

## Small Business Strategies

# El Mezquite Market caters to Latino tastes

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El Mezquite Market's 47,000-square-foot flagship supermarket on San Pedro south of Central Ave. is one of four branches of the Latino grocery chain.

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On any given weekend, some 3,500 customers jam **El Mezquite Market** on San Pedro south of Central Avenue -- about 90 percent of them Mexican and Latino immigrants.

Spanish-language bands and mariachis often croon to patrons from the parking lot, creating a fiesta-like atmosphere. Mexican vendors sell burritos and carnitas, and children bounce about inside inflatable party jumpers.

For Albuquerque's Latino immigrant community, El Mezquite provides a little taste of home. And for the Bermudez family that owns El Mezquite, the store's Latino flavor offers a spicy business niche that's heating up sales like jalapeños in August.

"Nobody can believe that we've grown this fast," says Sergio Bermudez, one of six brothers and sisters who launched the Mezquite grocery chain in 1998. "I can hardly believe it."

Since the family opened the original, 3,000-square-foot Mezquite mart in the South Valley, the store has become a supermarket chain with three more branches in Albuquerque and Los Lunas and a fifth one planned for the West Mesa next year. The grocery chain is one of New Mexico's fastest-growing immigrant businesses whose success rests on a wave of Latino culture and consumer preferences that has swept the nation in recent years.

The Bermudez family's tale of success is almost as colorful as the party piñatas and Mexican flags that decorate the store's interior.

The siblings and their parents immigrated from Hermosillo, in the Mexican state of Sonora, in staggered waves that started in the mid-1980s.

"My father and older brother Luis came in 1986," Sergio says. "My brother Juan joined them in Phoenix in 1992. My mother and I followed in 1993, and the rest of the family came between 1996 and 1999."

In Phoenix, the men found jobs in construction and the women in service industries. None had ever owned a business, but they all dreamed of launching a family butcher shop like some of their cousins had already done in Phoenix.

To avoid competing with Phoenix-based relatives, the Bermudez clan decided to open its meat market in Albuquerque -- a city the family had never even seen. "We thought about Tucson and Las Vegas, but we looked at the map and Albuquerque just seemed right," Sergio says. "So we all piled into our truck and came over together."

The family rented a space for the store in late 1997 on Isleta and Rio Bravo that had previously housed a tortilla stand and liquor store. They sold a couple of family cars, borrowed money from cousins in Phoenix, and bought used equipment and materials with monthly payments to remodel the newly acquired space into a small meat market and grocery shop.

"We got cheap materials and equipment that cost very little, and we did all the remodeling ourselves," Sergio says. "We kept our construction jobs in Phoenix and we drove back and forth for five months. We did the remodeling work on weekends and whenever we had time in the evenings."

The South Valley store opened in March of 1998 with an estimated \$45,000 total investment, Sergio says. Business started slow, with most customers learning about the store through word of mouth and a few short ads on a local Spanish-language radio station.

Meanwhile, the family sold its old house in Phoenix. With the proceeds, they rented another 2,400-square-foot space on San Pedro in Albuquerque. And, without having to commute anymore back and forth to Phoenix, the brothers managed to remodel and open the second store within a month.

Located near the heart of Albuquerque's immigrant-heavy La Mesa and Trumbull neighborhood areas on East Central, the new store was an instant hit, Sergio says.

"From the day it opened, sales just took off," he says. "The location was everything."

By 2001, the family had expanded the San Pedro location to 8,000 square feet. About the same time, they opened two more stores -- one in Los Lunas and another on Fourth St. and Osuna in Albuquerque.

Last year, the Bermudez family closed down the original San Pedro store and re-opened its new, 47,000-square-foot flagship supermarket a few doors down in the same strip mall. They also moved the Fourth Street store to a 6,600-square-foot space on Fourth Street and Griego. And, they remodeled the original South Valley location into a 9,000-square-foot, full-service grocery.

Next year, the family will open its newest Mezquite on 98th Street and Central -- an 18,000-square-foot location that will target the growing Latino community on Albuquerque's west side.

Sergio says business at the flagship San Pedro store has grown from a few hundred on weekends when it first opened in 1998 to about 3,500 today. The South Valley location now serves about 1,500 customers on weekends, up from just a few dozen when the business first opened.

Fewer than 10 percent of El Mezquite's customers are Anglo, Sergio says. The vast majority are Mexican and Latino immigrants, and some local Hispanics.

"It's a market that focuses on the needs and desires of Latino immigrants," Sergio says. "We have the products they want, such as Mexican-style chicken sauces, traditional pastries, tortillas, and rice-

based breads. We also have a full-service butcher section where they can get the kinds of beef cuts they're used to in Mexico."

The San Pedro store has a Mexican carry-out restaurant, a small sit-down restaurant, a tortillería, a bakery with Mexican pastries and bread, and a wide selection of Mexican-brand products such as hot sauces and spices. It also leases space to independent vendors who sell jewelry, clothing and Mexican music.

And, of course, everybody speaks Spanish, which is a huge draw for most Latino immigrants.

"It's a big relief to shop in a store where they speak Spanish," says Blanca Melendrez, a Mezquite customer from the Mexican state of Sinaloa. "It makes me feel much more at home. And they have all the Mexican products that I like."

Alberto and Idelia Acosta say they shop at Mezquite because it has a wide selection of prepared Mexican foods and a good variety of meat cuts that they can't get elsewhere.

"El Mezquite sells very thin cuts of pork and beef, which is how we like it," Idelia says. "In other places, the meats are cut way too thick."

Greg Lopez, a 19-year-old Hispanic from Los Angeles whose parents are Mexican, says he feels less self-conscious when shopping at a Latino food store.

"I don't feel like people are keeping an eagle eye on me here if I'm just looking around," Lopez says. "The products are also cheaper."

Alex Romero, president of the **Albuquerque Hispano Chamber of Commerce**, says El Mezquite is tapping into a huge and growing market of Spanish-speaking immigrants.

"Customers shop at places that have what they want or need," Romero says. "That El Mezquite has expanded so much shows that there's a big demand for these kinds of products and services."

Another major draw is El Mezquite's money exchange services -- **El Alamo Casas de Cambio** -- which are located in every branch of the grocery chain. El Alamo changes checks, wires money to Mexico and elsewhere, and offers services such as car insurance and one-stop payment of utility bills.

The Bermudez family is now looking to expand into more business activities, beginning with a new meat distribution service called **SonaMex** that the family will launch in November. SonaMex will buy its meat directly from slaughterhouses to eliminate middlemen and sell it at a lower cost to El Mezquite and other retailers.

"We'll never rest on our laurels," Sergio says. "My brothers and I are satisfied with our success, but we all still get up early every morning and work hard every day. That's never going to change."

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