

# INSIDE THE DATA

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ALCOHOL CONSUMPTION  
FINTECH  
SUSTAINABLE TOURISM

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MEXICO EDITION

Prepared by Antonio&Paris

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# **Brand Innovation is the key to driving growth. But analyzing the right data points is only the beginning in igniting the love affair between brands and consumers.**

Brand Innovation assumes that all brands should be perceived as “Challenger Brands.” It is the catalyst for moving from identifying existing conventions to disrupting the norm. Brands can move from good to great by not only paying attention to conventional data sets but by looking under the hood to find contextual strength from culture codes, trends, passion points and geographic pockets of discovery.

**To help brands do so, our team employs strategies based on Passion, Seduction, Intrigue & Freedom.**

At Antonio & Paris (A&P), we recognize that the world is all about connection. **Intrigue** is being interested enough to learn makes the other tick. Take the time to dig deep and find out the practical and emotional triggers that make them fall in love with a place, person, company, or product. But a relationship goes both ways. You must be willing to learn, react, and create—not manipulate. Allow the consumer (target) to be themselves while falling in love. It’s a matter of **freedom**. They must feel free to experience a brand on their own terms. The brand must be free to articulate who they are and why a consumer should give them the time of day (engagement). Consumers search over and over for this passion, seduction, and satisfaction. We aim to please.



## Inside The Data: Mexico Edition

As a top brand innovation studio in Mexico and in the US, Antonio & Paris is in a rare position to assist clients with growth across the Latin and South American market and beyond. By using the data its team has gleaned from tracking branding and marketing trends across the globe for the past two decades, A&P is able to predict higher level marketing trends that are coming down the pike for Mexico and its surrounding areas.

On average, consumer trends in Mexico are recorded to peak around five to eight years after they have hit a high level of popularity in the US market. Recording and studying the most significant trends in relevant client industries and as a whole ensures A&P can give clients an advantage by preparing them for the future, not just current challenges.

By considering what brands are currently facing in Mexico as well, such as persisting classicism and a lack of accessibility to many services, we can infer how it might impact some of the major consumer markets in a changing world.

Let's take a closer look at some of the trends expected to rise in the Mexican consumer market in the coming years in some industries that are likely to show the biggest shifts and impact:

**Alcohol, Fintech, and Sustainable Tourism.**



**PART 1**

# **Alcohol Consumption**

## Alcohol Sales & Consumption in Mexico

- Did you know **40%** of the top-selling brands in Mexico are alcoholic beverages?
- Did you also know that compared to Millennials, Gen Z are drinking 20% less alcohol per individual? Millennials are also drinking less than Gen X and Boomers did at their age.

**Key Considerations:** *What does this mean for nearly half of Mexico's top-selling brands nationwide? Is alcohol consumption really dropping, or is it just a shift in how consumers are imbibing?*

## Reading the Trend in the US & Beyond

**Why are young people reporting a decrease in alcohol consumption?**

A focus on health and wellness are key motivators for limiting or reducing alcohol across adults of all ages, according to a 2022 report by the Food Institute. It cited these major factors among those who wished to reduce their consumption:

- Improving health (47%)
- Managing weight (38%)
- Reducing risk of disease (25%)
- Avoiding a hangover (23%)

A 2023 report by Snipp on the alcoholic beverage in the US and Europe states that not only are Gen Z drinking about 20% less than Millennials, they also spend about 40% less money on alcohol, make fewer trips per year

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Reduced alcohol consumption and more consumers opting for sobriety have risen in popularity, even in Mexico, which has a strong drinking culture. Trends such as Dry January, during which consumers opt to stay sober to kick off healthy habits for the new year, have seen up to a third of Mexican consumers giving less alcohol a try.

## Reading the Trend in Mexico & Latin America

Mexico has long been associated with a vibrant drinking culture, with tequila and mezcal being integral parts of its heritage. However, among all alcoholic beverages, beer represents about 80 to 90% of sales and makes up the majority of its exports to the US.



## How do consumer drinking habits reflect this cultural history?

A recent Statista study shows that Mexican consumers of legal drinking age, on average, drink around **4.25 liters** of pure alcohol per capita in a year.

According to IWSR Drinks Market Analysis, Mexico and Brazil are the two largest alcoholic beverage markets in the world.

Mexican men drank more per occasion and reported more problems with alcohol than Mexican women, according to a report from the National Institute on Alcohol Abuse and Alcoholism updated in June 2023. Mexican men of legal drinking age reported having an average of **15.9 alcoholic drinks per week**, compared to an average of only 3 per week for women. However, overall, Hispanics are less likely to drink at all than non-Hispanic white people.

Consumers in Mexico, especially women and younger adults, have shown a strong ability to abstain from drinking—in fact, they may be making the choice not to drink at all rather than consuming alcohol without abusing it.

**Some factors behind this choice seem to include the following demographics:**

- Low socioeconomic resources
- Not being married
- Being female

**On the other side of the spectrum these circumstances are reportedly linked to alcohol misuse in Mexican consumers:**

- Lifetime posttraumatic stress disorder (PTSD)
- Depression
- Greater amount of drinks consumed per occasion
- Being male
- Younger consumers (mostly women)
- Not being married (mostly women)
- The number of traumatic experiences in childhood (mostly men)
- Lower socioeconomic resources (mostly men)

**Less Is More: Low- and Zero-Alcohol Alternatives**

A 2023 study by NielsenIQ shows that nearly 1 in 3 Mexican consumers try non-alcoholic options in the On Premise during Dry January. CGA by NielsenIQ’s most recent Mexico Consumer Pulse Report studied consumer behavior over Dry January and explored the opportunity for low- and non-alcoholic beverages beyond the first month of the year.

According to the study, there is growing interest among alcohol users to stick to non-alcoholic beverages even after Dry January. Between 2015 and 2021, the market for zero alcohol beer grew about 35%. **These findings highlight significant changes in the alcohol norm in Mexico.**

**What alternative beverage options are consumers turning to?**

- Soft drinks were selected by the majority (72%)
- Hot drinks were the second most popular (34%)
- Mocktails and non-alcoholic beer were selected by 32% and 25% respectively



The zero-alcohol trend in Mexico is part of a broader global shift toward healthier and more sustainable lifestyles.

Not only does this move satisfy the demands of millennials but it also encourages the development of more sustainable products. For mezcal and agave spirits, this shift could bring a reevaluation of its quality so its consumption becomes more seasonal, ultimately reshaping the industry and setting new standards for the future.

Denormalizing drinking culture and increasing the attractiveness of alcohol-free settings matters greatly in the face of widespread alcohol harm in Mexico.

According to the Snipp research report, manufacturers are taking heed as the race to introduce new, lower alcohol content products is heating up. On-premise venues also gear up to serve drinks that will appeal to those who are limiting or omitting alcohol. “Better-for-you” alcoholic alternatives have already seen a 20.1% increase in sales from 2021 to 2022, while low and no-alcohol offerings saw a 6% increase in that same time period. Increased investment by industry players is

expected to push this market further outward. Ready-to-drink (RTD) options are also on the rise, as they provide not only convenience but also more stability in measuring and limiting alcohol consumption as opposed to cocktails made on premise or mixed at home. These factors, along with clever branding and creative flavor options, have made RTD cocktail brands one of the fastest growing sectors in the alcohol industry.

### The No-Sugar Craze: Seeing the Similarities

In the past two decades, the world saw a similar shift as consumers became more educated about the effects of added and manufactured sugars, especially in soft drinks. In a desire to be healthier overall and live more sustainably—the same way consumers are now doing in regards to alcohol—this prompted a desire for low-sugar, no-sugar, low-calorie, and zero-calorie drinks on the market.

In response, PepsiCo and Coca-Cola, two of the biggest global beverage brands, shifted heavily from sugary drinks and diet sodas with artificial sweeteners into providing sugar-free alternatives, such as Coke Zero and Pepsi Zero Sugar (now Pepsi Max).

#### According to Coca-Cola's Sustainability report on its company website:

- ~68% of the products in its beverage portfolio have less than 100 calories per 12-ounce serving
- 29% of the brand's volume sold in 2022 was low- or no-calorie
- 246 low- or no-sugar products were launched in 2022

We continue to give people more information about the beverages they're drinking," the company says. "In the United States, for example: **88% of our beverage packages also have SmartLabel QR codes that provide far more product detail than will fit on a label.**"

Alcohol brands and even new non-alcoholic spirits brands can take inspiration from the way mighty industry players like Coca-Cola and PepsiCo handled the shift in consumers' desire for less sugar and healthier options. Providing more information to consumers about the nutrition of products, expanding ranges of low- or no-alcohol products, and marketing with a health-focused message in mind are just a few ways they can appeal to consumers interested in improving their wellness.

They can also still watch major players like Coca-Cola and PepsiCo moving into the future of alcoholic beverage trends, as they have both recently launched mass-consumer alcoholic beverages for the first time.

In fact, Coca-Cola and Brown-Forman chose Mexico for the debut of their Jack Daniel's and Coca-Cola co-branded canned cocktail in late 2022. Earlier this month, The Coca-Cola Company's chairman and CEO also mentioned that the company is planning to release further ready-to-drink cocktail lines in Brazil, in addition to their Topo Chico and Schweppes products that were launched in 2020. IWSR analyzes why these two countries—Mexico and Brazil—are attracting RTD activity.

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## Market Leaders

Competition is fierce. These are the major players in the alcoholic spirits industry in Mexico:

- Becele SaB De CV
- Diageo Plc
- Pernod Ricard Groupe
- Grupo Corona Spirits SA De CV
- Bacardi & Co Ltd
- Suntory Holdings Ltd

## Beer, Still Alive and Brewing

IWSR Drinks Market Analysis reports that the most promising growth opportunities for beer in the coming years will be focused on India, Latin America, and Africa. Global volumes are expected to rise at a CAGR of +1% between 2021 and 2026, driven by Brazil, Mexico, South Africa, Colombia and India.

Mexican beers make up 80% of all volume imported to the U.S., according to government data cited by the Beer Institute (BI). In fact, Modelo is now the number one beer sold by volume in the US, overtaking the long-standing leader Bud Light. Meanwhile, Heineken remains strong as another major import and boasts a top spot as one of the most significant non-alcoholic beers with its Heineken Non-Alcoholic 0.0 product.

## Harnessing Star Power: Celebrity Liquor & Mocktail Brands

It seems like every other A-list celebrity is also an entrepreneur now. And it's no wonder why—the influencer business model works. Celebrities who form their own brands or collaborate with partners to build them are seeing great success, and the spirits industry is one of the most popular.

Let's take a look at some of the most prominent alcoholic beverage and low- or no-alcohol alternative spirits launched by celebrities in the past several years and their megastar founders:

### Alcohol and Non-Alcohol Brands

- Teremana Tequila - Dwayne Johnson
- Cincoro tequila - Michael Jordan
- Lobos Tequila - LeBron James
- Villa One Tequila - Nick Jonas
- Prospero Tequila - Rita Ora
- 818 Tequila - Kendall Jenner

### Alcohol and Non-Alcohol Brands

- Betty Buzz & Betty Booze - Blake Lively
- De Soi - Katy Perry
- Kin Euphorics - Bella Hadid

Attaching a celebrity to your brand—or like these celebs did, attaching your own brand to yourself—offers a rare opportunity for marketing through an entirely different spectrum. These actors, musicians, and athletes have a built-in platform for sharing their brand and news with their fans on social media, the web, in print, on television, and more.

Consider it “old-school” influencer marketing that isn't outdated at all (After all, Ryan Reynolds did sell his Aviation Gin to Diageo, the world's largest producer of spirits and beers, for \$610 million USD after just two years on the market, just a couple years after Diageo bought George Clooney and partners' Casamigos tequila for \$1 billion USD).



**All of what has already been discussed will probably lead you to wonder:  
*Is alcohol consumption really declining?***

The short answer is **No**.

Alcohol consumption and the industry market have held steady over the past decade and will continue to grow, especially as the market and supply chains normalize post-COVID.

**Looking to the Future**

According to IWSR, pandemic lockdowns drove rapid alcohol ecommerce growth, prompted by a loosening of regulations, or a boost to existing ecommerce infrastructure, in many markets. As a result, alcohol ecommerce value grew by over 40% in 2020 alone—compared with value growth of 12% in 2019 and 16% in 2021, across 16 focus markets.

Over the coming years, growth rates for the alcohol ecommerce channel are set to moderate as the market enters a period of post-pandemic normalization. However, the overall trajectory remains upward, with alcohol ecommerce expected to contribute an additional \$10 billion+ USD to the beverage alcohol sector between 2021 and 2026, to reach nearly \$40 billion USD by 2026, across focus markets.

Rather than a decline in alcohol consumption, we are really seeing a shift in the types of alcoholic beverages consumers are seeking as more Millennials and Gen Z opt for healthier options.

Brands—especially those 40% of top brands in the Mexican market that are purveyors of alcoholic beverages—will need to stay aware of trends and consider a consumer-first approach when strategizing their offerings during this new era as consumers desire healthier, more sustainable products.

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**Alcohol ecommerce  
value grew by over**

**40% in 2020**

**16% in 2021**

**12% in 2019**

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**PART 2**

# **FinTech**



## The Rise of Financial Technology in Mexico

- Did you know that Mexico's economy is mostly cash-driven? Cash drives 90% of transactions under 500 Mexican pesos (\$25 USD), as well as 78.7% of payments or bills over 500 pesos, according to a 2022 article by Reuters.
- Distrust of banks from consumers in Mexico has led to a very slow adoption of financial technology (fintech).
- Strong class divides in Mexico further this distrust and prevent access for many to banks and other traditional financial institutions.

**Key Considerations:** *If cash stays king in Mexico, how far can the fintech evolution go? How can fintech provide a better consumer experience so it can grow and build trust with its audience? And how can fintech brands market to consumers, especially in a post-pandemic society, in a way that builds credibility in Mexico and prepares them for the future?*

### Reading the Trend in the US & Beyond

Fintech in the US market has seen a major shift in the past fifteen years as traditional financial institutions have adopted online banking and payments, mobile deposit options, investing opportunities from your mobile device, instant P2P payment systems, and loan options at your fingertips. There are 307 million smartphone users in the United States as of 2022, including 85% of American adults using smartphones. The US economy has also been one of the world's early adopters of cryptocurrency and digital assets such as

NFTs, which saw an enormous surge due to creative marketing and celebrity endorsements in the past few years. The digital age is going strong in this market, with nearly every major brand building mobile apps, high-function websites, and brand strategy that includes fully digital content and virtual user interaction.

Still, fintech like cryptocurrency and NFTs are still new in the US, and there is healthy skepticism surrounding even the most sought-after brands in the industry. Consumers are unsure about putting their trust in a digital currency that may or may not hold up. Why invest your money in crypto when you could invest it in something like stocks or bonds that have a proven track record? Of course, things are never that simple and lines can blur—one can certainly buy stocks and bonds via fintech channels such as WeBull, Robinhood, and many more. In fact, apps like these are making the market more accessible than ever to new investors. The digitally run Silicon Valley Bank, which collapsed in early 2023 in the second-worst American bank disaster

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in history, happening in about forty-eight hours and had US investors scrambling, many pulling funds from similar institutions for fear of a repeat. ABC writes that this incident “has raised questions about the fragility of financial institutions in a digital environment marked by easy cash withdrawals and the spread of information on social media and other spaces online, where panic among a few can grow into a stampede for the exit.”

Similarly, FTX Trading Ltd. was one of the largest cryptocurrency exchange firms, once valued at about \$40 billion USD—before it went bankrupt in a sudden collapse in 2022, just three years after its inception. FTX held its own crypto token, FTT, and also allowed trading in Bitcoin, Ethereum, and other digital currencies. However, after its founder, Sam Bankman-Fried, was rumored to be involved in fraud, money laundering, and other scandalous activities, users began withdrawing their money from FTX at an alarming rate, which ultimately caused the collapse in just a few days. (Bankman-Fried was arrested just a month later.) (Source: [Forbes](#)) The risk of placing trust in a digital bank whose reputation could hinge upon one or two individuals is enough to give any potential investor a reason for hesitation.

Not to mention that economic divides mean that mainly the wealthy are able to make lasting investments in such a thing. This leads to a market created by and for the rich—leaving the middle and lower class, who have less disposable funding for investment experiments, to rely on more traditional investment methods that they trust will not leave them high and dry.

**These points of skepticism related to new fintech are also good examples of how consumers in the Mexican market are untrusting of even traditional financial institutions,** preferring cash to a bank where money is not truly 100% guaranteed safety. Others are unable to access a bank due to location/ transportation, financial means, or other barriers. This could be equated to the way middle- and lower-class US consumers are unable to invest in fintech such as NFTs whose prices have been driven up or which many might see as a frivolous or risky investment rather than a trustworthy place to put your money.

## Reading the Trend in Mexico & Latin America

The International Trade Administration lists Mexico as one of the biggest consumer markets in the world with large banks and financial institutions, but with low credit penetration and financial inclusion. This represents opportunities for U.S. suppliers of fintech solutions in

different segments.

In 2020, the number of smartphone users in Mexico was estimated at nearly 81 million, Statista reported earlier this year. This is an increase of about 5% from the 77 million users registered the previous year. Smartphones have come to account for almost all mobile phones used in Mexico, and their prevalence keeps on growing. By the end of 2021, it is expected that close to 65 percent of the country’s population will be smartphone users. According to an April 2022 survey by Statista, 95.4% of Mexican internet users accessed the web via smartphones. Second place was taken by computers, with 42% of respondents going online through them.

Fintech is a booming industry in the Mexican market. Transactions made through a mobile device have experienced significant growth, both in value and volume. From peer-to-peer (P2P) lending to mobile payment solutions, fintech and banking technologies represent a strong prospect sector in Mexico.

Still, although it has experienced growth in the last five years thanks to federal reforms and a surge during the COVID-19 pandemic, a 2022 Reuters article states that “Latin America’s second most populous country is far behind similar economies like India, Kenya and Brazil in terms of inclusion and its reliance on cash... This comes despite hundreds of ‘pro-inclusion’ fintechs arriving in Mexico since 2016, offering easier ways to sign up or no-fee banking, including Klar, Kueski Pay, Stori, and Albo.”

“This comes despite hundreds of ‘pro-inclusion’ fintechs arriving in Mexico since 2016, offering easier ways to sign up or no-fee banking, including Klar, Kueski Pay, Stori, and Albo.”

These startups may have millions of users but they are struggling to move the needle around Mexico’s informal economy, says Maelis Carraro, managing director at consulting firm BFA Global.

That distrust of financial institutions, especially digital ones, also plays a big factor. Incidents like one report to the Mexico News Daily have fueled consumers’ skepticism in adopting fintech for banking and payments. A writer reported their experience to the news in May 2023:

- The writer opened a new account with Citibanamex (owned by Citibank) after their account with Santander had been threatened to be canceled by the institution due to some unsigned documents.
- Santander required the user to visit a branch to sign the papers—but the consumer’s home branch was located over an hour away.

- Still, switching to Citibanamex didn't solve all their problems.
- There were at least a dozen "unrecognized" charges to the consumer's Citibanamex account starting on April 17.
- A significant sum was being withheld as "not available" with nothing in any computer system (cell, laptop or branch computer) to indicate why.
- In my opinion, Citibanamex's overall customer service is atrocious.
- "The bank's computer system is completely messed up," the writer says.
- There was no representative or app that had all the necessary information.
- During the more than eight days they spent on this problem, numbers and entries changed and appeared and disappeared wildly.

**How can new and current fintech brands in Mexico work harder to improve consumer experience, trust, and engagement to avoid situations like this?**

## Inclusion Barriers

Since the government introduced its 'fintech law' in 2018, 58 companies have been approved or provisionally approved for payment licenses, according to the Mexican Fintech Association, yet no new retail banking licenses have been issued.

At the same time, the proportion of Mexican adults with bank accounts edged up two percentage points between 2018 and 2021 to 49.1%, while card usage for larger transactions increased to a modest 12.3%.

Mexico, meanwhile, continues to attract international startups like Nubank ([NU.COM.MX](https://www.nubank.com.mx)), Uala and Revolut, with ambitious full-scale banking plans.

Convenience-store Oxxo ([FEMSAUBD.MX](https://www.femsaubd.mx)) also launched a banking app last November, and says it already boasts 1.6 million users. Customers can sign up directly in Oxxo stores, which are far more populous nationwide than bank branches.

The Mexican government has separately undertaken a pilot project to get women banked, after the gender gap for financial inclusion doubled to 12% in 2021.

Officials are also beginning to dispense welfare benefits via digital wallets or bank deposits, rather than cash, as well as encouraging adoption of government mobile payments system CoDi, launched in 2019.

## The Pandemic Effect on Fintech

The pandemic did have a significant effect on the rise in digital banking and accessibility for more users in Mexico and around the world.

As consumers have become more concerned about the potential spread of viruses and disease through physical contact, we have seen a significant shift toward contactless payments.

*In the United Kingdom, for example, the number of contactless payments increased by 12% in 2020, while in the United States, the number of consumers using contactless payments more than doubled during the pandemic.*

During the pandemic, digital identity verification solutions, such as biometric authentication and facial recognition, have seen increased adoption. These solutions provide a more secure and convenient alternative to traditional identity verification methods, such as in-person visits to a bank branch.

With more consumers relying on digital banking and online services, cybersecurity measures to protect against fraud and cyber attacks are becoming more important. A shift in payment habits: digital and contactless payments began to be the new standard of payments for customers worldwide.

## Market Leaders

Situations in Mexico where CASHLESS payments are readily accepted:

- Modern shopping places
- Transport companies
- Smaller independent traders, and some market stalls
- Local mobile phone plans
- Professional services

Situations in Mexico where CASH is still required:

- Local stores, stalls, and markets
- Independent street cabs
- Tipping for services
- Vacation souvenirs and trinkets
- Archaeology sites and museums
- Home services and trades



## Convenience Factor: OXXO

Convenience-store OXXO, which launched a banking app last November, says it already boasts 1.6 million users. Customers can sign up directly in OXXO stores, which are far more populous nationwide than bank branches and have long been trusted by consumers. This unique position as an already popular consumer location allows OXXO immediate brand recognition and trust among its audience when it comes to its new fintech endeavors.

This chain of convenience stores boasts over 21,000 stores across Latin America, as well as in the United States and parts of Europe. It is the largest chain of convenience stores in Latin America. Its headquarters are in Monterrey, Nuevo León. It is wholly owned by the beverage company FEMSA (Fomento Económico Mexicano)—as we know, alcoholic beverages make up 40% of the top-selling brands in Mexico.

In its first five months, OXXO had overtaken nearly every other fintech startup in Mexico. The nation's biggest convenience store seems poised to become a superbank, and recently launched its own debit card in addition to the app. Spin by OXXO, a ready-to-use Visa debit card and app, is the company's latest attempt to merge its massive retail infrastructure across Mexico with financial services. Customers can sign up for Spin

at any OXXO branch in Mexico.

“Launching any financial product costs a lot of money, but companies like OXXO have the size and resources to subsidize costs and scale faster than any fintech.”

***So, all of this has put a lot on our minds, including but not limited to: Will the rise of fintech in Mexico ever reach full potential in a land where cash is king? Should brands invest their time and energy in this market?***

The short answer to both is **Yes**.

Mexican consumers may be slow to adopt fintech, but a surge in mobile banking and payment apps post-pandemic, more consumers acquiring and using smartphones, and an increase in more trusted brands entering the fintech realm, such as OXXO, are paving the way for more vibrant fintech and more opportunities for brand growth in Mexico and Latin America in the coming years. Brands like OXXO and Apple (with its Apple Pay options), two major companies not traditionally in the banking industry, are making a significant impact in it thanks to their brand equity. This enables them to overturn the distrust consumers may have regarding fintech and puts Mexico in a leading role worldwide non-banking brands to emulate if they are interested in growing their market share.



**PART 3**

# **Sustainable Tourism**





## Sustainable Tourism in LATAM

- It's no secret that Mexico & Latin America's rich biodiversity, culture, history, cuisine, and more have made them popular tourism destinations for visitors from around the globe. Focusing on the beautiful landscapes and many attractions in rural areas has made the regions a leader in the sustainable tourism sphere.
- Post-pandemic, officials explored ways in which Mexico City (and the nation at large) could promote nature tourism as a tool to reinvigorate the economy, touting the conservation of local parks and natural areas.
- As travelers seek more destinations abroad yet become more aware of the impact global tourism has on the environment, it presents an opportunity for promoting sustainability as a marketing tool for tourism bureaus, accommodations, and attractions.

**Key Considerations:** *What does sustainable travel really mean? How are Mexico and Latin America influencing global trends by being leaders in sustainable tourism? Are “sustainable tourism” practices equal around the world, or is it just a buzzword? Do laws and regulations clearly define what makes something truly sustainable from place to place? How can brands use the term and promotion of sustainability in a responsible, authentic way when connecting with consumers?*

## Reading the Trend in the US & Beyond

As we've looked at trends in the US and Europe for inspiration for how Mexican brands can prepare for the future in the industries of alcohol sales and financial technology, it's an interesting twist as we look at Mexico for trend-setting in the field of sustainability and sustainable tourism.

The National Parks and ecotourism attractions in the US have long been drivers of outdoor exploration and the tourism industry, but sustainability as a driving factor is only just catching up to the trend in the US's neighbor to the south.

Still, although the US has promoted ecotourism and environmentally responsible travel since 1916 when President Woodrow Wilson signed the act to create those national parks, outside of them, sustainable tourism in the US seems to be a largely individual effort. Travelers may choose to practice sustainability and local governments have implemented programs such as Leave No Trace for beaches, hiking trails, and parks, but larger sustainability programs are needed.

This is where the US can look to Mexico for a leading example.

## Reading the Trend in Mexico & Latin America

With so many beaches and coastlines, islands, caves, hiking destinations, rainforests, and more, it's no surprise Mexico's environmental tourism is a high driver for visitors from around the world, particularly North America, seeking outdoor adventures. But maintaining those landscapes and the cultural sites they contain, such as Mayan and Aztec ruins, means taking sustainability seriously as the nation lays out its tourism strategy.

"While Mexico has shown that it is serious about incorporating sustainability into its strategic planning, in order to make a difference on a global scale and limit the environmental impact of the global tourism industry, more destinations and businesses will need to adapt and make changes to lower their footprint and CO2 emissions while conserving cultural heritage and supporting the local economy," states a recent article by sustainable tourism consultancy Sea Going Green. "By doing so, destinations will be able to manage the rise in tourism arrivals and reap the benefits without causing permanent harm to our planet."

It continues, "Post-pandemic estimates predict that tourism arrivals show no signs of slowing down. The global tourism industry has ballooned from approximately 25 million travelers half a century ago to 1.18 billion now, with projections for that number to increase to 1.8 billion by the end of the decade. Tourism delivers numerous benefits both to the overall economy as well as local revenue and jobs. In fact, tourism has been a major contributor to global GDP growth—10% to be exact."

According to the article, the effects of climate change threaten to eradicate the following areas of the world's leading destinations:

- 30% of flora and fauna species
- 90% of coral reefs
- Close to 50% of the Amazon rainforest

**"Post-pandemic estimates predict that tourism arrivals show no signs of slowing down. The global tourism industry has ballooned from approximately 25 million travelers half a century ago to 1.18 billion now..."**

"It's clear to see how the tourism industry has gotten to this point. One luxury hotel room consumes 1,800 liters of water each day compared to less than 330 liters per day for the average Canadian citizen. In addition, it's not uncommon for hotels to fall short on sustainable waste and recycling systems. Therefore, it is as important as ever for tourism businesses to also take the lead on sustainability to lower their footprint and engage tourists with sustainability."

Sea Going Green describes Mexico's sustainability strategy as a way of "future-proofing" the destination and the businesses there that rely on tourism for survival.

## A National Strategy

Mexico's government agrees on the importance of enforcing sustainable tourism practices. The National Development Plan (Plan Nacional de Desarrollo, PND) 2019–24, released by President Andrés Manuel López Obrador (AMLO), aims to promote the responsible use of resources and reach 6% economic growth by 2024.

Some initiatives as part of this plan include: positioning Mexico as a popular, sustainable, inclusive destination; using revenue from tourism as a percentage of GDP to track progress; and investing heavily in infrastructure to accommodate the growing number of tourists. This National Tourism Strategy (Estrategia Nacional de Turismo, ENT) 2019–24 complements the overarching economic development plan laid out by the president.

Some specific projects in the works through this program, according to [Oxford Business Group](#), are:

- The Maya Train, to which the government has allocated MXN 65 billion (\$3.4 billion USD)
- Group tourist sites into eight regions to encourage those visiting Mexico City, for instance, to explore other destinations nearby
- Campaigns to target domestic tourists and seek to reduce seasonality in the segment. The Disfruta México (Enjoy Mexico) marketing strategy encourages tour operators and strategic partners to offer low-cost tourist packages
- Two programs to diversify source markets: Operación Toca Puertas (Operation Open Doors) focusing on attracting tourists from countries with high purchasing power (the US, the UK, the EU, the UAE, India, China, South Korea, Japan and Russia);



| A 3D rendering of The Maya Train rail network project.

and Reencuentro con mis Raíces (Reunion with my Roots) strategy targeting Mexican-Americans

- Multi-sector endeavors to ensure the areas around tourist locations meet basic infrastructure needs such as housing, drinking water, drainages and electricity
- Talk of a new international airport servicing Mexico City, many hotel and resort expansions, and other initiatives are underway or in the cards for the near future

“We want to support tourism and, at the same time, support the regions that have lagged in terms of growth and in terms of development,” AMLO told the media.

### Market Leaders: Mexico City Paves the Way

What can tourists do to support sustainable practices while on vacation?

- Dining at establishments with locally sourced menu items
- Buying souvenirs from vendors that source their items locally
- Choosing accommodations that are focused on

sustainability, where possible, and inquire about sustainability measures at hotels.

Sea Going Green lists Mexico’s MIA Bacalar Luxury Resort & Spa, located at the foot of the lagoon, as a great example, as it recycles its water and directs it toward irrigation purposes on the campus. The resort also composts food waste and grows locally sourced chemical-free produce in a garden for dining on the premises.

But beyond individual resorts or destinations practicing sustainability, the nation’s capital is truly driving the sustainable tourism movement in LATAM and setting an example from which brands big and small may take inspiration.

### A World Influencer: The Sustainable Tourism Capital

On a larger scale, Mexico City itself has been labeled the Sustainable Tourism Capital of the World, focusing on real sustainable practices and following through, while influencing the rest of the globe. Educating other nations and thought leaders worldwide is also at the forefront as the city hosts conferences and more.

“Mexico City assumes sustainability as a guiding

principle in the definition of its development policies and in its contribution to global development agendas,” states a 2021 Voluntary Local Review of the city focusing on innovation and rights. “Towards sustainability, Mexico City seeks to generate economic development hand in hand with environmental protection and social inclusion, which will help us to reactivate the economy and employment after the COVID-19 onslaught on the big city.”

At the beginning of the COVID-19 pandemic, the loss of more than 218,000 jobs was recorded, as well as the closure of 40.5% of formal and informal commerce of micro, small and medium-sized enterprises (MSMEs) due to the confinement.

The study further cites patterns of social, economic and gender inequality that persist in the city and that must be overcome became evident. For this recovery, a Gradual Plan towards a New Normality was implemented that combines the direct support of social programs the granting of micro-credits and unemployment insurance, with the promotion of financing and public and private investment for the development of educational, hospital, hydraulic, mobility, public space, waste management, reconstruction and social housing infrastructure.

The city’s Green Plan and sustainability initiatives are far-reaching and include programming such as:

- A Climate Plan
- Focus on Innovation
- Promoting Clean Industry
- Integrated and Sustainable Mobility
- Solar Energy Efforts
- Zero-Waste Promotion
- Biodiversity Conservation
- Rainwater Harvesting
- Improving Rivers and Water Bodies
- Social and Cultural Programming
- Events and Festivals

These are not vague inclinations about ways to improve or a checklist for the future; Mexico City’s leaders have created thoughtful plans and are already integrating them into the city’s daily workings. This sustainability-first mindset is an innovative strategy for a city, and indeed a nation’s capital, setting the tone for not only Mexico but the world to follow.

Brands in Mexico and beyond can also take inspiration from the city’s strategy to promote sustainable tourism to consumers both domestically and abroad.

**“Mexico City assumes sustainability as a guiding principle in the definition of its development policies and in its contribution to global development agendas...”**

### **The Mexican Ecological Conscience: A Predictive Model**

A recent study on sustainability published on the MDPI scientific journal platform presents a look into the future of Mexico’s ecological programs and impact based on growing consumer trends and the country’s “ecological conscience.”

It states, “The number of Mexicans who buy sustainable products has been increasing, which has led to sustainable trade. Therefore, the objective of this study is to determine which variables have a greater effect on Mexicans’ intention to buy green products, their ecological awareness, or moral obligation, and, in turn, to determine the degree to which moral obligation is affected by ecological awareness.”

A sample of 690 Mexicans was obtained, and a PLS-SEM model was applied for data analysis.

“The results confirmed that both a moral obligation and ecological awareness explain the intention to purchase green products, with ecological awareness contributing the most to the intention. Furthermore, the findings showed that moral obligation is affected by ecological awareness. The originality of the article is that it contributes to the consumer behavior literature by providing an insight for companies that manufacture sustainable products to understand and promote environmentally conscious consumer behavior. However, there are some limitations that can be addressed in future research.”



The data is easy enough to interpret, but it's looking beyond and behind the numbers that will really help brands determine how they can use it. By studying the habits of consumers, asking key questions, and inferring more reasons for their behavior, it is easier to break the mold and form new ideas about how to present your business to your audience.

**Key Question:** *Is sustainability a real movement, not just a trending buzzword? As a leader in the sustainability movement worldwide, can Mexico City serve as an example for how brands can study trends and learn what sustainable products, services, or activities their consumers are most interested in? Does Mexico's ecological conscience truly affect its consumers' purchasing habits?*

The short answer is **Yes to all of the above.**

By positioning Mexico and particularly Mexico City as not just a consumer market but a global leader in sustainability, the nation's brands are poised to educate consumers in an authentic, responsible way that will get results. Brands should be focused on how they can practice corporate responsibility while also creating products and services their consumers will respond to from an ecologically conscious perspective. Mexican consumers and those visiting the country for its beautiful landscapes, history, culture, and activities are looking for education and trust in the sustainable, "green" practices of brands and destinations. **6**



## Our tools for unlocking Human Intelligence

It's time to get creative with that message to stand out from the crowd, and that's where the team at A&P comes in.

Data and consumer research are necessary learning tools for brands, but the numbers mean nothing without looking into the deeper human behaviors that guide them. These three major industries in the Mexican and Latin American markets are evolving quickly, offering brands a chance to challenge the status quo whether they are already in these fields or not. By combining data, our proprietary tools, and our experience helping brands like AT&T, Cinionic, Mini Cooper, and many more disrupt and innovate, the team at A&P is poised to assist new partners in Mexico and beyond in growth and strategy for the future.

Our founders, the award-winning husband-and-wife team Antonio Patric Buchanan and Paris Buchanan, embody our ethos of combining sound strategy with boundless creativity to form greatness. Since their company's inception, they have curated a culture based on creativity, entrepreneurial spirit, curiosity, innovation, and a respect for every member of our global family.

A&P applies a strong teamwork mentality with a focus on diversity and technology, with members around the world communicating and collaborating through the virtual work culture. Brand strategists, designers, and futurists on the team live and work in Mexico City, São Paulo, Los Angeles, Amsterdam, Tokyo, and more. We provide brand positioning, brand strategies, messaging architectures, robust analytics, and creative ideas. However, A&P does all of this to deliver bonds built from passion, seduction, intrigue and freedom. Our creative ideas and technology exist to deliver on **continuous delight**. That delight equals more engagement, more leads, more sales, and more

brand value (increased shareholder wealth). This is true whether your brand is in the US, Europe, Asia, or LATAM; our team provides **disruptive ideas** based on their experiences from around the world.

In February 2023, the boutique brand innovation studio expanded its global footprint with an office in Mexico City. The vibrant cultural hub offers exciting opportunities for both A&P and its clients as many, such as the cinema technology producer Cinionic, have shifted supply chains and production to Latin America and South America in response to the pandemic and are experiencing exponential growth in the region. As global citizens, the team at A&P study trends and innovations throughout all corners of the world, rather than only one target market, broadening their scope of expertise and providing advantages to their clients and their own personal growth. It's no wonder the studio has been listed as the top branding agency in LA by *Clutch* and in Mexico by *The Manifest*. It has also been ranked as 27th digital agency in the world by *Agency Spotter*.

"Being recognized as the top branding agency in Los Angeles and Mexico is a great honor, but it doesn't change what we do and how we approach the work," Antonio told USA Today. "Industry recognition just makes it easier for people to find us, but we will always work to deliver the most badass work that we possibly can while going the extra mile for clients. The reason we exist is to increase the value of the brand and help the client increase shareholder wealth, and we don't lose sight of that."

A&P is excited to work with new and existing clients in Latin and South America on strategy and disrupting the current market across industries.

# INSIDE THE DATA

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ALCOHOL CONSUMPTION  
FINTECH  
SUSTAINABLE TOURISM

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MEXICO EDITION

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October 31, 2023