

## FOOD SERVICE ESTABLISHMENTS

The food service marketplace includes more than 150,000 outlets. There is a wide range of marketing styles catering to different socioeconomic groups. *Fondas* are traditional Mexican restaurants, which cover a wide price range. *Cantinas* are bars, where traditional food is served free as long as the customer drinks. *Comida Corrida* are restaurants that have a limited selection of food at a fixed price. *Taquerías* are taco restaurants.

These traditional operations are being challenged by a number of modern outlets. They include cafeteria restaurants, chain restaurants and fast-food outlets.

Cafeterias include *Sanborn's*, *Lyni's*, *Vips*, *Wings* and *Toks*. Chain restaurants include *Grupo Polinesio*, *Grupo Anderson*, and *Angus/Yuppies*. Fast food outlets include KFC, McDonald's, Burger King, What a Burger, Dominoes and Pizza Hut.

By law, all restaurants are supposed to be registered with the *Cámara Nacional de la Industria de Restaurantes y Alimentos Condimentados (Canirac)*, National Association of the Food and Restaurant Industry. Other associations cater to specific sections of the industry.

## WHOLESALERS

Wholesalers take title to the goods at a pre-agreed point, usually when they cross the border or when they are delivered to a warehouse in Mexico. They re-sell the product on their own account, mainly to retailers. They are generally free to set prices and determine their own promotion policies. Wholesalers do not generally expect service, other than honouring warranties. They take all of the responsibility for marketing within Mexico. This is an advantage considering the relatively large amount of service that Mexican retailers require. Their disadvantage is that they carry competing lines, and they may not aggressively — or correctly — promote the product.

There are about 22,000 small wholesalers focused on supplying about 400,000 *abarroteros*, corner convenience stores. Some of them also sell to retail customers. While manufacturers can sell directly to these wholesalers, it is more common to use distributors.

Club stores, which are relatively new to Mexico, have become an important form of wholesale distribution. The two largest are Sam's Club with 28 units and Price Club with 13 units. They target mainly the grocery, food service and business supplies markets. Sam's has become a major player in the restaurant industry, serving more than 31,000 restaurants.