



Export Express

Insights to Accelerate International Expansion



Our Mission: Help Manufacturers “Spend time **Selling** to Distributors versus **Searching** for Distributors”

Looking for New Distributors?

How about 9,500? Export Solutions distributor database has helped 3,000 brand owners in 15 years speed up the process of finding qualified distributors. Our database covers an average of 85 distributors per country of supermarket type products for 96 countries. Search by country, category, brand name, or country of origin. Experts for Europe, Middle East, Latin America, and Asia with complete regional coverage. “Spend time *selling* to distributors versus *searching* for distributors.”

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**“The Right Way” –
New Country Launch**

Mexi-Grow



Nearshoring to Mexico is accelerating following the supply chain crisis during the pandemic era. Manufacturers of all types are rapidly shifting production from Asia to take advantage of shorter replenishment cycles, low labor costs, and favorable trade conditions created by the US-Mexico-Canada agreement (USMCA). Bustling Monterrey appears a mere 130 miles away from the USA border. This creates an ideal factory location when measured against 8-10 week transit times from Asia.

130 Million Reasons

Many brands appear exhausted by chasing BRIC dreams in China and India. Along the way, many have undervalued the “miracle called Mexico.” Mexico is blessed in many ways: beautiful beaches stretched along 5,600 miles of coastline, rich mineral resources (oil) plus a convenient location just south of the USA border. Mexico’s population of 130 million ranks 10th in the world, roughly equivalent to the UK and France

combined. GDP per capita of \$19,100 signals a good level of purchasing power, eliminating comparisons with poor countries like Indonesia and Vietnam. Another factor is more than 2,500 large format stores including Walmart, Costco, and HEB.

4 Regions – 32 States

Mexico features 32 states

Mexico Fast Facts

Population	130 Million
GDP per capita (ppp)	\$19,100
Population under 25	46%
Supermarkets	2,500
Distributors	192

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Mexi-Grow

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segmented into four district commercial zones. The wealthy North region, close to the USA border, enjoys the highest purchasing power and best acceptance of USA products. Popular beach destinations like Cancun and Cabo San Lucas feature substantial foodservice opportunities. Mexico City is the capital, with a population exceeding 22 million. European brands perform better in this business hub. The southern border areas remain poor, a stark reminder that Mexico is not just glitzy new shopping malls

Consumer Habits

Thank you Mexico for "Taco Tuesday" and the global popularity of their special cuisine. As you stroll the aisles, other categories are stocked with familiar global names. In fact, categories like cereals, snacks, and carbonated beverages enjoy some of their highest category development in the world. A recent trip revealed mainstreamed acceptance of natural and organic food products, with broad assortments, at least in Mexico City. Club stores like Sam's and Costco serve as showcases for most leading USA brands.

Walmart = \$37 Billion Leader

Walmart operates more than 2,900 stores across 5 formats, registering an impressive \$37 billion in sales. Some may

be surprised to learn that Bodega Aurrera is their leading banner, with more than 2,300 value-oriented outlets. They also operate 303 Supercenters and 101 upscale supermarkets called Walmart Express. Watch out: A standard service in Mexico includes dedicated merchandisers responsible for shelf stocking. Walmart may tempt some companies with direct purchases, but your brand may not escape the back room without merchandisers. Our retailer database tracks 70 unique banners in Mexico.

192 Distributor Options

Export Solutions distributor database covers 192 distributors in Mexico. This includes a broad assortment of category specialists of all sizes. Many enjoy large portfolios of USA or European favorites. Another option is to partner with a large Mexican producer who may be willing to pioneer your brand. Note: Most distributors are based in Mexico City or Monterrey, close to leading customers. Beware of border "traders" with elaborate stories and an appetite for English language packaging.

Lessons Learned

Many brands fail in Mexico. Post mortem analysis usually shifts blame directly to the manufacturer. Mexico is a large

country that politely requires an amount of TLC. Cost of entry is rational, with a discount structure built in the price list. However, manufacturers should hire a local manager or at least commit to visit four times per year. A year round, in store activation plan, is required. It is not an extreme challenge for a good brand to gain access to the shelves of the retail giants. However, without investments in marketing and "pull" activities, your brand will soon disappear. This all sounds fundamental, but you will be shocked by the number of overseas brands that sell to a Mexican distributor at dead net price and never visit and wonder why their sales are so low.

Mexi-Grow- Next Steps

The future looks bright for Mexico. Its 130 million consumers maintain familiarity with many global brands from cable television or from more than 40 million people of Mexican descent living in the USA. Many international brands sell to Mexico, but the business is small relative to potential. Time to evaluate strategies to accelerate your business before the country is spoiled by retailers with excessive cost of entry requirements. Export Solutions has conducted more than 10 Distributor Search projects in Mexico. We can help!

Top 10 Mexican Retailers (source: Export Solutions Retailer database)

Retailer	Owner	Format	Stores
Bodega Aurrera	Walmart	Multiple	2,300
Sams Club	Walmart	Club	168
Walmart Supercenter	Walmart	Hypermarket	303
Walmart Express	Walmart	Supermarket	101
Soriana	Soriana	Multiple	801
La Comer-City-Fresko	La Comer	Supermarket	80
Oxxo	FEMSA	Convenience	21,000
Chedruai	Chedruai	Supermarket	338
Costco	Costco	Club	40
HEB	HEB	Supermarket	76