MARKET ENTRY STRATEGIES

Partnering with a Mexican company is the most popular way for small-to medium-sized Canadian companies to enter the Mexican market.

Canadian companies wishing to sell their products in Mexico usually find that establishing a local presence is an essential first step. This is especially important in the safety and security market because prestige is an important purchasing factor. Buyers and distributors who were interviewed for this publication said that Canadian products meet the quality and image requirements to become leaders in the market. As they see it, the main problem is that Canadian companies have too low a profile and have not aggressively promoted their products.

PARTNERING

An effective way of establishing a presence in the market is to form strategic alliances or partnerships with Mexican distributors or agents. Distributors compete by offering wider and better product lines to their clients. Free technical assistance, consulting services and training are other important selling features. Canadian technology can help local distributors to meet these requirements and, in return, they can offer access to the local market.

Mexico has a complex industrial structure and it is in a state of rapid reorganization as a result of trade liberalization and the peso crisis of December 1994. To establish a strong local presence, Canadian companies must often look for several agents and distributors who can cover different sectors and different parts of the country.

GOVERNMENT PROCUREMENT

In most cases, government institutions do not have centralized purchasing departments. As decentralization of key sectors such as education, energy and social security becomes a growing trend, companies must be informed of where to find information. Personal sales and contacts may help. Checking the *Diario Oficial*, National Gazette, especially since the new security plan came into effect, is a good way to identify and possible public tenders. This information is also available in Canada through the open bidding service (OBS).