



Work Project presented as part of the requirements for the Award of a Master Degree from  
NOVA - School of Business and Economics

## **Consulting Project for Câmara Municipal de Cascais** **Street Vending in Portugal - Creation and development of a new sales channel**

**January 2016**

Consulting Labs | Fall 2015

**Consulting Lab carried out under the supervision of:**  
**Professor Constança Monteiro Casquinho**  
**Professor Fábio Santos**



Mafalda Marques Henriques de Almeida Gomes # 2327 | MSc. in Management  
Maria Inês Esteves Marçal #2395| MSc. in Management  
Maria Madalena Xara-Brasil Pessoa Fragoso #2218 | MSc. in Management  
Tomás Pinto de Balsemão Penaguião #1533 | MSc. in Management

The team is composed by four students graduating from the Master in Management at Nova School of Business and Economics, who come from diverse academic backgrounds



***Inês Marçal***

*maria.inesmarcal@gmail.com*



***Madalena Fragoso***

*madalenafragoso@outlook.pt*



***Mafalda Gomes***

*mmhagomes@gmail.com*



***Tomás Penaguião***

*tomas.penaguiao@gmail.com*

# Agenda

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- A** Introduction
- B** Trends that support the creation of a new sales channel
- C** Intrinsic challenges to the channel development
- D** General solutions / recommendations
- E** Cascais as a case-study

Street vending, the activity of selling goods in the street through a mobile and temporary structure, is a sales channel with a vast unexplored potential and represents a valuable business opportunity

## Executive summary

### A1 Framework

- Street vending is a channel with a **huge unexplored potential**. The concept has been evolving, not being anymore just a means of subsistence for the low class but a **business opportunity for entrepreneurs and big companies**, and it is currently misrepresented in the Portuguese law.
- The main goal is to **create a new sales channel that allows the exploration of the street vending's potential** to its fullest, since vending in the street does not fit in any of the existing sales channels and, as such, does not benefit from adequate regulation neither enjoys a clearly defined and transparent **organizational model**

### A2 Methodology

- Detailed explanation of the **4 phases of the project**: characterization of the current situation; data collection from different stakeholders, analysis of the data and subsequent presentation of solutions and recommendations.

### A3 Street Vending definition

- **Street vending** can be defined as the **street trade** of goods or services through a **static and temporary structure** or through **mobile stalls**.
- According to the Law Decree 10/2015, from 16 of January (RJACSR), Street Vending is divided in: **Non sedentary retail trade** and **non sedentary activity of food and beverages**

Street vending is divided in two segments, food and beverages and fast moving consumer goods, and the consumer's perception of this sales channel is generally positive

## Executive summary

### **A4** The concept of street vending

- We consider as street vending segments two types of goods: **food and beverages** (Ice cream, frozen yogurt, hotdogs, hamburgers, chips, sushi, drinks, among others) and **fast moving consumer goods** (newspapers / magazines, souvenirs, books, flowers, antiques, clothes, jewellery, handicraft, art, among others)
- **Concept evolution** – the perception of the public regarding street vending is positive, with emphasis to the easy accessibility, the advantage most highlighted by the consumers. There are still considerable challenges to point out, namely the mistrust regarding this channel and the perception of low quality of products.

### **A5** Sales channels

- Sales channel is understood as the way of **putting the products or services in the market**, so that they can be purchased by the consumers and as a way to create a route through which sellers and buyers can make deals.
- The existing channels in retail are: **Horeca Channel, Traditional Trade and Retailers / Wholesalers**
- **Street vending does not fit in any of the existing channels** as it is done temporarily, through mobile structures, in public spaces, unlike the other sales channels.

Given the unexplored potential of the street vending channel, its development can bring multiple benefits to several stakeholders, such as consumers, big companies and public entities

## Why street vending?

**Large dimension of the current global market**

**Growing trend of this sales channel**

**International success cases in developed countries**

**Several benefits for all the potential stakeholders, among which:**



**Consumers**

- Convenient locations and fast service
- Increase in offerings: innovative concepts



**Public entities / regulators**

- Boosting the public space
- Promotion of the local economy and creation of jobs
- Additional source of income



**Big Brands**

- Small investment
- Increase in the brand's visibility
- Attraction of new consumers

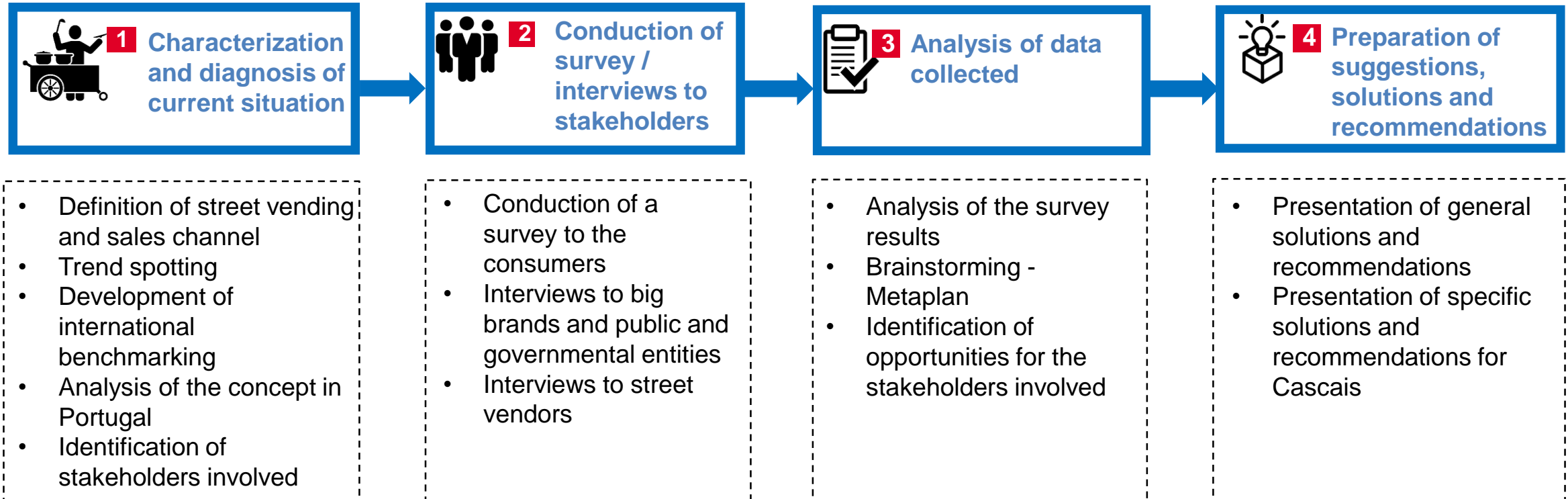


**Street Vendors**

- Easiness of market entry
- Proximity to the client
- Expanding concept

**Goal: Create a new sales channel** that allows the full exploration of the **street vending potential** , since the street trade **does not fit** in any of the existing sales channels, and as such, does not benefit from adequate regulation neither enjoys a clearly defined and transparent **organizational model**.

The project unfolded in 4 phases – initial characterization of the market, data collection from different stakeholders, data analysis and subsequent presentation of recommendations



We started by defining street vending, sales channel and identifying market trends, as well as developing an international benchmarking, taking into account the stakeholders involved



## **1** Characterization and diagnosis of current situation

- **Definition – academic and legal – and evolution of the street vending concept;**
- **Definition of sales channel**, differentiation from distribution channel. Identification of existing channels. Differentiation of street vending channel from the others.
- **Identification and trend diagnosis** that justify the creation of a new sales channel – dimension and growth of the market.
- **Development of an international benchmarking:** Madrid, London, Berlin, New York and Guangzhou. Analysis of the organizational model of Street Vending in each city, as well as the regulation in place and main trends.
- **Analysis of the concept in Portugal:** what exists now, where and how it is organized and regulated.
- **Identification of stakeholders involved:** consumers, public entities and regulators, street vendors, major brands e the benefits for each one by being involved in this channel.



We conducted a survey to the consumers and interviews to large companies, street vendors and public entities, in order to assess the potential of the street vending market



2

## Conduction of survey / interviews to stakeholders

- **Conduction of survey to consumers** (300+ answers): we sought to analyse the familiarity with the concept, consumption typology, demand, consumption drivers and preference by type of product. The goal is to get to know, through the different age and socioeconomics segments, the consumer's preference regarding street vending
- **Conduction of personal interviews to major companies** (8 companies contacted, among which, Central de Cervejas, Jerónimo Martins and Portugália): with the goal of understanding in what way do large companies see street vending: namely, if they would have interest in investing in this sales channel or, if they already do, what are the challenges they have been facing and what are the advantages they recognize.
- **Conduction of personal interviews to governmental and non-governmental entities:** (Câmara Municipal de Cascais, Câmara Municipal de Lisboa, Junta de Freguesia de Alvalade e EGEAC): knowing the regulation currently in place and the organizational model in what concerns the street trade in Portugal.
- **Conduction of personal interviews to street vendors** (10+ contacted street vendors): understanding what are the main advantages of selling in the street and also the major inconveniences and challenges faced.
- **Conduction of personal interviews to event organizers** (Olivais Street Fest e Urban Fest): knowing the logistics and rationale behind the organization of the street vending events.

We proceeded to the analysis of the collected data in the survey and interviews, through an activity of brainstorming, after which we presented a set of solutions / recommendations



3

### Analysis of collected data

- **Analysis of the results** of the survey to the consumers, the interviews conducted to street vendors, major companies, governmental and regulator entities and to event organizers
- **Performance of team brainstorming:** grouping the collected insights by different stakeholders, according to three groups: what is going well, challenges and solutions.
- **Identification of opportunities** for the different stakeholders, as well as the challenges still present.



4

### Presentation of suggestions, solutions and recommendations

- **Presentation of solutions and recommendations:** based on the results previously mentioned, preparation of a set of solutions to each type of identified challenge. This document will allow the implementation of street vending to be done with well defined criteria and make it an alternative sales channel for the large companies.
- **Drafting of specific recommendations for the Municipality of Cascais:** adaptation of the general solutions to the specific reality of this municipality, through the preparation of recommendations regarding the criteria used in the management of this channel. Presentation of a mobile app proposal to be used by the interested parties in establishing a street vending business.

The legal definition of street vending in Portugal is done through a fundamental distinction: street trade and non sedentary food and beverages, that possess a different legal framework

## Definition of street vending in the Portuguese legislation

Two types of activity: **non sedentary retail trade** (itinerant sale) and **non sedentary food and beverages activity**.

As defined in the Law Decree 10/2015, from 16<sup>th</sup> January (RJACSR), it is understood as:<sup>\*1</sup>

- **«Non sedentary retail trade activity»**, the retail trade activity in which the presence of the seller in the sales point, in markets or in an itinerant way, does not have a fix and permanent character, and it is mainly undertaken in mobile units.
- **«Non sedentary activity of food and beverages»**, The activity of selling alimentary goods such as food and beverages, in which the presence of the seller does not have a fix and permanent character, and it is mainly undertaken in mobile units, as well as in fix installations where less than 20 annual events take place, with a maximum accumulated annual duration of 30 days.

**The two activities are considered street vending, however, they obey to different regulation criteria. The food and beverages activity, because it entails preparation of food on the spot, obeys to a stricter legislation, that protects the hygiene / quality minimum standards.**

The academic definition of Street Vending can have different interpretations, however, it is temporary, the place of sale is public and it can be done through mobile stalls

## Academic definition of Street Vending

- Bhowmik characterized street vendors as **self-employed workers from the informal economy** that can be both **fix** or **mobile**. Moreover, he defined a street vendor as a trader that offers products for sale to the public without a **static and permanent structure** from which he can sell (Bhowmik 2005)<sup>\*1</sup>
- Bromley identified the **location of the trade as the streets and other public spaces**, such as squares, alleys and avenues (Bromley, 2000)<sup>\*2</sup>
- Lyon and Snoxell added that the street vending can **include the public trade without a permit**, or without the payment of municipal / national taxes or attribution of a place for trade (Lyons, M. and S. Snoxell, 2005).

### Proposed definition:

**Street Vending – Street trade of goods or services to the public, through a static but temporary structure or through mobile stalls.**

To construct the survey, we used a methodology supported by Prof. Elizabete Cardoso, who guided us in order to design a survey that could provide us the answers needed to reach some conclusions

## Our research and methodology to construct the survey:<sup>\*1</sup>

### 1st part

Before preparing the survey, the team sought to understand what was the information we were aiming to collect. The survey was developed with the help and advice of Prof. Elizabete Cardoso - with simple and direct language, designed in Portuguese and English – to better understand what was the foreigners' opinion to the concept of street vending in Portugal.

### 2nd part

The 22 questions were laid out in a pre-arranged order with fixed-alternative questions and a pre-determined set of answers. The survey was sent for a wide list of Facebook friends and for many teachers and college students, taking into account a variety of age segments we were interested in studying.

The questions were separated into 4 blocks:

- A) The concept**
- B) Consumption typology**
- C) Consumption drivers**
- D) Evolution of consumption**

Moreover, we included some basic questions regarding the consumer's profile such as: gender, age, nationality, city, monthly income, occupation and education level.

### Analysis

The data was collected using the online analytical tool Qualtrics and then exported to Excel. All responses were analyzed and segmented with tools such as pivot table and organized into groups in order to understand possible patterns.

After reviewing the answers, we could perceive that they corresponded to what we previous understanding we had.

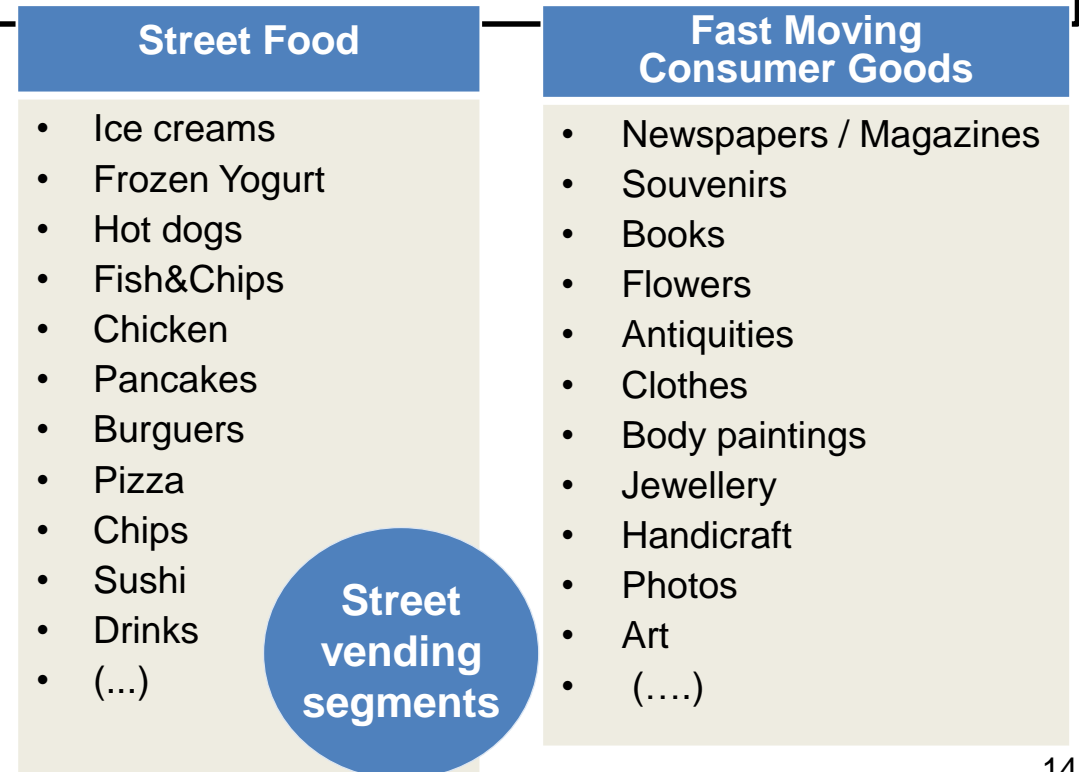
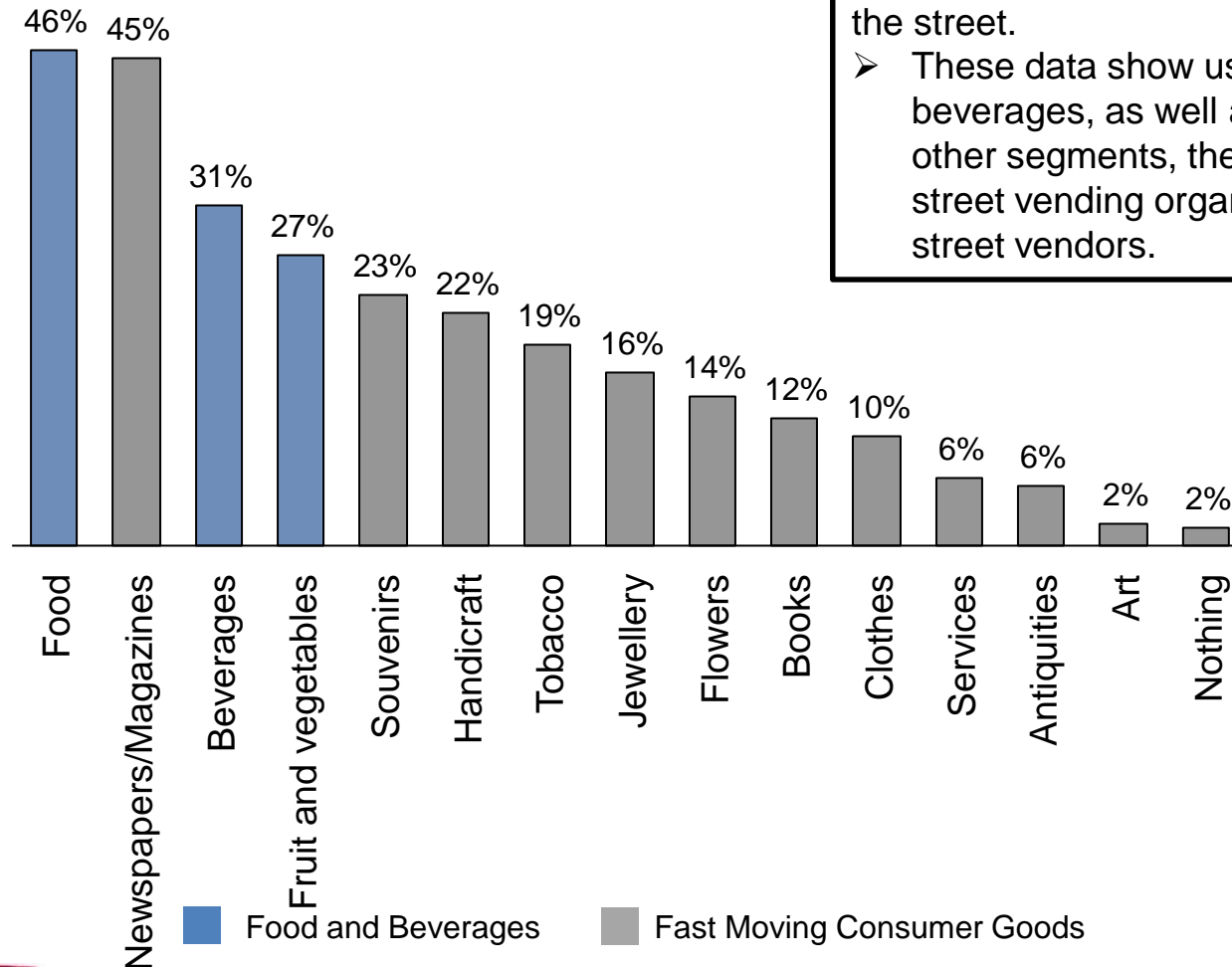
And finally, we constructed graphics in order to better visualize the results. (please check the appendix).

The list of products and services offered by street vendors is segmented in two big groups: food and beverages and fast moving consumer goods, both non sedentary activities

**Consumption typology– Type of products consumed in the street (322 inquired, max. 3 answers)\*1**

Through the analysis of the survey results, it stands out the predominance of consumption of **food (46%)** and **newspapers / magazines (45%)**, followed closely by the consumption of **beverages (31%)**. Only **2%** of the participants in this study **never consume anything** in the street.

➤ These data show us that consumers will be interested in consuming food and beverages, as well as newspapers and magazines, **more frequently**. Regarding the other segments, the consumption will be more **sporadic**, which has implications in the street vending organization, namely regarding **locations** and the **length of stay** of street vendors.



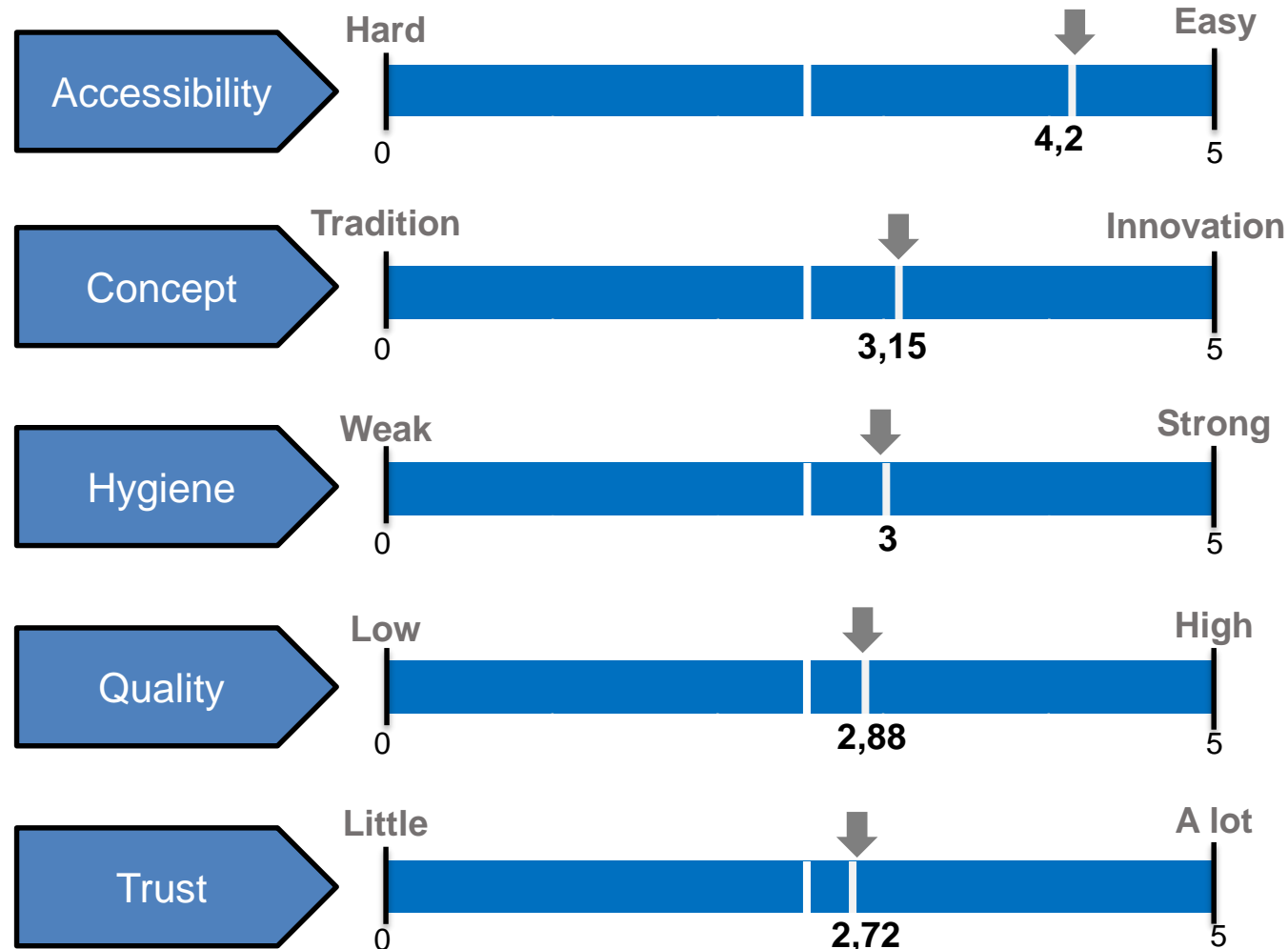
The concept of street vending is evolving and adapting itself to the modern world, being clearly a new trend in developed countries

## Evolution of the street vending concept <sup>\*1</sup>

Category	Traditional street Vending Developing countries	Recent trend Developed countries
<b>Ownership</b>	Informal own-account	Small and medium size companies
<b>Income level</b>	Low income class	Middle Class
<b>Barriers to entry</b>	Low barriers to entry- low capital requirements, no regulations	High barriers to entry– capital requirements, strict regulations
<b>Entrepreneurship</b>	Involuntary entrepreneurs	Entrepreneurs by choice, often with background in regular employment
<b>Causes</b>	Necessity-driven, Subsistence	Opportunity-driven, Create innovative businesses
<b>Gender</b>	Female majority	Male majority
<b>Selling strategy</b>	Diversification strategy	Specialization
<b>Type of products</b>	Sell low value products	Sell specific, fashionable products

Through the survey to the consumers, we were able to understand that the perception of the street vending concept by the public is positive, although there are also some challenges to be met

### Evolution of the street vending concept\*1

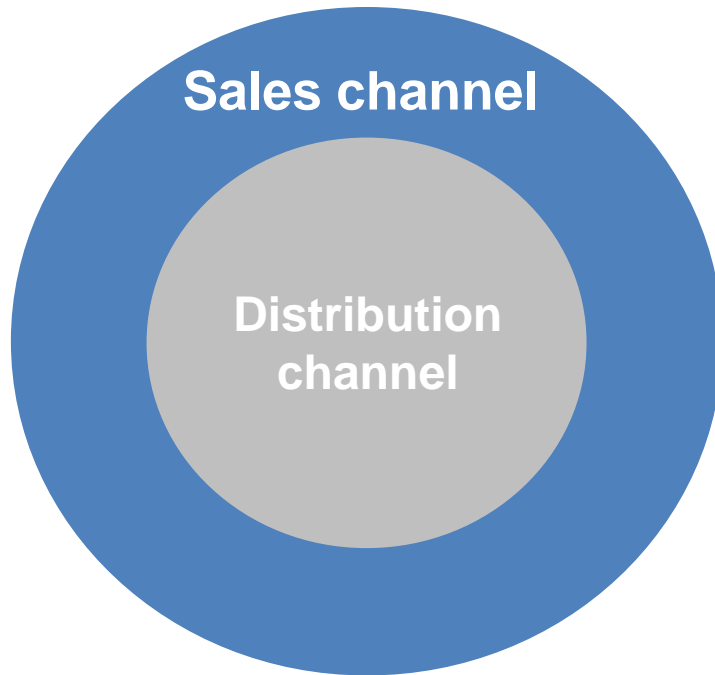


Through the analysis of the survey to the consumers we conclude:

The consumers reveal to have a positive image of the street vending concept: in a scale of 0 to 5 in several dimensions, the average is always above 2,5. Through this analysis we can understand that **easy accessibility** is one of the strongest points of this sales channel, while **little trust** and perception of somewhat **low quality** of the products constitute considerable challenges.



The sales channels can be direct or indirect, referring to the way a company is organized to put the product in the market, and the distribution channel is part of that organization



### Definition of sales channel

The way of putting the products or services in the market, so that they can be acquired by the consumers and to the end of creating a route through which sellers and buyers can make a deal. A sales channel can be **direct**, if it entails selling directly to the consumer, or **indirect**, if an intermediary, such as a retailer, is involved in the product sale to the public.\*1

- The sales channel refers to the way the business is organized, with the objective of increasing sales, while the distribution channel refers to the way the finalized and ready to be commercialized product is distributed, whether for the final consumer or for an intermediary.

### Sales channel vs. Distribution channel

However, some support that a sales channel is a combination of sales organization and distribution channel, in the sense that the distribution is a logistic component in the “gear” of the sales organization of the company.”2

Inside the retail trade, there are three sales channels: the Horeca channel, traditional trade and retailers / wholesalers, like supermarket chains

The retail trade is the activity of buying and selling goods whose buyer is the final consumer (that is, the person who uses or consumes the aforementioned good). It is composed by the following channels:<sup>\*1</sup>

## HORECA

Refers to the distribution channel in the industry of alimentary goods. Part of this channel are **Hotels, Restaurants and Cafes**.

## Traditional Trade

Consists in the **small establishments of retail trade**, situated **outside the large commercial surfaces** and specialized in the transaction of a particular type of product, typically **property of individual persons**. (e.g. grocery stores, bakeries, butcher's, among others).

## Retailers

**Large Retailer Groups**, owners of **supermarket and hypermarkets** chains. This distribution channel is typically shorter, because the producers sell directly to the big surfaces, with centralized negotiations and sales volume contracted annually.

It is necessary to create a new sales channel, because at this moment street vending does not fit any of the previously mentioned channels and its potential is still unexplored

**Street vending - Street trade of goods or services to the public, through a static but temporary structure or through mobile stalls.**

**This channel does not fit the existing channels:**

**Does not belong to HORECA because:**

This channel is composed by:

- Hotels
- Restaurants
- Cafes

Street vending is done in a **temporary structure located in a public space**, therefore, none of the structures above mentioned can include street vending.

**Does not belong to traditional trade because:**

The establishments of traditional trade are physical stores generally property of individual persons, therefore, street vending, which is done in a **public space, not within a store**, does not fit this channel.

**Does not belong to retailers because:**

The large retailer groups operate through big commercial surfaces, since they own super and hypermarkets chains. Street vending does not fit this channel because it is done temporarily in the **public space**.



The *stakeholders* involved in the three channels above mentioned, like cafes and restaurants or retailer groups, could look at Street Vending as a business opportunity in a poorly explored channel, that would allow them an additional income source combined with a strong increase in the brand awareness.

E-commerce is a good example of a sales channel that arose and developed itself in a short period of time, presenting a steep growth and demanding adequate legislation

The street vending channel represents, like e-commerce, a new challenge, and given its growth trend, it can be faced as a case study to take into account in the development of street vending.



Some figures about e-commerce:<sup>\*1</sup>

- In the United States, the e-commerce revenues are approaching 200 billion dollars and already represent 9% of the total retail sales, an increase of 5% compared to the previous year.
- The corresponding figures are about 10% in the United Kingdom, 3% in Asia-Pacific and 2% in Latin America. Globally, e-commerce is headed to about 15-20% of sales, although the proportion varies significantly by sector.
- Besides this growth, much of e-commerce is highly profitable. The average 5 year return on investment of Amazon, for example, is 17%, while the corresponding for traditional department stores is around 6.5%

The growth of e-commerce created the need for legislation, that can fit the demands of this sales channel, like street vending also demands specific legislation

Examples of regulation for the online commerce – USA and European Union <sup>\*1</sup>



**Federal Trade Commission (FTC):** main agency that regulates e-commerce activities. This includes regulation for several activities inside the online commerce, such as commercial email, online advertising and consumer privacy.

**PCI (Payment Card Industry) Security Standards Council:** This organization provides security standards and regulation to manage and archive financial information from clients.



**E-commerce Directive 2000/31/EC:** establishes a domestic market framework for e-commerce, providing legal security for businesses and consumers. Establishes harmonized rules in matters such as transparency and information requirements for online services providers, commercial communications, online contracts and responsibility liability for providers of intermediary services.

**Difference between traditional trade and e-commerce:** The way information is exchanged and processed between the intervening parties. In the case of e-commerce, instead of existing a direct personal contact between the parties, information is transmitted through a digital network or any other electronic channel.

## Trends that support the creation of the new sales channel

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- B1** Street Vending growth trend
- B2** Benchmarking Analysis
- B3** Street Vending in Portugal
- B4** Success cases in major brands
- B5** Benefits for Stakeholders

# The analysis of the market, both national and international, shows the large scale of the channel and the growing impact of Street Vending

## Executive summary

### **B1** Street Vending growth trend

- **2.5 billion people around the world consume street food everyday**, which supports SV as a very attractive opportunity
- 51% of the respondents indicate an **increased consumption** of goods and / or services SV in the last five years and attribute this behaviour to **an increase of buying establishments and to the diversification of products and services**. Only 8% said that the purchase decreased, the remaining 40% maintained a constant consumption.

### **B2** Benchmarking Analysis

- 5 Countries were identified based on the strong presence of Street Vending, available literature on the SV subject, different regulatory and organizational model of the market and distinct consumer behaviour - Spain, Germany, United Kingdom, United States and China
- **In Europe**, Street Vending is a tradition expressed **through weekly or monthly street markets**. Street food is a **modern and growing trend and new associations are being created to support this new sales channel**.
- **In the United States** most street vendors are **self employed**. The market is **highly regulated** and different rules apply depending on the type of goods sold and license they have.
- **In China Street Vending is unregulated**. Sellers belong to the lower class and see in street trading a **livelihood**.

### **B3** Street Vending in Portugal

- The concept "Street Vending" has evolved significantly, especially when it comes to its sub concept, Street Food. Recently there have been several events in this area
- The Law Decree 10/2015, of 16 January, creates the basis for the **regulation of Municipalities and subsequent deliver of the terms and responsibilities for parish councils**.

The success of the major Brands in the activity Street Vending, as well as all the benefits of channel for stakeholders support the importance of development of this channel

## Executive summary

### B4 Success cases in major brands

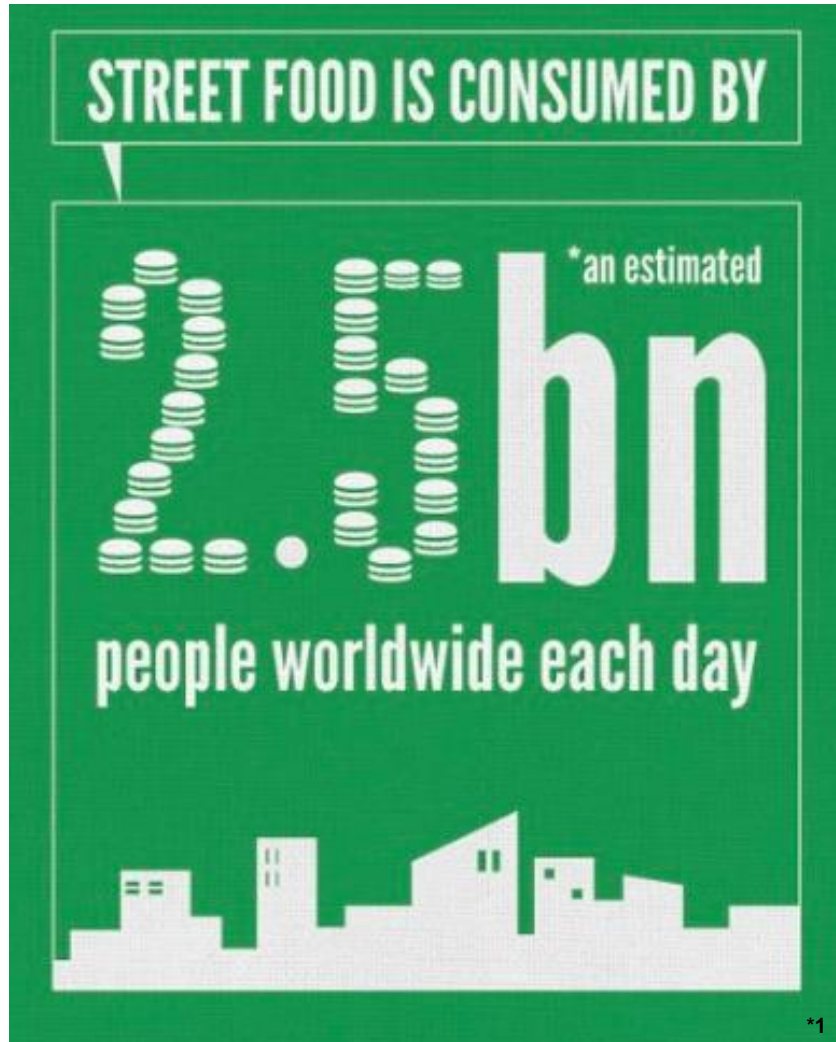
- Brands have the potential to be major players in SV channel. **Successful examples** include :
  - › **Ambev- Brahma** a brand of beer which presented a new model of SV **franchising business in Brazil creating more than 1,000 new points of sale**;
  - › **Danone** acquired a company in West Africa **employing street vendors** who promote the distribution of products with a consequent **sales increase of 25%**;
  - › **Unilever** stands out in the business of selling ice cream on the street with over 2500 new jobs in South Africa; in Europe the company has the expectation of creating **50 000 new jobs within SV generating profits for the company of around 100 million euros in 2020**

### B5 Stakeholders Benefits

- 5 stakeholders: **Consumer-** Client, **Street Vendor-** Includes both Hawkers and Entrepreneurs, **Brands-** Companies, **Regulators-** City Councils, **Rival Companies-** Shopkeepers and restaurant owners.
  - › **Consumer:** Enjoys a more personal service, in a pleasant environment, with a distinct and diversified offer.
  - › **Street Vendors:** Obtain a livelihood and / or a test for new businesses through a low investment and low maintenance costs.
  - › **Brands:** Have in SV an alternative channel with a strong presence among current consumers and new customer segments, a source of revenue and, foremost, a way to increase the company's visibility.
  - › **Regulators:** Increase the degree of satisfaction of the general public, promote entrepreneurship and innovation, create jobs and endorse the local economy.
  - › **Rival Companies:** Benefit from increased traffic and consequently new customers



Every day 2.5 billion people worldwide consume street food, which is a valuable opportunity for all stakeholders

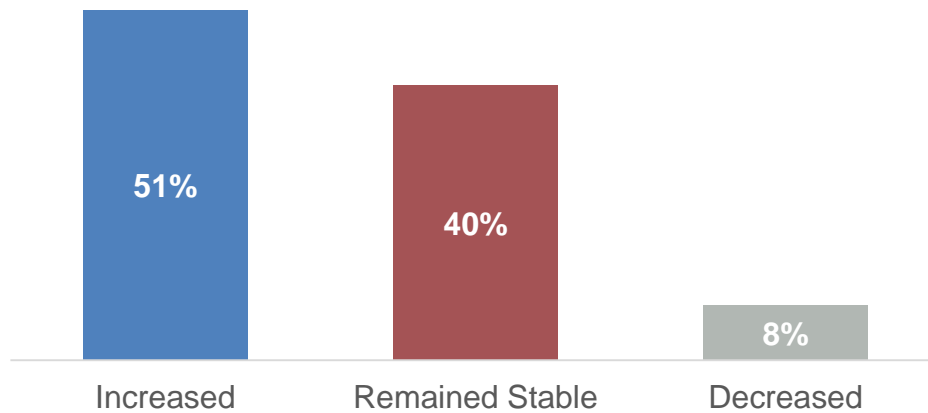


In 2007, street food was consumed daily by 2.5 billion people - the figure already represents a large share of consumers, and refers only to food.

If we consider the street vending as a whole, we are looking at even higher numbers, which show the **large size of this market.** \*1

Street Vending is a channel with a growth trend, and the increased consumption of goods and street services results from an increase in points of purchase and diversity of supply

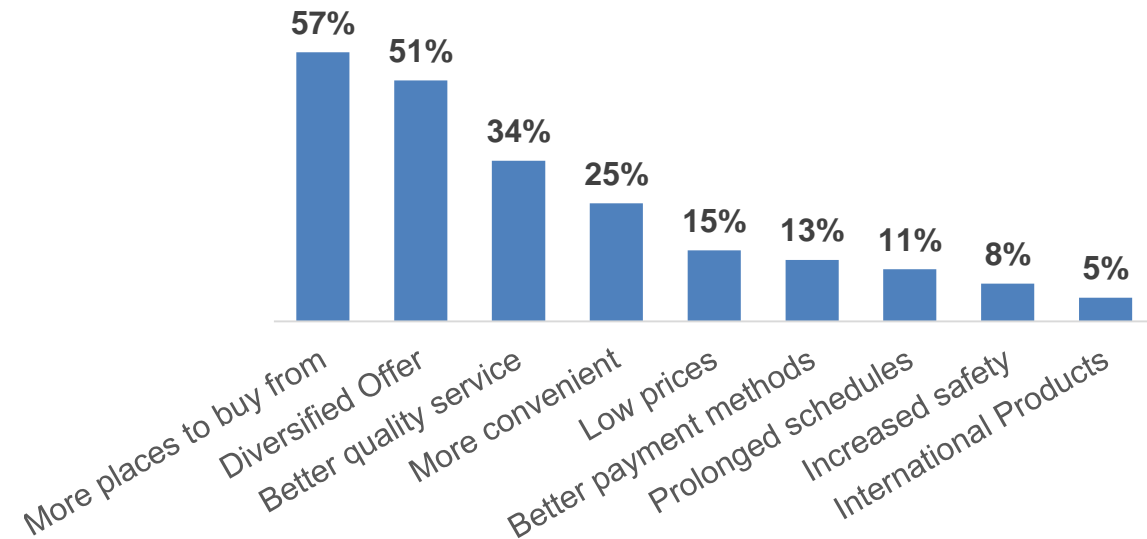
SV evolution of consumer habits (2010-2015; 303 respondents) \*1



The growth of interest in this segment is clear and has been increasing.

***51% of respondents allege that their consumption of goods and / or Street Vending services increased in the last five years***

Reasons for the increase of SV consumption (2010-2015; max. 3 responses)\*1



The main reasons for this increase are due to the **increment of buying places and the diversification of products and services being offered**. The improvement in quality service and the convenience of this form of consumption should also be emphasised.

## Trends that support the creation of the new sales channel

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- B1** Street Vending growth trend
- B2** Benchmarking Analysis
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Benchmarking is a remarkable tool, by analysing successful other's best practices one can understand the path and learn what leads to better performance

### Tool

Benchmarking is the procedure to attain a measure, a benchmark, therefore benchmarks are the “what,” and **benchmarking shows the “how”**. \*1

“Is the continuous and systematic process of **identifying, analysing, and adapting industries’ best practices** that will lead an organization to superior performance” Spendolini 1992 \*2

### History

It was pioneered by Xerox Corporation in the 1980s, as a survival tool, part of the response to international competition in the photocopier market \*1

### Use

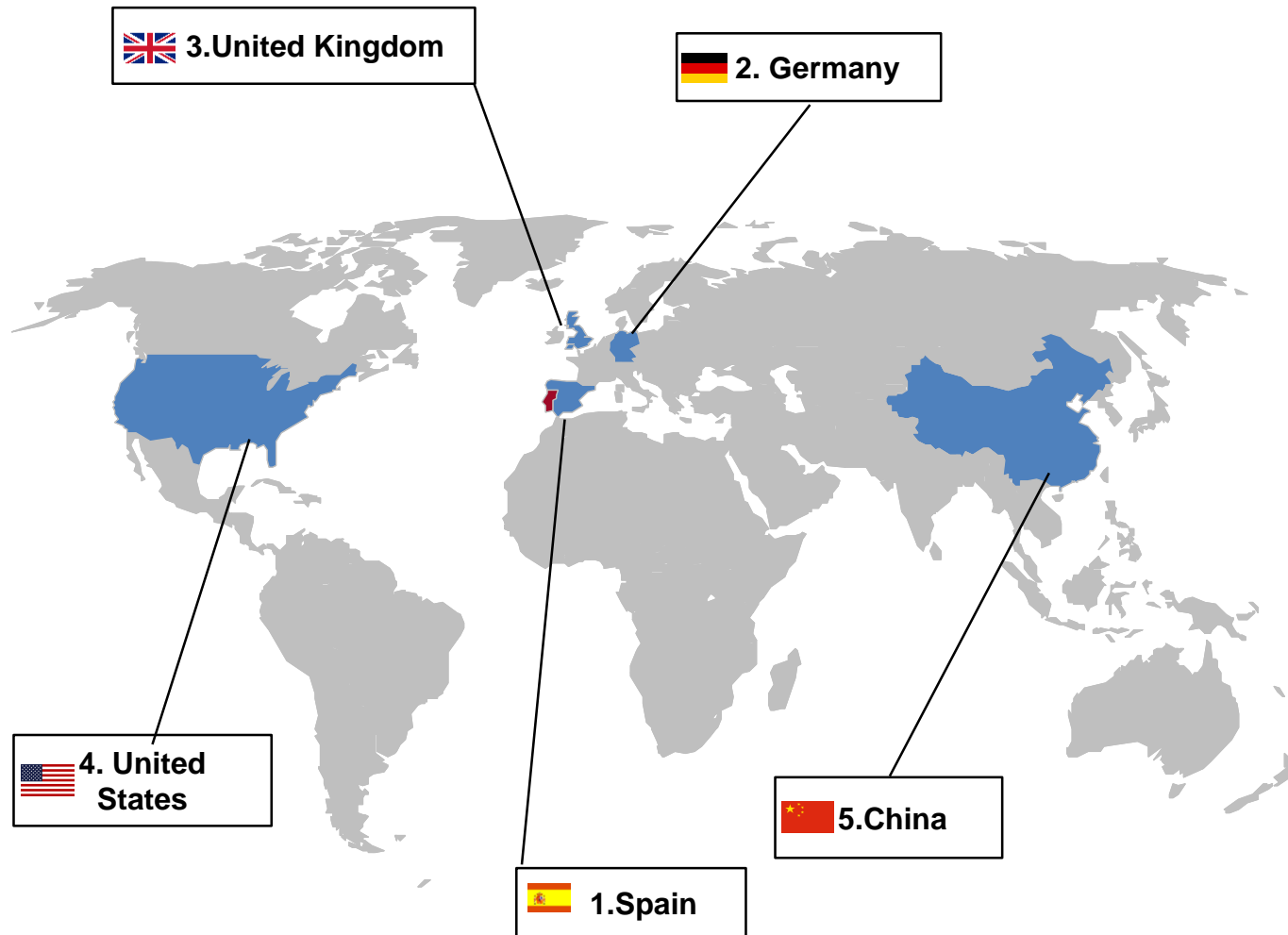
The Benchmarking Analysis emphasizes on the improvement of any given business process by exploiting "best practices" as those are the cause of best performance. **By studying other countries where Street Vending is present** in a more advance or historical antique form many deductions can be made **to lead to the better more effective and successful development of the Street Vending Channel.**

### Method

**1-** Identify country selection criteria, **2-** Choose five countries for the analysis; **3-** Undertake specific benchmarks, key measures, for the study: Dimension of the market, Street Vending Organization and Segmentation, Regulation, Successful events; **4-** Highlight conclusions for a effective Best Practices take-away, **5-** Implementation Plan ( Case study Cascais)

Spain, Germany, United Kingdom, United States and China are real life examples where Street Vending is an everyday subject

## World Map of Target Countries



## Benchmarking selection criteria:

- Strong **presence of concepts** of Street Vending <sup>\*1</sup>
- Markets with **different structures and organizations**
- **Different types of cultures** and consumers
- Presence in rankings (eg Daily News) <sup>\*2</sup>

It was verified that Street Vending is a global concept in expansion whose success relies greatly on the existence of street markets



### International Analysis Findings

	Organizational Model	Regulation	Vendors Profile
<p><b>Europe</b> *1</p>	<p>Street Vending is a <b>tradition expressed through weekly or/and monthly street markets.</b></p> <p>Street Food is the latest trend, it is in clear expansion, as new associations are being created to support this new sales channel.</p>	<p>The legislation applies to each case, depending, for instance, on the <b>location, type of market, type of goods sold and form of selling</b> to the public.</p>	<p>Vendors present in street markets are <b>mostly of a low social class segment</b>, whose income depends solely on this activity. There is an emergence of a <b>new class: entrepreneurs</b> with focus on street food sale</p>
<p><b>United States</b> *2</p>	<p><b>Street Vending is an intrinsic part of the society</b> and is part of the daily life of cities both through isolated hawkers and street markets.</p>	<p>The channel is <b>highly regulated</b> and different rules apply depending on the type of goods sold and license.</p>	<p>Most street vendors are <b>self employed</b>, and owners of their sales carts.</p>
<p><b>China</b> *3</p>	<p>There is a strong <b>tradition</b> of vast street markets and individual street vendors.</p>	<p>There is a <b>predominance of unregulated street sale.</b> Local authorities impose their strength and dictate laws in their action zone</p>	<p>The large majority of hawkers are immigrants belonging to the lower class have in <b>street vending a livelihood.</b></p>



In Madrid, the concept of street vending is expressed through street markets, and it is estimated that it represents up to 2,5 - 3,5% of the total retail sales



Madrid

It stands out as the Spanish city where there is the **largest number of street markets, with different structures and types of organization.** <sup>\*1</sup>

Organization

**Daily events:** Street markets, in different parts of the city

**Temporary events:** Street Food events and Festivals

## Street Markets



- The concept of Street Vending in Spain is **mainly related to the street markets** like the **EI Rastro**.<sup>\*2</sup>
- There are roughly 3,500 to 4,000 street markets **employing directly and indirectly, near 50,000 people** (full-time and part-time). <sup>\*1</sup>
- **38.250 legal street vendors** (with a license to sell) representing approximately **2,033.5 M€**
- The street sales volume **is estimated to represent between 2.5 and 3.5% of total retail sales.**

Among the successful examples the MadrEAT can be highlighted, a sporadic market devoted to street food, and there is also a new wave of entrepreneurs with new ideas for SV



**El Rastro** – Street market– One of the most popular markets of the capital, is held on Sundays and holidays. One can find all kinds of products, from used to vintage. \*1



**MadrEAT** – Street Food market - in the center of Madrid, held every third week of the month, with live cooking shows, concerts and other activities that complement the offer of street food.



## Conclusions <sup>\*2</sup>

- ✓ Markets are regulated with a system of **licenses and permits** that follow a particular organization;
- ✓ At this point, it is missing specific legislation in order to **administrate the Street Food**
- ✓ Most **street vendors are low class**
- ✓ A **new class of entrepreneurs is emerging** and using street vending as a way to try new products or give visibility to existing brands.
- ✓ The best-selling products are: food, manufactured goods and clothing.



 In Berlin the channel is organized through markets, and there are 634 markets with a substantial focus in Christmas markets



## Regulation



- The mobile sales market has its own rules, with main **emphasis in the food sector.** \*3
- **Public spaces for SV are only available on weekends** with limitations and heavily regulated
- To become a hawker one must have a **transient trader license** issued by the district authority. One may only be 6 weeks in the same place and the license enables movement to different locations.

Street markets are an important source of income, there are successful events to highlight such as the "Street Food Thursday", which attracts 10,000 visitors a year



In 2014 consumers spent around **2,477 million euros** in Christmas markets in Germany. This represents approximately **50% of what is spent on Christmas markets around the world.** <sup>\*1</sup>



The "Street Food Thursday" - Founded in 2013, it offers food from around the world, attracting more than **10,000 visitors a year**; the project was awarded with the innovative title that same year. <sup>\*2</sup>

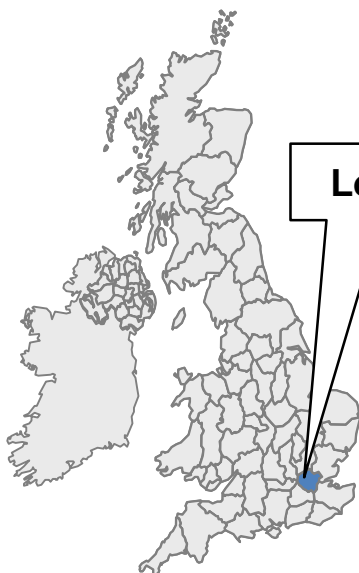


## Conclusions <sup>\*3</sup>

- ✓ **Street markets are an important source of revenue in Germany** and also account for part of its brand image, one of the events with greater relevance is the Christmas market.
- ✓ Sellers are normally **owners of their businesses** and innovative small brands that use the street as a **sales channel and marketing**
- ✓ **Regulation sets out possible locations and requires specific documents to practice** - which is more focused on selling food products.



London street trade was banned for a long time, but today the regulation is well defined and varies according to the type of market and the type of products sold



London

London

For many years **street vending was not allowed in the City of London** except for the Sunday market, held in part of the street Middlesex. This general prohibition was changed in 2013 by the City Council of London that **allows licenses to be issued for street trade** in other parts of London **for limited periods.** \*1

Organization

**Daily Events:** Camden Market and Portobello Road Market \*2

**Temporary Events:** Brick Lane e Columbia Road only open on Sunday.

## Regulation

\*3



- The **regulation** of street trade in London, is made by the Corporation under **the City of London Act 1987.**
- The **licenses are issued by the authority / local government.** There are permanent licenses which last for one year (with possibility of renewal), and temporary with a maximum duration of 21 days in a row
- The **fees charged to each vendor are variable**, depending on the type of market and the type of products sold.



In this channel, segmented into various types of markets, the New Covent Garden Market is a successful example, a weekly market which employs more than 2,500 people

## Market Segmentation <sup>\*1</sup>

**5 categories which differ in regulation and the products sold:**

**Street markets** - Nearly three-quarters of London's markets are regulated by local authorities and the others by private entities; **Specialized markets** - sell specific products such as arts and crafts; **Farmers' Market** - sell quality food; **Specialist food**- mainly sell food and **Covered Markets** -all kinds of products




**Camden Market** - daily market, with higher turnout on Sunday - conglomeration of several markets that combine clothing sale, art, jewellery, antiques, crafts and food, attracting about **100,000 people each weekend**. With more than **1,000 outlets**, it is the fourth biggest attraction in the city of London.



## Conclusions <sup>\*3</sup>

- ✓ The fees depends on the type of market in which sellers are in, and the type of products they sell;
- ✓ There are **rules and different regulations for each region / district**;
- ✓ Bestsellers are essential goods, textiles and prepared foods

 The Street Vending is intrinsic in this country and it is estimated that in New York, among the multiple markets and temporary events, there are about 20,000 sellers



## New York

Street Vending is part of the urban landscape of the city, it stands out for the clear segmentation of the channel, regulations and dimensions. It is estimated that there exist **20,000 street vendors in NY**. Between 2008-2013 the revenue of street **sales increased by approximately 20%, reaching \$ 1 Billion.**<sup>\*1</sup>

## Organization

**Daily Events:** street vendors selling all types of products

**Temporary Events:** Weekend and holidays' markets, street shows (Ukrainian Festival ; Queens Art Express, Atlantic)<sup>\*2</sup>

## Regulation

<sup>\*3</sup>



- In 1981, the City Council imposed a **limit on the number of street permits to 3.000**
- **Vendors need a license to sell in the street and a special permit to sell food.**
- One can only apply for licenses to streets with: **over 3.7 m wide at a distance of 3 meters from crossings and 6 meters of shopkeepers doors and / or residents**

New York always lived with the dynamics of Street Vending, which makes the city an example of good practices, however, legislation is strict, often leading to defaults

## Market Segmentation <sup>\*1</sup>

5 segments: **food vendors, merchandise, veterans, 1st amendment (art sell) and illegal**

About **60% of existing businesses sell food products**, 25% of sellers have no license, and the remaining 15% are divided between merchandise, veterans and sellers of 1<sup>st</sup> amendment.



**Street Fairs** – fairs that take place in large avenues. Vendors pay a fee to participate and some of the money reverts back to the community of the city.<sup>\*1</sup>



## Conclusions <sup>\*2</sup>

- ✓ In NY there are permanent and temporary events and an organization focused on daily street vendors
- ✓ Street vendors are divided into 5 segments each with its characteristics: food vendors, merchandise, veterans, 1st amendment and illegal
- ✓ **The severe legislation and the licenses limitation creates barriers for street vending and boosts illegal sale**
- ✓ Different rules apply depending on the type of products sold



Being a developing country, regulation is almost non-existent, making illegal street selling the most common scenario



Guangzhou

China is a developing country, whose **markets are deregulated** and where it is easy to find the street selling in its purest state. There are about 19.5 million street vendors in China, about **407,000 in Guangzhou, most of which are illegal.**

Organization

**Daily Events:** street markets and street vendors selling all types of products

## Regulation



- **Each area has its own rules applied by local authorities. "Let it be" zones** are spaces where the authorities consider that sellers can operate freely. Areas **"off-limits"** are areas where there is zero tolerance with regard to street sale.
- **Regulation is enforced by local authorities such as the police.**

Market is deregulated and local authorities impose their will, and there are two types of areas: "let it be", where vendors can operate freely, and "off-limits" where they can not



## Conclusions <sup>\*1</sup>

- ✓ The street selling plays an **important role in the country's economy**. The street selling is one of the most common occupations in China and became a **central part of the urban landscape**
- ✓ **Market is deregulated** and local authorities imposes its will **without transparency in rules**
- ✓ There are **different rules for each zone**, and even for different seasons and there are no required licenses or permits for street sale
- ✓ Most street vendors are immigrants who rely on selling street by necessity and as a form of **subsistence**
- ✓ The best-selling products are: food and textiles



# Trends that support the creation of the new sales channel

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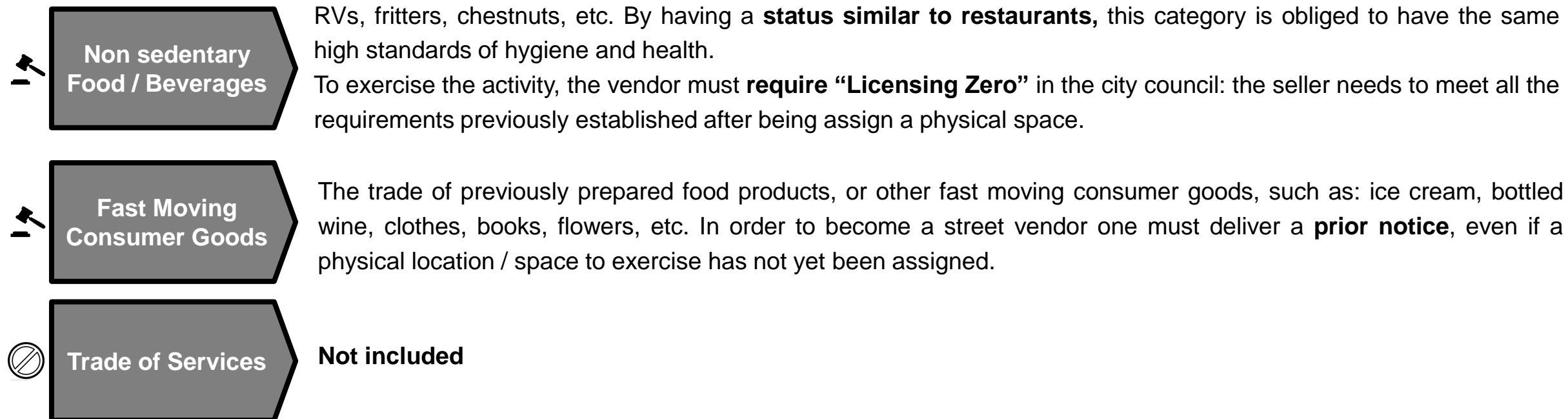
- B1** Street Vending growth trend
- B2** Benchmarking Analysis
- B3** Street Vending in Portugal
- B4** Success cases in major brands
- B5** Benefits for Stakeholders

In Portugal the channel is still poorly explored taking today the first big steps for its development - the city councils are now creating regulation and defining criteria organizational criteria



**Law Decree 10/2015, of 16 January - creates the basis for the regulation of Municipalities and subsequent passage of the terms and responsibilities for Parish Councils.** Currently the licensing is done through public tender: applicants apply and, depending on the type of activity, the criteria for selection / assignment are different.

\*1



The concept of Street Vending has evolved significantly, especially when it comes to its sub concept, Street Food, so much so that recently many street food associations have emerged

## Street Food Associations in Portugal



**APTECE - Portuguese Association of Culinary and Tourism Economy** \*1

### Objectives

Contribute to the **preservation and promotion of national culinary heritage** and focusing on the development, in particular of the Culinary Tourism in Portugal



**ASFP- Portugal Association of Street Food** \*2

### Objectives

**Protecting the rights of street food professional vendors**, sponsor their representation in Portugal and abroad; the promotion of Portuguese street food national and internationally and **increase awareness and recognition of the sector**



**“In 2015, we no longer have 20 or 30 business concepts of 'Street Food', we have about 120-130”**\*3

José Borralho, Vice-president of ASFP and President da APTECE

## Trends that support the creation of the new sales channel

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- B1** Street Vending growth trend
- B2** Benchmarking Analysis
- B3** Street Vending in Portugal
- B4** Success cases in major brands
- B5** Benefits for Stakeholders

Internationally it is possible to prove and justify the potential of Street Vending channel for major brands, for instance looking at the case of Brahma in Brazil

## Success Case

### Ambev – Brahma \*1

In 2003, Ambev launched a **franchising network** with the aim of bringing their products and services to all parts of Brazil. The franchises "Our Bar" and "Kiosks Chopp Brahma" that fall within **Street Vending concepts**, are the highlights of this network that is today among the fastest growing in Brazil. In 2013 there were already **more than 1,000 franchises** in both models and the prospect, with the number of kiosks doubling every year, the prospects are to **rapidly expanding**.

Much of the success of this initiative is **due to the low investment costs** and with the **expected return on, roughly, one year**, guaranteed by the general acceptance of the product, brand reputation and mobility marketing outlet. Brahma, in addition to **expanding its business**, gets **12% royalty** and a **5% advertising fee** in the purchase of products.



## Conclusions



Created a **franchising business model** selling street vending carts "Our Bar" and kiosks allowing the individuals to be in possession of their own business and, at the same time, **exploring and enhancing Brahma brand image and sales**.

# Danone also emerges as a success story, with its expansion into Africa through street vendors

## Success Case

### Danone \*1

In 2013 Danone had a joint venture with the Abraaj Group for the acquisition of Fan Milk - a leader in the distribution of frozen dairy market in West Africa. This transaction represents a major step taken by Danone in its expansion in Africa and did so through the acquisition of a company that **supports its distribution through Street Vending**. There are **more than 31,000 independent street vendors** serving the Fan Milk which makes its distribution model unique.

Also in South Africa, Danone has developed a project aimed at creating job opportunities and promoting entrepreneurship through the distribution of their local product: **Mayo**. The aim is to **employ 1500 street vendors and develop a viable distribution channel for this product**. Danone South Africa expects this project achieve a 25% increase in sales on a national level.



## Conclusions



Using the **street vending as a means for expansion elsewhere**, Africa, now having a **unique product distribution model**. With the project in South Africa, Danone aims to increase its sales by 25% employing 1500 sellers.

Unilever, with the distribution of Olá products, through street vendors, stands out internationally and nationally with the ambition to create 50,000 new jobs in Europe by 2020

## Success Case

### Unilever \*1

**Street Vending is the genesis of ice cream sales**, and in 2013, Unilever decided to **revive this sales channel in new markets** such as South Africa, Southeast Asia and Latin America. According to internal studies, sales obtained through this channel can be **three times higher than in store**. In order to promote this form of sale to the public, Unilever provides all the equipment and tools necessary for opening a retail outlet for ice cream by a micro-entrepreneur. In South Africa, this initiative, in partnership with local authorities fomented the **creation of over 2,500 new domestic jobs at the end of 2015**.

In Europe, Unilever through its **program "Feet on the Street"** Unilever **boosts employment in the younger segments**, by selling ice cream on the street. In Portugal, Spain and Italy 250 new seasonal jobs were generated while ice cream sales soared. The ambition of the company is to have **50,000 micro-entrepreneurs in Europe in 2020** that will represent profits in the order of EUR 100 million.



## Conclusions



Thanks to its **national and international success by Olá selling ice cream through street vendors**, the company is launching a program to Europe, 5 years, which aims to create 50,000 jobs by 2020.

## Trends that support the creation of the new sales channel

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- B1** Street Vending growth trend
- B2** Benchmarking Analysis
- B3** Street Vending in Portugal
- B4** Success cases in major brands
- B5** Benefits for Stakeholders



After all the research part was done a MetaPlan Brainstorming was performed to collect the thoughts from all group members and therefore debate opinions

## Methodology

### MetaPlan Brainstorming

- A method initiated by Wolfgang and Eberhard Schnelle that can be used as a **facilitation system for collecting ideas from a group of people** who are working together and as a **communication tool**, in which opinions are developed, a common understanding is built and recommendations are formulated to **focus on a problem and its possible solutions**

### MetaPlan Benefits

- **Involves all the people** who play a part in the work project.
- **Stimulates participation** and a variety of ideas.
- Allows **multiple different points of view**.
- **Avoids** interminable, unconvincing and **time-wasting processes** often found in participative decision-making.



### MetaPlan Limitations

- The **costs** of using specialized materials and equipment.
- It is **time-consuming** since it implies to collect ideas from all the intervenient parts
- In the discussion part some **people may be afraid to speak** in public, although they may be competent.
- Other **people may be speaking too much**. This over-profiling of themselves, may annoy other people.

The brainstorming comprehends what was going well in the Street Vending sales channel, what were the main challenges to its development and also its possible solutions

## Metaplan Steps

### 1. Preparing the visualization equipment

- **Obtain all the visualization tools** necessary to perform a MetaPlan Brainstorming and required to make the group members thoughts and arguments visible to all. Rectangular post-its cards with 6 different colors (one for each team member), markers (felt pens) and 4 large free walls were utilized to perform the brainstorming

### 2. Structuring the brainstorming

- After that it is critical to define how the brainstorming will run and **divide it per focus groups**. The team decided to focus the brainstorming per shareholder and so on 5 focus groups categories were defined: **Consumers, Street Vendors, Great Brands, Competitors, Regulators** each divided in 3 sub-categories **What is Going Well, Challenges and Solutions**.

### 3. Setting time limits

- Setting time limits is crucial to **keep the brainstorming flow** and avoid time-wasting moments. 3 minutes were reserved for the team to write-down ideas on the cards for each sub-category, 7 more minutes to collect all the thoughts and organize them per topics and 10 minutes for the moderator to present the overall thoughts generated and for the team to debate them and ask clarification questions

### 4. Brainstorming

- With all the tools and procedures settled the generation of ideas and further debate was ready to start. **Each team member have to write-down**, clearly and neatly, **one single thought or feeling per card** related to the stated category and respective sub-category on discussion. Then the **moderator collects the notecards** and with participant's help, organizes the notecards into clusters or topics of thought and displays them on the wall. Finally, the **moderator and participants discuss their thoughts**, feelings, and ideas.

### 5. Wrap-up

- Finally, the most relevant thoughts and opinions are wrapped-up and the repeated ones eliminated. The **final data collected is concise** and organized in a easy-to-understand way

The concept of Street Vending involves several stakeholders who take advantage of substantial benefits that support and justify the development of the channel



**Consumer**

**Current and future client of the channel.** Enjoys a more personal service, in a pleasant environment, with a distinct and diversified offer.



**Street Vendor**

**Includes both Hawkers and Entrepreneurs.** Obtain a livelihood and / or a test for new businesses through a low investment and low maintenance costs.



**Brands**

**Big brands and companies.** Have in SV an alternative channel with a strong presence among current consumers and new customer segments, a source of revenue and, foremost, a way to increase the company's visibility.



**Regulators**

**Regulatory entities** such as the **City Councils.** Increase the degree of satisfaction of the general public, promote entrepreneurship and innovation, create jobs and endorse the local economy.



**Rival Companies**

**Shopkeepers and restaurant owners.** Benefit from increased traffic and consequently new customers.

Several players enjoy the benefits of Street Vending, having location and supply/ demand being referred as common pleasant features to all active sellers and consumers

## Benefits

### 1 Prime Location



### Street Vendors, Big Brands and Consumers

- Easy access to locations to sell and buy, **closer to the** consumer which results in a **personalized and more enjoyable relationship with the client**
  - Positioning in **premium locations** (eg. next to offices, tourist sites, etc.)
  - No fixed structure creates the **possibility to move** to where the consumer is
  - **Pleasant environment** for the worker and the consumer
- 
- **Increased demand**, as Street Food is a current **fashion** and very attractive with more and more players, events and concepts
  - **Improved "awareness"** that comes with a larger existing information as well as the increase of events and movements within this concept, especially in the trend / fashion: Street Food
  - **Change in consumer habits**, the world **"on the run"**, "fast food", fast everything, the mentality and obligations of the consumer **favour the concept of Street Vending** given its convenience

The consumer is a stakeholder that benefits widely from this sales sector enjoying an ample supply, and an affordable and personalized service in a pleasant environment



## Benefits

### 1 Pleasant Environment

- **Enjoyable atmosphere** at the points of sale with the possibility of being outdoors in a nice area
- **Personalized service** given to the very close relationship with the seller
- Opportunity to **watch the creation** and design of the product to be consumed, which **increases its credibility**, besides being exciting

### 2 Increased Offer

- **Innovative and alternative concepts**
- **Product diversity** offering several options: national, international, vegan, healthy etc.
- Several existing **events** exploring several distinct concepts
- **Quick, convenient and affordable** service
- **Quality / Price** very appealing
- Possibility of **negotiating** prices with the trader making the moment **more interactive** and **more appealing economically**

Small traders and entrepreneurs see the investment in this channel as a mean of subsistence and as an opportunity to test a business idea



## Street Vendors

### Benefits

#### 1 Easiness to go to market

- **High speed and ease of entry into the market** translated in a short time between the business idea and implementation
- **Low Initial investment - CAPEX**
- **Low cost business maintenance -OPEX**
- Ability to **test new business concept** with low inherent costs
- Interfaces a new brand with low associated costs

#### 2 Growing Trend

- Increase of players and events which creates **new points of sale** and contributes to the transmission of **information about the channel and its offer**
- **Competition entry streamlines the channel** and attracts new customers
- Entrance of new players raises the **possibility of cooperation** between vendors with consequent reduction of costs associated with the Street Vending, such as: security, support structures ( electricity and water) and facilitates the fighting against the less favourable weather conditions

# Street Vendors identify several benefits in this sales channel, highlighting the reduced investment and the strong presence among current and new customers

## Benefits identified by Street Vendors \*1



*“With the crisis alternatives were necessary, both from a consumer point of view and for the entrepreneur. Street Vending has very attractive factors: **high speed to market, small investment** to get started and to keep the business running, moreover has a strong **agility in the implementation of the idea**. There are other reasons: business dynamics; **Customer proximity** (we are where the customer is and we go to where he goes)”*

*Weeel; Owner - Confidential*



*“Basically it is in terms of location that Street Vending has major advantages; the **proximity to the customer** allows the attraction of new consumers and satisfaction of the existent ones.”*

*Hot Dog Lovers; Manager - Diogo Tavares*



*“**Customer proximity** makes the sale more interactive and **attracts more people**; Ability to work outdoors, **is quite pleasant**”*

*Focaccia in Giro; Employee*



*“**I have a very happy relationship with my customers**, there is more intimacy. I'm here and people already know.”*

*Chestnuts seller; Owner- Mr.Eduardo Reis*



SV is an excellent opportunity for large brands being an outstanding way to increase visibility, attract new customers and test new products with low investment

## Benefits

1

**New sales channel with high potential**

2

**Low Investment**

3

**Consumers Attraction**

4

**Increase Visibility**



## Big Brands

- Sales channel with **untapped, high growth potential**
- **Alternative and flexible channel** comes in an innovative field where there is a wide range of business possibilities and reinvention of the brand
- **Low initial investment CAPEX**
- **Low cost of business maintenance -OPEX**
- Ability to **test new products** with low costs involved
- Allows a presence and relationship among the consumer, making possible to generate a better service
- Attracting **new consumers** given the proximity to the influx of traffic
- Allows to reach **different segments** of the current customer "type" of the company
- Fosters the presence and **relationship with the consumer raising an improved service**
- **Brand Revitalization** and increase of visibility
- **Access to specialized events** and high visibility



For Brands, Street Vending emerges as a new spot in the market, a new source of revenues, above all as a mean of brand activation, awareness and customer acquisition

## Benefits identified by Major Brands \*1



Eduardo Santini

*“It gives us the opportunity to bring our product **directly to the customer, in a unique and personal way.**”*



Tiago Morais Sarmento

*“**Allows us to understand the consumption habits** of certain books and certain authors, as well as to test many of the criticisms of the book variables: price, cover, dimensions etc.”*



Diogo Sousa Coutinho

*“**Brand Activation.** Attracts and creates visibility for the brand, with consequent acquisition of new customers.”*



PORTVGÁLIA  
A Cervejaria Portuguesa

Marina Duarte

*“**Increases brand awareness,** especially near the younger segment; It **allows us to test new products,** which can later be launched in stores. ”*



Nuno Pinto Magalhães

*“**The regulation of street vending is a great opportunity for us, including and highlighting the sale in the beaches**”*


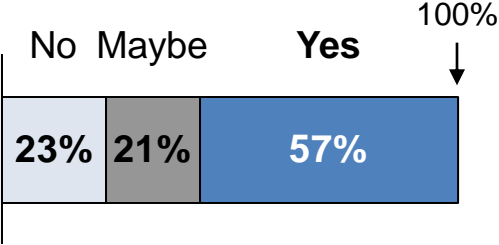

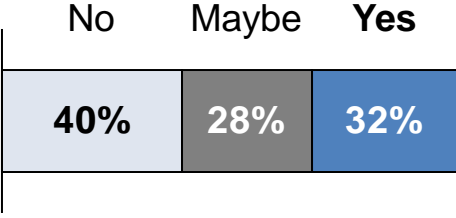


Diogo Borges

*“It allows us to introduce the brand to other public and **get to places where otherwise we would not be present**”*

Moreover there is an interest from consumers to see certain products / services represented in this sales channel

Within the restaurants and shops that you know, would be interested in seeing them represented on the street? Which ones? (322 respondents, 2015) \*1

Analysis	Conclusions	Examples
<p> <b>Restaurants</b></p>  <p>No Maybe Yes 100%</p> <p>23% 21% 57%</p>	<p><b>57% of respondents would like to see their favourite restaurants represented in the streets</b> indicating that consumers are indeed interested in taking advantage of this channel for the consumption of their beloved products.</p> <p>Only 23% denied interest in this option.</p>	<p><b>Sushi:</b> Noori,, Sushisan  <b>Hamburguerias:</b> Hamburgueria do Bairro, H3, McDonalds, Prego da Peixaria  <b>Healthy Food:</b> Go Natural  <b>Others:</b> Portugália; Nutelleria; Pastéis de Belém; Santini; Starbucks</p>
<p> <b>Shops</b></p>  <p>No Maybe Yes</p> <p>40% 28% 32%</p>	<p>40% of subjects have no interest in the seeing their shop on the streets. 28% are reluctant this may be due to the fact that a concept never seen before difficult to visualize.</p> <p><b>32% are certain they would like to see represented their favourite shops on the street</b></p>	<p><b>Clothing stores:</b> Zara, Primark, Nike, Paez  <b>Bikinis</b>  <b>Bookstores:</b> Berthrand, Leya  <b>Operators:</b> Meo, Vodafone, Nos  <b>Services:</b> Barbeiros, Sapateiro  <b>Others:</b> Florista, gift shops (souvenirs); surf material</p>

With the design and organization of this channel regulators boost the public spaces, create new jobs and stand out as innovative entities



## Regulators

### Benefits

#### 1 Economy Boost

- **Promotes the local economy and generates a source of income** for many people
- **Promotes entrepreneurship and innovation** by creating new companies, new products and concepts
- Solves the constant entrepreneurs requirements
- **Creates jobs** not just for street vendors but also for everyone involved in the activity, security, storage vendors, transportation, etc.
- **Source of revenue** through the sale of licenses, occupancy rent and taxes on the sale of products
- **Attracts tourists** and events that **revitalize specific areas** of the city and contributes to streamline the streets and local economy
- It helps to **keep the streets clean, to create a safe neighborhood** and encourage city life
- The increased offer of products/services, concepts and events **increases satisfaction of the general public**

#### 2 Increased citizen satisfaction

Retailers and restaurant owners benefit from the increasing human traffic, the growing localized demand attracts new customers

## Benefits

### 1 Local Trade Streamlining



### Rival companies

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- **Increased demand** by generating traffic and a greater influx of people in the places where the Street Vending is present
- **Streamlining of the Local Business**, encouraging **innovation and improvement** of products and services given the competition entrance

### 2 Promotion and Collaboration

- Grant partnerships with Street Vending **lead to increased revenue, attracting new consumers through a channel not exploited by themselves**
- **Diverse and complementary offer**

# Agenda

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- A** introduction
- B** Trends that justify the creation of a new sales channel
- C** **Intrinsic challenges to the channel development**
- D** General solutions / recommendations
- E** Cascais as a case-study

Together with channel stakeholders, several challenges were identified and segmented into five blocks: *Marketing* related to supply and available information; *Legal* related to the inadequacy of current law ...

## Executive summary

### C1 Marketing

- **The supply of goods / services on the street in Portugal is still reduced, limited and very scattered**, limited mostly to the provision of food and drinks and being located in tourist areas
- Timetables of the street sell points are usually reduced compared to those practiced by the traditional trade and its high mobility and consequent inability to provide a consistent after-sales service, are obstacles to consumer confidence and loyalty
- **Higher prices charged by modern and innovative concepts of street sales**, compared to traditional street outlets, are still seen as too ambitious especially by consumers who attribute a negative connotation to street vending
- **The lack of information** available, both for citizens about the existing supply and for potential street vendors, it is also a clear obstacle to the development of the sales channel

### C2 Legal

- **The inadequacy of existing regulations** against the level of development of the sales channel does not meet the needs required by potential investors on Street Vending, such as entrepreneurs and major brands, and consequently suppresses the creation of new street vending business and also relevant brands that want to use this sales channel.

As result, since there is not a sustainable basis created and properly defined, the subsequent **legal enforcement towards existing business becomes complicated and unclear**

... *Operation*, characterized by space difficulties/limitations and the lack of support; *Market*, the status of channel development and the “unfairness” that it promotes; *Others* such as the climate.

## Executive summary

### Operation

- **Lack of support structures** (near the selling spaces), such as **limited access to basic utilities** and **limitations in terms of available space** to street sales points conditions the work of street vendors and discourages potential investors in the channel
- **The difficulty in ensuring security** at the points of sale and the **lack of standardized hygiene and quality conditions** also affect street vendors and, in this case, the consumers themselves.

### Market

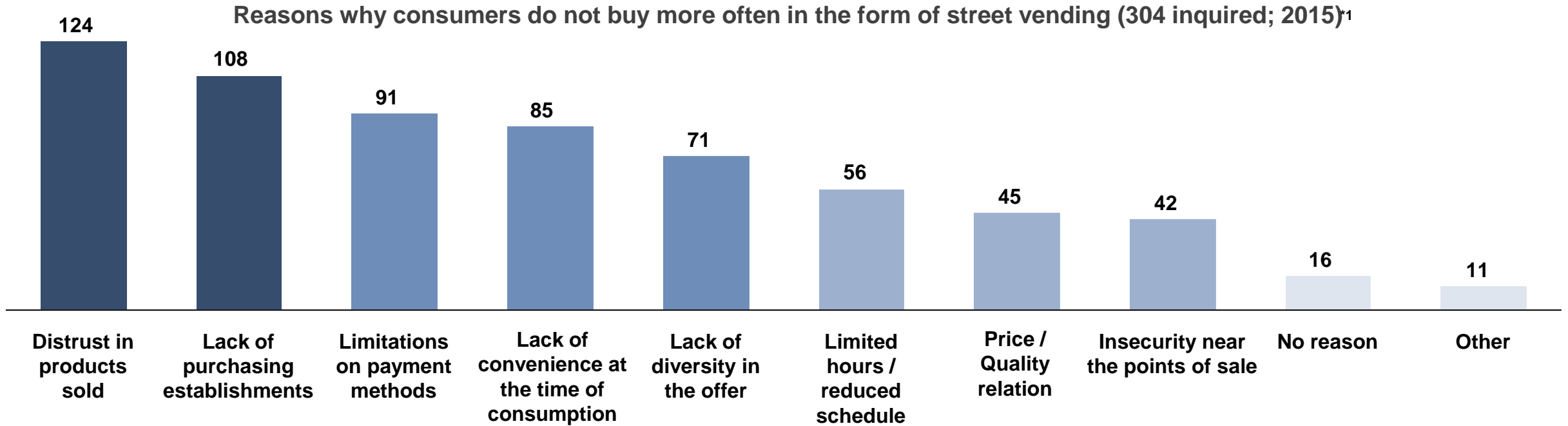
- **The rudimentary stage of sales channel development**, which is still taking its first steps in Portugal, is both cause and consequence of low investment by the government and by major brands
- The existing shops and restaurants look for street sales business, with much lower CAPEX and OPEX, as "unfair" competition that will cannibalize their sales and have an overall negative effect on business

### Others

- Street selling is made outdoors, by definition. This exposure makes the business more seasonal and too dependent on atmospheric conditions

Consumers consider the distrust in goods sold, as well as the lack of major supply, the key factors that lead them not to consume more in the form of street vending.

### Obstacles identified by consumers



The main challenges to selling in street from the consumers' point of view are: **to ensure the quality and hygiene standards of the products consumed in the street and increase the available supply of street outlets**



The main difficulties identified by street vendors are: to obtain a license, the lack of support conditions and exposure to weather

## Obstacles identified by street vendors



***“The bureaucracy inherent to the process of obtaining a license and the lack of definition about whom to talk about this process, as well as the lack of support infrastructures like access to water, electricity and the lack of a safe place to keep the trailers are the main difficulties we face while implementing a business like this”***

*Weel’s owner- Confidential*



***“The permanent exposure to the climate makes the business more unstable and too dependant on atmospheric conditions”***

*Hot Dog Lovers; Manager - Diogo Tavares*



***“It's hard to manage inventory in such a small retail space” “The lack of payment methods causes us to occasionally lose potential customers”***

*A Estrela de Lisboa; Owner - João*



***“The biggest obstacle we have while selling in the street, is to ensure our customer a quality product, similar to what they are used to purchase in our brick and mortar stores”***

*Aloma; Employee – Helena Meidões*

To big brands, the main barriers to invest in street vending are the inadequacy of the existing regulations, the operational complications and the dimension of this channel.

### Obstacles identified by big brands



Eduardo Santini

***“ The process of obtaining licenses is extremely bureaucratic and it is very hard to get a license to a permanent space with a good location”***



Tiago Morais Sarmento

***“The cost of setting up each initiative is relatively high”***



Diogo Sousa Coutinho

***“I don’t see street vending as a relevant form of revenues. It is only a vehicle for brand communication”***



PORTVGÁLIA  
A Cervejaria Portuguesa

Marina Duarte

***“The small operational area makes it very difficult for us to ensure the quality of our products. Plus, the lack of surveillance near selling areas forces us to move the infrastructure on a daily basis in order to ensure its integrity”***



Nuno Pinto Magalhães

***“Mobile selling operations are not yet legislated and they are not allowed in places like beaches, which would be of great interest for Central de Cervejas”***



Diogo Borges

***“We don’t believe that having a permanent license would be profitable for the brand. The sales in brick and mortar stores are superior and the operational difficulties inherent to the street selling would always overcome the revenues”***

The challenges identified are divided into 5 groups: Marketing, Legal, Operations, Market and Other, and its impact has a different weight to each part of the sales channel

Challenges		Consumers	Regulators	Street vendors	Brands	Competing firms
Marketing	Reduced, limited and dispersed offer	●	○	○	◐	○
	Consumer distrust	●	○	◑	◑	○
	Lack of available information	◑	○	◑	◑	○
Legal	Inadequacy of the existing regulations	○	●	◑	●	◑
	Inadequate supervision	○	◑	◑	◑	◑
Operation	Absence of support conditions	◑	◑	●	●	○
	Logistical limitations	○	◑	◑	●	○
	Difficulty in ensuring safety / hygiene	◑	◑	◑	●	◑
Market	Degree of development of the sales channel	◑	◑	◑	●	○
	“Unfair“ competition	○	◑	◑	◑	●
Other	Adverse weather conditions	◑	○	●	◑	○

Challenge with impact
  Challenge without impact

The main challenges common to all stakeholders and that greatest impact on the development of sales channel are (1) mismatch of the existing regulation in the face of reality, (2) the absence of support conditions and (3) the degree of development of the sales channel

Within Marketing, the main barriers to the development of the channel are: the reduced supply of goods / services on the street, the lack of consumer trust and the lack of available information (1)

## Challenges

**A**

**Reduced, limited and dispersed offer**

## Marketing

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- **Lack of selling points:** reduced offer does not allow consumers to buy on the street whenever they wish
- **Lack of diversity in the offer:** mainly limited to the Street Food offer, with strong focus on single product. Lack of fast moving consumer goods supply
- **Too dispersed supply:** Sales points geographically dispersed and located mostly along the tourist areas - Lack of easily accessible street selling hubs
- **Limited hours / reduced schedule :** Typically street outlets are operating in strictly daytime hours

Within Marketing, the main barriers to the development of the channel are: the reduced supply of goods / services on the street, the lack of consumer trust and the lack of available information (2)

## Challenges

**B** Consumer distrust

**C** Lack of available information

## Marketing

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- **Negative connotation of street vending:** For some consumers, the street selling is still seen in a derogatory way and the products sold are notorious for poor quality and short life
- **Mobility of outlets:** mobility of outlets makes it difficult to retain customers and generates distrust by consumers derived from the lack of an effective after-sales service
- **Dubious price-quality relationship:** New concepts of street vending charge higher prices compared to those offered by traditional street sale, for which consumers are not used
- **Lack of information for potential street vendors:** lack of clear, transparent and easy access for anyone wishing to start a business of street vending
- **Lack of information for consumers:** Little information available about available supply (selling places / events), lack of advertising sales channel and little clarity in nutritional information at points of sale

In the legal context, the inadequacy of existing regulations relating to the actual situation added to inadequate supervision are the main factors that hamper the growth of Street Vending (1)

## Challenges

**D** Inadequacy of existing regulations

**E** Inadequate supervision

## Legal

- **Lack of clarity in the division of responsibilities:** There is no clear division of responsibilities among existing bodies responsible for the regulation and organization of the sales channel: Municipal Councils, Parish Councils, DGAE, Other local authorities (Port of Lisbon, EGEAC, etc. )
- **Lack of pre-defined public spaces:** There are no pre-defined spaces for street sale, which makes the dispersed supply and application procedures completely undefined
- **Blurring and slowness in the selection and licensing process:** There is not a transparent and clear process for the selection and licensing of potential street vendors - Total absence of selection criteria that distinguishes different value propositions and streamlines the process
- **Blurred terms of renovation / periodicity of licenses granted:** Absence of clear criteria promotes instability of active businesses that do not know how long it will keep the sale of license
- **Non transferable license existence:** it implies that holders of such licenses or their families are invariably in their sales outlet - Barrier to entry of big brands
- **Inadequate supervision:** Difficulty in supervising and monitoring existing business resulting in informality of the sales channel. This promotes the provision of non-taxable services and does not ensure similar treatment for all players

Operationally, the lack of support conditions, logistical constraints of space and security conditions/hygiene affect both street vendors and consumers (1)

## Challenges

**F**

**Absence of basic support conditions**

**G**

**Limited space and logistical constraints**

## Operation

- **Limited access to public utilities:** Difficult access to water, electricity and gas for the sellers
- **Lack of basic infrastructure support:** Such as toilets near selling points, common storage spaces (both stocks and the actual point of sale)
- **Small operating space:** operating space dimension available in retail outlets complicates on a logistical level - inventory management (limited supply available), makes it difficult to ensure the quality of products offered (may jeopardize brand reputation with consumers and limits the efficiency of the customer service).
- **Lack of convenience in the purchase and consumption of act:** The Portuguese consumer values highly the act of sitting down at the table to have a long and comfortable meal
- **Lack of methods of payment:** In most cases the ATM is not available and there are no cash machines close to the point of sale; Usually it is also difficult to get a bill
- **Constant exposure to the client:** Makes the demanding job with greater certainty and potential for easily damage the image of the brand / product sold - Difficulty keeping workers

Operationally, the lack of support conditions, logistical constraints of space and security conditions/hygiene affect both street vendors and consumers (2)

## Challenges

**H**

### Difficulties in ensuring safety / hygiene

## Operation

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- **Difficulties in ensuring safety** : It is not usual to have the presence of security close to the outlets except in special events with large dimensions.
- **Difficulties in ensuring hygiene and quality control**: Lack of efficient supervision promotes non-compliance with basic hygiene standards by street vendors as well as increasing pollution near the selling points.



The low level of sales channel development as well as the existing paradigm between existing businesses and street vendors are the main reasons why investment in street vending is still reduced

## Challenges

**I**

**Degree of development of the sales channel**

**J**

**“Unfair“ competition**

## Market

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- **The size of the channel is still not very significant:** Street Vending is still in expansion phase in the Portuguese market – Government and big brands do not currently see it as a relevant channel in terms of revenues, which delays the development of the channel and consequently slows down improvements in regulation, organization of the channel and limits the supply available
- **Absence of frequent events :** too many sporadic events do not promote the creation of new businesses and do not allow the loyalty of consumers
- **Paradigm between shops/restaurants and street vendors** - existing business revenues are harmed by the emergence of new street vendors (with lower Capex and Opex) which creates a sense of outrage and injustice with the former. Because of this, street vending sees their competition increase and are with their image stopped by "stagnation"

The intrinsic dependence on favourable weather conditions to any street vending business, makes sales unstable and difficult to predict along the year

## Challenges

### K Climate exposure

## Others

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- **Adverse weather conditions on street vending:** Street vending is too dependent on the weather, which makes it quite seasonal and fickle business throughout the year, as a result of its ongoing exposure to weather

# Agenda

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- A** introduction
- B** Trends that justify the creation of a new sales channel
- C** Intrinsic challenges to the channel development
- D** **Solutions/General recommendations**
- E** Cascais as a case-study

In order to address the identified challenges a set of general solutions was developed that consists in: Adjusting the current regulation to the market reality, define an organizational model ...

## Executive Summary

### **D1** Adjustment of the current regulation to the market reality

- The first stage consists in creating a **sustainable legal basis** for the Street Vending, with clear rules and well-defined procedures, which will be the base of all the other solutions proposed.
- As such, it will be necessary to **implement significant changes to the existing regulation**, clearly outdated given the current conditions in the market, such as: extending the legal framework for services, define responsibilities and delimit powers thereof, setting a single application procedure and criteria for allocation, as well as its periodicity and renewal conditions, designate specific locations for street vending and end with the non transferable licenses

### **D2** Definition of the organizational model

- The next step is to **define the organizational model** by which Street Vending will be coordinated and ordered, and this involves the creation of Street Vending poles, with permanent or temporary duration - street markets
- The organization of Street Vending by sales poles **can address most of the challenges identified** in terms of Marketing, Legal, Operations, Market and Others

...Attract Big Brands to promote the growth and boost the development of the sales channel and develop a communication strategy to inform consumers and potential street vendors

## Executive Summary

### **D3** Attract Great Brands to the sales channel

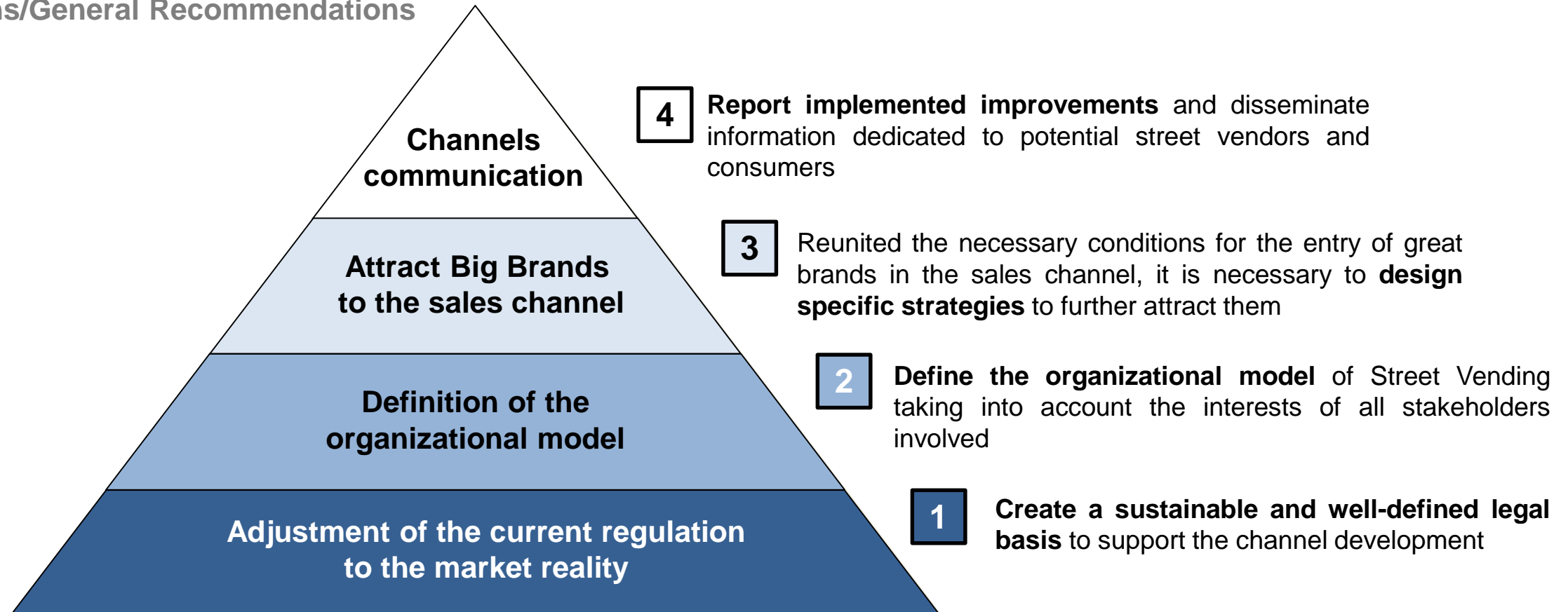
- In order to enhance the growth of the sales channel and consequently the supply available on the street, it is necessary to develop strategies to **attract Big Brands to sell in the street**.
- These **strategies** consist of establishing a customized project model for major brands, encourage the presence of the big brands in events, create “awareness” campaigns directed to big brands and ensure equal treatment for all players concerned in the market.
- The **big brands have different market approach options** such as: Create pilot projects, create a second brand, offer a reduced portfolio in the street, rent temporary sales outlets from other street vendors and offer the possibility of franchising through Street vending.

### **D4** Channels communication

- **Report the improvements** made in the channel, supported by the solutions previously implemented, to both consumers and potential street vendors.
- **Provide the information required by both potential street vendors and consumers** in an accessible and streamlined way.
- A better communication of the sales channel will **attract potential investors** and consequently will promote the creation of new street vending businesses, as it will give rise to **more demand** for goods / services sold on the street.

The recommendations presented are based on four stages and should be implemented in a specific order because every solution is dependent on the implementation of the previous ones

## Solutions/General Recommendations



The solutions should be implemented in a **sequential order** as they are interconnected

Each of the proposed solutions will have a direct or indirect impact in solving some of the challenges identified in the previous chapter

Challenges		Regulation adjustment	Organizational model	Attract Big Brands	Channels communication
Marketing	Reduced, limited and dispersed offer	✓	✓	✓	✓
	Consumers distrust		✓	✓	
	Lack of available information	✓	✓		✓
Legal	Inadequacy of existing regulation	✓			
	Inadequate inspection	✓	✓		
Operational	Lack of support conditions		✓		
	Logistic limitations		✓		
	Difficulty in ensuring safety / hygiene		✓		
Market	Degree of development of the sales channel	✓	✓	✓	✓
	“Unfair“ rivalry		✓	✓	
Others	Adverse weather conditions		✓		

The implementation of the proposed solutions allows **to jointly minimize** all the previously identified challenges

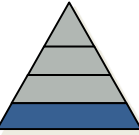


Solution with impact in the identified challenge

First of all it is necessary to build a sustainable legal basis, and as such to define a set of rules and clear and transparent procedures common to all stakeholders of the sales channel



## Adjustment of the current regulation to the market reality



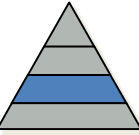
- **Extend the legal framework for the provision of services** (currently only covers non sedentary food and beverages and fast moving consumer goods) in order to encourage the creation of services businesses on the street
- **Define the regulatory authorities** with powers regarding to Street Vending and **clearly delineate the separation of powers** between them
- **Set of a single and common application procedure** (end public tender) to all potentially interested in Street Vending with **transparent and clear criteria for licenses allocation**
- **Define licenses periodicity** a priori to their allocation and **make the renewability conditions clear** thereof
- **End non transferable licenses** that make no sense in the current context of the market and are a clear barrier to the entry of major brands in the sales channel and therefore extend the possibility of granting licenses to legal persons and not only to individuals as it currently happens



It is essential to define an organizational model that overcomes some of the previously identified challenges and is beneficial for all stakeholders involved



## Definition of the Street Vending organizational model



1<sup>o</sup>

### Create sales poles to organize sellers

- **Create Street Vendors poles in pre-defined locations**, these can be:
  - ✓ **Permanent** if possible to allocate sellers to a same space everyday
  - ✓ **Street Markets** temporary, timed and organized by themes sales poles

2<sup>o</sup>

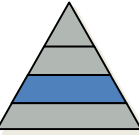
### Assign specific locations to create Street Vending sales poles

- **Criteria to define locations for the creation of sales poles :**
  - ✓ High traffic (local traffic or visitors)
  - ✓ Available free space
  - ✓ Easy access (public transportation, parking)
  - ✓ Negligible traditional commerce
  - ✓ Sheltered exposure to the weather

In order to boost the sales poles and encourage potential Street Vendors to go to the street, the local authorities can provide the sales poles with basic support conditions



## Definition of the Street Vending organizational model



30

### Create common support structures in the selected sales poles - Provide access to water, gas and electricity



- Provide a **safe place for parking mobile sales outlets** outside the business hours, upon payment of a rent (may be common to several sales poles)



- Provide a **common inventory storage** next to each sales pole with lockers assigned to each Street Vendor for a specific period of time



- Provide at least one **bathroom** per sale pole



- Encourage the establishment of **common spaces for consumption** like terraces, tables, benches, etc. ...



- Design a **removable cover structure** for rainy days which makes Street Vending possible throughout the year



- Enable each sales pole of a **high voltage point of light** (a partnership with EDP that usually wants to ally with innovative projects can be taken in consideration)

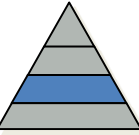


- Offer a **water and gas supply service** - partnership with EPAL and Galp - passing through each sale pole with a previously defined frequency communicated to the vendors (the organization and coordination of this service can also be made by street vendors)

Creating sales poles for Street Vending will have a positive impact in a significant number of the challenges identified with influence in the sales channel development (1)



## Definition of the Street Vending organizational model



### Challenges solved:

#### Marketing

- Allows to focus a **diversified products/services offer in a single point of sale**, offering consumers a wider range of options within easy reach
- The wide variety of products offered in specific designated locations offers consumers a **greater sense of security about what they are consuming** and facilitates the provision of a more effective and regular after-sales service
- **Facilitates the communication of available supply** to the general public since the same is aggregated in the same place

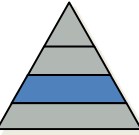
#### Legal

- **Facilitates the inspection** by regulatory bodies and consequently the monitoring of existing business in terms of hygiene and taxation control

Creating sales poles for Street Vending will have a positive impact in a significant number of challenges with influence in the sales channel development (2)



## Definition of the Street Vending organizational model



### Challenges solved (continuation):

#### Operational

- It allows the local government to ensure **access to utilities** such as gas, water and electricity, as well as facilitating the development of **common support structures** for all present sellers in sales poles
- Through the cooperation of Street Vendors, increases **security at the sales sites**, such as the **convenience at the time of consumption** by creating common terraces etc.

#### Market

- Creates a clear beneficial **separation between the existing commerce and street vendors** in the consumers eyes by assigning specific zones for the last ones activity
- Encourages the **entry of Big Brands and entrepreneurs** in the sales channel since they that will start to look at Street Vending as a viable business option where the "rules of the game" are defined and the organizational model is known

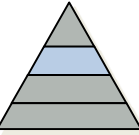
#### Others

- Helps to **overcome somehow the unavoidable exposure to the weather** intrinsic to Street Vending by creating coverage structures common to all Street Vendors

Also the entry of Big Brands in the sales channel is crucial for its development, therefore it is necessary to develop strategies to attract them



## Targeted initiatives to Big Brands – Regulatory entities

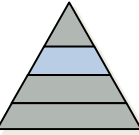


- **Establish customized project models** for the major brands with the scalability required for the brands consider them economically lucrative to invest in Street Vending
- **Encourage the presence of Big Brands at events** by creating specifically targeted events to attract them, so that they can have a first contact with the Street Vending
- **“Awareness” campaigns** to alert big brands of the sales channel potential – Demonstrate the Street Vending trend growth and the impact it will have in medium-term at the companies sales; Present success stories of Big Brands that actually already invest on Street Vending, and show market opportunities
- **Assure equal treatment** for all stakeholders involved in the sales channel - Market entry conditions and supervision similar to both entrepreneurs and Great Brands

# Big Brands have multiple different market approach possibilities that may vary depending on the type of strategy adopted



## Market approach possibilities for Big Brands – Big Brands

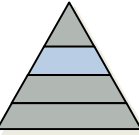


- Create **pilot project** with low costs to test concepts
- Create a **second brand** to sell in street
- Offer a **reduced portfolio** in the street compared to the one offered in stores
- Possibility of **renting a temporary sales outlet** from a Street Vendor for an previously agreed period of time
- Offer the **possibility of franchising to** entrepreneurs through the Street Vending

The ability to attract Big Brands to sell in the street, will boost the sales channel development in terms of available supply and also in terms of demand from the consumers



## Entry of Big Brands into the sales channel



### Challenges solved:

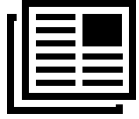
#### Marketing

- **Increases current supply on the street**, while promotes the extending to different products than usual and highly desired by consumers
- The presence of Big Brands in the street, recognized by the general public and whose products are perceived as high quality, will help to **change the mind-set of dubious quality** of the Street Vending products

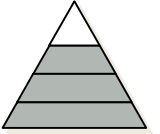
#### Market

- **Represents a major step for the sales channel development** that will conquer higher visibility and prominence with the presence of reputable brands with proven quality
- Many of these brands are local stores or existing restaurants and open the channel to them will help to **decrease the existing contestation** around the Street Vending

An effective communication will promote the investment in the channel, and will boost demand for goods / services sold on the street



## Sales channel communication - Regulatory entities and street vendors



### Challenges solved:

#### Marketing

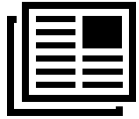
- **Displays the available supply** through clearer and more transparent information disclosure
- **Increases the existing available information**, for both potential street vendors and consumers and therefore facilitates and encourages investment in the sales channel and increases the demand and consumption of goods / services provided on the street

#### Market

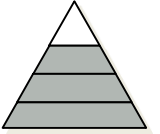
- **Promotes the sales channel growth** by changing consumers perceptions and clarifying the information available, which in turn will increase the demand for goods / services sold on the street



Finally, it is essential to communicate to both potential street vendors and consumers the sales channel evolution and provide them the information required in a more accessible way



## Sales channel communication



- **“Awareness” campaigns among consumers** - Alert consumers to the recent emergent trend of innovative and modern Street Vending concepts and separate them from the traditional street sale
- **Create website / microsite** that gathers all the necessary information to open a Street Vending business - Locations available, clear street vendors selection criteria, costs associated with obtaining the license, support conditions etc. ...
- **Create site / mobile application** with easy access information for consumers: Provide a map / calendar up to date with current locations of all mobile vendors, as well as the offer in each one; Provide a Street Vending event calendar on a national level
- **Provide a map** with the sellers location at every event venue
- **Mandatory exhibition of complete menus** and (not required but suggested) nutritional information about the food and beverages sold
- **Promote the creation of consumption cards** that can be used in a designated number of mobile vendors stalls, and suggest partnerships between mobile establishments and local businesses

# Agenda

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- A** Introduction
- B** Trends that justify the creation of a new sales channel
- C** Intrinsic challenges to the channel development
- D** Solutions/General recommendations
- E** Cascais as a case study

The municipality of Cascais incorporates a set of conditions that make street vending very appealing, however several challenges were presented and hinder the development of the channel

## Executive summary

### **E1** Socio-demographic analysis of Cascais

- The municipality of Cascais incorporates a **set of conditions that make street vending very appealing**: a growing population, the mild and not very rainy climate, and a group of services and attractions that draw tourism to the city make the ideal conditions to invest in street vending

### **E2** Introduction to the current situation of the SV channel in Cascais

- Street Vending, specially in what concerns Street Food, has been acquiring preponderance in Cascais
- **The investment in the channel reflects mainly in the organization of events.** In 2015 2 pioneer events are to be highlighted: The European Festival of Street Food and the 1<sup>st</sup> Edition of Metro Street Food
- **In 2013, the Cascais Town Hall stopped emitting licenses**, existing only 6 permanent licenses active
- The limitations imposed to street vending in the municipality of Cascais regarding the emission of licenses, prevents the development of the sales channel

### **E3** Introduction to the main challenges, solutions and recommendations

- The Town Hall of Cascais identifies 3 main challenges to the expansion of Street Vending in the municipality: **mismatch of existing regulation given the current situation; paradigm of existing businesses vs. street vendors** and the **state of development of Street Vending**
- To solve the challenges identified **four phases of solutions** are presented: **Definition of an Organizational Model, Creation of a Pre and Post Application Procedure; Attraction of Big Brands** and **Creation of a Communication Strategy** followed and complemented by the **“Big Solution”**

The creation of solutions and specific recommendations for the case study of Cascais involves: defining an Organizational Model, creating an Application Process, Attract Big Brands...

## Executive Summary

### **E4** Definition of the Organizational Model

- The creation of an organizational model will allow the Town Hall to react efficiently to the entrepreneurs' applications, meeting the consumers' needs.
- Based on the challenges identified, 5 criteria were attributed to the selection of locations for SV: traffic, free space, accessibility, presence of traditional trade and climate exposure. The analysis of the survey results allows to reach some conclusions, such as the creation of Permanent Sales Poles and Temporary / Events, allocated to Green, Yellow and Red Zones.

### **E5** Application Process

- The creation of an online platform enables **high transparency, simplifying the application process** by providing the candidates with all the necessary information.
- The process consists in: Filling and Submitting the available form in the Town Hall's website (with a predefined fee), Analysis of the business plan and its viability by the Town Hall, Approval and reimbursement of the previously paid fee, that reverts as credit for future use in the payment of the locations chosen and finally the exercise of activity.

### **E6** Attraction of Big Brands

- The entry of big brands **boosts the channel, attracting more interested both in the supply and demand sides**. Supporting **the evolution of the concept as innovative, of quality and safe**.
- Design the Event Calendar with specific themes to attract companies and big brands.

... develop a Communication Strategy providing the promotion of Street Vending and, finally, create a Mobile App that connects and supports all the other recommendations

## Executive Summary

### **E7** Communication Strategy

- One of the identified problems by the interveners is the tarnished image that SV has among the consumer – low quality, unsafeness, lack of hygiene conditions. **The spread of information fosters the clarification of the concept evolution.**
- Create division inside the Town Hall's website where it is possible to find the Event Calendar and the participants.
- Make information available regarding the sellers location.

### **E8** The Mobile Application as channel management tool

- The mobile app arises to **facilitate** among the street vendors, public and regulatory entities, **all the information referred to the channel to the distance of a click:**
  - ✓ Allows that the consumers have an easy access to **all the information referred to the Street Vending offer** in Cascais
  - ✓ Provides the street vendors with all the **information referred to the zones, locations and events** where they can exercise their activity, as well as accede to other relevant information
  - ✓ Offers the possibility to the street vendors to make the **booking of the sales points** and acts as a **direct means of payment**
  - ✓ Allows the Town Hall a better **management** and **control over the existing businesses** and **facilitates the organization and selection** of potential street vendors

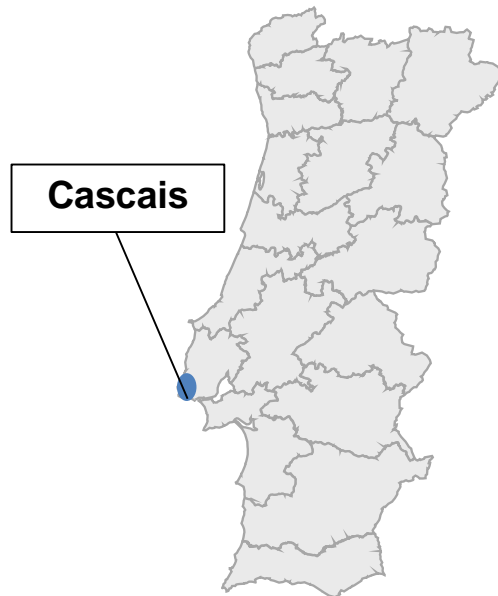
# Socio-demographic analysis of Cascais

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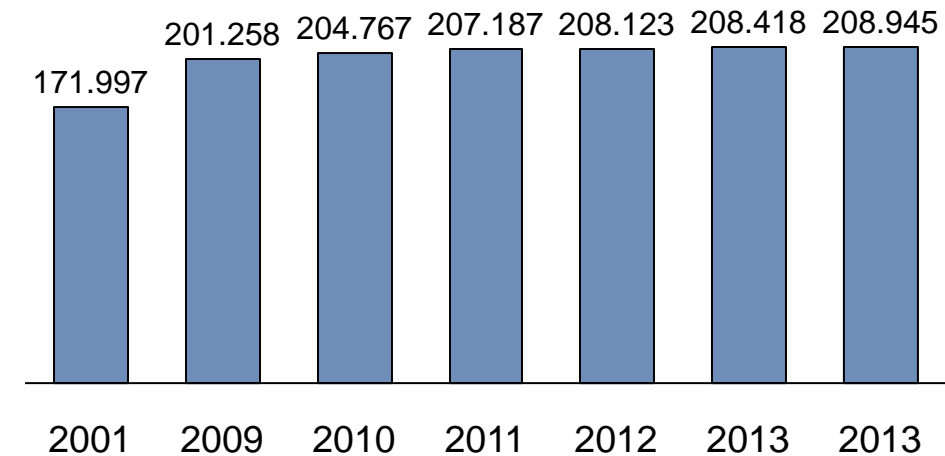
- E1** Socio-demographic analysis of Cascais
- E2** Introduction to the current situation of the SV channel in Cascais
- E3** Introduction to the main challenges, solutions and recommendations
- E4** Definition of the organizational model
- E5** Application Process
- E6** Attraction of Big Brands
- E7** Communication Strategy
- E8** The Mobile App as a channel management tool

Cascais' population has been growing and the municipality is characterized by having a mild and oceanic climate ideal for the development of open air activities

Map of Portugal



Population Growth, 2001 – 2014



**Resident Population**

208.945 inhab



**Days without rain (per year)** approximately 266



**Average annual temperature**

16,7°C



**Average annual rainfall**

752mm



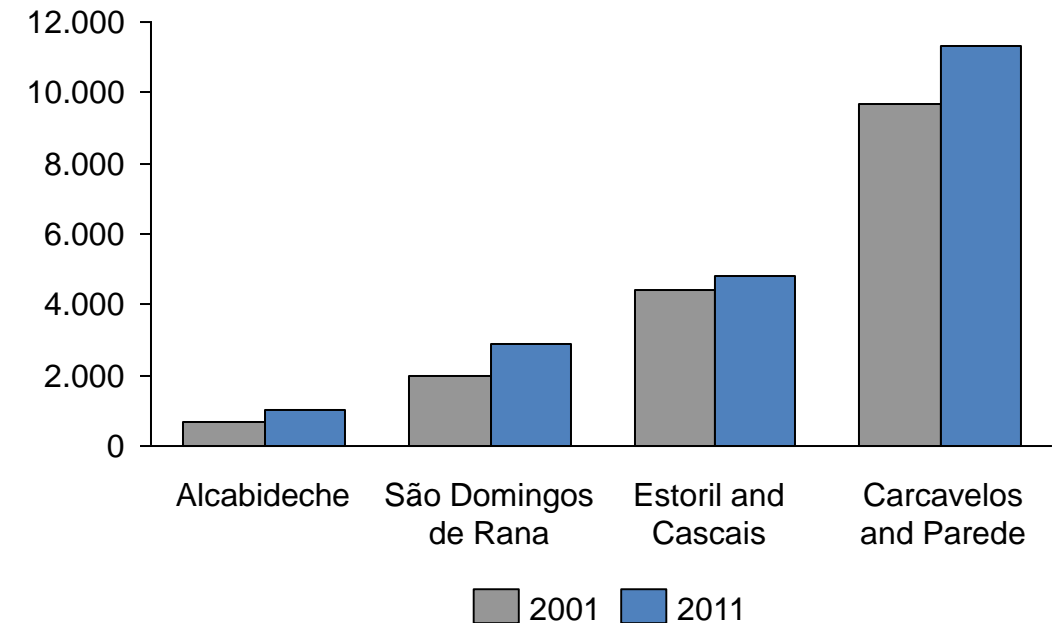
**Population growth** 21%(compared with 2001) with tendency to stabilise in recent years.

The municipality of Cascais is composed by 4 parishes: Alcabideche, Carcavelos and Parede, Estoril and Cascais, and São Domingos de Rana

Council Map



Population Density per parish

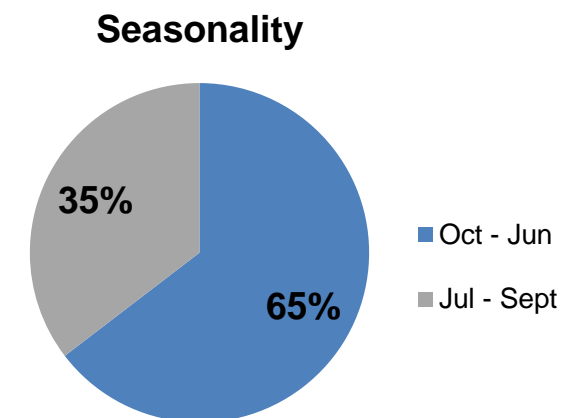
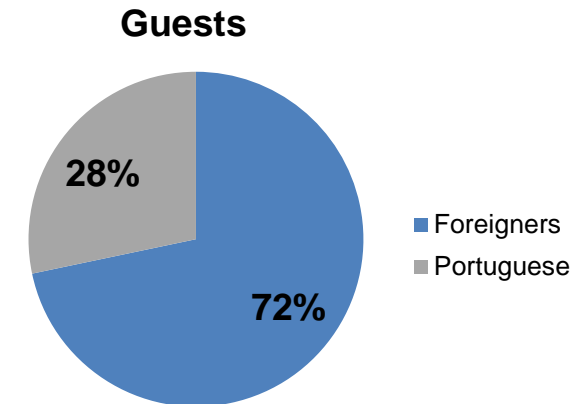
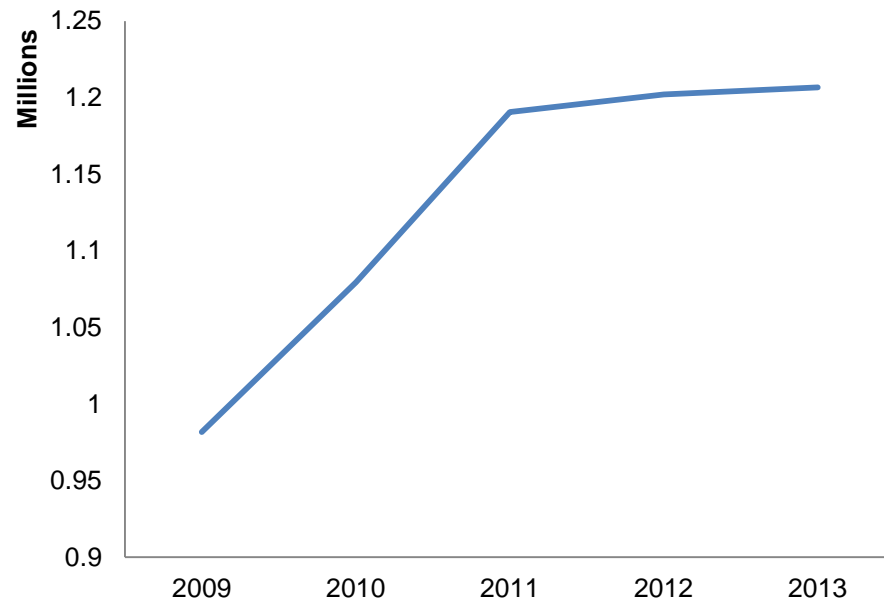


- **S. Domingos de Rana is the most populous parish with ~60 thousand inhabitants**
- All parishes recorded a population growth trend, Alcabideche having the largest increase (33%)
- The parishes of S. Domingos de Rana and Alcabideche are the ones that have a younger population



Tourism is becoming increasingly important in the municipality of Cascais, with more than 1.2 million overnight stays, 72% of them attributable to foreigners

Overnight stays 2009 - 2013

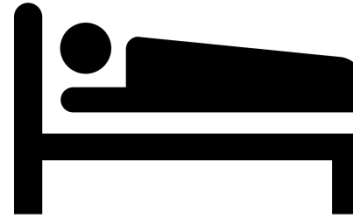


**Tourism in Cascais grew 23% from 2009 to 2013** and has gained greater preponderance in recent years as revenue in the county. The street vending as an innovative concept, can function as a source of attraction and satisfaction of tourists contributing to an indirect return

The municipality of Cascais offers several attractions and services to its inhabitants as well as to possible visitors having also wide potential for development



56 bus routes



+ 7000 beds



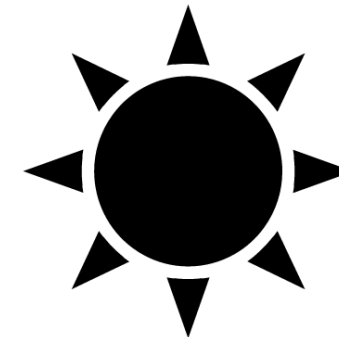
1 Marina



141 Parks and gardens



47 Events



17 Beaches

- The municipality of Cascais **has much to offer to its inhabitants as well to possible visitors**
- **Offers the required conditions and infrastructures for a larger number of people.**
- Tourism is attractive not only for the city, its parks, gardens and beaches but also for events that are promoted here.
- Greater investment on street vending channel streamlines the streets and explores the events sector adding value to the county's offer

# Introduction to the current situation of SV channel in Cascais

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- E7** Communication Strategy
- E8** The Mobile App as a channel management tool

# Street vending has gained importance in Cascais, especially when it comes to Street Food, through the organization of events

## Success cases of street food events in Cascais



### European festival of Street Food (from 4 to 12 of April):



54 Sellers



100.000 visitors



With a turnover of 350 thousand of euros



### 1st edition of Metro Street Fest (from 23 to 26 of July):



40 Sellers



20.000 visitors



Information not available

## Event Organization

- The promoter provides a list of participants who submit on the website of “Portal da Empresa” the respective form to taking up and pursuit of the respective activity.
- The sponsor shall require the licence of a temporary facility
- **If the event is organized by the CMC the form submission payment is not necessary.**

However, the investment of the Town Hall in Street Vending has been focused on promotion of sporadic events – there is no constant emphasis on expanding the sales channel in the municipality

## Current regulatory context in the municipality of Cascais

### Issuance of licenses

In 2013 the CMC stopped issuing licenses/cards to street vendors, which are now issued by the DGAE (Direção-Geral das Atividades Económicas)

### Current licenses

**Actually there are only 6 temporary licenses attributed to roasted chestnuts salesmen.**

There are no permanent or temporary licenses for street vending or for non sedentary provision of food and beverage services. The latter is only authorized for an event.

### Location constraints

Street vending and the provision of non sedentary catering services are not allowed in **Urban Commercial Centers / Historic Urban Centers** (prohibition defined in 'Sales Draft Rules of Walking the Municipality of Cascais') and also near the **Coastline** (less than 500 meters from the coast) by the POOC.



Currently, **the limitations imposed on street vending in the municipality of Cascais at the level of allocation of licenses**, prevent the development of the sales channel














# Introduction to the current situation of SV channel in Cascais

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The lower prevalence of Street Vending in the municipality of Cascais is mainly due to factors related to the scope of regulation, competition and the size of the sales channel

## Challenges to the channel development

Marketing			Legal		Operation			Market		Other		
Reduced, limited and dispersed offer	Consumer distrust	Lack of available information	Inadequacy of the existing regulations	Inadequate supervision	Absence of support conditions	Logistical limitations	Difficulty in ensuring safety / hygiene	Degree of development of the sales channel	“Unfair” competition	Adverse weather conditions		
												
	With impact											Without impact

The Municipality of Cascais identifies three factors limiting the expansion of Street Vending in the county **(1) mismatch of the existing regulation in the face of reality; (2) the paradigm between existing business versus street vendors and (3) the degree of development of Street Vending**

# Definition of the organization model

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In order to address the identified challenges four phases of solutions are presented, complemented by a mobile device application that comes as support for the channel management

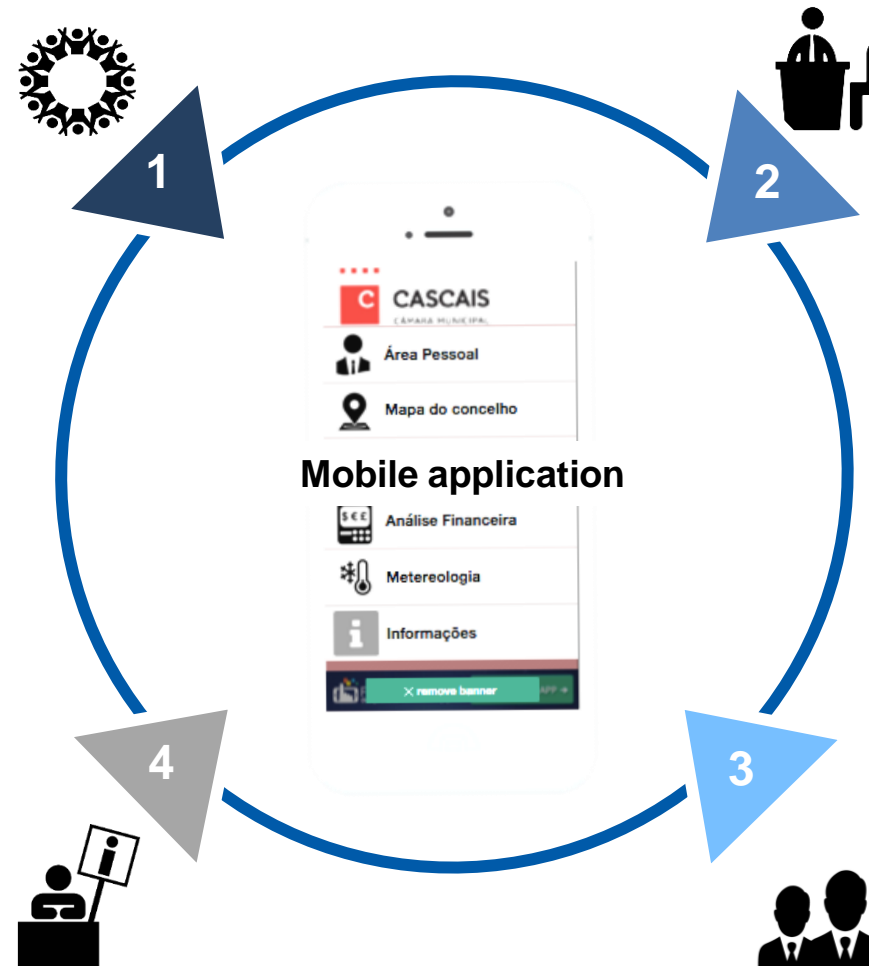
Solutions and Recommendations for CMC:

### Organizational Model definition

- Sales points **selection criteria**
- Segmentation proposal divided in **permanent** and **temporary (Street Markets) sales poles**
- Define criteria for the creation of **Green, Yellow and Red zones**

### Communication Strategy

- Create an online space with all the **information related to events** and permanent Street Vending sale



### Application procedure

- Create an online space with all the information dedicated to the **pre and post Street Vending application**
- Grant an **application form**
- Define **duration and terms of renewal licenses**

### Attract Great Brands

- Present the advantages for the **Big Brands to entry in the SV channel** in Cascais

Therefore, the first recommendation proposed consists on defining an organizational model based on the analysis of the challenges identified and the consumers' preferences



## Definition of the Organizational Model



### Solutions

- The organizational model is based on **energizing the Street Markets** as well as **promoting the creation of permanent Street Vending locations**, consequently a different management model should be implemented for each case
- The **Street Markets model is inspired in the best international practices** and therefore is organized by temporary thematic sales poles with no limitations regarding the offer provided
- The **permanent sales points meet the consumers demand** for goods / services sold on the street and are organized by sale poles and isolated sellers, so on the available supply must take into account consumer preferences and the surrounding existing business
- Selected the permanent points of sale, they will be **sorted and grouped by colors**, each color with their own cost and settled permanence time

### Advantages

- The creation of an **efficient organizational model** will allow CMC to give a competent response to entrepreneurs applications and meet the consumers needs

The proposed organizational model focuses on boosting thematic and temporary sales poles (Street Markets), as well as stimulating the Street Vending in permanent sales points



	Street Markets	Permanent sales points
Organization	Sales poles	Sales poles or isolated vendors
Duration	Temporary	Permanent
Offer	Thematic	Diverse
Offer	W/ no limitations	W/ limitations

**As such, it is necessary to distinguish the organizational model set to Street Markets and permanent sales points**

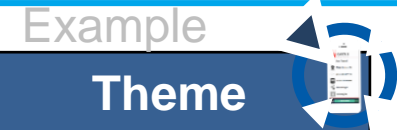
9 featured sites that best respond to five different basic criteria for SV were selected : traffic, available space, accessibility, traditional trade presence and exposure to the weather

Analysis criteria for sales locations					
	High volume traffic	Free available area	Accessibility	Negligible traditional commerce presence	Sheltered exposure to the weather
Close to public transportation	●	○	●	◐	◐
Close to schools/universities	●	◐	●	◐	●
Close to offices	●	◐	●	◐	●
Close to night live	◐	●	◐	●	◐
Public squares	●	●	●	○	◐
City gardens	◐	●	◐	◐	◐
Close to touristic attractions	●	◐	●	○	◐
Coastal area	◐	●	◐	◐	○
Beaches	◐	◐	◐	○	○

● Applicable      ○ Non applicable

These 9 locations meet fundamental requirements for the successful implementation of Street Vending businesses

The Street Markets model is inspired in the best international practices and favours the promotion of themed and temporary sales poles



**Cidadela de Cascais**



**Marina de Cascais**



**Mercado da Vila**



Locations	Criteria	Planning	Theme
<ul style="list-style-type: none"> <li>• Close to public transports</li> <li>• <b>Near touristic attractions</b></li> <li>• Coastal area</li> </ul>	<ul style="list-style-type: none"> <li>• <b>High volume traffic</b></li> <li>• Easy access</li> <li>• Negligible traditional commerce presence</li> </ul>	<ul style="list-style-type: none"> <li>• Every first <b>Saturday</b> of each month</li> </ul>	<ul style="list-style-type: none"> <li>• Portuguese clothes brands, <b>jewellery</b> and <b>arts and crafts</b>; support from street food vans</li> </ul>
<ul style="list-style-type: none"> <li>• Close to public transportation</li> <li>• Near touristic attractions</li> <li>• <b>Coastal area</b></li> </ul>	<ul style="list-style-type: none"> <li>• High volume traffic</li> <li>• <b>Easy access</b></li> <li>• Negligible traditional commerce presence</li> </ul>	<ul style="list-style-type: none"> <li>• Every <b>Sunday</b> of each month</li> </ul>	<ul style="list-style-type: none"> <li>• Rotary market of <b>flowers, books and art</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Close to public transportation</b></li> <li>• Near schools</li> <li>• Close to offices</li> </ul>	<ul style="list-style-type: none"> <li>• High volume traffic</li> <li>• Easy access</li> <li>• <b>Sheltered exposure to the weather</b></li> </ul>	<ul style="list-style-type: none"> <li>• Every <b>Friday</b> until the end of the day</li> </ul>	<ul style="list-style-type: none"> <li>• <b>International food:</b> presence of street food from all over the world</li> </ul>


The examples presented above only intend to illustrate the Street Markets organizational model, while the Town Hall has the responsibility to define the places, dates and themes according to their best interests

According to the general characteristics of each location, there are places where it makes more sense to organize street vendors by sales poles and other ones by isolated vendors

Organizational model									
	Close to schools/ universities	Close to offices	Close to night live	Public squares	City gardens	Close to touristic attractions	Coastal area	Close to public transportation	Beaches
Free available area	◐	◐	●	●	●	◐	●	○	◐
Sheltered exposure to the weather	●	●	◐	◐	◐	◐	○	◐	○
	<b>Sale poles</b>						<b>Isolated vendors</b>		



- Close to schools / universities, offices, nightlife, tourist attractions, public squares and city gardens the Town Hall should focus on defining spaces directed for **sale poles**
- Close to public transportation, in the coastal area and beaches, street sale should generally be carried out by **isolated vendors**

 The organizational model is indicative and based on the general characteristics of each suggested location, there is always room for exceptions

Defined the primary permanent street sales locations it is necessary to realize how they would be organized and the supply available in each sales spot

### 1 Classify the selected points of sale by color

Each of the identified point of sale will be **ranked**, according to the observed demand *versus* the number of available places (parking meter type)

**Green, yellow and red zones** will be created

Green areas will be selected in order to revitalize and stimulate specific areas of the county

Example:

Location: Parque junto aos Maristas de Carcavelos  
Zona Verde

Location: Fundação o Século  
Zona Vermelha

### 2 Set the available offer by category for each point of sale

According to the verified demand and available free area, each defined location will **have X positions**, properly signed, aimed to street outlets and **divided into categories** (depending on consumer preferences)

Example:

#### **Close to schools/universities**

Location: Parking lot near aos Maristas de Carcavelos

Available positions: 2

Categories: 1 Food; 1 Beverages

#### **Close to offices**

Location: Fundação o Século

Available positions: 4

Categories: 1 Newspapers/Magazines; 2 Food; 1 Beverages

### 3 Set rental values and permanency time constraints

According the ranking attributed to each zone, prices for the **"rent" charged** and the **total permanence time allowed** will be different

This price will be higher in the red zones and lower in green areas. On the other hand, permitted length of stay is lower in red zones (more required by street vendors) and vice versa, in order to ensure the rotation of sellers

The amount to be paid will be calculated and charged per month

To set the supply available for each of these locations a consumer preferences analysis was made which shows clear consumption patterns



Consumer preferences according to the sales point location								
	Food	Beverages	Newspapers/ Magazines	Clothes	Arts and Crafts	Jewelry	Books	Services
Close to offices	●	●	●				●	●
Close to schools/universities	●	●	●				●	●
Close to nightlife	●	●						
Public squares	●	●	●	●	●	●	●	●
City gardens	●	●	●		●	●	●	
Close to touristic attractions	●	●			●	●	●	
Coastal area	●	●					●	
Close to public transportation	●	●	●				●	●
Beaches	●	●	●				●	

**Permanent sale**
 **Temporary sale**



The sale points would be grouped by zones and divided by categories, each with its respective cost and defined permanence time



	Green Zones	Yellow Zones	Red Zones
Locations by category	<b>Food (1):</b> Park near Maristas de Carcavelos (1)  <b>Beverages:</b> Park near Maristas de Carcavelos (1)	<b>Handicraft (2):</b> Parque do Bairro Azul (1) Jardim dos Passarinhos (1)  <b>Beverages (3):</b> Parque da Josefina (2) Paredão de Carcavelos (1)	<b>Food (2):</b> Fundação o Século (2)  <b>Newspapers / magazines (2):</b> Fundação o Século (1) Praia da Poça (1)
Price of the space occupation permit - day (Spring – Summer / Autumn – Winter)	<b>7,5€ / 5€*</b>	<b>15€ / 7,5€*</b>	<b>25€ / 12,5€*</b>
Maximum days of continuous permanence	<b>N/A unless there are people on a waiting list*</b>	<b>60 days*</b>	<b>30 days*</b>

\* Estimated values

\*2 In the first year of functioning of sales zones, the green zone is exempted from payment

# Application process

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After having organized and segmented the channel, it is crucial to create an application process and as such define criteria for acceptance, periodicity and renewal of licenses



## Application Process <sup>\*1</sup>



### Solution

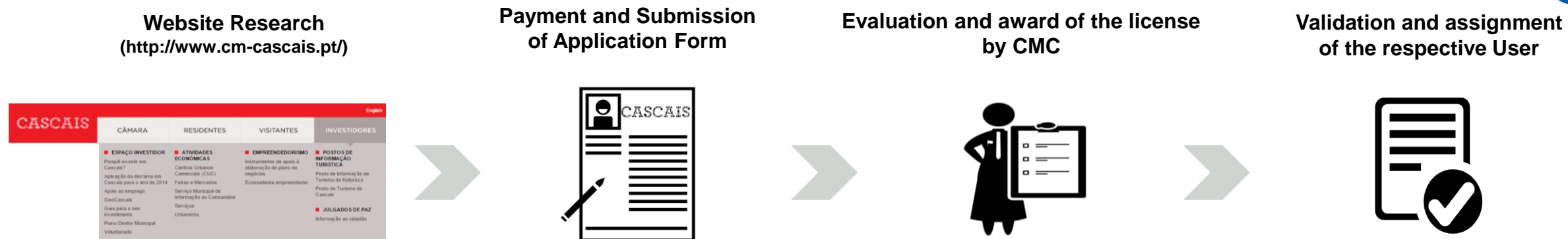
- Creating an **online space**, within the CMC website with **all the necessary for application information**: online application form, necessary documents, selection and acceptance criteria, possible and available locations (zones map), and events where you can participate (online calendar)
- **Design an online form which facilitates the CMC's decision**, creating a set of documents and mandatory requirements to be met by the sellers that are necessary and sufficient for accreditation for the camera
- **Proposition for Periodicity of Licenses and Licenses Renewal Conditions** based on solutions to the challenges identified by the sellers and the regulatory bodies

### Advantages

- The creation of an online platform enables **high transparency** in the process, **simplifying the application process** by making known the necessary documents for subject
- The design of **an online form** specified to **accelerate the process** appears to be an advantage for CMC and for sellers who can implement their business faster

It is essential to make the application process clear and transparent so those who are interested only have to follow a set of steps to be part of the channel

## Licensing Process of Street Vending Activity



By accessing the CMC Website the seller will find all the information regarding the application process:

- Information and documents required
- Reference for the payment of the submission of the application
- Application Formulary
- (...)

The granting of the license for Street vending is made by **submitting a form** and performing the respective **payment of a symbolic value**

The CMC evaluates candidates through the **validation of the necessary requirements** and the payment of the application.

The license is validated and assigned to individuals (entrepreneurs) or legal (business) allowing the holder to engage in street sales activity. However, **no particular sales location is assigned** instead a **user code** it is attributed

The creation of an online platform in the CMC website with all the information necessary to the exercise of Street Vending activity facilitates the process minimizing room for doubt

English			
CÂMARA	RESIDENTES	VISITANTES	INVESTIDORES
<p><b>■ ESPAÇO INVESTIDOR</b></p> <p>Porquê investir em Cascais?</p> <p>Aplicação da derrama em Cascais para o ano de 2014</p> <p>Apoio ao emprego</p> <p>GeoCascais</p> <p>Guia para o seu investimento</p> <p>Plano Diretor Municipal</p> <p>Voluntariado</p>	<p><b>■ ATIVIDADES ECONÓMICAS</b></p> <p>Centros Urbanos Comerciais (CUC)</p> <p>Feiras e Mercados</p> <p>Serviço Municipal de Informação ao Consumidor</p> <p>Serviços #</p> <p>Urbanismo</p> <p><b>Street Vending</b></p>	<p><b>■ EMPREENDEDORISMO</b></p> <p>Instrumentos de apoio à elaboração de plano de negócios</p> <p>Ecossistema empreendedor</p>	<p><b>■ POSTOS DE INFORMAÇÃO TURÍSTICA</b></p> <p>Posto de Informação de Turismo da Natureza</p> <p>Posto de Turismo de Cascais</p> <p><b>■ JULGADOS DE PAZ</b></p> <p>Informação ao cidadão</p>



\*1

# Currently the Application is made by the services sector




- |                                                                                                                                                                                |                                                                                                                           |                                                                                           |                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>■ <b>Street Vending Application</b></li> <li>• Application Form</li> <li>• Mandatory Documents</li> <li>• Selection Criteria</li> </ul> | <ul style="list-style-type: none"> <li>■ <b>License Renewal</b></li> <li>• Request</li> <li>• Renewal criteria</li> </ul> | <ul style="list-style-type: none"> <li>■ <b>Locations</b></li> <li>• Zones Map</li> </ul> | <ul style="list-style-type: none"> <li>■ <b>Events</b></li> <li>• Calendar</li> <li>• Enrollment</li> </ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|

An application form facilitates the selection process for the regulator, which obtains a set of information about the business and its owner

## CASCAIS Application Form \*1





**Fotografia**

**Holder information**

**Holder's Name:**

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**Address:**

---

<b>Contactos:</b>	<b>Phone:</b>	<b>Email:</b>
-------------------	---------------	---------------

---

**Individual**

**Company**

---

**Business/Company Name:**

---

**Number of personal tax identification / legal entity**

**Business Information**

**Designation** - a summary of the activity (business concept, idea)

---

**Type of product / service** (Food items, beverages; Newspapers / Magazines; Crafts; Clothing; Jewelry; books; Flowers; Souvenirs; Services)

---

**Means of sale** (Photography, if applicable)

---

**Fuel** (Gasoline, diesel, electric, not applicable)

---

**Size of the vehicle** (Nº spaces that will occupy)

### Required documents for the License Assignment

**Payment receipt** (made before the license assignment)

**Documents necessary for the exercise of the activity** (e.g. HACCP food handling)

### Attachments

#### Business Plan

\*Not required field

**“Green Key”** concerning good environmental and social practices, assigned by the EUROPE BLUE FLAG ASSOCIATION (create partnership) \*2

\*Not required field

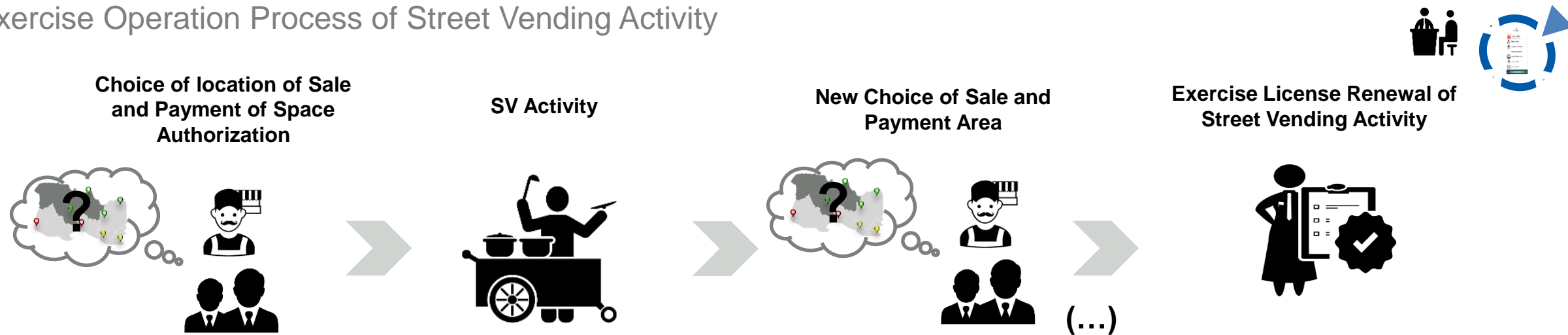
In addition to the information gathered from the future seller, there are a set of mandatory requirements which will be key for the award or non-award of the license and user code

## Licensing Requirements

- All applicants must pay the **cost of the license** - a symbolic amount to be established by the City Council - 70 euros \*
- **The completion and submission of the Application Form is mandatory**, certain fields are key requirements for the evaluation of CMC:
  - **Evidence of Payment concerning the license**
  - **Documents necessary to exercise**, e.g. HACCP for all vendors who handle food
- The individual or legal entity shall present a stable financial condition assessed by tax identity
- The individual should **know and ensure that general hygiene requirements** for the trade of food products on public roads are met moreover the holder must conduct **the implementation of the rules of HSW** (Health and Safety at Work). The sanction of not conforming to any of the above mention is having the license withdrawal

The license is renewed annually, in order for the holder to exercise it has to book the place where he wants to be present and make the payment, getting the Space Authorization

## Exercise Operation Process of Street Vending Activity



Through the user code the seller accesses the susceptible spots for street vending activity, **reserves and makes the payment of the place of choice** obtaining the **Space Authorization**.

The booking and payment must be made X days prior to occupancy of the desired space. This payment can be done online or over the counter.

Bearer of the street vendor license and having paid the Space Authorization the **street vendor is able to exercise its activity**

In order to **obtain a new spot the seller must acquire a new Space**. Again he must choose, book and pay for this fresh location in a period of X days before the local occupation

**The license renewal is annual, and is subject to revision.**

All applicants must ensure the conditions necessary for the exercise of the activity safeguarding the implementation of the requirements



Since the Municipality of Cascais is one of the most innovative in the country, it is important that the solution meets this same reality

**The preservation of the environment is a major concern of the XXI century.** Cascais has gained major awards at the international level in the sector of the Environment and Environmental Sustainability. Therefore, and already thinking about the **Energy Matrix 2016**:<sup>\*1</sup>

- **It is important for the municipality of Cascais to continue to be recognized for its ability to set high standards for sustainable urban development and providing innovative solutions to environmental challenges:** Electric models and environmentally friendly concepts represent this sustainable development.

### New Street Vending model:

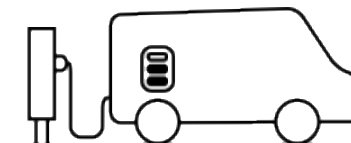
1a

In a first phase of the project, CMC will grant licenses to all interested parties who meet the necessary requirements, where the fact of being "eco-friendly" will be taken into account in the allocation of spaces for them. In the choice of areas and applications to events, **environmental friendly will be taken as a positive tiebreaker.**



2a

In a second phase, after 2 years, in 2018, CMC will make **mandatory the use of vehicles that respect the environment** (electrical / renewable energy). This obligation can be verified by a certificate for instance through the **"Green Key"** - referring to good environmental and social practices awarded by the Europe Blue Flag Association, with which CMC could undertake in a partnership.



\*2

Through the incorporation of electric vehicles and other environmentally friendly concepts in street vending, Cascais will be pioneer in Portugal as an environmentally sustainable city

**C40**  
**CITIES**  
CLIMATE LEADERSHIP GROUP

**Entity that supports a group of 80+ cities across the world aiming to fight climate change and promote the welfare, health and economic opportunities of urban citizens** \*1

Along all the prizes won by Cascais so far in the innovation field, the C40 cities group is a great opportunity for Cascais to be part of this worldwide project and become a pioneer in Portugal addressing climate changes

**RE** **100**

**The RE 100 initiative brings together some of the most influential global companies that have committed to start using 100% renewable energy by 2020** \*2

Some of the brands involved in this initiative are: Coca-Cola, Nestle, P&G, Starbucks, Unilever, among many others. For these big brands, the use of electric vehicles and other environmentally friendly concepts has many benefits: to achieve the company sustainable development goals, public recognition, tax benefits, etc.

**CASCAIS**

- Planted more than 200,000 trees; created 12,200 m2 of community gardens; only existing Green Congress Center in the Iberian Peninsula; promote sustainability policies in their projects and soft mobility (16 km of cycle paths)
- Integration of “Pacto dos Autarcas” since 2009, to mitigate the ecological footprint and face global warming (20% reduction of greenhouse gases by 2020); launch of the “Plano Estratégico de Cascais” to face Climate Changes (2010)
- First municipality to have full traffic lights and public lighting with LED technology, in December 2011 \*3

**With all these environmental good practices, focusing on environmentally friendly vehicles for the street vending activity represents another step in Cascais’ statement as a sustainable city model**

# Attraction of big brands

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The attraction of Big Brands represents a huge benefit for the channel development and Cascais would also come up as an incubator of new business models for these companies



## Attraction of Big Brands



### Solution

- **Organization, segmentation and process of entry in the channel create stability** and make street vending a more attractive business model for big brands.
- **Creation of an events calendar with specific themes** where there is a direct invitation to companies, or where it is clear that they will want to be present, as it already happens in events like the Volvo Ocean Race. For example, “Our Portugal”: food – *Pastéis de Belém, Casa do Preto, Piriqita, Delta, Portugália*; clothes – *Paez, Seaside, Throttleman*; others – *Vista Alegre*.

### Advantages

- The creation of specific events, besides promoting high visitors traffic, attracts consumers of that specific type of products, something very attractive for companies that can **acquire customers by being present in an innovative way**.
- The entry of big brands **promotes the channel, attracting more interested people, both on the supply and demand sides**. This supports the concept evolution as being innovative, having quality and being safe.
- Cascais benefits from the title of innovative city because it is pioneer and incubator of this kind of business models.

2015 was marked by the presence of events of large world projection in the municipality of Cascais, that arise as an opportunity for big brands to approach the consumer

The challenge began in 2011 and the aim was to place Cascais in the world map in the areas of business, tourism, big events, culture, big sport challenges and ideas conferences. \*1

2011



In 2011, Cascais became known virtually in the four corners in the world. Newspapers like the Paris Match, for example, made reference to the municipality with very honourable remarks.

2015



In 2015, the goal was mainly the organization of conferences and events such as: World Ocean Summit (that involve more than 250 world leaders with their eyes on the sea as a new resource for economic growth and job creation), China Global Business Meeting and the World Food Travel Summit & Expo.



**CASCAIS**  
CÂMARA MUNICIPAL

Cascais becomes, hence, one of the more attractive and dynamic municipalities, by promoting events that allow brands not only the acquisition of more customers, but also to test new concepts and products.

# Communication Strategy

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- E1** Socio-demographic analysis of Cascais
- E2** Introduction to the current situation of SV channel in Cascais
- E3** Introduction to the main challenges, solutions and recommendations
- E4** Definition of the organizational model
- E5** Application process
- E6** Attraction of big brands
- E7** **Communication Strategy**
- E8** The Mobile App as a channel management tool

The channel needs to distance itself from its negative connotation associated to lack of hygiene conditions, insecurity and low quality, and for that the consumer needs to be educated



## It is necessary to create a Communication Strategy



### Solution

- **The creation of big events facilitates and promotes the transmission of information** about the channel
- Within the **online space**, created for the application process, it is necessary to exist a **segment dedicated to consumers**, where an event calendar is available
- The brands and street vendors should make their location available
- **Communication of events through social network and media** – Facebook, Cascais institutional newspaper

### Advantages

- One of the problems identified by the interveners is the **tarnished image that street vending** has among the consumer – low quality, insecurity, lack of hygiene conditions. The spread of information enhances the **clarification of the concept evolution**.
- The **more information is made available**, more potential interested show up and consequently, **more demand** is created.

The dimension and importance of the channel depends on demand and so it is necessary spreading information that promotes street vending and educates the consumer in the concept evolution

Street Vending is a concept with **negative connotation** associated to insecurity, low quality and lack of hygiene. **So that the channel can reach its full potential, it is crucial to educate the consumer.**



- Communicating the of events through **social media** can target many age segments, makes the event trendier and **attracts a lot of people**



- **The media**, such as institutional newspapers, TV channels and others, besides conveying information, **generate credibility**

- Include an **event calendar in the Cascais Town Hall website** with the list of participants
- Design a **Zone Map** where the sales points and individual sellers are identified, allowing access from consumers to the sellers, their products, services and favourite brands
- Create an Area for **Doubts / Recommendations / Complaints** that allows a “pre” and “post sales” **service** and enhances the **credibility, safety and involvement** from the consumer





# The Mobile App as a channel management tool

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- E1** Socio-demographic analysis of Cascais
- E2** Introduction to the current situation of SV channel in Cascais
- E3** Introduction to the main challenges, solutions and recommendations
- E4** Definition of the organizational model
- E5** Application process
- E6** Attraction of big brands
- E7** Communication Strategy
- E8** **The Mobile App as a channel management tool**

Defined the street vending organizational model and its application process, it is still necessary to determine crucial factors for the success of street vending in the municipality of Cascais

Defined the organizational model by which the Street Vending will be governed in Cascais and the application process the street vendors will pass by to become able to sell in the municipality, it is still necessary to determine:

- ✓ How will CMC make **available all necessary information** to both street vendors and consumers
- ✓ **Selection criteria for the available sales spots** to the previously licensed street vendors
- ✓ How will be Street Vending managed and controlled in the Cascais municipality and what role will have CMC in the channel regulation



## The APP



The mobile APP aims to provide a complete solution to all these challenges in a distance of a click. This will facilitate all the necessary information to the organization, control and communication of Street Vending in an accessible and innovative way along, consumers, regulators and street vendors

The App comes to facilitate all the information concerning the sales channel among street vendors, regulators and consumers in a distance of a touch

### General features:



#### Consumers

- ✓ It allows the consumers to find an easy way to access all the **information concerning the Street Vending offer** in the municipality of Cascais
- ✓ They will have the opportunity to **classify the Street Vending existing business** through the App and consult the prices practiced by each one of them

#### Câmara de Cascais

- ✓ Allows a **better management and control** over existing business
- ✓ **Facilitates the organization and selection** of potential street vendors
- ✓ **Streamlines the payment process**

#### Street Vendors

- ✓ Provides to the street vendors all the **information concerning the areas, places and events** where they can pursue their activity, as well as other relevant information
- ✓ Offers the possibility to the street vendors of **booking the sales spots** they will be allocated through the App
- ✓ Works as a **direct payment method**

By using the App the consumers have at the time access to their favorite street vendors locations as well as all the details about upcoming events

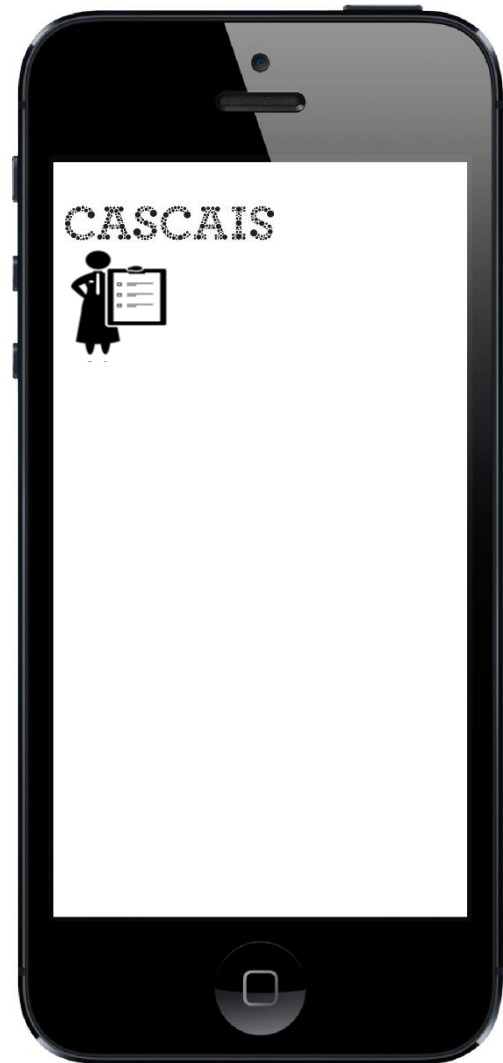


## App features for consumers:



- ✓ **Consult map / calendar with street vending available supply** in the municipality of Cascais (provide brief description of each business and link to the business site)
- ✓ **Access the events calendar** that will occur throughout the year in Cascais and its list of participants
- ✓ Consumers will have the opportunity to **evaluate sales establishments** where they actually already bought – will rank in between 1-5 stars the service - and this quote will be available for consultation in the App (eg partnership with Zomato / TripAdvisor)
- ✓ **Payment method** in street sales establishments through loading the application with cash credits (opportunity to partner with Vodafone and make use of its Vodafone Wallet service)

Through the App, CMC will have access to all the information concerning the SV activity in the municipality which will simplify the regulation and furthermore the supervision of existing businesses

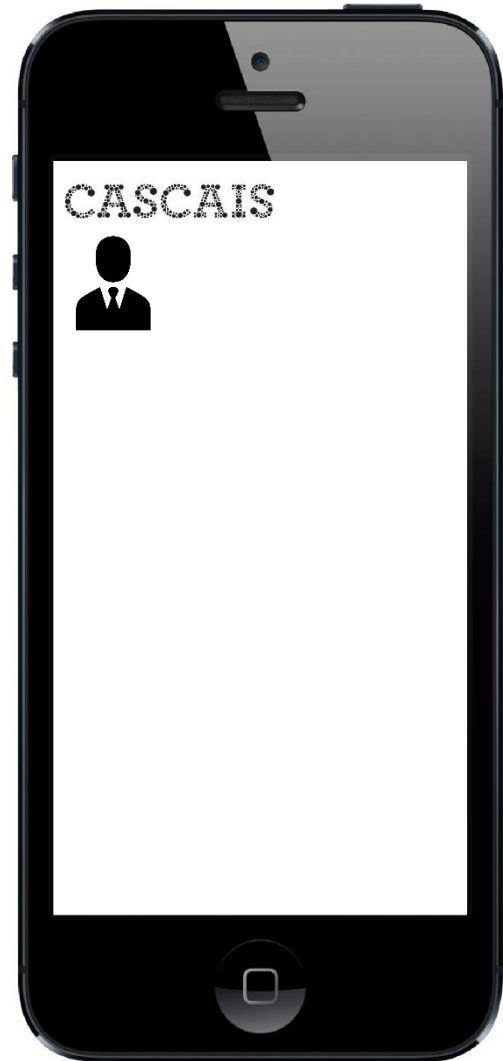


### App features for CMC:

---

- ✓ **Simplifies the organization / management of Street Vending in the municipality** through a solution that lets you assign sales points for street vendors based on the willingness of consumers
  - ✓ **Supports the CMC communication** with both street vendors and consumers by condensing all the information regarding Street Vending with in a single and easy to access mobile App
  - ✓ **Facilitates the supervision of existing businesses** through at the time information about sales establishments locations, which later is translated into more revenue for CMC and increase consumers confidence in the products sold on the street
  - ✓ **Facilitates and accelerates the receipt** of the “space rental” value, since this will be charged directly to the seller through the App
-

The App aims to provide to the street vendors all the information concerning the areas, places and events where they can perform their activity as well as access to relevant details for their business



## App features for street vendors:



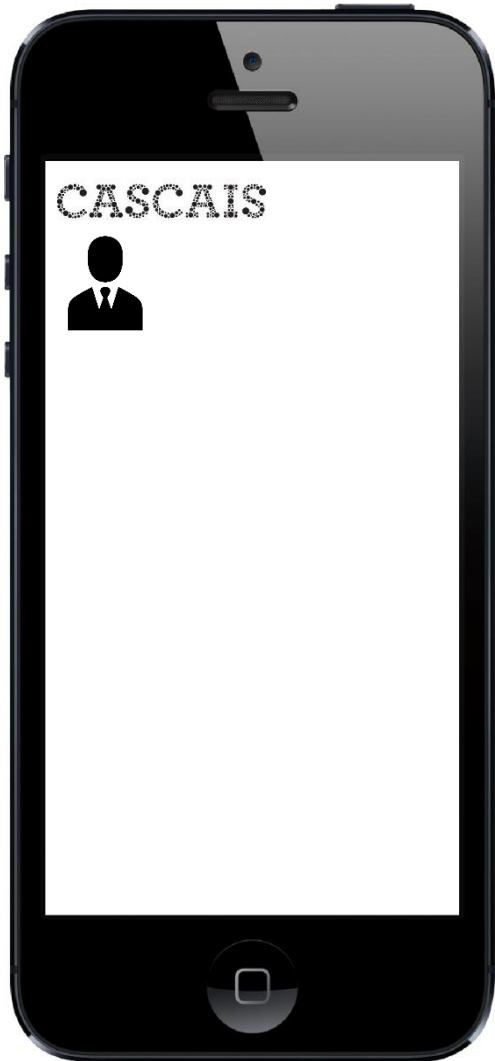
- ✓ **Consult the total number of street vending slots** awarded by category (food products, newspapers / magazines etc. ..) and their respective locations
- ✓ **Check the current and future availability of street vending slots** by category and its location
- ✓ **Look at the amounts charged relating to "rent space"** and maximum permanence time at each point of sale (Depends on the "color" of sales area)
- ✓ **Access to street vending events calendar**, available in the beginning of the year
- ✓ **Consult the weather forecast** in the different sales points
- ✓ **Being informed about future legal changes** in the normal functioning of street vending businesses to which vendors must adapt
- ✓ **Access to financial and legal information of their own business:** Analyze business performance - compare results to previous months (all the data should be uploaded by sellers on the App); Consult license validity

Besides all the information available on the App for street vendors consultation, requiring the selling space allocation as well as its payment will also be made through it

## App features for street vendors:



- ✓ **Make a reservation for a particular selling spot** for a defined period of time through the App - Depending on availability and maximum permanency time in each zone.
  - The selection criteria of requesters for the same sale slot and to temporary events will be done through:
    - 1st stage: Bidding
    - 2nd stage: Business ranking according to consumers evaluation - after reaching a number of relevant classifications (in case of tie, environmentally friendly business prevails; if this remains business antiquity prevails)
- ✓ **Make the payment of "rent space"** by loading the App with credits



It is important to enounce the next steps that users must follow in order to access the App and enjoy its features



## The user's guide

- 1º After submitting the street vendor application process and fulfilled the requirements required by CMC, it is **attributed a street sales license** for the municipality of Cascais and a user name to the street vendor
- 2º With the username, the street vendor will be able to **download the App** and make his registration
- 3º From this point the street vendor is **able to use the application** without any costs associated

### Example of App functioning

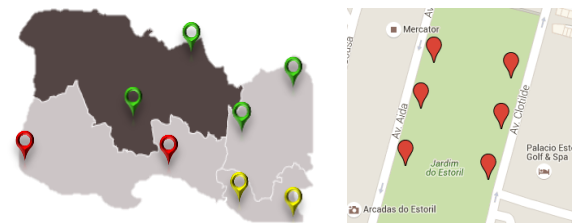


### Personal Area



- “Os meus dados” – Street vendor personal information
- “Vendas e stocks” – Street vending activity information
- “O nº de dias disponíveis” - Allows the seller to know his license validity and permanence time in the selling spot it currently occupies

### Available locations



- Map with the locations of the existing street vending spots with their current and future availability



After the presentation of specific solutions, including the mobile application, a practical example of a real life operation was developed



Maria is a resident in Cascais and since 2011 she owns a flowers business in the center. Recently, the CMC had the idea of organizing a **flower event in the garden Visconde da Luz**. The aim is to promote the florists of the municipality, as well as providing an enjoyable event for the citizens of Cascais and its visitors, who can thus get to know local commerce shops, while enjoying the public space. CMC chose this location based on:

- **Free space available, accessibility and centrality**



### The Event:

- Participants: Cascais florists and some national prominent brands (such as Viveiros do Falcão, Romeira Roma, Monceau Fleurs...)
- Organization of a competition for the best flower / flower arrangement
- Children's entertainment with face painting and theater activities
- Presence of street food vans (Vantini, Weel, Focaccia in Giro ...)
- Presence of brands like Leya, (can make a selection of specialized books on floriculture)



Mary wants to participate in this event, but she does not know how. What are the procedures to follow? How to get a license? Does she have to pay?

## The application process is different for temporary events or permanent street vending licenses in terms of procedures and the amount payable

For this event, CMC will invite some well-known brands with proven quality products. Other participants, like Maria, who do not have any kind of street sales activity, must apply to the event. The amount payable will be equal to the application fee (which will reverse in credit for future use in case of CMC approve the application) plus the annual sales license, which is worth € 70 \*.

1º

**Completing the online application form** - this way CMC can check if all legal requirements are met and have access to business information determinant in the application approval.

In this case, the license required by Maria would be an **annual street vending license**. If the CMC approves the application, she will be assigned a USER name and Maria will have access to the App.

2º

Because it is an event, Maria will not have to choose any particular area - the venue is already set. Also, the permanence time corresponds to the duration of the event. Maria simply needs to sign up.

3º

Maria will be responsible for the entire infrastructure of her selling point (CMC provides only the basic support structures, such as water and electricity, for example). From the moment that Maria's profile is available in the App, consumers can rate her business, which will serve as a **selection criterion for future events**.



The event was a success! Maria was very pleased with the proximity to the consumers, to have achieved significant revenues with a reduced investment and to have been able to earn business visibility. **She decides to expand her business for the street vending, with an individual flowers stall.**

To obtain a street vending license for a particular area, the process is also done through the app, this time choosing location and periodicity

Maria already filled out the application form, having obtained the annual street vending permit and has participated in a street vending event, so she already has a profile created in the app. Therefore, she does not need to require any more selling license, just a **space permit** to be in a certain area (this is done through the app). The next steps are:

1º

**Choose a particular location** - through the app, choose a green, yellow or red zone (with different prices to each other) and the length of stay. Remain indefinitely is not allowed. Maria can only choose available areas since the system works on a "first come, first served" basis.

2º

As Maria wants to settle next to the Carcavelos train station, the area chosen is **yellow**. The payment fee, because it is summer, will be 15 € per day. Maria intends to be two weeks in this location to test her business. Thus, the total amount payable will be **€ 225** (€ 15 x 15 days).

Maria can now start her street vending activity in the area she have chosen. Through this simple process and using the mobile application, it was quick and easy to obtain and pay for street vending license.



One of the main challenges when launching the App concerns the fact that some of today's street vendors could not be able or do not have the conditions to use the mobile application



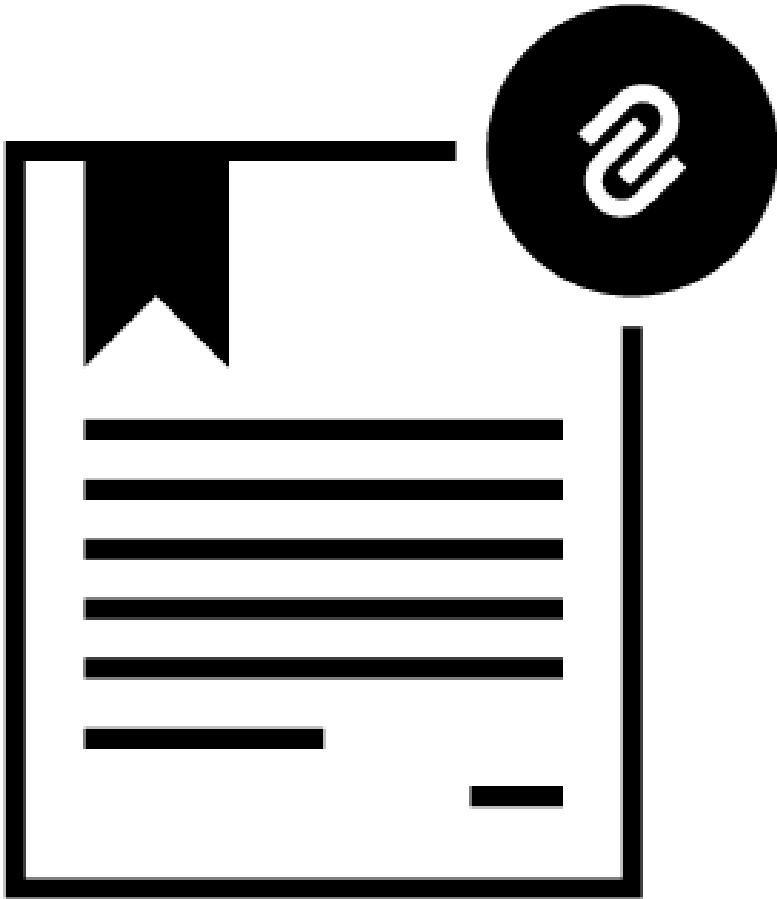
**Fact: Until March 31 2015, it was estimated that 92% of the resident Portuguese population had a mobile phone service.**

Since there are cases where mobile phone does not support the app, the CMC will take steps to ensure that the use of the app can be a reality for everyone, including:

Workshops where it will be explained how to operate the App and how its content can be managed (can be adapted to the needs of the seller, in the case of the elderly, will have less information to facilitate the use)



Partnerships with companies such as Vodafone, whose purpose is to provide mobile phones in "exchange" of mobile contracts, so this change does not represent a cost to the sellers.



- A** Application form
- B** Profile of interviewed
- C** Analysis of selected locations

# Application Form



A) ÁREA PESSOAL	INFORMAÇÃO DO VENDEDOR
NOME COMPLETO DO REQUERENTE	
DATA DE NASCIMENTO	
MORADA	
CÓDIGO POSTAL	
TELEFONE	
EMAIL	
OCUPAÇÃO ATUAL	

B) ESPECIFICAÇÕES	INFORMAÇÃO DO NEGÓCIO
PESSOA SINGULAR / PESSOA COLETIVA	
NOME DO NEGÓCIO / EMPRESA	
NÚMERO DE IDENTIFICAÇÃO FISCAL PESSOAL/PESSOA COLETIVA	
CONTACTOS	
CURRICULUM DO REPRESENTANTE DO NEGÓCIO	

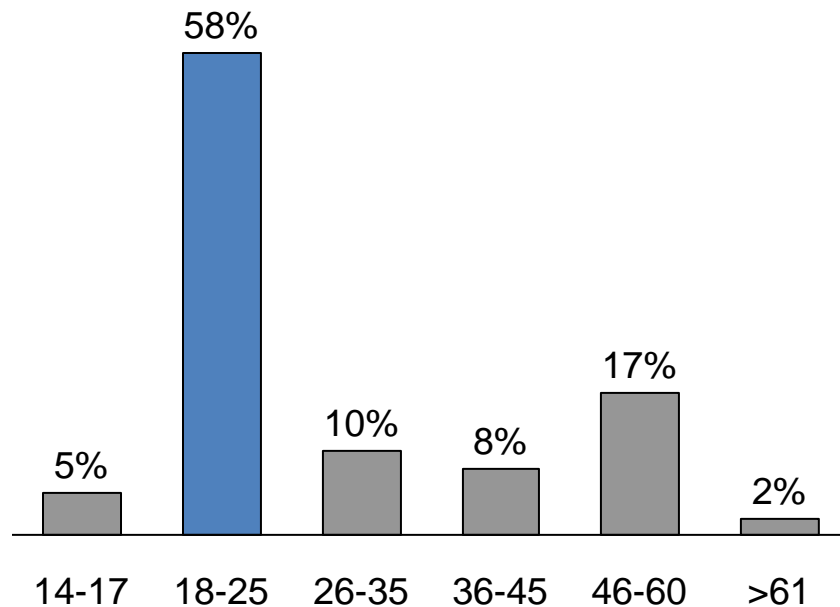
C) NEGÓCIO	INFORMAÇÃO SOBRE O SERVIÇO A PRESTAR
TIPO DE ATIVIDADE PROPOSTA	
NATUREZA DOS ARTIGOS A SEREM VENDIDOS OU EXPOSTOS	
TIPO DE EQUIPAMENTO A SER UTILIZADO (POR EX: BANCA, VEÍCULO.). INSERIR FOTOGRAFIA SE POSSÍVEL	
COMBUSTÍVEL (GASOLINA, GASÓLEO, ELÉTRICO, NÃO APLICÁVEL)	
DIMENSÃO (MEDIDAS - LARGURA E COMPRIMENTO)	

## Anexos

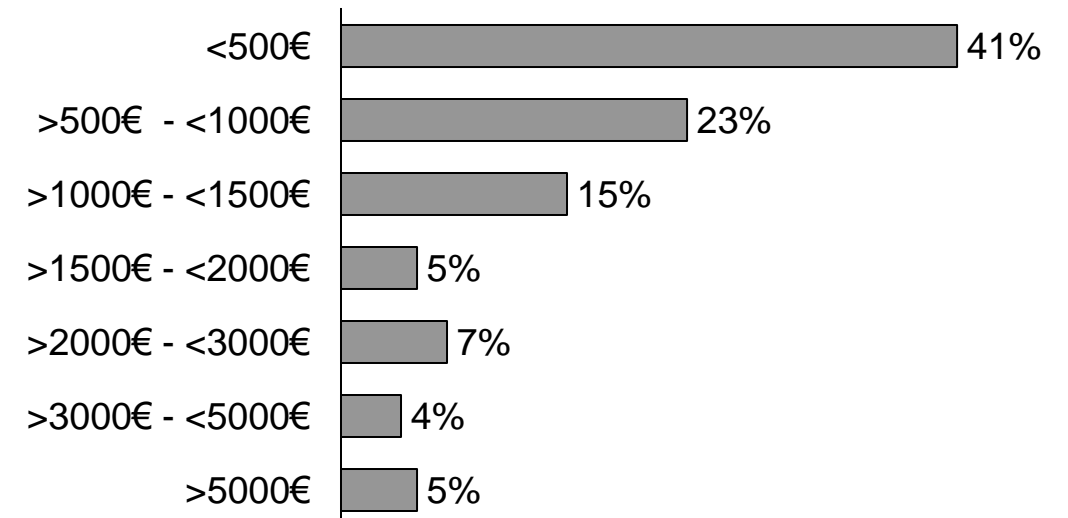
- 1) Comprovativo de pagamento (feito previamente à atribuição de licença e reembolsado no caso de aprovação)
- 2) Plano de negócio
- 3) Comprovativo “Green Key” – referente a boas práticas ambientais e sociais atribuídas pela ASSOCIAÇÃO BANDEIRA AZUL DA EUROPA (criar parceria)
- 4) Documentos necessários ao exercício da atividade ( Ex: restauração HCCP)

## Respondent's profile

### Idade



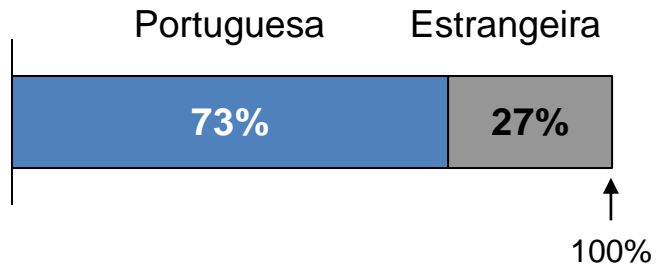
### Rendimento



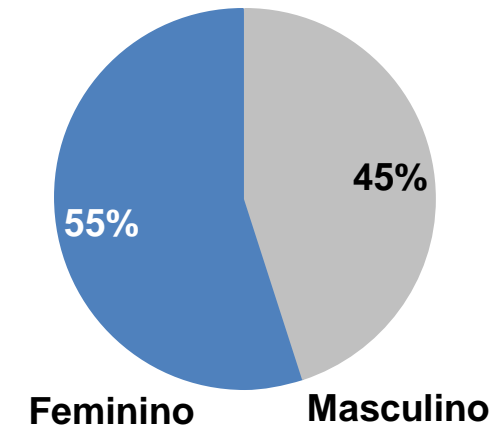
Sendo os inquiridos maioritariamente Jovens entre os 18-25 anos, **41% do rendimento dos inquiridos é inferior a 500 euros**

# Respondent's profile

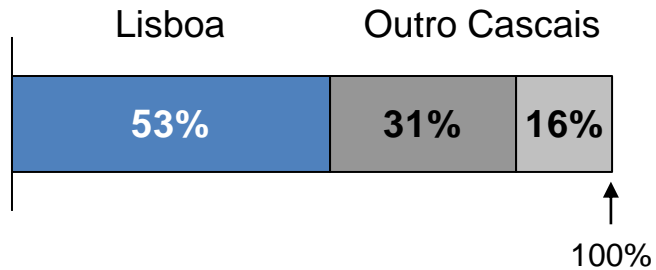
## Nacionalidade



## Género



## Residência

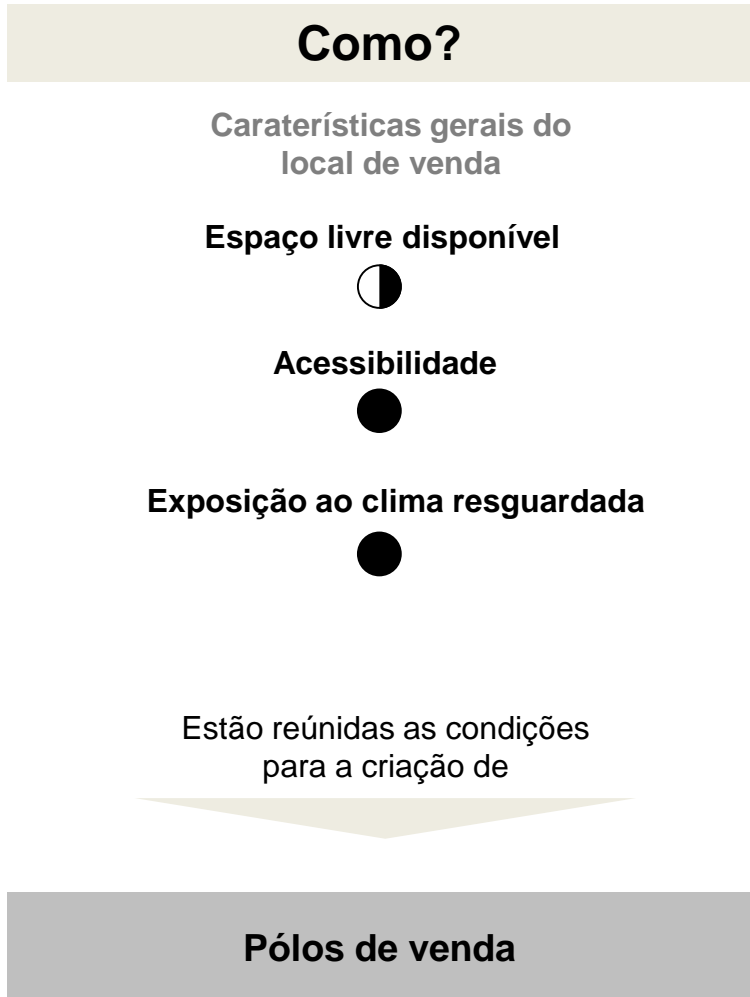
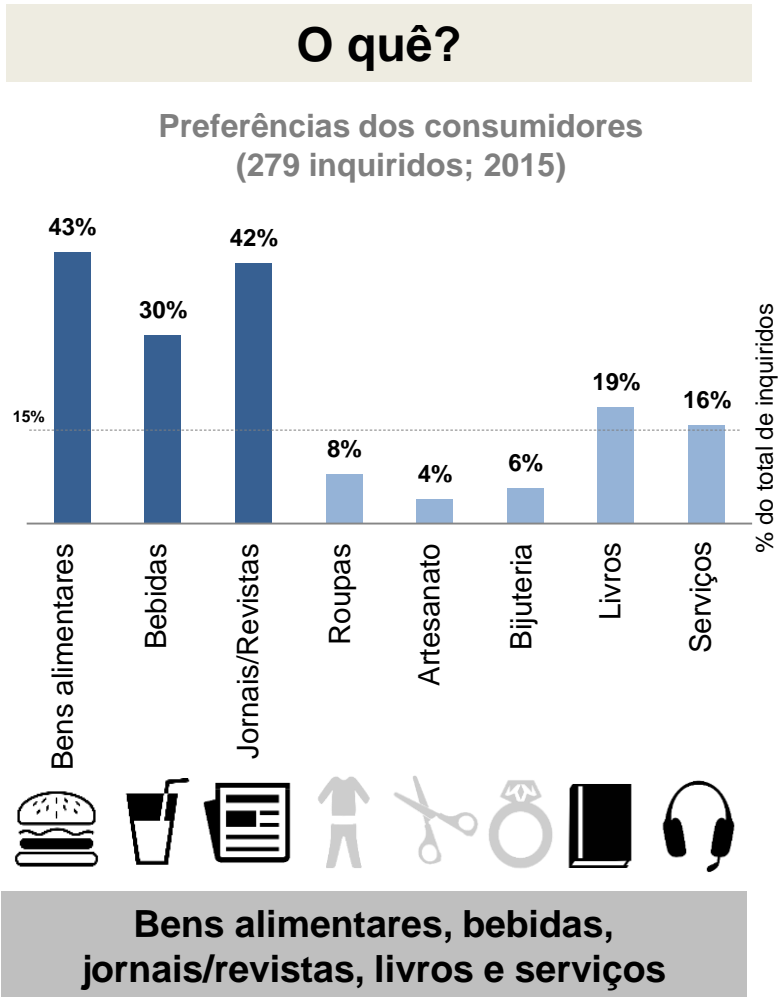


Os sujeitos são maioritariamente Portugueses, residentes em Lisboa, com 55% representantes do sexo Feminino face aos 45% do sexo Masculino. Não foram evidenciados traços de consumo significativamente distintos para estes segmentos.



# Analysis of the selected locations

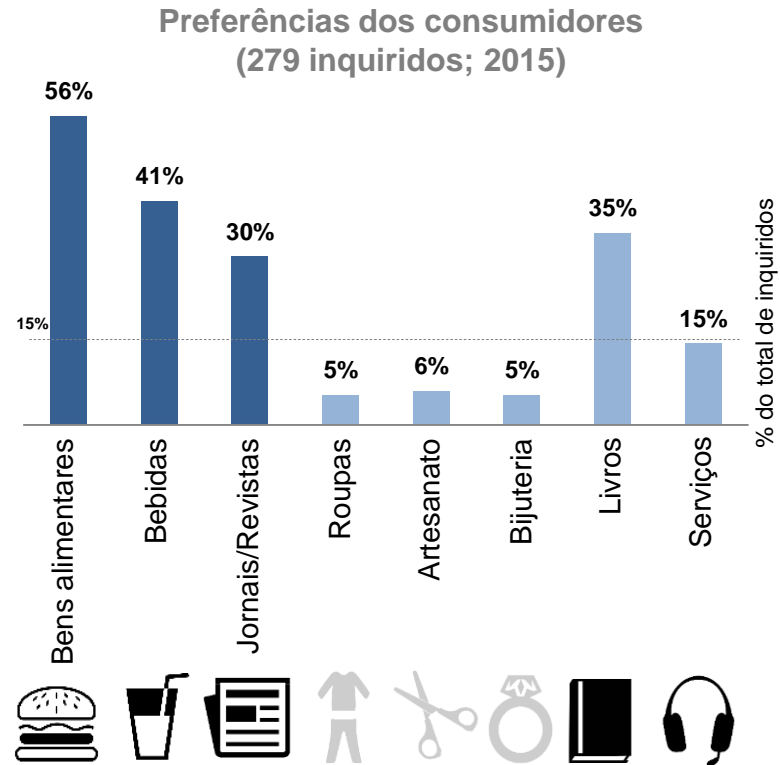
## Próximo de escritórios



# Analysis of the selected locations

## Próximo de escolas/universidades

### O quê?



**Bens alimentares, bebidas, jornais/revistas, livros e serviços**

### Como?

Caraterísticas gerais do local de venda

Espaço livre disponível



Acessibilidade



Exposição ao clima resguardada



Estão reunidas as condições para a criação de:

**Pólos de venda**

### Quando?

Bens de consumo

**Regular**

**Pontual**



Bens alimentares



Livros



Bebidas



Serviços



Jornais/Revistas

**Venda permanente**

**Venda esporádica**

**Venda permanente e esporádica**

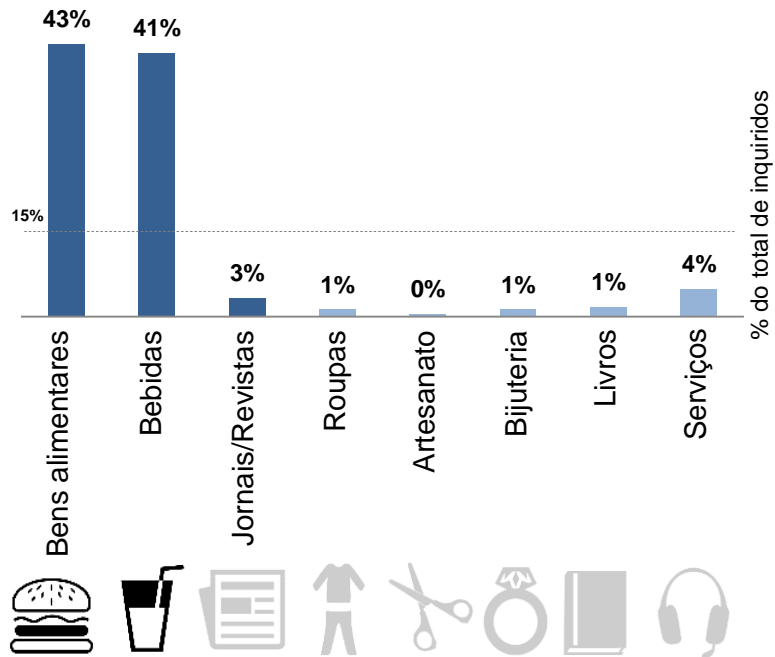


# Analysis of the selected locations

## Próximo de espaços nocturnos

### O quê?

Preferências dos consumidores  
(279 inquiridos; 2015)



**Bens alimentares e bebidas**

### Como?

Caraterísticas gerais do local de venda

Espaço livre disponível



Acessibilidade



Exposição ao clima resguardada



Estão reunidas as condições para a criação de

**Pólos de venda**

### Quando?

Bens de consumo

**Regular**

**Pontual**



Bens alimentares



Bebidas

**Venda permanente**

**Venda permanente**

\*Venda contínua ao longo do ano, mas apenas em dias/noites específicas

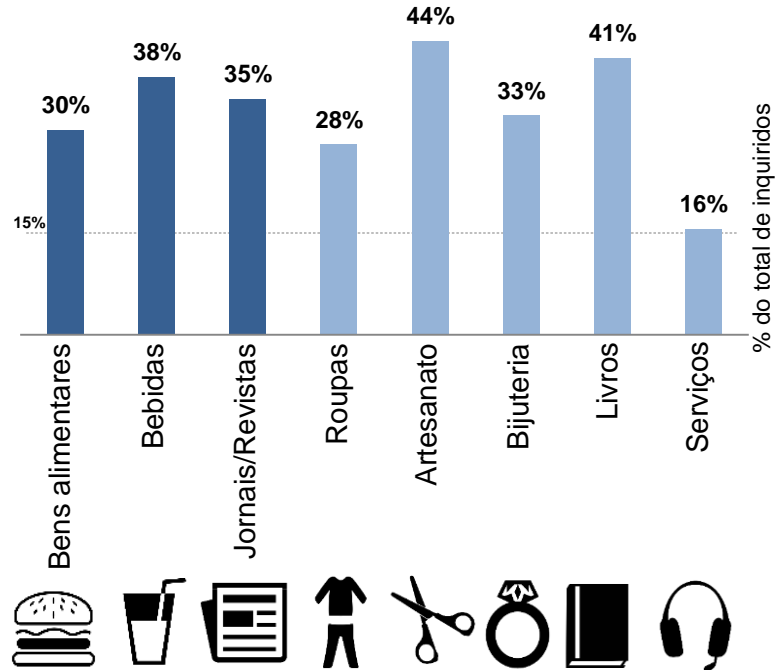


# Analysis of the selected locations

## Praças públicas

### O quê?

Preferências dos consumidores  
(279 inquiridos; 2015)



Todos os bens/serviços

### Como?

Caraterísticas gerais do local de venda

Espaço livre disponível



Acessibilidade



Exposição ao clima resguardada



Estão reunidas as condições para a criação de:

Pólos de venda

### Quando?

Bens de consumo

Regular

Pontual



Bens alimentares



Roupa



Bebidas



Artesanato



Jornais/Revistas



Bijuteria



Livros



Serviços

Venda permanente

Venda esporádica



A presença significativa do comércio tradicional neste local faz com que a venda de rua deva restringir-se à:

Venda esporádica

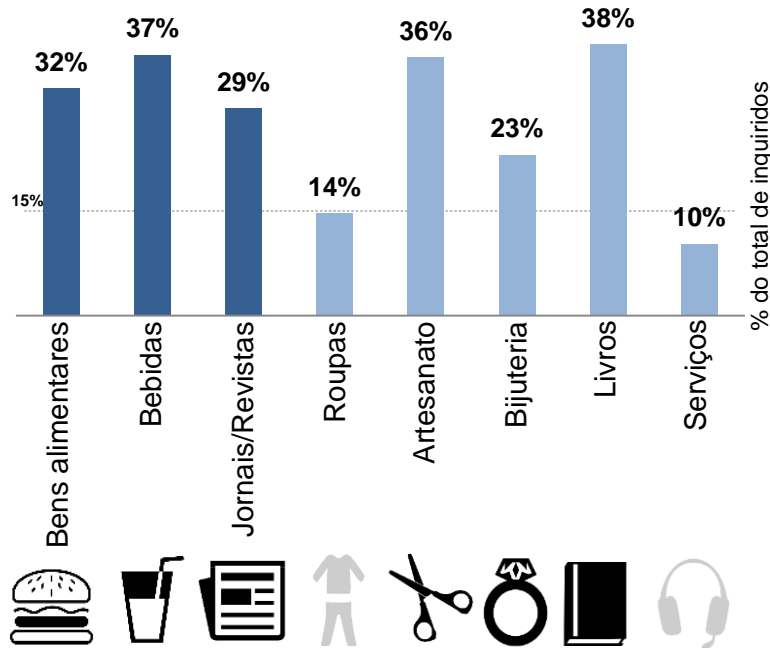


# Analysis of the selected locations

## Jardins Municipais

### O quê?

Preferências dos consumidores  
(279 inquiridos; 2015)



**Todos os bens exceto roupa**

### Como?

Caraterísticas gerais do local de venda

Espaço livre disponível ●

Acessibilidade ◐

Exposição ao clima resguardada ◐

Estão reunidas as condições para a criação de:

**Pólos de venda**

### Quando?

Bens de consumo

Regular	Pontual
---------	---------

- |                  |            |
|------------------|------------|
| Bens alimentares | Artesanato |
| Bebidas          | Bijuteria  |
| Jornais/Revistas | Livros     |

<b>Venda permanente</b>	<b>Venda esporádica</b>
-------------------------	-------------------------

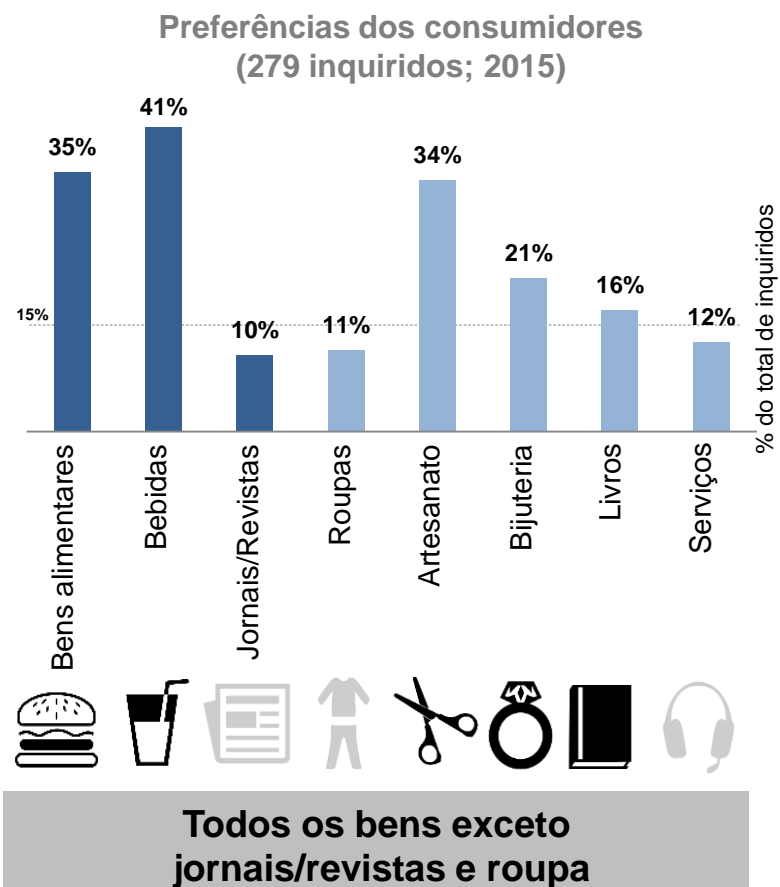
**Venda permanente e esporádica**



# Analysis of the selected locations

## Próximo de atracções turísticas

### O quê?



### Como?

Caraterísticas gerais do local de venda

Espaço livre disponível



Acessibilidade



Exposição ao clima resguardada



Estão reunidas as condições para a criação de:

Pólos de venda

### Quando?

Bens de consumo

Regular

Pontual



Bens alimentares



Artesanato



Bebidas



Bijuteria



Livros

Venda permanente

Venda esporádica



A presença significativa do comércio tradicional neste local faz com que a venda de rua deva restringir-se à:

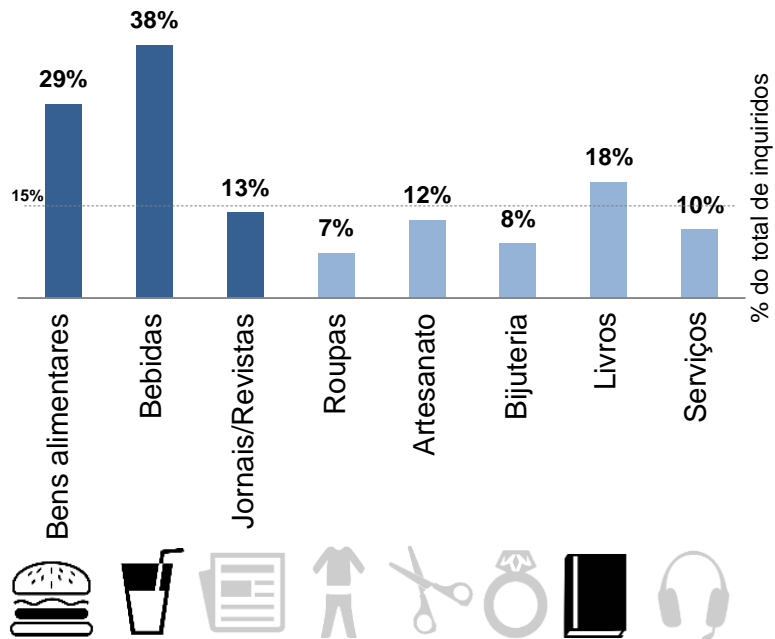
Venda esporádica

# Analysis of the selected locations

## Zona Costeira

### O quê?

Preferências dos consumidores  
(279 inquiridos; 2015)



**Bens alimentares, bebidas e livros**

### Como?

Caraterísticas gerais do local de venda

Espaço livre disponível



Acessibilidade



Exposição ao clima resguardada



A constante exposição ao clima leva a que a venda de rua deva ser organizada por:

**Vendedores isolados**

### Quando?

Bens de consumo

**Regular**

**Pontual**



Bens alimentares



Livros



Bebidas

**Venda permanente**

**Venda esporádica**

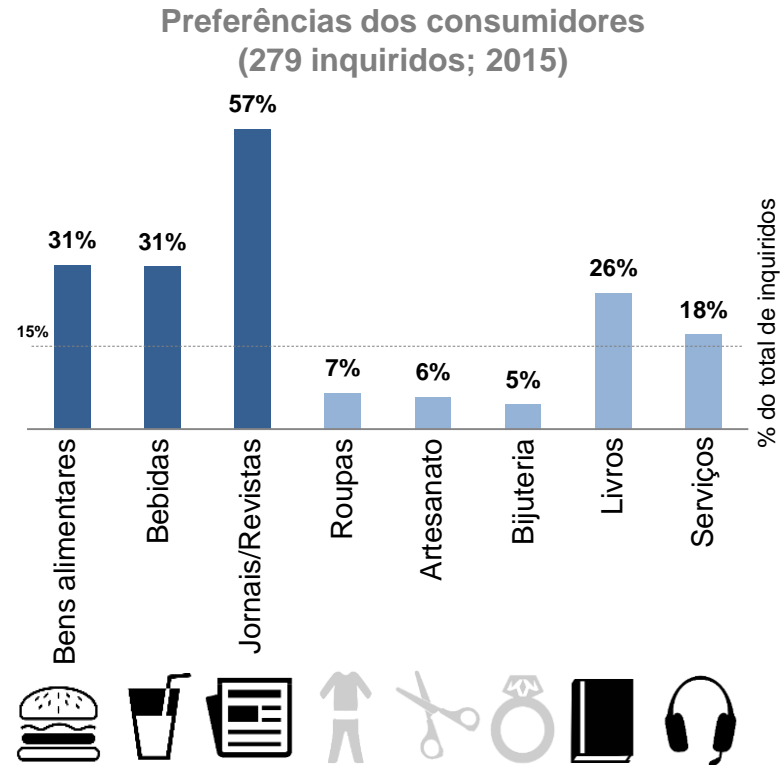
**Venda permanente e esporádica**



# Analysis of the selected locations

## Próximo de transportes públicos

### O quê?



**Bens alimentares, bebidas, jornais/revistas, livros e serviços**

### Como?

Caraterísticas gerais do local de venda

Espaço livre disponível



Acessibilidade



Exposição ao clima resguardada



Pouco espaço livre disponível pelo que a venda de rua deve ser organizada por:

**Vendedores isolados**

### Quando?

Bens de consumo

**Regular**

**Pontual**



Bens alimentares



Livros



Bebidas



Serviços



Jornais/Revistas

**Venda permanente**

**Venda esporádica**

**Venda permanente e esporádica**



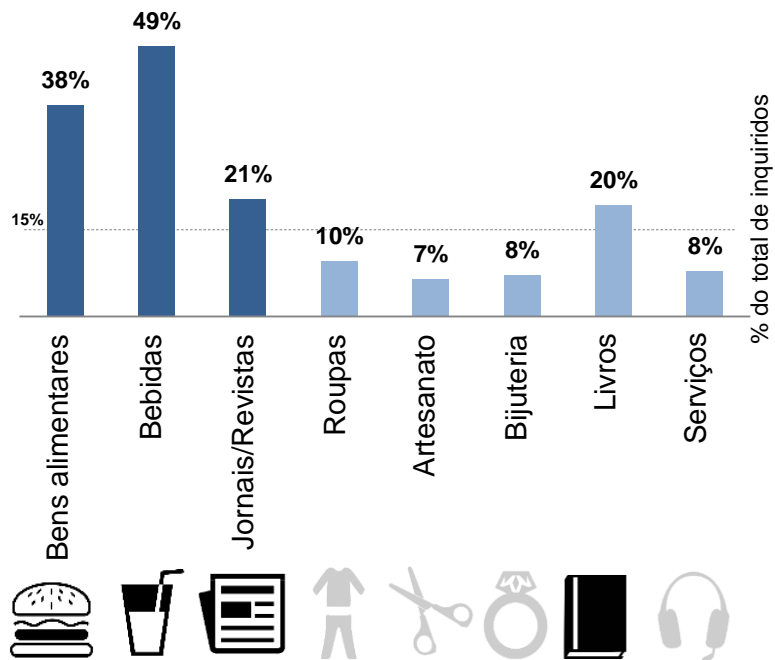


# Analysis of the selected locations

## Praias

### O quê?

Preferências dos consumidores  
(279 inquiridos; 2015)



**Bens alimentares, bebidas, jornais/revistas e livros**

### Como?

Caraterísticas gerais do local de venda

Espaço livre disponível



Acessibilidade



Exposição ao clima resguardada



A constante exposição ao clima leva a que a venda de rua deva ser organizada por:

**Vendedores isolados**

### Quando?

Bens de consumo

**Regular**

**Pontual**



Bens alimentares



Livros



Bebidas



Jornais/Revistas

Venda permanente

Venda esporádica



O controlo das concessões nas praias faz com que a venda de rua deva restringir-se à:

**Venda permanente e esporádica**