

## Walmart enters the credit business with its Cash app

<https://www.forbes.com.mx/negocios-walmart-entra-al-negocio-de-los-creditos-con-su-app-cashi/> Feb 6, 2022

The Walmart supermarket chain began offering loans to its customers through its Cash app platform, for which the first step was a pilot test launched last December in 30 Walmart and Bodega Aurrerá stores.

According to its CEO, Guilherme Loureiro, the company's strategy is to place the customer at the center, so they are building products and services that connect and mutually reinforce their core business.

“Last December, we launched a pilot together with a third party, to disperse credit through Cash app in almost 30 Walmart and Bodega stores. We are granting credits of up to 6,000 pesos (~\$300 US) so that customers can buy their favorite items and pay for them later,” he assured.

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Guilherme Loureiro specified that at this moment they are just beginning and the results are encouraging, however, they will continue to test the product and learn from the customer's response to fine-tune it.

Walmart launched its Cash app platform in 2018, which allows cash to be recharged in the app so that it becomes digital money with which to make payments for services, as well as purchases in its stores in an easier, safer and makes having a credit card unnecessary.

According to its financial report, the sales of Walmart de México y Centroamérica grew 4.8% throughout last year, reaching 696,711 million pesos (~\$34 M US); while its net income increased 32% to 33,435 million pesos (~\$1.6 M US).

The CEO of the company said that 2021 was another atypical year that required them to innovate and quickly adapt to the environment and the changing needs of customers, while ensuring the safety of their associates.

“We are even more convinced that customers want us to bring our stores and eCommerce businesses together, frictionlessly, to make it easy for them to shop; and we believe that we are in a unique position to offer them value through our physical and digital assets”, he stated.

And it is that, he specified, although 2021 was a difficult year to predict in all aspects, especially in eCommerce, since they did not know how customers would behave after the strong growth registered in 2020, internet sales grew 36% and now represents almost 5% of sales in Mexico, compared to 1.5% in 2019.

“At Bodega we offer same-day delivery from the store to our most price-sensitive customers through *Despensa a tu Casa* in more than 220 stores, which during the quarter represented

almost 10% of on-demand sales. We launched Walmart Pass and saw a 2x increase in purchase frequency vs. non-users. We converted 75 stores to Walmart Express.”

Guilherme Loureiro highlighted that according to Euromonitor data for 2021 they managed to increase their market share in eCommerce by 190 basis points.

Meanwhile, in its cell phone business, its virtual mobile operator BAIT added more than 900,000 new users in the fourth quarter of last year alone, reaching 2.3 million customers.

“We want to become a leading media platform in Mexico by helping brands connect with our customers more frequently and in more meaningful ways, and we are uniquely positioned to achieve this goal,” said the executive.

About Walmart’s BAIT <https://www.reuters.com/article/us-mexico-wal-mart-mexico/walmarts-mexico-unit-rolls-out-mobile-phone-service-idUSKBN23O32J>

WM now offers home internet service in MX <https://mexicodailypost.com/2021/06/29/telmex-trembles-walmart-will-offer-internet-for-homes-in-mexico/>