

- *Grupo Cifra*, Mexico's leading retailer, has entered into a joint venture with Wal Mart. They plan to invest US \$800 million in the next three years primarily in discount stores and supermarkets. This will increase *Grupo Cifra's* sales space by more than 50 percent. *Grupo Cifra's* annual sales in 1992 were US \$3.7 billion through 238 stores, mostly in Mexico City.
- *Gigante*, Mexico's second-largest chain store, plans to open warehouse stores in association with Carrefour of France. *Gigante* has 236 stores with a broad national coverage. In addition, it has a joint venture with Fleming Co. to establish discount stores.
- *Comercial Mexicana* and Price Club/Costco opened warehouse stores in 1991 and continue to seek new opportunities. *Comercial Mexicana* controls the chain of supermarkets, *Sumesa* and Price Club. It has 133 stores in 30 cities. Sixty-four percent of its floor space is located in or near Mexico City.
- *Sears de México*, Sears Roebuck's Mexican operation, will spend over US \$35 million over the next five years opening five or six new stores per year.
- Dillards and J.C. Penney plan to open stores in Mexico in 1995. Dillards now has a joint-venture agreement with *Grupo Cifra*.

CATALOGUE SALES

Direct mail and catalogue sales are not a big business in Mexico. Catalogues and mailings are used occasionally to advertise products but most retailers expect the customer to visit the store. One reason is that package delivery services, such as UPS, are not well-developed. Nieman Marcus, the Texas-based, up-scale retailer and direct-mail house, introduced its catalogue to the Mexican market in 1994. It offers an 800 number with bilingual operators and has priced its goods to include transportation, duty and the *Impuesto al Valor Agregado (IVA)*, value-added tax. Its progress will be closely watched by others in the direct-mail business.

DIRECT SALES

Direct sales are much more common in Mexico than they are in Canada. Direct-sales operators conduct home parties and sell direct to individuals at the office or home. Companies like Avon and House of Fuller manufacture full lines of clothes for distribution through their own representatives.