

Agenda

I will give you a short overview on our company. Who we are and what we do.

Next I will give you some information on markets in Germany: the general situation, the organization and management of markets and some impressions of an example town we researched.

Furthermore, you will get an impression on what means best practice in Germany. What are success factors for markets in Germany and what some current activities are?

I will conclude with some general ideas and give an outlook on what we think could be future scenarios or needs. Or better, what questions should be asked in discussions.

Who is Management consult?

Management consult is situated in Bonn, Germany.

We do business since 1997.

We operate nationwide with projects from customers in the private and public sector and non-profit institutions.

What is our business?

A big part of our business, especially for the public sector and non-profit institutions, are evaluations and academic studies; often including surveys.

Project-Management in external and internal projects, organization and marketing are other center points of our work.

Developed out of our projects and expertise we give in-house and open seminars.

However, the main focus is market research: Our Customers receives information about opportunities, trends, consumer needs and expectations or image. We use online surveys, face-to-face interviews, Computer assisted telephone interviews and paper & pencil to gain the information needed.

Our reporting always includes the method applied, the results gained, comments and conclusions and developed implications. So that generated recommendations can directly be implemented.

Situation of town markets in Germany

In Germany, a move-out of retail sale from the town centers to the suburbs. The outcome is a short-fall of local supply which constitutes more and more a problem.

In Germany, more than 3.300 markets take place nationwide. They are an element of the social structure of urban districts. Often they can be said to be the attraction pole to these districts and their individuality factor.

The increasing number of immigrants in Germany leads to a more and more diversified market structure. Different cultures with different market traditions color the German town markets and different product categories arrive on the markets.

Organization and Management of Town Markets in Germany

In general it can be said „the larger the town, the more professional is the market management.”

In the smaller towns no real market department exist in the municipality. Often regulatory or public order offices take care of the organization and management of markets.

However, larger towns most often have a department only responsible for the organization and management of markets.

In several towns, e.g. Duisburg, Hamburg, Bremen, the local wholesale market organizes and manages the town markets as subsidiary of the town (on behalf of the town).

Other markets are organized and managed by associations. Not necessarily local, but also nationwide (e.g. by Deutsche Marktgilde eG).

Particularly, special markets are planned and managed by private organizers, such as: Old-timer Market, Antique Market, Flea Markets, etc.

However, also weekly town markets are sometimes managed by local organizers.

Registered Cooperative – An Example (DMG eG)

An Example for a registered Cooperative:

The Deutsche Marktgilde eG organizes markets in more than 100 towns all over Germany.

For the markets the cooperative organizes, it develops market regulations in consultation with the council or owner of market place. The cooperative undertakes not only the organization, administration and planning, but also the marketing which is often more intense than the marketing made by market departments of the municipalities. Also the cleaning after the market is taken over by the organizer.

The Deutsche Marktgilde possesses a central database of traders. This is for example very helpful if there is a lack of traders. A fast compensation can be easily implemented.

The markets managed by this cooperative have local market supervisors which are employed and educated by the cooperative.

Since the cooperative is active nationwide in different locations and for different types of towns, there can be said to be a good transferability of experiences to other cities. This is often missing in the organization and management by towns' departments.

Coordination of Markets in Germany

Let's summarize the coordination of markets in Germany:

Either the city council or a private owner is in charged of the marketplaces. Departments from the town, the local wholesale market, an association or a private organizer develop the market concept. The market supervisor is mostly provided by the organizing party. This supervisor is responsible for the correct implementation and execution of the developed concept.

What Other Institutions „Play Along“?

There are other institutions which play a role in the market coordination in Germany.

For example, local chambers of commerce or also a manufacturer of stalls educate market managers and traders. They give lectures and presentations regarding success factors of market trade.

Local and regional but also national associations of market traders and wholesale markets are active partners for the improvement of market trade. Among other functions they follow lobbying activities for market trade and stakeholders (organizers, towns, traders, managers, consumers) in market trade.

Research Institutes and consultancies invest time and money on researching consumers' and traders' behavior on markets, success factors of markets and the future of markets.

Structure of Town Markets in Germany – An Example

Management consult often researches the consumer and trader behaviour on German markets. In the following slides I will give you a short impression of the results of our last project.

We made over 2.000 consumer interviews on the 28 markets of a capital of a federal state with more than 500.000 inhabitants.

The markets take place in 22 of 51 districts of the city. Only three of the markets take place twice per week.

All the markets we surveyed are managed and organized by the town.

Additionally, there are 5 farmers markets per week which are organized and managed by a local association for farmers markets.

The opening hours of the markets are either 8 a.m. – 1 p.m. or 2 p.m. – 6 p.m.

These are the general conditions on which the following results must be interpreted.

German Market Visitors – Who are they? – Typical Example

This is a typical profile of the German market visitors:

Over 60% of the respondents were female.

Especially, the older age groups are represented; 45% over 65 years.

Most people go to a market which is close to where they live or work. This is also the reason why they most often walk or bike to the market.

Particularly people from small households shop on markets. The majority are couples without children, often seniors, or 1-person households, singles.

The typical visitor comes regularly and visits the markets once a week or even more.

German Market Visitors – Reasons to buy at the market

What are the reasons to buy products on the market?

Freshness and quality of the products are the most important reasons to come to the market.

Others are atmosphere, tradition and fun. Quotes like: "I come to this market since my childhood" or "It is fun to talk to other customers and traders and to be greeted by name" are typical.

To buy products from the region and to support regional producers are also important motivational factors.

Characteristics of „Best Practice“ in Germany

The following slides are reserved to find some answers on the questions:

What do successful market managers consider?

What are the success factors of best practice examples in Germany?

What current activities do exist to make future markets successful?

The aspects mentioned are among others also measures valued by juries during competitions of the best market.

„Best Practice“ in Germany: Adaptation to Consumer (behavior)

A professional marketing is often one of the most relevant reasons for the success of a market.

A targeted sales approach and offers according to costumers' requirements are essential. Especially the advertising of the markets is often best done by private organizers. Informative and attractive WebPages, banners, bills, papers, flyers and incentives are good an needed ways to reach different target groups and a more and more information seeking population.

Opening hours adapted to consumers' needs are another big factor. Towns in Germany often have very unattractive opening hours, just look at the example I mentioned before. It is necessary to ask the questions who are the consumers. Seniors are able to frequent a market to other times than a full-time working mom.

It is important to find out when people can shop and are able to reach the market or pass the market, e.g. in very early hours before work or after work or in lunch break. However these are often times, markets either are not open yet or are already closed.

Successful markets in Germany are open long hours or several times per week and adapt their opening hours to retail opening hours.

„Best Practice“ in Germany: Integration in Town Marketing

Successful markets in Germany are integrated in town marketing concepts.

Optical aspects such as homogenized overall appearance, focus or area with center, visualized aesthetic conditions and a clear arrangement are respected.

In general, successful markets have created some kind of distinctiveness e.g. historical stalls, delivery service, etc.

Successful markets are well accessible.

Markets which are seen as "best practice" in Germany often accentuate somehow local, regional peculiarities. The market can act as figurehead or the unique factor of a town.

„Best Practice“ in Germany: Act With the Townspeople

Successful markets in Germany act with the townspeople. That means they integrate the citizen in the „market life“ with certain activities. There might for example be competitions for advertisement bills, the markets' logo, a market mascot etc.

Inclusion of gastronomic and retail residents in design and presentation of the outside area are other ways to integrate people belonging to the district. A consistent appearance of the whole area creates a high attractiveness to (potential) consumers.

Often the integration of surrounding institutions, such as schools, sports club restaurants, etc. support the identification of townspeople with the market of their district.

Current Activities to Support Future Markets – Some Examples

Some Examples of current activities:

Working Group „Wochenmarkt“ in the West of Germany: Managers and sellers of 20 towns and one traders' association work on a sustainable development of the markets. They promote the exchange of experiences, development of innovations, conjoint Marketing, lobbying activity as a union of several towns: being partner of national, regional and local politic in receiving an active support for town markets

Bridal Couples receive “Fresh Basket” from market directly after the ceremony at the town hall (located at the main market)

Market Breakfast: Buffet made out of products from the sellers

Pupils get to know the profession of market sellers and sell the products

Markets do not „sell themselves“ anymore

Towns have to face an ever changing retail situation.

Retail trade often consists only of the discount markets and commercial centers on the periphery of a city.

Additionally, the demographic shift describes an ageing and shrinking population which influences the future consumers.

Therefore, markets need branding and active marketing to “sell themselves” in future.

To be successful market organizers must be fond of markets and must be professional. These are preconditions to see markets as part of urban development and as part of city marketing. Furthermore, professionalism enables an effective behavior in front of all relevant stakeholders.

Future Scenario or Needs – Some Thoughts

To be able to create the before mentioned best practice markets and to confront the described change in the retail and consumer structure some questions have to be asked:

Should the responsibility be taken off council? Or what needs to be changed in councils?

Should privately organized markets be fostered? Could they create a higher competition in the management and organization of market trade and with that receive better results?

How important is networking: between sellers' associations, councils, managers, traders and townspeople? What networking should be encouraged?

These and other questions are relevant to discuss to develop the right conditions for successful markets.

Functions of Market Trade for Economic Development...

One special thought to be taken should be what role market trade should be assigned to regarding economic development.

Market trade is an easy way to start-up business with small investment. Sections of the population which would have difficulties to get-self-employed such as immigrants or unemployed, can get chances in this sector.

Markets give opportunities not only to farmers, small producers, handicraftsmen and designers or artists.

... and Chances for Founders of a new Business

However, to be able to realize these opportunities, market trade has to be attractive and interesting conditions must exist for these people.

Ideas could be a better governmental support for start-ups in this business sector,

Training and education or better consulting for founders in this business sector.

It could be thought of starter programs, such as two weeks no fees, or a test year or opportunities to take over business.

But who should be thinking of these conditions and realize them?

Of course, councils and Market organizers are firstly claimed.

Traders' associations and chambers of commerce could play a role as much in education and training or consulting as in the development of starter programs. Industry could take care of another part and could rent equipment or sell used equipment for low prices.

Thank you for your attention. I hope I could give you a short and useful overview on market organization and success factors in Germany. Our future thoughts should be seen as ideas for discussion.