Markets Matter
Reviewing the evidence & detecting the market effect

"At the request of the National Association of British Market Authorities and, as part of the High Street UK2020 project, we have conducted a comprehensive review of the published evidence demonstrating, unequivocally, that markets can contribute to the economic, social and political health of towns and cities. We have also conducted analyses of large footfall datasets, provided by Springboard, to show how markets add to the vitality of specific centres. What follows is the executive summary of our findings. The full report is available on 13th April 2015."

Markets matter economically

The markets industry is a significant employer nationally and at a local level. In the UK, 105,000 people were directly employed in the markets sector in 2008 (RMA 2009) with more in support roles. 22% of those working in retail in Leeds City Centre work in the market (Gonzalez & Waley 2013).

With low barriers to entry, markets are excellent business incubators and support business formation. There are some 47,000 micro and small to medium businesses operating on markets in UK (RMA 2009). This not only supports local economic development and diversity of retail offer but also encourages individual empowerment (Morales 2009).

Markets positively impact on town centres. Markets can generate footfall increases of around 25% for town centres as new research for this project shows. Markets increase retail sales, with significant numbers (55%-71%) of market visitors spending money in other shops (NEF 2005), worth £752 million per annum to London's shop-based retailers (Regeneris 2010).

Markets have a significant turnover and notable multiplier. The total turnover of markets in UK in 2008 was £7.6 billion (RMA 2009). Studies from the USA (Econsult 2007) and Canada (Regional Analytics and Planscape 2011) have estimated the direct, indirect and induced economic impacts equate to a multiplier effect of around 3. This suggests the £3.5 billion turnover directly attributable to retail markets (RMA 2009) is worth £10.5 billion to the UK economy.
Markets contribute financially to local activities. Municipal control of markets became commonplace in the late 19th century (Davis 1966) and 60% of markets are still run by the public sector (RMA 2009). Income from markets supports wider local authority services (Gonzalez & Waley 2013).

Markets support inter and intra-generational economic mobility. Many market traders are family businesses and employ extended family members on either a part or full-time basis (Eshel & Schatz 2004, Morales 2011) and the emergence of youth markets and the ‘teenage market’ is generating income for young people (Teenagemarket nd, NMTF nd).

Markets provide employment and self-employment opportunities that are open to all. Markets provide entry-level employment that can assist relatively unskilled or under-capitalized individuals and have proved attractive to immigrant communities (Balkin 1989, Tangires 2003, Morales 2009, Regeneris 2010).

Markets create multi-use and multi-scale economic environments, promoting commerce and competition. Through markets, small and micro businesses have direct access not just to individual consumers but to larger businesses to whom they can become suppliers. This provides diversity of offer and encourages co-location (Morales & Kettles 2009, Nicholson 2009, Morales 2011) and competition.

Markets contribute to making other businesses viable. There can be significant earnings for farmers who attended markets (FoE 2000, Brown & Miller 2008) with increased profit margins (DEFRA 2012), whilst these and other markets offer income opportunities for local businesses that contribute to the their sustainability (Morales 2011).

Markets increase town centre resilience. Resilient towns respond and adapt to change (ATCM & CLES, 2015). Representing more flexible and adaptable retail space, markets can respond quickly, satisfying the current trend for an increased convenience offer, for example.

Markets provide access to affordable goods. Shoppers identified ‘price’ as the main reason for shopping in some of London’s traditional markets (NEF 2005) and low-income shoppers ‘rely on their affordability’ (Gonzalez & Waley 2013). Market prices are consistently lower than supermarkets (Regeneris 2010).

Markets attract tourists. They are “unique, quirky, unusual and always a bargain” according to VisitBritain (nd), with a distinct atmosphere (NEF 2005). Markets offer an enhanced tourist experience as they allow visitors to take part in the everyday life of the place they are visiting (Pappalepore, Maitland & Smith 2014).
Markets matter socially

Markets are places of social interaction. Used by all sections of society, markets are where people of different incomes, ages, genders and cultures can meet together and interact (Tangires 2003, Watson & Studdert 2006). They are the happy ‘third place’ of spontaneous interaction (Oldenburg 1988).

Markets facilitate community cohesion and social inclusion. Because of the ease of becoming a trader, markets have traditionally been attractive to new arrivals. They encourage newcomers to become part of the community (Morales 2000, Tangires 2003) and are spaces of diversity (Watson & Studdert 2006).

Markets are crucial to the distinct identity of a town or area. From Market Rasen and Downham Market to the ‘modern market town’ that Altrincham prides itself on being, markets are emblematic of many places. They embody a community and set it apart from those without such an asset. They are a key part of the experiential identity of the place (Kavaratzis & Ashworth 2006) and enhance the city image (Morales 2009).

Markets animate vacant or underused space. Whether in street, market place or vacant lot, markets create vitality and animation, drawing customers and onlookers. Their layout can encourage exploration and discovery. (Morales 2011 citing Gerund 2007, Manchester CC 2014).

Markets benefit disadvantaged communities. The presence of local markets offering affordable and fresh produce can increase choice for people in deprived areas and improve their quality of life and help address social problems (Morales 2009, Regeneris 2010).

Markets contribute to community development. The small business nature of markets, their entrepreneurial character and integration with the community promotes community development and connectedness (Morales 2009, Blanchard, Tolbert & Mencken 2012).

Markets matter politically

Markets promote sustainability. Environmental and ecological benefits arise from selling locally-sourced products (Bentley & Barker 2005), maybe organic or ethical (Gonzalez & Waley 2013) and through serving local communities who mainly walk or use public transport (NEF 2005, Regeneris 2010).

Markets offer food security. The network of wholesale and livestock markets and the number of businesses involved in retail markets provides food resilience (Morales 2009, Carey et al 2011) and a vital link between urban and rural (Atkinson & Williams 1994).

Markets promote community health. The availability of fresh and affordable food, opportunities for social interaction and participation in leisure activities enhance physical and mental well-being, including for communities who would not otherwise be reached (Morales & Kettles 2009, Treuhaft & Karpyn 2010, Carey et al 2011).
Markets are places of innovation, experiment and education. The low operating costs, smallness of scale, availability of stalls and the fluidity of markets encourage traders to take risks and try ideas and products that may not be viable elsewhere (Morales 2011) and provide the opportunity to educate shoppers in how to use and learn more about the product (NEF 2005).

Markets engage people in society. The fact that markets are organized and regulated ensures participation by people from all backgrounds (Morales 2011). This agglomeration and active engagement in shared activity has mutual benefits, both commercial (Novelli, Schmitz & Spencer 2006) and social (Alkon 2007, Blanchard, Tolbert & Mencken 2012) and secures an active response from shoppers (NEF 2005, Murphy 2011)

Markets are flexible. There were 2079 markets in the UK in 2009 (NMTF 2014). The same space or stalls can be used to sell different commodities targeting different social groups at different times as exemplified by Ludlow and St George’s Market, Belfast. They can respond rapidly to change with new innovations such as Teenage Markets, night markets, and extended trading hours.

Markets shaped the world we live in and are part of our cultural heritage. The concept of a ‘market town’ is ancient and familiar and continues to have a profound effect on town and city centre performance (Parker, Ntounis & Quin 2015). Markets determined our very geography and culture (Mumford 1961, Braudel 1979)

Markets have a significant impact on footfall

Our review of the published evidence has been augmented by an empirical investigation to establish a market effect. We have tested the hypothesis that markets attract significant footfall into town and city centres. Footfall is a key indicator of town and city centre performance, representing activity, usage and relevance. Towns and cities should be attractive and welcoming to all their citizens, not only the ones that intend to spend money. We propose a busy town is a healthy town.

Our research provides the strongest evidence to date of a market effect. The operation of a market significantly increases footfall on each of the homogenous weekday shopping days (Monday, Tuesday, Wednesday and Thursday) by between 15% to 27%, when compared to locations without markets, on the same days (See Figure 1 overleaf). Our analysis of how markets contribute to town centre vitality and viability demonstrates the potential for markets to be leading the way, helping more ‘fixed’ forms of retailing adapt to the changing expectations people have of their towns and cities. Nevertheless, being a catalyst implies the market takes a strong position, which means those involved in market management have to have high levels of place management skills and knowledge (including marketing and planning), and work more collaboratively with other town centre stakeholders.
In conclusion, markets are an important asset to a location, and their future cannot be left to chance, or undermined by operators who are not willing to adapt and change. Our report provides evidence not only of a market effect in many locations—**but also gives clear direction for markets that need to ‘up their game’**, to prove that they are still relevant to their location and catchment.
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