

THE CANADIAN EXPERIENCE — MR. JEFF INC.

Expertise in short production runs

Gordon Robinson of Mr. Jeff Inc. believes in doing his homework. He has been scouting around Mexico for a couple of years looking for opportunities. Mr. Jeff is a manufacturer of men's shirts and knitted goods, and Robinson was initially interested in Mexico as a source of low-cost labour. He discovered that at the volumes he was interested in, such as 50 dozen of any one style of shirt, the cost was not competitive. He explains: "the ... *maquiladora* operations are very efficient but they are set up to do very large volumes of the same product. They are not really set up to do flexible manufacturing."

He found that the smaller manufacturers and sub-contractors which should be better able to handle smaller volumes are only just beginning to respond to competitive pressures. In many cases, they do not have the money or expertise to produce a competitive product. In addition, their access to competitively-priced imported fabrics is limited by minimum order requirements.

Robinson was aware that Canadian manufacturers face this same sourcing problem and perceived this to be an opportunity. He found a non-competing Mexican manufacturer with whom he could split orders. Mr. Jeff can now acquire competitively-priced fabrics and, at the same time, it has established a toehold in the Mexican market.

Robinson believes that Canadian companies have valuable expertise in short-run, private label products that will become increasingly valuable in the Mexican market. Canadian apparel technology, by necessity, is oriented towards short, flexible production runs and fast turnaround to the retailer's needs.

Mexico is just beginning to develop private label programs. Robinson thinks that the low- to mid-range stores will try to source their labels in the Far East, but he sees opportunities for Canada in the mid- to high- end of the market. Robinson hopes to engage other Canadian private label manufacturers to work with a select group of Mexican manufacturers to develop a private label program.

SEASONAL DRESSING

The climate throughout Mexico is temperate, although some parts of the country have periods of cool weather, particularly in the evening. There is a limited market for heavy outerwear. For example, Mexico imported US \$5 million worth of fur garments in 1992. Less-variable weather means that buying seasons are longer. There are two main market seasons: fall/winter and spring/summer.

SIZING

On average, Mexicans are physically smaller than Canadians, so a larger percentage of small and petite sizes should be anticipated in orders from Mexico. There is also a market for larger-size petites.

FABRIC CHOICE

Traditionally, polyester and poly-blends have been the most popular fabrics, because of their easy care and lower cost. As consumers have become more affluent and more fashion conscious, natural fabrics are becoming more popular. Fabrics with growing market shares include cottons, lighter-weight woollens and linens.

MARKET SEGMENTATION

The apparel market can be segmented for analytical purposes by both gender and age. Children's clothing is defined as garments intended for children under 14 year of age. The markets for men's and women's clothing are subject to different influences and they are examined separately in the sections that follow.

APPAREL SUB-MARKETS IN MEXICO, 1992

Category	Percentage
Women and girls	58
women	35
girls	23
Mens and boys	42
men	25
boys	17
Total	100%

Source: *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development, data cited by the U.S. Department of Commerce.