

## RETAIL STORES

The Mexican retail sector is highly diverse. On one hand, it has a very large number of small retail outlets often referred to as "mom-and-pop" stores. There are almost 300,000 retail units and the population per unit is only about 300, compared with about 900 in Canada. On the other hand, the market is dominated by very large retail supermarkets. Major supermarkets make up only about 5 percent of retail outlets, but account for 40 percent of sales. Experts predict that the market share of supermarkets will expand further to about 70 percent over the next several years.

### OVERVIEW OF THE MEXICAN RETAIL SECTOR

Type of outlet	Typical size	Number of outlets
Hypermarkets	>1500 sq. metres	445
Supermarkets	<1500 sq. metres	1,215
Large traditional stores	One check-out	17,341
Small traditional stores	One clerk	154,522
Small kiosks and stands	n/a	98,472

Source: Canada Pork International, Ottawa, 1994.

There are five very large supermarket chains in Mexico. Three of them, *Grupo Cifra*, *Gigante* and *Comercial Mexicana* operate on a national basis. Mexican supermarkets typically devote less than one-third of their space to food products. Health and personal care products use about 30 percent of the space, with another 40 percent allocated to other non-food products, including clothing.

The large supermarket chains also operate other types of stores, including *bodegas*, warehouse stores, offer lower priced products to lower-income customers.

Large American retail chains including Wal-Mart, K-Mart, Woolworth, Fleming Companies, Nash-Finch, Smart and Final, as well as Price Club have entered the Mexican market, either on their own or in partnership with Mexican retailers.