

Table 9: FURNITURE DISTRIBUTORS

Chain	Area	# of Stores	Square Metres	Sales
Department stores				
Palacio de Hierro	Mexico	4	63,500	\$215 MM *
Puerto de Liverpool	National	8	136,000	\$421 MM *
Sears	National	37	134,000	
Almacenes García	National	18	21,320	
Almacenes Zaragoza	Northwest	7	15,700	
Casa Rodoreda	Centre	3	10,337	
Central Detallista	Northwest	12	29,000	
José Ramírez	Gulf	12	7,900	
Puerto de Guaymas	Northwest	10	31,150	
Grupo Acevedo	Gulf	8	16,100	
Grupo del Sureste	Southeast	7	12,200	
Importaciones Comer.	Caribbean	5	8,300	
Ciudad de París	North	4	12,000	
Sanborn's	National	54	55,042	
Super del Bajío	Centre	5	7,950	
Woolworth	National	46	69,947	
Chain stores				
Salinas Y Rocha	National	87	108,171	
Singer	National	117	23,424	
Super Hogar	Mexico	12	10,250	

The areas listed include the following states:

North: Nuevo León, Chihuahua, Durango and Coahuila;
 Northwest: Baja California, Baja California Sur, Sonora and Sinaloa;
 Northeast: Tamaulipas; Centre: Jalisco, Nayarit, Guanajuato, San Luis Potosí and Michoacán;
 Gulf: Veracruz and Tabasco; Caribbean: Yucatán, Quintana Roo.

* The sales are of the largest department stores that participate in the Mexican Stock Exchange

Source: ANTAD

In the case of imported products, the exporter usually ships the products to a distributor or a representative in Mexico. In some cases, the supermarket or department store chain or the specializing chain store imports the product directly, often through a representative or broker in the United States. Imported products are sold mostly in Mexico City and other large urban areas through supermarkets, department stores and chain stores. This accounts for some 80 percent of imported products sales. Small retail stores in Mexico carry only limited inventories, if any, of imported products.

Promotion of furniture is mostly done through use of a direct sales force, followed by participation in national and international exhibitions, and the use of newspaper, radio, TV and magazine advertisements.

The commercial profit margin is usually about 42 percent on the cost and 30 percent on the sales price. Distributors purchase household goods with either cash or credit, in similar proportions. Final sales are usually made in cash or with credit cards. Credit is usually granted for periods of 30 days.

The private sector distribution channel, which accounts for 90 percent of sales (the remainder is through government or union stores), is strong and adequate. It is, however, very centralized in the Mexico City area.

To get their products to national markets, many companies maintain regional warehouses and some have plants in different areas of the country. Most national chain stores have their main purchasing offices in Mexico City, where the initial sale and contact is made, but regional purchasing offices are responsible for re-supplying. Others operate their own fleet of trucks to deliver to major market areas where products then move into wholesale/distribution channels. Some companies even ship directly to their clients through the normal transportation network.

The cities which show the highest consumer indexes of non-durable goods are Mexico City (39 percent), Guadalajara (7 percent), Monterrey (6 percent), Puebla (4 percent), and León, Tampico and Culiacán (2 percent).

Commercial establishments are grouped in several chambers of commerce and associations, the most important of which are the national chambers of commerce, which are all associated within the National Confederation of Commercial, Services and Tourism Chambers (CONCANACO-SERVYTUR); Mexico City Commerce, Services and Tourism Chamber (CANACO); and ANTAD.

According to a survey made by CONCANACO in the Mexico City area, most furniture stores source themselves directly from the producer, although some 30 percent purchase from wholesalers. At the same time, about 50 percent of stores that purchase imported furniture do so from local distributors rather than by importing directly.