SUCCESS IN BUSINESS:
Street market case studies
FOREWORD

Welcome to Success in Business: street market case studies, which has been produced alongside the accompanying Success in Business: a guide to financial management and marketing for small businesses.

The National Market Traders Federation (NMTF) is delighted to be associated with this project and the Cross River Partnership Success in Business Programme. The NMTF represents the interests of 36,000 market traders to better the industry for traders and customers alike. The NMTF can provide advice, support and insurance tailored to traders’ needs.

With ever-increasing competition from supermarkets and out-of-town shopping centres, we cannot compete head-on. Instead we must demonstrate to the shopping public the great attractions and benefits of market shopping – choice, quality, expertise and friendly service. Customer demands have changed and we need to continually adapt to the needs of UK shoppers. We need to sell to the public the kind of goods they want to buy and provide the environment and atmosphere they want to shop in.

This book was created with the aim to motivate traders and offer marketing tips and case studies to help transform the world of retail markets for the benefit of both traders and shoppers.

Joe Harrison
President of the NMTF
INTRODUCTION

London’s street markets sell it all. They are an essential part of the capital’s shopping experience. Trendy clothes, speciality foods, rare antiques, world music CDs, books, household supplies, accessories of all kinds and handmade objects… you name it, they have it.

Markets represent our oldest and most successful form of exchange, and are the reason why many towns exist. Some date back to medieval times and were established by royal charter. Nowadays there are more than 1,700 markets in the UK where shoppers spend £1.3billion a year (New Economics Foundation).

Many visit London’s markets everyday and each person has a particular reason for doing so. Some may enjoy soaking up the atmosphere, while others are actively looking for a unique and unusual gift. Many do their everyday grocery shopping or else top up their essential household supplies with a small market shop. Most of all, people love markets because they offer value for money and are often the best place to find a great bargain.

The tradition of street markets is definitely alive in London and from the shoppers’ point of view markets are usually a pleasant stroll between stalls.

Being a market trader is no easy job. It can be rewarding, and is a great way for an entrepreneur to start trading. With low costs and a direct relationship with customers, market trading is one of the best entry points into the world of business.

Many people feel that the traditional market is in steady decline. Some issues are specific to certain markets, but the majority occur across the country. Examples include lower footfall, lower sales, intense competition from supermarkets and high street chains, poor parking and infrastructure, or insufficient support from the local council and market traders association.
SUCCESS IN BUSINESS: street market case studies

There are two things that every successful market needs: traders and customers. This book shows you how some markets across the UK have faced up to declining numbers of both traders and customers.

The good news is that markets all over the country are tackling these recurring problems. This book was created in consultation with individual stallholders, traders, market managers and market traders associations to share best practice.

It explores things you can do as a market trader to address the problems and challenges that your business is facing, including a review of common difficulties, strategies, marketing tips and example case studies from a range of UK markets.

Some of the things that have been tried can be undertaken by traders, individually or in groups, by the market manager, while other things need work by local authorities and other official bodies. These case studies show what has and what hasn’t worked in some markets as they adapt to survive.

Common issues and difficulties

The successful market trader needs products to sell, a good stall location and customers. Finding the right mix between these factors often proves challenging, especially when trading conditions are difficult.

During a series of interviews with street traders spread across London, as well as with market managers around the UK, we identified the following general issues:

- Declining footfall (the number of visitors walking through a market)
- Lower sales/takings
- Competition from supermarkets and high street chains, especially Sunday trading
- Lower profit margins due to high costs and pressure on prices
- Low-level street crime and harassment of potential customers
- High pitch rates
- Parking difficulties for shoppers and traders
- Lack of marketing and promotion of the market to customers and new traders
- Lack of awareness about market opening hours
- Lack of investment in market including:
  - poor/old infrastructure
  - lack of electricity
  - poor street cleaning and recycling
  - ageing and unattractive stalls and associated equipment

For most traders, the main problems are declining number of visitors, and the reduction in the money people are spending at the market. The other issues identified are seen as making the situation worse.

Despite all of these difficulties, some markets are doing well, while others aren’t. What are successful traders or markets doing that sets them apart?

1. WHAT CAN BE DONE ABOUT THE STEADY DECLINE IN UK MARKETS?
2. THINGS YOU CAN DO AS A TRADER

Suitability of your product and market

The key to a successful stall is to find the right products for your market, and the right market for your products.

Whether you trade from a single market or trade from different locations, as many traders do, you can increase your prospects of a sale by making sure that you are offering products that match what your customers want.

Many traders will naturally move towards markets or products appropriate to their business. However, reviewing how suitable your products are should be done on a regular basis to ensure you always have the best mix of products for your market. This involves knowing who buys from you, who your competition is, and thinking about how to sell as much stock as you can.

Are you in a market where people buy for the price, the quality or uniqueness of products, the individual service, or the more intangible aspects such as the atmosphere and social experience? Your stall should fit well within the market, and contribute to the reason why people visit.

Who buys from you and what do they want?

Visitors to a market are not a single type of person, but they will generally fall into different categories. You can increase your chances of selling to them by providing products and service appropriate to a majority, or for a specific section of your customers. At the end of the day, the more your products match your customers’ needs and tastes, the more you will sell.

Who are your customers?

Define your customers in as many, relevant, ways as you can. Try thinking about what products might interest them in terms of:

- Their age and gender
- Where they come from. Are they:
  - tourists?
  - local people?
  - regular customers?
  - families?
  - workers?
- Will you get one chance, or more than once chance to sell to them? Is it mostly the same crowd, or does it change from day to day?
- Ethnicity. Are there specific products that the local or visiting ethnic population wants?
- Is your market in a:
  - wealthy area?
  - an area with social problems?
  - in an area ‘upwardly’ or ‘downwardly’ mobile?
  - are your customers very sensitive to price?
- What are your customers looking for and how much are they willing to pay?

Together, these details can help you forecast demand, recognise opportunities and understand why your customers buy from you, or don’t buy from you.

With tourists, you get one chance to sell them something. Think about the practicalities: they will be looking for products they can easily take home such as gifts, accessories, small items, local products etc. You can cater to a group of customers, but do so in proportion to the numbers that visit your market.

What do they want?

If you have goods to sell that your customers want then you are going to be successful. But what do your customers want? What is their motivation? Why are they in the market?

Are they:

- Regular customers looking for their weekly shop?
- Topping up the essentials?
- Bargain hunters?
- Sporadic customers looking for a gift or speciality product?
- Impulse buyers?
- What type of products are customers looking for:
  - toiletries
  - fruit and veg
  - meat or fish
  - ethnic food
  - electricals
  - speciality products
  - clothes?

Once you understand your customers, you can begin to adapt your products and the way you sell them.
Selling products at unbeatable prices may sound like the best way to be a successful trader. You will generate sales, but perhaps not as much as you could. For instance, it may not be appropriate for a market where most customers are local people looking for great quality, and who can afford it.

On the other hand, there are areas where markets are the main source of affordable shopping, especially for fruit, vegetables and household products, for which prices are considerably lower. These are the markets where competitive prices will attract customers to your stall, but they will only come back if the quality doesn’t let them down.

**Being competitive**
You will be in competition with supermarkets, shops and other stalls, so try to provide people with what your competition doesn’t have, such as individual service, information about your products, and keen prices.

Reviewing the availability of what you are selling in the market is also very important. If your products are or have become widely available in your market, perhaps you are competing on price and making less profit or losing sales to other stalls as a result. Try thinking about:

- How many stalls sell products similar to you?
- Do any shops in the area sell similar products?
- Do your products have something different that makes them more attractive to customers such as good quality, excellent service or low price?

You could also think of alternative products you could bring in to have more diversity. You don’t need to change all of your products, but perhaps gradually bring in some variety or novelty, and see how customers respond.

If you know that your customers are regular local buyers looking for low-priced household products, it allows you to introduce new or different products that your clients might like and be able to afford e.g. if you are selling domestic supplies why not introduce bargain garden tools in the spring?

On the other hand, if your clients are mostly one-time shoppers looking for special and original products within a reasonable price range, make sure you stand out from the crowd and offer them a variety of products that they will not find at the next stall.

Remember to keep up-to-date with what your competitors are doing. Every few weeks ask yourself:

- Have they introduced new products?
- Are they changing certain things about their stalls?
- How does your stall compare in terms of variety and prices?
- Do they promote themselves? How?

**Marketing your stall: promoting yourself & attracting customers**
Despite the general decline in footfall, some markets still have a good number of visitors. However, the customers don’t purchase as much as they used to. Traders must give shoppers more reasons to visit their stall and spend money. Competing with supermarkets is the main difficulty: they sell more and more variety of products, and have access to very low wholesale prices. They have excellent facilities, parking and promotion. However, statistics are encouraging.

Your challenge is to make it as easy as possible for your customers to buy from you. One way is to highlight what supermarkets cannot provide, such as the social aspect of the market or specialist goods and products.

> “According to recent research the vast majority of shoppers would rather ditch supermarkets and head to independent shops or buy from farmers... more than 90% of British consumers buy their food at the supermarket but only 11% want to.”
> Oxfam survey on UK consumer buying habits March 2007
CASE STUDY: LOCAL MICRO-MARKET

This case study is for a small local community market that is happy to share its story, but not its name.

This is a market along a high street through a town in the south east of England. Over a period of decades this local market has declined in traders as their takings have fallen, despite being near a major local shopping destination which itself has a large footfall.

Despite, or perhaps because of its position close to a shopping destination the commodities market has lost traders and stabilised at less than half a dozen pitches. This is down from over 20 pitches only 15 years before.

The area has recently experienced an influx of students and then professionals. The surrounding areas are benefiting from this new consumer group, which has offered a new audience to the traditional market traders. Property prices are rising and schools improving, which in turn leads to more of this sector moving into the area.

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A low number of traders. While the numbers are growing and takings are up this is from a small core of regular customers and impulse buys going to or from bars and cafés.

The market is not itself a destination and only takes passing trade rather than attracting shoppers interested specifically in the market.

New pitches are being opened up by traders looking to sell to the new affluent and aspirational local residents.

Products that are beginning to be sold include speciality breads and bakery products, ethnic clothes, photography, portraits and organic and local produce. All of these are unobtainable in the local supermarkets and nearby shops and offer an alternative shopping experience to customers.

In addition, as the area becomes safer and richer the number of bars, restaurants and cafés is increasing. Weekend trade for the market is good as visitors to the bars and cafés will often stop off for specialty goods.

People who shop in markets will tend to look for the kind of information that supermarkets and high street chains cannot provide. They are willing to trade the convenience of one-stop shopping for more information, service and advice about what they are purchasing.

Give visitors details about your products, and make sure that you communicate how you select them, where they are from and how they work. Shoppers will notice if you promote the best range and quality of goods at the best price that you can.

A common saying is ‘your [price] ticket is your calling card’. This means that a simple and eye catching price ticket will attract the right sort of customers to your stall. A poor ticket will not.

There are a few marketing techniques that you can use to increase the amount that people spend with you, and to encourage repeat visits:

- Discounts for multiple purchases, loyalty cards
- Develop relationships with your customers and offer good customer service
- – a satisfied customer will on average tell seven people
- – an unsatisfied customer will tell twelve people
- If you sell speciality products carry business cards with your contact details
- Consider collecting your customer contact details and using them for a mailing list or newsletter
- Talk to customers about other products they would like to buy that you don’t offer.

You can use this research to see if there is a trend or demand for a product emerging.

The general look of your stall and presenting your goods effectively

You need to attract people with a pleasant display such as posters, visual props, special sales or products. You can offer shoppers variety but make sure that they can quickly see what you have to offer – it is easy for customers to feel overwhelmed in a street market and leave without buying anything.

Look at specialising

One of the best ways to sell more is to identify and specialise in a niche market. Instead of competing with shops and other stalls on similar products or price, you can choose a specific product area that is not currently served by competitors or surrounding retailers.

Can you think of people, needs, or products that are not catered for? For example, if your market is ethnically diverse, introducing an ethnic products stall may prove popular.

If two or three stalls sell DVDs and CDs in your market perhaps it might be a good idea to think about concentrating on African language music or East European cinema, depending on who the local people are. Another possibility is finding a niche market that will complement what is already available, such as selling handmade jewellery in a fashion market, toys in a general market or vegan food in a farmer’s market.

Traders can take advantage of the fact that they are best placed to do market research and get direct, first hand information and feedback about what people want, how much they are willing to pay and what they would like to see in the market that is not available.

In some cases, having a cluster of traders selling similar products actually helps attract customers because they know they will have variety, greater choice and more chances of finding what they want.

Duplication can sometimes be a good thing, and lead to ‘speciality markets’, where people go especially to buy specific products (speciality food, flowers, clothes etc). Think about your products and where they would sell best. Perhaps joining a speciality market, where people are looking for the type of product you sell will be more beneficial than trying to sell to people who are visiting the market looking for other goods.

Promoting the market and best practice tips

These issues and others have been addressed through a range of initiatives. The successful activities within and around the market include:

- A number of issues facing the market and then professionals. The surrounding areas are benefiting from this new consumer group, which has offered a new audience to the traditional market traders.
- Property prices are rising and schools improving, which in turn leads to more of this sector moving into the area.
- A low number of traders. While the numbers are growing and takings are up this is from a small core of regular customers and impulse buys going to or from bars and cafés.
- The market is not itself a destination and only takes passing trade rather than attracting shoppers interested specifically in the market.

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Remember you if your stall is not just another average, traditional market stall.

Liverpool’s Heritage Market’s advice to stall holders.

High pitch fees, especially on days with lower footfall such as Monday to Wednesday.

Lack of nearby parking and unsympathetic parking enforcement, although this is not as much of a problem now as it has been. This seems to be a result of local resident pressure on the local authority rather than any action on the part of the market traders.

For additional case studies log on to the companion website to this book by visiting:

www.redochre.org.uk/crp.php
SUCCESS IN BUSINESS: street market case studies

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3. HOW TO DEAL WITH ISSUES THAT YOU CAN’T FIX YOURSELF

If you have a problem that you can’t fix yourself, then don’t forget about it; think about working with someone who can.

There is plenty that individual traders can do, but there is a limit to the effect a single stallholder can have. By working with other traders, neighbouring businesses, your market manager or your local authority you can address some of the issues that are preventing people from shopping at your market.

Our case studies are great examples of how good managers are often behind the most successful markets. For instance, issues of footfall can be directly addressed by systematic and effective marketing and promotion of the market. A successful example of this is seen in the Blackbushe Market case study where the market management spends over £100,000 per year on raising awareness of the market to the public.

The National Market Traders Federation points out that city roads are constantly changing, and that as a result people find it difficult to park their cars close to markets. They strongly suggest that parking information should be clearly displayed at the market, and that they are appropriately signposted from car parks, and train and bus stations.

Concerted pressure on a local authority can prompt a rethink of policies damaging to a market such as restrictive parking regulations, or over-zealous parking enforcement. As can be seen in the micro-market case study on page 12, local objections can have a positive effect on a market.
What you can do as a group of traders with the market management and local authority

Many voices are stronger and more likely to be heard than a single voice. Consider organising or participating in your local traders forum, federation or association. Together you can lobby your market manager, council or local authority for investment in markets including:

- Better infrastructure such as:
  - Better road surfaces
  - Weather proofing
  - Access to utilities such as electricity
- Better cleaning and recycling
- Better and more visible signage to the market from nearby transport hubs or shopping destinations
- Increase overall convenience of shopping in markets
- Crime reduction
- Better transport links
- Availability of local parking
- 'Sensible' parking policy for traders and visitors
- Promotion of the market to traders and potential customers

Examples of successful and less successful collaborative working are shown in case studies in this book. In these, parking issues were addressed in three ways:

1. Successfully in York through a park and ride scheme (page 18)
2. Successfully in the Local Micro-market case study through pressure from the local community (page 12)
3. Less successfully in the Small Market case study through lobbying, perhaps through too little group pressure on the Authority (page 15)

Market Managers have an important role to play in supporting the diversity of market stalls by selecting traders that offer different products to each other, and when they do sell similar items, ensuring that they are not next to each other. Many markets have a ‘four or five’ stall policy, where the same goods or product cannot be sold within five stalls.

Surrounding commerce and businesses

Markets usually make a positive contribution to their neighbourhood, the local economy and community life. The majority of surrounding retailers are happy with street markets because they bring in more visitors to an area, and therefore more customers. Whether it is a general street market, a speciality market or a farmers market, they complement retailers by developing the area as a shopping destination.

This is something you can take advantage of as a street trader. By knowing the area around your market you could develop relationships with surrounding businesses and retailers. Local retailers and restaurants can buy directly from you. Collaborating to attract people in your area and creating promotional opportunities will benefit all of you. You can also refer customers to each other, and provide practical additional information to your customers.

A simple thing you could try is to review your trading hours to cater for local workers. This may involve starting later and remaining open into the evenings perhaps once a week, in line with surrounding retailers.

Promoting the Market and Best Practice Tips

Blackbushe Sunday Market finds innovative ways to promote itself. They spend £100,000 a year on advertising in twenty newspapers (20) and five radio stations (5); they also keep their website updated and advertise on the internet.

According to Tim Vaughan, customers go to Blackbushe market because they know there will be a lot of stalls, and traders go because they know there will be a lot of customers.

Blackbushe market plays on the intangible benefits of the market: what they sell to visitors is the atmosphere, walking outdoor in the fresh air, and people getting a lot of assistance from traders who have carefully chosen their products and are knowledgeable about what they are selling. The large variety of choice, the individual service and the ability to negotiate with the traders and make deals is what allows Blackbushe to be sustainable and successful.

They have specialty markets at Christmas and Easter, which they advertise. It is hard to know whether the advertising or the markets reputation play a bigger part in attracting shoppers, but a combination of the two seems to be a successful strategy.

Tips for individual traders

According to Tim Vaughan, some stall holders do well while others don’t. He compared market stalls to high street chains. Some have lots of clothes, and some designer stores present only a few items. Both styles of display can do well, but it is down to the individual stallholders to decide how they want to present their items, and to successfully promote their products.

Unsurprisingly, the big attraction is still the price. ‘There are trends, of course. You have to adapt to the products in fashion, the colours, the styles, but if you get the right gear with a little bit of what everybody wants, you should do well. Having said that, in 20 years in the business, some have been doing well all that time selling the same products…”

CASE STUDY: LARGE PRIVATE MARKET

Tim Vaughan
Blackbushe Sunday Market Manager

Blackbushe Sunday market, located in Surrey, is Europe’s largest outdoor Sunday market with over 1,000 stalls offering a wide range of goods. Although they face similar issues to most other UK markets, they have found imaginative ways to encourage people to spend their money at Blackbushe.

General issues and challenges

With up to 20,000 shoppers visiting the market every Sunday, Blackbushe market is doing very well in terms of value. Promoting the market with high street chains have also been coming closer to the market level in terms of value. Competition from the likes of supermarkets, online retailers and other Sunday markets.

Twenty years ago, Blackbushe was the only Sunday market but when the law changed Sunday markets started increasing in number and supermarkets started opening all day Sunday. As with many other markets, customers are coming in large numbers, but they are not spending as much. Competition from the likes of Matatal and TK Maxx is fierce. In the last 10 years, high street chains have also been coming closer to the market level in terms of value. Promoting the market with bargains is simply not enough anymore to attract visitors.

Parking is not an issue as they have parking for 20,000 cars as well as coach parking. Fewer coaches than before are coming although they still get buses. Fewer coaches also get buses. As with many other markets, they have found imaginative ways to encourage people to spend their money at Blackbushe.

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CASE STUDY: SPECIALITY MARKETS
Andrew Jones
Market Manager for the City of York Council

Andrew Jones manages the multiple specialist, event and farmers street markets in York. He has experience of managing 12 markets in a central, traditional market location.

General issues and challenges
There is a general decline in the market industry. Although there are still good numbers of visitors to the different markets, they simply don’t purchase as much as they used to. It is hard to compete with supermarkets, as they sell a greater variety of products. Additionally, markets are getting old and redevelopment is expensive.

Customers in York are a mix of tourists and local people, mostly elderly people who visit markets because that is what they are used to. Trying to attract younger visitors is proving difficult. Although many like the atmosphere of the markets, they don’t spend money there, and go to supermarkets instead. York Council is also constantly under pressure to reduce the numbers of cars in town, but market visitors will not carry heavy bags if there is no parking available nearby. This creates difficulties and reduces the amount of money people spend at the markets, and is particularly problematic for older local people.

Markets are also competing for good traders. As markets in York attract traders by offering discounts on rent, and reducing the pitch prices for traders who bring another one along for the day.

Tips for individual traders
Traders that do well are those who are neatly presented. They will generally outperform others. A clear, attractive stall, rather than a pile of various items catches visitors’ attention. The idea that more gear catches visitors’ attention. The idea that more gear will generate more sales is misleading. Stock piled too high and too deep will not sell as well as nicely presented products.

Andrew Jones cited the example of a fresh fruit and vegetables stall, whose delivery arrives early in the morning, and whose stock is always neatly presented and fresh. By the end of the day, he has usually sold all his stock.

Promoting the Market and Best Practice Tips
York Markets have found a solution to the issues of accessibility by car. A coach is laid on by the Market to take people to the city centre markets and drop them back outside the restricted city centre once they have finished their shopping trip.

To attract local visitors and tourists, York organises a number of specialist markets. Their St. Nicholas Fayre and German Christmas are very successful at attracting shoppers and increasing takings. They also have an Easter market, Continental markets, Children’s Fair and Art festival.

York also introduced farmers markets, which take place regularly on Parliament Street in the city centre. Farmers, growers and producers from within a 40-mile radius of York city centre sell their produce direct to the public. However, some traders feel that farmers markets take away from their trade, but according to Andrew Jones, the effect is the opposite. Specialist markets attract more people. They inject a dose of enthusiasm to regular markets. They bring in people to the market who are willing to spend.

Markets in York attract traders by offering discounts on rent, and reducing the pitch prices for traders who bring another one along for the day.

4. FURTHER INFORMATION AND USEFUL CONTACTS

Outdoor sales, markets and street trading: first steps
There’s a certain amount of red tape involved in running market stalls. So here is a quick guide to the most important issues to consider.

To obtain a licence, you should contact your local authority’s licensing department. You can get the details from the directory at the DirectGov website (www.direct.gov.uk/en/DH1/Directories/Localcouncils/index.htm).

Local authorities usually attach certain conditions to trading:

- Stallholders must prove that they have public liability insurance before trading
- There is often a minimum age for street traders and stallholders
- Food businesses are usually subject to inspection before trading