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Strategic Plan

draft



SOUTH MELBOURNE MARKET
SINCE 1867

CITY OF PORT PHILLIP

Womindjeka:
This word of welcome
meaning “come with purpose”
comes from the language of
the Boon Wurrung

Wominjeka: Welcome

The South Melbourne area is marked as ‘Nerre nerre minum’ in one of the earliest maps of Melbourne in the 1840s. The Yaluk-ut Weelam clan of the Boon Wurrung camped at what is now South Melbourne Town Hall. It was rich in lagoons, such as Albert Park Lake, surrounding the drier height of Emerald Hill with a short distance west to today’s coastline of Albert and Middle Park.

South Melbourne Market acknowledges the traditional owners of the land on which we are located, and respectfully acknowledges the Yaluk-ut Weelam Clan of the Boon Wurrung. We pay our respects to their Elders, both past and present. We acknowledge and uphold their continuing relationship to this land.



21
25

The future
5

The new reality
7

Aspirations
9

Our Vision
10

Key Strategic Priorities
11

Enhance South Melbourne Market Brand
13

Improve South Melbourne Market Asset
17

Build Financial Sustainability
19

Differentiated Retail Offer
21

Measures of Success
25

> Secure the brightest and most prosperous future for the Market, it's traders, and the local economy



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The future

"The South Melbourne Market is a very important public place for social and cultural interaction both for the City of Port Phillip and the wider community. Established in 1867, the Market is built on land made available under a Crown Grant for a general market.

The buildings and associated infrastructure are owned and maintained by Council. It is Council's intention to retain and enhance the Market's unique position as a major civic space, one that is a generator of community and social interaction, as well as being one of the Council's prime infrastructure assets. Council is of the view that it can be developed further as a place for the whole community to visit and belong, as well as a premier shopping destination. The Market is an integral part of Council's long-term financial sustainability and as such must continue to operate profitably and competitively."

South Melbourne Market Committee Charter September 2018

> Council is of the view that it can be developed further as a place for the whole community to visit and belong, as well as a premier shopping destination

Building on the Market's ongoing success as a shopping destination, meeting place and community hub, the South Melbourne Market (SMM) Committee has detailed a strategic roadmap for the next five years to put the Market in the best position to tackle the challenges ahead. As society navigates out of the COVID-19 pandemic it is crucial that SMM has a strong framework to ensure it continues to deliver a positive and enjoyable experience to the community, a safe and prosperous place of trade for the business owners, and a financially sustainable asset for Port Phillip Council.

This Strategic Plan will outline the key strategic priorities for the Market Management team to focus on alongside "business as usual" to secure the brightest and most prosperous future for the Market, it's traders, and the local economy. This in turn will build a trusting and loyal customer base that has a safe, joyful and rewarding experience every visit.

"South Melbourne Market is the epitome of local and we will continue to focus on this as a key driver



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The new reality

The effects of COVID-19 will be felt for a long time in Australia and around the world.

Globally, a new type of consumer is emerging who are prioritising the following criteria in their decision-making process:

- **Localism:** The pandemic has emphasised the importance of the local economy, supporting local businesses and spending your money in your local area. The Market is the epitome of local and we will continue to focus on this as a key driver in rebuilding community confidence.
- **Importance of safety:** Personal safety has moved into the top three purchase drivers, in a climate where confidence to go out has been and may continue to be low. Personal safety is a new consumer expectation that is perceived to be a basic need alongside value for money and ease of buying. (Source: KPMG). The Market will need to support this by exceeding consumer expectations around personal safety and clearly communicate that we are doing so.
- **Convenience:** With 'to your door' service and digital technology being a key to meeting consumers new expectations, the Market must continue to ensure our online environment is fast, easy to use, cutting edge and integrates seamlessly with the physical Market shopping experience.
- **Financial constraint:** The pandemic created a feast and famine economy where some businesses benefited greatly while many others suffered considerable financial hardship. The Market will ensure that the community continues to have access to affordable quality fresh produce, products and services.

"The Market will ensure that the community continues to have access to affordable quality fresh produce, products and services

> To be a bustling, prosperous, sustainable, comfortable, happy and memorable trading and meeting place for the community



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Aspirations

By 2025 the SMM Committee aspires that the Market will be:

- the local market of choice for traders and customers
- provide customers with range, quality and value
- an authentic and joyful experience
- accessible both in person and online
- in collaboration with trusted and brand-aligned vendors and partners
- connected to people who are passionate about our Market.

By 2030 the SMM Committee's winning aspirations for the Market are:

- to be a world leading authentic village market
- to be a bustling, prosperous, sustainable, comfortable, happy and memorable trading and meeting place for the community
- to be an incubator and thriving location for emerging and existing creative, cultural, local, indigenous and artisanal businesses
- to strengthen the brand for greater market penetration and have all vendors aligned to the brand promises.

> An authentic and joyful experience



Our Vision

The Market's Vision and Mission encompasses the essence of what will make the Market great.

These are the lenses which will be used to filter and review all the key decisions that will be made and will always be our guiding principles:

Vision

South Melbourne Market, the *Quintessential Village Market.*

A prosperous, authentic destination that is home to fresh, artisanal and cultural products; creative and joyful experiences; celebrates local; is a leader in sustainability; is loved, trusted and connects our customers and community.

Mission

South Melbourne Market will achieve its vision by:

1. being a safe, accessible and inclusive market for the whole community
2. embracing and curating all that is local, artisanal, emerging, cultural and creative
3. remaining a loved, happy, quirky and experiential destination – full of moments of surprise and wonder
4. being a trusted destination for quality, value, fresh and extensive offer – a one-stop-shop
5. continuing to be environmentally and economically sustainable – a financially secure urban experience, living and breathing green
6. being accessible – physically & online.

2025 Strategy Statement

By 2025, to be the local market of choice for traders and customers who seek range, quality, value and an authentic, joyful, accessible market experience in person and online.

We partner with trusted and brand-aligned vendors and connect people who are passionate about our market.

21 25 Strategic Plan

Key Strategic Priorities

The Market's key strategic priorities for the 2021-2025 Strategic Plan have been identified as drivers for achieving the strategic benefits outlined in the Market's Vision and Mission.



"Fully understand the equity held in the brand and build a framework to further enrich the brand's strength



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Enhance South Melbourne Market Brand

Enhance the South Melbourne Market Brand – The Quintessential Village Market

South Melbourne Market is a loved and trusted destination. This strategic priority will see us quantify the Market's brand value, fully understand the equity held in the brand and build a framework to further enrich the brands strength to provide a platform to improve market penetration, increase visitation, improve financial prosperity, set more robust brand promises and explore brand extensions and transportability.

This strategic priority will also focus on aligning our customer experience to the brand values and enhancing visitor enjoyment, as well as supporting and embracing the importance of sustainability in the future of the Market.

We will also be focusing on how digital technology can be used to enhance the visitor and trader experience, and improve business functions.

By 2025 this will mean

Improve market penetration, increase visitation and basket size and recognise loyalty, set brand promises and strengthen brand awareness and alignment to promises. It will also mean that the Market continues to reduce its environmental impact against a sustainability strategy.

This will also mean that due to digital platforms customers around the globe will be able to easily engage and access the stories, experience and products of the Market, and the Market will have implemented digital technology solutions to support growth across all aspects of the business.

How

We will research, review and analyse the Market's brand equity to fully understand just how loved, trusted, and well known the brand is currently and what the brand means to our community including consumers and traders. We want to understand the Market's current brand awareness and build on this to engage at a higher and more emotional level with the community.

We will ascertain the elements that play a part in customer enjoyment and expand on this and measure our success by ensuring a unique and exciting market experience. We will clearly define our sustainability goals and how we will achieve these over the next five years to reduce our environmental impact.

Key Initiatives

Develop our Brand Strategy, including measuring brand equity and aligning the brand to our vision

1. **Market Research:** We will conduct a market research campaign to measure current brand equity and develop an annual brand equity measurement program. We will also review and update our Marketing Strategy to align with new Strategic Plan key directions.
2. **Brand Architecture:** Based on outcomes from the market research, we will develop a brand architecture framework for further developing and strengthening our brand and sub-brands, ensuring alignment of the brand to our vision.
3. **Brand Strategy:** We will develop and implement a Brand Strategy for South Melbourne Market which will identify our brand promise and lead into brand strength and appetite for brand extension.

"South Melbourne Market is a loved and trusted destination

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Set a vision for what we want each visitor to feel when they arrive at the Market



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Key Initiatives (continued)

Develop Customer Experience Strategy that will ensure we put the customer first and focus on providing a positive experience every visit.

1. **Vision:** Set a vision for what we want each visitor to feel when they arrive at the Market, how they experience the Market while here, and what we want them to remember as they leave. We will map the journey and measure this to ensure it aligns with the Brand.
2. **Develop Customer Experience Strategy:** Based on the Vision we will develop our Customer Experience Strategy including a clear set of values and experiences that we need to consider when making decisions at the Market.
3. **Implementation:** Once approved we will commence the implementation of the Customer Experience Strategy and ensure that it is reviewed monthly against all targets.

Embrace technology and develop a Digital Technology Strategy to support future growth

1. **SMM Direct:** Continue to evolve the Market's e-commerce platform with the addition of new products and new traders ensuring the best customer experience.
2. **Using digital technology to showcase the Market experience virtually:** Develop a plan for content creation and story-telling platform to showcase the Market virtually. This may include trader stories, product education, cooking and food education.
3. **Gather consumer insights to improve visitor experience:** The data and findings will inform many decisions including retail mix, safety, customer journeys, frequency of visitation, and cold and hot spots. A Business Case will be developed to support the acquisition of any required technology. Following this we will research the benefits of a loyalty program to reward regular shoppers and encourage increased visitation and increased spend.
4. **Improve business performance by incorporating digital technology solutions:** A business analysis will be undertaken to identify key areas where digital technology could improve business function. A Digital Strategy will be developed with a business case for investment in technology.

Develop our Sustainability Strategy that delivers on part of our brand promise

1. **Vision:** Working with the Port Phillip Council Sustainability team we will prepare a 2025 Sustainability Vision including key stepping-stones to achieve that vision. This will involve collaboration with the Market team, its traders, customers and contractors to ensure we have an ambitious vision for what can be achieved.
2. **Develop Sustainability Strategy:** Based on the Vision we will develop a Sustainability Strategy for the Market incorporating potential sustainable outcomes for the Market's NEXT Project and for the Market in general. This will include key milestones, targets, budgets and measurement tools for ongoing review.
3. **Implementation:** Once approved we will commence the implementation of the Sustainability Strategy and ensure that it is reviewed monthly against all targets.

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We will develop our customised Customer Experience Strategy including a clear set of values and experiences that we need to consider

"It is imperative that the Market remains for many years to come a safe and accessible venue for everyone to enjoy



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Improve South Melbourne Market Asset

Continuously improve and futureproof the South Melbourne Market asset

South Melbourne Market is one of Council's prime infrastructure assets.

The Market infrastructure is ageing and DDA Compliance together with security matters and asset renewal require significant investment.

It is imperative that the Market remains for many years to come a safe and accessible venue for everyone to enjoy, as well as being a prosperous environment for trade. This strategic priority will see the safety and compliance of the Market delivered through a planned program of improvements and the development of a risk and safety plan. It will also deliver a vision to futureproof the Market through the development of an Asset and Precinct Master Plan (The NEXT Project). The NEXT Project will identify the changes in emphasis and upgrades to ensure the Market remains relevant to all its stakeholders.

By 2025 this will mean

Improved visitor and trader comfort and safety; increased public space; reduced congestion; protected essence of 'happy place'; supported visitation growth and a financially sustainable market operation that contributes both economically and socially to its community.

The Market will be a safe venue, comfortable to move around, accessible for the whole community and a productive and prosperous location for the traders. There will be a best practice risk and safety plan and management tool that will ensure hazards and near misses are dealt with immediately and there is a culture of OHS throughout the whole Market.

The NEXT Project, a 12 to 15 year asset improvement plan, is underway to futureproof the Market.

How

We will deliver the asset improvements priorities in the Market's Compliance Plan and develop and implement a risk and safety plan for a safer environment for all. We will futureproof the Market by creating a visionary master plan (The NEXT Project) for the precinct that will deliver on the project's key objectives for the next 50 years.

Key Initiatives

Deliver the asset improvements prioritised in the Compliance Plan

1. Work with Council's PCG team to reassess the current 10-year Compliance Plan and update where appropriate to align with new budget phasing. Finalise the key project delivery plan based on updated budget and finalise prioritisation of projects.
2. Continue to review the Compliance Plan in conjunction with The Next Project to realise maximum spend efficiencies.
3. Deliver on the updated Compliance Plan in conjunction with PCG team against new and agreed to timeframes and budgets.

Develop and implement a Risk and Safety Plan

1. Develop a Risk and Safety Plan to ensure the best practice in recording and managing compliance issues. Set measurements and targets to report on.
2. Develop a digital recording and reporting platform to manage the compliance assurance and non-compliance and reactive issues to improve the performance of the risk and safety process.
3. Review Risk and Safety Plan and update accordingly.

Explore opportunities and develop The NEXT Project to futureproof the Market

1. Develop The NEXT Project for the Market to shape the future direction and investment in the markets infrastructure for how the Market can evolve over the next 12 years to future-proof the Market and incorporate where possible much of the compliance works to ensure the most efficient use of funds.
2. Secure support for The NEXT Project within Council and secure funding from multiple sources.
3. Prepare, plan and implement the construction phase of The NEXT Project.

> "The Market is operating profitably and reinvesting this profit into the asset in order to be a thriving place of business



Build Financial Sustainability

Ensure the Market is financially sustainable

South Melbourne Market provides significant economic activity in the City via trade and tourism. The Market's financial performance is reported on and published in the Market's Annual Report. The Market has struggled to report an operating surplus and has been required to incorporate increased costs in recent years including: increased security supporting the places of mass gatherings focus; hostile vehicle mitigation; increased visitation impacting the need for increased cleaning and maintenance; ageing asset triggering reactive maintenance. Rent relief for Market traders due to COVID-19 also saw reduced income through 2019-20 and 2020-21.

This strategic priority will see the Market improve current revenue streams, generate new revenue streams, implement cost efficiency disciplines and tight management and adherence to the Market budget.

By 2025 this will mean

The Market is operating profitably and reinvesting this profit into the asset in order to be a thriving place of business for all traders and a prosperous commercial operation for Council. From 2022-23 the Market will be operating at a surplus.

> "South Melbourne Market provides significant economic activity in the City via trade and tourism

Key Initiatives

Develop a new, multifaceted revenue model

1. **Explore:** Explore new rental models that will better support the Market's growth and financial position while still providing an accessible and competitive retail environment for all traders.
2. **Implement:** Implement the revised rental model for 2021-2022 licences.

Develop new revenue opportunities and minimise costs

1. **Partnerships:** Develop a Partnership and Sponsorship Strategy that explores the strength of the Markets brand and available assets and seek partnerships with businesses that align to the Market's Strategy, Vision and Mission.
2. **Revenue generation:** Develop a Revenue Generation plan to explore and implement new revenue opportunities and further expand on current revenue generation initiatives.
3. **Reviewing expenses:** Implement a culture of cost and efficiency discipline within the team to better support financial decisions. This will include undertaking value assessments for larger projects, seeking more quotes for high value procurement, negotiating better terms and fees with contractors, and exploring improved ways of delivering our business for less.

"A Melbourne destination for experiencing the authentic charm and character of a truly local marketplace



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Differentiated Retail Offer

Further developing and building on the Market's differentiated retail offer

South Melbourne Market is an iconic local community market, a Melbourne destination for experiencing the authentic charm and character of a truly local marketplace where a wide variety of visitors come to shop, socialise and connect. The future curation of the Market needs to protect this charm and nurture the evolving retail mix to ensure we are staying relevant to the consumer trends, showcasing products and services that are aligned to our Vision and Mission, in a rapidly changing retail landscape. The future of the Market depends on the retail remaining accessible, sustainable, authentic, local, prosperous and exciting.

By 2025 this will mean

The Market will house a diverse and exciting retail mix that will differentiate us from other retail, give new and existing shoppers a reason to return more regularly and increase spend per visit. The Market has a curated retail mix that is aligned to our Vision and Mission, exceeds our customers' expectations and provides a memorable shopping experience.

How

We will develop a Market Retail Strategy to provide the solid framework to build the best retail experience and review the policies and procedures that support the retail operation to enable the renewed Retail Strategy to be seamlessly implemented. We will build a pipeline of the best businesses and concepts to add to the retail offer and develop a precinct plan to continuously improve the visitor experience in every part of the Market.

"The future of the Market depends on the retail remaining accessible, sustainable, authentic, local, prosperous and exciting

Key Initiatives

Develop a Retail Mix Framework

1. **Develop new differentiated Retail Mix Framework:** This will provide the direction for mix balance and space allocation for the best customer experience outcomes. We will do this by creating a framework for the Retail Mix supported by an internal consultation process for Committee endorsement.
2. **Retail Mix implementation:** Once approved the new Retail Mix Framework be implemented. This will be a staged change process which will address all the elements of change required in systems, processes and policies to enable effective implementation.
3. **Update current documentation to reflect new strategic direction:** We will have a consistent approach when discussing and detailing the changes and will update all relevant documentation associated with the Licence process.

Develop the Market's Precinct Plan

1. **Precinct review:** Review the Market's current precincts to establish precinct performance using qualitative and quantitative research. This will identify changes that may be required to these precincts and provide the data required to measure continual improvements within each precinct and support precinct retail mix changes.
2. **Develop a flexible Precinct Plan:** This will include information on precinct space allocation, tenancy reviews, transitional stalls and ensure the best customer experience through every precinct. This will be updated as required and formerly reviewed annually. This will align with the Retail Mix framework by providing a precinct recommendation for potential offers, align to the Market's Vision and Mission, identify initiatives to futureproofing the precinct, and align closely with the pipeline process. This will include guidelines and criteria for precincts which will guide asset requirements and functionality to provide optimal performance opportunities.

> We will continue to collaborate with our Market traders to expand on existing opportunities such as SMM Direct, and explore more business opportunities



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Key Initiatives (continued)

Create a Pipeline for the Market

1. **Research:** The Pipeline initiative will require ongoing research to keep up-to-date with best practice retail initiatives and global trends. We need to understand the drivers of change, consumer demands and trend forecasting to deliver the best experience in retail and hospitality at the Market. We also need to make sure we do this in a timely manner and take advantage of opportunities as soon as they arise with this built knowledge supporting our decisions.
2. **Trader Pipeline Development:** The Market's Pipeline Plan will see the team proactively researching and sourcing potential businesses, sole traders or specialist offers that align to and can influence the Retail Mix gap analysis and Precinct Plan supported by the Pipeline research. This list will be continually updated with new and exciting offers and will be a perfect fit for the Market. Right Use – Right Trader – Right Location.
3. **Business Pipeline Development:** South Melbourne Market is a strong brand with millions of visitors a year. The Business Pipeline will explore opportunities for businesses and brands to partner with the Market for mutual benefits. This will see the team proactively sourcing partnerships with businesses aligned to the Markets values and strategic direction.

> The future curation of the Market needs to protect this charm and nurture the evolving retail mix

Trader Retail Support and Continuous Improvement:

1. **Collaboration and communication:** Market Management will commit to a strong two-way communication platform with our Market traders. This will include a Trader Portal where all key information will be available to our traders at their fingertips, clear and concise communication channels for timely information sharing, and a promise by Market Management to take ownership of issues and ensure action taken by relevant stakeholders as soon as possible to remedy situations. We will also continue to collaborate with our Market traders to expand on existing opportunities such as SMM Direct, and explore more business opportunities available to our collective businesses.
2. **Incubation Program:** We will have an Incubation Program as part of the SO:ME Space strategy to support emerging designers and artists. This will incorporate a trading progression plan through the Market from short term pop-up, to longer term temporary residencies, to fully licenced traders should certain criteria be met.
3. **Support:** Continue to develop the toolbox of information and contacts to support traders in developing their business. The Market will provide ongoing support via the Trader Portal and other methods to assist with business development, business planning, business growth, financial and business assistance and group buying opportunities.
4. **Collaboration:** Foster collaborative partnerships with retail and hospitality industry bodies. These relationships elevate the Market as a destination for small business opportunity, growth and economy.

"The Market is a much loved destination and we recognise that there are many people who visit the Market frequently



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Continuous Improvement

The Market team welcome feedback from the community and encourage you to get involved:

Contact:

Email: smm@portphillip.vic.gov.au

Phone: 03 9209 6295

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Measures of Success

Our Market traders and the community provided feedback to further inform the process

Listening to our community

Our Market traders and the community were invited to review the key strategic priorities and goals identified by the Market team and provided feedback to further inform the process. Feedback was also received from Port Phillip Councillors and the South Melbourne Market Committee. This consultation has ensured the Market team and Council have understood the traders and community's priorities and concerns for such an important and much-loved market.

The final version of this Strategic Plan considers all this valuable feedback.

Reporting and measuring

The Market team has a wide range of key performance indicators (KPIs) designed to track and measure adherence to the Strategic Priorities. The team will be working hard to achieve these over the next 5 years and will report on these in the Annual Report.

The following KPIs have been determined as the overall business measures that we will strive to achieve over the next five years and will be reported on a regular basis to the South Melbourne Market Committee and in the Annual Report.

KPIs

	Baseline*	2020-21	2021-22	2022-23	2023-24	2024-25
Visitor Numbers	5,164,368	3,900,000	4,300,000	4,730,000	5,203,000	5,723,300
Financial Operating Profit ($'000)	-$1,933	-$2,555**	$0	$181	$226	$192
% Occupancy	93%	93%	96%	98%	98%	98%
Trader Satisfaction	90%	Unmeasured	90%	90%	90%	90%
Community Satisfaction	93%	93%	93%	93%	93%	93%

*Baseline is 2019-20

** The 2020-21 figure is a forecast figure as at 23.3.21 and includes Council approved rent relief and COVID additional expenses. The original approved budget was -$904 before rent relief and COVID expenses.

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SOUTH MELBOURNE MARKET
SINCE 1867

southmelbournemarket.com.au



THE VILLAGE MARKET

Wed	8am – 4pm
Fri	8am – 5pm
Sat	8am – 4pm
Sun	8am – 4pm

Corner Cecil & Coventry Streets
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T. 9209 6295
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CITY OF PORT PHILLIP