

MARKET PROFILE — DEL MONTE MÉXICO

Activity at *Del Monte México's* plant in Irapuato in the State of Guanajuato varies according to the season, but its annual capacity is approximately 25 million boxes of canned or bottled fruits, vegetables and sauces. Much of the equipment is rebuilt by Del Monte U.S. and shipped down to Mexico. In fact, the Mexican company will usually try to locate machinery at other plants rather than buy new. In a recent renovation, the Irapuato plant's capacity was increased by 20 percent with a US \$3 million investment, and labour costs are expected to fall by 50 percent.

Canadians wishing to sell into *Del Monte México* will need to provide equipment that is compatible with existing machinery. Packaging materials are the standard tin cans, glass jars and cardboard, but it is running tests to use PET containers supplied by the U.S. parent. The biggest obstacle to automation, says *Del Monte*, is the lack of trained labour and government incentives to help finance new, high-technology purchases.

PROTOCOL

While Mexicans can be quite informal when conducting business, they also observe formalities that Canadians usually give little thought to. Professional titles are a case in point. Titles indicate a person's university achievements, though not necessarily his or her current job. A *Licenciado (Lic.)* in Mexico refers to a person who has completed a *Licenciatura* or undergraduate studies. *Ingeniero (Ing.)*, engineer, is another common title, and these professional titles are often used in lieu of *Señor*, *Señora*, or *Señorita*, followed by the surname, such as *Ingeniero González*.

Finally, a key-client large food-processing company may suggest particular distributors with whom they prefer dealing. When choosing a representative, consider these points:

- the extent of the region that can be covered
- the price mark-up
- the capability to adequately promote and advertise equipment
- competitive products carried by the distributor
- the ability to offer after-sales service

PROMOTING THE PRODUCT

Promotion is an important aspect of getting products accepted and purchased in Mexico. Though this responsibility is often relegated to a local representative, Canadian exporters should be aware of the various promotional options and costs. Few distributors have the budget to adequately promote products on their own. A promotional plan should be jointly developed by the manufacturer and distributor and an agreement made as to which partner will bear these marketing costs. Food processing equipment is typically promoted through:

- specialized trade shows
- trade magazines and publications
- seminars
- product literature

TRADE SHOWS

Trade shows are a popular forum for executives to meet in Mexico, to gather information on new technologies and to assess opportunities without having to commit themselves. With the relaxation of trade rules and the lowering of tariffs, there have been an increasing number of trade shows in Mexico, and it has a well-established infrastructure for mounting these expositions. Mexicans frequently travel abroad to trade shows to keep abreast of developments in their respective fields, although they may be less able to do so since the devaluation.

Concurrent seminars and workshops are often used by exhibitors to provide greater detail and explanation to a potential client on the merits of the new technology being offered.