

SURVEY RESULTS

Buyers of wastewater goods and services in Mexico have repeatedly emphasized several issues. The points raised by the companies contained in this report provide important insights for Canadian companies wishing to take advantage of the Mexican market for environmental — and specifically wastewater — goods and services. They include:

Quality is critical:

Almost all companies identified product quality as the single most important factor in the purchase decision. The private sector is increasingly aware that pollution of water resources may eventually result in plant closure. Companies that have decided to take action to avoid such problems wish first and foremost to ensure that their wastewater equipment purchase will allow them to meet — or surpass — environmental requirements. As a result, quality and reliability are critical.

Almost all of the companies listed in this report believe that foreign vendors offer wastewater goods and services superior to that of local suppliers. Additionally, there is a strong perception that most Mexican vendors lack experience in the wastewater field. Given the preference for quality, Canadian suppliers may wish to take advantage of these perceptions in their marketing efforts.

Solutions oriented:

In general terms, Mexican companies are searching for environmental solutions as opposed to specific equipment, product, or component items. Several of the companies contained in this report demand guarantees that installed equipment will allow the buyer to meet discharge regulations; that is, they are demanding that the supplier sell them a solution to a significant problem. Even companies that do not demand such guarantees have expressed a preference for companies able to guarantee and service their work.

The desire for a “total solution” is compounded by a lack of knowledge of wastewater management. Buyers — even in larger companies — rarely know what kind of equipment they require. Buyer education will be important particularly with smaller companies.

Compact solutions:

Many plants, particularly those located in larger metropolitan areas, suffer from a lack of space. These companies often require compact wastewater treatment solutions. As a result, detailed and innovative design is frequently a requirement for these customers.

Water resources:

Many companies view wastewater equipment as the first step in the implementation of a full water management program. While 72% of companies expressed an interest in wastewater equipment, another 39% also indicated that water recycling equipment is a probable future purchase.

Mexican companies consider water recycling a money saving strategy. With the cost of water averaging 4.4 NP/m³, annual expenditures on water are significant. In fact, some companies have expressed a willingness to redesign their entire production process to reduce water costs.

Local market presence:

While most companies acknowledged that foreign technology was superior, very few companies were willing to buy from a supplier without a presence in the Mexican market. Several companies have also mentioned that they prefer to buy from a company that has already completed a project in Mexico. As a result, Canadian companies will find it essential to make a firm commitment to the market. Potential strategies include a distributor, representative, joint-venture partner or establishing a local office.

Financing is preferred:

Most companies interviewed suggested that financing would have some impact on the buying decision. Many of the exceptions belonged to large Mexican conglomerates or multinational parents. Preferred financing periods average approximately five years.

Lack of promotion

Canadian companies suffer from a lack of promotion in the Mexican market. Not one Mexican company interviewed for this report was able to name a Canadian supplier active in the wastewater field. In order to be successful in the Mexican market, Canadian companies will need to significantly increase their marketing efforts.