

Mexico & the Border: Challenges and Tools for Business & Policy Research

*Special Libraries Association Conference
South of the Border Panel • June 11, 2013*



Ok...¿Quién Soy?

INTRODUCTION: QUIEN SOY?



- **Kenn Morris** 
 - Founder & President/CEO of Crossborder Group Inc.
 - Gerente General de Crossborder NS, S de RL de CV
 - Nearly 20 years of business consulting, market research and policy research in Mexico, the US-Mexico border region
 - Directed ***“Crossborder Innovation & Competitiveness Initiative”*** at UCSD San Diego Dialogue
 - Appointed by US Secretary of Commerce as member of ***San Diego-Imperial County DEC***

ABOUT CROSSBORDER...

- “Micro-Multinational” founded in 1996 in San Diego
 - Crossborder Group Inc. (1996, US)
 - Crossborder NS, S de RL de CV (2007, Mexico)
- Key consulting & research staff in two offices:
 - San Diego, USA
 - Tijuana, Mexico
- Leader in US-Mexico market research and strategic consulting
- Includes expertise & specialization in:
 - Industry & B2B research
 - Site selection analyses
 - Border policy research
 - Field & phone surveys in Mexico
 - Market-entry strategies
 - Crossborder retail
- Don't typically do B2C or political research/surveys...

A FEW OF CROSSBORDER'S CLIENTS



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ASSOCIATION of GOVERNMENTS



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NATIONAL UNIVERSITY SYSTEM
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Landrum & Brown



Economics Research Associates



international
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BORDER PHILANTHROPY PARTNERSHIP
ALIANZA FRONTERIZA DE FILANTROPÍA
MÉXICO-EEUU



SAN DIEGO STATE
UNIVERSITY


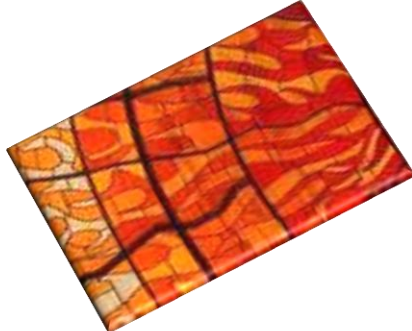
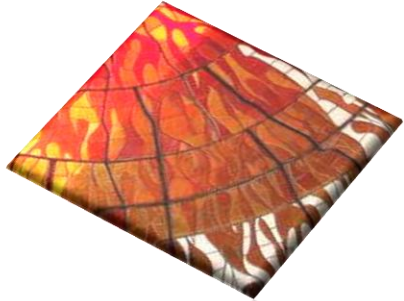



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Approaching Market Research in Mexico & at the Border

RESEARCH IN MEXICO: MY STANDARD APPROACH...

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- In B2B & Policy research, not always clear, easy-to-find sources...
 - Data sets can be limited - **if they exist at all.**
 - Often have to resort to finding **“proximate” secondary data...**
 - ...as well as create **your own primary data** in order to...

RESEARCH IN MEXICO: APPROACH AS A “MOSAIC”



...have enough data to
create a “mosaic” of
market information

What Do I Mean?
A Few Examples of Questions
Crossborder's Been Asked



“What’s the Economic Impact of Border Crossers (and what do they buy)?”

BORDER CROSSERS - RESEARCH CHALLENGE

Understanding economic impacts or purchasing behavior of border crossers requires a few data elements:

- Size of flow (northbound & southbound)
- Quantity of expenditures (both sides)
- Types of products/services/activities

Surprisingly little public data about **500K daily US/MX visitors...**

- Relatively good secondary data on volumes (cars, pedestrians, bus/train passengers...) from Customs & Border Protection & US Dept of Transport.
- Infrequent and non-specific data about what they do...



BORDER CROSSERS - RESEARCH APPROACH

Like many border projects, have to pull together mosaic of secondary & primary data:

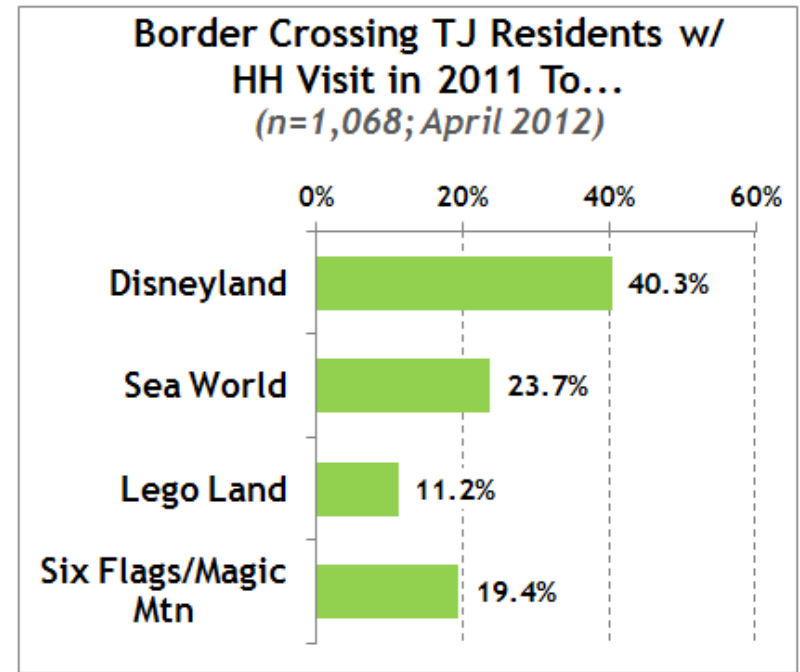
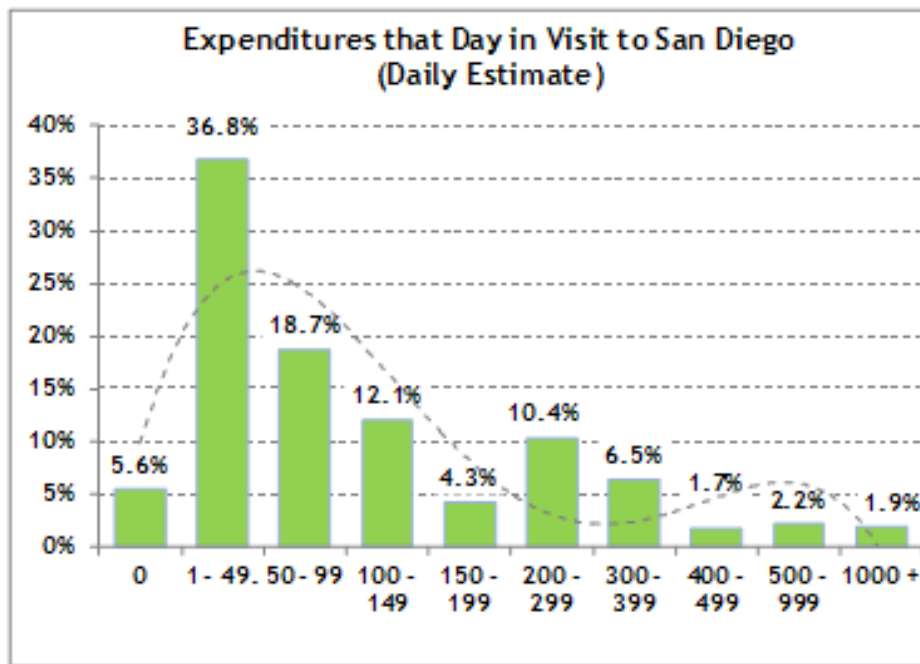
- **Secondary:** regular requests to CBP officials for local data, use DOT's Bureau of Transport Stats for borderwide info
 - No data from MX officials (could change)
 - Have built internal library (1996-2013)
- **Primary:** to get the detail, needed to create own data - surveying border crossers...
 - Have applied nearly 20,000 at-border surveys since 2003
 - Many of those related to crossborder habits, tourism& shopping



BORDER CROSSERS - RESEARCH RESULTS

Border crossers are commuters, tourists, and consumers...

- At-border surveys by Crossborder Group show typical \$140-170 daily average expenditure by Mexico-residing border crossers
 - ...\$10-14 million in crossborder retail expenditures daily





**“How Much Demand for
Product X?”**

MARKET ESTIMATIONS - RESEARCH CHALLENGE

As in many countries, some data readily available...

- **import/export data** (by HTS, from MX & US gov't sources; some third-party marine trade data [PIERS, ImportGenius, Zepol, etc.])
- **Economic & business activity data** (gov't agencies, industry trade associations)
- Some product-specific info - for well known products

The challenge: **how to do market size estimates for new-to-market products or brand?**

- Can be common problem in Mexico
- Markets may be very different from US - example: external building sheathing in a concrete building world...

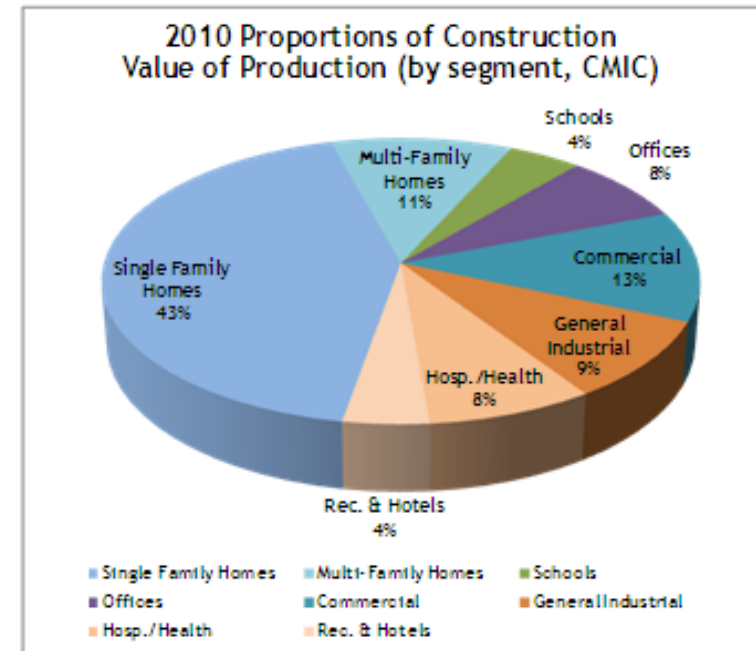
MARKET ESTIMATIONS - RESEARCH APPROACH

Again, pulled together mix of secondary and primary data:

- Secondary: **building and construction industry data** from housing agencies (INFONAVIT, CONAVI, INEGI, etc)
- Secondary: **industry associations** (CMIC, CME [Consejo Mexicano de Edificación])
- Secondary: import/export data

Still...found very little specific data

- Primary: Directly-contacted real estate developers, contractors, and construction retailers
- Over 40 phone interviews in major Mexico cities





**“Is this a Real
Maquiladora Supplier?”**

COMPANY DUE DILIGENCE - RESEARCH CHALLENGE

Major Mexico-based manufacturer wanted to confirm ownership and legal status of suppliers

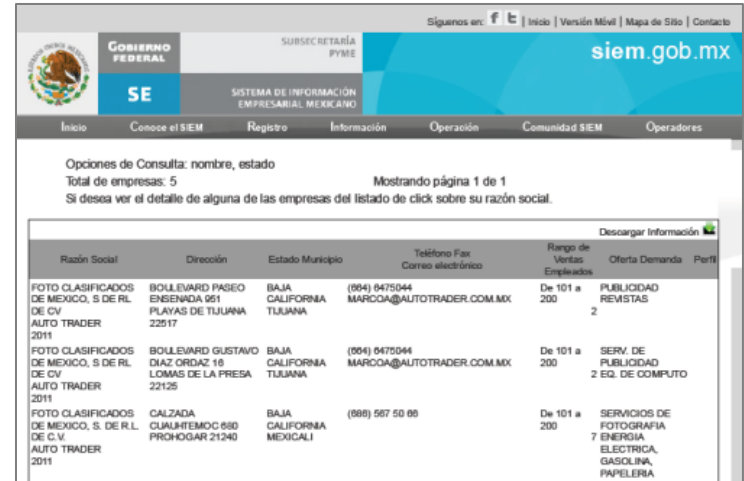
- In US, this is pretty routine...
 - ...not in Mexico
- Much business intelligence is private - or difficult to access:
 - culture of tax avoidance
 - informal business practices
 - regionalism
 - lack of electronic databases
 - few comprehensive business data sources



COMPANY DUE DILIGENCE - RESEARCH APPROACH

Mosaic of secondary & primary data

- Secondary research:
 - Registro Publico (public records... but often not avail for sole proprietorships)
 - SIEM (Sec. of Economia)
 - RFC (State Tax Registry)
 - Public contractor registries
 - City Treasurer office (biz licenses)
 - Sometimes: US records, as well...
- Primary research:
 - Verification of address (site visit)
 - Contact company directly (“prospective client”)
 - Referrals to other companies



Razón Social	Dirección	Estado Municipio	Teléfono Fax	Correo electrónico	Rango de Ventas Empleados	Oferta Demanda	Por
FOTO CLASIFICADOS DE MEXICO, S DE RL DE CV AUTO TRADER 2011	BOULEVARD PASEO ENSENADA 951 PLAYAS DE TIJUANA 22517	BAJA CALIFORNIA TIJUANA	(004) 6475044	MARCOA@AUTOTRADER.COM.MX	De 101 a 200	PUBLICIDAD REVISTAS 2	
FOTO CLASIFICADOS DE MEXICO, S DE RL DE CV AUTO TRADER 2011	BOULEVARD GUSTAVO DIAZ ORDAZ 18 LOMAS DE LA PRESA 22125	BAJA CALIFORNIA TIJUANA	(004) 6475044	MARCOA@AUTOTRADER.COM.MX	De 101 a 200	SERV. DE PUBLICIDAD 2 EQ. DE COMPUTO	
FOTO CLASIFICADOS DE MEXICO, S. DE R.L. DE C.V. AUTO TRADER 2011	CALZADA CUAUHTEMOC 680 PROHOGAR 21240	BAJA CALIFORNIA MEDICALI	(008) 567 50 00		De 101 a 200	SERVICIOS DE FOTOGRAFIA 7 ENERGIA ELECTRICA, GASOLINA, PAPELERIA	



IMPUESTOS ESTATALES Y FEDERALES
DECLARACION DE IMPUESTOS ESTATALES Y FEDERALES

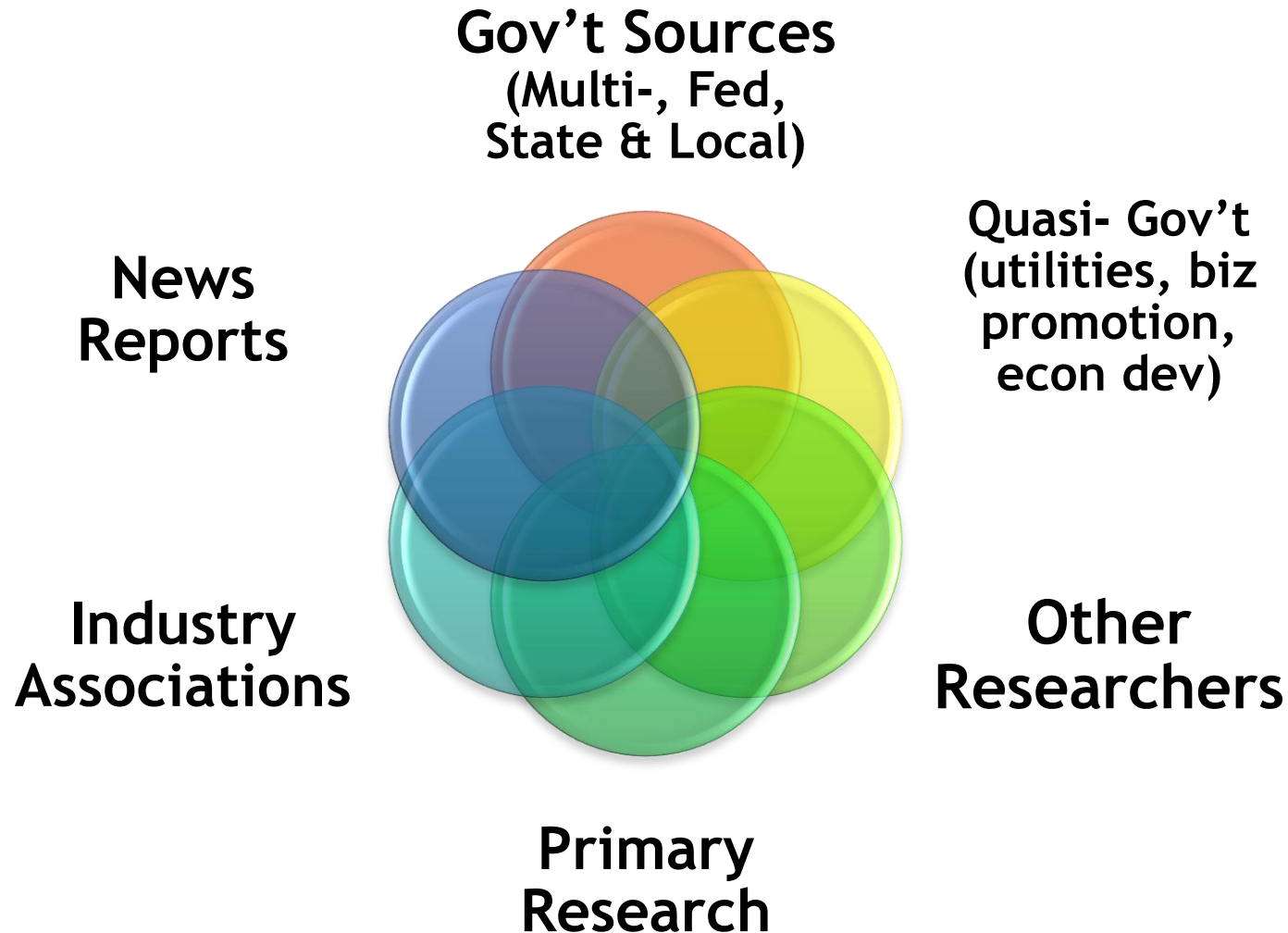
Verificación de Datos En Padrón Estatal de Contribuyentes

DATOS GENERALES DEL CONTRIBUYENTE	
REGISTRO FEDERAL DE CONTRIBUYENTES	SUCURSAL
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CLAVE UNICA DE REGISTRO DE POBLACION	
JIAG570513HDFMLL05	
NOMBRE O RAZON SOCIAL	

Some Takeaways...

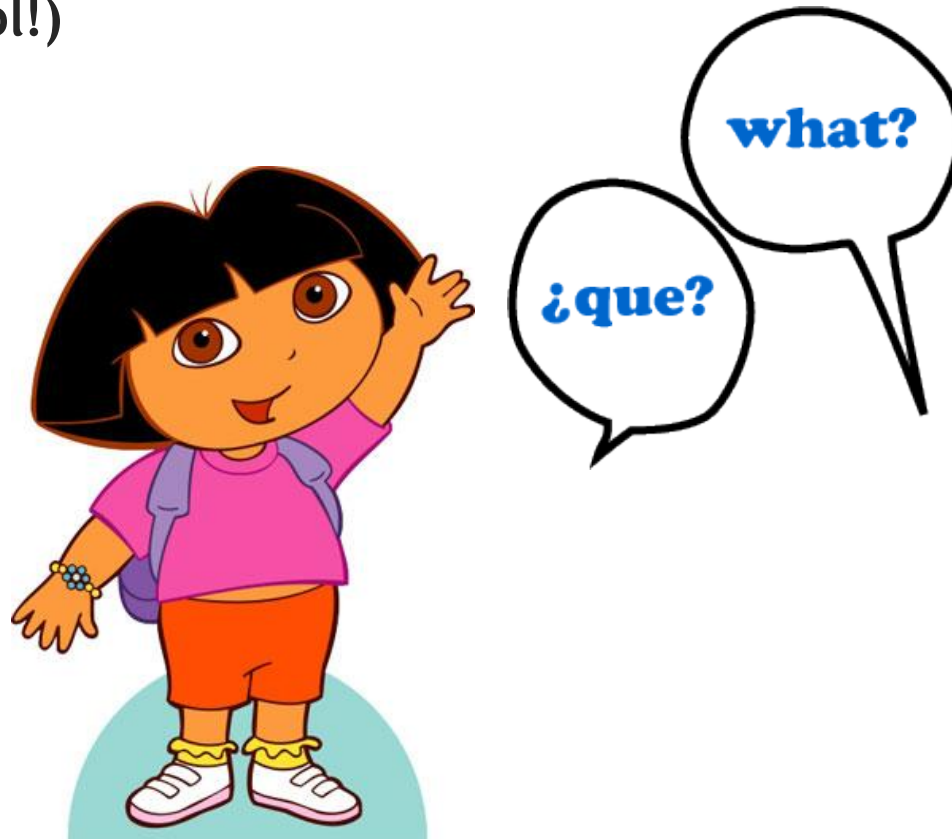
LIKELY USE RANGE OF SOURCES IN BIZ & POLICY RESEARCH

...to create “mosaic” of Mexico & border market information



ANOTHER KEY FACTOR: ¿TODO EN INGLES?

- Also important to consider:
 - Not all information will be available in English
 - Maybe 20-30% of possible secondary sources
 - **So, as Dora says: “It’s important to be bilingual”** (at least basic Español!)



Professional Tips: A Few Tools for Researchers

PROFESSIONAL TIPS ABOUT ONLINE TOOLS

- Restating our Standard Assumption: Mexico & border data sought for projects *may not be Googleable, may be tough to find, or may not exist*
- Admittedly, **online sources are evolving...**
 - 1990s: UAG & San Diego libraries (old school: “card catalog”)
 - 2013: Today, online Mexico data sources growing - but still not as prevalent as in US, Canada, or European markets
- One reason: **few traditional national or regional news sources - let alone policy makers - care about Mexico business or Border...**
 - ...at least beyond “narco” and/or “illegal immigration”
- *That said, here are a few sources that Crossborder regularly uses for business & policy information (not in order):*

ONLINE TOOLS (1): GENERAL & US NEWS SOURCES

- ...**Google News Alerts** (“Tijuana”, “Baja California”, “Economía (MX)”, “Mexico+Border”, “NAFTA”, “Maquiladora”, etc...)
- ...**Twitter** (@CBorderGroup follows 1,300+)
- US/Global News Websites (w/ Border or Mexico focus):
 - **UTSanDiego.com** (border & business stories)
 - **AZCentral.com** (AZ Republic)
 - **FronterasDesk.org** (CA, AZ, NM & TX)
 - **Bloomberg.com** (LatAm Regional)
 - **Reuters.com** (World Markets/Mexico)
 - Less frequent but good: **NYT.com**, **TheHill.com**, WaPo...

ONLINE TOOLS (2): MEXICO NEWS SOURCES

- Some Mexico-based News Websites (all Spanish):
 - TijuanaPress.com (Tijuana local/politics)
 - ZETATijuana.com (Tijuana local/politics)
 - TijuanaInformativo.info (Tijuana local/politics)
 - Siglo21.com.mx (Baja California industry)
 - ElFinanciero.com.mx (MX business/national)
 - ElUniversal.com.mx (MX national)
 - ADNPolitico.comm (MX national politics)
 - CNNExpansion.com (MX business/national)

ONLINE TOOLS (3): MEXICO DEMO & INDUSTRY INFORMATION

- Mexico Government Sites:
 - [INEGI.org.mx](http://inegi.org.mx) (MX's Census Bureau, Sp.)
 - [Banxico.org.mx](http://banxico.org.mx) (Xrate, various econ data, Sp.)
 - [Conapo.gob.mx](http://conapo.gob.mx) (population projections, Sp.)
 - [Conavi.gob.mx](http://conavi.gob.mx) (housing data, Sp.)
 - [SCT.gob.mx](http://sct.gob.mx) (transportation data, Sp.)
 - [Datatur.sectur.gob.mx](http://datatur.sectur.gob.mx) (tourism data, Sp.)
 - [SIEM.gob.mx](http://siem.gob.mx) (Sec. of Economy, company data)
 - ...*We also submit IFAI requests to the above (FOIA)*
- Sample Industry Association Sites:
 - [AMIA.com.mx](http://amia.com.mx) (automotive industry, Sp.)
 - [AMITI.org.mx](http://amiti.org.mx) (IT industry, Sp.)
 - [CMIC.org](http://cmic.org) (construction/housing data, Sp.)



¡Gracias! ¿Preguntas?

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For more insights into border crossings and communities; crossborder manufacturing, retail, logistics, and markets; Mexico's tourism and hospitality industries; or other questions along and across the Mexico-US border, contact Crossborder Group...

Mexico or border questions? Hire us.



1-888-4XBORDER [888-492-6733]

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