

Transformations in Food Supply In Mexican Cities

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Big supermarkets are the main places for food shopping in Mexico today.

BACKGROUND

More than 70 percent of Mexico's population is urban, and approximately 56 percent lives in metropolitan areas. This demographic concentration affects the organization of consumption and the supply of foodstuffs, which can be observed in consumers' travel through cities themselves and in store location.

The transformation of the model of our cities and the activities that make them functional is associated with the dynamics the economy imposes on territorial organization. This means that the food supply pattern in Mexico is established in the metropolises and from there reproduced in smaller urban areas.

For example, shopping centers, located originally in traditional urban areas and then spreading outward toward peripheral population centers contribute to diversifying the food supply. The unlimited shopping hours typical of this kind of store make it possible for workers to do their daily purchases with greater freedom when returning home. At the same time, the new residential areas in the cities' peripheries force people to change their behavior to acquire what they need and make large food purchases on pre-established days.

In many cases, the population's mobility within the city and its new supply needs make building new malls that include large supermarket chains an attractive investment. So, downtown areas stop being the first option for doing the family shopping, and these establishments move to new

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locations where potential buyers meet. Distance and time factors make it necessary to change the volume of purchases: the previous behavior of making small purchases daily changes to doing a larger, weekly shopping expedition, although this is always subject to income possibilities. This creates greater fragmentation in the urban space, given that what is functional for this is the isolated hypermarket, which replaces small retail shops.

The city's supply networks, where different companies compete for consumers, seek points of convergence through diversified selection of products to attract buyers. This segregates traditional grocers but does not eliminate them: sometimes, they respond to the population's mobility and new purchasing habits by implementing mechanisms to keep up to date, like home delivery, among others.

The complexity of the population's consumption and concentration requires that cities increasingly specialize in the service economy. This means that in urban areas, businesses orient primarily to attending to these needs and prefer to locate around a regional or sub-regional market area, where large food stores are subject to zoning laws.

As I already mentioned, the advance of the service economy in cities and new food supply patterns are linked to Mexico's urbanization process. In 1950, 49.7 percent of the country's population lived in areas with more than 15 000 inhabitants; in 1990, this number had climbed to 60.6 percent. The number of cities with 15 000 inhabitants or more jumped from 82 in 1950 to 275 in 1990. Between 1950 and 1990, the population living in cities of more than 500 000 inhabitants went from 12.96 percent to 36.60 percent. This is the same as saying that 21 years ago, one out of every three Mexicans lived in cities of more than a half million inhabitants, and one out of every two Mexicans lived in cities with more than 100 000 inhabitants. International changes have led the country to change its style of development, to restructure its economy, and, as a result, to change patterns of organizing its

national territory. The essence of this change is the way of producing and distributing goods and services in the world; the globalization of the world economy implies a change in the way of conceiving of development and, therefore, of producing and relating to the rest of the territory.¹

Metropolitanization in Mexico dates from the 1940s, when Mexico City, Monterrey, Orizaba, Tampico, and Torreón surpassed their own political-administrative boundaries. In 1978, a first study stated that Mexico had 12 metropolitan areas; by 1986, there were 26; the National Urban Development Program 1995-2000 detected 33; but they increased to 38 in 2002. And by 2005, there were 56, home to 41.2 million people, or 42 percent of the entire country's population and 67.7 percent of its urban population. This process indicates the leading role that metropolitan areas have taken on in the national urban system.²

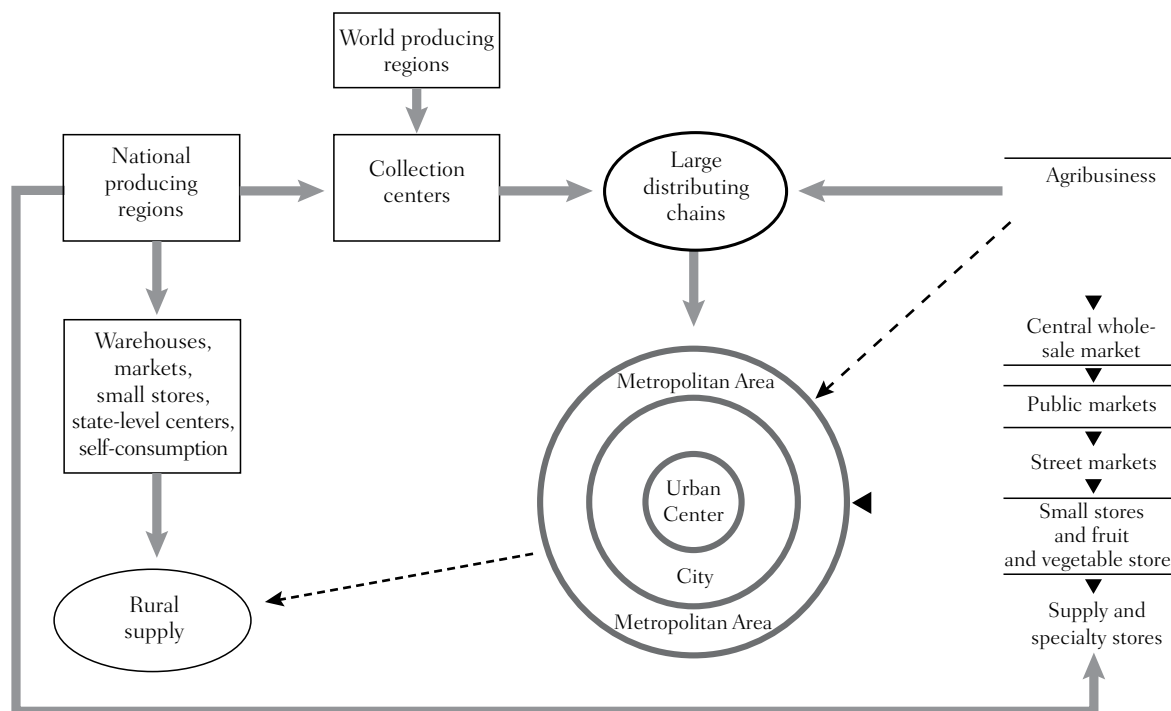
By 2010, the country continued with 56 metropolitan areas, which concentrated 56 percent of Mexico's total population, 79 percent of the urban population, and generated 79 percent of gross domestic product.³ This has meant that Mexico's demographic profile has become predominantly metropolitan. The country's main cities are metropolitan areas providing goods and services and are the driving force behind national and regional growth. Each region has one or more metropolises that play a central part in the economy and in the supply of social satisfiers.

FOOD SUPPLY AND ITS FUNCTIONALITY IN THE CITY'S CHANGES

Population movements demand a new territorial distribution of stores where they co-exist with the old, traditional systems. The modern entrepreneur transcends the regional and national supply spheres to incorporate the international level, given the competition from companies because of the demand for purchases concentrated in the cities. At the same time, he/she introduces new products and forges a consumption pattern that not only includes the cities, but the entire country.

In open economies, some characteristics of the old food-supply models are maintained, but the current model has presented some changes in the intermediation phase. Large, modern retail stores decrease their commercial relations with the old central wholesale markets and deal more directly with brokers (commercial intermediaries) and national and international producers.

HEGEMONIC PATTERN OF FOOD SUPPLY, OPEN ECONOMY PHASE IN MEXICO



Source: Designed by the author.

The main distributing companies exert pressure for developing innovative sales technologies and other strategies, like consumer credit systems, zero inventory control (that is, the control of merchandise stocks in the store's warehouse), marking prices using bar codes to increase the check-out speed, making cash available to the customer and accepting payments for municipal services at the check-out counter, etc. This attracts customers and consolidates the store's portfolio. However, it also displaces small establishments that cannot maintain the quality of service, supply, and competitive prices.

In Mexico, supermarkets were consolidated between 1970 and 1980. The new food distribution system implied changes in consumer habits, health, and eating, leading to a decline in traditional forms of retail sales.

It is possible to make this pattern flexible by integrating chains with a small-store format to satisfy needs the big supermarkets cannot cover. This system operates mainly at sales points on large, well-traveled streets for non-perishables like beverages and snacks for nighttime consumers, or also for what are called "forgotten items," that used to be purchased in small, neighborhood corner grocery stores.⁴

This explains the almost unlimited growth in the number of self-service stores in Mexico's main cities; there are more of them than really demanded locally, and so they saturate the commercial landscape. We can also observe the creation of new forms of markets, the dizzying development of new sales technologies, the design of organizational and internal security strategies, local firms being absorbed by international chains, and their proliferation in all the cities, breaking the barrier separating consumers by income level.

Self-service stores are the model of the new system of food distribution in cities, and this has been made possible thanks to their ability to adapt to the needs of the urban consumer, who requires flexibility in different aspects of his/her

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demand. These establishments originated in the United States with trading posts that sold everything from rifles to wheat flour under a single roof with direct consumer access to the products. The spaces used were abandoned factory warehouses that allowed for the massive exhibition of simple, inexpensive installations, or venues located along big highways that guaranteed a greater flow of clientele and the reduction of transport in shipping merchandise. The automobile, for its part, made it possible to locate these establishments in the suburbs, while the appearance of the electric refrigerator guaranteed storage in optimal conditions for the foodstuffs acquired. From that moment on, diversification, flexibility, expansion, and the permanent adoption of new sales technologies were distinctive traits of the model.

THE TRANSITION TOWARD A NEW FOOD SUPPLY MODEL IN MEXICO

In Mexico, supermarkets were consolidated between 1970 and 1980 with emigration from the countryside to the cities, rapid urbanization, demographic growth, increased purchasing power, and demand for jobs. But it was also thanks to technological advances in domestic services and communications.

The new food distribution system in the city implied changes in consumer habits, health, and eating for the country's urban population, leading to a decline in traditional forms of retail sales. Supermarkets implemented new strategies by looking for different niches and creating stores that offered other kinds of items like organic, health, and imported foods.

Specialized stores offer personalized service, higher quality fresh foods, a wide selection of wines and cheeses, and gourmet take-out, among other items; they even encourage buyers to spend more time on their premises eating and enjoying themselves.

The aisles in a typical central store (the first store opened by a company) are replaced with a bakery, a cheese and cold-cuts section, fruits and vegetable section, and meat, chicken, fish, and seafood counters. Another strategy consists of increasing the amount of take-out food. These establishments start off from the idea that today's customers are smarter and have less time, and that they can be secured as clients based on competition. Therefore, the survivors are the ones capable of merging, setting the goal of capturing specific consumer segments, and increasing their technological base for improving customer service.

One important factor for success of the new model has been its ability to introduce quick changes in consumption patterns when changes in eating habits are by definition usually slow; for example, changing from one brand of instant coffee to another, from one kind of lettuce or fresh tomatoes. However, given the dizzying changes in open economies, the consumer needs to satisfy individualized kinds of demand.

The modification of Mexico's food supply pattern, in addition to being influenced by gradual changes in consumption patterns, consists of more diversified supply, a wider selection; the spread of stores located on thoroughfares in cities and metropolitan areas where several firms can coincide; shorter distances that make it possible to serve the customer in less time; the rapid acceptance of products with new characteristics, as long as they fulfill pragmatic demands; a facility for changing brands; only slightly regulated product contents; greater standardization of quality; and the differentiation in choice made by each individual.

The pattern of food consumption in Mexico is now diversified in product presentation and homogenous in terms of supply, with innovative supply systems and highly susceptible to international influences. It does not completely destroy local traditions, but adapts them to the pragmatism of the new mass consumer markets.

The new dominant model for food supply in Mexico has the following characteristics:

- a) It follows guidelines in which successful supply is that which satisfies the needs of pragmatic consumption; this is based on prepared, processed, ready-to-serve products requiring no additional work at home in preparation, consumption, and after consumption.
- b) In some cases, because of its pragmatic structure, it is relatively indifferent to the quality of content, to the extent that it combines substitutes with original prod-

ucts without subjecting them to strict regulations for consumption.

- c) There is a permanent or occasional presence of so-called junk foods that are part of what the middle and lower classes eat, particularly children and young people, though their consumption is sensitive to income variations.
- d) The food market is dominated by certain brands, whose image is well positioned among consumers, who prefer them over other brands. Among them are low-calorie products, but also natural or health foods, particularly those rich in fiber, which must jibe with an idea of well-being and health as a symbol of success for some social groups of today.
- e) Consumption outside the home is constantly on the upswing.
- f) It incorporates the international component in consumption habits, but does not eliminate local diets, given that the transition occurs in the framework of open economies, where all deep-rooted consumer preferences can be commercialized.
- g) It is by definition socially segmented, but these segments of consumers take advantage of the model as long as they are informed and maintain a constant income.
- h) It is characterized by the diversification in presentation and the combination of existing products more than by creating new ones. Even though new products are constantly made available, they generally have few possibilities of success in the market.
- i) It adjusts to the handling and norms of modern distribution apparatuses, publicity, and the new technological advances in the midst of which it is evolving.
- j) It influences the generation of new diseases linked to the product formula, usually oversaturated in fat, white or processed flour, and sugar.

CONCLUSION

The dominant pattern in food supply is essentially urban and metropolitan, made up mainly of self-service chain stores operated by different firms in networks. They have supranational dynamics that break down both regional borders and traditional models—although the latter have not been totally eliminated—by supplying urban spaces using more competitive sales technology, innovations in inventory control and

The dominant pattern is essentially urban and metropolitan: mainly self-service chain stores operated by different firms in networks with supranational dynamics that break down both regional borders and traditional models.

price marking, plus their capacity for modeling local consumption patterns in accordance with socially and territorially segmented demand. They optimize shopping time and diversify supply in a way traditional channels cannot, in accordance with the new needs of a more demanding urban society. ■■■

NOTES

¹ See María Eugenia Negrete, “Evolución de las zonas metropolitanas de México,” Carlos Garrocho and Jaime Sobrino, comps., *Sistemas metropolitanos* (Mexico City: El Colegio de México/Sedesol, 1995).

² Ibid.

³ Between 2000 and 2005, the population of the metropolitan areas increased from 53.3 to 57.9 million, making for a 1.5-percent average annual growth rate, half a point above the national average of 1.0 percent. These areas went from representing 54.7 percent to 56 percent of the national population and contributed 79.3 percent of its total growth; this led to an expansion of their basic needs and a more efficient way of supplying them.

⁴ A “forgotten item” is anything that a consumer forgot to buy in the supermarket and is forced to get in a small neighborhood store at a higher price.

FURTHER READING

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