

Christmas Markets –Bringing Markets Alive For New Supporters



nabma
the voice of markets



ROI Team

October 2015

CHRISTMAS MARKETS – BRINGING MARKETS ALIVE FOR NEW SUPPORTERS

Overview

The current surge in the growth and popularity of Christmas Markets is good news both for the UK markets sector, and also for the towns that host markets

ROI Team examined existing reports on the performance and economics of 5 UK Christmas Markets, namely:

- Manchester Christmas Market (study of 2013 market)
- Exeter Christmas Market (study of 2014 market)
- Lincoln Christmas Market (study of 2012 market)
- Bury St Edmunds Christmas Fayre (analysis of 2013 and 2014 Fayres)
- Stratford on Avon Christmas Market (study of 2014 market)

We worked to bring data from different methods and expressed in different ways into correlation, and to draw out common threads from the 5 very different markets, looking for features across the five markets that seem to indicate core elements for success. The 5 studies all included a survey of market customers, with a range of other approaches which varied from one study to another.

Surprisingly, no study included a dedicated footfall count. Instead footfall was either extrapolated from counting systems located elsewhere in the town; or was estimated from other periods, other comparable towns, or other comparators. The evaluation of Lincoln Christmas Markets discounts the higher estimates of footfall as fanciful; whilst one report produces spend figures for the event that would indicate a prodigious multiplier effect

We are conscious that all 5 markets that we were able to analyse in this way are in the 'Top Dozen' of UK Christmas Markets in terms of their size and economic contribution. If performance measurement of these sector-leading markets is sketchy, what would we imagine about measurement in the rest of the sector?

Contribution of Christmas Markets

Christmas Markets are making a significant contribution to the winter economy in three ways :

They have become important **generators of retail turnover** at a time of year when some towns would expect to lose visitors and trade to out-of-town competitors. We estimate that in the 2014 season, Christmas Markets generated more than £250m in visitor spend for the towns that host them

They are bringing **historic supporter types** back into markets. For example customer surveys carried out as part of these studies suggest a regrowth of types such as Young people & students; Family groups; and work colleague groups as new supporters of Christmas Markets

Well configured, well-managed Christmas Markets are shown to bring commercial benefits right across their host towns, not just to the markets themselves. In all five cases under our study, spend in the town was markedly higher than spend in the market.

Structure of UK Christmas Markets

Nabma have estimated that more than 100 Christmas Markets (offering more than 10 stalls and trading over more than a single day) were staged in the UK in 2014. But in terms of their commercial contribution there is a clear division. Scanning 2014 markets announced on social media, we estimate that the 12 largest markets in terms of stall/days between them generate about 95% of the aggregate spend (ie about £240m) – meaning the other 100 Christmas Markets are generating some £10m between them. Manchester Christmas Market, the biggest and longest established of the big beasts, is itself generating more than a third of all Christmas Market spend in the UK

The smaller markets of course are still important local contributors. But their contribution is counted more in terms of soft measures such as :

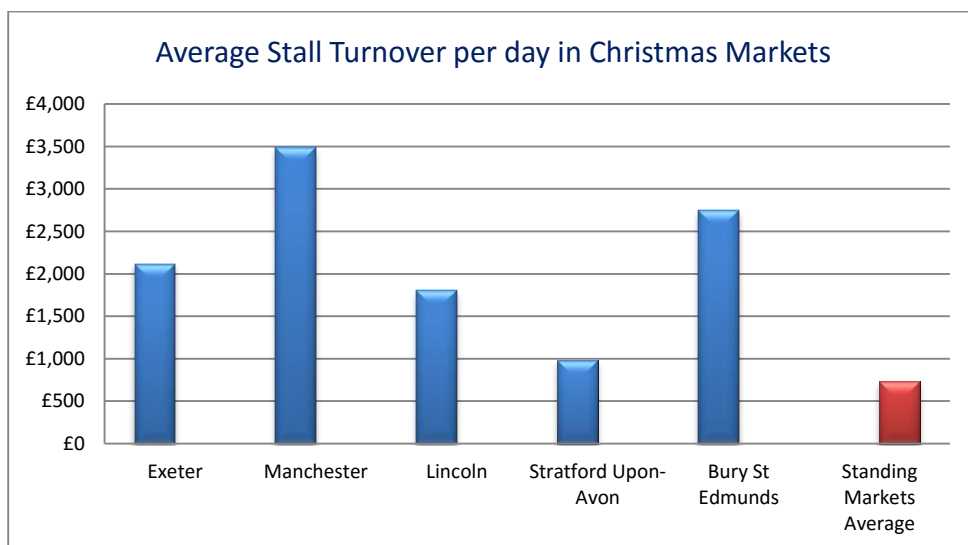
- New visitors sampling towns
- Community cohesion
- Outlets for local production and crafts
- Opportunities for local entrepreneurs

The 5 markets reviewed for this study would all be in the ‘Top Dozen’ bracket. Their scale ranges from 70 to more than 300 stalls and duration from 4 to 45 days. The management style is a mix of Council operation, and private operators managing the market on behalf of the Council – or in one case a private landlord

Only one of the 5 markets analysed put forward clear objectives and measure progress against declared criteria; and considering the scale of commercial activity measurement of performance is sketchy

Economic Performance

Christmas Markets are clearly perceived by visitors as something different to a typical market shopping trip, and it appears that visitors are allocating a budget that they expect to spend on their trip. In the 5 markets that we reviewed average spend ranges from a modest enough £11.45 to a whopping £49 per trip; the upper end of this spectrum is where a medium-size shopping centre would hope to be in the Christmas season



It is clear also that well managed stalls offering a line that is different will thrive in this setting: analysis shows that in large Christmas Markets average per day per stall revenue take will range

between £980 in the least productive market to close to £3,500 per day – a figure much higher than the average of £735 per day for all stalls in standing markets

Revenue per stall type can be broken out only for Exeter Christmas Market, showing a range from below £750 per day for Jewellery, Clothing, and Accessories to £3,500 per day and more for Bar, Grill, and Fresh Flowers. There is no guarantee of course that the Exeter performance would be replicated in another location.

All reports measure spend in the town on retail and F&B, as well as spend specifically in the market, and in all cases spend outside the market always exceeds spend in the market, with the multiplier ranging from a factor of 1.39 to 2.44 times. These multiples lie across the historic multiplier ratio of 1.75 referenced in recent work by Manchester Metropolitan University

The only negative element that we found is the high proportion of visitors to some Christmas Markets –almost half in two of these markets – who visit without spending at all. Shopping centre managers would be familiar with a whole raft of techniques to tempt every visitor to open their purse or wallet; but in this case no doubt the objective is to provide an attractive family experience, not just to generate maximum spend

Overnight spending by Christmas Market customers

Significant numbers (between 5% and 10%) of visitors to Christmas Markets make the visit into an overnight trip – and this applies in an industrial city like Manchester, just as much as a cathedral city like Exeter. Not surprisingly these people spend additionally on overnight accommodation and on F&B, generating 'Tourist Spend' of between £900k to £10m (Manchester). Feedback locally is that branded hotels are benefitting from this group much more than local guest houses and B&B's. So in future years market promoters may try to redress the balance by tying up cross promotions with smaller local accommodation

Transport and Parking

With visitor numbers ranging from 30,000 to 1.85m it is no surprise that Christmas Markets are giving a major boost to local transport revenues, and to revenue from parking and Park & Ride charges. Provision of good transport links is perceived as a key requirement not just for convenient access for visitors, but also to prevent excessive congestion or parking difficulties for locals. Revenue generated under this heading ranges from £170,000 to £7m (Manchester)

Visitors to Christmas Markets

Christmas Markets seem to have the ability to make quiet, historic towns and cities into regional destinations: for example two thirds of visitors to Exeter Christmas Market travel from outside the immediate catchment; whilst the proportion of Stratford is one third. It appears that the out-of-town visitors are the most lucrative, outspending the locals in every department: in the market, in High Street shops, and on F&B. This feature is especially observed in Stratford

Usually the lion's share of visitors come specifically for the market: three quarters of customers came specifically for Lincoln Christmas Market; half of those interviewed in Manchester Market; and a quarter of Exeter's customers

Loyalty is also a significant factor in building an expanding following for Christmas Markets. Nine out of 10 visitors to Manchester Christmas Market say they will come again, and half of those visiting Bury *Christmas Fayre* have the same intention

Christmas Markets - Creating Jobs and Entrepreneurs

When you factor in that these markets may be open for more than 30 consecutive trading days, it is clear they can be generators of considerable individual wealth: we can project that the more successful stalls in Manchester Christmas Markets generated well over £100,000 in 5 weeks' trading; and anecdotally some traders in last year's Belfast Christmas Market were able to pay off their mortgages!

But generally understanding of jobs created by these markets is under-researched, and aggregation is difficult owing to the fact that definitions rarely match. Estimates of jobs created range between 2 to 5 permanent jobs (which seems low) and between 45 to 110 part time/temporary jobs. Given that we are looking at a sector worth more than £250m per year, fuller knowledge of the jobs dynamics would be valuable



Christmas Markets Essentials

Comment from both customers and traders in response to surveys and interview programmes throws up a number of common themes in terms of 'must have' features for a successful Christmas Market

Authenticity

Consistently this was the feature most cited and most appreciated by customers of Christmas Markets.

Early English Christmas Markets predate Oliver Cromwell, who instituted a clampdown on seasonal celebrations in the 17th Century. But when people speak of 'authenticity' today they are typically referring to the archetypal German Christmas Market, with its images of cobbled squares, half-timbered houses, gingerbreads, and cathedral backdrops. Visitors to all five markets rated this ambience, and its modern equivalent, most highly.

Quality Hot Food and Beverages

Whilst customers appreciate a broad offer and enjoy browsing a range of unusual stalls, the bars and hot F&B offer seem invariably to be the heart of a Christmas Market. Where survey respondents are broken out by age and by visitor type it is clear that it is this feature that is attracting young people, especially students, and also work colleague groups into Christmas Markets. These are types that have largely abandoned standing markets, so Christmas Markets are here delivering a valuable service to the whole sector

Showcase for Local Products and Talent

People recognise that Christmas shopping is their spending high point of the year, and they like to believe that, by supporting their local Christmas Market, they are buying locally made products and boosting the local economy. Part of the appeal of Christmas Markets is to find products from other countries – but customers would still want to find a balance and to know that a majority of traders are selling locally sourced goods and that the people taking their money will be recirculating it into the local economy, rather than into a Swiss bank account

The Lincoln survey revealed concern from customers that too many of the traders were not local. Managers of Christmas Markets need to be aware of this issue, and may even see an advantage in declaring a commitment that for example 50% of their traders will be local people

Focal points

Christmas Market customers hanker after big bold features at the heart of their markets. Heritage cities have cathedrals and civic halls as architectural backdrops. The large urban market rigs up a huge windmill on top of a stall each year. Another market city sets up a large stage, where local schoolchildren and young people perform. Every market needs to consider and, if necessary, to create it's focal point

Good Transport and Parking

It's evident that Christmas Markets create visitor levels well above the usual and often in towns not used to such numbers. Numbers tend to peak around feature times, such as a Christmas Lights switch-on, placing further strain on resources. Customers demand good transport and available parking, but good provision is also important to minimise disruption to local residents and businesses

Facilities for Market Customers

The most cited complaints from surveys of Christmas Market customers concern limited toilet facilities and places to sit and rest without the need to purchase. On top of a clear request from customers for these facilities, better provision would be expected to increase dwell time, stall repertoire, and spend

Hazards

None of the 5 reports examined for this study refer to any seriously damaging event, but there are comments and observations that flag up some potential hazards:

Security

Christmas Markets are tending to stay open later into the evening and the mixture of crowds and alcohol carries obvious risks – so a visible security presence is wise and a reassurance to customers

Differential Impact on Local Businesses

Two studies highlight how, whilst most retailers and F&B outlets outside the market can expect to flourish, others see a significant drop in trade. Managers need to consult with all business in their host towns, not just with retailers, and if possible to involve a range of businesses in their steering groups

Overcrowding

Overcrowding is a danger at key times through a market's calendar, especially for events that are well promoted, such as celebrity appearances. Overcrowding is also more likely to be a feature of markets that trade only for a short period, or for one per week over the season. Longer duration is preferred by operators as it enables them to spread events better and so minimise crowding

Crowding is unpleasant for customers and some survey respondents complained about it. Managers need to recognise that overcrowding is also damaging for traders as it shortens dwell time and limits spend

Prompts for Management

Based on feedback gathered from customers in five large and successful Christmas Markets, managers may want to be aware of some common prompts:

Uniformity and Appearance

Customers prefer a uniform appearance to stalls and certainly enjoy the appearance of the wooden chalet-style units. It's important for managers to insist on uniformity of appearance and high standards in presentation of goods

Maintain Quality

It appears that many people regard a visit to a Christmas Market as one step towards a quality Christmas experience. They want everything about their Christmas to be a cut above their day-to-day experience, and they expect their Christmas Market visit to be part of that experience. Managers need to consider every element of their market's offer in this way. Customers have expressed the view that choirs singing carols are 'quality', but fairground rides for example are not

Local Offer

We have commented above about the important customer preference for buying locally sourced products from local traders as far as feasible. This is clearly an important factor in customers' motivation in choosing which Christmas Market to visit, and managers need to consider their strategy for recruiting local traders and encouraging local sourcing of products. That apart, customers are asking for a broad offer, products they can't buy elsewhere, and limited duplication of stalls

Clear Objectives

We were surprised that of the 5 large Christmas Markets at the heart of this study, only one stated clear objectives for their market. Given the economic and cultural importance of these markets we would expect managers are setting targets for

- Qualitative response from customers and traders
- Economic performance
- Local and Community benefits
- Visitor numbers
- Spending patterns
- and maybe for various other performance measures

The follow-on would be an objective way to measure performance against objectives. Sound projections of economic performance rely on sound measurement of footfall through the market and conversion from footfall to purchase. So as a minimum, managers should be considering these measures

Consult all local stakeholders

In any town the Christmas Market is potentially a significant force to benefit or to benefit or to inconvenience local residents and businesses. It's important that managers establish a steering group or similar to gather views from the full range of local stakeholders. Some groups expressed unhappiness that other stakeholders, and even non-local groups, were benefitting whilst they were not. In Lincoln, for example, local guest house owners were concerned that nationally branded hotels were benefitting from overnight occupancy whilst they were not

Structural Prompts

Fifteen years ago there were no more than a handful of Christmas Markets in the UK; today there are more than 100 markets of some scale. So clearly the phenomenon is accelerating and with no apparent overall plan. After this detailed study of the sector we would just raise a few structural questions for the sector:

Quality

Customers express a desire for quality in every aspect of a Christmas Market – *but how can high standards be required of all operators of Christmas Markets?*

Geographical Spread

Too many Christmas Markets, or markets in close proximity, would lead to lower standards and customer fatigue. It appears this is already a factor in riverside locations in London
How can the sector establish a strategy for sensible geographical planning of Christmas Markets?

Ambush

There are instances of unauthorised Christmas Markets riding on the success of well-planned and well-promoted markets in the same area, with obvious risk of customer confusion
How can the sector prevent this sort of unwelcome imitation?

Given the importance of this growing sub-sector it may now be the time to establish a central body to licence and uphold standards across UK Christmas Markets

	Exeter	Manchester	Lincoln	Stratford-on-Avon	Bury St Edmunds
Year of Report/Survey	2014	2013	2013	2014	Report 2013/Survey 2014
Size of Market – no of Stalls	90	300 plus	250	70	300
Duration of Market	31 days	6 weeks	4 days	5 days	4 days
Footfall/ No of Visitors	270,000	1.85m	150,000	30,000	120,000
Visitor Spend at Market	£5.9m	£41.82m	£1.8m	£343,500	£3.3m
Average Spend per Market Visit	£25.15	£49.14	£21.00	£11.45	£27.50
Visitor Spend in town centre	£9.6m	£42.03m	£3.38m	£838,599	£614,000
Tourism Spend	£3.4m	£4.6m	£867,376	-	£1.2m
Parking/transport spend	£170,000	-	-	-	£589,000
Employment	-	-	5x F/T 46x P/T	-	60x P/T
Aggregate spend	£19.1m	£90.9m	£6.05m	£1.18m	£7.0m
Aggregate spend per market day	£616k	£2.16m	£1.51m	£136k	£1.75m
Aggregate Revenue per stall	£65,556	£139,400	£7,200	£4,907	£11,000
Revenue per stall per market day	£2115	£3,485	£1,800	£981	£2,750

Notes on Financial performance table

The financial performance data listed above is derived from 5 different reports based on widely differing approaches and methodologies; in addition the definitions used in reports (for example measures of aggregate spend, or spend in town centre) vary widely. We have worked to correlate and standardise the figures quoted in the table above to enable banding and comparison, relying on explanations of figures provided by the commissioner, or the study provider, depending on their willingness to explain. We are aware that some measures are based on an element of projection or estimation – in particular footfall figures. As most of this data is not provided by ROI Team we are not able to guarantee its accuracy. That said we are pleased to see a broad relationship between the measures, and believe this grid provides a good basis for establishing

benchmark performance measures

Specific Notes

Lincoln: We have used the lowest of three estimates of footfall in the Christmas Market, as the two higher estimates appearing in the report are questioned by the researchers themselves

Bury St Edmunds: The evaluation is based on a model which appears to be designed for assessing the impact of planning applications and may not be suitable for assessing the financial performance of a Christmas Market. Certainly this approach has provided figures that are out of line with the 4 other studies, also a very high 'Multiplier Effect' between spend in the market against spend in the town. We would not be confident to use the Bury figures in any averaging work

Stratford on Avon: Footfall is estimated and impinges on other financial performance figures

Thanks and acknowledgements

ROI Team wishes to thank many people and organisations that have supported this project. The work was commissioned by Nabma with initial funding provided by the DCLG. We also thank Market Managers and Councils responsible for the five Christmas Markets that underlie this study for making their performance evaluation studies available to this project. As work and analysis has progressed we have valued advice and support from Nabma, the NMTF, and the DCLG Research Sub Group. We very much appreciate the input of these organisations and additionally many markets professionals who have willingly provided information and reaction.

Andrew McCall
ROI Team
May 2015
www.roiteam.co.uk

EXETER CHRISTMAS MARKET

Visitors to Exeter's Christmas Market, 270,000 of them in 2014, spend almost £6million in the market during the four weeks it is open. The market is making a major contribution to the city's economy with a projected gross impact of more than £19m.

Background

Exeter Christmas Market, taking place by the side of the historic Cathedral, is privately run on behalf of Exeter Council and Cathedral by Market Place Europe. The market of around 90 stalls is now in its third year. The offer is led by quality prepared foods, with a mix of local and international Traders selling roast hog, crepes, and speciality meats and cheeses from across the Continent, alongside traditional local crafts. Market Place Europe manages the month long market which starts at the end of November, drawing crowds from across the South West

The county town of Devon, situated on the river Exe, Exeter has a population of around 118,000. The area's largest employers are weather forecasting organisation the Met Office, the University of Exeter, and Devon County Council. Exeter International Airport lies east of the city and is home to Flybe, a prominent local employer.



Spend in the Christmas Market

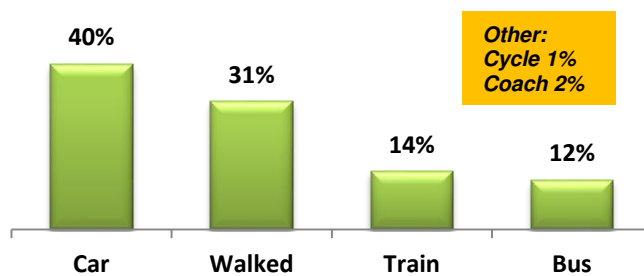
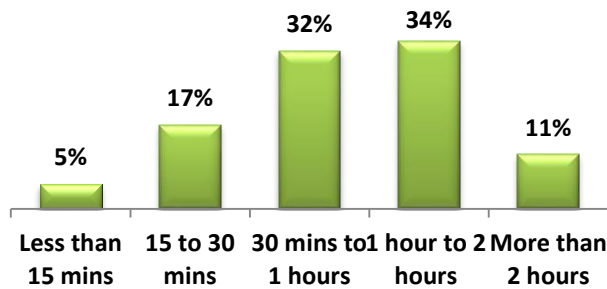
According to a 2014 survey by ROI Team, Exeter is a high spending market, with some 270,000 visitors spending £5.9m million during its four weeks. Real time customers were intercepted in and around the market across five days in early December on different shopping days and at varying times of the day. Average per trip spend is a very healthy £25.15; and according to the survey's findings, the market brings benefits to all retailers, in the city centre as well as on the market, with every £10 spent in the market triggering a spend of £16.30 elsewhere in the city centre.

The Market has swiftly become an important regional destination, with two thirds of visitors coming from outside the Exeter area. All demographic types are represented, except for groups of work colleague on outings - a mainstay of Christmas Markets in other cities. Plus, there's strong support from the city's university, with a third of all visitors in the 16 to 25 age range, double the proportion typical for the wider area. Nine out of ten visitors surveyed say they intend to come back to the market next year.

This market reports high average spend levels, which would not look out of place in a medium sized shopping centre. With more than a quarter of visitors spending in the £20 to £50 band, the average all-visitors spend is projected to be £21.87.

Half of visitors come on a combined Christmas shopping trip which embraces shopping in the market and the city centre. A further quarter come specifically for the Christmas market. Fewer than one visitor in ten was coming to Exeter for a holiday or city break.

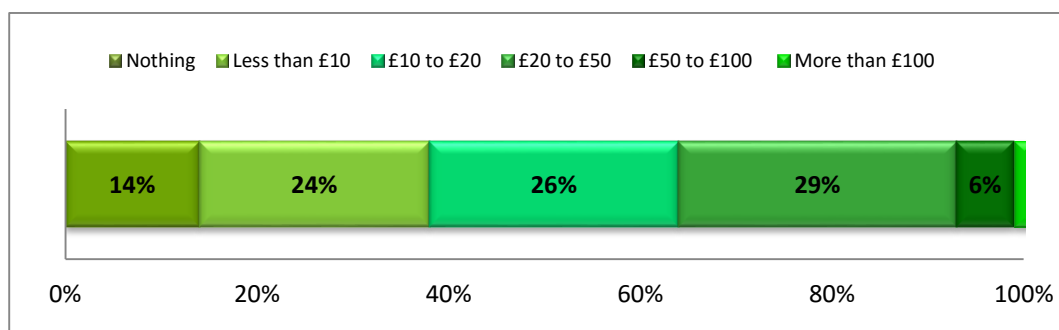
Almost half of visitors surveyed said they would be staying for more than one hour in Exeter Christmas market.



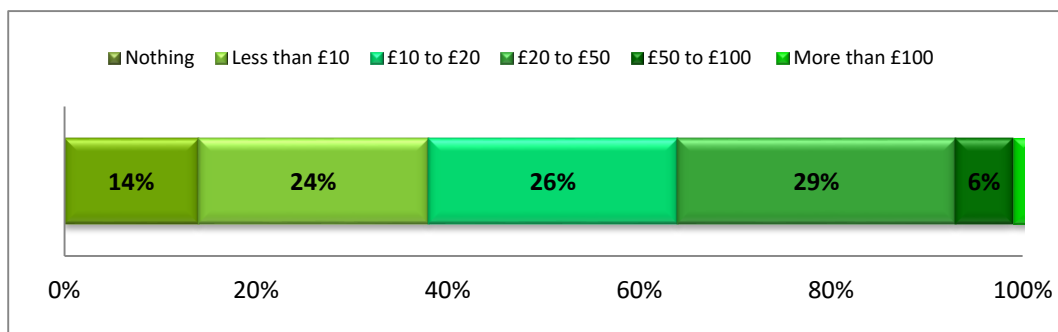
With a quarter of visitors arriving by public transport, the market gives a boost to local public transport revenues; whilst the 40% who arrive by car generate more than £142,000 in parking charges. Just two per cent of visitors arrive by coach, much lower than for other showcase markets.

Spend in the City's Shops

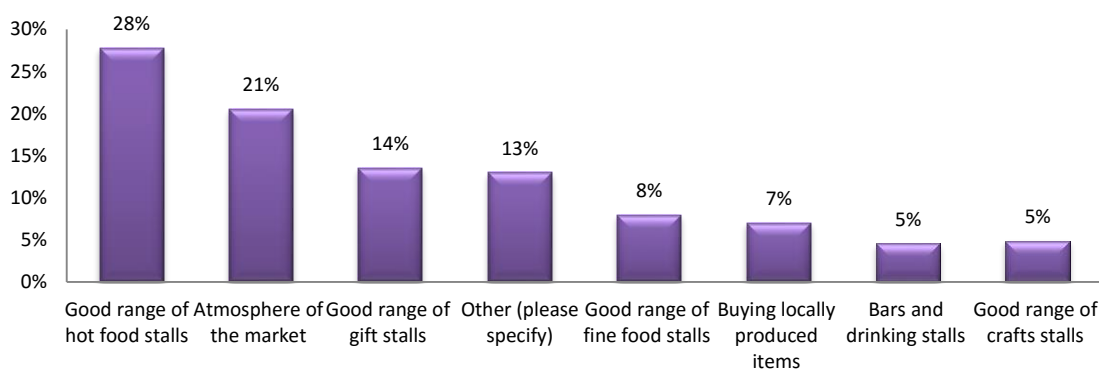
Some town centres have voiced the anxiety that a Christmas Market will take trade away from High Street retailers. But here in Exeter the market has the opposite effect, with 9 market customers out of every 10 intending to also shop in the city centre and to spend time and money there. More than half said they intended to dwell longer than one hour in the city centre. ROI Team project that Exeter Christmas Market generates more than £9.6m for city centre businesses, with every £10 spent in the market triggering an additional spend of £16.30 in the city centre.



The survey found that visitors to the Christmas Market would, on the whole, rather shop than visit Exeter’s inspiring cultural attractions. Two thirds will also go shopping, or eating and drinking, against just 4 per cent drawn to cultural pursuits. However, almost one in six intended to look around the Cathedral.



The Market triggers high average spend levels, in line with many medium-size shopping centers, with 29% spending in the £20 to £50 band. With average all visitors spend of £21.87 we project aggregate spend of some £5.9m in the Market across its four weeks

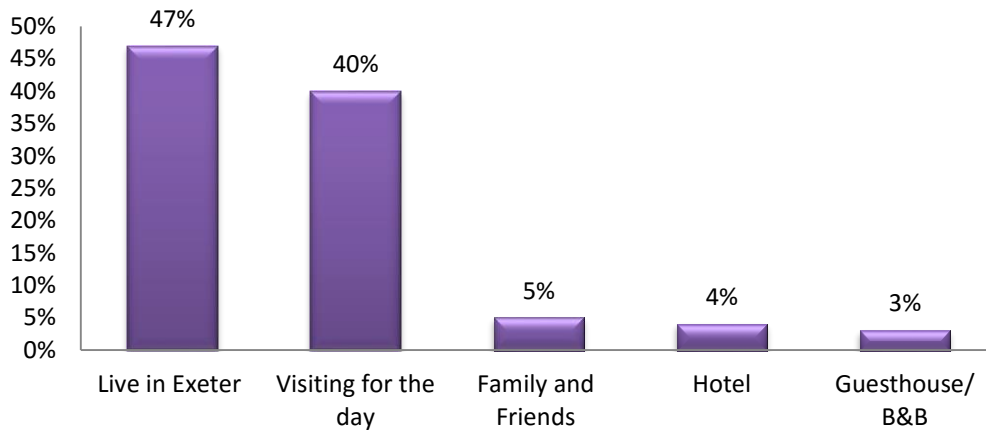


City centre shoppers, who were also market visitors, were mostly drawn to fashion shops. More than a third go in search of fashion, while one in five visits a pub, bar or restaurant in the city centre. Only 3 per cent buy from a take-away in the city, against 20 per cent from a market hot food stall - a ringing endorsement for the quality of food on offer.

Overnight Stays and Hospitality

It is projected from the survey that visitors to the Christmas Market are spending some £3.4million in the Exeter winter hospitality sector, referring to overnight accommodation, meals and refreshments, at a time of year when hotels, restaurants and cafes may otherwise be quiet

The vast majority of out-of town visitors are day-trippers. Only 7 per cent stay overnight in a hotel or bed and breakfast, representing almost 16,000 overnight stays. An aggregate for spend in the hospitality sector is assumed from an average spend of £150 per overnight (B&B, plus evening dinner plus sundries.) An additional spend of £50 by the 11,300 visitors staying over with friends or family, would result in a further injection of £566,000 - making a total injection of £3.4 million.



Headlines and Conclusions

- ♦ Exeter Christmas Market is making a big contribution to the city's economy. The survey projects an impact of more than £19 million in total from a combination of four sources: spend in the Market, transport and parking fees, overnight and hospitality spend in the Christmas Market, and spend in Exeter shops. Actual spend in the market contributes almost £6 million, highlighting the revenue benefits to the city as whole
- ♦ Exeter Christmas Market 2014 attracted some 270,000 visitors during its 4 weeks of operation. Week 2 performed 15% more strongly than any other week
- ♦ Two thirds of visitors come from outside the Exeter area
- ♦ The market is attracting all types, with the exception of work colleague groups. Young people and students are strong supporters of the Market, attracted by the strong hot food offer
- ♦ This is a high-spending market; with average per trip spend of £25.15 (spenders only)
- ♦ The Market is good for all retailers: every £10 spent in the market triggers spend of £16.30 in the city centre.

	Exeter 2014
Size of Market - No of Stalls	90
Duration of Market	31 days across 5 weeks
Footfall/ No of Visitors	270,000
Visitor Spend at Market	£5.9m
Average Spend per Trip	£25.15
Visitor Spend in town centre	£9.6m
Tourism Spend	£3.4m
Parking/transport spend	£170k
Employment	-
Aggregate spend	£19.1m
Aggregate spend per market day	£616k
Revenue per stall	£65,556
Revenue per stall per market day	£2,115

MANCHESTER CHRISTMAS MARKET

Manchester is the Big Beast of UK Christmas Markets, dominating the centre of one of the UK's leading cities during its lengthy opening which stretches from mid-November to Christmas week. In terms of stalls (more than 300), footfall (more than 1.85m visitors) and contribution to the local economy (more than £90m) it is the bellweather for the sector in the UK. Research by ROI Team and Nabma suggests that this single Christmas Market generates more than a third of the economic activity of the largest 90 UK Christmas Markets of scale put together

The summary following below, based on a report by Manchester City Council to its economic scrutiny committee, details the value to the local economy of the 2013 Market.

Background

Manchester Christmas Market, now in its 17th year, features more than 300 stalls, spreading over nine locations during 2013; from Albert Square, the main destination, to Corporation Street and beyond. As detailed in *The Manchester Evening News*, 2013 attractions included a Gallic Market on King Street, a Christmas vintage lounge on Exchange Square, hosting a tea room and microbrewery, and a 16 metre tall carved windmill gracing the bratwurst stall. The event was marked with the minting of a limited edition £2 Manchester "Market Shilling".

Greater Manchester, a metropolitan county in the North West has a population of around 2.55m. For economic data purposes, it is considered along with Salford, Stockport, Tameside and Trafford, by the Office for National Statistics, which ranks its economy as the third largest in the UK. It is ranked as a beta world city by the Globalisation and World Cities research network. Two of Britain's busiest airports feed into the local economy and Greater Manchester is home to more multi-millionaires than anywhere outside London. By contrast, it also houses some of the country's poorest families.

There are three universities in the City, which is also a centre for culture, finance, retail, transport and manufacturing. Kellogg's and Adidas are just two international companies with their UK headquarters in the city and the BBC now has a major media hub in Salford Quays.



Christmas Market boosting spend for the town

An estimated 1.85m visitors to the 2013 Market spent £90.9m in total in the Greater Manchester area. An independent market research company, commissioned by the council, conducted 828 face-to-face interviews with market visitors between 30th November and 16th December in and around the market. Just under half of respondents said they were in Manchester on that day specifically to visit the Christmas Market, double the number from 2012.

The total spend of visitors in the market itself was £41.82 million, reinforcing the analysis that Christmas Markets contribute spend right across the economies of the towns that host them, and not just in the Markets themselves. The average spend in one market zone alone, Albert Square, was £49.14, equivalent to average spend in a large shopping centre in a wealthy part of the UK.

Almost 9 out of 10 respondents declared themselves to be repeat visitors to the Christmas Markets – testament that converts are now making an appointment to return to Christmas Markets that capture their imagination

Market Customer Research	2013	2012	2011	2012 v 2013
Average spend of shoppers at the Albert Square Christmas Market	£49.14	£42.71	£49.54	+15%
Estimated visitor numbers for markets	1.85m*	1.67m	1.50m	+11%
Total markets gross spend	£90.91m*	£71.33m	£74.31m	+27%
Total spend of those who specifically came for markets (46% in 2013, 23% in 2012, 16% in 2011)	£41.82m	£16.41m	£11.89m	55%

Manchester Christmas Market has become more than a local attraction, according to findings. High-spending respondents had journeyed from Wales, the wider North West and some from beyond the UK: France, Ireland and Oman were some of the countries of visitor origin.

Not surprisingly, spend on travel and transport was boosted by the Christmas Market effect. All the major travel providers into Manchester reported a growth of journeys into the city centre during the Christmas Markets period. Journeys on Metrolink, the tram/light rail network, were up by 8.2 per cent in November 2013, and by 16 per cent in December, compared with the previous year. It was the same story on the Trans Pennine Express, Northern Rail, and the Metroshuttle, where journeys grew by 5.6 per cent, 11.3 per cent and 10.9 per cent respectively

The growth in passengers mirrored the growth in footfall, says the study: some 1.85 million visitors in 2013, up on the 1.67 million visitor total of 2012.

Spend in Manchester Shops

Footfall across the city centre exceeded 9 million during the 2013 Christmas campaign period, compared to under 8.4 million the preceding year. Footfall counters were placed in four locations in the city centre, with the combined average showing an increase of 11% during the Christmas campaign period, when compared to the same period in 2012.

Average spend per visit was £80.80 in total, according to customer surveys. Shopping accounted for £41.11, spending on attractions was £1.82 per visit, and spending on food at £28.54, with travel and overnight stays accounting for the remaining £9.33 on average

More broadly, Manchester fares well against national retail sales figures, as collated by Springboard Retail Intelligence. They report that retail sales nationally increased by just 0.4 per cent during December 2013, compared with the previous year, whereas Manchester experienced a 4.6 per cent rise. The Arndale Centre, in the heart of the Markets area, saw footfall increase by 0.6 per cent in December 2013, against national trends, with more than 5.6m people passing through during the month.

Overnight Stays and Hospitality

Average spend per trip on overnight accommodation was £5.42, up from £4.12 for the previous year, according to the customer survey, with hotel vacancy rates as strong as in 2012

Employment

Manchester City Council supported *Small Business Saturday* for the first time in 2013, running it concurrently with the Christmas Markets campaign. A cross party initiative, the aim of *Small Business Saturday* is to spotlight small retail successes and encourage consumers to “shop local” in the run up to Christmas. Business networks and traders’ associations were encouraged to link up with those responsible for the city’s regeneration, via the press and social media. The council is still waiting for figures from the national campaign to assess its impact on footfall, employment and spend with small businesses.

Headlines and Conclusions

The report concludes that: *The Christmas Markets remain a huge draw to the city, helping to attract people from beyond the City and supporting Manchester’s economy.*

- ♦ The total gross spend in the Markets in 2013 was £90.91 million.
- ♦ The Markets attract more people to the City, counted at 1.85 million visitors in 2013
- ♦ With nearly half of those interviewed saying they came to Manchester specifically to visit the Christmas Markets, a significant increase on the preceding year, the power of Manchester Christmas Market to bring new visitors to the city is clear
- ♦ The Markets and the Christmas lights “switch on” generate positive media coverage and help foster pride in the city.
- ♦ The conclusion notes that the event is important for maintaining growth and jobs dependent on the retail and service sector in Manchester.
- ♦ Manchester Corporation executive supports the need for more rigorous evaluation to inform evidence gathering about the event. Footfall recording was said to be “ad-hoc” at present with a more consistent approach needed to monitor future growth

Manchester 2013	
Size of Market - No of Stalls	300 plus
Duration of Market	6 weeks, mid November to Christmas
Footfall/ No of Visitors	1.85m
Visitor Spend at Market	£41.82m
Average Spend per Market Visit	£49.14
Visitor Spend in town centre	£42.03m
Average Tourism Spend per trip	£4.6m
Parking/transport spend	-
Employment	-
Aggregate spend	£90.9m
Aggregate spend per market day	£2.16m
Aggregate Revenue per stall	£139,400
Revenue per stall per market day	£3,485

LINCOLN CHRISTMAS MARKET

Lincoln Christmas Market boosts the city's local economy by an estimated £2.4 to £2.65 million in incremental income, from an estimated 150,000 visitors, according to this study by the University of Lincoln for City of Lincoln Council.

Background

Lincoln, the county town of Lincolnshire is a city of around 130,000 people. The local economy is based on public administration, commerce, arable farming and tourism. Old industrial giants, such as Ruston engineering, are being taken over, in Ruston's case by Siemens. There's a burgeoning IT economy, with many mail order e-commerce firms setting up in abandoned factories. In 2002, the University of Lincoln expanded to encourage inward investment.

Lincoln Christmas Market runs over four days in December and comprises over 250 stalls, located within the city's medieval square and surrounding area, with a backdrop of the impressive Norman castle and Lincoln's magnificent Gothic Cathedral. The Christmas Market has existed since 1982 and was the first German style Christmas Market to be established in the UK. Its German link is still strong, with stallholders from Lincoln's twin town, Neustadt, bringing crafts and produce to the event.

Two independent surveys were carried out by University of Lincoln with a final report produced in May 2013. Face to face research on visitor spend yielded an overall sample size of 270 people surveyed. Researchers looked at existing case studies and analysis; revenue generated from stallholders by Lincoln City Council (the market manager); details of coach excursions to the market; and modelled visitor numbers from sources such as Park & Ride returns plus previous tourism studies



Visitors to Lincoln Christmas Market

Researchers estimate that some 150,000 visitors have the opportunity to purchase goods ranging from hand poured candles, wooden toys, painted glass, ceramics, photography, and fresh produce from the Lincoln area.

Visitors participating in the face-to-face survey have a young profile compared with regional averages, with 45% under the age of 40. As in Exeter, Lincoln Christmas Market draws visitors from a wide area, with visitors by origin breaking down as: Local people 27%/Lincolnshire region 32%/elsewhere in the UK 41%. It would appear that three quarters of visitors are travelling from beyond Lincoln and its suburbs

Repeat visiting is a feature of this market, with almost two thirds having visited before and fully 4/5ths saying they plan to come back next year. Of those attracted to return the main reason given is the 'heritage' of the market more than the market's offer

Three quarters of respondents say they have come especially for the market, emphasizing the importance of this Market as a recruiter of new visitors to Lincoln. And a healthy 19% of visitors will stay one or more nights in Lincoln

Spend in the Christmas Market

The economic impact of visitor expenditure in Lincoln Christmas Market is modelled against the number of visitors. The research method adopted by University of Lincoln does not have access to a footfall count, rather it models projections for spend and revenue for different assumed level of footfall. The study looks with care at the filters to be applied to convert from gross turnover in the city generated by the market to incremental revenue, which they term 'Retained Income'. From analysis of this process the researchers conclude that Christmas Markets should favour local traders who source products and spend profits in the city, even suggesting that managers should set a ceiling on the proportion of 'out of area' traders

Average spend per visitor, excluding accommodation, is established by survey data to be £21 per visitor, which represents almost half of the average spend achieved by Manchester Christmas Market

The tables below show that visitor spend varies considerably according to visitor type. For example in table 8 below we see visitors staying over in Lincoln spend more than double the amount spent by day visitors, not only on F&B (which might be expected), but also on Christmas Gifts and other spending areas.

Expenditure	Tourist Expenditure	Serviced Accommodation	Visitors Friends & Relatives	Day Visitor Expenditure
Food & Drink	£13	£14	£8	£6
Gift	£22	£26	£12	£9
Total	£69	£91	£29	£22

Spend by Origin

When we look at spend by place of origin (table below) it is again clear that visitors from outside the Lincolnshire region are spending more than regional visitors, and almost 4 times the amount of local visitors. Combining the two tables, it is clear that overnight visitors from outside the region are a very desirable target group

	Local	Regional	National
Food & Drink	£4	£7	£10
Gift	£6	£13	£15
Total	£12	£27	£47

Spend outside the Market

In the absence of primary data, the University of Lincoln team have derived from other reports that some 25 per cent of Christmas Market visitors also purchase food and drink outside the market in local bars, restaurants, cafes and takeaways; also that 15 per cent shop outside the market.

Visitor spend in Lincoln F&B outlets

Pubs	27%
Cafes	18%
Restaurants	22%
Take-a-ways	21%
Other	15%

This supports calculations to project the overall financial gain flowing to the city from the Christmas Market, pointing to gross revenue of £6.05m and incremental revenue ('retained income') of £1.1m. Both of these figures are based on an assumed footfall count of 150,000, at the lowest end of the spectrum, but judged by researchers to be the most feasible level. The implication must be that far more income would be 'retained' in the city if there were more local traders, and if both traders and shopkeepers were encouraged to source their products locally

Overnight Stays and Hospitality

Incremental income from market visitors staying in serviced accommodation is £433,688, based on 150,000 visitors, when associated food and drink, shopping and miscellaneous spend is included

Employment

Five full time and 46 part-time jobs were created for the duration of the Christmas Market. Whilst this figure is on the low side, feedback from stakeholders suggests the market plays a key role in helping businesses safeguard and retain existing jobs throughout the year.

Headlines and Conclusions

- ♦ Authenticity, a function of an attractive appearance and an historic location, is vital to the success of Christmas Markets in terms of both their drawing power and also their economic performance.
- ♦ In particular attractive wooden chalets for traders, though expensive, provide one of the key customer proofs of authenticity
- ♦ Local traders are seen to return a far higher proportion of their takings in the local economy by sourcing products locally and by re-spending profits locally. This leads the researchers to recommend that Christmas Market managers should consider establishing a quota for stalls run by 'local traders'
- ♦ Based on a count of 150,000 visitors, total spend in Lincoln by Christmas Market Visitors is projected to be just over £6m, with 'retained income' of about £1.1m
- ♦ Over half of the overall spend comes from overnight visitors staying in serviced accommodation.
- ♦ More robust footfall count data is needed for accurate projection of spend
- ♦ A series of smaller Christmas Market events, including at least two thirds local traders, could be just as beneficial for Lincoln businesses as the current market of more than 250 stalls. In particular strategies should be explored for harnessing the Christmas Market to involve and promote the full range of city businesses, not just the market's traders

	Lincoln 2013
Size of Market - No of Stalls	250
Duration of Market	4 Days
Footfall/ No of Visitors	150,000
Visitor Spend at Market	£1.8m
Average Spend per Market Visit	£21.00
Aggregate Visitor Spend in town centre	£3.38m
Aggregate Tourism Spend	£867,376
Parking/transport spend	n/a
Employment	5 f/time/ 46 x p/time/temp jobs
Aggregate spend	£6.05m
Aggregate spend per market day	£650k
Aggregate Revenue per stall	£7,200
Revenue per stall per market day	£1,800

STRATFORD-ON-AVON CHRISTMAS MARKET

A face to face survey of almost 400 visitors to Stratford-upon-Avon's Christmas Market was commissioned by the Council to gauge the financial impact for the town centre. The survey found that the Christmas Market plays a very valuable role in attracting visitors and tourists to the town, who spend significantly more money than local residents both in the market and also in the town. In addition all respondents showed an increased propensity to spend more than £20 during the duration of the Market, compared with benchmark figures

That said, there is room for improvement in the range and offer of this Market, with almost half of the sample (45%) not intending to spend anything during their market visit!

Background

Situated in Henley Street, William Shakespeare's birthplace, the Christmas Market hosts seasonal goods and crafts displayed on pop-up stalls. Musicians and entertainers join the market on a regular basis, creating a lively atmosphere in the ancient Warwickshire town

Operated by Geraud Markets, the event is a contributor to the overall success of the town's markets. In 2014, Stratford-upon-Avon won the Best Private Market of the Year award in the Great British Markets Awards competition. Unusually, the Christmas Market takes place on 5 consecutive Thursdays from late November up to Christmas

On the banks of the river Avon, and steeped in history and culture, Stratford is one of the most important tourist destinations in the UK. Hospitality is a major employer, with other industries such building of boats and bicycles, engineering, food manufacturing, call centres, and large retail and motor sales sectors also providing significant employment. Major employers include NFU Mutual Insurance, AMEC, B&Q, and Pashley Cycles. There are three busy theatres run by the Royal Shakespeare Company, which attract visitors and income to Stratford.

Stratford-on-Avon District Council recognised the need for data on the contribution of the Christmas Market to the Stratford on Avon economy. The *People and Place Partnership*, an independent research company, carried out 400 face to face interviews on and close to the market site in November and December 2014. The survey asked about spend at the Christmas Market; spend in the overall town centre on Christmas Market days; allocation of spend in the town centre; dwell time in the market; dwell time in the town centre; and other subjects

Benchmarks have been provided against year-round performance of other UK towns large and small, which we would not expect to show any similarity to this sort of seasonal event.



Visitors to Stratford on Avon Christmas Market

There is no automated counting system in place to measure footfall through the Market, but a local estimate of 30,000 visitors across the 5 days of the market has been used, and ROI have used this estimate to project spend and other financial performance measures

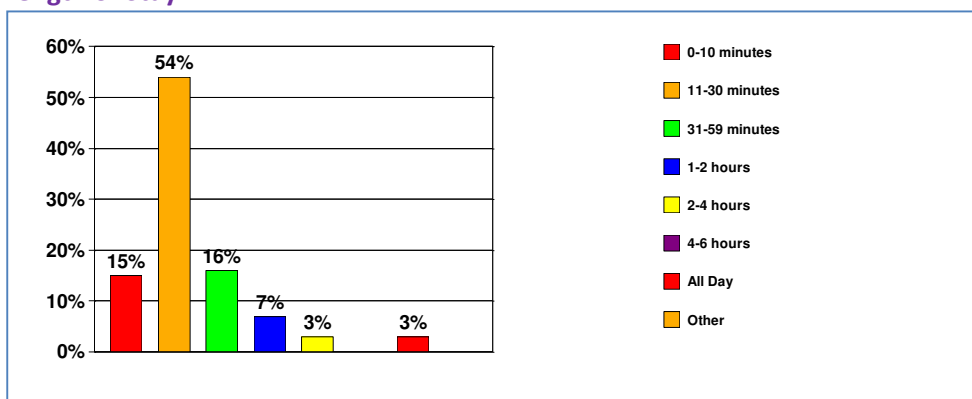
Although survey respondents have not been profiled, the split according to place of origin reveals how important the Market is in attracting visitors from the region and beyond. A breakdown based on respondent postcode shows a split of 39% Stratford residents/25% living within 30 minutes travel time from Stratford/36% living more than 30 minutes travel time from Stratford. This is significant as subsequent analysis shows these ‘out of town’ visitors to spend longer in the Market and the town, and to be significantly higher spenders than residents

It is clearly beneficial for the town that 97% of market visitors intend to spend time in the town, and 4/5th of them intending to spend money in the town. One market visitor in every 10 intends to spend all day in Stratford!

Dwell time in Market and town

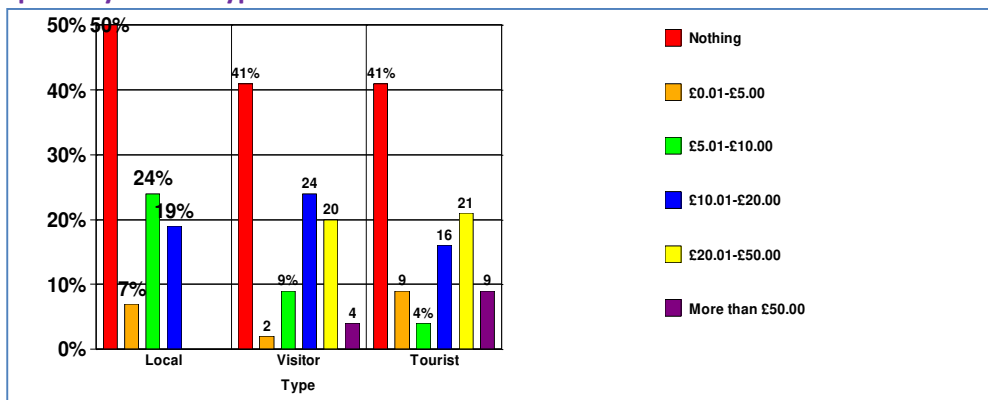
Currently this Christmas Market is not offering enough to hold its visitors, with two thirds intending to stay less than 30 minutes. That said, the picture among visitors and tourists is more encouraging, with 1 in 5 intending to spend more than an hour in the Market, and very nearly half intending to stay 4 hours or more in the town

Length of Stay



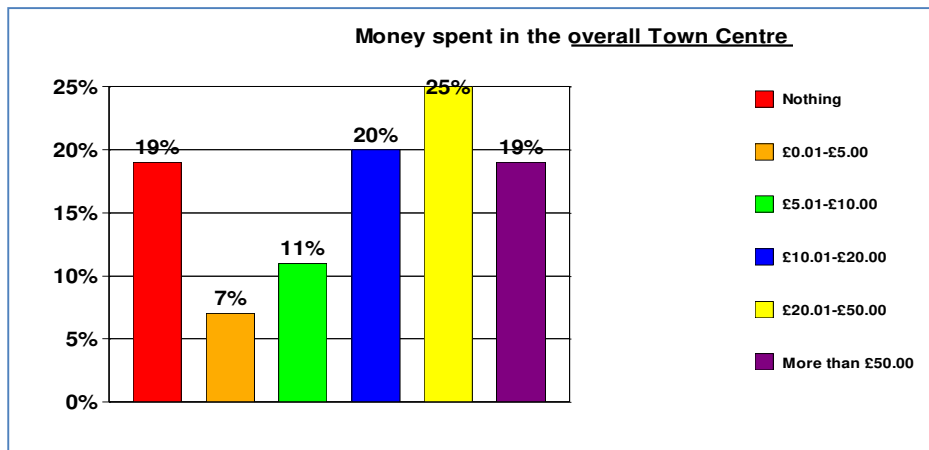
Spend in the Christmas Market

Spend by Visitor Type



Visitors were asked how much money they expect to spend in the market, also in the town, on this visit. One challenge for the Market at the moment is the high percentage (45% of the sample) not intending to spend at all. Among local residents, the percentage is even higher. And a further 20% plan to spend less than £10. Average spend per visit is £11.45 in the Market and £27.95 in the town, highlighting once again that a Christmas Market generates commercial benefits across its host town, not just for itself.

At the higher end of the spending spectrum, about a quarter of 'Visitors' and 'Tourists' are spending more than £20 on their market visit, against 0% of residents



This survey does not examine the impact of the Christmas Market on employment in the town or in the market itself, nor the effects on overnight stays and associated spend

Headlines and Conclusions

- ♦ The Christmas Market is an important contributor to the Stratford on Avon economy, attracting almost two thirds of its visitors from outside the town
- ♦ These out-of-town visitors stay longer and spend more than twice as much as local residents.
- ♦ The Market could be more successful by offering more to build dwell time from its current position, where more than two thirds are staying less than 30 minutes, and almost half of visitors leave without any spend
- ♦ Without more dependable data on footfall numbers in the market, estimates of overall economic contribution are rather speculative. To arrive at better informed projections the Council should consider investing in a better footfall counting system



	Stratford-on-Avon 2014
Size of Market – no of Stalls	70
Duration of Market	5 Days
Footfall/ No of Visitors	30,000
Visitor Spend at Market	£343,500
Average Spend per Market Visit	£11.45
Visitor Spend in town centre	£838,599
Tourism Spend	-
Parking/transport spend	-
Employment	-
Aggregate spend	£1.18m
Aggregate spend per market day	£68,700
Aggregate Revenue per stall	£4,907
Revenue per stall per market day	£981

BURY ST EDMUNDS CHRISTMAS FAYRE

Bury St Edmunds Christmas Fayre attracted 120,000 visitors and generated £4.6m in spend for the town and surrounding area, according to a report by Tourism South East

Background

The report for the St Edmundsbury District Authority, studies Bury St Edmunds' tenth annual Christmas Market, known as the *Christmas Fayre*, held over four days in 2013 and organised by St Edmunds Borough Council. Analysis is based on a computer modelled projection from national data carried out by TourismSE, also by an unattributed survey of almost 400 visitors to the 2014 *Fayre*

Noted for its non-stop entertainment, with fairground, schoolchildren's theatre, street performers and charities, the event, at the end of November, features up to 300 stalls and stays open until 8pm. Live performers draw crowds to the market itself and via two separate stages. Highlights include Santa's Grotto, reindeer, snow globes, puppet shows, water walkers and art and craft activities. A Park & Ride scheme provides access, with an additional dedicated car park for the event.

Bury St Edmunds, Suffolk, is an important market town with a rich heritage, famous for its combination of medieval architecture and elegant Georgian squares. The remains of the Abbey, a shrine to Saxon King, Saint Edmund, is surrounded by the Abbey Gardens, with the Cathedral nearby. Resourceful independent shops, also draw many tourists into this town which is under two hours journey from London and convenient for Cambridge.

Known as an affluent place, with traditionally low unemployment, the main businesses are Greene King (brewing), Silver Spoon (sugar produced from local beet) and tourism. It is the main town in the borough of St Edmundsbury, with a population of around 41,000, according to the 2011 Census.



Visitors to the Christmas Fayre

The TSE Research report is based on: council data; visitor numbers and turnover, as well as spending at regional and local level, collected as part of national tourism and local destination surveys. The study employs detailed computer analysis of the variables, to work out how much extra spend the Fayre adds to the local economy. By its own admission, the report is highly modelled, and provides only estimated outputs

Under this system TourismSE have used estimates of 120,000 visitors and spend in the market of £3.3m (equating to £27.50 per head) to project the total economic value created by the Fayre in terms of spend and jobs created

The Visitor Survey indicates a balanced age profile for visitors, with 18% of adult visitors under the age of 35, 47% in the age range 35 to 65, and just over a quarter aged over 65. This suggests the Fayre is succeeding in attracting family groups, though the Fayre is not recruiting students and young people to the extent of urban Christmas Markets

With reference to the survey, we see that two thirds of visitors arrived by car, indicating that the Fayre, like other Christmas Markets, has become a regional destination. This is confirmed by the fact that 1 visitor in 5 comes as part of a coach party

As with other Christmas Markets, there is a strong loyalty factor at work, with more than half of visitors in 2014 making a repeat visit

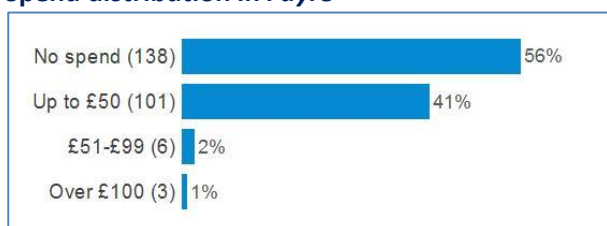
Economic Contribution of the Christmas Fayre

Breakdown of Spend by Visitor Type

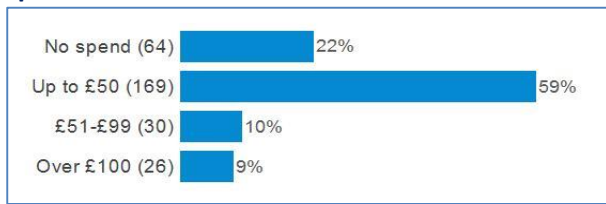
	Local	Regional	Total	Percentage
Accommodation	£1,083,287	£120,347	£1,203,634	26%
Retailing	£552,572	£61,395	£613,967	13%
Catering	£1,982,008	£220,209	£2,202,216	47%
Attractions	£22,108	£6,900	£29,008	1%
Transport	£530,464	£58,939	£589,403	13%
Total	£4,170,439	£467,789	£4,638,228	100%

This suggests that almost 90% of economic benefit was delivered into the local economy, with the balance spent in the region. Almost half of expenditure was on F&B, with as much as a quarter spent on accommodation, very much higher than the proportion found by other reports. In town retailers won only 13% of spend, a modest figure, possibly reflecting that this is substantially an evening attraction

Spend distribution in Fayre



Spend distribution in town centre



The visitor survey indicates average per visit spend of £13.81 in the *Fayre* itself and of £35.90 in local shops and F&B outlets. More than half of visitors spent nothing in the *Fayre*, suggesting the offer is not broad enough, with perhaps too narrow a range of price points. On the other hand this analysis does confirm that events such as the *Fayre*, even when staged during evening hours, create incremental economic value for the whole town. In this instance it appears the town is in fact benefitting more than the market traders



TourismSE researchers calculate that, in spite of fairly modest spend in the *Fayre* itself, overall it generates indirect value of £4.64m, of which £4.2m is generated in the town and some £468,000 outside the town. Given that the only costs referenced by the Council is marketing spend of £110,000, this indicates a prodigious multiplier effect.

An additional 2014 report by the council on the amount of visitor spend, visitor experience and profile, surveyed 396 visitors during the 2014 *Fayre*. For this survey, visitors were asked how much they had spent on food, drinks and shopping at the *Christmas Fayre*.

Overnight Stays and Hospitality

The TourismSE model examines the amount spent in the historic town and in the region on accommodation and catering. Overnight stays accounted for just over a quarter, 26 per cent of visitor spend, amounting to a total of around £1.2m. Just over a million pounds were spent in the locality and roughly £120,000 in the wider region. (The extent of the areas are not specified.)

By far the biggest spend away from the market, was on food and drink. Catering accounted for £2.2m in total spend, with just under £2m of that spent in Bury St Edmunds

Employment

Breakdown of associated jobs

	Local	Regional	Total	Percentage
Accommodation	20.10	2.23	22.34	29%
Retailing	6.14	0.68	6.82	9%
Catering	35.54	3.95	39.49	52%
Attractions	0.40	0.12	0.52	1%
Transport	6.04	0.67	6.72	9%
Total Jobs	68.23	7.66	75.89	100%

Projections indicate the event creates some 79 (part time, temporary) jobs, of which half are in F&B provision, and over a quarter with accommodation providers

Headlines and Conclusions

- ♦ Visitors concluded that the best things about the *Christmas Fayre*, in equal measure, are its foods stalls, craft market, and friendly atmosphere. More than half of respondents visit stalls in these categories
- ♦ Almost half of visitors consider everything about the *Fayre* to be good.
- ♦ A further third praise the helpful attitude of stewards.
- ♦ When asked if there was anything disagreeable about the *Fayre*, roughly half of visitors select: *Nothing, it was excellent.*
- ♦ A quarter of visitors told interviewers that the Market was too crowded.
- ♦ One visitor in 6 complained about the lack of parking, even though extra parking had been laid on by the Council. A further 15% complained about traffic in general.
- ♦ Two thirds of respondents said they planned to return next year, with less than 1 in 10 saying they would not return

Bury St Edmunds	
Report 2013; Survey 2014	
Size of Market - No of Stalls	300
Duration of Market	4 Days
Footfall/ No of Visitors	120,000
Visitor Spend at Market	£3.3m
Average Spend per Trip	£27.50
Visitor Spend in town centre	£614,000
Tourism Spend	£1.2m
Parking/transport spend	-
Employment	75 jobs created
Aggregate spend	£7.0m
Aggregate spend per market day	£1.75m
Revenue per stall	£11,000
Revenue per stall per market day	£2,750