



# Balance of Trade Policy

## Purpose of Policy

A **market** is understood to be a location within which ever-changing forces of supply and demand operate to influence buyer and seller interactions. A **successful market** is understood to be one that has a continuously evolving mix of businesses, providing consumers with an attractive destination at which to satisfy retail, social and leisure needs.

Critically, a fair and proper Balance of Trade policy must **not** have as its core objective an aim to create seller exclusivity, as to do so would likely inhibit success by way of attracting fewer customers, thus in-turn lowering profitability across the whole market site for all concerned. Additionally, care must be taken to not restrict opportunity to sellers wishing to participate in trading activities, especially when stall occupancy levels are below a critical mass deemed necessary to maximise consumer market interaction.

Balance of Trade policies are considered industry standard documents, and a useful tool by which members of the National Association of British Market Authorities such as St Nicholas Markets can clearly and transparently demonstrate a commitment to the creation of a diverse, prosperous and fair market economy.

## Product Mix Factors

When considering an ideal mix of market stalls, several influencing factors are considered, primarily consisting of:

- **Levels of customer demand for a particular type of product or service**

In cases where sufficient consumer demand appears to exist for a specific offer, the hosting of several businesses selling similar product is considered to be beneficial not only to customers, but also to traders who can mutually capitalise on a market's reputation as a destination synonymous with certain products or services.

- **Frequency and consistency of trading activity**

During peak trading periods, upwards of approximately 100 independently operating businesses can be in attendance across the whole market site, with less busy times seeing numbers drop to around 60. This routine expansion and contraction of operating stalls helps to inject a higher level of diversity into St Nicholas Markets offer, prompting consumers to visit more frequently in order to experience differing market incarnations. Due to the nature of available trading options, some businesses may only conduct on-site market activities once weekly, fortnightly or on an ad-hoc basis. Considering indoor market businesses operate 6 days per week, it is accepted that on occasion the market can sustain two or more similar product offers, especially considering a larger market will inevitably attract a larger audience, again providing more in the way of opportunity for all.

- **Location of trading activity within market site**

St Nicholas Markets are effectively a collection of markets operating symbiotically across a distinctly separate yet interconnected mixture of buildings, lanes and streets. Equally, there can often exist significant distance between trading stalls located within geographically opposing ends of the market site, resulting in like-for-like businesses being exposed to a distinctly different footfall and demographic, that in all likelihood would not necessarily frequent the whole market visit on any given visit.

- **Generic vs niche product status**

It is accepted that some products are inherently generic enough that to restrict availability would be considered as overly draconian. These types of items often form part of a range of products deemed as an embellishment to a business's core offer, acting in some instances as loss-leader items designed to generally attract custom and or provide a low-level of steady income. Additionally, some items are agreed to be inherently supplementary to a core offer, without which a business would be unlikely to do much in the way of trade.

Alternatively, some items are considered to be niche enough that repetition of similar offers throughout the market would likely reduce individual business profitability, in turn adversely affecting business viability and the market's overall diversity.

- **Day and time of trading activity**

It is understood that visitors to the market are generally looking to obtain particular products at differing times of day or day of week. With this in mind, it is considered as good practice to cater to the ebb and flow of demands as and when they arise, so as to as far as is practicable provide a satisfactory level of customer service during periods of specific peak demand.

## **Conclusion**

Markets play an important and unique role within the retail sector, affording visitors with a vibrant and alternative destination within which to shop, and many sole independent small-scale businesses with a place to trade. St Nicholas Markets Team must be careful to strike a delicate balance between ensuring high levels of consumer service, trading opportunities and existing business sustainability, in such a way as to avoid product or service exclusivity, whilst creating an environment within which businesses can not only survive but also thrive.