

Some foreign experience on management and organization of traditional markets

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Urban planners and local authorities worldwide have accumulated considerable experience in managing the evolution of traditional retail markets as one the marketing channels that can efficiently contribute to meet the challenge of feeding the world's cities in the 21st century. Multi-vendor retail markets are indeed one the mechanisms that can ensure modern consumers, either high-income or low-income people, with regular, fresh, cost-efficient, diverse and safe food. But as with other retail marketing channels, the upgrading of traditional markets requires a clear vision and a careful attention from urban planning and public policies.

In this article, we wish to share some information on the management and organization of traditional markets in some developed countries. This experience -sheds light on some clues on how to combine the social and cultural value of urban markets, with the consolidation of a modern and diverse retail system for the cities.

As an introduction, it is interesting to note that consumers and urban planners in industrialized countries seldom use the expression "traditional markets" to designate open-air markets (as is often done in Vietnam for example). Instead, they generally speak of "neighborhood markets", "proximity markets", "street markets", "open markets", or "vendors' markets". These expressions show that the main attribute and characteristic of these markets is their social dimension: City markets are part of the city landscape and of city life and atmosphere. They are identified as a social activity, linked to the vibrant and colorful presence of vendors and products. The economic and social role of these markets is often very ancient. For example in most large and medium towns in Europe, many city Squares are market squares: They have been originated by market places which have existed for centuries or at least for decades, and have later been maintained and preserved as public spaces in the modern urban development.

Urbanizing societies tend to extend and to diversify marketing channels, for example for food products. Longer distance between producers and consumers leads to the development of new marketing channels such as supermarkets. Yet the vision of urban planners and policy-makers, at least in Europe and Latin America, is that these marketing channels –neighborhood markets and supermarkets- play useful and complementary roles, and should both be part of the food marketing

for the cities. This is the reason why new markets continue to be created today, as is recently the case of many farmers markets in the USA, or in the newly urbanized areas of European cities.

In this article we would like to focus on the management and organization approach used in some countries where traditional or open-air markets take part in the long-term urban planning vision. From these experiences, we identify ten management and organization rules for preserving and making the best use of traditional multi-vendor markets for the planning of modern urban retail systems.

1. Recognize the long-term role of neighborhood markets in the urban retail system

As mentioned above, the first and main management principle is to consider that there is a long-term need for neighborhood markets within the urban food system. Large, modern cities cannot depend on one and only retail channel – be it open markets, supermarkets, or small shops. Such cities must satisfy the needs of millions of consumers of very different type, origin, income and preferences. All retail channels are therefore needed and welcome to meet this big challenge. There is a clear trend in the increase of the role and place of supermarkets. Yet, supermarkets still represent only one part of the retail, especially for fresh food products. Because of distance, transport, and income constraints for the consumers, supermarkets cannot and will not become the only channel of food sourcing for urban consumers. Organized street and neighborhood sales will continue attractive in the future, along with the development of convenience shops. Recently, remarkable innovations are happening in the wholesale/ transportation / warehousing system which can boost local markets (Reardon et al., 2010).

From the point of view of the individual consumers, this diversity of marketing channels is also necessary. No consumer buys everything in only one marketing channel. On the contrary, the place of purchase varies depending on the type of good (fresh or “dry” products), the time of purchase (after receiving monthly salary or day-by-day purchase) and the finality of the purchase (for common consumption or for the preparation of a special dish/ special event) (Giraud, 2011). Neighborhood markets possess advantages on proximity, practicality and flexible volumes and prices. Supermarkets possess an advantage on food safety, as strongly perceived in Thailand (Bolton et al. 2011) but entail more transportation time, and often the obligation to buy larger volumes.

In many Western world cities, supermarkets are concentrated in the outskirts of the cities and are reached by car. For many consumers, supermarkets are not well adapted for quick, regular or small purchases. Commercial malls tend to sell more clothes and electronics. City markets on the other hand are perceived by many consumers as a place where the act of buying is highly related with a pleasant social activity, and where a large diversity of fresh food can be found. We can conclude that these different retail channels perform different, complementary functions.

2. Take advantage of the neighborhood markets’ strong cultural and social assets

Many city markets have become identity places for local people. Some are famous nationally or even internationally and have become “postcards” or “must-visits” for national and foreign visitors. Some cities have developed central rehabilitation and reurbanization programmes around the renovation of traditional markets: this was the case for example in Brazil (central markets of Belem city in Amazonia and of Porto Alegre city in the South). The objective of such renovations is not only to attract tourists (see below #10), but to improve market services and to become more attractive for the local urban dwellers.

Market improvements such as covered areas, renovated floor, clean stands and functional water and electricity networks, can make a difference. As well as an improved bus and public transportation access, parking facilities, clear indications and signs outside and inside the market.

3. Take into account the frequencies of different markets: daily, weekly, and occasional markets

City markets may have different frequencies. The management issues, and their solutions, differ whether it is a daily market (or twice-a-day-market as in many cases in Vietnam), or a weekly market, or even an occasional market for a festivity for example.

In France, the national Federation of open-air markets maintains an updated information on the location and frequency of 4 340 open markets nationwide [1]. Some 80% are open air markets, while 20% are covered market buildings. About half of these markets (48%) are organized once a week. Regarding the size, most neighborhood markets gather between 26 and 60 traders. The more diversified the range of products offered, the more attractive are these markets ¹.

Daily markets require a permanent reserved space that includes shopping, parking and services areas (see below the detailed of Melbourne, Australia).

When markets are held once a week, on market day the parking and road circulation plans are adapted accordingly, with adequate information signs.

4. Avoid pollution

Traditional markets are sometimes associated with pollution. This critic refers mostly to the management of water and solid waste. Several cities have conducted surveys to identify and satisfy the needs of vendors in terms of water access, used water disposal, cold storing, waste disposal. City authorities and market vendors' association can collaborate to improve infrastructure accordingly.

Improvements require from both parties some investments as well as collaborative attitude and a frequent monitoring of the action plan.

T Selective garbage collection can easily be organized at marketplaces. Markets can be active promoters of the use of recyclable plastic bags to avoid littering and street pollution. The city council is responsible for cleaning the marketplace after each market.

Specific products (fish, meat) may require vendors to use specific equipment to prevent several types of pollution (cold stores, cold showcases, ice machine, storage rooms..).

5. Avoid traffic jams

To avoid traffic jams requires to separate areas for the circulation of vehicles and for shopping. The city in the 21st century needs to be a sustainable city where the space of individual cars is limited to specific areas parts in order not to disturb public space. Most world metropolis are implementing severe restrictions on car circulation or parking, in order to target some city areas for pedestrian shopping and sightseeing. . The development of public transportation networks also supports this trend to the development of pedestrian areas in town centers.

¹ Although France is one leading countries in the world in terms of supermarket development, it also relies on a very dense network of multi-vendor markets.

For open-air markets, the main factor for successful management is the reservation of an adequate space. Increasingly, city authorities worldwide tend to create reserved pedestrian areas in the cities so that pedestrians can freely and safely do their shopping. Parking facilities or public transportation are available nearby. Covered or open-air markets often constitute the heart of such pedestrian areas. The areas around the markets attract many small shops and restaurants. This offers a diversified, open-air, walking-cum-buying purchasing experience, different from buying in a commercial Mall.

6. Deliver more services for consumers

The modernization of proximity markets can be achieved by delivering more services to attend the demands of consumers.

If the reader would take the time to visit the oldest traditional markets in Melbourne Victoria, Australia, the first thing he would feel is that it is a very clean market. The layout of the area selling vegetables, fruit, meat, toys, clothes, flowers and souvenirs is very well elaborated. Traders are also divided according to different types. They sell on stands with concrete or wooden tables. Almost all retailers indicate clearly the selling price and the production area of the product. This market is quite long so the cars are parked along the road. Seats are placed outside. Many guests read newspapers or books while you rest after purchase. Some people sit and listen to music, while others are playing with their children who are pushing shopping carts. There is also a utility stalls for pets. This market is managed according to local policies. The slogan requiring the use of old plastic bags is listed at the corners of the market. Meanwhile, on Saturday and Sunday, free parking if you go to the market early, from 6:00 to 10:00 (ADD REFERENCE).

In Thailand, efforts have been made to improve the management of traditional markets areas by keeping the environment clean; increasing the sense of security by adding light when necessary; reducing noise levels ; and providing visible security measures (video control and presence of watchmen protection) In Peru, the public market managers have an office inside the marketplace. They keep a calibrated scale/balance which can be used on demand by any consumer in case of doubt to check the scale used by the vendors.

To maintain the existing features of the preferred traditional markets is an important objective, including : fresh produce and local specialty products, low prices and the possibility to bargain prices, and the oral, relaxed communication between buyers and sellers. At the same time, it is also possible to innovate, attracting more people to purchase larger volumes in traditional markets. This requires to take care to improve the market's environment : The marketplace should be a pleasant location to take a break (provided by trees, vegetation, shade) and to enhance the social opportunities goods (by including sitting area, open restaurants and cafes, gathering space and public space for events and entertainment and culture).

In the U.S., farmers' markets are setting a new trend among urban consumers. In these markets, producers are selling their products directly to consumers, not through the collectors. This is supported by consumer groups or by City councils as a way to reintroduce some diversity in food marketing channels, as an alternative to the monotony of only buying at supermarkets. The origin of products is informed in detail and producers can present and explain their products directly to

consumers. In the last decade, farmers' markets have become a favorite marketing method for many farmers throughout the United States, and a weekly ritual for many shoppers. In a farmers' market, a group of farmers sell their products once or twice a week at a designated public place like a park or parking lot. Some farmers' markets have live entertainment. Shopping at a farmers' market is a great way to meet local farmers and get fresh, flavorful produce. Similarly in Australia, farmers' markets are meeting at specified dates and time.

7. Deliver more services for vendors

To upgrade traditional markets, it is necessary to also provide more services for the vendors. The vendors can participate in return to the investments made by City councils. With services, the market infrastructures benefit from regular maintenance. The sale is organized by groups of products.. Training is offered to improve working conditions, avoid pollution, enhance hygienic practices. A specific space is defined for each activity. Cleaning and maintenance services are generally organized by the Commune.

Other services needed by the vendors to improve their business and professionalism are : on-demand renting of warehouse space and cold stores; security; banking services, toilets and showers, water and energy outlets for each stand.

8. Develop an adapted control and monitoring system with transparent costs and taxes

In France, each market counts with a written internal regulation, which defines the obligations and rights of the trader. This regulation defines taxes and other costs in a clear manner. Traders as well as municipality and police have to follow it strictly. Regarding the inspection of commercial activities: Traders are free to trade and exercise their rights and obligations in compliance with the regulations for the operation of vocational areas. But their activity is controlled by agencies such as: 1) Municipality, 2) Ministry of Economy, Finance and Industry; 3) Veterinary services; 4) The local police; 5) National Police; 6) Customs; 7) inspectorate of labor and trade union for social security contributions.

9. Stimulate the organization and responsibilities of traders' associations

The upgrading of traditional markets can be greatly supported by the establishment of a professional organization in the market at local level, but also the existence of a national Market Vendors' association which can contribute to a larger public policy.

Vendors' associations at local level maintain relations with the City council and with representatives of the Ministry of Trade, the Ministry of Health and the Ministry of Tourism. They participate in the organisation of local Festivals.

Following up with the example of France mentioned above, open-air markets have created a nation-wide Federation which gives opinion and suggestions on the improvement of the sector, and is an interlocutor for the government . For example, the dialogue between government and the national federation helped to implement preventive measures during the Avian flu - H1N1 crisis which greatly affected the sale of poultry. It supports its members with information on their rights and obligations.

The national Federation of proximity markets also develops communication activities targeted at consumers, under the slogan “proximity markets, a tradition to share”. Its website provides consumers with direct on line information on place and frequency of the 4 340 markets in France. In the U.S.A., open markets also have a nationwide organization called “Local harvest” informing about points of sale nationwide [4].

10. Use the touristic potential of traditional markets in a long-term, sustainable manner

No foreign visitor in Vietnam would leave the country without visiting at least Ben Thanh market in HCMC, a floating market in Can Tho, a street market in Ha Noi or in Hoi An, or an ethnic market in Bac Ha or Sa Pa. Similarly in other countries, markets are a must visit for example in Thailand, Italy, Andean countries or in Provence. Markets offer an opportunity to meet local people and local products in typical local city landscapes. They offer a full sensorial experience, bringing pleasure for all senses: seeing, hearing, smelling, touching and testing. They therefore represent a living synthesis of a country’s popular culture. They are a full part of the national cultural heritage. No wonder why the images of markets are present on touristic videos, posters and postcards around the world.

Many governments worldwide are aware of this great touristic potential of markets, and have been successful at promoting it. The most important management lesson learned on this topic is adopt a sustainable approach. Therefore, a special attention must be given to sustaining the living culture that is behind the market. A market that becomes only or mostly directed at tourists is in serious danger of losing its inner dynamic and also its attraction for the tourists. When the number of cameras exceeds that of local consumers, the market is moribund. It is essential to keep and attract more local consumers.

Conclusion:

Information sharing through international experiences constitutes a rich source of inspiration and ideas to build a model of market management in Hanoi and in Vietnam that combines the main advantages of the traditional markets, with innovations in infrastructures, services and organization that allow proximity markets to play a full role in a modern, healthy and pleasant city life.

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