



Introduction to Amazon Store

Chapter 3

Amazon Global Selling is a program that allows you to sell your products internationally through Amazon. At present Amazon has 20 stores across the world, providing you with direct access to millions of customers. With this course, you will learn what Amazon Global Selling is, how to select target store and features of stores available to Selling Partners. This includes the current development of retail sale and e-commerce and buying habits. With this information, Sellers can decide which store to sell in based on their export cross-border e-commerce business.

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There are nine chapters in this course. If you wish to learn about other chapters, please look for them under [Related Topics](#).



3. Introduction to North America Stores

Amazon's North America Stores include 3 stores, namely the U.S., Canada and Mexico. Each of these three stores have significant traffic volume, Prime members and strong FBA services as well as diverse marketing resources. They are excellent stores for great products as long as opportunity allows.

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- 3.3 [Introduction to Mexico Store](#)

3.1 Introduction to US Store

Retail economy and e-commerce development in the U.S.

The United States is an economic powerhouse. In 2018 its retail economy was a staggering \$6.03642 trillion, a year-on-year growth of 5%¹, putting the U.S. first among developed countries. A growth rate of 5% might not sound high enough but given the scale of American retail economy, it is an extremely impressive figure.

The U.S. also has an enormous e-commerce economy, reaching \$586.92 billion in 2019, or a year-on-year growth of 14%, with an average growth rate of 13.1% during the past 5 years², far exceeding the average growth rate of 3.7% for American retail economy during the same period³. It also constitutes 9.46% of total retail sales⁴. Judging by its scale and proportion of total retail sales, U.S. e-commerce is second only to that of China among major economies.



Retail sales

\$6.03642 trillion



Growth rate

5%



E-commerce sales

\$586.92 billion



Growth rate of e-commerce compared with that of retail sales

4 times

Sources (Foreign language only)

1. [US Department of Commerce, qq.com](#)
2. [eMarketer Global E-Commerce Report 2019, Sohu.com](#)
3. [Thepaper.cn](#)
4. [News.startup-partner.com](#)

American Consumers

The U.S. is the world's third largest nation in terms of land mass, covering both the tropics and the Arctic zone.

It also has the largest population among developed nations, being home to 328 million people in 2018¹. The nation boasts the highest birth rate among developed nations and so possesses the fastest population growth, with a highly diversified culture.



Most populous nation
among developed
economies

328 million



Prime members
come from a diverse
range of income
groups.

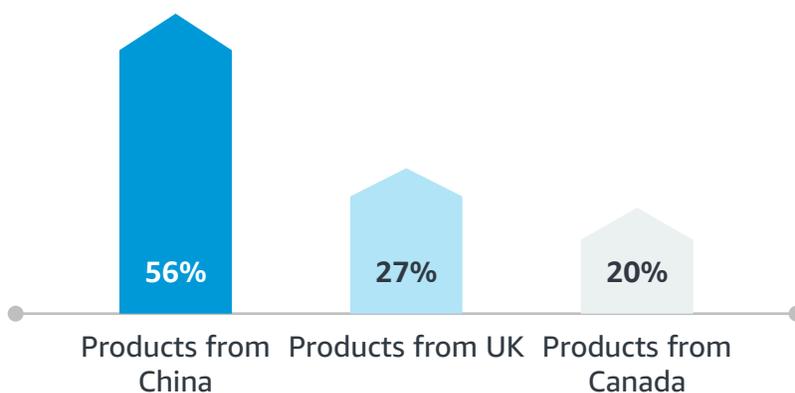
75%

Sources (Foreign language only)

1. U.S. Census Bureau

Significant number of high-income population, diversified culture, clearly-defined seasons, e-commerce economy which is still growing rapidly, wide range of marketing services, an excellent place to sell popular products given the right opportunity. ¹

Percentage of products imported into the U.S.



Sources (Foreign language only)

1. [Marketing-Whitepaper on Cross-border Export E-commerce Internet Marketing 2017-2018, Amazon.cn](#)



Amazon US' Product Policies

Type of products allowed to be sold: [Click here](#)

Restricted products: [Click here](#)



Summary on the U.S.

1. Enormous economic scale, vibrant, stable growth
2. Highly-developed e-commerce, with Amazon being a leading destination for online shopping
3. Huge population, diversified culture, clearly-defined seasons, diversified needs

Sources (Foreign language only)

1. [Marketing-Whitepaper on Cross-border Export E-commerce Internet Marketing 2017-2018, Amazon.cn](#)

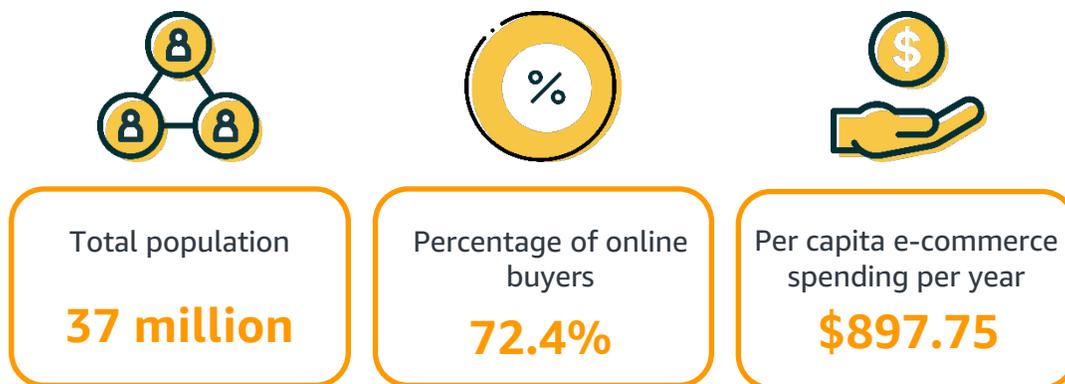


3.2 Introduction to Canada Store

Retail economy and e-commerce development in Canada

Canada has population of 37 million people¹, and in 2018 there were 26.80 million e-commerce users. This is projected to grow and reach 28.30 million in 2022². In 2018 total e-commerce sales were around \$24 billion, with per capita e-commerce spending per year being \$897.75³.

Compared with nations like the U.S. and China where e-commerce is relatively mature, there is a high percentage of the population in Canada that engages in online shopping but the scale of e-commerce sales is still relatively low as a proportion of total retail sales. Likewise, per capita e-commerce purchases compared with that in other developed nations is low. Therefore, there is significant room for growth for export cross-border e-commerce enterprises.



Sources (Foreign language only)

1. [Statistics Canada, Sohu.com](#)
2. [Statista, Ebrun.com](#)
3. [Statista, Ebrun.com](#)

Canadian Consumers

Canada is very similar to the U.S. in terms of culture, geographical location and degree of economic and social development, and Canadian consumers' selection of products, language, seasonal demand and logistics are very close to those in Amazon.com. This makes opening shop in Canadian store (Amazon.ca) simple, fast and barrier-free, and an outstanding growth opportunity.

In Canada, even the older age groups, i.e., 45-54 years and those above 55 years of age are regular Internet users. One must not overlook the fact that those over 60 years of age was the fastest-growing consumer group in Canada. They are known as 'silver consumers'. The average age in Canada is 40.7, higher than that in other countries globally. ¹

At present Amazon is the largest and fastest-growing online retailer in Canada. Their total browsing duration of visitors is 505 million minutes². This is significant traffic and is still growing rapidly. In fact its growth rate is more than twice that of Amazon.com in the U.S.



Consumer habit **similar to that in the U.S.**



Average age **40.7**



Total monthly browsing duration on Amazon
As high as **505 million minutes**

A slight difference between Canada and the U.S. is that Canada has a large geographical territory but sparse population. As such Canadian consumers are more concerned with delivery experience and after-sales service. Thus, Sellers which use Amazon's FBA service can enhance the level of satisfaction by Canadian consumers in both aspects. According to statistics, conversion rate for products with Prime SLA (FBA inventory) is higher than that in U.S. by close to 80%.

In addition despite there being French-speaking users in Canada, Sellers need not to worry as they can present product information in English, and Amazon's translation tool will automatically create French web page.

Sources (Foreign language only)

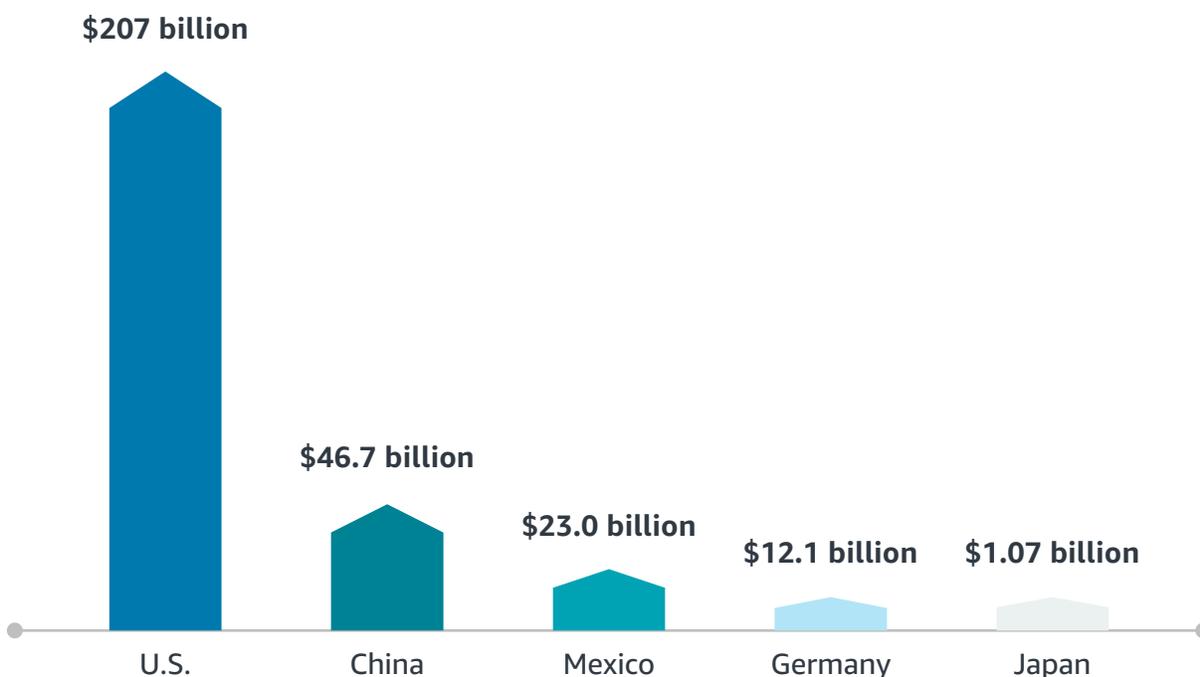
1. [Statista, Cifnews.com](#)

2. [Alexa.com site info, May 2018, Amazon.cn](#)

The most popular online shopping category in Canada is 'fashion', generating sales of about \$7.07 billion. It is followed by 'electronics and media', which generates sales of \$6.36 billion. This is expected to remain so by 2022, with sales under 'fashion' reaching \$10.14 billion, and sales under 'electronics and media' reaching \$7.61 billion. ¹

Survey shows that 83% of Canadian consumers will purchase products from international retailers. They are highly receptive towards cross-border shopping. Data on imports into Canada in 2017 show that the United States was ranked number one (total imports of \$207 billion), followed by China (\$46.7 billion) and Mexico, Germany and Japan respectively. ²

Top 5 countries exporting to Canada in 2017



Canadian consumers are also highly environmentally conscious. For example, they have no qualms about buying natural, organic food if given the opportunity. ³

Sources (Foreign language only)
1/2/3. [Statista](#), [Cifnews.com](#)

Amazon Canada's Product Policies

Restricted products: [Click here](#)



Summary on Canada

1. Economically developed. Compared with other nations with well-developed e-commerce sectors, Canada's e-commerce sector has significant room for growth.
2. Geographically close to the U.S., with similar consumer habits, thereby significantly reduce operational difficulties.
3. Huge geographical territory with sparse population means higher requirements for logistics service.

3.3 Introduction to Mexico Store

Retail economy and e-commerce development in Mexico

Latin America is a region with the greatest growth potential, and among the North America Stores Mexico is the fastest-growing economy. Mexico is also the second largest economy in Latin America¹.

As a rapidly-developing economy, Mexico enjoys bustling foreign trade. In 2018 its trade volume was a historical high of \$915.2 billion, a year-on-year growth of 10.3%. Import trade was \$464.28 billion, a growth of 10.4%. Mexico's main trading partner is the United States, followed by China. In 2018 Mexico imported \$83.5 billion worth of goods from China. It was a growth rate of 12.6%, and constituted 18.0% of total trade.²



Percentage of online buyers
72.4%

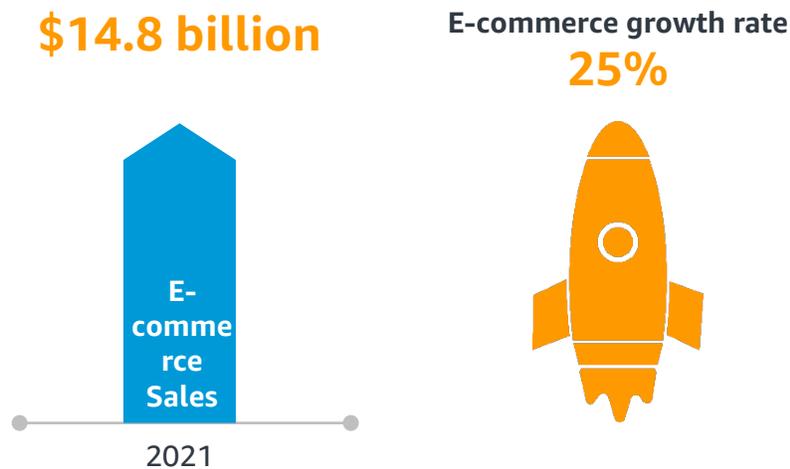


Import growth rate
12.6%

Sources (Foreign language only)

1. Economic Commission for Latin America and the Caribbean of UN, Sohu.com
2. Mexico Economy Secreariat, Cifnews.com

Poorly-developed light industry in Latin America means there are relatively fewer products for selection. As a result many consumers take to online shopping. As Mexico's economy develops rapidly, so does its e-commerce sector. Notwithstanding this, at present e-commerce revenue makes up only 3.1% of total retail sales in Mexico. In the next few years Mexico's e-commerce is projected to grow annually by around 25%. This means significant room for growth. ¹



Amazon opened a store in Mexico in 2015. In a few short years Amazon has become the largest player and one of the fastest-growing e-commerce companies in Mexico. Amazon is currently the website of first choice for online Sellers, and the e-commerce website with the largest traffic in Mexico², with more than 11.50 million unique visitors monthly³. Compared to other countries in which Amazon has a presence, Amazon Mexico is relatively young and is growing rapidly.

Amazon in Mexico



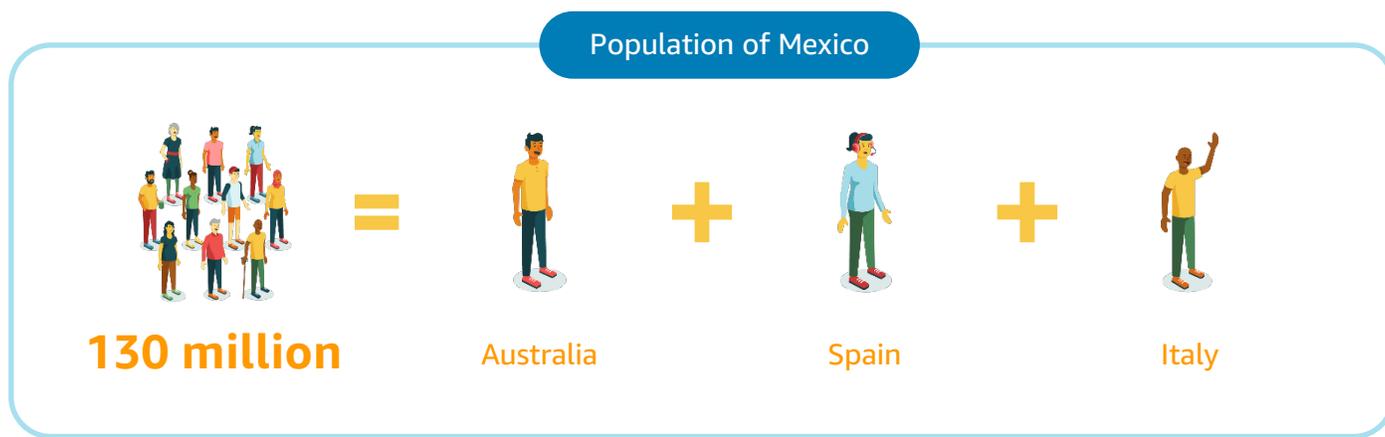
Selling Partners will have significant growth opportunity here. All the tools that can be used in the U.S. Store can also be used in Mexico Store. Other similarities with Amazon.com include categories of popularity, operations and logistics as well as shopping trends. Many Selling Partners - in particular brand owners - will likely experience rapid growth in view of their unique product-selection capability.

Sources (Foreign language only)

1. <http://asociaciondeinternet.org.mx>
2. ComScore MyMetrix Feb., 2019, Multiplatform
3. ComScore MyMetrix Feb., 2019, Multiplatform

Mexican Consumers

With a population of 130 million, Mexico is ranked 11th as the world's most populous nations. It is also the world's most populous Spanish-speaking nation, and is the second largest nation in Latin America, with a population that exceeds the combined population of Australia, Spain and Italy. Despite rapid decline in the growth rate of its population, Mexico's total population is still growing. Furthermore the average age in Mexico is 30 years. As such it is a very young nation.



There are 79 million Internet users in Mexico, constituting 61.7% of the nation's total population. The Internet penetration rate is far lower than the U.S. and Canada in the North America Stores. Of this, more than 50% of the Internet users will carry out online shopping, and the purchasing rate of mobile phone users is more than three times that of PC users¹. In addition, the majority of consumers making online purchase are young people aged between 18 and 34². Mexico's Internet shoppers will continue to increase as the country's economy grows. This will prove to be fresh impetus for e-commerce businesses.

By reason of its geographical proximity, Mexican demand for seasonal products is very similar to that of the U.S. In addition, given the United State's enormous influence in North America, demand in Mexico for popular products is also extremely similar to that in the U.S. Mexican shoppers prefer product descriptions in the Spanish language.

Having a thorough understanding of local demand is crucial. For example, low-end consumer goods in Mexico are relatively expensive.

As the national economy is not yet fully developed, Mexican consumers tend to pay greater attention to items that are value-for-money. In addition, Mexican consumers have very strong propensity for over-consumption and installment payment. They tend to prefer installment payment for items that deem costly.

Sources (Foreign language only)

1/2. [Research on Internet users' habits in Mexico](#)

Amazon Mexico's Product Policies

Products allowed for sale: [Click here](#)



Summary on Mexico

1. Mexico's economy is not as big as that of the U.S. and Canada but is growing at a rapid rate. As such there is great potential for e-commerce businesses.
2. Shopping for seasonal products and popular products is similar to that in the U.S.
3. The nation has a large and young population which likes to try new things while also preferring value-for-money.

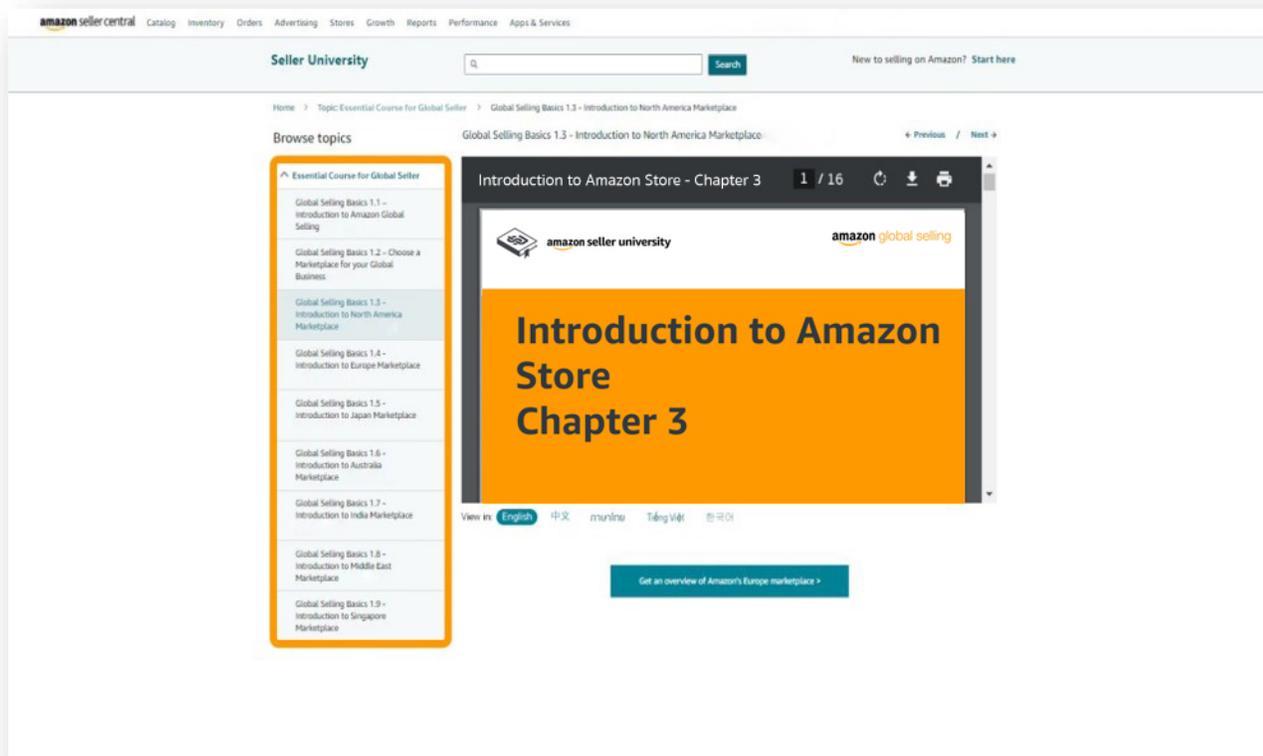
Related Topics

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- Introduction to Amazon Global Selling
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- Introduction to Europe Stores (UK/France/Germany/Italy/Spain/the Netherlands/Sweden/Poland)
- Introduction to Japan Store
- Introduction to Australia Store
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