

Employment and Entrepreneurship Thematic Guidelines

Alessandro Portinaro, October 2013



URBACT II



Connecting cities
Building successes



URBACT MARKETS

Table of contents

- 1) Background and introduction..... 3
- 2) Introduction to the “Employment and Entrepreneurship” TG..... 4
- 3) Matrix of interests..... 7
- 4) Markets as places of tourist attraction..... 8
- 5) Communicate the market..... 16
- 6) Markets conquering the future, the modernization of the markets system..... 23
- 7) Markets and Large Retail: Competition or Coexistence?..... 27
- 8) The market as an economic subject capable of generating employment and wealth..... 33
- 9) The impact of the economic crisis..... 34

Background and Introduction

“Urbact Markets” is a project showcasing how the city’s retail markets can become drivers of social, environmental and economic change of our neighbourhoods.

Markets generate footfall, economic activity, trade increase in surrounding areas, attract tourism and reinforce local cohesion.

The project focuses on sharing the best practices for creating and managing both street and covered markets, food, non-food or mixed markets.

“Urbact Markets” main objective is to help partner cities to establish a local action plan for their markets development.

The public and private market’s stakeholders need to agree with this plan, in order to support its feasibility and assure its maximum consensus.

“Urbact Markets” is structured in 3 main dimensions:

- Town Centre Regeneration
- Low Carbon Economy
- Employment and Entrepreneurship

Each of these dimensions will be developed in the Local Action Plan (LAP) according to the needs and capacities of each city.

Introduction to the “Employment and Entrepreneurship” Thematic Guidelines/1

Regarding the WP3, which is dedicated to the issue of "Employment and Entrepreneurship", the intent is to give some guidance on how cities and other local stakeholders can define their strategies for the development and promotion of markets, having main objectives like:

- increasing (or maintaining) the number of people employed in markets or in related industries,
- strengthening the traders' entrepreneurial skills,
- creating a positive economic impact in the area where the market is organized.

To do this, we will start by identifying and presenting the main topics, starting from what was already mentioned in the "State of the art" and "Thematic guidelines".

Particular attention will be paid to the situation of the markets and of the partner cities, in order to bring out the best practices that can be useful in our partnership, as well as to emphasize what may be the most profitable areas of intervention.

In highlighting strengths and weaknesses we will indicate, where possible, which best practices are more or less easily transferable to other cities.

Introduction to the “Employment and Entrepreneurship” TG/2

Also there will be references to other cities and markets outside the partnership, with particular attention to those who have been involved in other projects of European cooperation, which may offer interesting insights to the partnership of the project.

Before we start with a more detailed analysis, it should be noted that if the markets world has been the subject of a number of studies and research not very wide, there is even less data available regarding the more strictly economic aspect of markets: it is difficult in fact, with few exceptions, to understand precisely what is the turnover of a market, which is the number of workers directly employed in markets and how many are employed in related industries, what is the worth, if any, of the multiplier effect on the surrounding area of the wealth and consumption carried out at markets.

Introduction to the “Employment and Entrepreneurship” TG/3

Nevertheless, we all know how important markets are:

- in the context of commercial distribution,
- for their ability to connect production and consumption (especially for local food products),
- for the social role in supporting the vulnerable population,
- because they have created and are maintaining a significant number of employees,
- because they are, in fact, an element of urban animation,
- because they can be tourist attractions.

We encourage from the get go all the partners to pursue an analysis of the functioning of markets, because their secular life today could be challenged by a rapid change in consumer habits and because they can become fundamental tools of knowledge that will allow policy-makers to delineate the right strategies and to take targeted actions.

Matrix of interests

	ATTICA	BARCELONA	TURIN	LONDON	DUBLIN	WROCLAW	SUCEAVA	TOULOUSE	PECS
Markets as places of tourist attraction									
Communicate the market									
Markets conquering the future, the modernization of the markets system									
Markets and Large Retail: Competition or Coexistence?									
The market as an economic subject capable of generating employment and wealth									

● Want to learn ● Priority ● Can share skills ● Strength

Markets as places of tourist attraction/1

In order to strengthen markets we need to make them more competitive and to work simultaneously on the enlargement of the demand and the improvement of the offer. To enlarge the demand we need to work in three directions:

- confirm the regular customers,
- gain new customers from the resident population,
- attract new non-resident consumers.

Tourists temporarily visiting our city are part of those non-resident consumers that we have to intercept. They are people open to discover new aspects of the area they are visiting, with a good propensity to spend and, unlike the mass tourism which is more standardized, the market may represent an authentic place for them to better get in touch with the local reality.

A market can be a touristic experience, more so than a visit to a monument or to another place belonging to the more traditional tourism.

Markets as places of tourist attraction/2

It is clear that not all the markets of all the cities can become tourist attractions, but only those which meet certain characteristics that we will try to list, at least in part:

- on the stands it should be possible to find local products and easily consumable and/or transportable by the tourist;
- the market should be a glimpse of the territory in which it is inserted or represent, however, some aspects that may attract a tourist;
- it must be a friendly place, where maybe it is possible to eat and spend time immersed in the daily life of the city;
- traders should be able to serve non-local consumers by informing them about the goods they are buying;
-

Markets as places of tourist attraction/3

When a market is already a place frequented by tourists, it becomes important that it maintains its authenticity, avoiding becoming a place where souvenirs, standardized products, goods of little value and with no direct connection to the territory are being sold. Similarly it is useful to prevent it from turning into a showcase of luxury products, aiming to satisfy only a high target, distorting the essence of the market, which is a meeting and purchasing place for different types of people.

In a project of developing a market as a touristic attraction, the involvement of all the subjects which represent the tourist offer of a certain city or area is crucial. Incoming agencies, public or private tourism promotion structures, escorts and tourist guides, etc, all of them need to be involved and encouraged to include in their packages and communications products information regarding the markets on which the city is focusing on. Simply put, if we want the tourists go to the market, they must know about its existence and that it may represent an appealing place for them.

Markets as places of tourist attraction

Some good exemple

Budapest

The Great Market Hall (Nagycsarnok) is one of the most important tourist attractions in the entire city, as proven by the popularity of this place among tourist sites and blogs in the network.

This historic market (it was built in the late nineteenth century) was the subject of a major restructuring in the 90s and it is now a landmark for the city.

The market is interesting for the presence of local products, food and not food, for the dining places where one can taste some typical dishes, as well as for the excellent mix between producers and traders and for its ability to coexist with a supermarket within its perimeter.

The property attracts an architectural interest, as well as other markets mentioned in these examples, and it is an excellent showcase of the territory.

Markets as places of tourist attraction

Some good exemple

Lyon

Among the high quality markets, the ones that focuses on excellence rather than on the number of stalls or the variety of choice for consumers, it is useful to quote the "Les Halles Paul Bocuse" market in Lyon.

A modern structure, built in the 70s of the last century and renovated a few years ago, this market gathers under its roof less than 60 stalls, never the less all capable of representing a different aspect of gastronomy and of the French and international cuisine. The average prices are high but justified by the high level of quality product and by the careful selection undertaken by the traders.

Within the market there are restaurants that offer a cuisine connected to the commercial offer. The market is also used, after the opening hours of the shops, for events which always gather a high number of participants.

Again it should be stressed that there is an internal consistency that allows this market to address, in a clear way, its products to a specific target of customers, both local and tourists.

Markets as places of tourist attraction

Some good exemple

Turin

Turin hosts what is commonly regarded as the largest outdoor market in Europe: the Porta Palazzo market. Completely different from the ones mentioned above and, in its own way, a model to be carefully studied: hundreds of stalls, covered and uncovered areas, food and non-food products, thematic areas (for example the farmers area), a commercial offer which attracts many thousands of consumers every day from all over the city and beyond.

If the other three markets mentioned above can be considered a refined showcase of the respective cities, Porta Palazzo market is instead a glimpse of Turin, of a city in transformation, of the different migratory phases, of the saving aspect, of the quality and wide range of merchandise available in a single place.

The growing tourism trend in Turin is bringing a greater number of visitors to the city and even to Porta Palazzo market, in addition to the "historic" tourists, such as the French buses coming from just over the border to spend the day in Turin and to buy their groceries in this market.

Markets as places of tourist attraction

Some good exemple

Turin (2)

To state that this market is a tourist attraction, however, is not yet accurate: sometimes the vendors are missing the ability to serve adequately the particular customers that are the tourists; a greater integration with the surrounding neighborhood is needed; only recently steps are been made to strengthen the link between the market and the surrounding restaurants.

However, given the complexity of this market, the mere fact that it is becoming a place of tourist interest, is the demonstration of how markets, when they have a “soul” and a strong personality, can still have great potential for development.

Markets as places of tourist attraction

Beware of the risks!

Istanbul

The Grand Bazaar and the Spice Market are two attractions for anyone visiting Istanbul. This very strong pressure coming from the tourist department, however, resulted in a rapidly changing commercial offer, an increase of the stalls selling souvenirs, jewelry and food of poor quality and a reduction of the stalls offering more traditional products.

In recent years there has been an attempt to slow down this phenomenon, also in the attempt to maintain the elements of authenticity of these places and to avoid a standardization of the products, which in the medium term would lead only to negative effects.

Florence

When the mass tourism becomes a phenomenon difficult to govern, even traditional markets, such as Saint Lawrence market and Central market, may undergo the advent of stalls selling poor quality products at the expense of traditional crafts and historic stall of local food products (in the case of the Central market), changing even the composition of the customers: sending away the Florentines in favor of the tourists.

Also in this case the administration of Florence is now focusing on preserving the authenticity of the place, due also to the importance of the Central market's food supply.

Communicate the market/1

If we consider the market as a single economic entity (although it is composed of different business people in a situation of cooperation and competition between them) and not a mere sum of individual traders, then the communication and marketing activities must be designed, managed and implemented in a unified and coordinated way. Obviously, this issue is closely related to the organizational structure and management of the market, since the presence of a person who has in his hands the power to make some decisions for all and define the business development strategies is a necessary condition for dealing with the marketing and communications strategies in an effectively and shared manner.

But how can we tell the story of a market? How can it be the subject of a successful marketing strategy?

In the first place we need to present and “sell” the market as a whole, not as individual stalls. If every trader is left alone to promote its own business, we would be faced with a series of contradictory messages and that probably would never have the chance to achieve critical mass and a sufficiently large number of potential customers.

In addition, the strength of a market lies in the fact that the whole is better and more attractive than the sum of the individual.

Communicate the market/2

With this premise, however, is necessarily to remember that a good marketing and communication strategy needs:

- to carefully identify the target groups;
- to work toward confirming and retaining its current customers;
- to reach new potential consumers and get them to come to the market;
- to emphasize its strengths and highlight the advantages compared to other channels of sale distribution.

Communicate the market/3

As has already been written in other documents of this project, we must never forget that a market is not only a place for commerce, but a complex system in which many other needs are satisfied. The functions of a market, in fact, go beyond the simple exchange of goods, through sale and purchase operations. For this reason it becomes important to present a market in all its facets, including for example:

- **is a place of encounter, exchange, socialization;**
- **is one of the most important places of integration for the different migrant communities;**
- **is a photograph of the territory through its traders and through the products sold;**
- **contributes to the vitality of a square, a neighborhood, a city;**
- **connects rural areas with the city, both through the direct presence of the farmers as well as by providing consumers with an easy access to local products.**

Communicate the market/4

If we keep in mind all of the above, it becomes crucial to remember that we also need to communicate the market to the various stakeholders, avoiding directing all our efforts towards generalized campaigns, but also studying specific activities to strengthen the identity of the market and to emphasize its importance to all the involved actors.

Finally, as with any activity, it is advisable to monitor the results of the communication activities, in a manner that allows us to identify them from time to time.

Communicate the market/5

If we keep in mind all of the above, it becomes crucial to remember that we also need to communicate the market to the various stakeholders, avoiding directing all our efforts towards generalized campaigns, but also studying specific activities to strengthen the identity of the market and to emphasize its importance to all the involved actors.

Finally, as with any activity, it is advisable to monitor the results of the communication activities, in a manner that allows us to identify them from time to time.

Communicate the market

Some good exemple

Barcelona

Many of the above mentioned recommendations can be found in the strategies put in place for some time now by the IMMB (Institut Municipal de Mercats de Barcelona). The marketing strategy is organized on two levels:

- Communication and Marketing Campaigns of the entire network, promoted by the IMMB with the collaboration of the traders.
- Communication and Marketing Campaigns of each market, specifically promoted by the traders.

The communication actions are studied and differentiated according to the target groups, namely:

- to the citizens in general, thus creating an image of the markets they have in mind,
- nowadays to the costumers and neighbors of markets,
- to the young people, by creating a positive view of the markets for the future costumers,
- to children by making them know the markets and its benefits.

Communicate the market

Some good example

Barcelona (2)

Also in communicating the market, or rather the "market system", the IMMB aims to promote the values summarized in the table below:

The products	Fresh Quality and variety Healthy
The people	Professional Personalized treatment Relational/civil space
The space	Many services Near by and sustainable Modernized heritage
In the territory	Social cohesion/integration Economic force Commercial and social network
Barcelona Model	40 establishments International reference

These activities represent about 5% of the IMMB available budget, to which we must add the resources made available by individual traders for the promotion of their markets.

Markets conquering the future, the modernization of the markets system

The market is the oldest form of commercial distribution. It has centuries of history, it has been able to transform and renew itself without ever losing its traditional strengths. Today, however, consumption habits are evolving very rapidly and towards forms unimaginable even a few decades ago. In the face of these changes many markets are unlikely to compete with the increasingly forms that can rely on many availability resources (economic and other), infinitely larger than those that can be put in place by the individual traders of a market.

In order to remain an attractive place for trade, markets have to treat very carefully at least the following factors:

- Organization of opening hours and days as to intercept different types of customers;
- Introduction of innovative services;
- Definition of a merchandise mix balanced and appropriate to the potential demand;
- Maintain a good quality/price ratio;
- Focus on the possibility of offering a vast assortment of goods.

Markets conquering the future/2

Many markets and many cities, starting with those of the “Urbact Markets” partnership, are stepping up the efforts to respond positively to the challenges posed by new consumption patterns.

It will be important that, in the individual LAP, the partners identify the most significant aspects on which it is urgently needed a modernization of the markets system.

Markets conquering the future

Some good exemple

TURIN and SUCEAVA

Both cities have focused on integrating the farmers in traditional markets in order to strengthen their attractiveness. This trend proved beneficial, not creating particular elements of destructive competition but allowing the extension of the markets' opening hours.

Also note that in Turin, a city that already has a very extensive network of markets with a market value/number of inhabitants among the highest in Europe, there are also many Sunday markets, some of which are thematic ones.

WROCLAW

Also in this case the opening hours have recently been extended and there are special openings on Sundays.

New services and facilities were introduced to customers: tasting, air condition in market halls, special kind of services, shopping on the phone, fidelity cards for clients. These are measures that make more pleasant, comfortable and attractive the experience at the market.

To be noted, finally, that food products are more common, at the expense of industrial products and non-food.

Markets conquering the future

Some good example

BARCELONA

The ongoing process of renewal of Barcelona's markets is leading to a series of improvements on several fronts.

Regarding opening times, there is a trend towards increasing the opening period and also the afternoon opening becomes mandatory whenever a market is renewed.

Services like: home delivery services, Wi-Fi access, pay by credit card are spreading in various markets.

As for the product mix we can record an increase in the presence of food stalls, including gastronomy and delicatessen.

Markets and large retail: competition or coexistence?/1

Modern commerce is characterized by a wide range of purchasing ways: markets, traditional shops, supermarkets, hypermarkets, outlets, e-commerce...

However, between markets and supermarkets continues to be a more competitive tension and the market traders often feel the competition from supermarkets as the most dangerous threat to their survival.

Also regarding the relationship between the market and supermarkets some useful questions must be raised in order to bring out the most important aspects:

1. What are the strengths of a market that a supermarket will never beat?
2. What are the services that can make a market competitive with supermarkets?
3. There can be only competition among them or can there be forms of coexistence or even cooperation?

Markets and large retail: competition or coexistence?/2

To the first question we can answer that there are at least four strong points:

1. Starting with the food, the constant presence of fresh and quality products: daily arrival, local products, organic products, an assortment that no supermarket can ever afford in terms of variety of range, presence of traders and farmers.
2. A quality/price ratio particularly advantageous due to the continuous supply of products, the large quantities sold daily and the presence of internal competition that keeps control of the prices.
3. The human relationship and the possibility to directly confront the seller, whether a trader or farmer.
4. The cultural and historical element: the market is a piece of Mediterranean and European tradition.

Markets and large retail: competition or coexistence?/3

To the first question we can answer that there are at least four strong points:

1. Starting with the food, the constant presence of fresh and quality products: daily arrival, local products, organic products, an assortment that no supermarket can ever afford in terms of variety of range, presence of traders and farmers.
2. A quality/price ratio particularly advantageous due to the continuous supply of products, the large quantities sold daily and the presence of internal competition that keeps control of the prices.
3. The human relationship and the possibility to directly confront the seller, whether a trader or farmer.
4. The cultural and historical element: the market is a piece of Mediterranean and European tradition.

Markets and large retail: competition or coexistence?/4

It is more difficult, however, to give clear answers to the second question: if it is difficult to compete on the opening hours rather than on some facilities (such as parking spaces, the indoor air-condition, the methodical organization of the layout, pricing policies...), the professionalism and the level of specialization of the market traders may be an aspect that cannot be replicated by a large retail structure.

The third question is more complex. Firstly, because it urges us to think about the consumer's behavior and his or hers perception of the goods and services offered that can be accessed by them: the consumer thinks in terms of the choice between the different types of commercial distribution, or rather thinks about a territorial system within which different possibilities coexist and from time to time chooses the one that feels most convenient to him?

If we lean towards the latter, then we must try to overcome a mere direct competition and confrontation, but understand how it is possible to integrate the various offers. Later we will see some cases that demonstrate how this can happen.

Markets and large retail: competition or coexistence?

Some good examples

BARCELONA

In this city there are some markets that are home to supermarkets. Normally the opening of a large retail structure is related to the renovation of a market and the redefinition of the space and of the merchandise mix. Where this has occurred the supermarkets were imposed initial limitations (at least regarding the presence of products in direct competition with the traders).

To date, the coexistence seems to bring benefits to all economic subjects.

BUDAPEST

The Central Market Hall in Budapest, previously mentioned, is a structure on three floors: the first floor covers mainly food stalls, while the second one hosts shops of various kinds of non-food, including local crafts. On the ground floor, for almost twenty years, operates a supermarket.

Therefore in this market traders, artisans, farmers, restaurants and a large retail facility coexist.

Markets and large retail: competition or coexistence?

Beware of the risks

SUCEAVA

The markets that are within walking distance from supermarkets have a strong attractiveness in the seasons of increased agricultural production, when they can offer consumers good products at convenient prices, whereas in the off-season markets are overwhelmed by the offer made by supermarkets, although all merchandise is expensive.

The market as an economic subject capable of generating employment and wealth

When a market becomes successful, the entire neighbourhood around it is also successful. New shops, higher economic activity or real estate price increase is the result of a successful market strategy. All those impacts imply new jobs (directly or indirectly). This is particularly important on the most deprived neighbourhoods where markets are also tools for social integration.

A market that works can bring life to a square, a neighborhood or a city. It attracts people, produces inflows, and creates connections with other economic activities in the vicinity, so it can help to prevent the depopulation of a commercial district.

In principle, however, it is difficult to accurately calculate the wealth generated by a market and the economic impact that it has on the territory where it is located. There are some interesting studies already carried out (see Barcelona, Project for Public Spaces http://www.pps.org/pdf/pps_public_markets_eis.pdf) others are under construction, as in the case of Turin.

The impact of the economic crisis/1

As we all know, Europe (and beyond) is experiencing a severe economic crisis that began in 2008 and which continues to produce effects of greater or lesser extent in almost all 28 EU countries.

When the “Urbact Markets” project has been thought and written, we all hoped that overcoming this difficult economic phase was close and therefore a specific focus on the impact of the crisis on the markets was not foreseen. At this point, we believe, however, correct to try to understand if and how the markets have been affected by this crisis and, if so, whether they have suffered more or less than other commercial distribution channels.

The impact of the economic crisis/2

From the questionnaires carried out it is clear that the crisis has affected greatly the purchasing power of consumers. As a result of this lower power of spending, some markets complain about a decrease of customers (Barcelona -8%), but almost all show a reduction in the average purchase. Those who go to the grocery market spend less and buy cheaper and more affordable products.

The positive aspect is that, compared to other forms of trading, many argue that the markets have been affected in a lesser extent by the crisis. There are several reasons: an increased adaptability power of markets, strong domestic competition, the ability to start from an excellent quality/price ratio of the products, etc.

The impact of the economic crisis/3

That said, in many cities (Toulouse, Wroclaw, Barcelona, Venice, Bratislava, just to name a few) the path leading to the opening of new markets or the renovation of existing ones is undergoing, which will result in the opening of new market stalls and the creation of new jobs.

In other cities, however, because of this difficult economic period, it is likely that the goal should be to strive to maintain the current number of traders and therefore of their jobs, because to create new jobs would be unrealistic today.

Grazie Thanks
Danke **Merci** Gracias
Ευχαριστώ multumesc
Takk dziękuję dakujem hvala
Obrigado dziękować
tänan kiitos köszönöm aciu
Tack děkuji paldies
nizžik ħajr dank u wel