

## STRENGTHENING MEXICO'S SMALL MERCHANTS THROUGH DIGITAL PAYMENTS

MEXICO

Grupo Bimbo identified digitization as a key element to help merchants remain competitive against modern retail stores in Mexico.

Grupo Bimbo is one of the world's largest bakery companies with annual revenues of approximately USD 14 billion in 2016. Grupo Bimbo recognized that reliance on cash was restricting small merchants' ability to compete and grow.

In 2009, Grupo Bimbo partnered with Blue Label Mexico, a leading provider of prepaid airtime, to form

the joint venture "Red Qiubo," working with Visa Inc. (payment network) and Citibanamex (partner bank).

The Red Qiubo digital payments platform has already helped roughly **80,000 merchants** stay competitive by offering digital services such as mobile airtime and bill payments and accepting digital payments from consumers.

### BENEFITS OF SHIFTING TO DIGITAL PAYMENTS

#### INCREASED REVENUE



Participating Grupo Bimbo merchants have seen a **20-30% increase** in revenue over time through capacities to offer digital payments and services.

#### STRONGER BUSINESS RELATIONSHIPS



Merchants report that Red Qiubo and Grupo Bimbo help them grow and diversify their revenues as customers are not bound by the amount of money in their pocket, thus making Grupo Bimbo a key business partner.

### CHAMPIONING THE SDGs

Partnering with a local microfinance institution, Fincomun, Grupo Bimbo helped more than 49,000 merchants get access to formal working capital, resulting in USD 24 million in credit extensions.

Digital payments have helped 72,000 previously unbanked merchants stay competitive by opening first-time accounts through Citibanamex.



Turnover at my store was hit by competition from a big grocery outlet that opened a block away two years ago. But sales have climbed back since joining the Qiubo network 18 months ago.



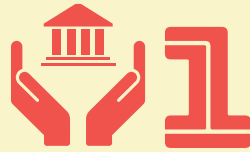
**MIGUEL GONZÁLEZ** is one of the small retailers who has increased sales thanks to digital payments. Prior to joining Red Qiubo, he experienced the many challenges of cash, including loss of sales, lack of access to formal credit, and an inability to grow his customer base.

Source: Financial Times

Source: Data from companies and partners

More information on:  
[www.betterthancash.org](http://www.betterthancash.org)

## BUILDING BLOCKS FOR SUCCESS



### Build the internal value proposition

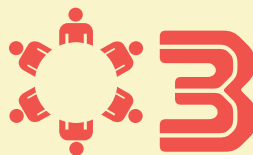
**Prioritize high-volume payment streams with a large untapped market.** Mexico's 700,000 small merchants account for the majority of retail transactions in the country. This is a large untapped market, which helped Grupo Bimbo justify the investments needed for infrastructure development and bring additional partners such as Visa Inc., Citibanamex, and Fincomun.

**Create a value proposition for merchants beyond payments.** Grupo Bimbo identified and incorporated merchant pain points, like using the digital platform to offer new products to consumers (e.g., airtime), access formal working capital credit (e.g., through Fincomun, a local microfinance institution), and expand their customer base by catering to those looking to pay digitally.



### Engage and create value for supply chain partners

**Actively build the digital ecosystem for small retailers.** Grupo Bimbo engaged with partners to enhance support for digital payments. For example, misinterpretation of a government policy on digital payments regarding tax implications leads to limited merchant interest in joining the platform. Visa Inc. supported awareness campaigns, program implementation, and training for staff and participating Grupo Bimbo merchants. Citibanamex opened the accounts and facilitated transitions to the platform. Fincomun assessed merchants' credit profiles and extended credit.



### Contribute to local market environment



fincomún.

citibanamex

VISA

LEADING COMPANIES AND PARTNERS