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Municipal Markets of Lisbon: a Strategic Group Analysis

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Abstract

Municipal markets have lost their importance over the last decades, however a newfound interest has recently brought them back to the spotlight. This study intends to analyse the current state of Lisbon's 25 municipal markets, by performing a strategic group analysis and shed light on how, in particular, three of these markets can be improved, so that they can reach their full potential and serve new customers' demands. The markets were aggregated into eight strategic groups, revealing that markets have very distinct characteristics. Mercado de Arroios, Alvalade Norte and 31 de Janeiro are analyzed more deeply and specific recommendations are provided.

Keywords: Municipal Markets; Rehabilitation; Strategic Group Analysis; Key Success Factors.

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Introduction

Municipal markets were, in the past, the main point of food distribution in cities. However, the paradigm has changed and from the second half of the 20th century onwards municipal markets have lost their importance to other kinds of commerce, such as supermarkets, which started to conquer consumers' preferences (Barreta, 2002). Today, after decades of stagnation and lack of economic and social dynamics, markets are starting to gain relevance once again, particularly in Lisbon, due to rehabilitation efforts and projects under the initiative "Plano Municipal de Mercados 2016-2020", conducted by Câmara Municipal de Lisboa (CML).

This work project intends to provide a more detailed understanding of the current panorama of Lisbon's municipal markets, from a strategic and management perspective and fill an important gap on this subject, given that existing literature on this topic focuses mainly on architectural and urban planning perspectives. This kind of profound strategic analysis was already performed in other countries such as Spain, however, it is still poorly developed by Portuguese city councils. Therefore, and since this topic has gained recent attention from local authorities, our work project has a great academic and practical importance and represents a great contribution since there are ongoing, as well as future rehabilitation projects, which can benefit if both our strategic group analysis and recommendations are taken into consideration by Lisbon's City Council.

Although most of the markets in Lisbon have already been or will be rehabilitated according to CML's plan, it can be observed that some of them are not reaching their full potential and there is still room for improvement in order to make them more dynamic and better serve the needs of their customers.

Thus, the main objectives of this research work are to:

- Understand the concept and historical evolution of Municipal Markets;
- Perform a strategic group analysis of the 25 municipal markets in the city of Lisbon and point out key success factors for each group;
- Identify and describe a set of opportunities for improvement for a specific group of markets and provide recommendations to help them achieve their full potential.

With this in mind, we divided our work in two parts. The first, where a more general characterization of municipal markets in Lisbon is made collectively, and then a second part, where a more focused analysis of three of these municipal markets is conducted individually, pointing out areas of improvement for each one.

To do so, we start by understanding the concept and historic evolution of municipal markets, their main functions and roles, as well as their current context in Portugal and in the city of Lisbon. A few examples of successfully renovated markets and some best practices in this area are also presented. Furthermore, as a tool to get a more detailed overview, we perform a Strategic Group Analysis of the municipal markets of Lisbon. After assessing the different strategic groups in a SGA matrix, key success factors for each of them are identified as well as the most common mobility barriers.

Concerning the second part of the work project, three municipal markets (Mercado de Arroios, 31 de Janeiro and Alvalade Norte) were selected to be analyzed further individually, namely by performing a SWOT/TOWS analysis for each of them. Finally, recommendations for these markets are presented to take advantage of strengths and opportunities not yet fully explored, so that they can better serve the communities they are inserted in.

Part 1 – Collective Contribution

1. Literature Review

1.1. Strategic Group Analysis

“Strategic groups” is a concept that has been present on theoretical and empirical literature several times over the years and it has been used to study aspects related to industry dynamics as well as understand how firms develop their competitive strategy (Panagiotou, 2007). The expression “strategic groups” was first used by Hunt (1972) when he observed that there were some differences between firms within the same industry regarding the degree of product diversification, product differentiation and vertical integration. Porter redefined the term “strategic group” as a “group of firms in an industry following the same or a similar strategy along the strategic dimensions” (Porter, 1980). These dimensions include structural aspects and competitive behaviors. Some years later, Cool and Schendel (1988) completed the concept, adding that a strategic group is a series of enterprises within an industry that compete with similar combinations of scope and resource commitments (Panagiotou, 2007). All in all, strategic groups can be defined as “organizations within an industry or sector with similar strategic characteristics, following similar strategies or competing on similar bases” (Johnson, G. et al, 2014).

The characteristics that make organizations differ from one another can be grouped into two categories: scope of activities (e.g. range of distribution channels used, product diversity, geographical coverage) and resource commitment (e.g. extent of vertical integration, branding, marketing effort) (Johnson, G. et al, 2014).

Firms in the same group usually utilize comparable resources, offer similar products and services to the same consumer targets and develop comparable capabilities. They usually deal with similar challenges and opportunities and are driven by the same key success factors. Consequently, these organizations tend to react to market conditions in the same way and are

likely to use their group as a reference in their decision-making process concerning their competitive strategy (Panagiotou, 2007). Strategic groups can be mapped using a two-dimensional chart or a three-dimensional matrix. In the municipal markets context, they could be grouped according to their size, location, commercial offer, type of customers, diversity of products, among others.

A Strategic Group Analysis delivers deeper understandings concerning competitive landscapes and strategic behaviors, constituting a useful tool in many ways (Panagiotou, 2006). First, it helps evaluate the overall idea of an industry, which would be difficult to achieve in another manner, given the huge number of organizations that are normally included. In other words, SGA simplifies the strategic heterogeneity of the market, making it more manageable (Flavián & Polo, 1999). Second, it gives insights on intra and intergroup rivalry and on how managers can establish priorities and develop different strategies to focus on direct competitors within the same group instead of spreading their attention on the entire sector (Johnson, G. et al, 2014). Thirdly, it can aid in the identification of previously unexplored strategic opportunities, that correspond to attractive empty areas in the strategic map, that are worth being carefully assessed. Also, it enables the analysis of potential threats provided by the macro-environment (Flavián & Polo, 1999). For instance, there can be a higher competitive intensity in certain groups rather than others (Johnson, G. et al, 2014).

In addition, it allows the analysis of mobility barriers, which represent obstacles and difficulties that limit the movement of one organization from one group to another. These barriers, a concept similar to the entry barriers in the Porter five forces model, come with a cost: they often entail difficult management decisions and the employment of significant resources (Johnson, G. et al, 2014). These mobility barriers are often asymmetric, varying from one organization to the other, due to two reasons: firstly, entering into some groups might be more challenging than entering onto others and secondly, the barriers associated

with entry can be distinct than those linked with exit (Flavián & Polo, 1999). By studying mobility barriers, it is possible to estimate the extent to which a particular strategy can be easily imitated by other competitors or not. That being said, another application of SGA is the assessment of attractiveness of each strategy (Flavián & Polo, 1999).

Furthermore, if a SGA is well-conducted, it can justify why some strategic groups differ in terms of short-term and long-term performance. Finally, SGA allows managers to assess the evolution of the different strategies implemented by the competitors within the same group, analyzing if the firms have embraced a progressively more homogeneous competitive behavior or have become more heterogeneous over time (Flavián & Polo, 1999). In summary, a SGA provides an adequate global analysis of the environment and assist managers to make correct and solid strategic decisions.

1.2. Key Success Factors

The expression “success factors” was used for the first time in 1961 by Ronald Daniel, however, the term “critical success factors” was only conceptualized by John Rockart in 1981. Expressions such as key success factors (KSF’s) and key result areas (KRA’s) are frequently used as alternative denominations. Rockart defined critical success factors (CSF’s) as “the limited number of areas in which satisfactory results will ensure successful competitive performance for the individual, department or organization” (Rockart, J. et al, 1981). Basically, key success factors represent those aspects that an organization must focus on and provide special attention to achieve high performance and future success. With the help of KSF’s, managers can establish better-oriented strategic plans and ensure that they are employing the resources in the right manner (Boynton and Zmud, 1984). As reported by Grunert and Ellegaard (1992), a KSF is a class of skills and resources that an organization must invest in, which justifies the noted differences in the perceived value and/or relative costs in a particular market. Thus, organizations which offer a higher perceived value by the

clients than competing businesses have a competitive advantage in that industry (Ellegaard, 1992).

One must not confuse key success factors with another class of skills and resources: core skills/competencies. Core skills are those which are essential for a firm to participate in the market. They can act as barriers of entry to a certain industry but are unable to explain the differences in the value perceived by consumers (Ellegaard, 1992). On the contrary, key success factors constitute the fundamental aspects for a business to be successful and the key factors that a manager should prioritize in order for his objectives to be attained (Frefer et al. 2018).

All in all, key success factors (KSF's) are aspects valued by a particular group of customers and where an organization must invest to outperform competitors, since they represent an important source of competitive advantage (Johnson, G. et al, 2014). In the case of municipal markets, these aspects may include price, quality of the products, variety of restaurants of different food kinds, vendor's know-how, among others. It is worth pointing out that KSF's have a dynamic nature and usually evolve as the industry's environment shifts or if certain external threats and opportunities emerge. Thus, KSF's must be continuously measured and assessed because what constitutes a KSF today might not represent one in the future for the same company (Rockart, 1981).

1.3. Context

The word «market» has its origin on the Latin term *marketus*, which refers to the place or manner of contact between buyers and sellers (Câmara Municipal de Lisboa, 2016). In economics, for instance, a market is characterized as an intersection of supply and demand. Considering this, it becomes clear that it is a broad definition and that the term «market» is employed in the literature in very distinct ways and with different meanings. Due to this fact, and considering the great diversity of market formats, the concept of the market as a place

emerged as describing an institution that serves a particular area in which its participants reside (Casson and Lee, 2011). For this reason, this research focuses on markets as locations, in which commercial activity occurs related to the selling and buying of food, cultural products, clothes, among others.

Markets differ on the type of management, periodicity, covered/open-air structure, private or public funding, social function, dimension and number of stalls, existing bylaws and regulation, among others. (Martin et al, 2012). Municipal markets, farmer's markets, flea markets, craft markets are examples of common marketplaces.

Given the diversity of market formats, it is of extreme importance to correctly distinguish the concept of municipal markets from other ones. Periodicity is a predominant factor that helps distinguish marketplaces from itinerant vendors and from trade fairs. Other factors include location, clientele, origin of the food and supply (Morales, 2001). According to *Regime Jurídico de Acesso e Exercício de Atividades de Comércio, Serviços e Restauração* (RJACSR) a fair constitutes an event that happens periodically, in the same enclosure, that involves several retailers and wholesalers who carry out a non-sedentary commercial activity, mostly on removable and mobile units (Ferreira, et al 2015).

1.3.1. Historical Evolution of Municipal Markets

To fully understand the concept of municipal markets, one must study its origins, its historical evolution and how these structures are characterized today. It is hard to say exactly when and where the first forms of physical markets were created, but it is likely that they are as old as the trading and commercial activity itself. What is known is that markets have taken different shapes throughout times and commercial activities have been held in different spaces within cities, evolving to what nowadays is recognized as public markets. Despite their transformations and evolution, their main commercial function and central role in population's lives has prevailed for thousands of years. To better understand this evolution

through the millennia four main eras were analyzed: Classical Antiquity- Ancient Greece and Rome; Islamic Period, in the Iberian Peninsula and Middle Ages in Europe; Modern Period and, finally, Contemporary Post Industrial Revolution Period.

During the Greek ancient period, these primitive forms of markets were held open air in the center of the *Ágora*, the main city square where, in addition to commercial trade, other cultural, political and social activities took place (Marques, 2014). As commercial activities' importance expanded, specific buildings called *Macelli* were built uniquely for commercial activities to be held, in cities like Athens and Corinto (Thompson, 1954).

In ancient Rome, markets were held in the *Forum*, that can be considered the roman equivalent of the *Ágora*, but that also concentrated a religious area, or alternatively in the *Fora*, built exclusively for commercial activities. Some of these markets specialized according to the products sold, either fresh food such as fish, meat and vegetables, or other products, such as oil (Marques, 2014). During Islamic invasions, markets in the Iberian Peninsula took the form of traditional Arabic markets, called the *souks*, that consisted of several stalls, under tents, permanently held in streets or squares and organized by the type of product sold (Jah, 2004).

In European medieval cities, commercial activities were held in the middle of walled cities, next to the church, in market squares or in the surroundings, close to castles or monasteries, once these spaces were safe thus privileged for the gathering of people. During this period, economic trade focused mainly in the domestic economy. Markets were open spaces with irregular shapes limited by the surrounding buildings (Moris, 1974).

During Renaissance, Italian markets were located in squares surrounded by buildings with arches and columns, similar to Greek and Roman ancient buildings. In the middle of the buildings, there were stalls and stands selling products.

After Industrial Revolution, with the demographic growth and increase in the production of goods, and consequent growth in trade, it was necessary to create new spaces that answered the growing needs of the population in terms of functionality, hygiene and safety (Mead, 2006). And so, covered markets, made of glass and iron, were built all over Europe, based on the French model Halles in Paris, a spacious, wide covered market, with plenty of natural light (Guardia e Oyón, 2007). Between the second half of the 19th century and the first of the 20th this type of structure was the most popular one and it was during this period that many of today's covered markets were built. From the second half of the 20th century onwards, many markets lost its core importance in the city.

1.3.2. Municipal Markets Concept

Municipal markets are defined as a public structures of traditional food retail, with a predominance of fresh products, organized in independent stalls and with the same management entity responsible for the location of sellers, shopkeepers and convenient support services (Costa, Dias and Letras, 2001). They are normally held every-day, permanently, in a covered building, owned and operated by the local government (Silva, 2012). They are a public space with free access, whose visitors are of all ages, income, and ethnic groups (Zade, 2009). Since their main function is to supply fresh food to the population, municipal markets offer a wide range and variety of perishable goods and locally-sourced food (Silva, 2012).

Taking all this in consideration, a municipal market represents far more than a trading spot, it is a highly social locale that reflects the local community and social behaviour in which it is inserted as well as its traditions. It represents a place where customers and merchants exchange information and establish trust relationships and social links (Martin et al, 2012). Municipal markets are emblematic and contribute to the identity of a town or area.

The shopping experience at a well-stocked municipal market is unique and much more vivid and enriching when compared to the mainstream supermarket experience due to the

sensory impressions and the nature of the interaction between merchants and buyers (Zade, 2009). In these marketplaces, the act of buying is not made in an individual, silent, lonely manner, there is a social and intercultural interaction embedded in this purchase. What is more, a specialized vendor is present and knows exactly where the food came from and gives the best advice concerning how the consumer should prepare and enjoy the purchased products. There are many positive aspects associated to municipal markets which are appealing to consumers, since the buyers value the variety and the quality associated with fresh products (such as vegetables, meat and fish), the close relationship with the sellers, a good quality/price ratio and even the way how food is presented and exposed at the stalls (Zade, 2009).

These structures can have three distinct types of governance: private, public or hybrid partnerships. In a privately managed municipal market, there is a higher need for professionalization and more room for action from innovative commercial initiatives. Acquisitions, renting and concessions are common in this case. On the contrary, difficulties may arise in the relationship between the operators and the City Council due to the dependence on autarchic services. In a public market, the resources and services (maintenance, cleaning, among others) are assured by the autarchy and there is greater legal security. However, this type of management is less professional, less innovative and more bureaucratic. Finally, in a hybrid partnership, the market can capitalize on the synergies created by both sides and have a management style that is not only professionalized but also with ample resources. Still, some disadvantages include difficulties in the definition of strategic objectives and allocation of responsibilities (Marques, 2014).

Municipal markets promote local sustainability and contribute to the economic and community development. These markets entail many purposes such as political, social and economical and have several implications concerning employment and entrepreneurship.

They can incubate new businesses and facilitate the development and advancement of pre-existing income-earning opportunities (Morales, 2008). Other functions of marketplaces include the promotion of tourism and local food and socialization (Morales, 2011). They complement the local commercial offer, enhancing its attractiveness.

1.3.3. Municipal Markets in Portugal

In the past, municipal markets used to be, in most cases, the only food supply channel with significant dimension to satisfy the population's alimentary needs, especially when there were not many means of transportation available besides walking (Morales, 2008). In addition, they were one of the most important employment hubs of the cities (Barreta, 2002). Although they have lost some of its relevance, nowadays this type of marketplaces is still a social-economic and urbanistic reference for cities in terms of commerce.

According to data provided by the City Council of Lisbon, there are currently around 350 municipal markets scattered throughout the country. From these 350, 37 are managed by private entities and the other 313 are managed by the local authorities (Câmara Municipal de Lisboa, 2016).

Over the last decades, we have been witnessing a loss of attractiveness of city centers, with people moving away to live in peripheral areas (Melo & Vala, 2003), which had a negative impact on municipal markets. Furthermore, other factors such as lack of security, difficulties in accessibility and parking worsen this tendency (Barreta, 2011). However, the desertification of city centers was not the only problem. Barreta (2011) defends that demographic changes such as women's new role in society and ageing of the population, together with changes on preferences, lifestyles and consumption habits, have changed completely the paradigm, for which municipal markets were not prepared.

Other problems pointed out by Barreta such as competition intensification (supermarkets, convenience stores, shopping centers, among others), predominance of

familiar businesses in this sector, lack of professional qualification of merchants and the misaligned schedules of markets, have contributed to the degradation of these structures (Barreta, 2002).

Despite this paradigm, many cities are making an effort to transform these old-fashioned infrastructures into important public spaces, incubators of food entrepreneurship and showcases of regionally produced foods (Zade, 2009). Urban rehabilitation is considered to be the key to maintain their relevance in the cities (Cosme, 2017). This way, there were initiatives taken by some municipalities and private entities (there is, so far, no entity responsible for managing markets in Portugal) in order to reverse this current situation and keep municipal markets as central poles of attraction and supply of municipal citizens (Câmara Municipal de Lisboa, 2016).

1.3.4. Municipal Markets in Lisbon

In Lisbon, despite the loss of clients and merchants, municipal markets are not only important supply centers but also sources of employment, absorbing more than 2000 workers (Câmara Municipal de Lisboa, 2016), with still a great importance in the economy of the city. In fact, according to this report, municipal markets have played a huge role on the urban planning of the city and are one of its core elements. Currently, the city has around 25 active municipal markets, of which 22 are managed by the municipalities (Image 1 and Appendix 1).

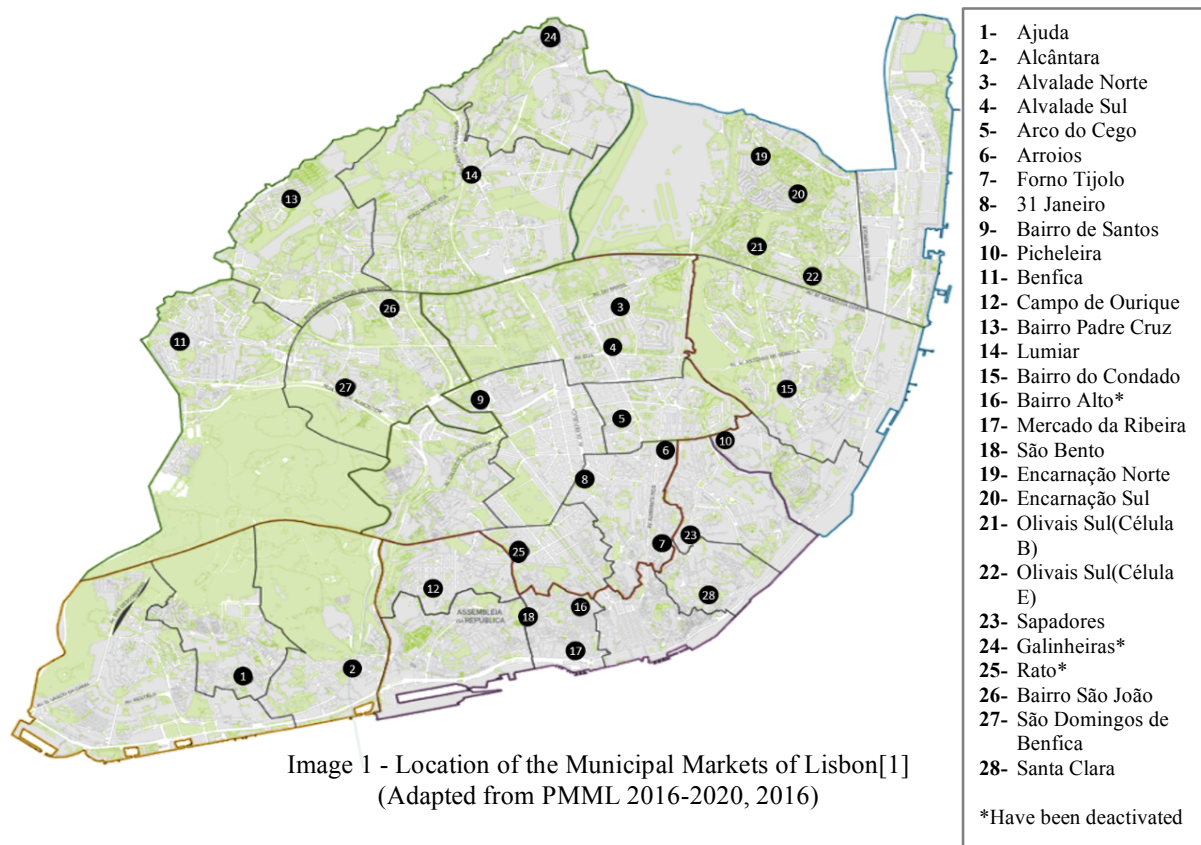


Image 1 - Location of the Municipal Markets of Lisbon[1]
 (Adapted from PMML 2016-2020, 2016)

Today, municipal markets are places where people can find fresh products, with high quality and a customized service, and where they can meet and socialize with other people (Barreta, 2002). Together with that, Portuguese consumers increasingly value what is national and are beginning to pay more attention to the origin of products (Nielsen, 2018). Also, consumers seek for remarkable shopping experiences and value products with good benefits to their health (Nielsen, 2016). That said, municipal markets can offer this experience to consumers and capitalize on that trend.

To explore this potential, local authorities have recently developed a strategic plan called “Plano Municipal dos Mercados de Lisboa 2016-2020” to remodel Lisbon’s municipal markets, during this time span. The objective is to bring more life to these places, by incorporating new products and services, embracing innovative projects and adapting to the current demand and expectations of the customers (Câmara Municipal de Lisboa, 2016). This intervention strategy was based in three dimensions: economic, social and cultural. These interventions have been different for each market, going beyond the addition of anchor

elements. Therefore, while some of them consisted basically on improvements of the physical space, extension of operating schedules and changes of the commercial structure (by adding new services), other interventions were deeper and changed their concepts completely. Together with this, there have been some changes regarding the governance models, with more private and hybrid solutions being implemented (Câmara Municipal de Lisboa, 2018). The project involves not only the revitalization of municipal markets, but also an investment in an educational plan, “which aims to qualify merchants in the markets, in areas ranging from food hygiene and safety, to personal presentation, sales and service techniques, basic English, awareness of the importance of waste management and information technology” (Câmara Municipal de Lisboa, 2018).

Furthermore, in 2017, at the opening of the renovated Arroios Market, the brand “Mercados de Lisboa desde 1877” was launched, with the motto «Sempre fresco no seu bairro», by the president of the City Council, Fernando Medina, with the objective of unifying under the same identity Lisbon’s municipal markets. This brand is part of the autarchy’s strategy concerning the new positioning of municipal markets (Cardoso, 2017).

1.3.5. Examples and Best Practices of Successfully Rehabilitated Municipal Markets

As mentioned before, initiatives have been taken to rehabilitate the markets around the country and transform them into hubs of attraction in the city centers. With this in mind, two examples of successful interventions in Lisbon were analysed: Mercado Campo de Ourique and Mercado da Ribeira.

Mercado Campo de Ourique

Mercado Campo de Ourique was first inaugurated in 1934, designed by architect A. Couto Martins, at the request of José Dionísio Nobre, a resident of the neighborhood. It is located in the typical neighborhood of Campo de Ourique, situated in the heart and historical

area of the city of Lisbon, close to both Monsanto Natural Park and to the Tejo River. Since the 1930's, when it was originally built, the market had suffered some not so dramatic changes, until 2013, when it was fully rehabilitated and transformed into what it is today: a mix of a traditional fresh food market and a modern place, where people can eat, shop and socialize, becoming a pioneer in terms of urban rehabilitation of markets in Lisbon, setting an example for many that followed.

In 2010, to fight the sub occupation and degradation of the market, a project was developed and implemented by Atelier Profico, to create a new concept in the market, inspired by the very successful market of San Miguel in Madrid, that combines tradition with innovation. To this end, a food court was built, offering gourmet and chef's food and high quality drinks, occupying about 50% of the area that was previously destined for selling fresh vegetables and fruits. The whole building was remodeled to improve its aesthetical looks and a new dynamic in the market was created, transforming it into a modern, functional market that could attract more and different types of consumers, with extended operating hours to make all this possible. After a public contest, the management of the food court of the market was granted to CMO, SA -Concessionária Mercado Campo de Ourique - while the management of the traditional food market stayed under Câmara Municipal de Lisboa. The rehabilitated market was inaugurated in 2013 (Câmara Municipal de Lisboa, 2016).

Ever since its remodeling, the market has turned into a meeting point for people, a cool and modern place where traditional products, such as vegetables, fruits, fish and meat are sold in parallel with new and innovative products and services. The rehabilitation efforts had a very positive impact overall, with the occupation rate of the market rising from 47% in the end of 2012 to 78% in 2016, with a tendency to reach 100% in the short term (Câmara Municipal de Lisboa, 2016). Currently, the market has a diversified offer of both alimentary and non-alimentary products and services, with restaurants and drinks accounting for 51% of

total commercial activities in the market in 2016. In the food court, consumers can find a great variety of options, from sushi, to Italian food, passing through ice-creams, burgers, seafood, and there is even an option to buy the ingredients in the market and ask the chef to cook them in one of the restaurants. The market has also about 22 stores, selling clothes, flowers, plants, among others, and several services such as hairdresser and even a clinic.

Mercado da Ribeira

Mercado da Ribeira is considered to be one of Lisbon's most iconic markets. It is composed by two parts: the Time Out Market, with more than 20 restaurants, bars, shops and a music venue; and a traditional market. Together, both sides have transformed this building and its surroundings in one of Lisbon's major attraction for tourists and locals (Time Out Market 2018). The traditional market is managed by the city council, whereas the Time Out space is managed by MC - Mercado da Capital, Lda. The commercial offer of the traditional market consists of food products such as fresh meat, vegetables, fruit, but also non-alimentary products like flowers, gardening items and stationary stores (Câmara Municipal Lisboa 2018).

The first reference of this market goes back to 1100, and, since then, it changed its location multiple times. During the 19th century, architect Frederico Garcia designed most of the hall of the market as we know it today. In 1980, the poultry slaughterhouse, one of the market's main activities, closed (Time Out Market 2018). In July 2000, Mercado da Ribeira was no longer Lisbon's main wholesale market as MARL - Mercado Abastecedor da Região de Lisboa appeared as the new supply facility. After this event, the building suffered more remodeling including new sections, improved pavement, automatic glass doors, more stores, among others (Câmara Municipal de Lisboa, 2016).

In 2010, Time Out Lisbon won the concession contest organized by the city council to be responsible for part of the ground floor and the first floor of Mercado da Ribeira. 18th of May 2014 was the date when Time Out Market Lisboa was officially inaugurated. In 2017,

more than 3.6 million people visited the market and in March 2018, Time Out Market Lisbon won an international award for representing a revolutionary market concept in Europe that offers high-quality food at reasonable prices (Time Out Market 2018).

The Time Out Market represents a unique concept, where a well-known editorial team manages an historical market hall and food court. It is the first market in the world based solely on editorial curation, where all the restaurants, bars and shops were tasted and chosen by the firm's own critics. The idea behind this project is to have, under the same roof, a representation of Lisbon's best business ideas, restaurants and artists. Therefore, it represents far more than just a market, it is a space dedicated to the promotion of trade and culture. Time Out Academy and Time Out Studio are examples of this matter. The Time Out Academy was the first culinary academy to fully operate within a food hall and is currently managed by the chef Rodrigo Meneses. It offers cookery classes of food from all over the world and programs adapted to all ages, including kids. Moreover, the Time Out Studio, located on the first floor, which is a 400-square-metre space, holds shows such as concerts and themed events but also conferences and fairs (Time Out Market 2018).

All in all, Mercado da Ribeira, who previously housed the town's best merchants, is now the space where all Lisbon's best restaurants and artists are gathered. Due to the huge success of the flagship market in Lisbon, part derived from the architectonic characteristics and privileged location of Mercado da Ribeira, located next to Cais do Sodré neighborhood, Time Out Group wants to recreate this market format in other cities of the world, particularly in Brooklyn, Miami, Boston, Chicago and Montréal (Time Out Market 2018).

Best practices for municipal markets' rehabilitation projects

After analysing these two cases of rehabilitation, it can be concluded that both took into account several common aspects. These aspects were summarized into a set of best practices for a successful rehabilitation project for a municipal market. For this matter, the

contributions of the master thesis “*Ainda há lugar para os Mercados Municipais?*” (Marques, 2014) and the article “*Los mercados minoristas como motor para el desarrollo económico, social y cultural de una ciudad* (Gordón, Roberto et al, 2007) were considered. The following aspects can be adapted and implemented in future requalification projects:

- **Physical intervention:** the market’s physical structure should be renovated with a clean design, more functional facilities and a more appealing, comfortable and modern look but keeping the traditional atmosphere and symbolic character. The renovated markets should preserve their traditional identity at the same time they embrace innovation and modernization.
- **Urban rehabilitation strategy:** the rehabilitation project should be an integrated plan involving not only the renovation of the market, but also an improvement of the surrounding space, with benefits for the community in which it is inserted. Renovated markets should be an integrating element of neighborhoods that promote commerce and the use of the public space.
- **Qualified administration and management:** an efficient governance model should be adopted for the market to enhance its competitiveness. More participatory management models must be developed, allowing public-private partnerships to create value and synergies. The management model must assume the social responsibility of the market, with the main objective not of profit but of profitability and efficiency.
- **Diversification of the commercial offer:** a renovated market should present an improved commercial mix of products, allowing the consumer to make all the shopping in the same space if desired. New stalls and stores could be added selling gourmet, biological, regional products and even already-prepared dishes to takeaway. This diversity would contribute to the enhancement of the market’s competitiveness.

- **Existence of an anchor element:** this measure presents another way to complement the commercial offer of the market. It can be a supermarket, a restaurant, specialized trade and/or a leisure space.
- **Introduction of support infrastructures and services:** new services should be added to better satisfy the demand of the customers and to make the shopping experience more attractive. These may include ATM machines and credit payment, an information stand, public bathrooms, home delivery services, surveillance, sound system with background music. And other types of services like stationary stores, laundry services, clothes shops, postal services, pharmacy, among others.
- **Extended opening hours:** the market should adapt operating hours to consumption patterns and consumer demands. Most markets were only opened in the mornings, a schedule that prevents customers from going to the market in the afternoon and meal times.
- **Investment in merchants training:** the creation of a training plan, at the commercial and business level, for the merchants. Continuous information and training sessions are provided for the merchants to improve the service they offer.
- **Signage inside the marketplace:** signs with identification of stalls and stores, as well as directions to restaurants, public bathrooms and other facilities should be introduced to properly manage the flow of people and facilitate the purchasing process of customers. These signs have a common design, creating a homogeneous market image. Sometimes, sections were created to group similar product categories to better organize the public space.
- **Addition of cultural activities:** with the objective of making the market more than a shopping destination, but also a space for entertainment, leisure and socialization, activities like culinary courses, concerts and workshops should be added to the market's offer.
- **Market promotion and communication:** the ability to communicate and to promote what markets have to offer is of extreme importance, not only to expand the current customer

base, but also to keep existing customers engaged. Through advertisement and promotional campaigns on media, digital strategies, special activities and events, among other communication tools, it is possible to raise awareness and attract people to markets.

- **Environmental commitment:** a higher concern for the environment and local production is reinforced with the implementation of new waste and energy management policies and the promotion of local commerce.
- **Establishment of an optimal number of traditional merchants:** this measure's objective is to avoid having numerous small vendors selling the same products and prevent them from delivering a poor service. It is essential to keep low rates of market stalls so that the traditional merchants continue to sell in the market with competitive prices. Another alternative policy is the establishment of an optimal stall's size, promoting the merchant's efficiency in showcasing their best products.

2. Methodology

For the development of the first part of this work project - to perform the SGA-information from both primary and secondary sources was retrieved. In terms of secondary data, documentation such as theoretical papers, thesis and research articles published concerning the topic were gathered, consulted and systematized as well as media articles. In addition to this, primary data was collected, through unstructured, natural and personal observation and one qualitative interview. Several visits to the 25 municipal markets in Lisbon were conducted, between September and November 2018, to validate the accuracy of secondary data collected as well as to get more updated, detailed and precise data of the current state of the markets, to be able to evaluate them and group them correctly, as explained in the following section – Metrics. A thorough mapping of public transports, markets' offer and complementary attractions was done as well. Furthermore, an in-person interview was conducted with Dr. António Carreto from the “Divisão de Promoção e

Dinamização Local” department of Câmara Municipal de Lisboa, who gave us great insights on the strategic plan of the City Council concerning the rehabilitation efforts done over the last years on Lisbon’s municipal market. The results of the strategic group analysis, and the final version of the strategic map were validated with Dr. Carreto, and thanks to his feedback, it was possible to reach a final result that would represent the reality in a more precise way.

In the second part of the work project - individual contributions - the secondary data gathered was complemented by primary data as well. To acquire a deep understanding of the dynamics of the three selected markets and be able to assess the current challenges as well as opportunities that are not being capitalized, qualitative research was conducted, in the form of in-depth interviews *in loco* with both vendors and customers in the markets, as well as personal unstructured observation. Forty five subjects were interviewed in total, in Mercado 31 de Janeiro, Mercado de Alvalade Norte and in Mercado de Arroios, in December 2018. These interviews followed the structure of the interview guide, in Appendix 7, with two sections of specific questions for either vendors or customers and then one common section for both. The insights gathered in these interviews were analysed in a topic grid and were an important basis for the identification of the internal strengths and weaknesses of the markets, external threats and opportunities, serving as well as a foundation to develop solutions and strategies to better seize the markets’ potential and mitigate the main problems. These analyses were condensed in SWOT/TOWS matrices.

2.1. Metrics

The first step to build a strategic group map of Lisbon’s municipal markets was defining what key variables would be included in the analysis and how to measure them. Three different variables were thereby selected: **location attractiveness**, **offer diversity** and **size** of the markets.

The first variable analysed concerns the **offer diversity** of the market, variable X, in terms of products, services and cultural activities organized. In a first attempt, **four different discrete categories** were established within this dimension: markets that sell only fresh alimentary products such as meat, fruit and vegetables; markets that also have stores selling different products or services; markets that additionally have restaurants or even a supermarket and, finally, markets that offer cultural activities such as concerts or workshops.

Regarding the **location attractiveness**, variable Y, one concluded that markets are spread throughout the city of Lisbon, however some are located in more residential areas, while others have a more touristic surrounding. Markets that have complementary attractions nearby will naturally be more attractive, in terms of geographic location. A complementary attraction is a locale that helps to attract people to a certain area and, therefore, creates value to visitors, benefiting itself and other places around it. Museums, restaurants, monuments, parks and other type of popular attractions are examples of this. Accessibility is also a factor that contributes to explaining this variable. A specific geographic area is highly accessible if there are multiple ways a person can use to get to that location, including cars and other means of public transportation. As part of our first approach to this variable, **three discrete categories** were defined: low attractiveness locations (mainly residential areas with low accessibility, low flow of people and no complementary attractions); moderate attractiveness locations (moderate accessibility, mainly residential areas with some complementary attractions) and finally high attractiveness locations (highly accessible, strongly residential or touristic areas with multiple complementary attractions).

However, some **limitations in this first approach** were found, namely concerning the first variable, the offer diversity: some markets had stores, services and restaurants, despite not offering fresh alimentary products, sold in traditional stalls, so the idea of a cumulative classification did not make sense in this case. In addition to this, since we were dealing with

discrete categories, some markets that were too different from each other were being classified in a similar way, with too large and heterogeneous groups being formed. Therefore, it was concluded that this model was not able to capture the real differences between the distinct strategic groups.

To have a better idea of how these variables behave and to overcome the previous limitations, a **second approach** was developed. To capture more nuances, one decided to establish sub-variables for each of the main variables. For variable X- **offer diversity** - **seven different sub-variables** were identified that contributed to this dimension and so each market was evaluated on each of these sub-variables: *traditional alimentary offer*, *traditional non-alimentary offer*, *stores*, *services*, *supermarkets*, *restaurants* and *cultural offer*. **Four sub-variables** were then defined for variable Y - **location attractiveness** - the level of *accessibility*, the amount of *complementary attractions* surrounding the markets, *price level of the area* the market is located in and the *touristic intensity*, using a proxy - the % of local accommodation in the respective area.

Finally, **size** was the third dimension selected to characterize the markets - variable Z. This variable was measured by the square meters (m²) of commercial area of each market. This variable is relevant to our analysis, making it more realistic, given that the bigger the commercial area, the bigger its capacity to hold additional activities and implement services that would not have been possible to implement in a smaller market. The values used and a more exhaustive explanation of this model are compiled in Appendix 1, 2, 3 and 4.

3. Findings

With the Strategic Group Analysis (SGA) it was possible to aggregate distinct types of municipal markets into a reduced number of groups. As stated before, offer diversity was considered as variable X, location attractiveness as variable Y, and size as variable Z. Based on these three variables, the following matrix (Image 2) was constructed, using Power BI (a

business analytics service) and it was possible to aggregate the markets into **eight strategic groups**. Since there are 25 municipal markets in Lisbon’s city center, it is important to acknowledge that each market has different characteristics, is inserted in a particular context and competes on different basis.

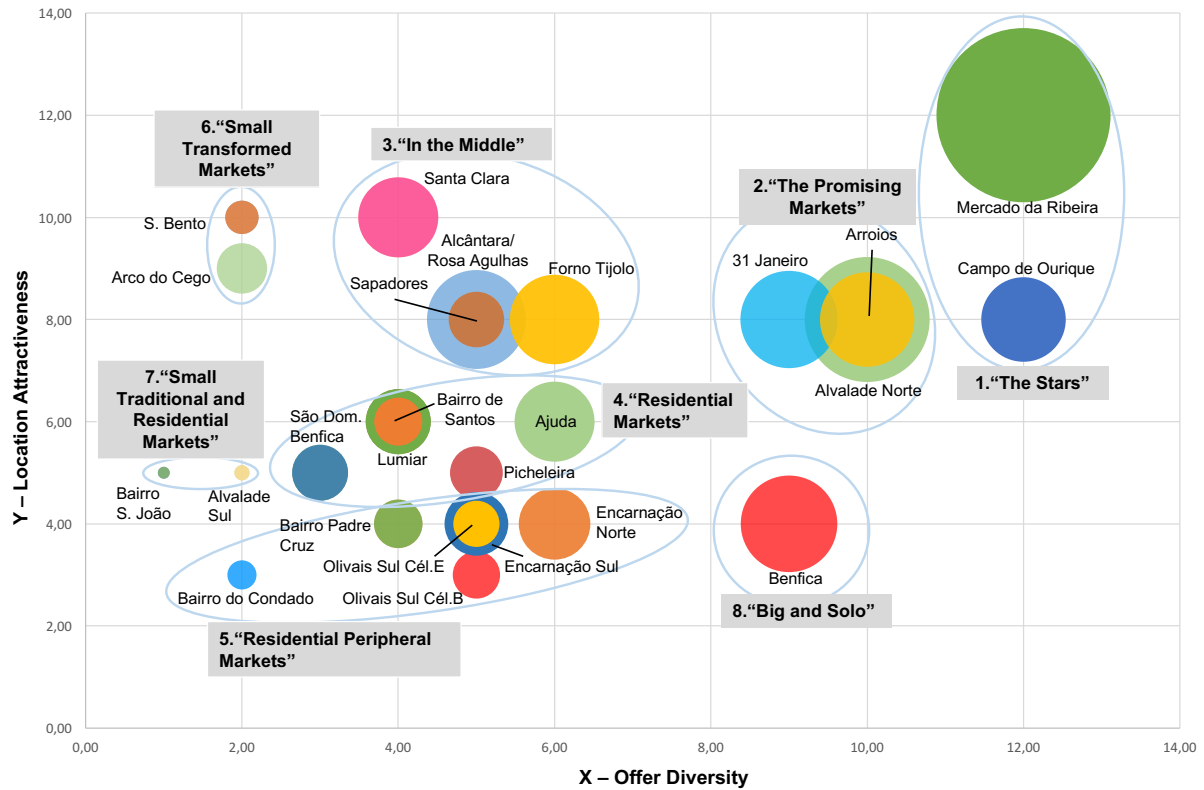


Image 2 - Strategic Group Map of Lisbon’s Municipal Markets¹

To better understand the differences between these **eight strategic groups**, each one composed by markets with similar characteristics in terms of offer diversity and location attractiveness and size, they were characterized and key success factors were defined for each one. For this matter, the insights presented in Appendix 6 were also considered.

Group 1 - “The Stars”

The first group identified is composed by **Mercado da Ribeira** and **Mercado Campo de Ourique**. This group, that includes successfully rehabilitated markets, is essentially characterized by a high level of location attractiveness (with good accessibilities,

¹The map is presented in bigger dimension in Appendix 5. The size of the dot representing each market in the matrix is proportional to its commercial area size

complementary attractions and high valued area), a high level of offer diversity (both in terms of offer variety and quality) and by a hybrid management model, which has allowed them to be more competitive. Both markets implemented an urban market concept by combining in the same place large food courts with restaurants offering different food types, stores, services and very diversified cultural agendas organized on a weekly basis with shows, concerts, workshops, among other activities. Despite being in the same group, there are some differences between them. They differ when it comes to: the nature of the location - Mercado da Ribeira is located in one of Lisbon's most touristic areas while Mercado de Campo de Ourique is located at the heart of one of the most valued residential neighborhoods in Lisbon - and the size of commercial area - Mercado de Campo de Ourique is more limited in terms of dimension (1578 m² of commercial area) when compared to Mercado da Ribeira, which has not only a considerable (6700 m²) area but also an additional second floor.

In terms of competitive dynamics, two perspectives were considered: an intra-group perspective - analysing competition between the markets of the group - and an intergroup perspective - analysing the competition between the markets of this group and other groups. Given this, in terms of intragroup competition, despite having a similar offer, each market serves different types of sophisticated consumers: while Mercado da Ribeira has a huge touristic consumer base, Mercado de Campo de Ourique serves more locals and residents from the neighborhood and city of Lisbon. Therefore, they compete in the sense that they have both become Lisbon's markets of reference, being points of interest, leisure and shopping destinations, capable of attracting people from any point of the city. In terms of intergroup competition, this group has a significant advantage in comparison to others, since it stands out on both offer diversity and location attractiveness. However, as other municipal markets from other groups are starting to be upgraded and rehabilitated, they may compete more directly with Mercado da Ribeira and Campo de Ourique in the future.

Key Success Factors for Group 1:

The **market experience** perceived by the customer is the main key success factor: a unique shopping, cultural and gastronomic experience, all in one place. Nowadays, customers are more and more demanding and look for experiences when shopping instead of considering it a mere transaction (Nielsen, 2015). Associated to this factor there is another one: the **professional vendors' know-how and training**. Part of a great shopping experience are also the people with whom the customer interacts. In an increasingly curious society with more and more people interested in knowing the origins of the food they consume, having friendly merchants with the knowledge and with the capacity to communicate, help and answer the client is crucial. Another factor valued by the clients is the **pleasant atmosphere** made by spacious, clean and decorated infrastructures along with frequent ambient music. The **high quality and huge diversity of the products** available are also a major key success factors as well as the existence of a food court with **various restaurants of many different food types**. In addition, the fact that several **complementary services and stores** are present at the market, makes the offer of the market more attractive and complete.

Group 2 - "The Promising Markets"

The second group identified is composed by **Mercado de Alvalade Norte, Mercado de Arroios** and **Mercado 31 Janeiro**. This group includes the markets that were considered to be more likely to become the next markets of reference of the city and the ones that have the greatest potential to be explored.

These markets are located in very attractive areas, with very good accessibilities, a reasonable number of complementary attractions and based in high valued land. In terms of diversity of products, they have a diversified traditional offer, a considerable number of stores, services and restaurants but lack a structured cultural offer. These markets are publicly managed by local autarchies, with some parts being managed by private entities such as Lidl

supermarket in Mercado Alvalade Norte. They are recognized for being considerably big but also for having limited operational hours (all closing at 2pm, with the exception of the restaurants and stores). The main differences within this group are based essentially on: the nature of the location - while Mercado de Alvalade Norte is located in an residential area, Mercado 31 de Janeiro is located next to hotels, enterprises and restaurants and Mercado de Arroios is starting to have more tourists and students on its surroundings, due to its proximity to Instituto Superior Técnico - and in the nature of the clients - Mercado Alvalade Norte currently serves essentially the local neighbourhood of Alvalade and its surroundings, Mercado 31 de Janeiro supplies several restaurants, hotels and people from the companies close by, while Mercado de Arroios may serve students, elderly, workers and even some tourists.

In terms of competition within the group, Mercado 31 de Janeiro and Mercado de Arroios are geographically quite close to each other and have a similar offer, so there is a more intense competition between these two. Mercado de Alvalade has no markets close by, which means a less intense competition with markets in the same strategic group. Considering competition from other groups, 1 and 3 are the ones that, at the first sight, are capable of competing with this group. It was observed that the markets of group 1 offer a more complete experience to its customers, and therefore may attract some of the consumers that would typically shop in the markets of group 2. However, if analysed from the perspective of proximity, the markets from group 1 serve more distant geographical areas, so, if customers look for convenience above a differentiated offer, then the competitive advantage that group 1 holds is weakened. Regarding the interaction with group 3, since both groups are similar in the nature of their offer, the competition is based essentially on geographical proximity. All of them are meant to serve the local population of each neighbourhood.

Key Success Factors for Group 2:

At the moment, despite the potential to be the next “new stars” of the city, they are still traditional municipal markets. They are placed in privileged areas and explore other types of offer, such as restaurants, services and occasional cultural events. The first key success factor is making sure they have **high quality products**. Besides that, having **professional and trained vendors**, with the capacity not only to sell but also to establish a close relationship with customers is critical to ensure the quality of the service and to meet the customer demands. The last factor of success is the existence of **complementary services and stores**.

Group 3 - “In the Middle”

The **third group** is composed by **Mercado do Forno do Tijolo, Mercado de Sapadores, Mercado Rosa Agulhas** and **Mercado de Santa Clara**. Even though they are placed in increasingly attractive zones - Mercado Rosa Agulhas is in Alcântara and Mercado de Santa Clara is close to Alfama - these markets are characterized by their low level of offer diversity, focusing more on traditional products, some stores and few restaurants. Despite being managed by public entities, half of them have private concessions on supermarkets (e.g. Lidl) to complement their product offering. Another common characteristic is their considerable dimension and the fact that all four have limited opening hours (all closing at 2pm, with the exception of a few restaurants and stores). Over the last years, these markets have experienced some changes and, nowadays, this group is not as homogeneous as it used to be. In fact, Mercado de Santa Clara stands out in comparison with the other 24 markets of Lisbon since it is currently a center for creative arts.

In an intra-group competition perspective, despite the similarity of offer of both Mercado Forno do Tijolo and Mercado Rosa Agulhas, they cannot be considered as competitors since they are located too far from each other in a way that is not capable of

attracting the same customers. Mercado Sapadores is, however, located very closely to Mercado Forno Tijolo, making them competitors, in that sense. Mercado Forno Tijolo has some features that Mercado Sapadores does not have, including a supermarket, a space dedicated to cultural events (Mercado das Culturas) and a small-scale workshop offering digital fabrication - Fablab.

Considering intergroup competition, as the markets within this group are quite different from each other, each market either competes closely with a specific group or simply does not compete at all with other markets. In fact, Mercado Rosa Agulhas does not have any other market close to it, while Mercado Santa Clara has a different concept, thus not competing either. The only one facing the effects of competition is Mercado Forno do Tijolo which competes with closer markets such as Mercado de Arroios (Group 2).

Group 4 - “Residential Markets”

The fourth strategic group includes **Mercado São Domingos de Benfica, Mercado do Lumiar, Mercado Bairro de Santos, Mercado da Ajuda** and **Mercado Alfacinha/Picheleira**. They can be characterized as typical traditional markets, all of them managed by public authorities. These markets are located in areas with moderate geographical attractiveness, a reasonable level of accessibility, and a very strong residential component. All of the above have restricted operational schedules, closing at 2pm, with the exception of Mercado do Lumiar. Their main purpose is to supply the local population in terms of alimentary products and convenience services, such as hairdressers, laundry services, among other. In these spaces, it is also common to find one or two restaurants. Despite being in medium/high valued areas, the products and services provided by these markets are limited by their size: there are few stores and merchant stalls. In terms of intragroup competitive dynamics, it is important to highlight that, due to recent rehabilitation projects, Mercado do Lumiar focused its offering on biological products, differentiating itself from the other players

of this strategic group. The markets within this group are located quite far from each other which leads us to believe that, despite the similarity of offer, they do not compete directly since each one serves a specific area.

In terms of intergroup competition, the markets in group 4 present a similar offer to the markets in group 5 or even to some of the markets in group 3. The competition between groups is mainly based on geographical proximity, however, since these markets are located far enough from others, they end up not presenting a great threat. There is an exception though. Some markets, that have a better offer of products and services, can end up drawing customers from markets that are more limited or have worse conditions. Mercado São Domingos de Benfica might suffer the impact of Mercado de Benfica (Group 8) since this last one is bigger and is known to attract customers from all over the city with its wider variety of products and services. Moreover, Mercado Alfacinha might face the competition of Mercado de Arroios (Group 2) due to the proximity between both, especially if one takes into consideration the size of Mercado de Arroios.

Key success factors for Group 3 and 4:

Despite differing on the type of location they are inserted in, these two strategic groups are very similar in terms of offer diversity and scope of activities. The first critical success factor is offering **good value for money**, by defining the best quality/price equilibrium. With this comes the second key factor, which has to do with the **quality of the products**. This factor is still one of the reasons why people choose municipal markets to buy alimentary products. Still related with the offer, the third key success factor is the **commercial mix**. Besides having good quality, it is important to have the right products, in the right quantities, and most importantly: diversity. Finally, it is critical to have **professional and trained vendors**, with the capacity to answer to customers' doubts, to provide support

throughout the buying process and to establish proximity relationships, extending the loyal customers base, which is usually made up largely by elderly people.

Group 5 - “Residential Peripheral Markets”

The fifth strategic group identified comprises **Mercado Bairro do Condado, Mercado Olivais Sul (Célula B), Olivais Sul (Célula E), Mercado Bairro Padre Cruz, Mercado da Encarnação Sul** and **Mercado da Encarnação Norte**. These markets are located in more peripheral areas of the city and have a more limited offer in terms of diversity, also due to their reduced size. These markets’ offer focuses more on traditional alimentary products and is complemented by some stores and services like a laundry or hairdresser and some restaurants/cafes. Mercado Bairro do Condado and Mercado Bairro Padre Cruz do not have stalls selling alimentary products, instead these are sold in small stores inside the market. All markets in the group are managed by their respective local authority.

The markets within this group are located quite close from each other, suggesting that there is a strong intra-group competition, especially considering the markets Olivais Sul - Célula E and Olivais Sul - Célula B and both markets in Encarnação. However, Mercado Olivais Sul - Célula B serves a different social class, with a higher purchasing power, than the one that shops at Mercado Olivais Sul- Célula E. Mercado Encarnação Norte and Sul despite being quite similar, serve opposite sides of the neighbourhood. Given the location of these markets, they do not compete directly with markets from other groups. Thus, inter-group competition does not exist.

Key success factors of Group 5:

These markets focus mainly on selling perishable products, and are located in cheaper areas of the city, therefore it is of key importance to make sure that **prices** are competitive. Another critical factor is the **close and friendly relationship between vendors and**

customers, since regular clients appreciate the personalized treatment and proximity. Finally, it is critical, in a context that the markets are very limited in terms of commercial size, to optimize their offer, by having the **right product mix**, delivering what is really demanded by customers, in the right quantities and seasons of the year, avoiding large volumes of product waste.

Group 6 – “Small Transformed Markets”

These municipal markets have suffered transformations. Both **Mercado de São Bento** and **Mercado do Arco do Cego** started as traditional markets, however, as they evolved, they adopted a new concept with a special focus on restaurants. Consequently, their offer is more limited, but both benefit from being based in privileged locations. In Mercado do Arco do Cego, the space where the traditional market was previously held is currently a restaurant (Mesa do Bairro) and there is also one shoemaker store. Moreover, Mercado de São Bento, nowadays, has exclusively restaurants and stores (gourmet, butcher and social store) and it is limited in terms of commercial area.

Key Success Factors for Group 6:

Offering a **quality service** is one of the main factors for success, as well as selling **high quality products**, to satisfy the needs of the visiting customers. Then, it is crucial the provision of a **unique and differentiated experience**, by having specialized stores, that sell gourmet and niche products. It is also very important that the markets have a **pleasant atmosphere**, to provide the customers the best experience possible.

Group 7 – “Small Traditional and Residential Markets”

This strategic group is composed by **Mercado Bairro São João** and **Mercado Alvalade Sul**, which represent extremely small-scale markets, each one having up to 20 stalls only. Their traditional offer is limited to alimentary and non-alimentary products. Despite their modest dimension, they manage to satisfy only the basic daily alimentary needs of the

their neighbourhoods. According to António Carreto, “they are very small but they have what really matters; they work” (Câmara Municipal de Lisboa, 2018).

Key Success Factors for Group 7:

These markets’ competitive advantage originates from their **convenient locations**, being at a walking distance from many of its customers’ homes. **Offering good value for money** is also a key for the success of these markets, since customers look for quality products at reasonable prices. Last but not least, the fact that customers are typically regular visitors, they appreciate the **familiarity they have with the vendors** that have often been working in these markets for a long time, and thus developed a close relationship with the clients.

Group 8 – “Big and Solo”

This group is only composed by Mercado de Benfica. Located in a more peripheral area of the city, it is one of the most popular municipal markets of Lisbon with a very high consumer flux. One must underline that Mercado de Benfica has its own dynamic: the majority of markets aims to serve the needs of its neighbourhood whereas Mercado de Benfica supplies, not only Benfica, but also Amadora, Damaia, and other surrounding areas that do not have their own municipal market. In fact, this market is visited by residential people from all social groups and is known to attract customers from different parts of the city due to its considerable dimension and wide variety of offer, not only in terms of perishable goods but also for its famous stalls of clothes.

Key Success Factors of Group 8:

The first key success factor consists on the **huge variety and quantity of alimentary and non-alimentary products** and the **wide range of cloth offering at the lowest prices**. Due to its size, to the number of people that visit the market and the diversity of regions they come from, it is really important to deliver the maximum amount of **variety** possible,

ensuring that every client is satisfied with the offer. Together with the variety comes another key factor which is the **price** of the products. At last, the **close relationship between vendor and customer** is also another fundamental factor to build customer loyalty.

4. Discussion

4.1. Summary of Findings

In brief, several takeaways can be extracted from this strategic group analysis. To begin with, one concludes that there is a truly diverse range of municipal markets, inserted in locations with different geographical attractiveness. The strategic groups' main characteristics is systematized in Table 1. While some of them are totally transformed in poles of attraction, providing great experiences and a great diversity of offer, others are poorly constructed markets, lacking deep improvements and with a limited offer, supplying only basic alimentary products. This implies that, although a general and integrated strategic plan to municipal markets such as Plano Municipal dos Mercados is of extreme relevance, each group's particularities must be taken into consideration. On that note, a more tailored strategic approach must be defined, acknowledging that each group has its own context, characteristics and key success factors. Secondly, not every market has to be a "star" and become a cultural hub of the city or one of the capital's major tourist attractions, such as Mercado da Ribeira. Some can fulfill their purpose simply by supplying their neighbourhood with fresh products and convenient services. Furthermore, after assessing the different strategic groups in a SGA matrix, it was identified that there are certain groups of markets that are not accomplishing their full potential yet and could be further developed to better serve the needs of its customers, taking a step further in the integration of the markets in their communities. Indeed, group 2 was identified as the one with the highest potential, as it represents the strategic group of markets that, despite having already been subject of recent renovations, still have room for

improvement and have the conditions to make a strategic move that would result in a wider, more diverse and complete offer.

Also, it was concluded that certain groups have their movement from one strategic group to another profoundly limited by their intrinsic characteristics and mobility barriers. One of the most common mobility barriers is the **dimension**, as some markets are so limited in terms of size that do not have the necessary space to embrace new activities, neither have sufficient area for enlargement projects. Even **location** can present itself as another obstacle. The nature of a certain geographical area and the context of its surroundings is a factor that can prevent a certain group of markets from having a more attractive location and, as a consequence, make an ascending strategic move. Finally, another example of a mobility barrier is the **high investment necessary**. Poorly constructed markets that are in a deteriorated condition imply high levels of rehabilitation costs to construct new infrastructures or to improve existing ones, which local councils cannot afford or give sufficient priority in their annual budget.

Finally, one can acknowledge that the listed key success factors may evolve throughout time, since they are heavily influenced by consumer trends and shopping dynamics. In fact, what customers look for when they visit a market has changed considerably, and so, municipal markets should be able to understand this shift to be able to cater and adapt to these new needs.

Table 1 – Summary of Markets’ Characteristics per Strategic Group

	X- Offer Diversity						Y- Location Attractiveness				Z - Size (m2)
	Alimentary Traditional offer	Non-Alimentary Traditional Offer	Stores	Services	Restauration	Cultural Offer	Level Accessibility	Complementary Attractions	Price level of the area	Touristic Intensity	Total Area
Group 1. The Stars	+	+	++	+	+++	+++	+++	+++	+++	+++	Big
Group 2. The Promising Markets	+++	-	+++	+	++	-	+++	++	++	+	Big
Group 3. In the Middle	+	-	++	-	+	+	++	++	++	++	Medium
Group 4. Residential Markets	+	-	+	+	+	-	++	+	++	-	Medium
Group 5. Residential Peripheral Markets	+	-	++	+	+	-	++	+	+	-	Small
Group 6. Small Transformed Market	-	-	-	-	+	-	++	++	+++	+	Small
Group 7. Small Traditional and Residential Markets	+	-	-	-	-	-	+	+	+++	-	Small
Group 8. Big and Solo	++	+++	+++	-	+	-	+	-	++	-	Big

4.2. Limitations

We acknowledge that our Strategic Group Analysis may have some limitations. First of all, a SGA is normally conducted comparing firms within the same industry and, in this case, we are dealing with municipal markets, public structures of traditional retail which do not present the exact same characteristics. Secondly, some of the data used to classify the markets is from 2016 and, as a result, can be outdated or have been recently altered. For example, since 2016, certain merchants closed their stalls and, nowadays, there are some free spaces on municipal markets waiting to be attributed. Thirdly, only three variables were considered, so there are some nuances that the matrix cannot capture, for instance, the type of consumer that visits that specific market. Furthermore, some of the markets showed a higher than expected score on the X axis due to their greater number of stalls and stores, even though a vast quantity does not necessarily imply a more diversified offer. In addition, the fact that the number of stalls is being used as the measure of the traditional offer does not give a clear idea of how many merchants and product variety there is. For example, 10 stalls can be owned by the same vendor or selling the same product, and yet they are accounted as different stalls (contributing for a bigger score on the X axis). Furthermore, the sub-variable *price of the area* is an average and, in some circumstances, it may not reflect the reality of a specific location of a certain market, especially if it is situated on the frontier of two areas with distinct price levels. Another limitation that could be pointed out is the lack of weights given for each variable, assuming all sub-components contribute in an equal way to describe the behavior of variable X or Y (if weights were used, we could have given a higher importance to certain sub-variables). Finally, statistical tests could have been performed to assess the correlation between the variables X and Y and their sub-variables. Despite all these limitations, we believe this SGA provides an adequate approximation of the reality and reflects the current panorama of Lisbon's municipal markets correctly.

4.3. Recommendations for Future Research

The literature on the topic of this study is still very limited, since it focuses more deeply on urban planning and architectural perspectives. With this research, we tried to tap more on strategic and managerial views, however, due to time and scope constraints, there is still much more to investigate on the subject. Future research could focus on the social-economic dynamics of the city of Lisbon - which has changed a lot in the last years due to the «boom» of tourism. People are moving to the peripheries and, as a consequence, certain geographic areas are becoming more valuable. On the other hand, previously less attractive areas are becoming increasingly valuable for tourism. Future works could analyse how these aspects impact municipal markets. Furthermore, to complement our research, which focused more on the offer/supply side, it would be interesting to perform a more detailed investigation about the demand side, analysing in a deeper way consumer preferences, motivations and how they have changed over time. Another interesting topic to be explored would be the real impact of municipal markets rehabilitation in their surroundings, in terms of urban planning, attractiveness for new residents, increasing value of the land's price, among others. Finally, testing the role of tourism and its impact in municipal markets would have a high-value added, allowing to understand which markets are more exposed to tourism and in which way they could better capitalize from it.

Part 2 - Individual Reports

1. Mercado Alvalade Norte - Joana Tam

Introduction and History of the Market

Mercado Alvalade Norte, designed by architect Fernando da Costa Belém, was first inaugurated in 1964, to satisfy the growing needs of the residents of this middle-upper class neighbourhood, that had been expanding considerably in previous years. At the time, it was one of the biggest and most modern covered markets to be built in Lisbon, with the capacity for over 200 stalls (Câmara Municipal de Lisboa, 2016). Located in Avenida Rio de Janeiro, one of the main avenues of the area, the building has one big central aisle, with stalls selling fresh fruit and vegetables, fresh and frozen fish, and some stores located in the surrounding space, such as butcheries, restaurants, cafés and small kiosks selling diverse articles, such as flowers, clothing, and other accessories. The market is open every day, except on Sundays, from 7am to 3pm on weekdays and from 7am to 4pm on Saturdays and holidays. There is a paid parking lot adjacent to the market, with a capacity for 100 vehicles (Câmara Municipal de Lisboa, 2018).

Although the market was one of the busiest in the city for many years, with time, it began to lose its importance and number of customers. In 2001, to fight the lack of dynamism of the market, CML made a partnership with chain LIDL, to open a supermarket inside the building, with the purpose of attracting more and different customers, and complementing the already existent offer. The agreement was that the supermarket would not sell similar products to the ones sold by vendors in the traditional stalls, during working hours of the municipal market. In return, for the 20 years long concession of the space, the supermarket chain paid for renovation works in the market. Throughout the years there have been several physical small scale interventions in the market, mostly for necessary maintenance of the building. More recently, there was an intervention, as part of CML's initiative "Plano

Municipal dos Mercados de Lisboa 2016-2020”: there was a total makeover of the restrooms of the market as well as some exterior areas, additionally a children’s playground and meals area, with tables and chairs were built, occupying almost ¼ of the market’s main aisle, as part of its new concept: a market for families. The renovated market was inaugurated in July of 2017. A second phase of physical intervention is planned by CML to begin over the next years.

Current Offer

According to data from the PMML 2016-2020 and observation, Mercado Alvalade Norte has the following commercial structure:

Traditional Offer	Services
<ul style="list-style-type: none"> • Fresh and frozen fish • Fresh Vegetables and Fruit • Dry fruits and Bread • Cheeses, cold meats, regional products 	<ul style="list-style-type: none"> • Seamstress • ATM machine
Stores and kiosks	Restaurants/ Cafes
<ul style="list-style-type: none"> • Butcheries • Florists • Clothing Stores • Drugstore Avó Ana • LIDL (supermarket) 	<ul style="list-style-type: none"> • Mercado Alvalade • Restaurante • Cervejaria Sem Palavras • Ice cream shop “Ice World” • Mr. Pizza • Café Vitaminas e Proteínas • O Pão Saloio
Cultural Offer	
<ul style="list-style-type: none"> • “Mercado dos Mercados” - event organized to showcase products from the regions of Covilhã and Tomar, in October and November 2017, and recreate the environment of traditional fairs in these regions. • “Vamos Todos ao Mercado”, an initiative by CML and the Civil Parish of Alvalade, in partnership with elementary schools and public kindergartens, organizing field trips to the market to promote healthy eating habits and raise awareness to buying fresh products in the market 	

Table 1 - Description of the current offer of Mercado de Alvalade Norte

Competition

In terms of competition, there are several supermarkets in Alvalade, including two Pingo Doce and one Continente Bom Dia, with free parking, just meters away from the market. Also, the supermarket located inside the market, LIDL, ends up competing with the products sold inside, once it sells fresh products as well, despite being packaged items. In terms of municipal markets, Alvalade Norte has a considerable area of influence, since the closest market is Mercado Alvalade Sul, however besides being located more than 1km away,

it is also a much smaller market, with a much more limited offer. Furthermore, there are several small grocery stores in the neighbourhood, that offer similar products to the ones sold in the market, although more limited in size and diversity.

Qualitative Research - Interview Analysis

The main insights gathered from interviewing customers and vendors in the market were the following:

- **During the week**, people that go to the market are mainly older/retired, who are loyal and regular customers, shopping in the market several times per week. Visiting the market is already part of their daily routines, as they live in the neighbourhood, it is many times a social activity as well. **On Saturdays**, the market is usually much fuller, with younger customers, couples with children, that go there to shop for fresh products for the whole week, since during weekdays is nearly impossible to go, due to limited opening hours of the market.
- On the **impact that the most recent rehabilitation** had, most consumers felt it had a positive impact, making the market more comfortable and appealing. Vendors felt that the new playground is mainly used on Saturdays and that the money could have been spent on other higher priority things, such as painting the market or making it more comfortable. Many said that the original project was to build a food court area, similar to the one in Mercado Campo de Ourique but that there was not enough money to finish it. Some support the idea, while others believe there are already too many restaurants in the area.
- Customers stated that the **reasons they go to the market** were the superior quality of the products, relationship with the vendors and because it is close to their homes. When vendors were asked why customers went to the market, they commonly stated the quality of products and the personalized service and close relationship with customers.

- Regarding the impact that the **supermarket LIDL** has had on the market, in general, vendors complain that it either had a neutral or negative impact on the business, since even though it may bring people to the market, they end up just shopping there or even shop for some articles there instead of buying them inside the market. Some customers had the same opinion as vendors, while few believed it complemented Mercado de Alvalade's offer.
- Regarding **operating hours of the market** and possibly extending them, customers agreed that it would be really good, so that full-time workers could shop during the week. However, even though some vendors agreed it would have a positive impact, they explained that it is very hard to coordinate with the schedules of MARL (Mercado Abastecedor da Região de Lisboa) where fish sellers must pick up fish from 1am to 4am, and fruits and vegetables section is open from 6pm - 11pm.
- When asked about the **main problems with the market** both consumers and vendors agreed that the main issues with the market were the lack of people (customers) during the week and lack of parking space. Main suggestions for improvement were: the market should be physically renovated, there should be more and cheaper parking space, opening hours could be extended, there could be stronger anchor elements (such as a food court with restaurants, or more services, such as hairdressers or even a stationary store), more events and special initiatives should be organized in the market and communication and promotion of the market should be improved.

SWOT/TOWS Analysis

Based on these insights and on information collected from secondary sources the following SWOT/TOWS analysis was made.

Internal Elements	Strengths	Weaknesses
	External Elements	S1. Location in the heart of the neighbourhood S2. Personalized and familiar service from vendors S3. Quality of the products S4. Diversity of offer in terms of fresh products
Opportunities	S-O	W-O
O1. Customers increasing concern about the quality and origin of the products O2. Big dimension of the market, could allow a versatile use of the space O3. Tendency for customers to look for healthy and natural products O4. Recent rehabilitations of other markets have improved the customer's perception about these places O5. Recent interest and wave of investments in this area, from the private and public sector O6. Customers value a closer and familiar service, that is hard to get in supermarkets	(S3,S4;O1,O3) Better promotion and usage of labels explaining the origin of the products (bio, national, among others) (O6;S2) Promote the market based on the service offered by the vendors, train them and give them tools to improve further.	(W1,W2;O5) Take advantage of the interest and investments in markets, and build a new parking lot and renovate the building (interior and exterior). (W4;O2,O4,O5) Creation of a food court and offer more services (eg: CTT, pharmacy, laundry, shoemaker) (W5;O2,O4,O5) Invest in promoting the market on digital and traditional media, organize regular events, such as concerts, workshops, food festivals, to raise awareness of the market and attract customers.
Threats	S-T	W-T
T1. Aged vendors T2. Competition from supermarkets and other commercial formats T3. Vendor's lack of entrepreneurial skills and resistance to change T5. MARL schedules	(T2;S2,S3,S4) To avoid supermarkets competition, differentiate by the quality of the products and diversity and also by the service	(W6;T2,T5) Extend market operating hours. There should be a better coordination with MARL schedules.

Table 2 – SWOT/TOWS analysis of Mercado Alvalade Norte

Recommendations

Being inserted right in the heart of a medium-high class neighbourhood, with a strong residential profile and considerable commercial offer, Mercado Alvalade Norte location could be easily compared to Mercado Campo de Ourique. Having in mind these similarities, but also their differences, this market's potential could be even bigger, considering that it's almost double the size. To make the space more comfortable, attractive and functional it is of utter importance that it undergoes much needed **physical rehabilitation** - the building has over 50 years needs a major update, in terms of aesthetics but also acclimatization and illumination. One way to kill two birds with one stone - creating an anchor element and use free space in the market - could be creating the already anticipated **food court** inside the market, and following the example of Mercado Campo de Ourique, having the two spaces (traditional

stalls and restaurant stalls) cohabiting in the market. Furthermore, it is also urgent to build a bigger **parking lot**, preferably with lower prices or even free for visitors of the market (for example offering one hour of free parking if a minimal amount is spent in the market). A good way to attract more customers to the market, and raise awareness of what the market has to offer, would be defining a **structured cultural program of events** like concerts, workshops, live cooking events and food festivals within the market. In order to make all this possible two things are extremely important: first, that **opening hours of the market are extended** - the market should be open every day with the food court schedules being slightly different from the food stalls schedules (these need to be coordinated with the schedules of MARL) - and secondly, that all these initiatives have to be **promoted and communicated** through online and offline channels: social network pages and a website should be created (Facebook, Instagram), to reach younger customers and traditional media should be also used to reach a more broad audience. Quality of service and quality of the products, that are natural and genuine, should be attributes highlighted to advertise the market. The brand “Mercados de Lisboa” should be better explored and capitalized, truly uniting all markets of the city. **Training vendors**, on areas like nutrition, service, entrepreneurship, so that they can keep up with new demands from customers is also crucial.

Critical Overview

This market has a lot of potential to be explored, given its location and size, however, the most important part is to guarantee that physical intervention and high volume investments are capitalized and have a real impact on the number of customers in the market. It is important to, not only enhance the physical conditions of the market, but also make sure that other aspects are adapted to new customers demands and preferences, and that there is a follow up plan to these interventions. Ensuring that vendors are onboard and contribute to this effort of revitalizing the market is also a crucial point. There must be an articulated effort

from all stakeholders: vendors and management bodies (CML and Civil Parish of Alvalade) should work together on giving the customers the best market possible.

2. Mercado de Arroios – Patrícia Baptista

Introduction and History of the Market

Officially inaugurated on February 1942, Mercado de Arroios was projected by architect Luís Benavente and emerged as a substitute of the old “Mercado do Poço dos Mouros”. Currently it is located between Praça do Chile and Alameda D. Afonso Henriques, in Ângela Pinto Street. It is one of the top six biggest municipal markets in Lisbon, composed by two floors: ground and underground floor (Junta de Freguesia de Arroios 2018). The underground floor, in the past, used to be a slaughterhouse for birds and small animals along with a canteen, a storage, refrigerators, public and private bathrooms with showers and lockers. On the late 80s, it was acknowledged as a building of cultural interest. Mercado de Arroios started to be rehabilitated in January 2015 and its inauguration as a new renovated market took place on January 2017 in a ceremony with Fernando Medina, president of CML, where the brand “Mercado de Lisboa” was launched. This rehabilitation project costed around one million euros and included a renovation of the whole interior of the building and its pavement, improved conditions, the addition of more services, and even a playground for children (Cardoso, 2017). As part of the rehabilitation plan, *Mezze*, a typical Syrian restaurant, opened in the market in a project with Pão-a-Pão, an association that promotes the integration of Middle East refugees in our country. This project proved to be a huge success and, nowadays, it is one the restaurants that attracts the most people to Mercado de Arroios. In the future, a hydroponic greenhouse is planned to be implemented on the top of the building by startup Lisbon Farmers, in a partnership with Câmara Municipal de Lisboa and Junta de Freguesia de Arroios. The objective is to supply the market with in-house produced fresh products, bringing agriculture back to the center of the city. This initiative also aims to attract

school trips to the market and educate students about alimentary production and distribution. What is more, a visitor counting system is also being installed to monitor the market's affluence in the years to come (Cardoso, 2017).

Current Offer

With the help of the strategic group analysis and the information on Appendix 1, 2 and 3, we concluded that Mercado de Arroios has a great diversity of products and services. The current offer can be listed in detail on the following table.

Traditional Offer		Services	
<ul style="list-style-type: none"> • Fresh meat and fish • Vegetables and Fruit 	<ul style="list-style-type: none"> • Dry fruits and Bread • Cheese 	<ul style="list-style-type: none"> • Hairdresser • Fidelidade Insurance 	<ul style="list-style-type: none"> • Legal Office • Stationary Store
Stores		Restaurants (with two more opening soon)	
<ul style="list-style-type: none"> • Butchery «The Best of Meat» • Florist • Cloth Store 	<ul style="list-style-type: none"> • Gardening Store • Zaytouna Grocery Store (Middle East products) 	<ul style="list-style-type: none"> • Mezze • A Tasca do Mercado • A Avó'Tinha - Arroios • Há Tapas no Mercado • A Padeirinha de Arroios 	<ul style="list-style-type: none"> • Churrasqueira do Mercado de Arroios • O Cantinho do Mercado • Margarita
Cultural Offer			
<ul style="list-style-type: none"> • Workshops on Healthy Food by Chef Fábio Bernardino [several editions, each one with a different target: students from local elementary schools, families of the neighbourhood, seniors/elderly people, young children] • Circus Performance twice a month on Saturdays under the initiative “Circo nos Mercados” by the civil parish council of Arroios • Educational Field Trips to the market [e.g. Initiative “Turma Imbatível”], done occasionally in partnership with local schools. 			

Table 3 - Description of the current offer of Mercado de Arroios

Competition

Concerning competition, we are facing a very intense and growing local competitive environment. Just a few meters away from the municipal market, there is: Continente Bom Dia Carlos Mardel, Pingo Doce Supermarket and Mini Preço Express. Apart from these we also observed a series of small grocery stores in the nearest streets, for example, «Mercado Brasil Tropical» and «Supermarket: Made in Brazil». It can easily be concluded that there are several competitors in the neighborhood that sell the same products as the market does.

Qualitative Research - Interview Analysis

The main insights gathered from the interviews with customers and vendors of the market were the following:

- **Characterization of the typical consumer.** Mercado de Arroios has a very heterogeneous consumer base. Nevertheless, particular clients still represent the majority of the client pie. During the week, the usual clients are retired and elderly people whereas, on Saturdays, there are several young couples and adults, with children. There appears to be an equal ratio between men and women. What is interesting is that the percentage of students, local and foreign, that buy in the market, despite being small, is believed to be increasing. Also, there are tourists among the typical consumers. Tourists usually look for seafood, shellfish and/or national products to have a taste of the Portuguese gastronomy.
- **Aspects valued by the consumer.** When purchasing at the market, the aspect that the client values the most is the quality of the fresh products and the personalized service they receive from the specialized merchants. Also, the market has a convenient location, being close to home. In addition, loyal customers value the vendor's empathy and sympathy, to whom they have established a close and familiar relationship over the years.
- **Impact of the latest interventions on the market.** The intervention was mainly physical and structural with little to no impact on attracting new customers. In fact, some changes concerning the location of certain stalls contributed to the loss of confused clients.

SWOT/TOWS Analysis

Based on these insights and on the information collected from the interviews the following SWOT/TOWS analysis was made.

Internal Elements	Strengths	Weaknesses
	S1. Ample, pleasant ambient with lots of natural light S2. Renovated market interior S3. Location, close to Instituto Superior Técnico and Alameda S4. Quality of the products S5. Diversity of offer in terms of fresh products S6. Personalized and familiar service from vendors S7. Famous <i>Mezze</i> restaurant S8. Successful healthy food workshops	W1. Lack of communication and promotion efforts W2. Lack of car parking space for both clients/vendors W3. High age of the merchants W4. Lack of signalization of the market on the street W5. Few cultural activities W6. Lack of an anchor element W7. Limited operating hours W8. Free space makes it look too empty
External Elements		
Opportunities	S-O	W-O
O1. Small but increasing number of students buying in the market O2. Boom of Lisbon's Tourism O3. Customers increasing concern about the quality and origin of the products O4. Lots of underutilized space O5. Customers value a closer and familiar service, which you cannot get in supermarkets	(S4,S5;O2,O3) Have labels translated into English with also an explanation of the origin of the products. (O1;S3,S5) Promote the market and its products next to students living in the area (O2;S7) Use <i>Mezze</i> 's success to attract tourists and locals (O1,O2,O3;S8) Create culinary workshops of food from all over the world (O5, S6) Invest in the training of vendors	(O1,O4;W5,W8) Organization of more activities to attract young people and creation of a stage/area for events (W2;O4) Study the possibility of constructing an underground parking lot (O1,O2;W1) Create a communications campaign to raise awareness of the market and attract not only local customers, but also students and tourists
Threats	S-T	W-T
T1. Fierce local competition T2. Old neighbourhood T3. Vendor's lack of entrepreneurial skills and resistance to change T4. High age of the merchants	(S4,S5,S6;T1) To avoid supermarkets competition, differentiate by the quality and variety of the products and also by the service provided	(T1,T3;W1,W5,W7) Extend opening hours on Saturdays, invest on the training of merchants and promote events to create a better value proposition to clients than the competition

Table 4 – SWOT/TOWS analysis of Mercado de Arroios

Problem Identification: Despite the recent renovation project, the market vendors still complain about the lack of clients as the rehabilitation efforts, although successful in upgrading the market's physical conditions, had no impact in attracting new clients. What follows next are the proposed solutions for the problem, in terms of recommendations that should be considered for future improvements.

Recommendations

To begin with, most of the stalls are empty and there is currently much free space being underutilized, so a **reorganization of the interior space** of the market would be recommended with: an agglomeration of the traditional merchants on one section of the market and give new uses to the space left to explore. A lounge area with sofas and tables should be created for people to rest and socialize along with access to free Wi-Fi. A second

recommendation would consist on the **implementation of a better acclimatization system** to avoid the cold temperatures experienced in the market as well as the installation of automated doors. Considering that tourists frequently visit the market, reinforcing vendor's training, by offering English lessons and **translating into English the signaling of the market** for foreign tourists and students, also to show the origin of the food, would be the third step. Mercado de Arroios should also take advantage of the new restaurants that are opening, especially **capitalize on the success of *Mezze* restaurant**, which is known to attract lots of visitors to the market, and advertise them. Even though restaurants attract more people at night, when the market is not opened, during the lunch hour, the clients of the restaurants do not interfere with the normal functioning of the market and some of them might even do some purchases. Since the healthy workshops are successful, one idea would be the **creation of a cooking workshop** in partnership with restaurant *Mezze* or other culinary classes on foods from different cultural origins and give the opportunity for the participants to buy the products they used in the traditional stalls. An additional aspect that could be further developed in the future is a program of events and cultural initiatives. More activities and entertainment events ought to be organized in Mercado de Arroios not only to attract new customers but also as a source for revenues. In fact, the **construction of a small stage** for concerts, show-cooking and public sessions should be considered to give a use to the free space on the center of the building. Another recommendation would be to **extend opening hours on Saturdays**, which is the most crowded day. During the week, this recommendation would not be viable, unless there was a joint effort from both the market and MARL, since it implies longer working hours from the vendors. Besides this, a study should be conducted to analyse the possibility of **constructing a parking lot** on the underground floor of the market. In addition, since the market is frequently visited by tourists, a **more diverse offer of unique Portuguese goods**, with a couple of stalls selling typical products from our country might be a good investment

for those customers who value what is national. Last but most importantly, it is crucial for Mercado de Arroios to invest on a **good communication strategy**. This represents the highest priority since there is no need in making the previous investments (like adding new activities and infrastructures) unless there is a commitment to advertise them and promote the market. Features in magazines, blogs and social media are necessary and need to be more frequent. In this respect, «Mercado de Arroios» Facebook page could be better organized and publicized, with more online posts and content. Mercado de Arroios could also take advantage of the brand «Mercados de Lisboa» and a «Mercados de Lisboa» fidelity card could be created, where people had discounts on traditional products, restaurants, services, ... on the 25 municipal markets of Lisbon.

Critical Overview

First of all, one must underline that there are certain obstacles to the proposed recommendations. Mercado de Arroios is managed by a public institution, Junta de Freguesia de Arroios, which may have budget and bureaucratic/legal restrictions on the money allocated to the investment of the municipal markets. Thus, some recommendations have a higher priority than others. Regarding the current state of the market, what was once one of the best municipal markets in Lisbon, is now a market devoid of energy and clientele. It seems that the market was physically renovated but nobody knows about it. Mercado de Arroios is the perfect example of how a one-time intervention is not sufficient to reinvent this commercial structure, but a commitment must be pursued to maintain its competitive advantage and prevail its historical relevance in the city. When such an investment is done, an appropriate marketing and communications strategy must be conducted, simultaneously with an integrated dynamization plan to ensure it was a profitable investment for the long-run. Actually, this effort must be gradual and continuous because it takes time for people to know a place and what it has to offer. The inauguration ceremony cannot be the only day this market gets

proper attention and has its stalls full of visitors. If Mercado de Arroios wants to sustain a competitive advantage for the future, it cannot solely rely on its traditional market section and the recent success of the newly added restaurants. We must be critical and acknowledge that, given the emergence and quick expansion of the international retail carriers, only those vendors who offer extremely good quality products will be able to differentiate themselves from this enormous threat. Mercado de Arroios must be able to provide its customers a fully integrated market experience and organize more initiatives in order to become a unique commercial, social and entertainment reference, not only to its locals, but people from all ages and cultural origins.

3. Mercado 31 Janeiro - Miguel Adrego

Introduction and History of the Market

Mercado 31 de Janeiro is located in a privileged and corporate area of Lisbon, between Saldanha and Marquês de Pombal, with several hotels located meters away and numerous companies in its surroundings. It is also almost door-to-door to Saldanha Atrium Shopping Center and to the prestigious Secondary School Luís de Camões. This market, as it is today, was built in 1996, as a result of real estate developments in this area, having two floors above the ground and one underground floor with infrastructures to support the market (loading and unloading areas, refrigerating chambers, toilets and locker rooms). Initially, both floors were occupied by stalls with fresh products (fruits, vegetables, fish), restaurants and butcheries. However, low occupation rates in the last years led to the decision to concentrate all stalls selling perishable products in the ground floor and to build a «Loja do Cidadão» on the first floor, with construction being currently carried away. Furthermore, a Padel Club was built in the market's rooftop. These aimed to be anchor elements to attract more people to the market, even though the Padel Club is not bringing as many people for the market as it could be expected, according to some vendors. The market is opened from Monday to Saturday, from

7h to 14h, excluding the restaurants and the stores with direct exit to the street, which have different schedules. Locally, the market is known by the quality of the fresh products and for being the supplier of some of the best fish restaurants in the city.

Current Offer

Through the strategic group analysis performed previously and through the observation done *in loco*, we have concluded about the market’s offer. The market is essentially known by the quality of the fish and meat sold there, being the suppliers of some of the best restaurants in Lisbon, and it is one of the main visit cards of this place.

Traditional Offer		Services
<ul style="list-style-type: none"> • Fresh meat and fish • Vegetables and Fruit 	<ul style="list-style-type: none"> • Dry fruits and Bread • Cheese 	<ul style="list-style-type: none"> • Loja do Cidadão (soon)
Stores		Restaurants (with two more opening soon)
<ul style="list-style-type: none"> • Butchery «HN Caneira» • Florist 	<ul style="list-style-type: none"> • Spice Store • Cafe/Snack Bar 	<ul style="list-style-type: none"> • AronSushi • A Cantina • Casa do Peixe

Table 5 - Description of the current offer of Mercado de 31 de Janeiro

Competition

As mentioned before, one of the main reasons that led to the degradation of the markets situation in Portugal was the appearance of new players, such as the super and hypermarkets, with a large capacity to supply a great number of people, with higher bargaining power towards the suppliers and with a huge range of products. Thus, it is still the current reality and they are, in fact, the biggest competitors of Mercado 31 de Janeiro. While interviewing the vendors of the market, the compliances were always very similar, corroborating this point. In fact, vendors usually said that people buy less in the market and that this has to do with the fact that, in the surroundings, there is a lot of competition, with extended schedules (such as Continente Bom Dia on Almirante Barroso and another in Defensores de Chaves, one Pingo Doce very close (Tomás Ribeiro street) and a Dia supermarket a few steps ahead).

Moreover, considering the three restaurants of the market as an attraction for the market, they also face a fierce competition. The high level of movement in this zone and the corporate nature of Saldanha area, allowed the development of an area full of restaurants and shopping centers with dining areas, which affects, with no doubts, the capacity of the market restaurants to attract customers.

Vendors and Customer Characterization

From the observation and the interviews done in this market, it was possible to conclude that, except rare occasions, the vendors are older than 50 years old, and have low levels of academic formation. From the seven interviewees that we met, only one had less than 40 years old and no one had more than the 12th grade of schooling. Contrarily, from the observations we concluded that the current customer is different, which was confirmed through the testimonies of vendors with many years of experience. The idea that the type of customer has changed is consensual among all vendors, with the current client being, nowadays, younger than it used to be some years ago, even though there are two different type of clients in this market, depending on the days of the week. During the week, vendors still rely on the restaurants that buy their products like fish, meat or vegetables to their economic activity. At Saturdays, the clients are essentially individuals, typically younger (around thirties and forties), members of a family and with a medium/high purchase power, that seek for products with high quality and competitive prices and who look for a more personal service with a vendor with whom they have, in many cases, close relationships. They are typically customers that buy fewer quantities but more often.

Qualitative Research - Interview analysis

The overall vision of the market - customer and vendors' perspectives: By performing 15 interviews to both customers and vendors, our main goal was to understand the vision that both customers and vendors have about the market. Curiously, the visions were very similar

and coherent. The feeling is that Mercado 31 de Janeiro is the best in the city. However, it is noticed the decreasing number of people going there, mainly during the week. During this period, the vendors rely on the restaurants as the main source of revenues, and this does not happen to everyone, which means that there are some vendors struggling more with this decreasing of customers in the market. When asked about the limitations of the market, there are three factors that have to be highlighted: **the lack of communication** - both targets argue that there are a lot of people that do not know the market and sometimes heard about it but do not know where it is; **bad building conditions** - there are zones with a high level of degradation, the floor is always very dirty and the place is extremely cold; and the **short operational schedule** - the market is opened only until 2 pm and this makes it impossible for the majority of people that work in the surroundings to go there. Despite that, there is hope that the creation of Loja do Cidadão will bring much more people to the place.

SWOT-TOWS Analysis

Knowing the reality of Mercado 31 de Janeiro, we can now expose its Strengths, Weaknesses but also the Opportunities and Threats that it is facing nowadays. A SWOT-TOWS analysis was performed to identify some strategies that can be adopted to respond to the external factors, through internal elements.

Internal Elements	Strengths	Weaknesses
External Elements	S1. Location in a busy and trendy area S2. Personalized and familiar service from vendors S3. Quality of the products (one of the best in Fish) S4. Diversity of offer in terms of fresh products S5. Restaurants and Loja do Cidadão capable of attracting people	W1. Lack of parking space in the market W2. Degraded state of the building and dirty zones W3. Lack of communication and promotion efforts W4. Lack of cultural activities W5. Short operational schedules
Opportunities	S-O	W-O
O1. Customers increasing concern about the quality and origin of the products O2. Big dimension of the market, could allow a versatile use of the space O3. Tendency for customers to look for healthy, national and local products O4. Recent rehabilitation of other markets has improved the customer's perception about these places O5. Young people start looking at the retail of organic products as an attractive business O6. Customers looking for personalized services	(S1+O4) Create a communication plan in order to attract more people (S3+O1+O3) Positioning the market in the customers' mind as a reference on the quality (S5+O2) Expand the offer of restaurants and connect them to the products sold in the market (S2+O6) Opportunity to attract customers and make them loyal	(W1+O4) Reorganizing the underground floor to have more parking slots. (W3+W4+O1+O3) Take advantage of the available space, even outside the market, to create events that bring people and increase knowledge about the market.
Threats	S-T	W-T
T1. Aged vendors T2. Competition from supermarkets and other commercial formats such as convenience stores T3. Very busy people, with no time to go to the market before 2 pm during the week. T4. Vendor's resistance to adapting to the schedules T5. MARL schedules and prices T6. Low formation levels of the vendors	(S2+S3+T2) Communication: Use the quality of products and the quality of the service as the main differentiation factors. (S1+S6+T3+T4) Create conditions to keep the stalls active, selling during more hours (S2+T5) Delivering personalized services to overcome the lower prices of the competition	(W4+T1) Create events to attract younger people into the business. (W3+T2+T5) Create communication plans focused on the key differentiation points of the market (W5+T3) Create reservation systems or delivery systems to serve busier people

Table 6 – SWOT/TOWS analysis of Mercado 31 de Janeiro

Recommendations

Having understood the complaints made by both customers and vendors, the offer of the market and the opinion of customers regarding what they would like to see in the market, we are able to suggest the next initiatives to be taken for the market, in order to make it attractive and to put it in the consideration loop of the customers.

The first initiative and the one with the highest priority is the **creation of a communication plan**. It is consensual among the interviewees that there are a considerable number of people that do not know the market. Thus, it is important to create a positioning in the customers' mind. For that, the market should communicate its main differentiation points, such as the quality of the products, the competitive prices, the quality of the service, and the

experience of buying in a market. This can be done by using different means, in order to reach the largest number of people. However, in order to be more efficient, and responding to the growing trend of young customers in the markets, digital communication, as well as referral programs and influencers would be, in our opinion, the best path to follow. Still regarding communication initiatives, and connected with the lack of cultural initiatives, the **creation of events at Fridays and weekends** to attract people working in the companies surrounding the market (at Fridays) and families (on Saturdays and Sundays) would be a great way to bring new people to market, increasing the market's level of popularity.

Another initiative to be taken by Mercado 31 de Janeiro should be the **creation of a space which combines a dining area, with bar and restaurants, and the products sold in the market**. This can be done by the exploration of poorly used spaces to create a type of restaurant that does not exist in the market so far, such as vegan or biological restaurants. This will, besides increasing the vendors' sales, promote the quality of the products and, for sure, make people consider getting back to the market to buy the products they have tasted.

In addition to this, another initiative could be the **installation of monitors informing about the queues for “Loja do Cidadão”**, which would allow people to make their shopping in the market while waiting for their time to be attended. This, combined with some flexibility from the vendors, by allowing to reserve the product bundles until people get back from Loja do Cidadão, would lead to an increase in the sales of the merchants.

Make operational schedules longer would also be really important, in some days of the week, such as Saturday, which is the most crowded day, and Tuesdays and Fridays, for instance, when the fresh products are bought by the vendors. Even though there would be days closing at 2 pm, it would create routines to customers and would allow people to, at least at the days mentioned above, to go to the market and buy fresh products for themselves.

Finally, and since some vendors have already adopted the strategy of home and company delivery, it could be good for the market to **create its own delivery service**. By taking control of all the vendors' deliveries, it would be possible to take advantage of optimized assets, enhance routes and transform the process into something cheaper for vendors. Regarding the building improvements, we believe that it would be wisely to do it once the works are finished in Loja do Cidadão, being extremely important to make the market more attractive for new customers.

Critical Overview

In conclusion, we believe that the recommendations presented are fundamental for the success of the market and is a step towards the desires of customers and vendors, noticed in the 15 interviews performed. Mercado 31 de Janeiro does not have to be like Time Out Market, and this is not the will of the sellers nor customers. However, creating a strong brand, based on the quality of the products and the market experience, through communication and marketing, is indispensable and it was agreed by the totality of the interviewees.

Nevertheless, it is important to take into consideration that Mercado 31 de Janeiro is managed by a public institution, Junta de Freguesia de Arroios, which might indicate budget and bureaucratic constraints. Besides that, we felt some resistance to change by the vendors, potentially being one of the main barriers to make the operational schedules longer.

4. Conclusion

Nowadays we are experiencing a shift in people's mentality concerning markets: due to the success of Mercado da Ribeira and Mercado Campo de Ourique, it is becoming a trend to go back to these traditional retail infrastructures and revive this ancient tradition, as a way to go back to our roots. As a matter of fact, consumers are becoming more conscious and are starting to value local products. Unfortunately, most municipal markets are not prepared nor fully-equipped to satisfy the current consumer's needs and new shopping habits.

In order to maintain a competitive positioning and not be undertaken by the intense competition from the large retail carriers, public markets cannot be "stuck in the past" and ought to be reinvented and upgraded. This type of infrastructure is becoming once again relevant for citizens and tourists of Lisbon, so efforts must be done to regain the importance they once had in people's lives and be, one more time, a commercial, social and cultural reference in the city. During our analysis, we concluded that, in Lisbon, there are several markets, each one very distinct from the others and with a different role in their neighbourhoods. We considered that a strategic rehabilitation plan such as "Plano Municipal dos Mercados de Lisboa" is a solid starting point, however, physical renovations are not enough and must be followed by individual and personalized strategies for each market. In fact, when a rehabilitation plan is being designed for a particular market, it must be adapted to its context, location, type of consumer that it serves and even its competitive environment, not only in terms of intra and intergroup, but also in a broader way, considering other commercial structures that provide the same commercial offer as municipal markets do.

One aspect that is worth pointing out is that consumers need to be educated to shop in municipal markets again and campaigns must be promoted and advertised to attract people to these places. On the other hand, there is also the need to change the current mentality of the majority of the market vendors, given their resistance to change and adapt their operating

process to the current demands. Most of these merchants are aged and lack successors. This fact can compromise the sustainability of this commercial activity on the long-run. To prevent this scenario and ensure the survival of this traditional business, policies must be taken to create attractive and profitable employment conditions and, as a consequence, renovate this workforce.

During the development of our work project, as a group, we have deepened our theoretical knowledge at the same time we acquired and improved a series of valuable soft skills, especially teamwork-related ones. Furthermore, we enhanced our autonomy, problem solving and critical thinking abilities. We learned that, in a long project like this Field Lab, a good team spirit is extremely important and we believed that we were able to capitalize on each member's strengths, creating synergies within the group. We considered ourselves to be a team that values hard work, responsibility, adaptability and rigor and we are proud of the project presented and believe it is a good contribution to the topic.

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Appendix 1. Markets Diagnostic Table

Market	Local Area	Management Model	Accessibility	Complementary Attractions	Schedule
Mercado da Ajuda / Boa-Hora	Ajuda	Public	3 bus lines and a tram	Palácio da Ajuda	Tue. to Sat.: 08h00 - 14h00 Mon. to Fri.: 07h00 - 15h00 Sat. and Holidays: 7h00-16h00
Mercado de Alvalade Norte	Alvalade	Public	5 bus lines and metro	-	Mon. to Sat. 07h00 - 14h00
Mercado de Alvalade Sul	Alvalade	Public	5 bus lines	-	Mon. to Sat. 07h00 - 14h00
Mercado de Alcântara / Rosa Agulhas	Ancunãfara	Public	9 bus lines and a tram	L X Factory	Mon. to Sat.: 07h00 - 14h00
Mercado do Arco do Cego	Areeiro	Public	2 bus lines and metro	Garden, Movie Theatre, IST Faculty	Mon. to Sat.: 07h00 - 19h00
Mercado 31 de Janeiro	Arroios	Public	14 bus lines and metro	Hotels, Garden, Companies, Luis de Camões High School	Tue. to Sat.: 07h00 - 14h00
Mercado de Arroios	Arroios	Public	7 bus lines and metro	IST Faculty, Fonte Luminosa	Mon. to Sat.: 07h00 - 14h00
Mercado do Forno do Tijolo	Arroios	Public	bus line, metro and a tram	Intendente, Miradouro N ^o Sra Monte, Art Galleries	Mon. to Sat.: 07h00 - 14h00
Mercado do Bairro de Santos	Avenidas Novas	Public	1 bus line	-	Mon. to Sun.: 07h00 - 20h00
Mercado da Picheleira/Alfacinha	Beato	Public	4 bus lines and metro	Fonte Luminosa	Mon. to Sat.: 08h00 - 20h00
Mercado de Benfica	Benfica	Public	6 bus lines	-	Mon. to Sat.: 07h00 - 14h00
Mercado de Campo de Ourique	Campo de Ourique	Híbrido	2 bus lines and 2 trams	Basilica da Estrela, Estrela Garden, Casa Fernando Pessoa	Mon. to Fri. and Sun.: 10h00 - 23h00, Friday and Saturday: 10h00 - 01h00
Mercado do Bairro Padre Cruz	Carriço	Public	2 bus lines	-	Tue. to Sat.: 07h00 - 19h00
Mercado do Lumiar	Lumiar	Híbrido	bus line and metro	National Museu of Costume	Tue - Sun.: 07h00 - 20h00
Mercado do Bairro do Condado/Zona J de Chelas	Marvila	Public	3 bus lines	-	Mon. to Sat.: 08h00 - 19h00
Mercado da Ribeira	Misericórdia	Híbrido	6 bus, metro, tram and train	Pink Street, Elevador da Bica, Museums, Squares, Galleries	Sun. to Wed.: 10h - 00h; Thur. to Sat.: 10h - 2h Traditional Market: Mon. to Sat.: 6h - 14h
Mercado de São Bento	Misericórdia	Public	3 bus lines	Palácio de São Bento, Botanical Garden, Assembleia Republica	Mon. to Sat.: 07h30 - 19h00
Mercado da Encarnação Norte	Olivais	Public	4 bus lines and metro	-	Mon. to Fri.: 07h00 - 19h00 (closed from 14h-17h); Sat.: 07h00 - 14h00
Mercado da Encarnação Sul	Olivais	Public	2 bus lines and metro	-	Mon. to Fri.: 07h00 - 19h00
Mercado dos Olivais Sul (Célula B)	Olivais	Public	bus line	-	Mon. to Sat.: 07h00 - 14h00
Mercado dos Olivais Sul (Célula E)	Olivais	Public	bus line and metro	-	Mon. to Sat.: 07h00 - 14h00
Mercado de São Domingos de Benfica	São Domingos Benfca	Public	5 bus lines	-	Mon. to Sat.: 07h00 - 14h00
Mercado do Bairro São João	São Domingos Benfca	Public	3 bus lines	-	Mon.: 8h00 - 13h00; Tue. to Fri.: 8h00 - 18h00 Sat.: 8h00 - 14h00
Mercado de Santa Clara	São Vicente	Public	2 bus lines and a tram	Pantheon, Viewpoints, S. Jorge Castle, Feira da Ladra	Mon. to Sat.: 09h00 - 19h00
Mercado de Sapadores	Penha de França	Public	6 bus lines and a tram	-	Market: Mon. to Sat.: 7h00 - 14h00; Stores: Mon. to Sat.: 9h00 - 21h00

Notes: 1. Mercado de Santa Clara and Arco do Cego have lost the characteristics of a traditional market. 2. Mercado do Rato was not integrated in our analysis because it is currently being deactivated. 3. When analysing Mercado da Ribeira and Mercado Campo de Ourique we are taking into consideration both public and private commercial structures.

Appendix 2. Explanation of the Model

As mentioned before, to get a more detailed analysis we have decomposed each variable in several sub-components. We have evaluated each market in regard to each sub component using a scale, allowing us to calculate the final score of each one of the main variables, as illustrated by the following model:

Variable X: Offer diversity, where $X = x1 + x2 + x3 + x4 + x5 + x6 + x7$

$$X = \textit{Traditional alimentary offer} + \textit{Traditional non-alimentary offer} + \textit{Stores} + \textit{Services} \\ + \textit{Restaurants} + \textit{Supermarkets} + \textit{Cultural offer}$$

The sub-variables *Traditional alimentary offer* and *traditional non-alimentary offer* were measured from 0 to 3, according to the number of stalls occupied in the market by traditional merchants. If the market has no stalls, then a score 0 was attributed. If it has between 1 and 30 spaces, it got a 1. It got a score 2 if it has between 30 and 100 spaces, and 3 if more than 100.

The same logic applies to the sub-variables *Stores*, *Services*, and *Restaurants*, but with a different range of values for each level.

For *Stores*, we assume a level 0 if the market has no stores; 1 if it has between 1 and 10 stores; 2 if more than 10 and up to 20 stores; and finally the level 3 for markets with more than 20 stores.

For the sub-variable *Services* the level 0 corresponds to a market with no services; the level 1 is attributed to markets with 1 to 3 services; when they have 3 to 6, they get a level 2, and, finally, they get the level 3 when there are more than 6 services in their space.

For *Restaurants* we also assume four levels: 0, if there are none; 1 if there are between 1 to 5 restaurants; 2 if more than 5 and less than 11; and finally the level 3 for markets where we can find more than 10 restaurants in its space.

The sub-variable *Cultural Offer* has also four categories: 0 if there are none; 1 if occasional initiatives are organized to promote the market (e.g. school trips, infrequent workshops); 2,

when there is some frequency in the initiatives organized there, and 3 when an organized annual program of cultural activities exists, promoting several events throughout the whole year.

Finally, the sub-variable *Supermarket*, that is a binary variable, to which we attribute 1 if the market has a supermarket and a 0 if it doesn't.

By summing up the scores of each sub-variable, the objective is for a market with a wide variety and diversity of products, services, restaurants and cultural activities to have a better positioning on the X-axis, with a higher total score.

Variable Y: Location Attractiveness , where $Y = y1 + y2 + y3 + y4$

$Y = \text{Level of Accessibility} + \text{Complementary Attraction} + \text{Price Level} + \text{Touristic Intensity}$

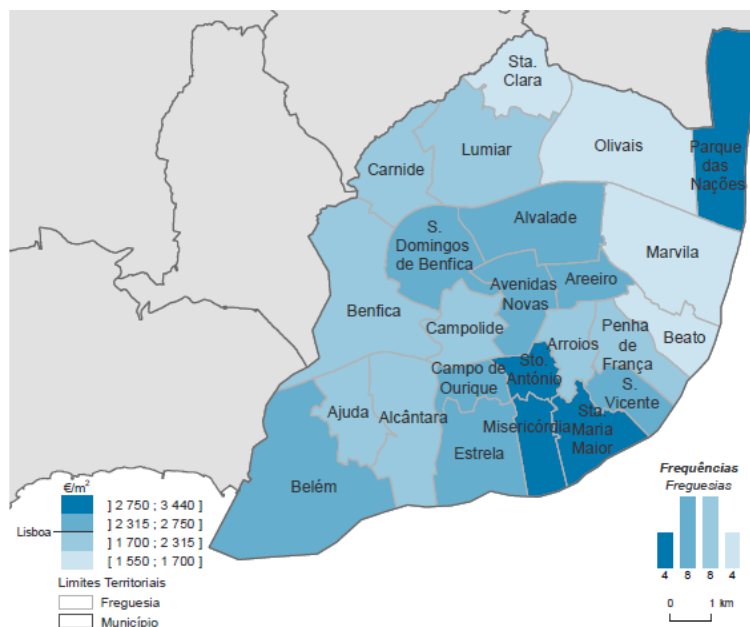
To assess if a certain geographical area is attractive we used four sub-variables, assessing if the market is located in an area with **good accessibilities**, significant **complementary attractions**, in a **high-valued neighbourhood** and a **highly touristic area**. A specific geographical area is highly accessible if there are multiple means of transportation a person can use to get to that location, including cars and other public means of transportation. Therefore, Accessibility has three levels: Level 1, when there is only one public mean of transportation available; Level 2, when there are two different public means of transportations within a 1km radius (e.g. bus and metro station); and Level 3, when there are two or more public means of transportation with multiple lines in a less than a 1km radius.

A complementary attraction is a locale that helps attract people to a certain area and, therefore, creates value to visitors, benefiting itself and other places around it. Museums, monuments, parks, theaters, universities, shopping malls, and other type of tourist attractions represent a perfect example of this matter. The sub-variable *Complementary Attractions* can, therefore, be measured on a scale of 1 to 3: 1 if there are none on the surrounding area; 2 if

there are up to three in a walkable distance of up to 20 minutes; and 3 if there are more than three in a walkable distance of up to 20 minutes.

Considering a good proxy to measure the attractiveness of any region of the city, we adopted the sub-variable *Price Level*, which is represented by 4 levels of prices, corresponding to the four different intervals of price per square meter of each specific area, published by INE - Instituto Nacional de Estatística (Image 3). This way, the sub-variable has four levels: from 1 to 4, where 1 corresponds to the lowest interval of prices and 4 the highest one.

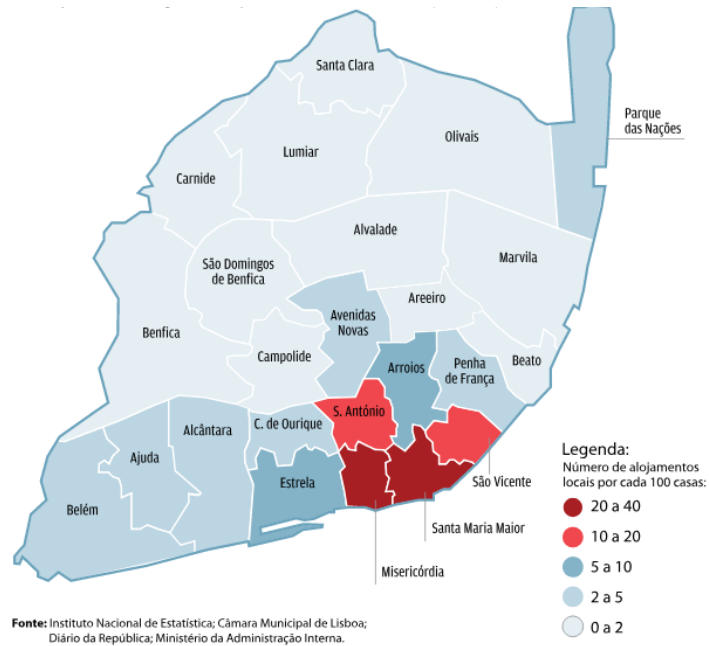
Image 3- Average selling price per m^2 in Lisbon's civil parishes, 3rd trimester of 2017



Source: INE (2018), «Estatísticas de Preços da Habitação ao nível local 3º trimestre 2017»

Finally, to evaluate if a specific area (civil parish) is more or less touristic, we used a proxy to measure the *touristic intensity* - the number of local accommodation units per 100 residences, and defined 3 intervals: from 0 to 2 we considered level 1, from 2 to 10 level 2 and from 10 to 40 level 3. The objective is for the markets with the highest location attractiveness to be the ones with the highest scores on the Y axis.

Image 4- Weight of local accommodation in each civil parish, as a function of total number of residences, residents and km²



Source: Jornal de Negócios (2018)

Variable Z: Size (m²), where Z= Commercial Area

The bigger the commercial area, in square meters, of a municipal market, the bigger the size of the dot of that market in the SGA matrix.

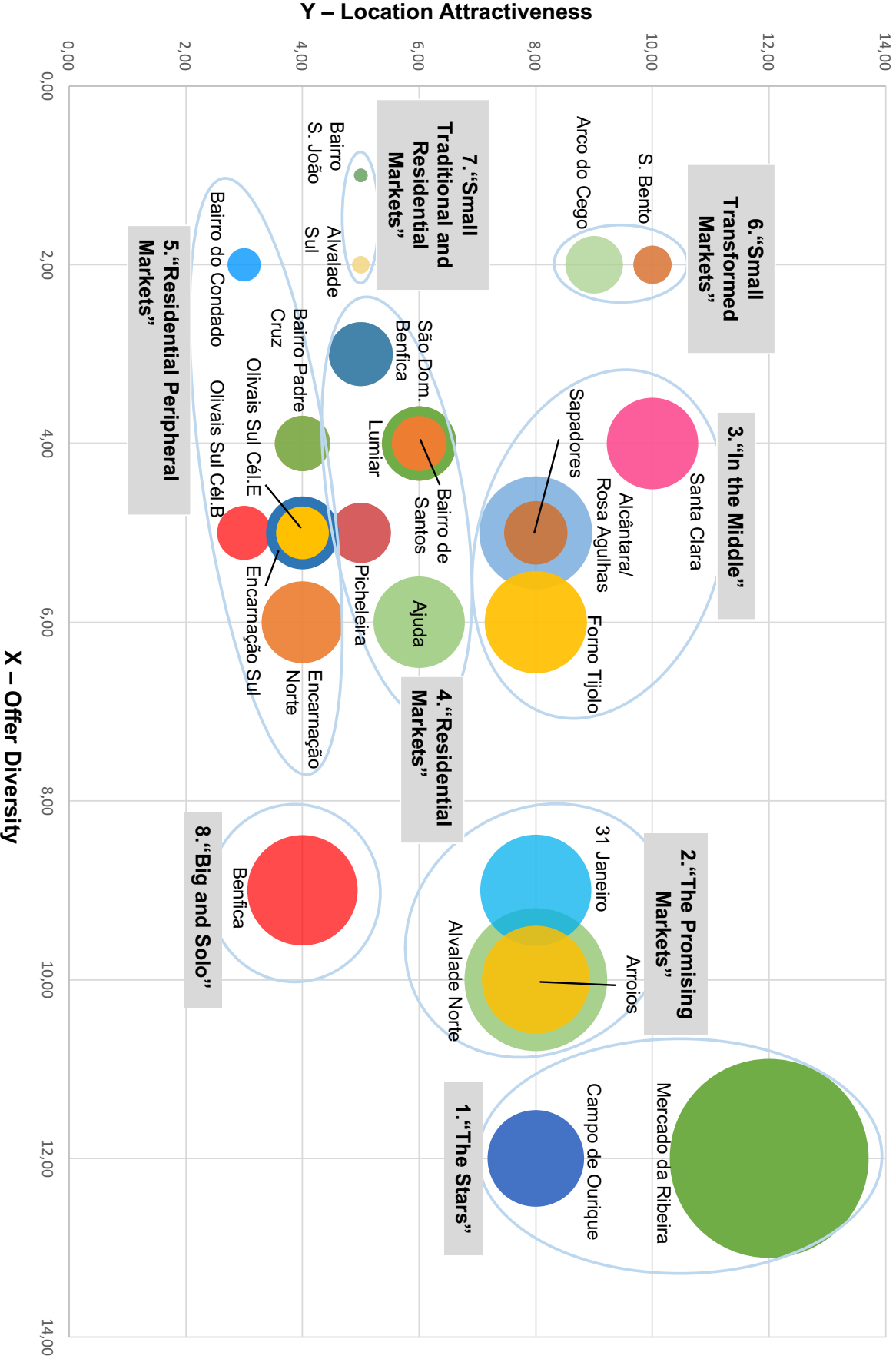
Appendix 3. Municipal Markets SGA values

Market	Civil Parish	X- Offer Diversity								Y- Location Attractiveness					Z- Size
		Alimentary Traditional Offer (0 to 3)	Non Alimentary Traditional Offer (0 to 3)	Stores (0 to 3)	Services (0 to 3)	Supermarket (0/1)	Restaurants (0 to 2)	Cultural Offer (0 to 2)	Total Score	Level of Accessibility (1 to 3)	Complementary Attractions (1 to 3)	Price level of the area (1 to 4)	Turistic/ Residential (0 to 2)	Total Score	
M. Ajuda	Ajuda	1	2	1	1	0	1	0	6	2	2	2	0	6	1414
Alvalade Sul	Alvalade	1	1	0	0	0	0	0	2	1	1	3	0	5	51
Alvalade Norte	Alvalade	3	0	3	1	1	2	0	10	3	2	3	0	8	3449
Alcantara / Rosa Aguilhas	Arcentara	1	0	2	0	1	1	0	5	2	2	2	2	8	2161
Arco do Cego	Arcreiro	0	0	0	1	0	1	0	2	3	2	3	1	9	562
31 de Janeiro	Arrosos	3	0	3	1	0	2	0	9	3	2	2	1	8	2092
Arrosos	Arrosos	2	1	2	2	0	2	1	10	3	2	2	1	8	1971
Forno do Tijolo	Arrosos	1	0	1	1	1	1	1	6	3	2	2	1	8	1770
Barro de Santos	Avenidas Novas	0	0	2	0	1	1	0	4	1	1	4	0	6	934
Picheleira / Alfacinha	Beato	1	0	2	1	0	1	0	5	2	2	1	0	5	616
Benfica	Benfica	2	3	3	0	0	1	0	9	1	1	2	0	4	2061
Campo de Ourique	Quirque	1	1	2	2	0	3	3	12	2	2	3	1	8	1578
Barro Padre Cruz	Caridade	0	0	1	2	0	1	0	4	1	1	2	0	4	520
Mercado do Lumiar	Lumiar	1	0	1	0	0	1	1	4	2	2	2	0	6	511
Barro do Condado	Marrifa	0	0	1	0	0	1	0	2	1	1	1	0	3	188
Mercado de Sao Bento	Misericórdia	0	0	1	0	0	1	0	2	1	3	4	2	10	246
Mercado da Ribeira	Misericórdia	2	1	3	0	0	3	3	12	3	3	4	2	12	6700
Olivais Sul (Célula B)	Olivais	2	0	1	1	0	1	0	5	1	1	1	0	3	495
Olivais Sul (Célula E)	Olivais	1	1	1	1	0	1	0	5	2	1	1	0	4	471
Encarnação Norte	Olivais	1	0	3	1	0	1	0	6	2	1	1	0	4	1132
Encarnação Sul	Olivais	1	0	2	1	0	1	0	5	2	1	1	0	4	898
Barro Sao Joao	São Domingos Benfica	1	0	0	0	0	0	0	1	1	1	3	0	5	20
São Domingos de Benfica	São Domingos Benfica	1	0	1	0	0	1	0	3	1	1	3	0	5	691
Sapadores	Penha de França	1	0	0	3	0	1	0	5	3	2	2	1	8	682
Santa Clara	São Vicente	0	0	2	0	0	1	1	4	2	3	3	2	10	1414

Appendix 4. Municipal Markets Offer Table

Market	Alimentary Traditional Offer	Non Alimentary Traditional Offer	Stores	Services	Restaurants	Supermarket
M. Ajuda	52	71	8	1	3	0
Alvalade Sul*	16	4	0	0	0	0
Alvalade Norte	122	0	21	1	6	1
Alcântara / Rosa Agulhas	18	0	11	0	2	1
Arco do Cego	0	0	0	1	2	0
31 de Janeiro	107	0	20	2	6	0
Arroios	35	1	13	4	7	0
Forno do Tijolo	9	0	8	0	1	1
Bairro de Santos*	0	0	15	0	3	1
Picheleira / Alfacinha	2	0	15	2	2	0
Benfica	67	142	23	0	3	0
Campo de Ourique	23	1	16	4	23	0
Bairro Padre Cruz	0	0	9	4	2	0
Mercado do Lumiar *	10	0	7	0	1	0
Bairro do Condado	0	0	10	0	1	0
Mercado de São Bento*	0	0	4	0	2	0
Mercado da Ribeira	52	6	28	0	35	0
Olivais Sul (Célula B)	30	0	9	2	1	0
Olivais Sul (Célula E)	8	3	10	2	2	0
Encarnação Norte	29	0	28	3	4	0
Encarnação Sul	17	0	19	2	3	0
Bairro São João	6	0	0	0	0	0
São Domingos de Benfica	17	1	2	0	3	0
Sapadores	9	0	0	8	4	0
Santa Clara	0	0	18	0	3	0

Appendix 5. Strategic Group Map of Lisbon’s Municipal Markets



Appendix 6. Rehabilitation Efforts Table

Market	Last Intervention
Mercado 31 de Janeiro	Currently under physical intervention where a «Loja do Cidadão» will be constructed on floor 1 and the traditional merchants were transferred to the ground floor.
Mercado da Ajuda/Boa-Hora	Last market to be constructed. This intervention, made in January 2006, was physical and structural. It aimed to relocate the itinerant vendors that operated in the street into the market.
Mercado da Encarnação Norte	Since 1993, it suffered little to no alterations.
Mercado da Encarnação Sul	In 1996, stores were constructed and the commercial spaces remodeled.
Mercado da Picheleira / Alfacinha	Mercado da Picheleira opened as Mercado da Alfacinha in December 2015, whose renovation was the responsibility of Associação dos Comerciantes nos Mercados de Lisboa with physical improvements like homogeneous signaling and a better offer.
Mercado da Ribeira	In May 2014, it suffered a fully integrated requalification by Time Out Group in partnership with the City Council.
Mercado de Alcântara / Rosa Agulhas	In 2009, it reopened with the reorganization of the merchant's stalls and stores and a new supermarket.
Mercado de Alvalade Norte	On the first phase of intervention there was the addition of a children's playground and a lounge area, as part of its new concept: a market for families. A second phase of intervention is confirmed.
Mercado de Alvalade Sul	In October 2018, it was inaugurated with a new concept: «Mercado Jardim», where a physical coverage was built.
Mercado de Arroios	Renovated in January 2017 with a diversification of the commercial offer and addition of new stores, restaurants and initiatives like healthy food workshops, thematic fairs and guided visits for schools. In the future, a hydroponic greenhouse will be constructed to supply the market with fresh products.
Mercado de Benfica	This market has suffered alterations through the years, mainly the integration of the clothes stalls in the outside area. There are projects for it to be renovated in the future and for a home-delivery system to be tested.
Mercado de Campo de	In 2013, it suffered a fully integrated requalification by

Ourique	CMO, SA in partnership with the City Council.
Mercado de Santa Clara	In 2005, this market abandoned its traditional character and was transformed into a cultural center for recreational activities.
Mercado de São Bento	The revitalization project took place in October 2015 with the opening of a social store and, since then, multiple small trendy restaurants have been inaugurated.
Mercado de São Domingos de Benfica	Will be subject of physical and structural renovations on the last months of 2018 or in the beginning of 2019.
Mercado de Sapadores	In 2011, the first floor of the market was resized and upgraded, several new stores were constructed and a beverage store was added as an anchor element.
Mercado do Arco do Cego	Since December 2010, this market is only composed by restaurants and a shoemaker, whose renovation project was totally fundraised by the concessionaire.
Mercado do Bairro de Santos	Was once one of the most degraded markets and that is why, during 2018, it was physically renovated, where a supermarket was installed, the merchants were transferred to stores outside and a covered central square was built.
Mercado do Bairro do Condado/ Zona J de Chelas	In 2014 it reopened with a new name “Mercado do Bairro do Condado”, after suffering little physical improvements.
Mercado do Bairro Padre Cruz	In 2011 there some improvements were made in the infrastructure and new painting of the internal and external walls.
Mercado do Bairro São João	No rehabilitation efforts were pursued since it was built in 1992.
Mercado do Forno do Tijolo	Introduction of Lidl in 2006. In 2014, the traditional market was renovated and reorganized. Also, it became the headquarters of Fab Lab and a section of the market is now «Mercado das Culturas», a cultural, social and sport establishment.
Mercado do Lumiar	Renovated in July 2018 this market specialized its offer mainly on biological products.
Mercado dos Olivais Sul (Célula B)	The market suffered remodeling and enlargement interventions in 1992 in order to integrate the itinerant vendors of the streets.
Mercado dos Olivais Sul (Célula E)	Same as above.

Appendix 7. Interview Guide

Warm-up

Bom dia/ Boa Tarde. O meu nome é _____ e atualmente sou aluna/o da NOVA School of Business and Economics da Universidade Nova de Lisboa e estou a desenvolver o meu projeto de tese sobre os mercados municipais de Lisboa.

Para este propósito, vou fazer-lhes algumas perguntas, o que não deve demorar mais do que 10 minutos. Não existem respostas certas ou erradas e por favor sinta-se à vontade para dizer o que lhe vier à mente. Para podermos analisar esta entrevista no futuro, pedimos-lhe que autorize a gravação áudio da mesma. Esta entrevista permanecerá anónima e não será contactado no futuro para mais questões.

(Caso o entrevistado autorize, procedemos à gravação de áudio da mesma, caso não autorize, passamos à entrevista sem a gravação da mesma)

1. Definição do Target

[depois do entrevistado(a) consentir, proceder para a entrevista] Obrigada pela sua colaboração. Gostaríamos de começar a perguntar-lhe algumas questões sobre a sua experiência com o Mercado _____ .

T1- O senhor(a) é consumidor ou vendedor no mercado?

1. Consumidor
2. Vendedor

2. Questões direcionadas para CONSUMIDORES

Muito bem, as próximas questões estão divididas entre questões relativas aos seus **hábitos de consumo no mercado** e depois relativas à sua opinião acerca do que **poderia ser melhorado no mercado**.

Q1. Com que frequência costuma vir ao mercado?

Q2. Com que objetivo costuma vir ao mercado? (Se o entrevistado necessitar de alguns exemplos: comprar produtos frescos, comprar outros produtos, usufruir de serviços, fazer refeições nos restaurantes)

Q3. Faz as suas compras regulares aqui? Porquê? (Quais as características do mercado que o fazem vir cá?) (preço, qualidade dos produtos, simpatia dos vendedores, conveniência (localização) , ambiente)

Q4. Em que hora do dia costuma vir ao mercado? (manhã, tarde, nenhuma em específico). Seria positivo na sua opinião o mercado manter-se aberto até mais tarde e/ou noutros dias da semana?

Q5. Considera que as intervenções físicas feitas recentemente tiveram/terão um impacto positivo no mercado?

Q6A. (Só Para Mercado Alvalade Norte) Que impacto considera que a abertura do Lidl teve no mercado?

Q6B. (Só Para Mercado 31 Janeiro) Que impacto considera que a abertura da nova Loja do Cidadão terá no mercado?

Q6C. (Só para o Mercado de Arroios) Que impacto considera que os restaurantes que abriram recentemente tiveram no Mercado?

3. Questões para VENDEDORES

Muito bem, as próximas questões estão divididas entre questões relativas à sua **experiência com o mercado** e depois relativas à sua opinião acerca do que **poderia ser melhorado no mercado**.

Q1. Há quantos anos está aqui a trabalhar?

Q2. Como descreveria o Mercado de _____ nos dias de hoje?

Q3. Quais são as principais diferenças que sente relativamente ao passado?

Q4. Sente que a afluência de clientes tem vindo a aumentar? Ou a diminuir?

Q5. Considera que as intervenções físicas feitas recentemente tiveram/terão um impacto positivo no mercado?

Q6. Como descreve o consumidor típico do mercado? (idade, sexo, estrato social)

Q7. Que peso têm os consumidores particulares vs clientes comerciais (cafés, restaurantes, hotéis) no total das vendas ?

Q8. Na sua opinião, o que é que traz as pessoas ao mercado?

Q9. Recebeu alguma formação ou sabe falar outro idioma para além do português?

Q10A. (Só Para Mercado Alvalade Norte) Que impacto considera que a abertura do Lidl teve no mercado?

Q10B. (Só Para Mercado 31 Janeiro) Que impacto considera que a abertura da nova Loja do Cidadão terá no mercado?

Q10C. (Só Para Mercado de Arroios) Que impacto considera que os restaurantes que abriram recentemente tiveram no Mercado? Costuma ter turistas a fazer compras no mercado? E estudantes?

4. Limitações do mercado e oportunidades de melhoria (Para ambos os targets)

Q1. Na sua opinião, quais são os principais problemas associados a este mercado?

Q2. Quais os aspectos que poderão ser melhorados no futuro? (deixar entrevistado lembrar-se de algo, caso necessite de exemplos, dar os seguintes)

- Horário de abertura alargado
- Maior diversidade de produtos
- Intervenções Físicas
- Espaço de refeições com maior diversidade de restaurantes
- Área de estar/convívio
- Actividades Culturais/Educativas
- Serviços de entrega ao domicílio
- Parque de estacionamento
- Marketing e Comunicação

P - Perfil

Estamos quase a terminar! Queria apenas perguntar algumas questões sobre o seu perfil para podermos caracterizar a amostra deste estudo quando agregarmos os resultados.

P1 - Idade (anos): _____

P2 - Profissão: _____

P4 - Sexo [não perguntar – apenas registar]:

- Masculino
- Feminino

P5 - Nacionalidade: _____

P6 - Nível de escolaridade:

- Primário
- Secundário
- Superior

Muito Obrigada pela sua colaboração.