

FORMAL SECTOR

At the other end of the spectrum are the mega-markets (more than 10,000 square metres), hypermarkets (more than 4,500 square metres), and supermarkets (more than 500 square metres). Warehouse stores of up to 2,500 square metres often feature no-frills volume sales. Department stores, super pharmacies, membership clubs and specialty stores round out the formal sector. Convenience stores are relatively new in Mexico, but have grown rapidly. These stores cater to relatively affluent Mexicans, and many of them are operated in partnership with US-based retailers.

There is a total of nearly 300,000 retailers, and the population served by each is approximately 300, whereas in Canada the figure is 900. Nevertheless, this market tends to be dominated by very large supermarket chains, with the leading chains accounting for only about 5% of the stores, but 60% of sales. Sector experts predict that the supermarkets share will increase even more, up to about 70%, in the coming years.

WANT MORE INFO?

CLICK BELOW

- Agri-Food Trade with Mexico, pg 10
- Export-It, Business Guide Distribution Channels, pg 12
- USDA Foreign Agricultural Service, Food Market Report - Mexico

Three of the largest Mexican chains, *Grupo Cifra*, *Gigante* and *Comercial Mexicana*, which have stores nationwide, are the main sales outlets for imported foods. Mexican supermarkets usually devote less than one third of their space to food products. Health and personal hygiene take up approximately 30% while the other 40% goes to other non-food products, including clothing.

Some of these retailers purchase directly from foreign suppliers. This is most common for the larger supermarket and department store chains. Increasingly, retailers are trying to simplify their purchasing procedures by dealing with a smaller number of distributors. Privately-branded merchandise is a notable exception to this trend. When they do buy direct, most retailers expect to take title to the goods at their premises, and they commonly expect separate deliveries to each store.

For a detailed list of Retailers in Mexico, please follow this link to [Annex 2](#)

FOOD SERVICE ESTABLISHMENTS

The food service marketplace includes more than 150,000 outlets. There is a wide range of marketing styles catering to different socioeconomic groups:

- **FONDAS:** are traditional Mexican restaurants, which cover a wide price range;
- **CANTINAS:** are bars, where traditional food is served free as long as the customer drinks;
- **COMIDAS:** are restaurants that have a limited selection of food at a fixed price;
- **TAQUERÍAS:** are taco restaurants.