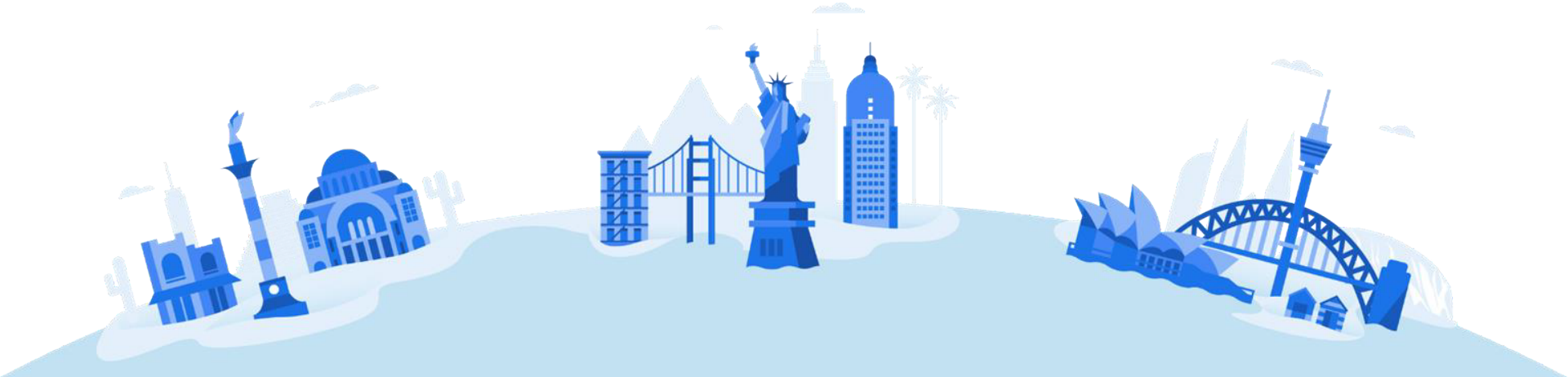


Market Deepdive



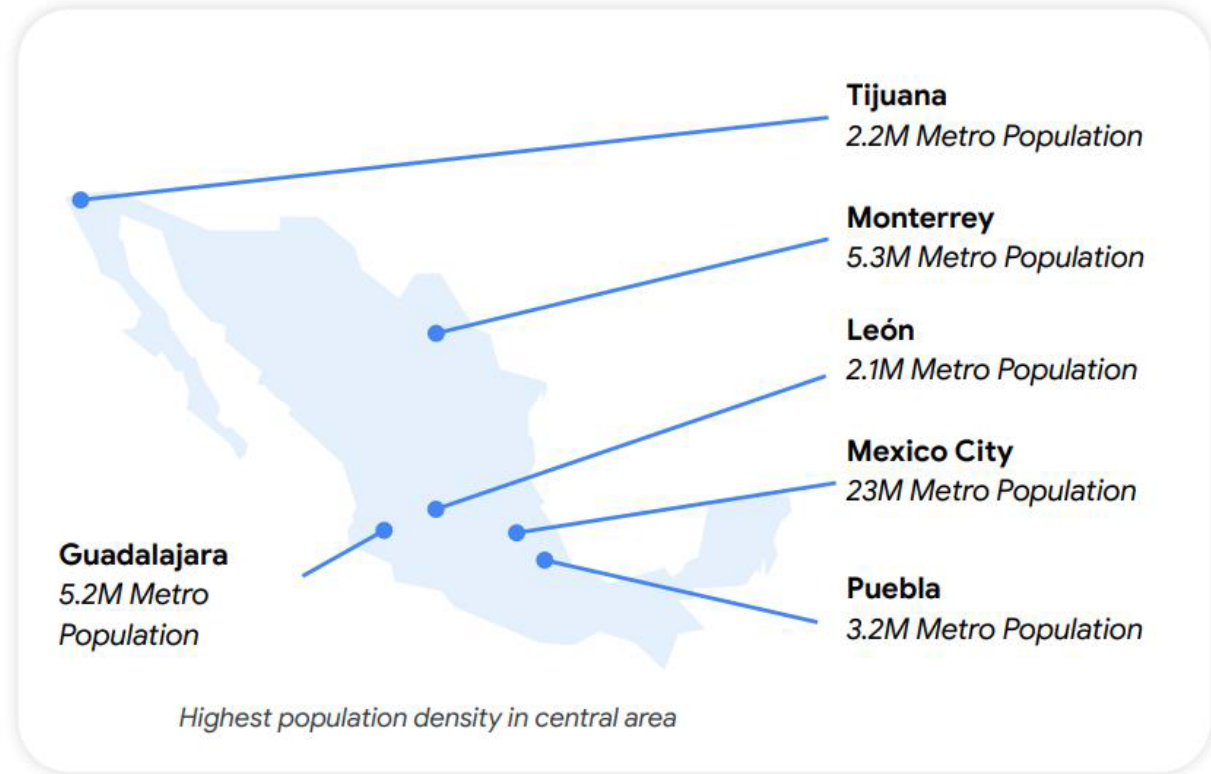
1

Country Overview



Introducing Mexico : the 10th most populous nation

Population
126.7M



Mexico: Economic Country Basics

Disposable Household Income per Capita 2023	GDP Growth 2023	Ease of Doing Business 2023 , rating
13K <small>USD</small>	3.2%	60



Takeaway

Mexico has \$1.3 trillion in GDP, making it the world's 15th -largest economy and the 4th largest in the Americas. Mexico has become increasingly oriented toward manufacturing (since NAFTA, 1994) and is the US' second -largest export market and third -largest source of imports. Top risks impacting slowed growth are structural issues such as low productivity, high inequality, a large informal sector employing over half of the workforce, weak rule of law, and corruption.



The Mexican Market – Economics

\$1.3TN

GDP (gross domestic product)

\$8.3K

GDP per capita

-8.2%

GDP annual growth

3.78%

Unemployment rate

MXN

(1 MXN = 0.05 USD)

Currency*

Payment methods

Mexico

Payment methods	Mexico
Bank Transfer	9%
Card	59%
Cash	11%
E-wallet	20%
Prepay	1%

Be mindful of core risks in Mexico

Organized Crime Hinders Businesses

Due to failed government attempts to control organized crime, companies operating in Mexico will have to seek security to reduce operating risks.

Economy expected to slow


Mexico may sink into another recession owing to a lack of robust fiscal support measures for consumers and businesses, which will likely cause a loss in jobs and consumer income.

'Weaponized' Tax Evasion Laws

Tax collection is low in Mexico compared to other markets at 16.1%. With 2019 law that classifies tax fraud in the same class as drug -trafficking, businesses should be working with local tax experts to avoid any discrepancies.

Risk Scenario Watchlist (Economist Intelligence Unit)

Risk intensity (Probability x Impact) ▼	Scenario	Probability ▲	Impact ▲	Risk category ▲
20	Organised crime activity becomes costlier for businesses to deal with	Very high	High	Security
20	The government introduces reforms that foster monopolistic practices in favour of state-owned companies, dealing a blow to private firms	High	Very high	Legal & regulatory
16	Energy policy dispute leads to trade and investment row with the US	High	High	Foreign trade & payments
12	Government's ongoing push to hobble independent institutions will degrade the system of checks and balances, and overall institutional quality	Moderate	High	Government effectiveness
12	Opportunities arise for Mexican manufacturing as a result of US efforts to diversify trade and investment away from China	Moderate	High	Foreign trade & payments
12	Perceived attacks on independent institutions increase anti-government protests, severely disrupting business	Moderate	High	Political stability
12	Political polarisation worsens, undermining stability and increasing unrest	High	Moderate	Political stability
12	The absence of a clear regulatory framework for the lithium industry disincentivises foreign investment, severely hindering the sector's development	Moderate	High	Legal & regulatory
12	The executive erodes powers of independent legal and regulatory bodies	Moderate	High	Legal & regulatory
12	The government uses tax evasion laws to 'weaponise' the tax system	Moderate	High	Tax policy



Takeaway

Global economic headwinds will continue to affect Mexico, with security risk expected to remain at an all time high amid drug -related crime in parts of Mexico. Reliance on the US for trade, investment and remittances heightens economic risk, and a deceleration of US growth will weigh on Mexico's economy.

Must-know facts – Mexico



Payment Methods

Must have
Cards, eWallets

Top Insights
Communicate trust

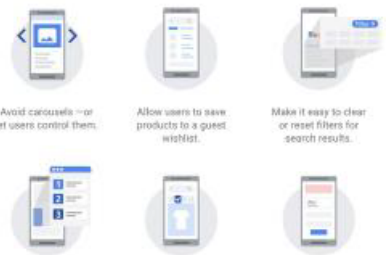
Important Notes

Card Payments are the preferred payment preference within the Mexican market.
Real time bank transfers are also popular and solutions to address this segment of the market should also be considered.
42% of digital customers in Mexico do not buy online as they do not trust online payment.



Checkout Experience

Key Purchase Drivers
Security is key- Norton / McAfee / Paypal Verified badges
Simplicity & speed comes in second to security



- Avoid carousels --or let users control them.
- Allow users to save products to a guest wishlist.
- Make it easy to clear or reset filters for search results.
- Guide users with helpful next steps when there are no matching search results.
- Allow multiple filters to be applied without reloading the page.
- Highlight real-time mistakes in booking forms.

Mobile Best Practices in Market



Customer Support

Must have
Email & FAQ support

Top Online channels
Email/ chat/ Facebook

Important Notes

5% of Mexican customers make use of company FAQs
Detailed & simple to use self service platform (FAQ) is key to success



Logistics & Fulfillment

Must have
Clearly communicate delivery offering, Free shipping, Communicate trustworthiness.

Top Providers

Estafeta, Ryder Logistics, XPO Logistics, DHL, UPS

Important Notes

-85% of Mexican customers make use of company FAQs
-86% of customers say they find the solution to their problem in self-service portals

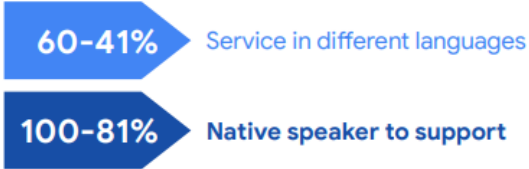
Must-know facts – Mexico

100-81% of Mexican consumers say having native speaking support is a key factor

Key Factors



Language options



FAQ should include:

- ✓ searchable bar
- ✓ key FAQ themes
- ✓ localised

Insight

85% of Mexican customers make use of company FAQs, 86% of customers say they find the solution to their problem in self-service portals

Usage of online self-service portals



10% average CR increase when site is localised*

Country Overview **Key Takeaway**



Mexico is a large economy with a GDP of \$1.3 trillion and a population of 126.7 million people. Key risks for businesses include high levels of organized crime, tax regulations, and dependence on the U.S. economy. Mexicans prefer **online payments** and **online support in native language.**



2

Demographics and Culture





The Mexican Market – Demographics

126.7M

Population

#10

Population rank

0.56%

Population growth

#31

Corruption Perception Index Rank

28.3 years

Median Age

Age	Distribution (%)
25-54	41.54
0-14	24.95
15-24	16.95
55-64	8.43
65+	8.13

The Mexican Market – Demographics

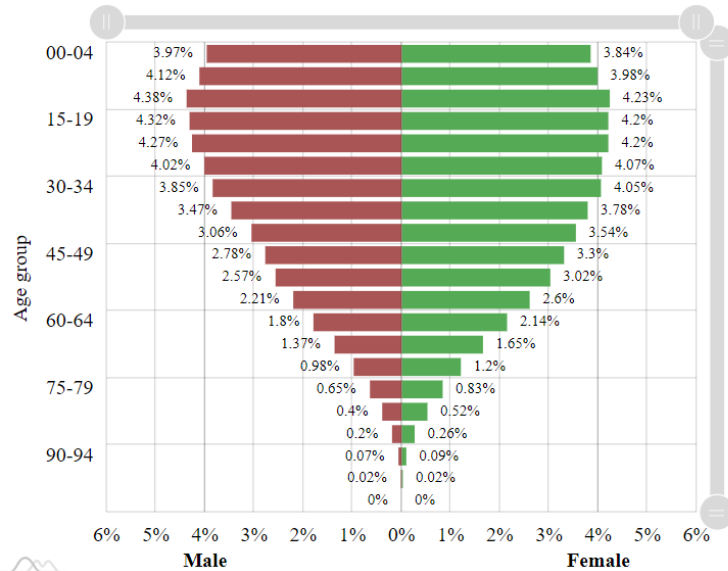
Population pyramid

Gender ratio

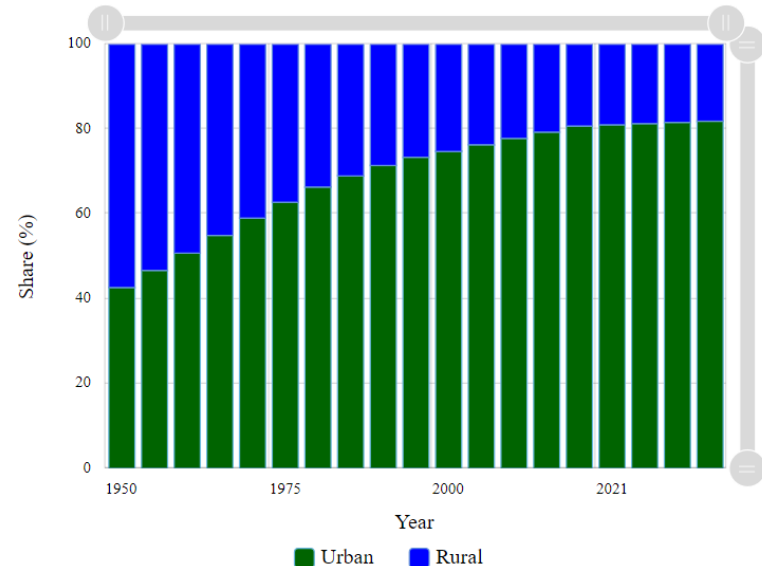
Population

Urbanization

Mexico population pyramid (2024)



Urban share of the Mexico



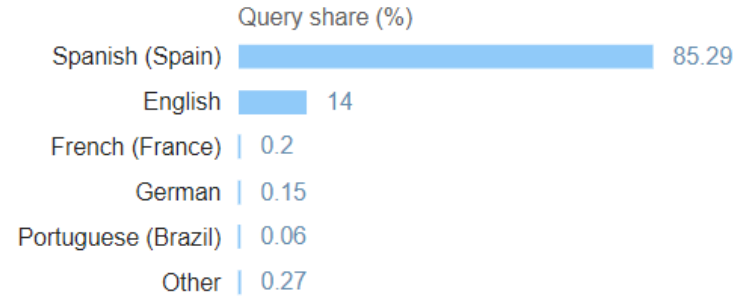


The Mexican Market – Languages

85%

of the population is **Spanish** -speaking

Languages



[VIEW ALL](#)

Source: Internal Google data, last closed quarter

Mexicans are very proud of their identity, diversity and culture. To have an effective impact on customers, localization is key

People

129M population (Mexico City 23M, Puebla 3.2M, Tijuana 2.2M, Leon 2.1M)

Official languages: The official language of Mexico is Spanish, with a **97% of Mexicans speaking Spanish** as their first language.

Many Mexicans browse the web **bilingually** in **Spanish** and **English**.

Location


Mexico's population is **81% urban** and **63%** live in Mexico's **75 main metro** areas and continues to grow. While urbanization grows, many regions have **distinct identities** people hold on to. LDS temples are well dispersed across regions to tap into these identities.

One of the biggest opportunities right now is **nearshoring**. Mexico is one of the emerging markets most open to FDI. This is due to many factors, including its **geographical position**, competitive costs, growth, and its ability to manufacture in-demand products.

Culture

Mexicans are very proud of their identity, diversity and culture. Extremely popular **food culture** that has been named UNESCO global cultural treasure, listed as a part of the "Intangible Cultural Heritage of Humanity."

Soccer is the most popular sport in Mexico with **professional wrestling** (la lucha) also having a large following. **Top 4 League Sport Fans** in Mexico are Liga MX, NFL, NBA and Liga Santander (Spain).

 **Takeaway**

Localization is key to enter into the Mexican market; segmentation and cultural understanding are very important to address the significant regional differences.

Online Audience

72%

Internet Penetration

68.9%

Google Query Growth (yearly)

87.7%

Android usage

4M

Monthly searches across categories

11.9%

iOs usage

Low

Google Ads competitiveness

54%

Smartphone Penetration



Category Trends

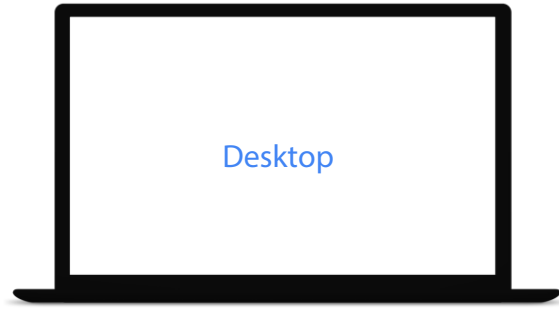
YoY query growth by device (%)



124.72



32.35



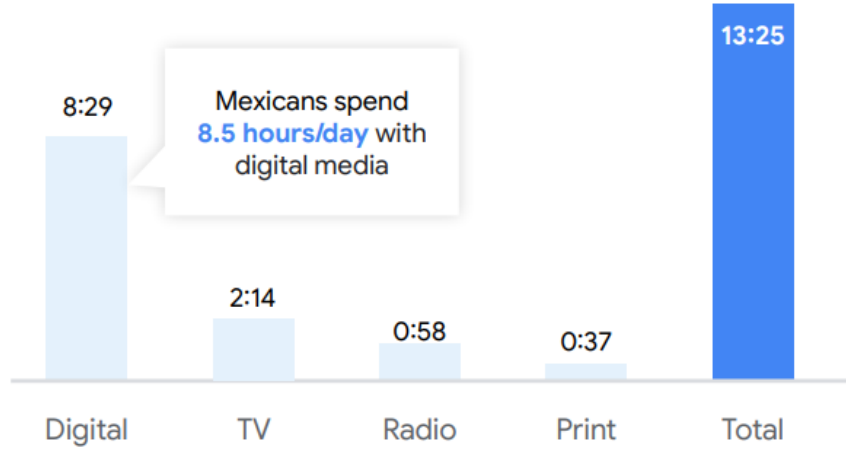
3.41

Most media consumption comes via digital formats

Top 10 Mobile Apps *by Active Users, past 6M, March '23*

1. WhatsApp	2. YouTube
3. Google Chrome	4. Google
5. Google Maps	6. Facebook Messenger
7. Gmail	8. Instagram
9. Google Photos	10. TikTok

Average Time Spent per Day with Media Mexico, 2022, hrs:mins



Takeaway

Ensure your media strategy aligns with where Mexican consumers are spending their time. Gen Y and Z audiences spend an even larger share of media time via digital, particularly mobile devices.

Source: eMarketer, data.AI

Media consumption in Mexico

Platform	Users (in millions)	Percentage of Population
WhatsApp	98.4	75.2%
YouTube	83.1	64.5%
Facebook	88.79	70.0%
TikTok	74.15	69.1% (of internet users)
Facebook Messenger	58.75	45.1%
Instagram	44.85	34.8%
Netflix	10	19.6% (share of TV usage)



The Mexican Market – Google Reach

Unique Users per month



Search

28.2M

Unique users



Video

22.2M

Unique users



Display

32.7M

Unique users

Shopping behavior in Mexico

Online Brand Research in Mexico

Method	% of Consumers
Search engines	63%
Price comparison websites	37%
Social networks	35%
Consumer reviews	30%
Product/brand websites	27%
Discount/coupon websites	18%

Online Purchase Drivers in Mexico

Driver	% of Consumers
Free delivery	61%
Coupons and discounts	48%
Customer reviews	28%
Easy checkout process	26%
Loyalty points	25%
Next-day delivery	24%




Takeaway

It is very important to be well presented in Search . Customers reviews on websites and social networks are important too.

Mexican consumers are collectivist; less comfortable with ambiguity compared with American consumers

Mexico's rank on [Hofstede's Cultural Dimensions](#)



 **Takeaway**

Mexico, with a score of 30 is considered a collectivistic society. At a score of 81, Mexico is a hierarchical society. This means that people accept a hierarchical order in which everybody has a place and which needs no further justification. Mexico has a very high preference for avoiding uncertainty.

Demographics and Culture **Key Takeaway**

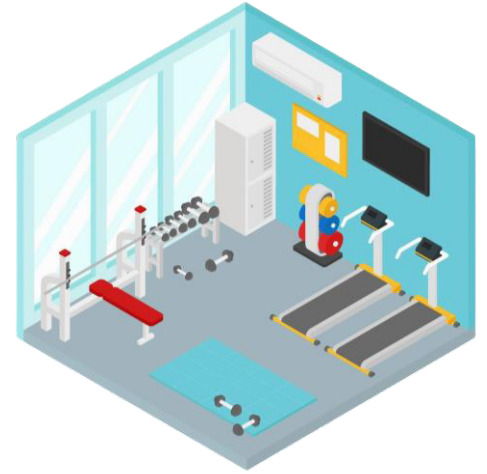


The population is predominantly **young** with high internet penetration and **Android usage**. **Localizing ads** and taking cultural specifics into account are essential for effective engagement with the audience. High importance of **Search** and **Customer Reviews**.



3

Vertical Deepdive Gyms & Gym Membership





Gyms & Gym Membership in Mexico

40%

of gym & fitness club members have a **high annual household income**.

Career advancement has more importance to gym & fitness club members than to the average consumer.

24%

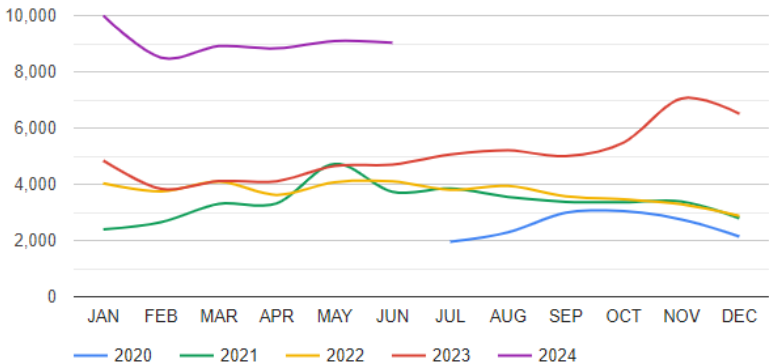
of gym & fitness club members are **innovators or early adopters** of new products.

Gym & fitness club members remember seeing ads on **search engines more often** than the average consumer.

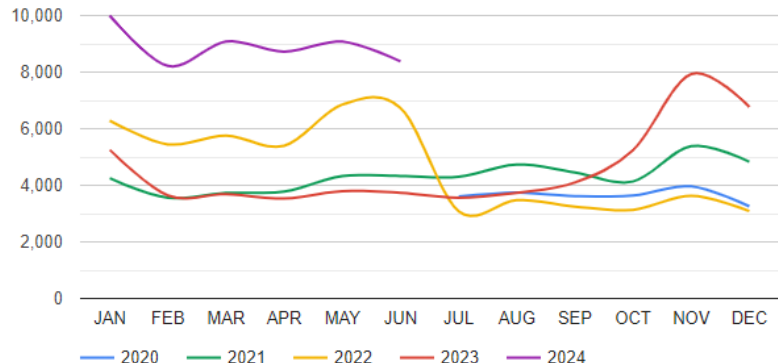
Gyms & Gym Membership in Mexico

All data are indexed

Category Interest



Category Impressions



Takeaway

Category Interest and the Impressions have grown significantly over the last year – a great sign that we are on the right way. There is no clear seasonality in demand. The highest numbers of impressions and clicks occurred in January 2024. It is recommended to consider these seasonal trends when setting a campaign budget.

– a The

Gym & Gym Membership in Mexico

All data are indexed



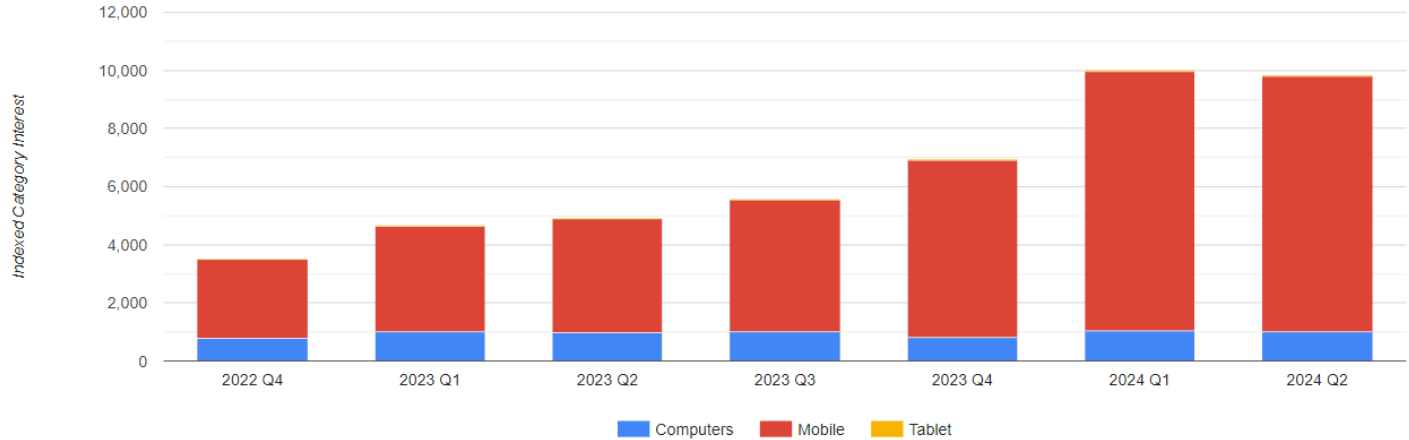
Takeaway

Category growth can be driven by audience demand as well as by the activity of market players .

Gyms & Gym Membership in Mexico

All data are indexed

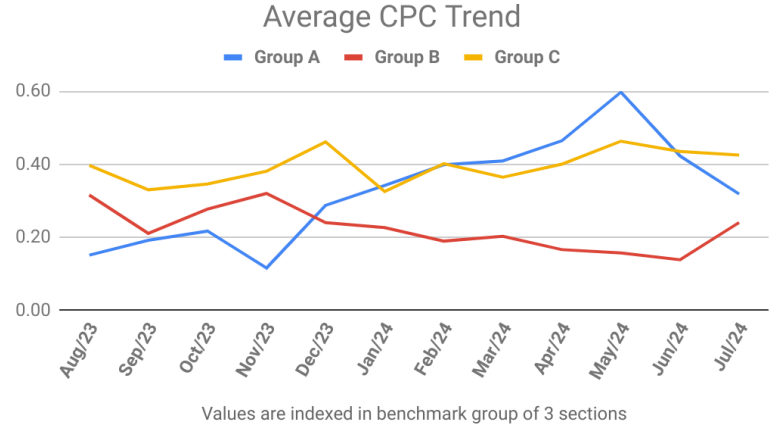
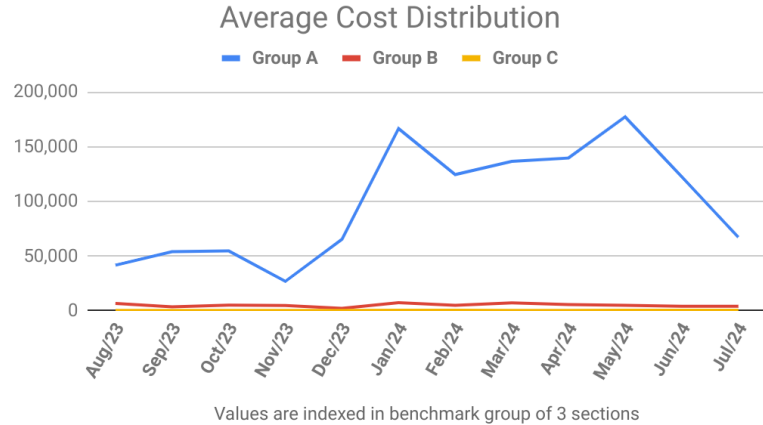
Search Trends by Device TM



Source: Internal Google data

Competitors' Costs and CPC ABC Analysis

All data are indexed



Key Takeaway: In Mexico, the costs from the A competitor group can be noted as significantly higher than the other 2 clusters. Peak in cost can be observed in May 2024. On the other hand, November 2023 can be seen with the lowest cost for the A group. B and C group can be seen with very similar trend lines that can be considered quite stable. In relation to the CPC trend, it is possible to see very unstable trend lines for all 3 clusters. Note that in May 2024, the A group can be seen with a peak in CPC. The C group is the one with the highest average CPC among the groups. The B competitor group is the one with the lowest CPC in comparison to A and C. When possible, a strategy that combines monthly adjustment in the campaigns' budget with any traced seasonality will be useful to take advantage of periods with higher traffic and also prevent "limited by budget" status.

Vertical Deepdive **Key Takeaway**



Interest in the category is growing with peak queries and clicks in **January 2024**. But there is no clear seasonality in demand. Fitness club members are often innovative and affluent consumers, seeing ads on **search engines** more often than the average consumer.



Optional Section |
Seasonal Deepdive

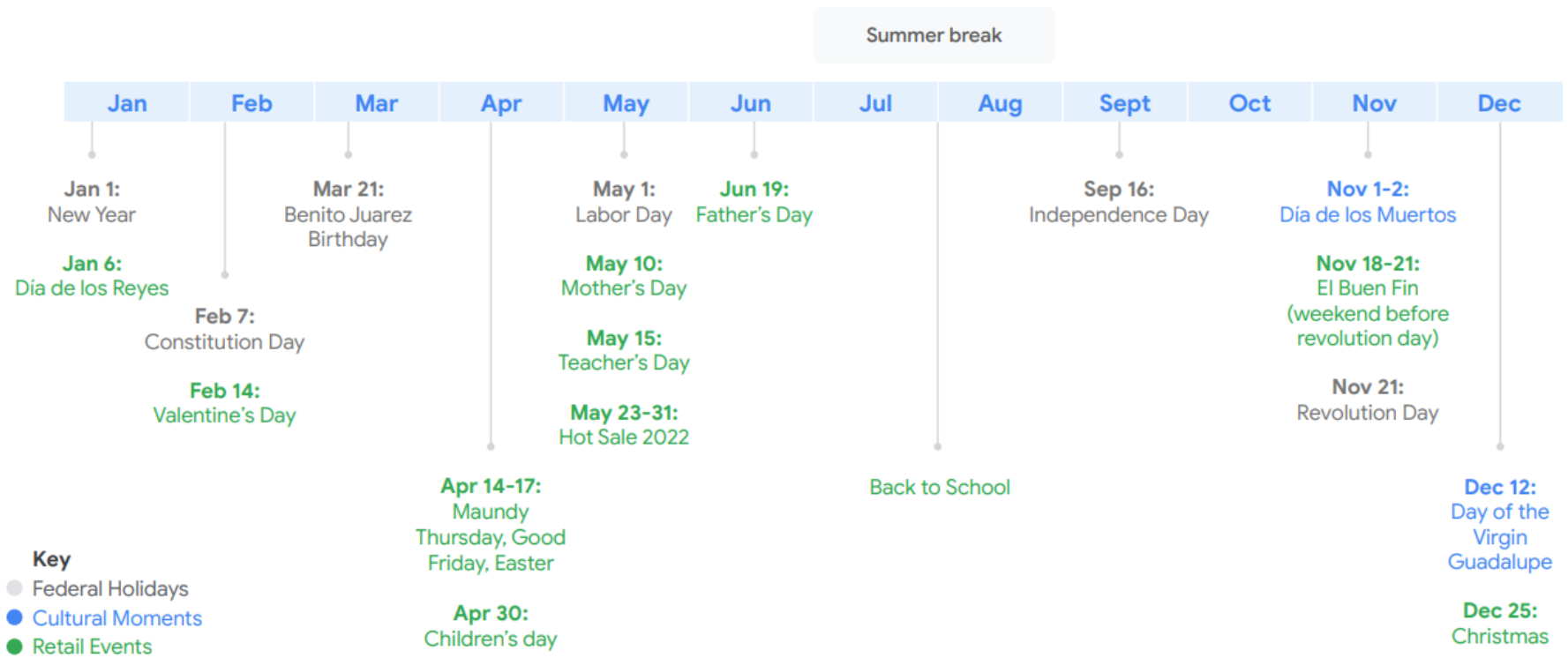


4

Seasonal Factors



Be mindful of core seasonality moments





All data are indexed. Campaign example

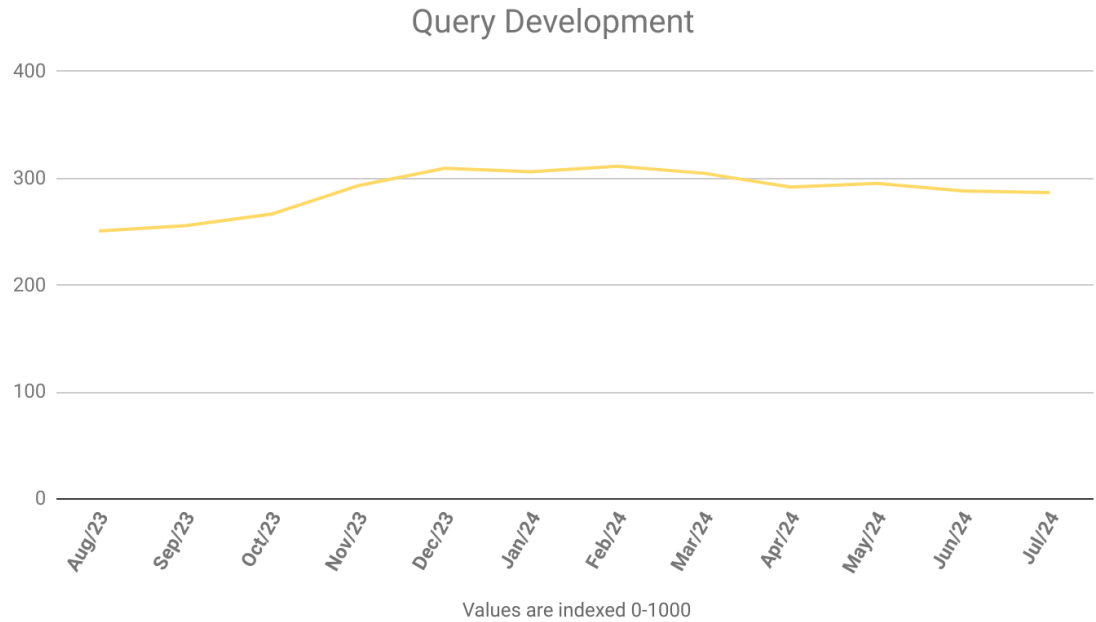
Trends in Mexico

Impressions	Clicks	Page CTR*	Cost USD	CPC USD	Queries	Matched Queries
308	265	28.7%	259	0.42	288	369
<hr/>						
Colombia						
763	673	46%	789	0.12	754	820

Category: Gyms & Gym Memberships

Queries for Gyms & Gym Membership in Mexico

All data are indexed



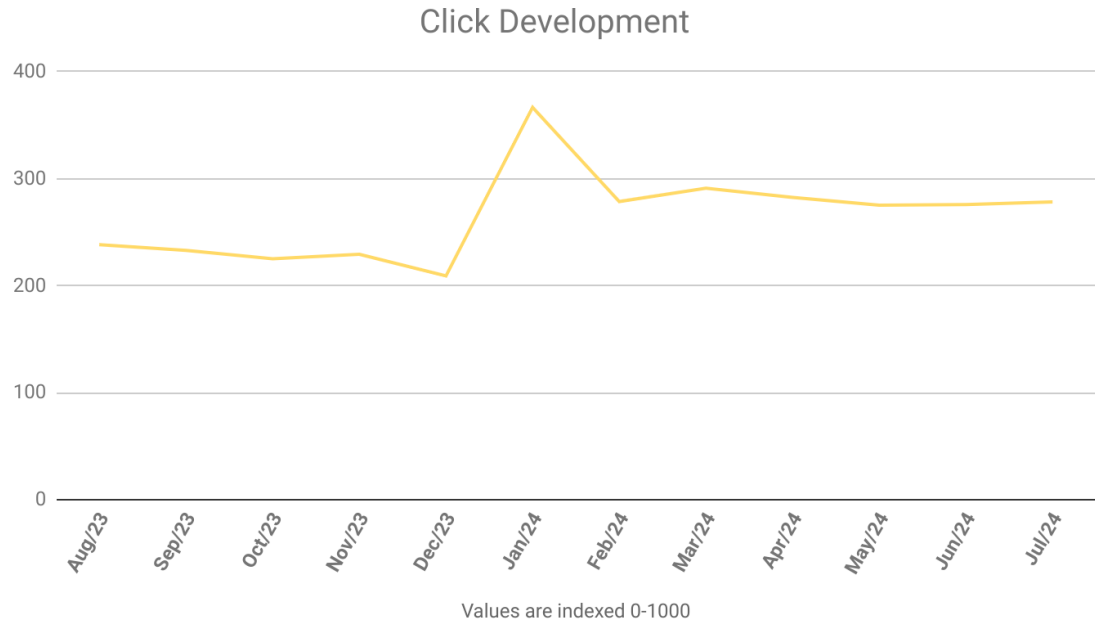
This chart shows the development of queries from August 2023 to July 2024 in relation to the Gyms & Gym Memberships vertical.

As can be seen from the graph, the lowest value occurred in August 2023, after which the trend line steadily increased, reaching the maximum point in February 2024. This was followed by a gradual decline until July 2024.

The number of queries shows good potential for the vertical.

Clicks for Gyms & Gym Membership in Mexico

All data are indexed



The chart shows the development of clicks in Mexico between August 2023 and July 2024.

As the graph shows, the lowest value was recorded in December 2023. Following this, a sharp increase occurred, reaching the peak in January 2024. After this peak, the trend line experienced fluctuations, with values stabilizing from March to July 2024.

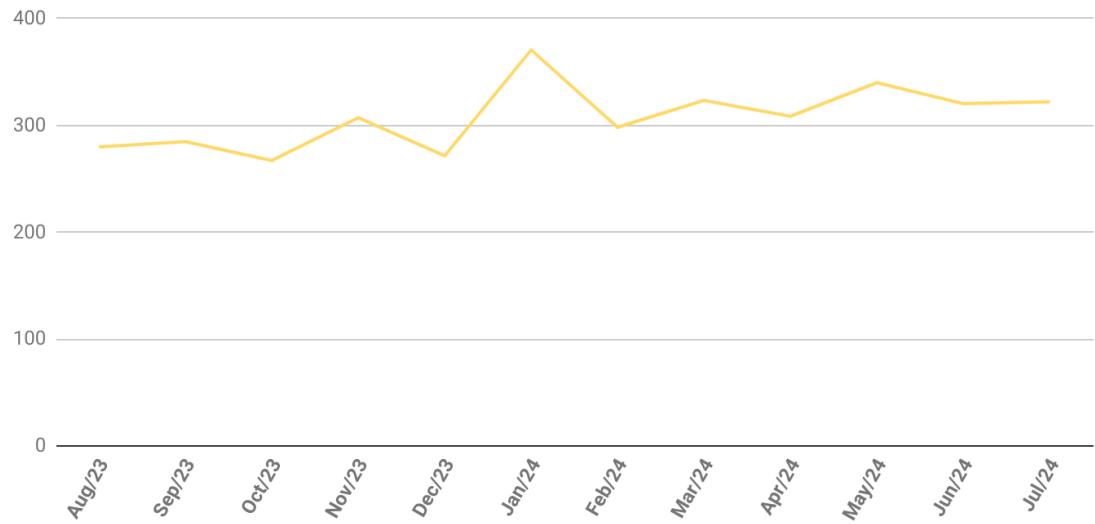
It is recommended to take these trends into consideration when setting the monthly budget.

Impressions for Gyms & Gym Membership

All data are indexed

in Mexico

Impression Development



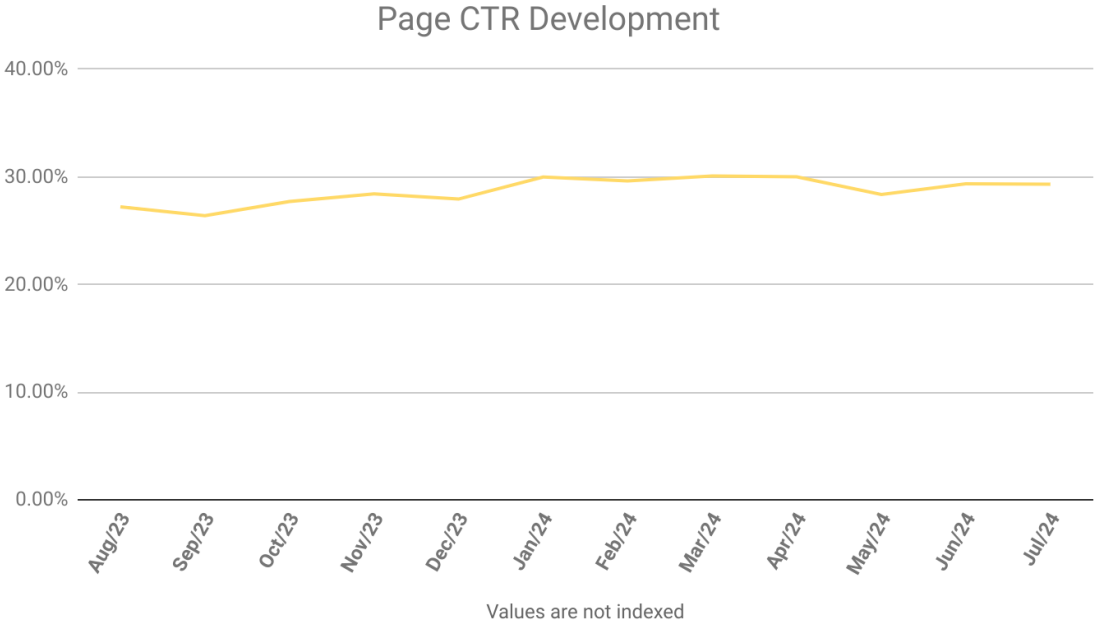
Values are indexed 0-1000

The development of impressions from August 2023 to July 2024 is shown in this chart.

As can be observed, the lowest value occurred in October 2023. The trend line peaked in January 2024, reaching its maximum value. This was followed by a dip in February, after which the trendline was more stable with minor fluctuations from May to July 2024.

Taking note of these trends can help in creating and promoting content that responds effectively to the market.

Page CTR for Gyms & Gym Membership in Mexico

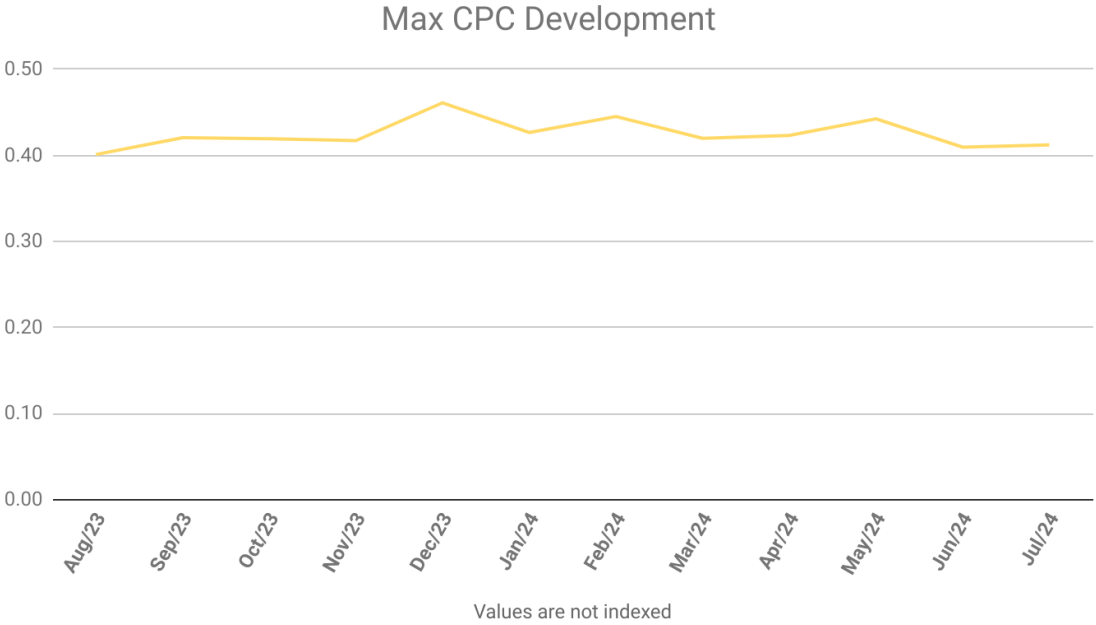


This graph illustrates how the page CTR changed between August 2023 and July 2024.

The graph shows a gradual rise in page CTR, reaching its maximum value in March 2024. After a slight dip in May 2024, the trendline stabilized, with no sharp changes until the end of the observed period.

To boost engagement and CTR, make sure to refine ad copies for relevance, clarity, and to optimize call-to-action effectiveness.

Max CPC for Gyms & Gym Membership in Mexico



The development of the max CPC between August 2023 and July 2024 is shown in this chart.

As can be observed, the trend line was relatively stable throughout the observed period and experiences minor fluctuations. The lowest value was noted in August 2023 and the peak occurred in December 2023.

It is recommended to note these trends when adjusting the monthly budget to avoid limitations during periods of higher costs.

Country Scores for Gyms & Gym Membership in Mexico

All data are indexed

Type	Metrics	Weight	Unit	Mexico
Opportunities	Disposable Income Per Capita	● ○ ○ ○ ○	indexed	1554.34
	Google Query Volume	● ● ● ● ●	indexed	943.11
	Google Query Growth (yearly)	● ● ● ● ●	%	68.9
	Google Search Per Capita	● ○ ○ ○ ○	indexed	1039.25
Barriers to Entry	Google CPC	● ● ● ● ○	\$	0.22
	Google Query Depth	● ● ○ ○ ○		1.33

Mexico can be seen with good numbers in relation to the Disposable Income Per Capita and Google Search Per Capita. Note that the Google Query Depth is 1.33 and the Google CPC is \$0.22. It is worth noting that Google Query Growth has a positive value (68.9%), which indicates that the market is growing. Overall, the market offers significant opportunities, with manageable barriers to entry.

Seasonal Factors **Key Takeaway**



Major seasonal peaks occur in January and February, so it's important to plan budgets accordingly. It's also worth considering **seasonal promotions** to attract the audience.



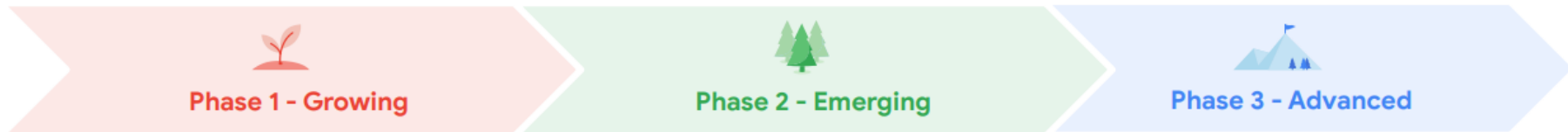
4

Campaigns Structure & Estimation



Effectively reach Mexican consumers online with

Google properties provide **extensive reach** to MX digital consumers:
Search (#1 search engine in MX), followed by **YouTube** and **Google Play**



Activate **full-funnel Web & App** campaigns to build your brand & grow your pipeline

Use **Spanish** text, video & image assets

Target “All Languages” to maximize campaign reach

Leverage **automated bidding** to hit your goals

Expand targeting (incl. search keywords, match types)

Diversify your creatives: test new CTAs, add additional video formats & lengths

Embrace **core MX seasonality moments**, e.g. **Día de los Muertos**

Activate a **re-engagement strategy**

Advanced audience segmentation and data integrations to inform bidding

Geographic segmentation suggested to address regional differences

Bid to profit based on customer LTV

Continued **product testing** & creative iterations

Activate additional growth markets (e.g. other Latam markets to leverage localized assets into Spanish)

Ensure your creatives are localized and align with Mexican expectations

Focus on the Community vs the Individual

Mexico is a very collectivist society, valuing the greater good a community and family above individual needs. Be sure you speak to this in your creatives by featuring groups in ads such as friends, family, sporting events, or other forms of community. Messaging around how your brand can benefit the wider community is important.

Make Ads Culture Specific


Tap into local sports such as fútbol to resonate with your audience. Food and dancing are a large part of Mexican culture. Colorful ads tend to do well.

Partnering with local influencers and celebrities in any of these areas will benefit your creative strategy.

Use Storytelling

Longform video (45+ seconds) and storytelling are common among large advertisers.

Having a wholesome narrative that emphasizes family and a full narrative is highly recommended.

 **Takeaway**

Messaging around how your brand can benefit the wider community is important. Using local sports such as fútbol to resonate with your audiences does well along with featuring food, music, and dancing.



Sync -up with the local needs

A successful launch should include campaign settings and structure tailored to what works best in the local market.

1. Target Country: Mexico
2. Target Language: Spanish, English
3. Network: Include search partners (Search Network). Target Display separately.
4. Ad Delivery: Optimize: Prefer best performing ads
5. Delivery Method: Standard
6. Create Ads: The ads have an impact on brand perception, so correct capitalization and punctuation are very relevant factors together with a full localisation.
7. Create Extensions: Use Sitelinks to link customers directly to popular or high -converting sections of the website. Callouts and Structured Snippets should provide more relevant information.



Tips & Tricks

- At least 1 RSA with ad strength 'strong' or 'excellent' per Ad Group
- Full coverage of Extensions:
 - 4 Callouts and 4 Sitelinks (when possible)
 - 2 sets of Structured Snippets (when possible)
- Content across Campaigns/Ad Groups should always be unique
- Start by localising/mirroring well -performing campaigns (always adapted to market necessities when needed).
- It is recommended to include keywords with traffic such as "online", "buy"...
- The campaign should include negative keywords to avoid irrelevant traffic
- Seasonal campaigns can be created in order to reach the client during popular trending times. (If any for this vertical/business)



Traffic & Campaign Estimation* - Mexico

212K

Estimate Monthly Impressions

\$0.86

Estimate Average CPC

\$8.5K

Estimate Monthly Cost

9.9K

Estimate Monthly Clicks

\$2.31

Max CPC
Most profitable Max CPC related to the daily budget.

4.7%

Estimate CTR

200

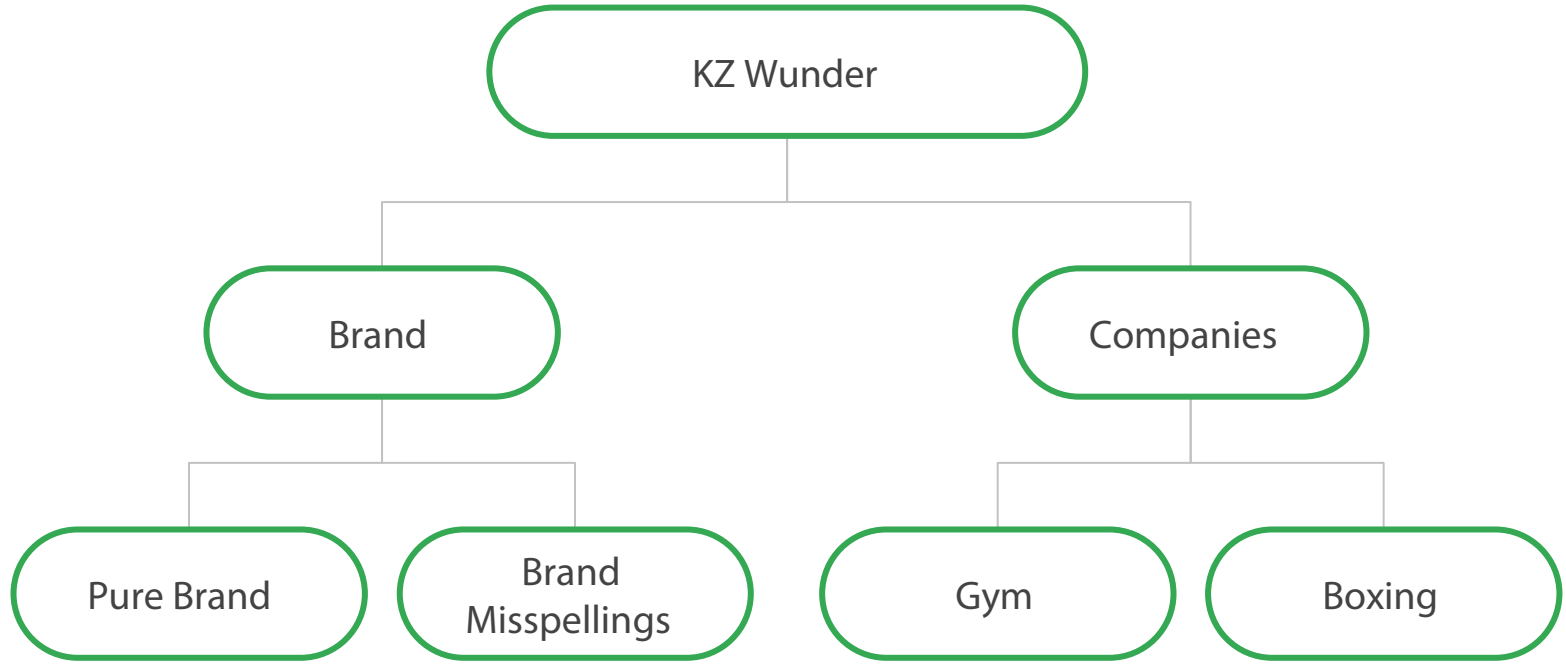
The campaign estimation is focused on a selection of keywords

\$390

Suggested daily budget from Keyword Planner

*Forecast data is based on the monthly budget of \$8500, as outlined in the strategy.

Account Structure Proposal



5

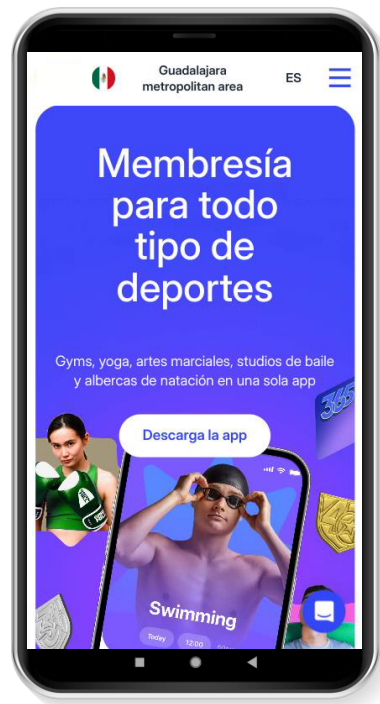
Website Check



Mobile

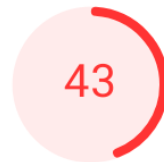
Essential metrics for a healthy site

Proprietary + Confidential



Core Web Vitals Assessment: **Failed**

Computed from the Core Web Vitals metrics over the latest 28 -day collection period.



Performance

▲ 0–49

■ 50–89

● 90–100

The performance

score for mobile is **43**. These opportunities can help the page to load faster:

1. Minimize main -thread work.
2. Eliminate render -blocking resources.
3. Reduce initial server response time.
4. Reduce JavaScript execution time.

Desktop

Key to success of any site on the web



Core Web Vitals Assessment: **Failed**

Computed from the Core Web Vitals metrics over the latest 28 -day collection period.



Performance

▲ 0–49

■ 50–89

● 90–100

The performance score for desktop is **54**. These opportunities can help the page to load faster:

1. Minimize main -thread work.
2. Reduce JavaScript execution time.
3. Defer offscreen images.
4. Serve images in next -gen formats.

6

Final Considerations



Final Considerations

- With a population of 126.7 million and a strong economy – testified by a GDP of \$1.3TN - Mexico can be considered a good country for businesses operating in the Gyms & Gym Memberships vertical.
- Google Ads competitiveness in this category is low . There are approximately 4M monthly searches across categories, and the market has an internet penetration rate of 72%.
- In the last 12 months, the highest numbers of impressions and clicks occurred in January 2024 . It is recommended to consider these seasonal trends when setting a campaign budget.
- The online audience in Mexico shows a significant preference for Android usage at 87.7% , with iOS usage at 11.9%. The market also experiences a yearly Google Query Growth of 68.9%.
- Following the provided recommendations is advisable to improve the loading time and overall performance of both the desktop and mobile versions of your website.
- It is advised to focus on creating engaging content aligned with user intent and leveraging targeted advertising campaigns to reach a wider audience effectively in order to boost impressions.
- It is recommended to take note of the CPC trend when adjusting the monthly budget to not be limited by it in times of higher costs.
- From the data presented, Mexico represents a significant opportunity for growth in the Gyms & Gym Memberships vertical. Tailored advertising strategies and targeted content will be key to capitalizing on this potential.



Thank You