

nabma

the voice of local authority markets

ATTRACTING NEW MARKET TRADERS



The National Association of British Market Authorities

a good practice guide

2011

ATTRACTING NEW MARKET TRADERS



Market trading can be one of the most difficult jobs around. Early hours, coping with bad weather and sometimes feeling that you are on your own. Having said that, some of the leading businesses in the UK started on market stalls. Marks & Spencer and Morrisons, two of the biggest High Street names both started on market stalls and there is no doubt that modern entrepreneurs can aspire to the same success.

In the last few years there has been a decline in the number of market traders and it is vital, to combat this loss that we create a new generation of market traders. If we are to succeed in this objective there must be the right infrastructure in place with proper business support.

NMTF are to be congratulated with their efforts to improve the professionalism of existing trading and also create new market traders through First Pitch. The First Pitch competition,

previously organised by Enterprise UK, has been run by NMTF for the first time this year and hopefully will encourage new market traders throughout the country.

At a local level a number of market operators currently provide opportunities for people to start market trading. It is right that we promote these opportunities more widely and we want to share this good practice so that others can learn from the local schemes that exist and possibly utilise similar arrangements in other areas. This publication highlights local schemes that are operated by NABMA members throughout the country and provide a framework for supporting new market traders.

When we undertook the research in Markets 21 it was estimated that the markets industry supports 47,000 micro businesses. We need to grow this number if the markets industry is to flourish. NABMA and NMTF need to pool their respective resources to provide a template for a national new start scheme for market traders incorporating the best of First Pitch and the local schemes operated by NABMA members.

We need to attract Government support and possibly the best way of achieving such support is to work together on a regional basis. Next year we should look at the prospect of putting together a proposal that can be implemented in one of the regions and possibly used as a basis for attracting Government funding.

We also need to get young people interested in market trading. Links with Colleges and Universities are vital to create interest among our young people in the market industry of the future. It is encouraging that some NABMA members are already putting forward initiatives with education establishments and we need to build on the work that is being done.

Attracting new traders is vital if the markets industry is to be successful in the future. I commend this publication to you in the hope that you will support a new generation of market traders.

COUNCILLOR CHRIS POULTER
NABMA President

EAST HERTS DISTRICT COUNCIL

East Herts run street markets in a number of different locations within the Council's area.

Ware Market, one of the midweek markets, was facing considerable difficulties. This was as a result of market relocation from a busy car park area to a new square within the town. Unfortunately the setting was not conducive to a successful market as the square was home to two pubs, one of which opened evening only, a dentist, a hairdressers, and residential apartments. The retail mix did not bring customers to the market. As a result trader numbers started to decline and the market was reduced to only three traders.

The Council's options were to revamp the market or cease operating it. A number of surveys were undertaken and while it was clear that the people of the town still wanted a market, the location was clearly wrong.

Planning permission was applied for and granted enabling the market to locate to the High Street. Old traders started to return and new ones started. Not all of them stayed but the numbers were encouraging.

The Council introduced an incentive scheme which was on a temporary basis. Trade and pay for four consecutive weeks and get the fifth week free.

Considerable publicity and promotion was given to the incentive scheme with market publications, local businesses and a large employer combining to help the Council advertise the incentive scheme and the local College was also made aware of new deals for students on certain stalls.

This incentive scheme was started in 2008 and is still operated by the Council's Economic Development Team.

Bishop's Stortford Market operates weekly on a Thursday and Saturday. The Council has introduced incentives on Thursday only and are using the scheme as a pilot, particularly as the midweek market needs more support than the Saturday market.

The scheme in Bishop's Stortford Market has been for half rent for every existing trader who introduces a new trader to the market. In turn that new trader also receives half rent. By operating in this way the Council have tried to reward existing traders for loyalty to the market plus it has enabled them to become more involved and looking towards a future. The scheme implemented in Bishop's Stortford is being extended to Ware from the 4th August 2011.

The Council's incentive scheme has worked well at Ware Market. Although the Council's income has not increased greatly, the number of traders has increased. The incentive scheme worked particularly well over the winter period and from January through to March the Council has maintained regular traders.



When the weather has been particularly bad, for those traders who have shown loyalty to the market, the Council has applied further rent reductions as a way of expressing appreciation for support given to the market.

The incentive schemes operated by the Council have been greatly appreciated by the traders, illustrated by the following quotes:

"Definitely helped especially during the last year when it has been hard work".

"Has been a huge help, without doubt, the scheme has made a big difference".

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Nuneaton has traditional street markets on a Wednesday with about 120 stalls and about 150 on Saturday. The markets are of a general retailing nature with a wide variety of food and goods and are operated every week throughout the year.

The markets occupy most of the town centre taking in six streets.

Bedworth Market is a covered/indoor market with eleven lockup store units and thirty stalls. The market operates on Tuesdays, Fridays and Saturdays and is a general retail market with all kinds of goods, food, vegetables, meat, etc.



When the market office gets a new trader enquiring about setting up then the enquiry is normally forwarded to the Town Centre Manager by the market staff. The Town Centre Manager will normally arrange to meet the potential new trader or speak to them and see how they intend to operate and assess their potential and business acumen. At this stage a preliminary assessment is undertaken to determine what assistance they

may need i.e. business planning, merchandising, selling, customer service, accounting taxation, etc. If they meet the requirements of the preliminary assessment then the new trader will be provided with a stall at a reduced rent and this may be extended for at least six weeks. The trader is also made aware of other overheads that need to be paid in respect of trading and a phased increase may be introduced leading to a full rent in due course.



Assistance on how to trade is provided by a number of existing traders and new traders are also informed of other areas where assistance might be obtained such as the National Market Traders Federation, Business Link, CAB, and Chamber of Commerce, etc.

Additional business advice can also be obtained from Nuneaton Rotary Club who have offered free assistance to new traders in business support. This source of help is very important as Rotary members have a wealth of experience and can usually provide someone who has specific experience in a variety of business areas.

The assistance scheme for new traders is run on an informal basis and decisions regarding the level of assistance are down to the Town Centre Manager.

There has also been contact with the local Job Centre and local Colleges informing them about the scheme and directing potential new traders to the market.

The scheme, in its current form, is in its infancy and will be refined as experience is gained but it is proving fairly successful at present.

LEICESTER CITY COUNCIL

Leicester Market is an Outdoor and Indoor Market. The market is located within the city centre and plays an integral part in the City's retail circuit. The Outdoor Market is operated Monday to Saturday and consists of 261 fixed stalls, while the Indoor Market, which is open Tuesday to Saturday, has 78 trading units and houses the fish and meat hall.

The market supports 278 retail businesses and offers employment for up to 650 people. Over 90% of the traders live within a 10 mile radius of the market and most of the money generated at the market is retained within the local economy. The market receives over 2 million visitors per year with an approximate turnover of £15m.

Leicester Market Discount and Support Scheme was launched in January 2011 to attract and support new traders. The new scheme has its own dedicated promotional leaflet and lists the many benefits of being a market trader. It sets out the discounts available for stall rents and the business support available together with methodology for enrolment and contact numbers.

As part of the scheme for the new traders the Council offers a generous discount for the first six weeks stall rent of up to 50% of the original price. The Council also covers during this period the public liability insurance to minimise the initial cost of a new trader.





Not only does the scheme offer in-house and third party business support but there is an incentive to also take advantage of this free support. New starters, who successfully complete either a business link course or a retail qualification with nearby Leicester College or complete a business review with staff, will get a further six weeks at a discounted rent rate. This will probably help the sustainability and viability of a new start up business.

As part of the support scheme we have partnered with local business link providers and the local College. With the local College the Council have formulated the UK's first Level 2 NVQ Certificate in Market Retailing where College assessors visit the market so traders will not have to lose any trade. This is intended to position market trading as a viable career and give traders a recognised reward.

The trader discount scheme is operated between January and October. The Council have found in the current economic climate that this scheme has proved extremely popular with the market attracting between three and five potential new traders each week. In 2010 the Council received 104 applicants of which 37, (35%), of those applying are now permanent market traders trading at least one day per week.

The scheme enables people to try market trading with a small capital outlay. They can experiment with what they sell, where they are located and after the six week period can still come on a casual basis if they wish. Leicester are delighted with the success of their market discount and support scheme. Not only has it brought new traders into the market but it has also provided a structured support mechanism to give new traders the best chance of succeeding.

STOCKPORT COUNCIL

Previously, Stockport Market operated a Trial Rent Free Trading scheme for untested traders. As a result of the experience, one went on to lease a shop in a nearby shopping area, one took on a stall in the Covered Market Hall and three more continue to trade outdoors.

In 2009, Stockport Council consulted its market traders, asking them what format a new entrepreneur scheme should take. The majority of replies indicated that new traders needed training, to have a business plan with cash flow forecasts and a mentor to support them. In partnership with Train 2000 and Blue Orchid – Stockport Council's recognised training partners – the Market and Enterprise

Development teams took these suggestions and created a new scheme which we call 'Market Start'.

The scheme was formally launched on 9 March 2010 by Stockport Council Leader Cllr Dave Goddard (LGA Markets Champion) and Joe Harrison of the NMTF.

Market Start is open to anybody new to market trading who is over sixteen. Aspiring market traders come to an open morning which is held on the first Tuesday of every month, where they are given a tour of the market and talked through the scheme offer. If they wish to start trading immediately they can sign on as a casual trader, but they must complete the training in order to be eligible for the reduced rent schedule, publicity and stall branding.

Market Start has increased the average trading time to nine weeks (more than double the previous scheme) and the scheme demonstrates improved public value and value to the participants. Stockport Council's commitment to providing

publicity for Market Start has led to better publicity for the market as a whole and the resulting increased awareness has also seen a 23% increase in overall market footfall since the scheme's launch.

Continuing support has allowed us to restructure the programme after its first twelve months of operation. We have now increased the reduced rent period from three months to twelve and increased the opportunity for entrepreneurs to hold down a part time job

until their business is established, by only asking for a regular commitment to one day a week.

Over the last fifteen months we have been approached with many new ideas and seen plenty of business optimism for the potential shown by Stockport Market. Monthly open meetings (to which every trader is invited to meet with the market's Head of Service) have helped to build up a relationship of business openness and trust and encouraged traders to take greater ownership of the events planning process and also to run events themselves. We believe that together, we are building a better market.



NOTTINGHAM CITY COUNCIL

Nottingham City Council's Markets and Fairs section runs the Victoria Centre Market, five open markets and its own car boot sale.

The Traders Start Up scheme is a partnership venture between the Council and Business Link which is not only designed to provide traders with financial discounts but also provides professional 1:1 advice.

More specifically the Traders Start Up scheme provides the following:-

- Up to 50% reduction in rent for the first six months;
- Access to business support and advice (as well as support in completing a Business plan);
- Access to a range of free training courses.

In our experience potential traders are mainly attracted to the possibility of receiving discounted rent for the six month period, as the first couple of months of trading is difficult in many cases.

We have recently changed our process of the Traders Start Up scheme to stipulate that all traders have to complete a business plan with the support of Business Link before they are allocated and assigned a stall. We are trying to continually improve the process to try and improve retention of traders by encouraging them to think carefully about potential business decisions.

We have had nineteen traders utilise the Traders Start Up scheme since 2009 and have retained seven of those traders.

WOLVERHAMPTON CITY COUNCIL

Wolverhampton operates a range of indoor and outdoor markets and details of the markets covered by the trader support schemes are included below.

The Wolverhampton Market Service provides low cost business start up opportunities for people in the local and surrounding areas. Wolverhampton is keen to provide incentive packages that encourage new businesses and trades into their markets and they seek to assist new businesses whilst protecting existing traders from unfair competition.

Wolverhampton use Access to Business, an organisation that provides practical support for new businesses, and this organisation is included in Markets Information Packs which are sent out to prospective traders.

Alongside city wide advertising in respect of the markets, Wolverhampton runs an ongoing campaign to promote the incentive scheme. The incentive scheme targets two segments; established market traders and business start up.

The campaign runs a series of call to action adverts across a range of media appropriate to the target audience and allows for a circulation that spans the West Midlands.

The campaign uses the following promotional mix:

Radio;

Trade Journals;

Local Press;

Social Media Advertising;

Business Support Services.

In 2010, 97 traders benefited from incentives and it was clear from the responses received that each of the elements of the promotional mix attracted traders to utilise the incentive scheme.

Given the diversity of the markets operated by Wolverhampton there are different incentives applied in respect of particular markets. Outlined below are some of the main features of the markets involved:

Wolverhampton – Indoor

- Vacant Stalls (6 weeks and over) – 12 week rent free period for new traders offering a trade line that is not currently represented on the indoor market. New traders eligible for this incentive will be required to pay all electricity charges associated with their stall; however, there will be no charge for rates;
- Vacant Stalls (6 weeks and over) – 50% reduced rent for 6 weeks, new trader with a trade line currently represented on the market;
- Stall W19 – 26 weeks free to any market trader to promote the image of Meat and Fish Hall;
- Vacant Stalls (6 weeks and over) – existing traders are offered a temporary licence on eligible stalls at a fee of £25.00 per week. Traders who are in arrears with licence, lease, or electricity payments will not be eligible for this incentive. Any trader wishing to take advantage of this incentive will need to sign a temporary weekly licence which will be reviewed and renewed on Friday of each week. The temporary agreement will include traders paying all electricity charges associated with their temporary stall however, there will be no charge for rates;
- An existing trader introduces a friend who takes a stall for a minimum 13 week period, gets 20% rent reduction for 4 weeks.

Wolverhampton – Outdoor

- Casual traders converting to licensed stalls, get 50% rent reduction for 4 weeks after 13 weeks on licence;
- Existing licence holders taking on additional stalls on licence get 50% rent reduction for 13 weeks;
- Existing licensed traders who introduce a friend, who takes a stall for 13 weeks, get 10% rent reduction for 4 weeks;
- Any existing trader who takes a vacant stall on a casual basis after 9.00 am gets 50% rent reduction. (Tuesdays, Fridays and Saturdays);
- Offer existing licensed and casual traders an additional stall at a flat rate of £5.00 a day (after 9.00 am Wednesday's only);
- All Open Market licensed traders to be offered 20% discount for payment made one month in advance during the Kipper Season (January to March).

Bilston Indoor

- Vacant stalls (6 weeks and over) – 50% reduced rent for 26 weeks, new trade line.
- Vacant stalls (6 weeks and over) – 50% reduced rent for 4 weeks, existing trade line.

Bilston Outdoor

- Casual trader converting to licence gets 50% rent reduction for 4 weeks after 13 weeks on licence;
- Existing licence holders taking on an additional stall gets 50% rent reduction for 13 weeks;
- Licensed traders introducing a friend, who take a stall for 13 weeks, get 10% rent reduction for 4 weeks;
- Any existing trader who takes a vacant stall on a casual basis after 9.00 am, gets 50% rent reduction (Thursdays and Saturdays only);
- Offer existing licensed and casual traders an additional stall at a flat rate of £10.00 a day (after 9.00 am Monday and Fridays only);
- All Open Market licensed traders to be offered 20% discount for payment made one month in advance during the Kipper Season (January to March).

Wednesfield

- Casual traders converting to licence gets 50% rent reduction for 4 weeks after 13 weeks on licence;
- Existing licence traders taking on an additional stall gets 50% rent reduction for 13 weeks;
- Licensed traders who introduce a friend who takes on a stall for 13 weeks get 10% rent reduction for 4 weeks;
- Any existing traders who introduces a friend who takes on a stall for 13 weeks, get 10% rent reduction for 4 weeks;
- Stall fees for Wednesday Market to be the same as at Wolverhampton Monday Open Market;
- Stalls 1 – 4, £5.00 a day fee on Tuesdays, Fridays and Saturdays only;
- All Open Market licensed traders to be offered 30% discount for payment made one month in advance during the Kipper Season (January to March).

HUNTINGDON MARKETS

Huntingdon operates markets on a number of weekdays in St Ives, Huntingdon and Ramsey and with the support of Business Link a support scheme for new market traders has been established.

A helpful information pack has been produced answering some basic questions about how to go about setting up a market business and how the Council can help. If you want to run a stall as a market trader you will normally have a preliminary meeting with the Markets Supervisor. A "drop in" session can be arranged including a four hour training session.





The Business Link support provides free workshops, information, practical advice and support to help people start, run and grow their business. While Huntingdon does not have a formal mentoring scheme for new start traders the Market Supervisor will keep an eye on a developing business and give support as required.

Huntingdon also provides additional incentives such as reduced rent and will loan equipment to help get the business started. Since the scheme commenced around thirty people have joined the

new start scheme and while some have gone on to do other things the Council has retained around six who have become permanent market traders.

The success of the Huntingdon scheme is such that it is a candidate to be the East of England's entry to the national Action for Market Towns Awards to be held in Ludlow in October 2011.

KIRKLEES MARKETS

Kirkelees run a variety of markets with indoor retail markets in Huddersfield, Cleckheaton and Dewsbury and outdoor markets in Holmfirth, Batley, Birstall, Heckmondwike, Cleckheaton and Dewsbury.

To help with investment and regeneration within Kirklees, Kirklees Markets know the importance of attracting new businesses to their markets to keep them fresh and entice new customers. With this in mind Kirklees Council and the University of Huddersfield have created a new enterprise initiative entitled 'Testing the Market'. Enterprising students at Huddersfield University, Business Mine are being offered a fantastic opportunity to try out their business ideas by having a stall at Queensgate Market Huddersfield.



Students can apply to use the stall at Queensgate Market, on a short term let and sell their products to the general public. They can also use the demonstration zone which will be taken over by another enterprising student with his Fasta Pasta range.



Paul Greetham from Huddersfield University said

"We teach our students all the theory of starting up their own businesses and we always stress the importance of knowing your product and how thorough market research is essential. Kirklees Council have offered our students a fantastic opportunity to conduct extensive market research whilst trading within the markets. Any enterprising student from the University of Huddersfield may apply,

to run the stall short term. The students need to come up with a great idea and innovative new product. They need to produce a business plan and also do the marketing for the new business. I feel that we are able to create a great opportunity for young entrepreneurs and also create a vibrant atmosphere within the markets. We are all extremely excited about this new venture and the potential it has to help our students."

The first student Neil Kaye has already signed up and will be trading in Queensgate Market from 27 July 2011 with his range of clothing called Gemowear. Neil has just set up his business as part of his course. He said "I set up Gemowear to provide high quality, low cost, printing solutions for any occasion. I specialise in Hen & Stag Parties, promotion wear, nights out, workwear, safety wear, band merchandise, holidays, birthdays, one-off gifts, uniforms, corporate wear, groups and organisations, sportswear or any special occasion!"

CLlr Peter McBride is fully supportive of the partnership and said "In order to keep the markets going strong we need to make sure that they remain vibrant and stock the products that people want to buy. With the students on board they are attracting new clientele into our markets, and will add interest by changing ownership on a regular basis. We would hope that the students will go on to set up their own business and continue to trade within our markets. We are piloting this scheme at Queensgate Market Huddersfield but we hope to roll this out to other markets within Kirklees depending on the products and where they would fit."

This project is only in its infancy but it is indicative of the way in which markets must work with Colleges and Universities.

MANCHESTER MARKETS

Manchester Markets operates a wide range of indoor and open markets and is committed to recruiting and developing new traders to ensure the sustainability and diversity of its markets and to counteract the ongoing issue of vacant stalls.

Harpurhey Market had been identified as a location for the launch of a trial project to attract new businesses to the market. However, to provide maximum flexibility for new traders, there are also opportunities available at Longsight, Gorton and Wythenshawe Markets if these locations are preferable.

Together with its own mechanism for developing and improving the standard of traders across its markets, Criteria 23, Manchester Markets is also committed to utilising the NMTF tools that are available including First Pitch and NMTF 400. We are also proposing meeting to include the "Apprenticeship Scheme" into the process as the detail is worked up and agreed.



Manchester Markets have allocated funds for a promotional campaign at a local level to attract potential new traders. Targets are young people and people who have not previously worked as a market trader.

Initial plans include:

- Create advert for publication;
- Create easy and understandable literature that keeps the process as simple as possible;
- Offer a personalised service once people have made contact;
- Develop the Apprenticeship Scheme in conjunction with NMTF or alternatively, launch traders immediately using First Pitch;
- Utilise NMTF 400 as a training resource as well as Manchester Markets in-house managers to develop business acumen;
- Send out a briefing pack to all managers and assistants to ensure across the board knowledge;
- Once the applications are received, contact prospective trader to start face to face discussions to explain/gain an understanding of them and their ideas;
- Trader will then be given an application pack which will include guidance notes and general start-up details;
- Market Manger then receives application back and assesses where the trader may best be suited to, dependant on commodities sold;
- If an application is successful for any market, the trader is provisionally offered a casual stall for a period of four weeks on the proviso that they attend a minimum of two days a week. This could include workshops, training sessions and meetings to provide them with the knowledge to make their stall successful. This would include layout, lighting, fit-out, pricing techniques and business planning;
- After four weeks the trader should be in a position to begin permanent trading. The charges agreed will be dependant on different circumstances of each new trader;



- It is important that the trader is aware of the need to reinvest in their business and that charges do apply. An early decision is that they pay something from the first week;
- A possible support arrangement would be for Manchester Markets to pay for their NMTF insurance and they pay back £10 a week towards that cost and their business grows the charges grow’.

Rent is not the driver for this project - the driver is to develop the Manchester Markets trader offer.

Manchester Markets will help a new trader with all aspects of getting started. We can offer business support tailored around your needs, from stall fit out, money advice (via our partners) and lighting, to all aspects of customer service and pricing. This can be done on the job whilst you trade or away from the market in a more relaxed atmosphere.

We can also offer reduced and structured rent payments, which can help you to grow your business at a steady and affordable rate.

BOLTON MARKETS

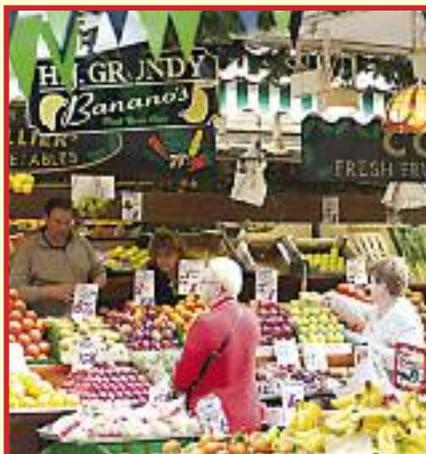
Bolton Councils Market Service has a varied portfolio ranging from its primary market offer Ashburner Street (over 300 indoor and outdoor stalls) in central Bolton to smaller offers in the satellite towns of Farnworth, Horwich and Westhoughton.

Over the last three years all venues have been subject of reviews with remedial actions delivered on a bespoke basis specific to each venue. The approach to Westhoughton being the most diverse in terms of its approach to incentivising new and existing traders. The approach is multi faceted in its design.

Westhoughton Market Hall is situated on Market Street in the centre of Westhoughton, which over time has become a commuter satellite for Bolton and south east Greater Manchester. During this time the market (and the town centre) suffered a substantial reduction in footfall and (mainly due to the downturn in the economy) a lack of investment by all forms of property holder. For a number of years prior to this, the Market had been trading at a £30k to £50k loss and the site had been rumoured for disposal and closure. Three years ago one final effort was made to help the town with a sum of around £200k being secured from Council funds to reinvest.



The market hall was halved in size and renovated, now around 40 stalls are available to let and the venue now opens an extra day in the week on Tuesdays, Thursdays, Fridays and Saturdays. Automatic doors were installed (funded from equality access monies) a full length canopy was added to the entire frontage and street furniture was removed from the frontage. A street trading consent will be in place soon allowing traders to animate the public realm below the canopy. Limited access by car to Market Street was introduced but revised signage arrangements to a newly named 'Market Car Park' (funded via the Councils Highways division) was also created.



Running alongside this investment the Markets Service offered new and existing traders a 'new deal' on being in business at the venue. Innovations included:

- Agreeing reduced rent levels for relevant traders who then opened and closed the venue themselves. This reduced security costs for the Council;
- Offered rent reductions to open on new days;
- Encouraged a buddy/ recommendation scheme for traders who introduced new businesses to the market;
- Offered a free 'mystery shopping' intervention to all traders;
- Offered a free place of the Mary Portas 'review your business' tips scheme;
- Underwrote small investments for traders (such as tables and chairs);
- Created new relationships with local community groups allowing them to use the rear of the venue (for free) for community events thereby endearing them to the market and allowing them to become advocates for the venue;
- Produced and delivered local advertising campaigns for the venue targeting the locals 'stay at home' population (young families and older residents);
- Commenced a trader inspired Local Produce Market once a month;
- Introduced (by agreement) second hand sales at the venue;
- Re modelled the management of the venue and moved to monthly billing to remove the need to collect income.

Although the venue is now smaller, it feels much more 'alive' and with over 85% occupancy and reduced running costs, it made a £2,500 surplus in 2010/11. It is now more memorable to local people because of its connection to community groups and is a much more obvious retail offer in the Town. New (second career) traders have been particularly attracted to the venue because they have more autonomy and influence about new products and traders coming into the market.

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