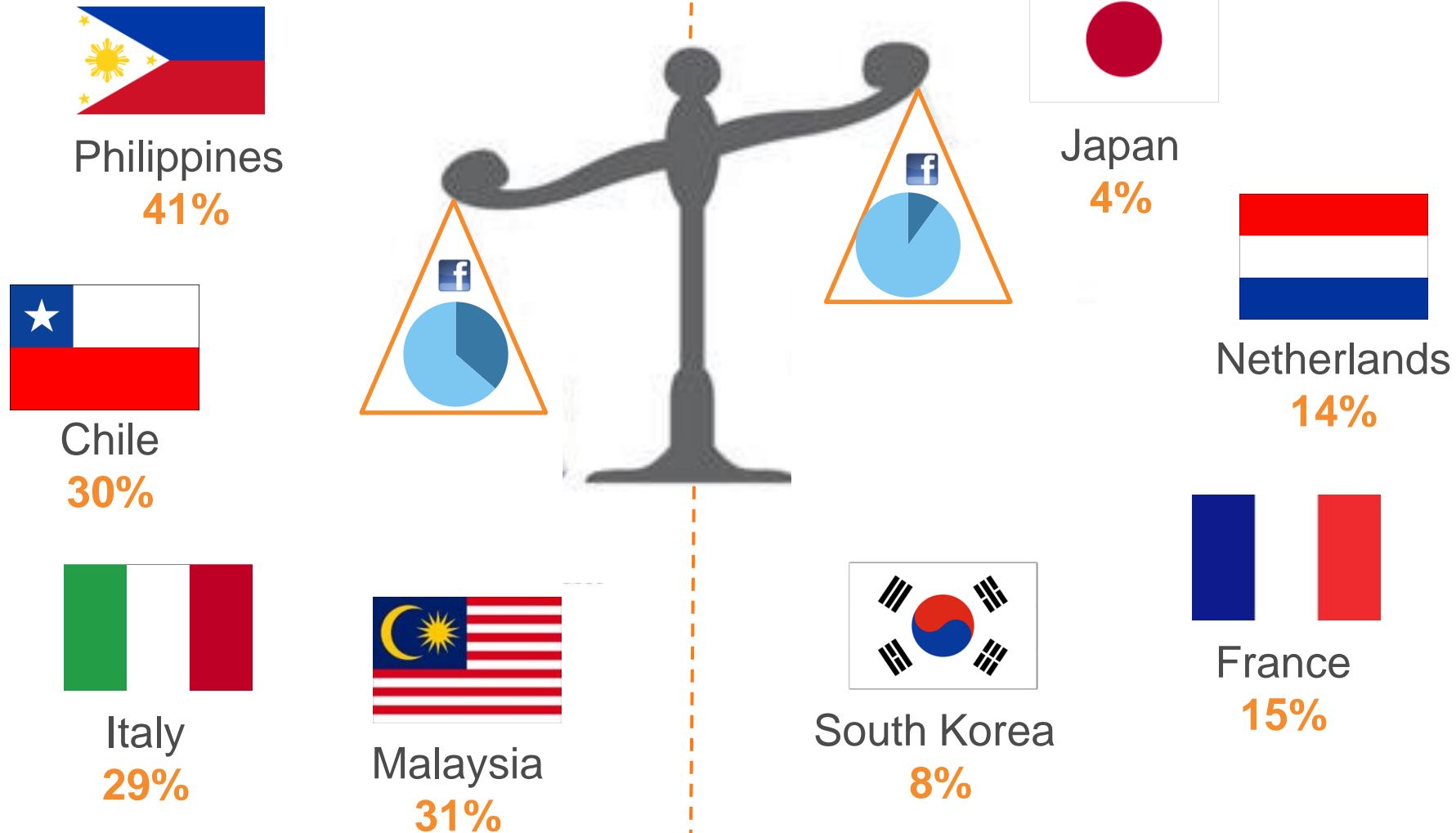
# 9 out of 10 Web Users in Mexico use Social Networking

- Social Networking is the top category in Mexico, reaching 90 percent of the web population
- Average usage in Mexico is about the same as the regional average, and an hour more than the global average



# Mexico spends 24% of all time online on Social Networking sites

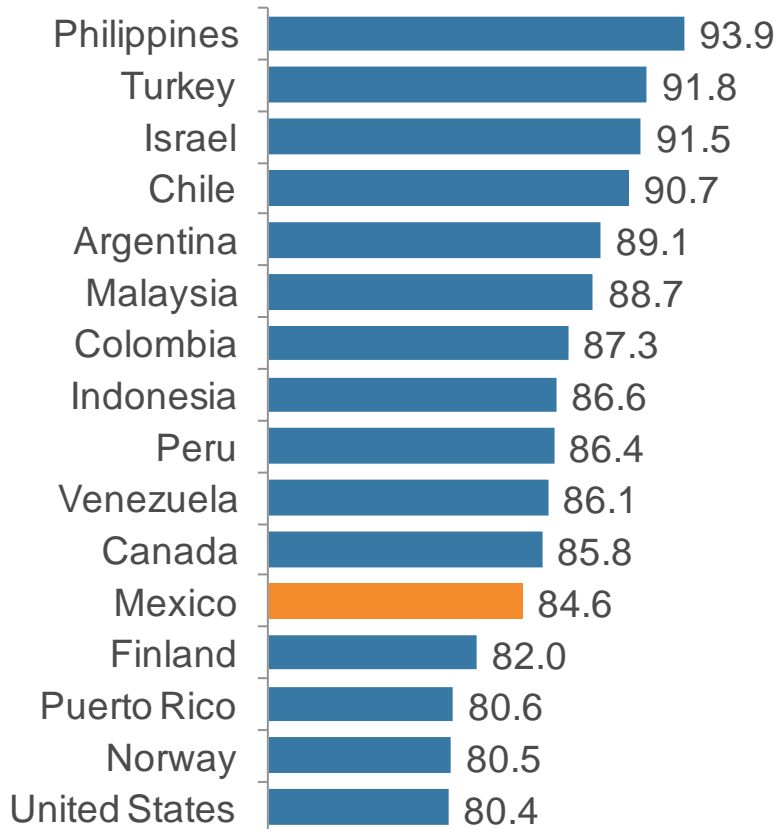
## Compare to some of the heaviest and lightest users:



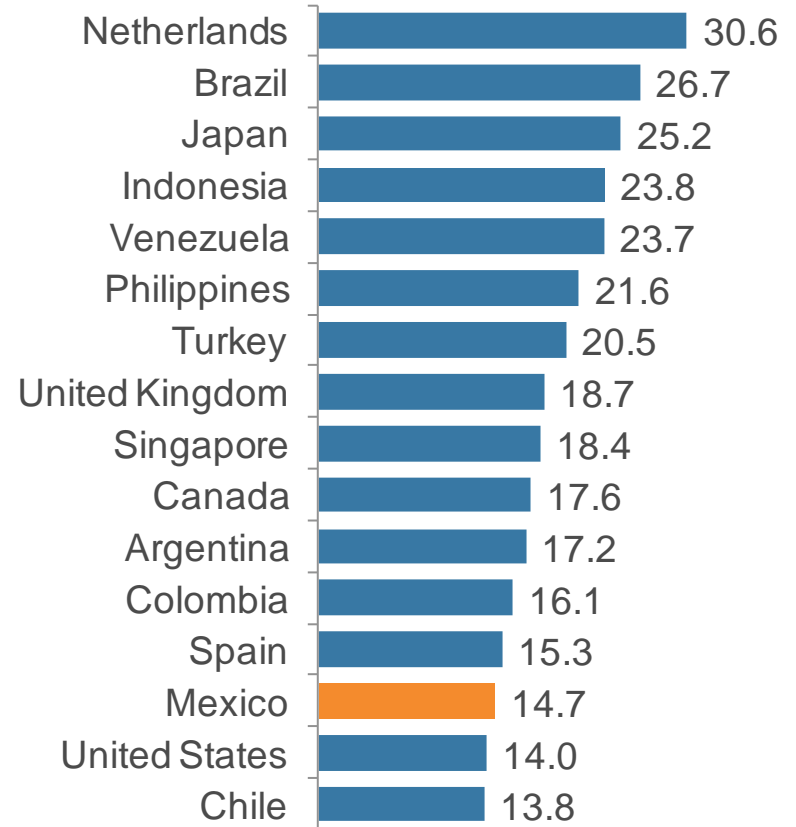
# Chile is #4 Facebook Market, #16 Twitter Market by Reach



## Facebook.com Top 16 Markets by % Reach

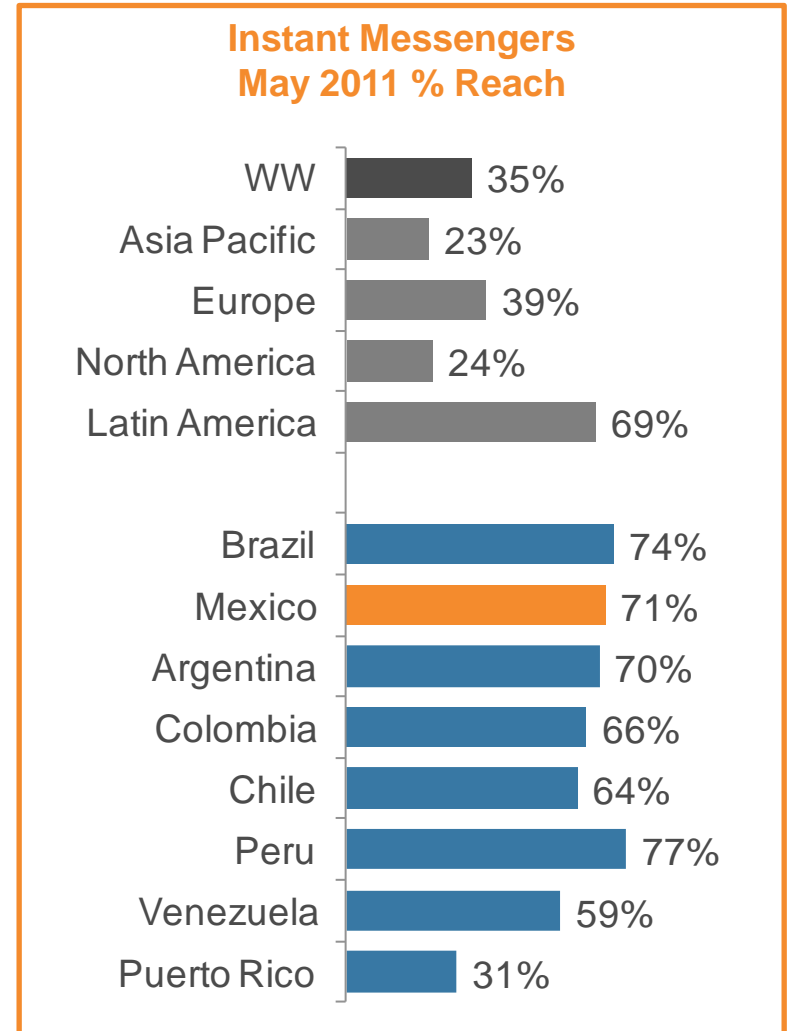
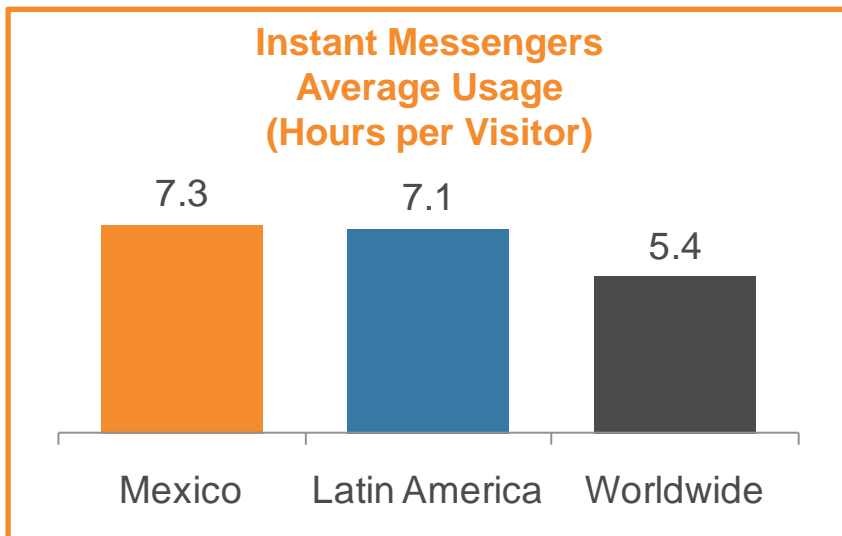


## Twitter Top 16 Markets by % Reach



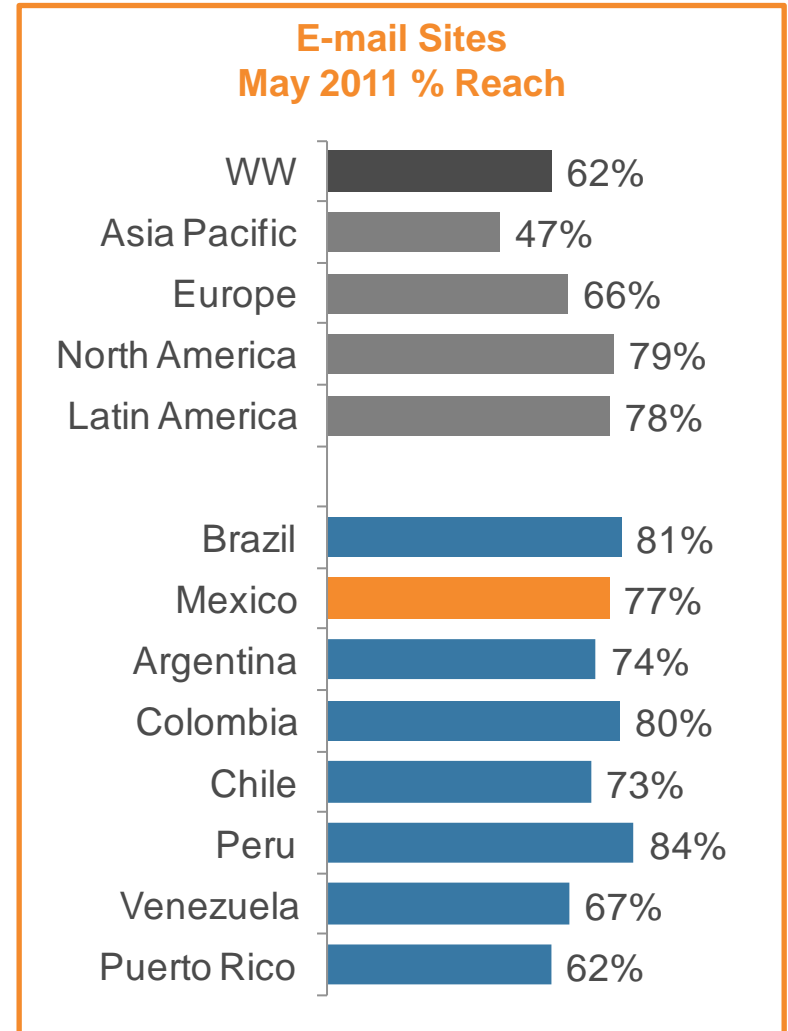
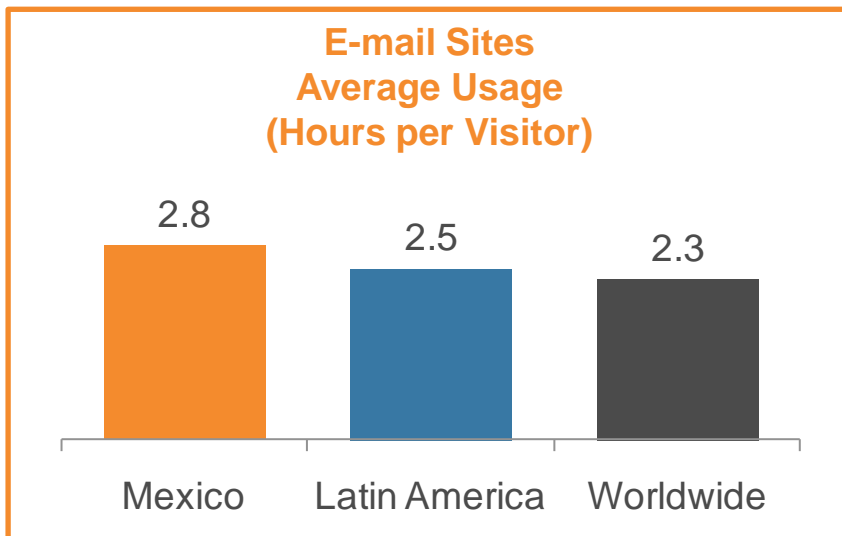
# Despite Drops in Reach, IM Still a Key Component of Online Behavior

- Despite drops in reach across the globe in the category, Latin Americans continue to be strong users of Instant Messengers, with reach in the region far surpassing global averages
- Usage in Mexico remains high, averaging 7.3 hours per user



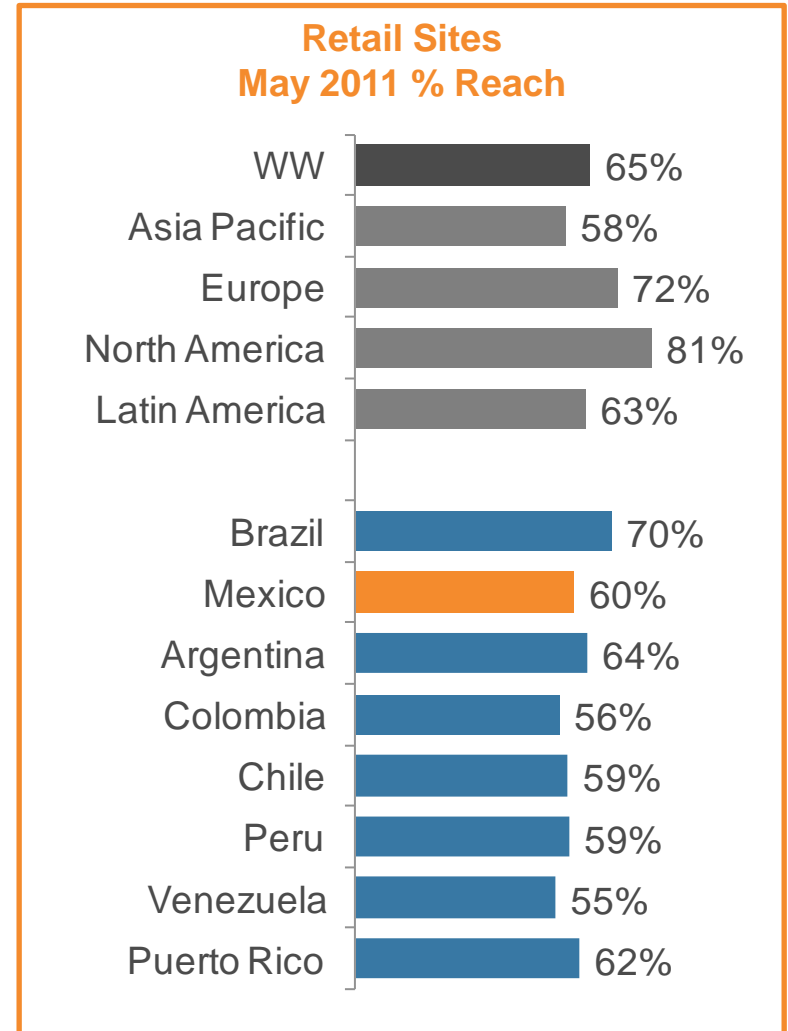
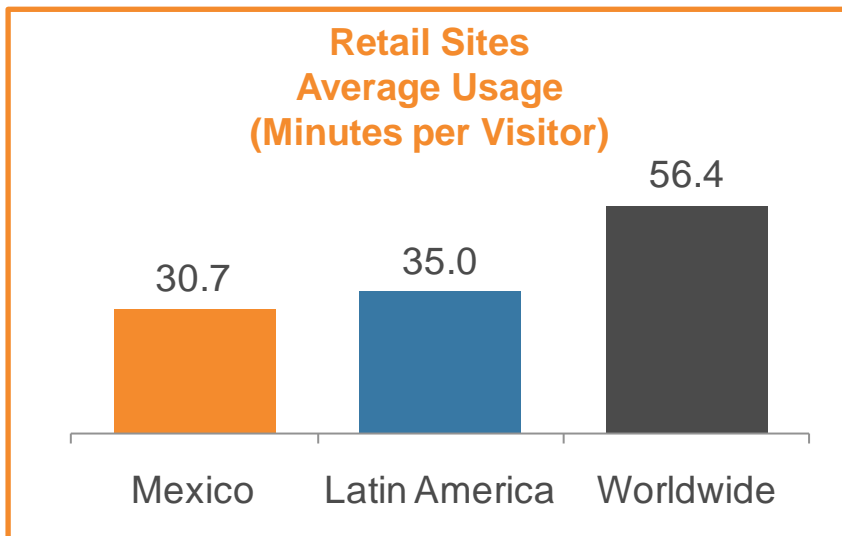
# Mexican Webmail Reach is Declining Slightly, As in Rest of the World

- Webmail use in Mexico has not dropped as dramatically as it has elsewhere



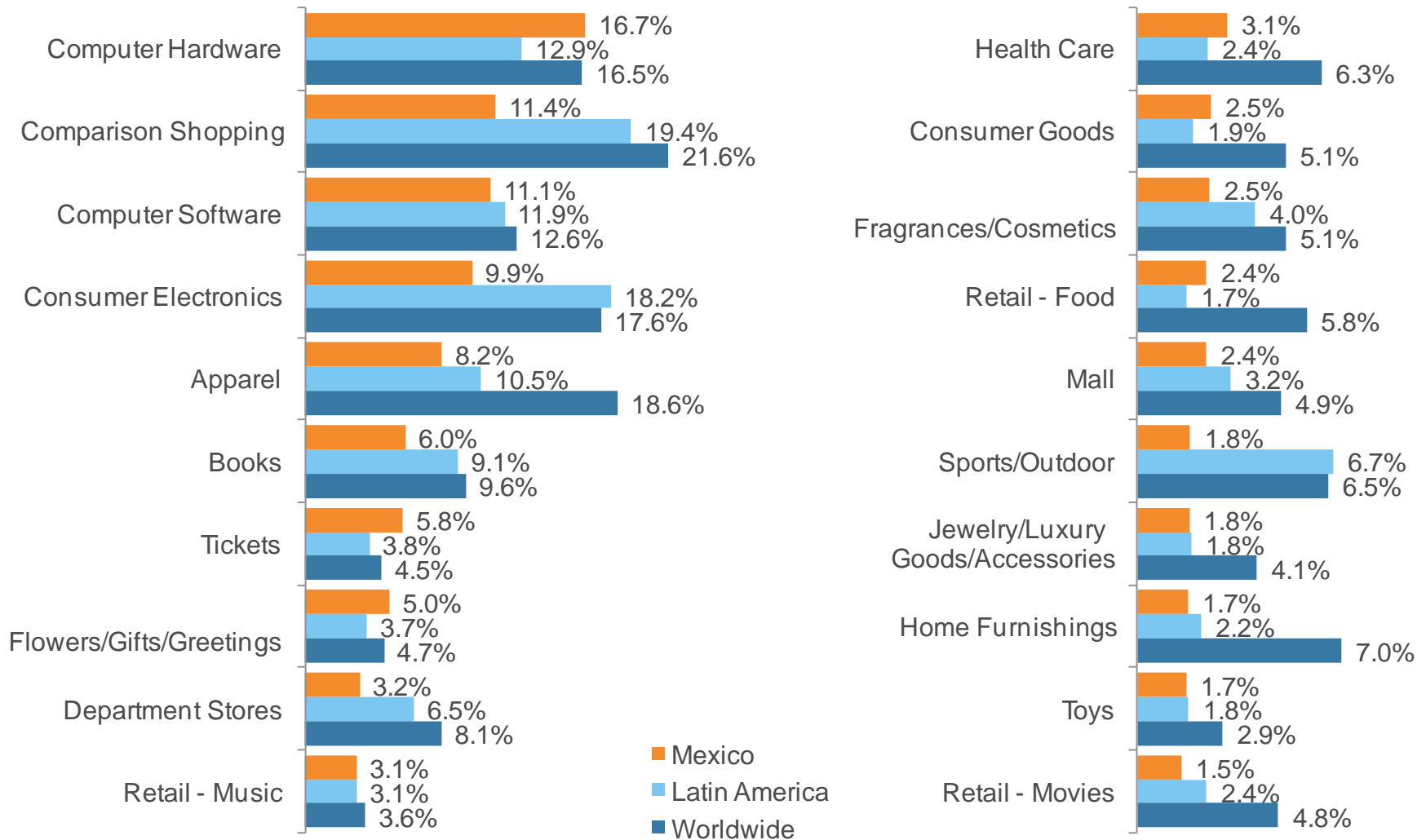
# Retail Visiting in Mexico Still Below Regional, Global Averages

- Mexico's visitation rates to Retail sites hovers around the regional average
- Average usage all over Latin America is well below the global average, which is driven by North America and Europe



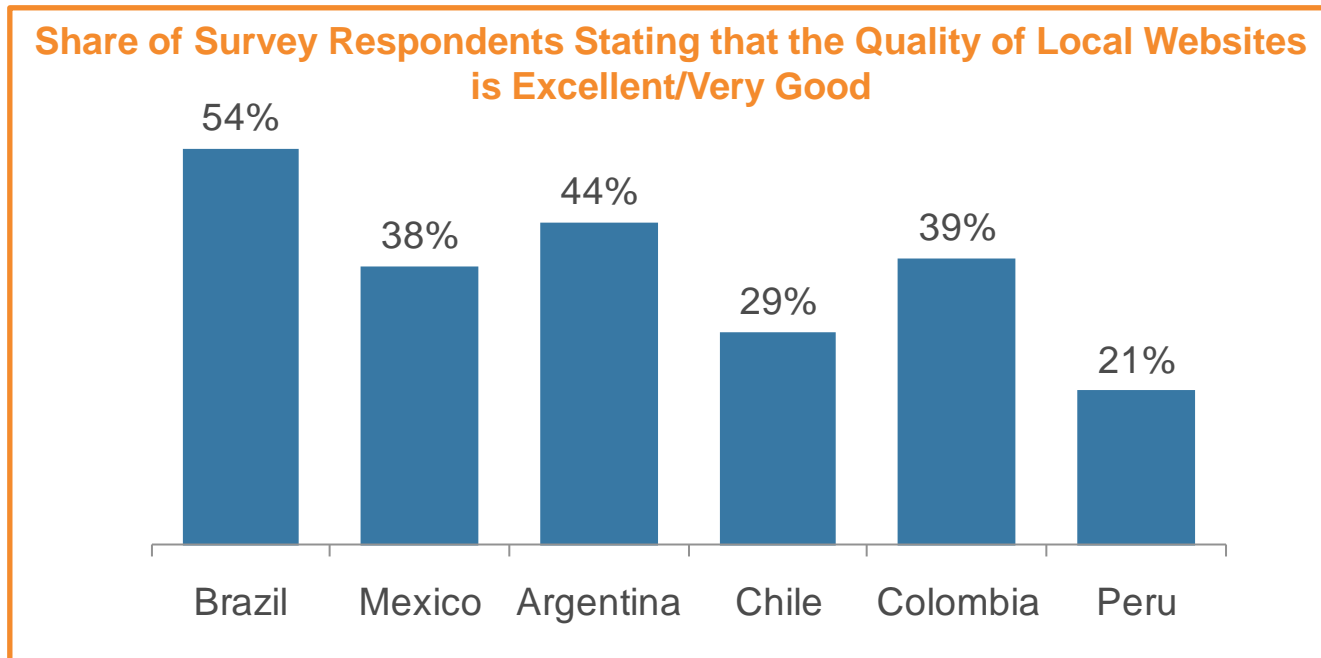
# Retail Category Visiting Compared to Region & WW Average

## Mexico vs Regional & Global Reach of Retail Subcategories



# More than 1/3 of Mexican Web Users Agree that Local Websites Are Excellent or Very Good

- In a custom survey conducted by comScore in November, Brazilians were more likely to agree that locally-developed shopping sites were excellent or very good
- Respondents in Peru and Chile were least likely to consider their local shopping sites as excellent or very good



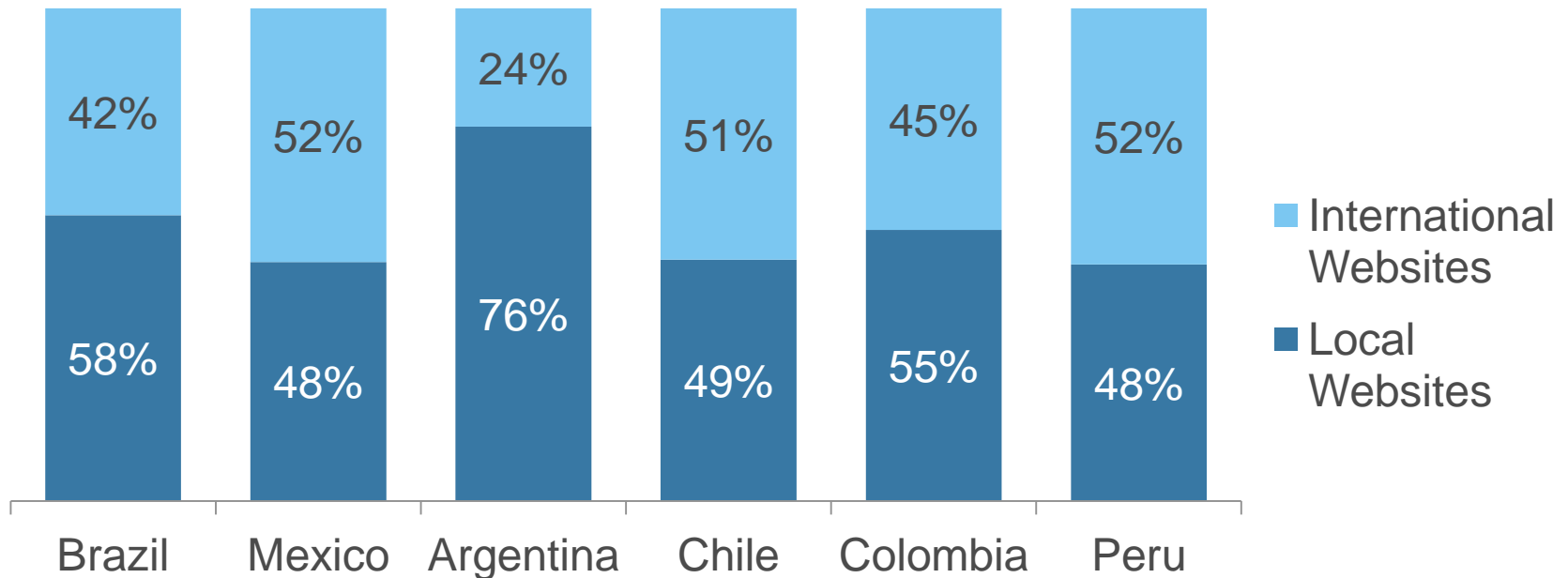
Q4: How would you rate the quality of Local Websites when shopping online?

Base: Respondent makes purchases online.

# Consumers Evenly Split in Local vs International Site Preferences

About half prefer local websites over international websites in Mexico

Q: If given one option, would you prefer to shop on International or Local Websites?



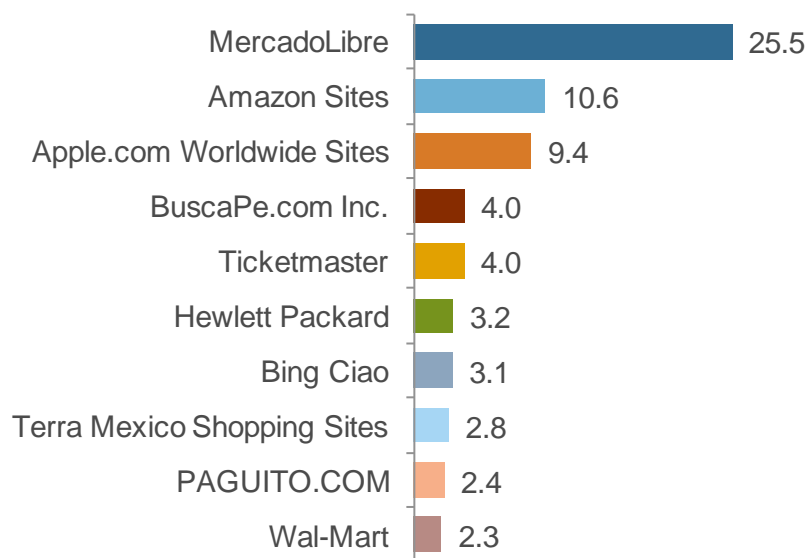
Q5: If given one option, would you prefer to shop on International or Local Websites?

Base: Respondent makes purchases online.

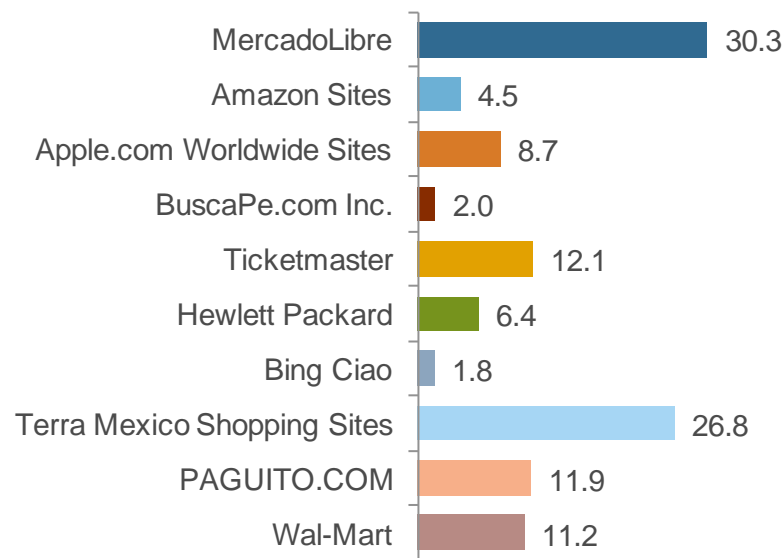
## Top Sites: Retail

- The top Retail site in Mexico is Argentina-based e-commerce site Mercado Libre, with 25.5% reach and average usage of 30.3 minutes per user
- Terra Mexico Shopping sites also get significant per-user usage, averaging 26.8 minutes

**Top Retail Sites: Mexico**  
% Reach



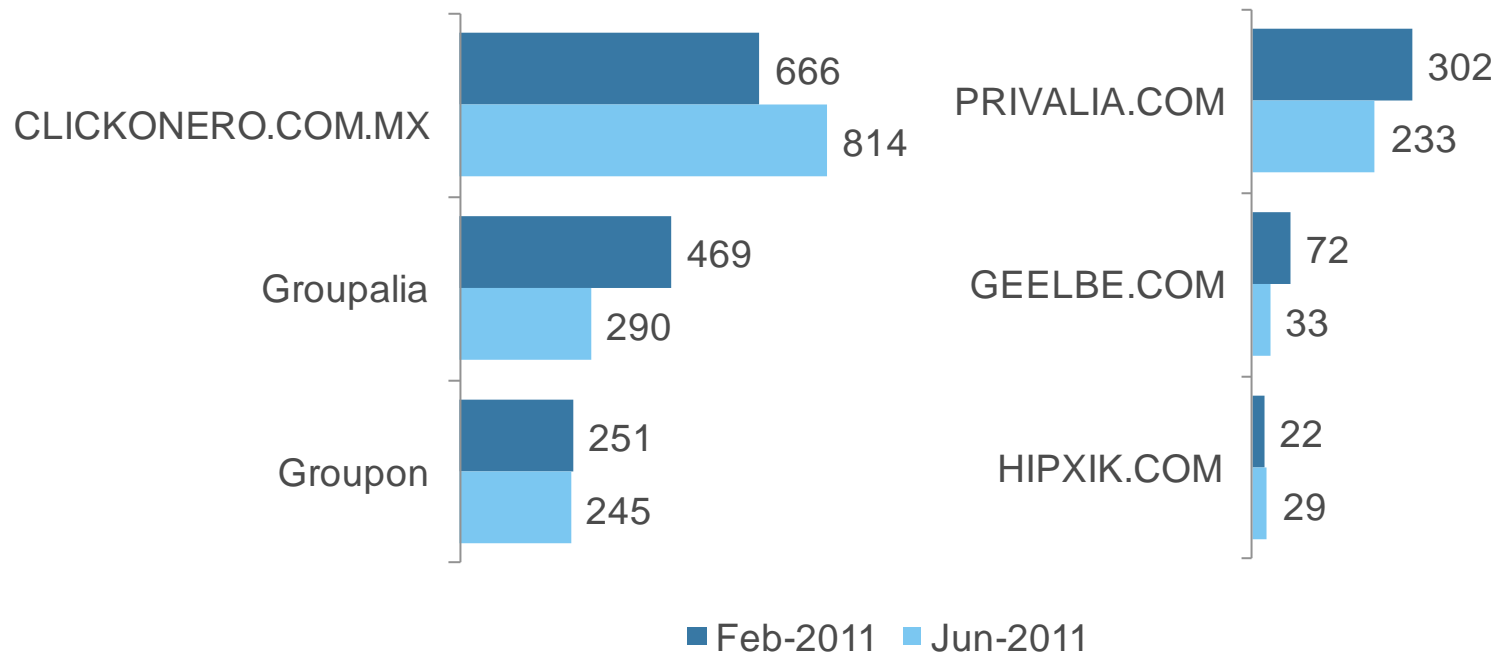
**Top Retail Sites: Mexico**  
Average Minutes per User



# Group Buying and Flash Sale Sites Going Through Growing Pains

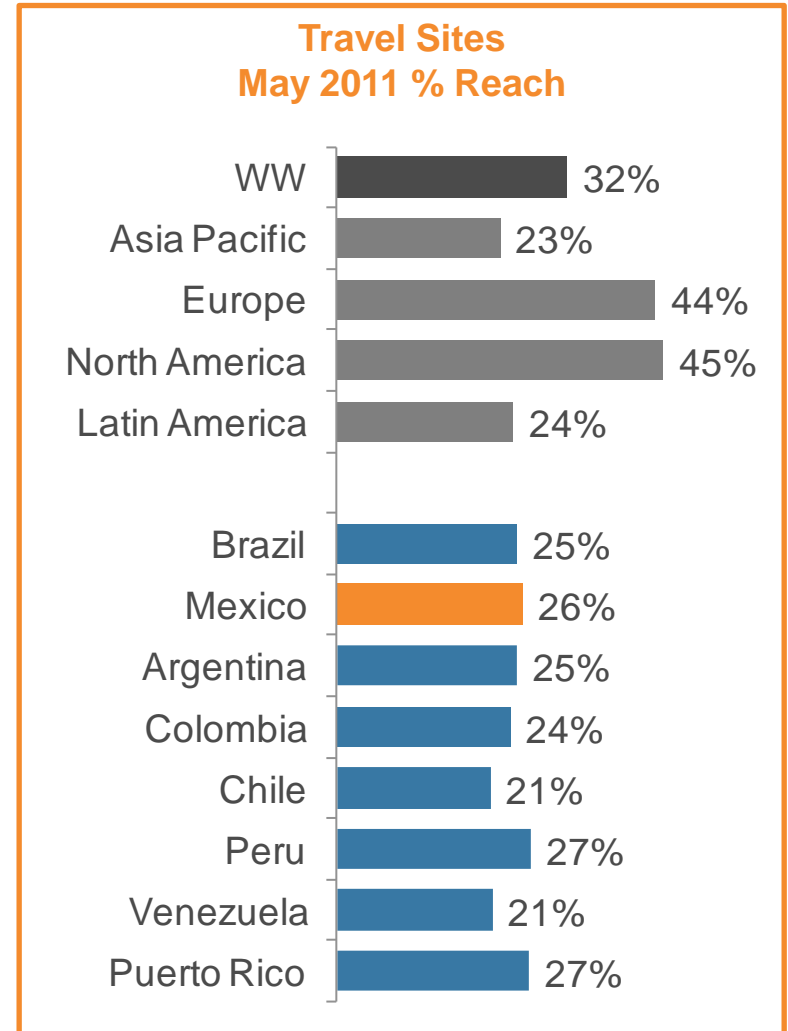
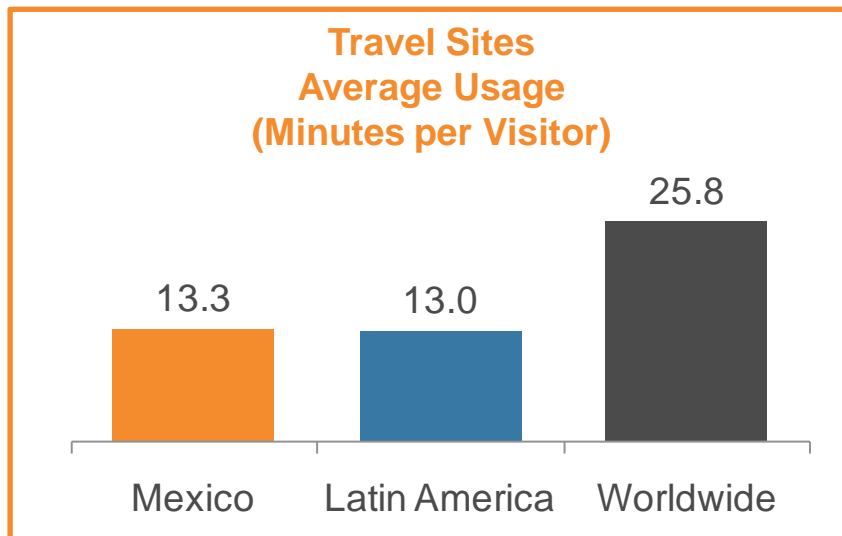
- With many new entrants to the group buying and flash sale categories, there is still a lot of volatility in this category – these sites have the added challenge (or opportunity) of trying to gain traction in a relatively nascent e-Commerce market

## Unique Visitors (000) to Group Buying and Flash Sale Sites



# Travel Sites Have Room for Growth All Over Latin America

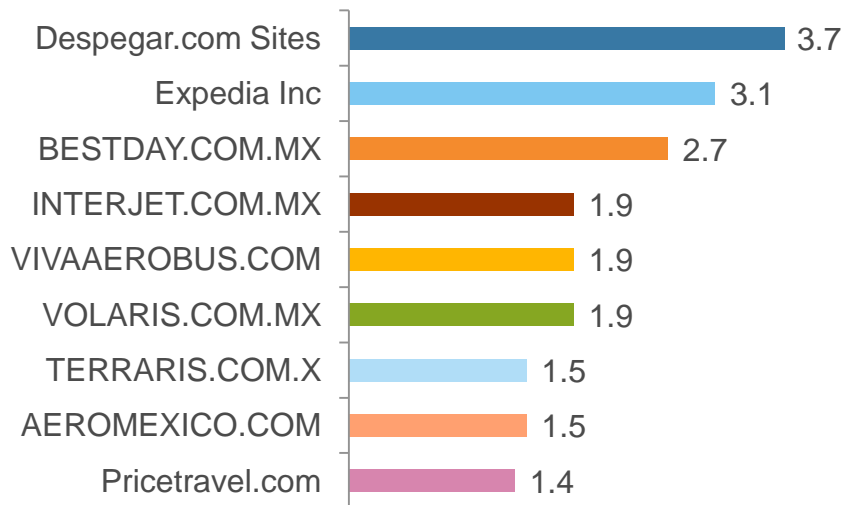
- Visitation to Travel sites from Mexico is about par for the region – with 26% of web users visiting a travel site
- Average usage also has room for growth – the average of 13.3 minutes per user is just slightly more than half the global average



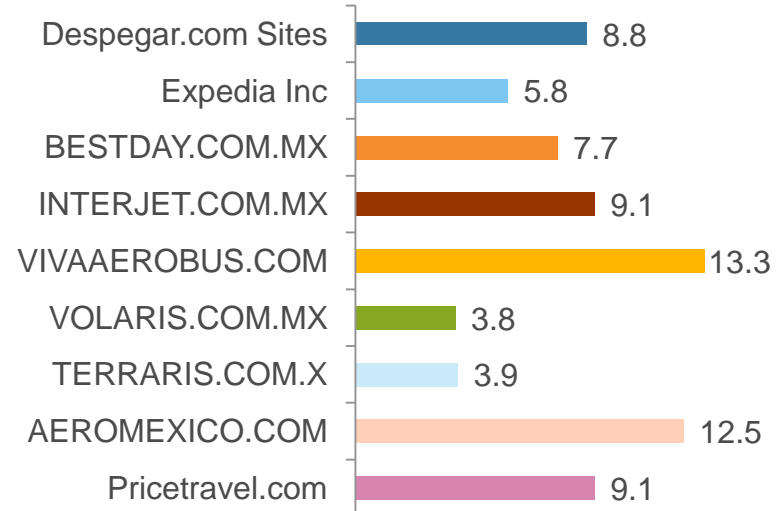
# Top Sites: Travel

- Visiting to travel sites is highly fragmented in Mexico – there is no single entity that dominates the category
- Despegar.com sites top the category, but with reach numbers similar to Expedia's

**Top Travel Sites: Mexico**  
% Reach

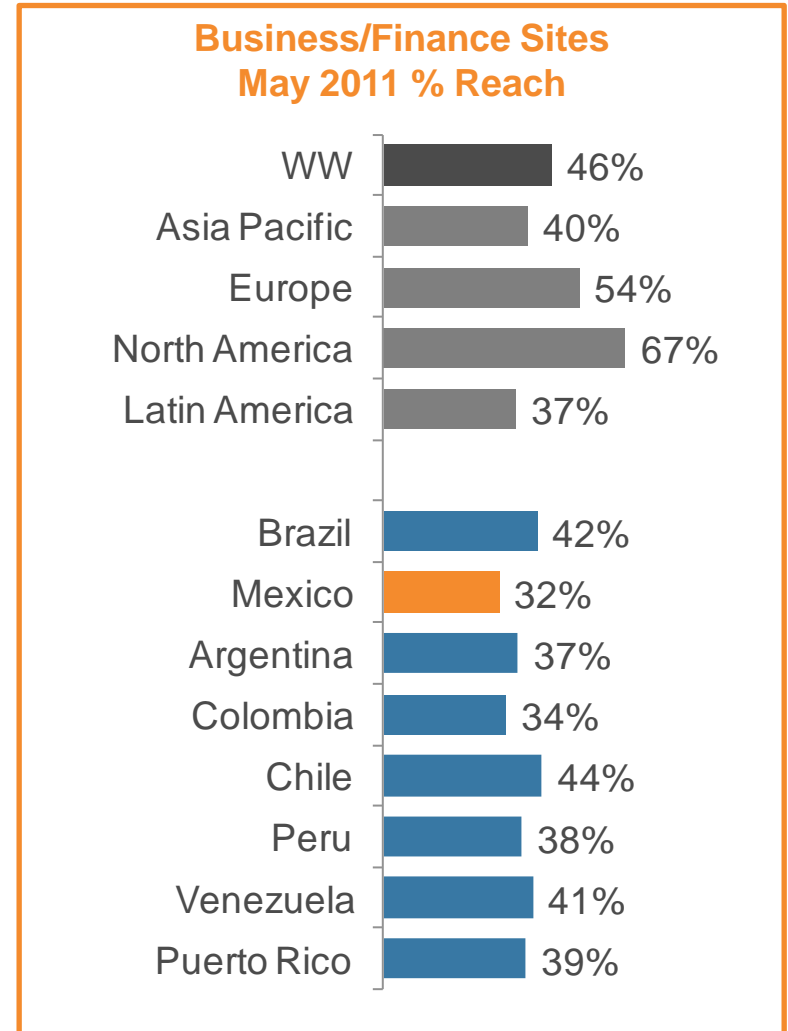
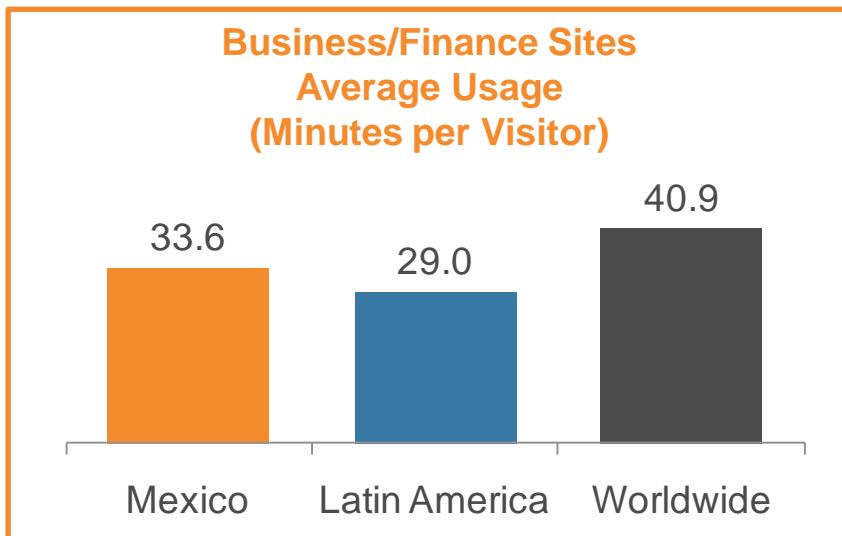


**Top Travel Sites: Mexico**  
Average Minutes per User



# Mexico Lags Behind Rest of Latin America in Business/Finance Site Visitation

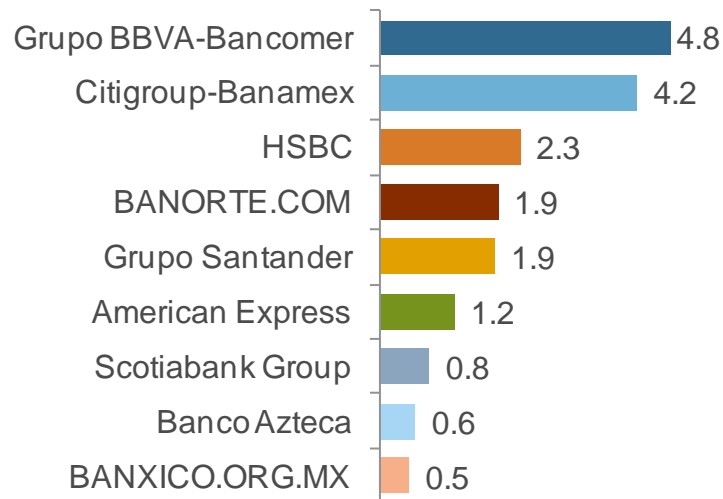
- Mexico has the lowest reach of Business/Finance sites in Latin America
- When web users in Mexico did visit a Business/Finance site, however, they stayed longer than the Latin American average



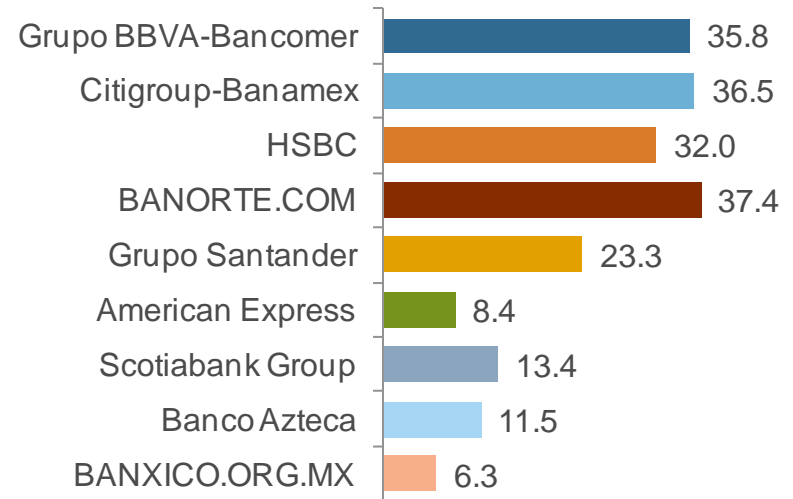
# Top Sites: Banking

- Grupo BBVA-Bancomer and Citigroup-Banamex lead the category, but with relatively low individual reach numbers
- Most banks in the top sites had usage of about half an hour per user

**Top Banking Sites: Mexico**  
% Reach



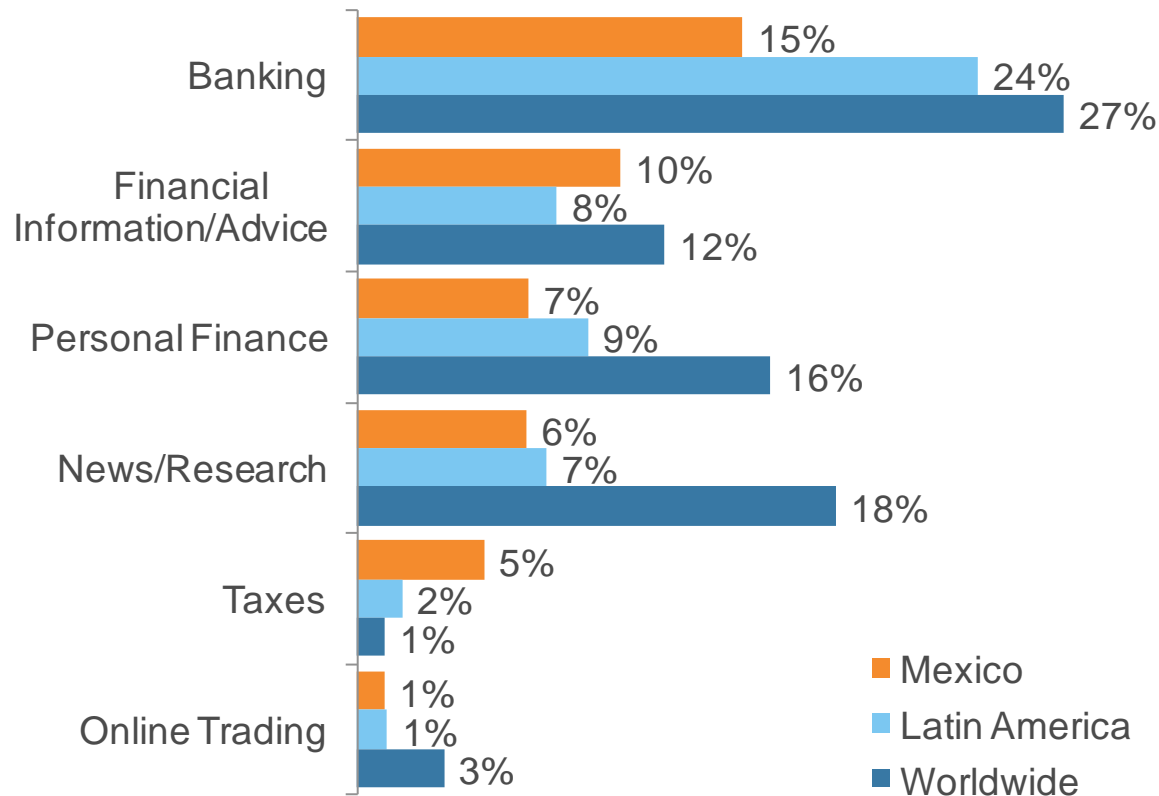
**Top Banking Sites: Mexico**  
Average Minutes per User



# Taxes Index High During Filing Season in Mexico

- Though visiting to Tax sites in Mexico was above average during tax filing season, every other category still has plenty of room for growth

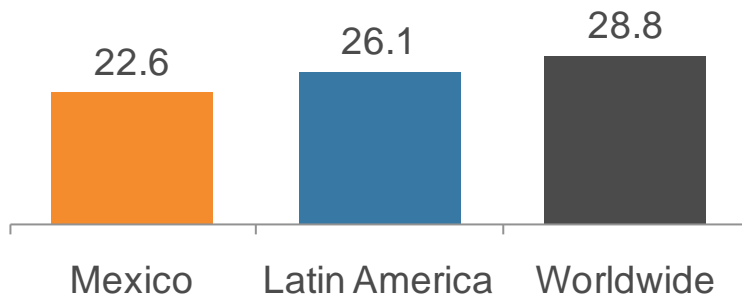
## Mexico vs Regional & Global Reach of Business/Finance Subcategories



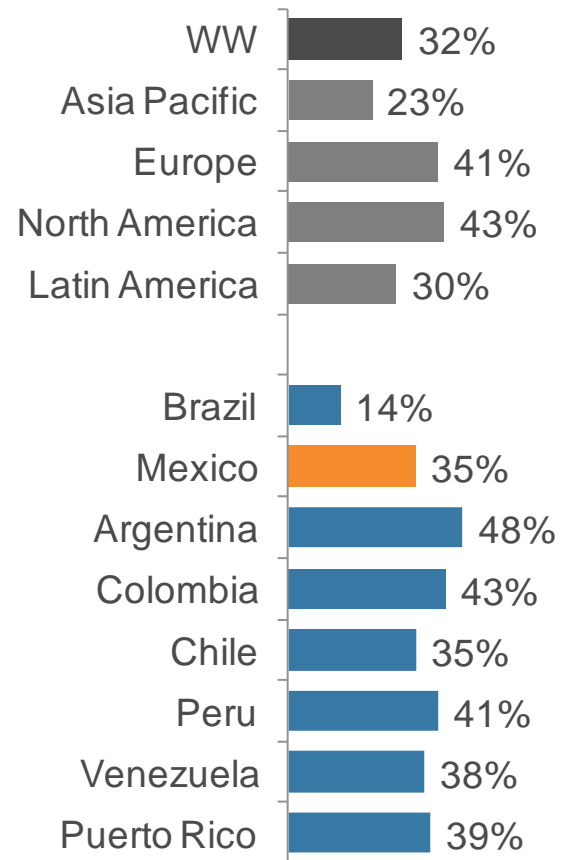
# Newspaper Sites

- More than a third of Mexican Internet users visited a newspaper site in May

**Newspaper Sites  
Average Usage  
(Minutes per Visitor)**



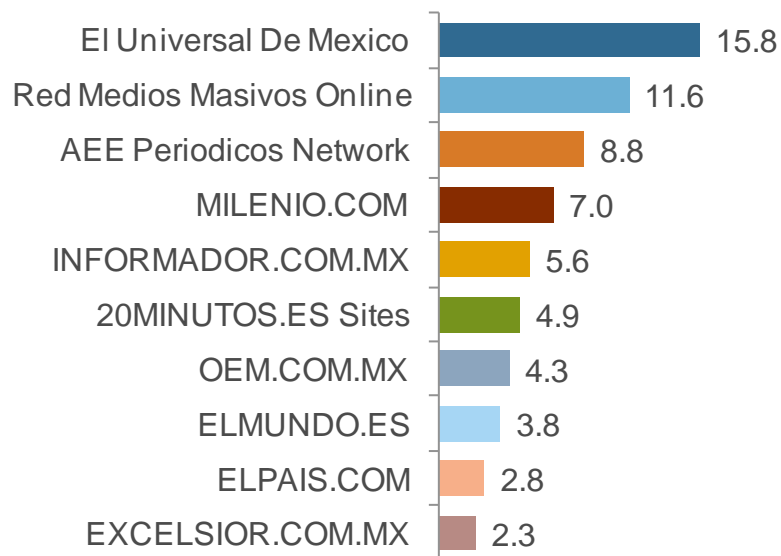
**Newspaper Sites  
May 2011 % Reach**



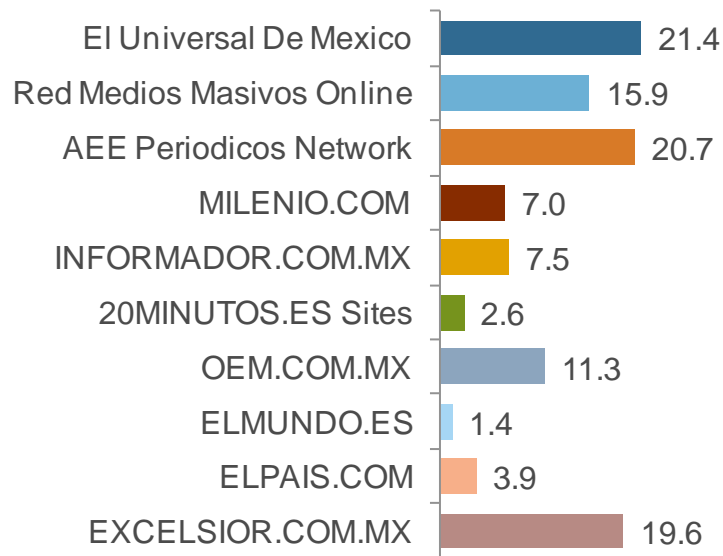
# Top Sites: Newspapers

- El Universal leads Newspaper sites in Mexico with 15.8 percent reach
- Red Medios Masivos Online takes the second spot, with an average of 15.9 minutes usage in May
- Usage on El Universal, AEE Periodicos, and Excelsior are similar

**Top Newspaper Sites: Mexico**  
% Reach



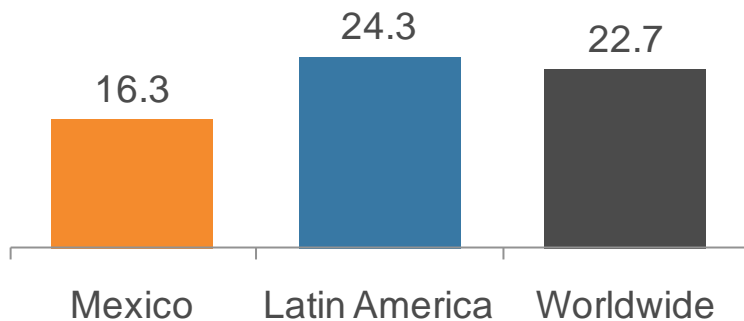
**Top Newspaper Sites: Mexico**  
Average Minutes per User



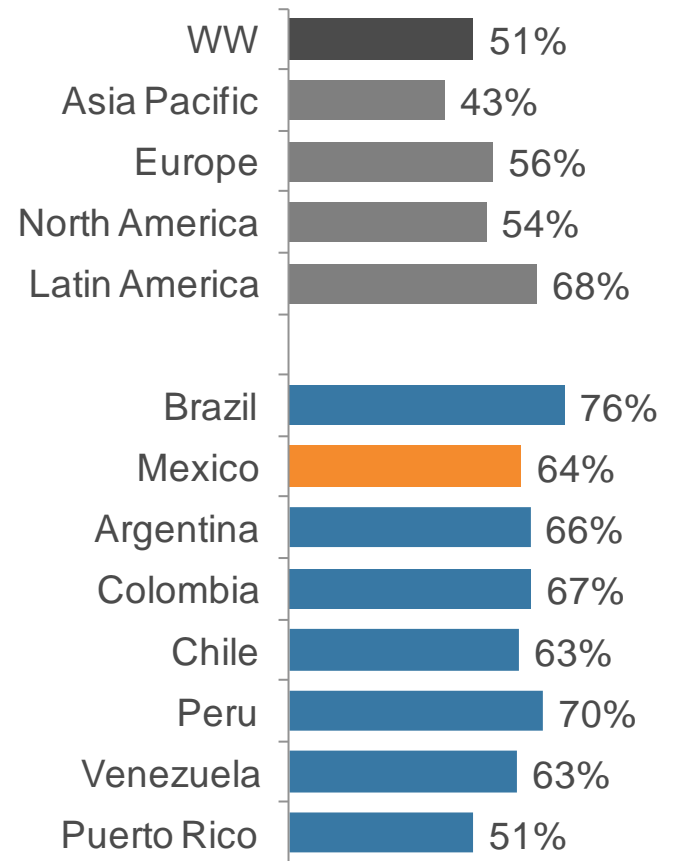
# Blog Sites

- Blog Sites for alternative source of news?

**Blog Sites  
Average Usage  
(Minutes per Visitor)**

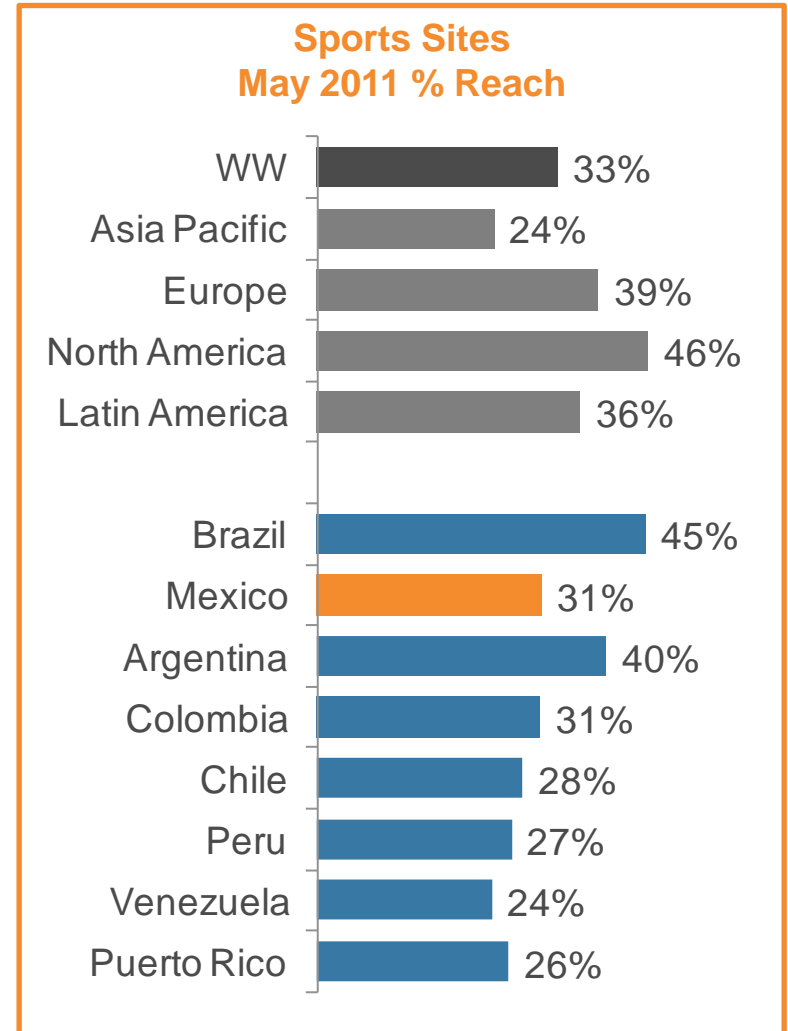
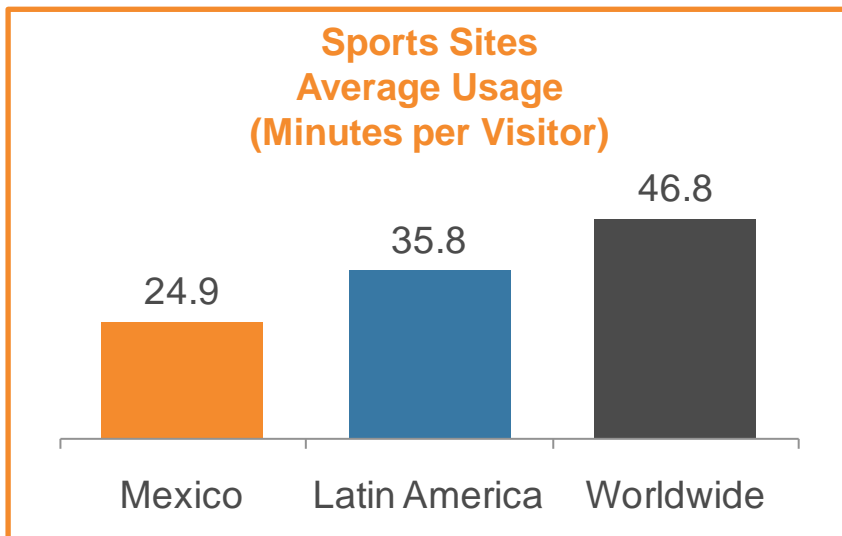


**Blog Sites  
May 2011 % Reach**



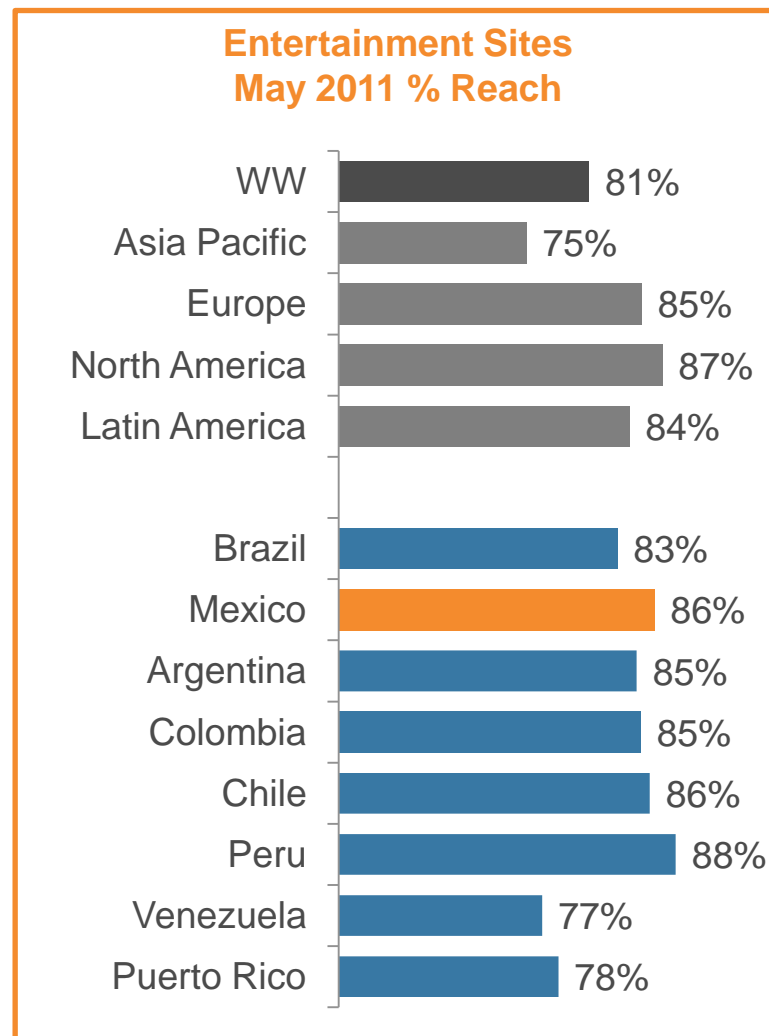
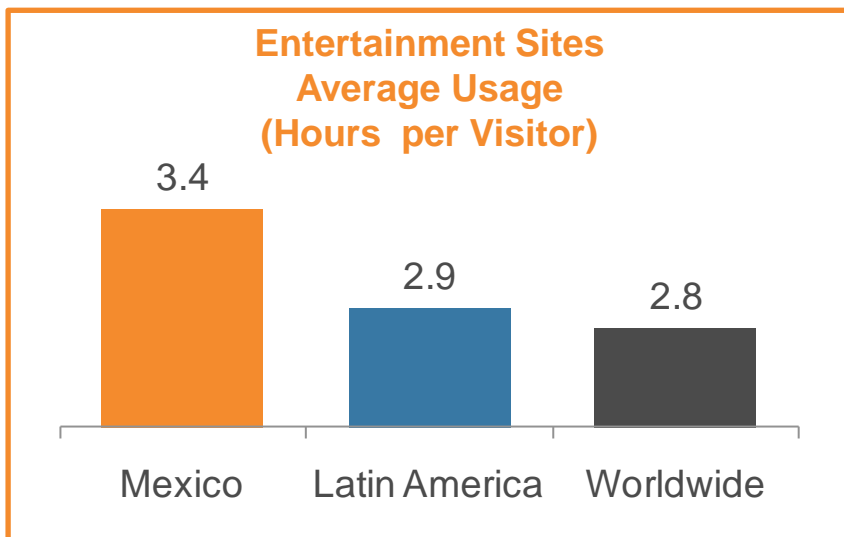
# Mexico's Appetite for Online Sports Not as Great As Others in Region

- Mexicans do not visit Sports sites at the same rate as their counterparts in Brazil and Argentina
- Across all of Latin America, visiting to sports sites saw a jump last June for the World Cup, but one year later, usage has returned to previous levels



# Entertainment Sites Draw a Significant Audience in Mexico

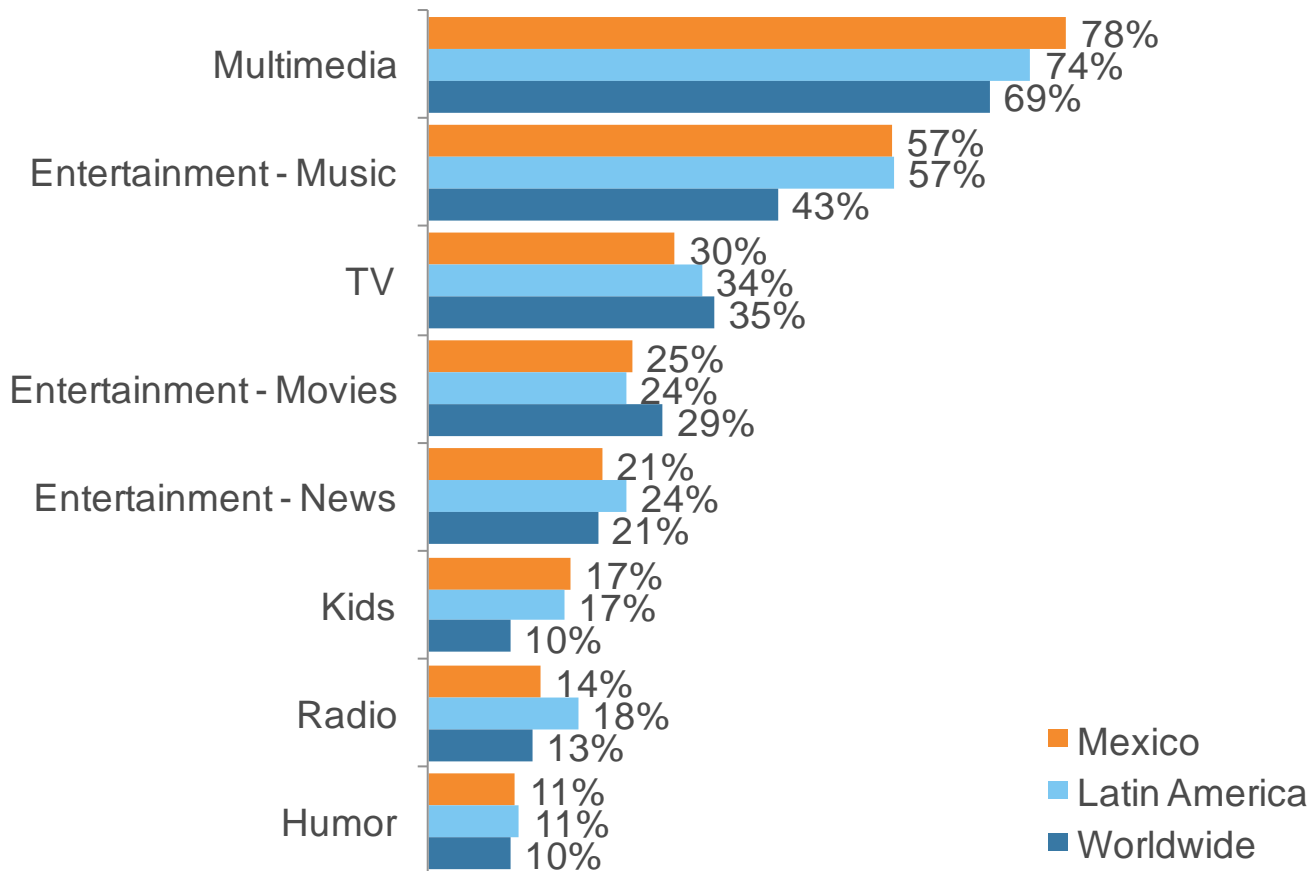
- 86 percent of web users in Mexico visited an Entertainment site in May
- Usage in Chile is slightly higher than the regional and global averages, with users spending an average of 3.4 hours on Entertainment sites



# Kids, Music, Multimedia Index Highest

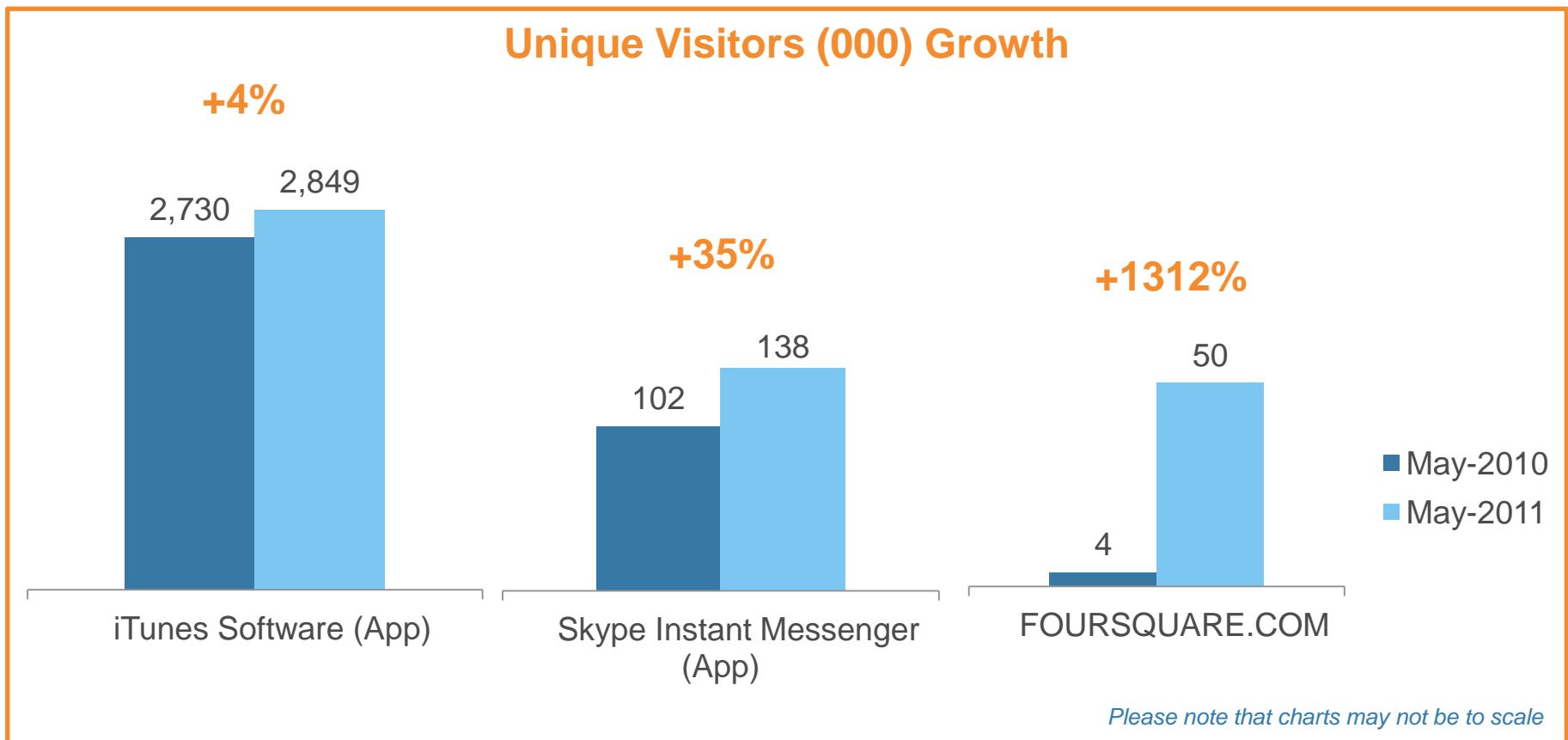
- A few entertainment categories receive more than their “fair share” of visitors from Mexico: Multimedia, Music, and Kids

## Mexico vs Regional & Global Reach of Entertainment Subcategories



# iTunes, Skype, and Foursquare

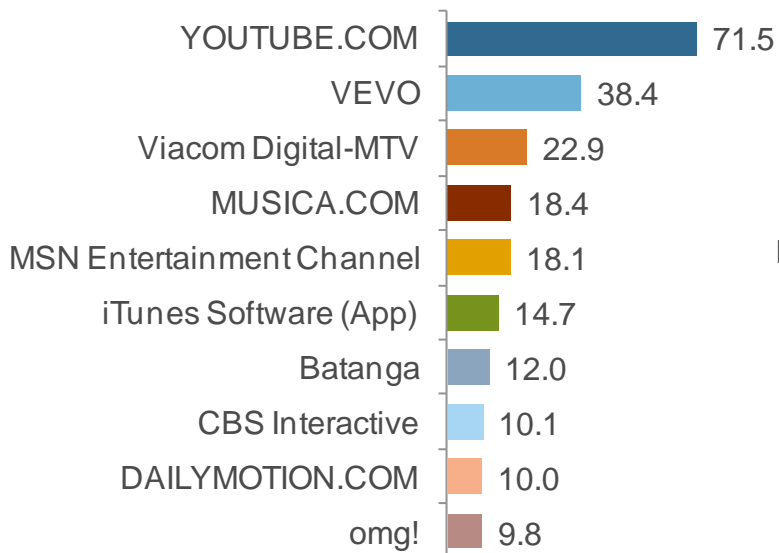
- iTunes is relatively popular in the Mexican market, with 2.8 million users, translating to 14% of the audience. Skype continues to grow rapidly, and location-based service Foursquare has seen phenomenal growth over the past year



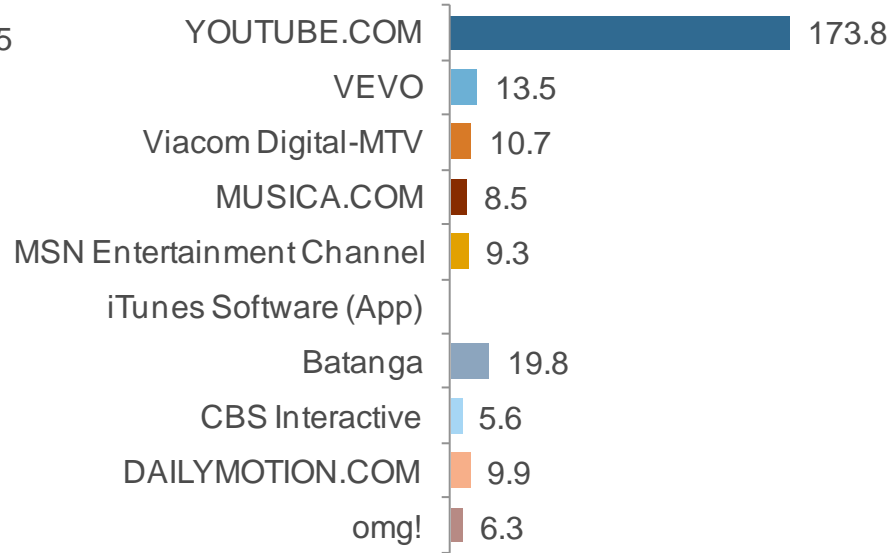
# Top Entertainment Sites

- Unsurprisingly, YouTube leads the Entertainment category, with 72 percent reach of the Mexican web audience. Usage averages more than 2 hours per user
- Vevo, the labels' online video offering, attracts more than a third of Mexicans online

**Top Entertainment Sites: Mexico**  
% Reach



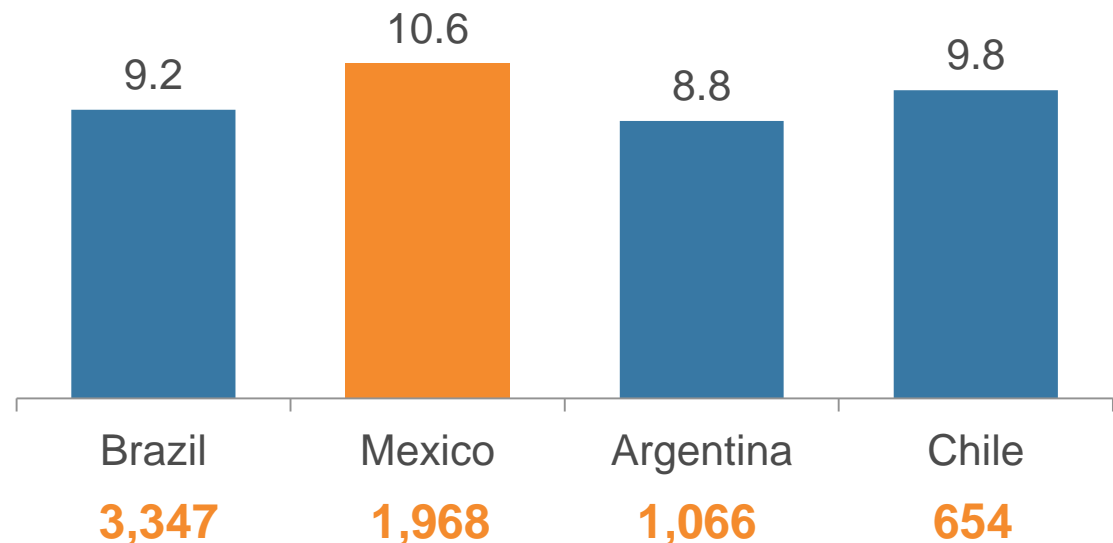
**Top Entertainment Sites: Mexico**  
Average Minutes per User



# Mexico Has Highest Per-User Video Consumption in the Region

- Average time spent watching online video in Latin America are still far lower than averages in North America and Europe: for example, average time spent watching video in the U.S. was 18.2 hours over the same time period
- Given the region's appetite for Entertainment, expect to see continued growth in online video consumption as broadband penetration continues to increase

**Online Video Viewing in Latin America  
Average Hours per Viewer**

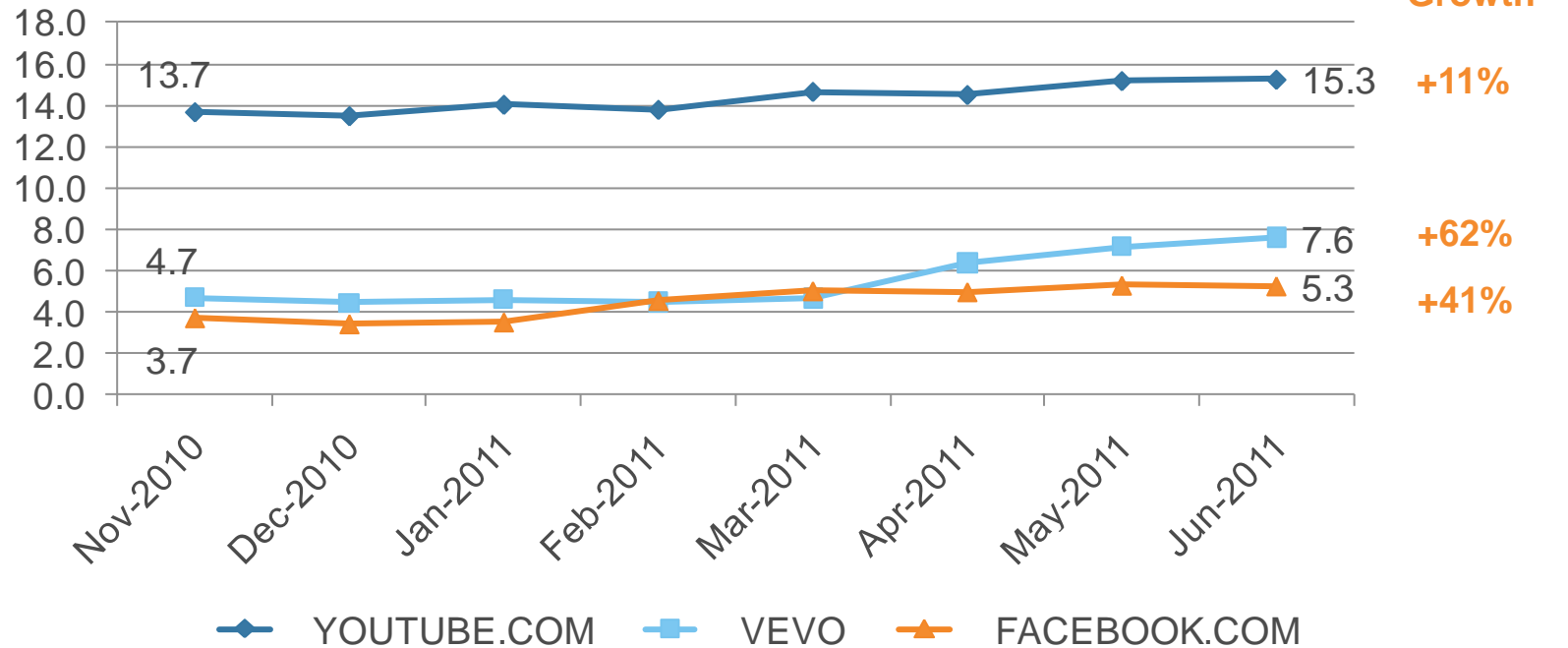


**Total Number of  
Videos (MM):**

# Significant Growth in VEVO's Video Audience

- Viewers on VEVO increased by 62 percent since November 2010
- More significantly, total time spent watching VEVO videos increased by 141%, compared to a 14% increase for YouTube and 75% increase for Facebook

Unique Video Site Viewers (MM)



# Cookie Deletion is a Global Reality ... and a Global Challenge

	Ad Server Cookies		Web Site Cookies	
Country	Percent of computers deleting	Average # of cookies per computer for same campaign	Percent of computers deleting	Average # of cookies per computer for same web site
Lat Am	43%	5.2	33%	2.5
Argentina	45%	5.4	36%	2.6
Brazil	43%	5.5	32%	2.4
Chile	43%	4.4	30%	2.0
Colombia	45%	4.7	35%	2.5
Mexico	43%	4.8	31%	2.4
Peru	45%	6.2	34%	2.9
Venezuela	43%	4.1	32%	2.1



# Thank you!

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