

## DTMx Insights - Mexico

### Creative Intelligence Approach

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#### Key Cultural Distinctions for Beverage

- Mexico is one of the world's highest per-capita consumers of carbonated soft drinks at ~97 litres per year. Coca-Cola holds ~70% of total carbonated volume and is embedded in daily life. Pepsi is present but clearly second to Coca-Cola in market share.
- Consumers often share their experiences of enjoying Mexican food paired with Mexican Coca-Cola. Coca-Cola is seen as an essential accompaniment to Mexican cuisine.
- The cultural and emotional connections people have with Mexican Coca-Cola are evident in various discussions online. Many users express nostalgia and fond memories associated with drinking Mexican Coke, often recalling family gatherings or special occasions where the drink was present. The sentiment that Mexican Coke 'hits different' resonates strongly, indicating that for many, it represents a taste of home and cultural identity.
- Some regions of Mexico operate returnable bottle system. Consumers return empty bottles to local stores (tienditas) or retailers and pay only for the liquid.
- The preference for Mexican Coca-Cola over other countries is a recurring theme among consumers. Known for being sweetened with cane sugar rather than high-fructose corn syrup.
- Pressure comes from health regulation (NOM-051 labelling, IEPS tax increases).
- Regional Diversity & Scale 130+ million people across vastly different regions — urban CDMX vs. rural Oaxaca vs. industrial Monterrey vs. Cancún Tourism is
- Tourism is Mexico's third-largest income source.
- Northern border states: industrial/nearshoring boom, higher wages. Southeast: tourism-driven, indigenous cultures. Every region has distinct consumption, retail, and cultural patterns.
- 2026 World Cup in North America including Mexico.
- Large Christian population and cultural events around Christian calendar.
- Coca-Cola Bottler FEMSA also largest convenience operator.
- Cuba Libre classic coke moment as Rum and Coke mixer.

## Economic and Regulatory Considerations

- Based on reports regarding Mexico's 2026 Economic Package, the government is proposing a major overhaul of the IEPS (Special Tax on Production and Services) for beverages to combat high rates of obesity and diabetes. 2026 proposal would raise to ~1.65 MXN/liter and critically expand scope to cover zero-sugar/light beverages.
- NOM-051 front-of-pack warning labels: black octagonal seals for excess calories, sugars, saturated fats, trans fats, sodium. Products with warning seals cannot use cartoon characters, mascots, or child-targeted imagery.
- Nearshoring investment (\$46B over five years) lifting wages 15-20% above national averages in northern hubs, boosting purchasing power.

## On-Trade – Bars Restaurants Venues

### What are the key venues and spaces? What POS formats work here?

Mexico has over 544,000 food and drink establishments (CANIRAC/INEGI). **~5% are full-service restaurants, chains, or franchises. The other 95% are small/medium independents: fondas, taquerias, cocinas economicas, loncheras, and street food stalls.**

- **Fondas & Cocinas Economicas** – Small family-run restaurants serving comida corrida (set menus) at lunchtime. Coca-Cola in a glass bottle is a standard meal accompaniment. Found inside mercados and neighborhood streets nationwide.
- **Casual dining and cafés** – Sanborns (300+ locations, the iconic restaurant-department store hybrid), VIPS, Toks, and a growing independent café scene in major cities. Coffee culture is growing (Mexico is a major coffee producer) but has not displaced soda at lunch.
- **Taquerias & Street Food Stands** – Mexico's street food culture is enormous. Taco stands, elote carts, torta shops line every street. Many stock Coca-Cola in small-format bottles or cans. POS visibility matters but space is extremely limited.
- **QSR Chains** – Domestic (Vips, Sanborns) and international (McDonald's, Domino's, Subway). Fountain drinks dominate. Coca-Cola has long-standing exclusive partnerships.
- **Bars, Cantinas & Nightlife** – Growing post-pandemic recovery in CDMX, Guadalajara, Monterrey. The mixer occasion is expanding. Bacardi x Coca-Cola RTD (launched Mexico 2025) is a direct play. Watching sports, socializing, dancing and live music.
- **Hotels & Tourism Venues** – Cancun, Playa del Carmen, Los Cabos, Puerto Vallarta, Mazatlán are high-value locations where premium pricing is accepted.

- **Convenience Foodservice (OXXO)** — OXXO and other c-stores function as quasi-on-trade, selling hot dogs, nachos, and coffee alongside grab-and-go beverages. This hybrid channel blurs the on/off-trade line.
- **Stadiums and Arenas** – large scale sporting and music experiential spaces.

## What POS formats work well

- Traditional spaces – Cooler branding, chalkboards, parasols, menu boards, small format table.
- Modern On-trade – Menu boards, drive through signage fountain headers.
- Bars and Nightlife – Neon signs, branded glasses, chalkboards, coasters.

## Any cultural drinking/dining occasions that matter for On-Trade?

### Peak Occasions

- Fiestas Patrias (Sept 15-16) — Independence Day, the biggest patriotic celebration. Green/white/red themed activations standard.
- Dia de Muertos (Nov 1-2) — ofrendas include Coca-Cola. Drives ceremonial and social consumption.
- Liga MX Finals / Clasico Nacional.
- 2026 world cup (June-July).
- Semana Santa (March April ) – Beach migration – key for coastal.
- Guadalupe 12 December.
- Dia De las Madres (10 May) – One of Mexico’s single biggest consumption days. Restaurant bookings spike. Gifting and celebration POS.
- Posadas season (16 Dec – 24 Dec) — Nine nights of parties before Christmas. High-volume family consumption. Punch + Coca-Cola + snacks.

### Always-On Occasions

- La comida (daily lunch 2-4pm) — Largest daily consumption occasion.
- Friday / Saturday night out.
- Quinceañeras, weddings, graduations — bulk soda purchases year-round.
- Liga MX football — match days drive significant on-trade consumption in bars and cantinas.
- Late-night eating.

## Challenges for On-Trade

- Labor shortages and rising costs pressures for small food operators.
- 95% of foodservice is small independents – reaching them at scale is a fragmented challenge.

## Off-Trade & Retail

### Retail Landscape – Who are the dominant retailers? What shelf/display norms exist? What is the convenience store landscape?

A dual structure: modern trade coexists with a massive traditional channel (tienditas, mercados, tianguis). Convenience stores lead modern formats at ~29% share.

#### Convenience

- **OXO** Owned by FEMSA, which is also the largest Coca-Cola bottler is the single most important convenience retail channel in Mexico >24K stores and opening 1K stores across LATAM
- Cooler is primary shelf — Coca-Cola has prominent cooler placement.
- Floor-standing displays limited.
- Counter POS: small signage, price ticket holders.

#### Supermarkets and Hypermarkets

Walmex dominates with 3,300+ stores and 60%+ of supermarket sales (\$6B USD expansion planned). Soriana second (800+ stores). Chedraui third (300+ stores). La Comer/City Market serves premium segments. Costco Mexico growing for bulk CSD.

What shelf/display norms exist?

- Standard planogram: Coca-Cola dominates fixtures (Coca-Cola, Zero, Sprite, Fanta, Fresca, Sidral Mundet, Topo Chico).
- End-cap and aisle displays for promos.

#### Hard Discount: The Tiendas 3B Disruption

Tiendas 3B is the fastest-growing retailer in Mexico and a significant disruption to the landscape. 3,346 stores at end of 2025, surpassing Walmart's 3,316 stores by count (though not by revenue). Limited SKU count means brands compete for a smaller number of slots, and private label is growing. FEMSA has launched its own hard-discount format, Tiendas Bara (636 stores as of end 2025).

- Pallets and basic shelving – no POSM.

#### Tienditas

Family-owned corner shops (abarrotes) found in every neighborhood — estimated 200,000+ across the country. The returnable bottle system (retornable) is most deeply embedded here: consumers bring empty Coca-Cola bottles, swap for full ones at a discount.

What shelf/display norms exist?

- Branded cooler/fridge (often positioned by the entrance/counter).
- Returnables (retornables) stored in crates behind/under the counter; empties collected in-store—visible stack of cases is common.
- Very limited linear shelf space: mixed-category shelves, small facings.
- Low-cost POSM typical: shelf strips, price cards, wobblers, door/window stickers, exterior wall signage, and sidewalk A-boards.

## Markets

Mercados municipales (300+ in Mexico City alone, with fondas inside serving Coca-Cola) and tianguis (1,300+ open-air weekly markets in CDMX, rooted in pre-Hispanic Nahuatl culture, cash-dominant, minimal POS infrastructure).

## What does at-home vs. away-from-home consumption look like?

Mexico's off-trade splits between at-home consumption (driven by multi-serve formats: 2L and 3L returnable and one-way bottles, multipacks from supermarkets) and away-from-home impulse.

## At-Home Consumption

- La Comida.
- Watching Liga MX football at home.
- Telenovelas and evening TV.
- Weekend family gatherings.
- Cooking/meal prep occasions.
- Movie night / streaming.
- Saturday night in / social hosting.
- Ordering via Uber Eats/Rappi — bundled CSD add-on opportunity.
- Sunday family brunch / comida dominical.

- Carne asada gatherings — the Mexican BBQ equivalent, a core at-home CSD occasion.
- Liga MX match days and national team games at home.
- Party.
- Posadas (9 nights of Christmas gatherings) and Fiestas Patrias house parties.
- Dia de Muertos (ofrendas include Coca-Cola), Christmas/Posadas, Fiestas Patrias (Sept 15-16), Easter/Semana Santa.

## **Away-From-Home Consumption**

- Daily Routine
- The commute.
- Afternoon antojo (snack craving) from street vendor or tiendita.
- Driving.
- Beach days.
- Street party.
- Sporting events – watching and playing.
- Tianguis visits — open-air market shopping with street food and drinks.
- Park and plaza gatherings — Chapultepec, Alameda, Bosque de Tlálpan.