

DEMOGRAPHIA



ACAPULCO: BIG BOX NIRVANA - HYPERMARKET HEAVEN

FAST FACTS		Similar To
Urbanized Area* Population	700,000	Brasilia, Hamilton, Malaga
Urbanized Land Area: Square Miles	45	Rosario, Kelowna, Geneva
Urbanized Land Area: Square Kilometers	116	
Population per Square Mile	15,600	Manaus, London, Jakarta
Population per Square Kilometer	6,000	
*Continuously built up area		

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Acapulco is what you would expect for a resort. It is Mexico's original and premier seaside Pacific coast tourist destination. Acapulco is located a little more than 200 miles south of the Zona Rosa in Mexico City. Convenient access is provided via the west and south side Periferico (parts of which are under construction for double decking) and the toll D-95, which exits Periferico at Tlalpan. It is an expensive ride, with gross tolls over \$40. Petrol, however, is not nearly so onerously taxed as in Europe, so that prices are near American levels --- still among the most heavily taxed products in either of the United States (of Mexico or America, the official name of Mexico is Estados Unidos de Mexicanos).

The trip is picturesque, with a number of mountain passes. The speed limit is 110 kilometers per hour, but it is clear that respect for the limit is more on a par with Italy or Spain rather than America. The entire route can easily be driven in a bit over three hours, assuming good traffic conditions in Mexico City, a perhaps optimistic assumption.



Acapulco is the largest city in the state of Guerrero, though the capital is Chilpancingo de los Bravos, through which the toll route is interrupted 60 miles north of Acapulco. The oldest part of the city, and the city center, is located near the northern shore of Acapulco Bay, which cuts into the land in a large arc. Lining the beach to the west and south are the many hotels, virtually all on right side of the road driving from the



Acapulco Bay

city center toward the airport. Along the other side of the beach highway are found the retail establishments and many of restaurants that are typical for a resort such as this.

The city itself is generally stretched along the coast for 15 miles from the airport to the north and west. It is generally set on steep hills, and a pass more than five miles long separates the airport area from the city proper. Dense urbanization will be found all along the pass, which is generally four lanes. It is one of those rare driving

experiences, with sharp curves and heavy traffic, though not nearly the adventure experienced on the D-190 between Puebla and Mexico City. The topography requires that much of the urbanization hug hills that in some places would be called mountains. For its topography, Acapulco is particularly dense, at more than 15,000 residents per square mile (6,000 per square kilometer).

A large share of Acapulco residents do not own their own cars, which is typical of urban areas in middle-income nations. But this urban area lives on the car nonetheless. The city is served by what appear to be thousands of taxicabs. Perhaps one-half of them are the old-style Volkswagen Beetles that disappeared from dealer's showrooms in Europe and America by the middle 1970s, but which were produced in Mexico and Brazil long afterward. The taxicabs cruise the streets and honk their horns seeking patrons. This happens whether the taxicab is empty or already has customers. There is much taxicab ridesharing, which is particularly convenient for people whose trips are not directly served by public transport, at the same time that it is much less costly than owning and operating an automobile. What Acapulco suggests is that automobility does not necessarily require automobile ownership, though more auto ownership is better than less (because of the free time and economic opportunity that automobile access facilitates).

This is not to suggest that the public transport system is deficient. Like virtually any modern urban area, there are only so many trips that public transport can provide conveniently.

Acapulco's taxicab system makes up for this deficiency. But there is a high level of public transport service, all bus. The private, unsubsidized buses are generally similar to American and Canadian school buses. A high level of service is provided on the main street, with service frequencies of one minute or less at some times of the day. Many of the buses advertise air conditioning, but the open windows and passengers hanging heads and arms out the windows often suggests otherwise.



Acapulco Bay: The Beach

Hypermarket Heaven: But the real story in Acapulco is not tourists, the

Towards the Airport from the Pass



urban form or how people get around town. It is the hypermarkets. Acapulco is a place where three of the world's giants compete against one-another. France's Carrefour, America's Wal-Mart and Mexico's Super Gigante all have stores, with Super Gigante having at least two.

It is not clear which of the chains is doing the best. The Wal-Mart Supercenter is the biggest, and appears to be the newest. It is in

the middle of a strong tourist area and

has a large underground parking lot with the store above. In front of the store are two restaurants, one of which is VIP's, one of the two principal chains in Mexico (the other is Sanborn's,¹ which is on the beach side of the street about halfway toward Super Gigante). The Wal-Mart store looks as attractive as any that could be found in the United States. It is large, with high ceilings, wide aisles and the broad selection of general merchandise and groceries that would be found in an American store. If one were to be placed blindfolded in the Wal-Mart Supercenter in Laredo, Texas, then in the Acapulco store, there is no doubt that when the blindfolds were removed the American would identify the Acapulco store as being in America and the Laredo store as being in Mexico. Wal-Mart can be proud of this store. There are 46 cash registers, which is a fairly typical number for a US Wal-Mart store, but considerably fewer than the seemingly Carrefour standard of 70 or more in its large French hypermarkets.

There are some important differences between Wal-Mart Acapulco and Wal-Mart America.

First; there is the pastry corner with racks of pastries and breads that one selects, places on a tray and takes to a special counter for weighing. The selection is great, and so is the taste. Then there is the Tortillera, where packages with 2-dozen fresh tortillas are placed on the rack and quickly taken by customers.

Wal-Mart charges for parking, probably because free parking would be used by customers of other nearby establishments. The rate is two pesos (approximately 25 cents) for two hours, and five pesos for each additional hour.

Puerto Marques Bay from the Pass



¹ Sanborn's is an institution in Mexico. The company is now 100 years old and has cafes throughout the nation. But they are more than cafes. They include magazines, souvenirs, small electrical goods, and a variety of other merchandise. There are four Sanborn's on the beach highway alone in Acapulco. No visit to Mexico is complete without a meal at Sanborn's.

Just down the road is a Super Gigante. This store is also testimony to the pride of its owners. It is, like Wal-Mart clean, with high-ceilings and wide aisles. It is somewhat smaller, but not so much smaller as is indicated by its 12 cash registers. It seems likely that heavy volume periods could require longer waiting times than at Wal-Mart, though that would, of course, depend on Wal-Mart providing sufficient labor to keep the lines moving with its 46 cash registers. As an impatient American, this is important. I recall leaving a full shopping cart at a Champion hypermarket in Girona when faced with lines apparently acceptable to Spanish customers not accustomed to US standards of customer service. The Super Gigante store is probably more architecturally pleasing than the Wal-Mart store, but that may be because I prefer the sun-tones of Super Gigante to the blue and white of Wal-Mart. Like Wal-Mart, the parking is underground and is not free. Here, however, the two-peso two-hour rate requires validation, unlike Wal-Mart. Without validation, the two hour rate is seven pesos. It has been reported that Super Gigante has now opened stores in Latino districts of Los Angeles. This is good. More competition is needed in the industry and this is a chain capable of competing quite well in any kind of US neighborhood.

In the core of the city is the Carrefour store. It is not easy to find and the signs pointing toward it are not at all helpful to an out-of-towner. The store is not on a main tourist route and generally caters to local customers only. It appears to be the oldest of the three stores. It is slightly smaller than Wal-Mart and has 18 cash registers. The store is not nearly so clean as Super Gigante or Wal-Mart and the merchandise presentation was more akin to what Americans call a “dollar store” (so-called because when they were started nothing was more than one dollar). A blindfolded French citizen dropped into this store would not make the mistake of thinking it was the Carrefour store in Nice. This is not one of Carrefour’s better stores. Nonetheless, its prices are low and it does a strong business. Similar to Carrefour’s European manner, the Carrefour store is accompanied by many smaller shops (advertised at 50). The store itself is on the third floor, with the second floor containing other stores and the first floor containing at least 400 parking spaces. Unlike Wal-Mart and Super Gigante, parking is free. Carrefour does not always appear inferior to Wal-Mart and Super Gigante. For example, Carrefour’s European and Brazilian stores are every bit as attractive and well-kept as the best Wal-Mart stores.

Finally, even the membership stores have made it to Acapulco. While Wal-Mart has not yet built a Sam’s Club (like the ones in Mexico City and Sao Paulo adjacent to Wal-Mart Supercenters), Costco has built a large store in the expanding suburbs between the pass and the airport.



It is unclear whether Wal-Mart, Carrefour and Super Gigante is the most successful in Acapulco. But the real winners are not the companies, it is rather the customers, who are principally local residents. They fill their shopping baskets at prices that are lower than before and with products that were often simply not available. These three hypermarket (big-box) chains have measurably improved the standard of living in Acapulco.

Acapulco has become a hypermarket heaven (big box nirvana) and the city, its economy and its citizens are better off for it.

By Wendell Cox

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