

# Improving Urban Food Markets as a Local Sustainable Meeting Point

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**Abstract.** Urban food markets are considered as catalyzers of regional development and central places for promoting sustainability through the short cycles between the farm and the plate. This paper aims to identify mechanisms for improving the performance of an urban food market, considering an extended internal and external analysis. This includes competitive pressure and opportunities and their specific constraints on maximizing its relations with the region's inhabitants and simultaneously promoting the local economy and sustainable behaviors and policies in the community. This is a case study carried out using a qualitative approach with different key players from one of the most important fish markets in the world – Mercado do Livramento in Setúbal (Portugal). The conclusions reinforce the need to preserve its authenticity, through the attraction, satisfaction, and improvement of loyalty rates of local customers, while also reaching a different public and increasing its regional, national, and international attractiveness. To a large extent, this action will involve investing in improving the value proposition of merchants and promoting exclusive experiences, focused on products and people, which is in line with the goals of sustainable development.

**Keywords:** Urban Food Markets, Sustainability, Marketing, Local Products; Consumer Behavior.

## 1 Introduction

Municipal markets, urban markets, or urban food markets (UFMs) have been agents of economic development with great relevance throughout the world, due to their turnover and level of employment – in 2008 they represented about one million jobs and 40 billion euros of sales in the European Union. They are also relevant in terms of promoting local products, preserving local traditions and relationships, attractiveness of cities and regions and sustainability practices. Nevertheless, empirical studies applied to these contexts are still scarce and this theme is underexplored.

This research addresses the theme of UFM in the context of promoting lifestyles and a more sustainable management of territories: it is intended to contribute to a more thorough knowledge of the role of UFM as a local sustainable player improving its marketing orientation and practices.

From a theoretical point of view, there is a lack of marketing research on UFM, and particularly on the behavior and perceptions of local consumers towards these spaces, and therefore this research works as a relevant contribution to a better understanding of these phenomena.

This research is based on a UFM with important national and international relevance, in a region which is very rich in terms of local production. Our results highlight the importance of investing in the preservation of the market's identity and the valorization of its actors.

## **2 Theoretical background**

### **2.1 Urban markets and their public**

Retailing is a central economic activity in urban communities, with a great impact on the way cities are perceived by inhabitants and tourists (Barata-Salgueiro & Guimarães, 2020). Urban food markets are generally relevant actors in the urban landscape of many regions and cities and in the sustainability of territories, as they provide high quality local and traditional products while promoting leisure and cultural events (Crespi-Vallbona et al., 2019; Orfanakos, 2018; Svensson et al., 2016). According to Ripol (1999), these markets can assume different roles, facilitating consumer purchase processes with the congregation of various retailers in a single location; economies of scale and shorter marketing circuits; local regulation of prices and competition; and better customer services, such as extended schedules, among others.

The extent of competition in the retail industry requires managerial focus on understanding the market structure and trends, for developing sustainable, long-term strategies for survival (Sinha, 2000).

### **2.2. Socially responsible consumption, local, and green consumption**

Sustainable development implies a growing commitment to environmentally cleaner technologies and production systems, as well as structured economic and social policies that lead to changes in the behavior of different agents, including consumers (Peattie, 2010). A growing number of consumers are becoming aware of the social, economic, and environmental consequences of their decisions and are modifying their preferences, attitudes, and behaviors (Gillani et al., 2019).

The globalization of the economy has engendered greater difficulty in developing relevant marketing approaches (Nicholls & Huybrechts, 2016). There has been some change in the paradigm of agricultural and food production, around greater transparency, traceability, quality, less standardization, concentration and massification of conventional models (Sadler et al., 2015; Goodman, 2004). There is also some investment

in local networks and short sales channels, with less weight of intermediaries and greater proximity to consumers often supported by local governments and national and international support programs (Jablonski et al., 2021; Printezis & Grebitus (2018).

Local products are a central component of communities: their consumption is an increasingly relevant trend, associated with greater social justice and environmental sustainability (Skallerud & Wien, 2019). There are intrinsic factors for choosing local products, such as taste, freshness, appearance, exclusivity/authenticity, and health benefits, but also reasons related to the willingness to support local communities (Skallerud & Wien, 2019).

### **3 Methodology**

This research is focused on understanding the relevance of UFM in the context of sustainable management of territories to contribute to a deeper knowledge of the role of UFM as local sustainable players, improving their marketing orientation and practices. Our research is based at Livramento Municipal Market in Setúbal (LMS), one of the main municipal markets in Portugal and in this city. Inaugurated in 1876, it maintains relevance in the supply and preferences of the inhabitants and tourists who visit it.

According to the objectives of this study, we used focus groups as a qualitative and exploratory approach. This methodology has relevant advantages when we seek to capture complex meanings and their thematic dimensions, collecting qualitative data on a particular topic and getting more in-depth knowledge and new insights (Breen, 2006; Kipnis et al., 2012; Morgan & Spanish, 1984 and Wilkinson, 2004).

We organized four separate focus groups (FG), with LMS traders (merchants), consumers, specialists, and tourist agents. All focus group participants were selected according to their profile and experience. The sessions were held at Livramento Market (3) and online (1) in 2020. Nine market retailers participated in the traders focus group; four regular customers participated in the focus group with consumers; and the focus group with specialists included seven participants and took place online due to the nature of the actors and the travel difficulties related to the pandemic situation. In the tourist agents focus group, among the seven participants we selected restaurant managers, chefs and other businessmen, and tourism professionals with regular interaction with many tourists visiting the region.

A common session guide was drawn up for the different groups, based on the literature review and included topics, related to the current situation and future perspectives. These sessions were moderated by two researchers who welcomed the participants, conducted the meetings, posed questions, recorded the meetings, and took notes. In these meetings, researchers used an informal approach to maximize the participants' contributions (Voinov et al., 2016; Palermo & Hernandez, 2020).

## **4 Findings and discussion**

The process of data analysis included the identification of the thematic dimensions – theoretically relevant or addressed concepts – the establishment of relationships between them and ascertaining the suitability of the reported situation with the existing models and theoretical framework through observed similarities and differences (Ryan & Bernard, 2003). In this framework, the themes portrayed are (1) the market: social, cultural, and economic centrality, which unfolds into the sub-themes “social and cultural centrality”, “supply diversity” and “shopping experience” and (2) the market as sustainability agent, which unfolds into the sub-themes “valuing production” and “promotion of sustainable behaviors and attitudes”.

### **4.1 Livramento Market: social, cultural, and economic centrality**

The topic “social, cultural and economic centrality” includes the subtopics “social and cultural centrality”, “diversity of offer” and “shopping experience”.

#### **Social and cultural authenticity**

We observed the existence of a very relevant set of associations between the LMS and the topic of authenticity topic presented in the literature, which means that we are facing significant market opportunities. The feelings of the participants may be attested to by the expressions: “Livramento Market is a very strong brand” (FG Merchants), “This market is unique... it has nothing to do with others and cannot be misrepresented” (FG Consumers). Participants also related the feeling of their experiences and personal links, such as: “I accompanied my grandmother to the market. At that time, I sometimes felt uncomfortable because the merchants questioned me a lot and the visits were very long... but now I like it and feel a strong connection. I'm a regular customer” (FG Consumers). References to the antiquity of relationships, which span several generations of consumers, also highlight the social and cultural importance. This market is a living space which is relevant and remarkable for people; in addition to the feeling of belonging – to space and experiences – there is a feeling of pride (“our market”) for its regional and national relevance (it is “unique”), as architectural heritage with commercial importance. Some participants have very strong ties with the spot and fear that the traditions may get lost in the future by architectural or conceptual interventions: “I hope that our market never loses its tradition... it's to remain as it is – you can bring all the events you want, but our market is our market” (FG Traders). The fear of a massive “touristification” is a frequent statement, due to its potential impact on the loss of traditions, diminishing the ties with local habitants and with the end consequence of lowering its potential as a tourist spot “When you travel, you look for the real places, the people” (FG Specialists).

#### **Diversity and excellence of the offer (local products)**

The Setúbal region is very rich in local products. In addition to having one of the main fishing ports in the country, it has agricultural, dairy and wine production, contributing to the relevance of this city as a significant gastronomic tourism destination.

Different stakeholders identify the excellence of the offer of the region, "we are lucky to have a region with an exceptional offer" (FG Traders), and mention that in the LMS they find this regional wealth of fresh products "when people want something good, they come to the market" (FG Merchants). They recognize that "there is an excellent offer in terms of seasonal products" (FG Consumers) and that "you can find products from the region that could not be found elsewhere" (FG Tourist Agents), as well as an effective opportunity to interact with the producers who "tell their story and with whom they can learn new ways to use them and make [things]".

Focus groups provided important insights that highlight this diversity and rich interpersonal interaction between inhabitants, "The stalls of the producers are the shop windows of the region, there are many products that can only be found here" (FG Consumers) and the relational component "There is proximity with the products and producers" (FG Specialists).

### **Shopping experience**

During focus group sessions, participants discussed topics associating the shopping experience with pleasure and experiences, in statements like "It is a pleasure to come here" and "The best experience in the market is our contact with producers" (FG Consumers). Local traders also observe these consumer reactions and perceptions "When they see the fish, they go crazy" (FG Traders). Also, for tourists, the Livramento Market is a central spot for experiencing the region and its flavors and traditions, where they can experience the whole region: "Cheese, wine, fish. They [tourists] are amazed... just follow the tile panel and tell the story" (FG Tourist agents).

## **4.2 The market as an agent of sustainability**

The topic "the market as an agent of sustainability" includes the sub-themes "valuing local production" and "promotion of sustainable behaviors and attitudes". This section includes the expectations of these stakeholders regarding the role that this UFM should play, not only as a promoter of the sustainable development of the region and its produce, but also as an attempt to influence attitudes towards sustainability and the purchasing and consumption behavior of the inhabitants.

### **Valuing local productions**

The globalization of food production and consumers' concerns have led to consumer demand for greater transparency and information on the provenance of food (Feldmann & Ham, 2015). This may be reached through closer relations between producers and consumers in different retail formats, such as UFM. Promoting local products may encourage sustainable agricultural practices, the conservation of traditional farming landscapes, and the reduction of the carbon footprint (Shindelar, 2015; Madaleno &

2018). In this context, the promotion of local food systems and short supply chains is a tool to increase the resilience of the local food system (Stein & Santini, 2022).

Various agricultural products from across this region and the potential of the LMS in stimulating them were highlighted. There is also the perception that there are very relevant growth opportunities, which respond to consumption behaviors and healthier and greener lifestyles. The focus groups outputs are in line with the conclusions of Barreta (2002), who highlights the role of UFM as relevant spots in terms of job fixation, the flow of local production, wealth benefits and attracting tourists.

Fresh and local products are highlighted as a strength in all focus groups. The story of the producers can be told, along with the products' distinctive characteristics. Many of these products have traditional, authentic production methods, and are particularly valued by many people.

The centrality of the market as a sustainable spot of the entire region was frequently identified in different focus groups. In the FG Specialists we had inputs such as “the market must be an anchor place in the region and that we must be aware of the actual trends”; “local products are a fashion trend”. “Authenticity is an opportunity”. Consumers highlighted the importance of product certification and the “need to increase the perceived quality of the products”. Aligned with these priorities, local tourist agents highlighted the “importance of valuing and promoting local products such as sweet potatoes and tomatoes from Comporta, Alcacer rice, oysters, olive oil, muscatel, and biological products, but also vegetarian products” (FG Tourist agents).

### **Promotion of sustainable behaviors and attitudes**

Education is a powerful vehicle for promoting sustainable development. It is included in the United Nations Sustainable Development Goals (SDG4) and requires pedagogies and approaches to catalyze the necessary change (Agyeiwaah et al, 2021). Examples of education for sustainability can be found in the literature, targeting different objectives and educational levels, (e.g., Antón-Peset, Fernandez-Zamudio & Pina, 2021). On this specific topic, according to participants of our focus groups sessions, it was stated that “The market must assume a central educational role, for example with partnerships and activities with schools”. It could also be observed that there are specific educational programs developed by UFM, like the “Mercat de Barcelona”.

Based on in the [LMS](#) experience, marketing campaigns are also a powerful tool for promoting sustainable behaviors, using different promotional practices as in-store activities focused on their product assortment, store atmosphere and traders (Sheth, 2021), using storytelling and tastings as tools. The use of digital marketing has become a fundamental element in the dissemination and communication of sustainable actions, social strategies and actions that companies want to spread online (Saura, Palos-Sanchez & Rodríguez Herráez, 2020).

In the focus group sessions, several participants gave feedback on this dimension, as “The market has to tell the story of this region, these products, these people” (FG Tourist Agents), which should lead to storytelling practices of sustainable behaviors and attitudes. They also evidenced the “Need for workshops and experimentation sites” (FG Traders) and that “People don't know the flavors. Flavor courses should be promoted”

(FG Tourist agents). These “experiences” may be provided using digital and non-digital marketing platforms and could be developed based on the promotion of sustainability.

## 5 Conclusions and final remarks

Urban food markets are very relevant economic agents all over the world. They are central spaces for boosting the economy and communities, in terms of securing employment, selling local products, creating wealth, and providing tourist attractions with a very differentiated and comprehensive commercial offer. They contribute to the revitalization of the urban centers or neighborhoods where they are located, to improving the quality of life and to promoting healthier lifestyle habits.

There are UFM of different shapes and sizes that have a place in the local community, generate jobs and well-being. They are unique commercial spots, characterized by the coexistence of many traditional small retailers – mainly fresh food retailers – in competition in a single location. As well as their historical relevance, markets have been losing part of their relevance due to demographic constraints, but also with the absence of a global and strategic vision or of an integrated management model, as well as a lack of innovation, training, and renewal of traders.

In recent years, there has been a renewal of some UFM in different countries, aligned with their original features and adapting them to current consumption and comfort patterns and their (new) utility. Simultaneously, consumption of local products is an increasingly relevant trend and is generally associated with intrinsic quality factors, social justice and environmental sustainability and health benefits, and UFM are generally perceived as being specialized in those products.

The Livramento Market in Setúbal is one of the main symbols of the city and the region, where local inhabitants and tourists find the region's traditions and where you can experience the local culture. Its importance for the entire region is evident, especially to take advantage of its exceptional wealth of excellent products. At the same time, products and producers are highly valued by local consumers. It also highlights the promotion of links with other partners such as restaurants and hotels, and the market's role in the education of children and young people for citizenship.

Aligned with the literature and considering the outputs of the focus groups, it is clear that more attention should be focused on the merchandising and promotion of produce from the entire region, consolidating this location as a place of reference: exhibition of the region in terms of local and regional gastronomy and production including wines, olive oil and rice, but also with green, sustainable production.

The possible advantages of creating a greater emotional connection between consumers, the market and producers are also highlighted: a more pronounced orientation towards experiences and towards valuing the relationship (for example, through storytelling and proximity actions, such as visits, show cooking, etc.), will also include an extensive use of digital media. These marketing activities will benefit from the engagement and pride that merchants and consumers feel in being part of the community of (their) Mercado do Livramento.

The transformations that may be carried out will contribute to enhancing its identity, not turning it into a tourist space, without a soul or life of its own. As mentioned, “our

market is our market". A UFM so historically iconic as the Livramento Market, should be focused on the locals and, inherently, attract tourists.

The analysis highlights the benefits of developing a structured work plan for the local community, but also for tourists, who have specific needs related to a lack of knowledge of the language and products, length of stay in the city and limitations, for example in terms of the possibility of cooking food. The expansion of sustainability practices should be a priority, namely in its ecological footprint, the protection of endangered species, the forms of production, the recycling of waste and packaging materials and the use of renewable energies. It will also be important to study the issue of accessibility related to parking, schedules, and the possibility of online shopping and home delivery.

### **5.1. Limitations and future research**

This case study was carried out in a specific food urban market with very relevant distinguishing characteristics. In fact, this specific Market is still a very important local and regional actor in terms of sales, performance of local products and economic opportunities for local retailers. The development of similar approaches in other markets, national and international, may also be very relevant, to allow a greater generalization of the results.

This study includes the perceptions of related stakeholders, such as traders, tourist agents and clients, but does not include contributions from other representative groups, such as non-clients of this market and tourists.

In future research, the intention is to carry out a quantitative study of the region's inhabitants about their behavior and perceptions of purchasing these products and in these places. Additionally, carrying out additional qualitative approaches, through in-depth interviews and observation, may bring new contributions.

The lack of marketing research on urban food markets, and particularly on the behavior and perceptions of local consumers towards these spaces, is an important opportunity to develop a different academic contribution to better understanding this retail format and to make a practical contribution to preserving and improving these sustainable economic actors that have an important impact on their regions.

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