



A Study on Marketing Risk of Street Vendors in Tiruchirappalli District (*Urban Informal Sector*)

Dr. V. JAISHANKAR

Assistant Professor, Department of Commerce, Govt Arts College, Tiruchirappalli-620022

Miss. SUJATHA

PG Assistant, Mount Girls Matric Hr Sec School, Ayyarmalai, Kulithalai Tk, Karur Dt

ABSTRACT

Shopping and marketing in the traditional Indian sense have always been informal. Display of wares and social interaction are the hallmark of Indian markets as compared to the mechanized and sterilized concept of shopping in the modern market centers and super market structures. From ancient times, hawking and vending have been an integral part of Indian trade and commerce. In this study we try to study the lives of these street vendors who are regularly offering their service from dawn to dusk in the Kashmir valley. Convenience sampling has been used to collect the data from 100 respondents. Our study revealed that most of the respondents enter into street vending from poor illiterate families and were working Eight to Ten hours daily. However it is interesting to note that we do not find any significant difference between the earnings of male and women and majority of them were satisfied with their occupation.

KEYWORDS : Vending, Market, Job Satisfaction, Informal Sector, Income, Price Structure.

Introduction

Street vendors are an integral component of urban economies around the world since ancient times. In all civilizations, one reads accounts of travelling merchants who not only sold their goods in footpaths but also going from door to door in the nearby villages. The academic literature on street vending commonly treats street vendors broadly as those who offers goods for sale to the public at large without having a permanent built up structure from which to sell. Street vendors may be stationary in the sense that they occupy space on the pavements or other public/private spaces or, they may be mobile in the sense that move from place to place by carrying their wares on push carts or in baskets on their heads. In this study, the term street vendor includes both stationary as well as mobile vendors. The present study an attempt have been made to study the socio economic characteristics of these vendors. To be more specific the present study aims at:

Role of Street Vendors in Tamilnadu

Street vendors play very important role in India by generating employment and income opportunities. They sell different kinds of goods like clothes and hosiery, leather, moulded plastic goods and different kinds of goods necessary for household, which are manufactured in small scale or home based industries where large numbers of workers are employed (Bhowmika, 2001). **The manufactures could have hardly marketed their products. Apart from non-agricultural product, street vendors also sell fruits and vegetables. Street vendors provide the market for home based manufacturing product as well as agricultural products. In this way, street vendors help generate employment in the home based and small scale industries and traditional sector.** Therefore we can say that several manufacturers are linked with street vendors to sell their product. Urban youth prefers to purchase clothes and accessories from them because products sold by them are cheaper than those found in formal retail outlets. Street vendors provide benefits to Lower income group people who spend a higher portion of their income on purchase from street vendors because their goods are cheap and affordable.

Problem of the study

Despite of a large number of research about the informality of street vending business. Street vendors is last step in distribution channel of marketing functions. street vendors affected marketing threats like high price products, lack of knowledge about market, lack of financial credit facilities, local rowdys threats etc. so that they are not effectively perform. The present study is an attempt to discuss the various marketing issues and risks faced by street vendors.

Review of literature

Lyons and Msoka (2010)¹ define street vending as all non-criminal

commercial activity dependent on access to public space, including market trade, trade from fixed locations and hawking (mobile vending). The term "street vendor" in English is typically used interchangeably with "street trader," "hawker," and "peddler". Statistics about street vendors are scarce at national and international level due to the nature of vending business e.g. mobile, part time, and informality.

Nasibu Rajabu Mramba (2015)² concerned with exploring the approaches of street vending business operation and conceptualizes the best mode of operation for successful income poverty reduction. It is carried out by reviewing previous studies relating to SVB and the micro informal business sector in general. The study proposes a model for street vending business operations and its interventions that can lead to an income poverty reduction. Street vending is ubiquitous, especially in developing countries. Despite its role in pro-poor economies, it has received little attention; much has been focused on its negative impacts like, use of public space, congestion, health and safety risks, tax evasion and the sale of shoddy merchandise. In Tanzania, street traders are usually concerned with confrontation with local authorities, and at the end they lose their products and money.

OBJECTIVE

- To study the socio-economic characteristics of street vendors in Tiruchirappalli District
- To analyse the price structure and level of earnings of street vendors in Tiruchirappalli District
- To study job satisfaction and working conditions of the street vendors in Tiruchirappalli District.
- To identify the role of street vendors in the developing in Tiruchirappalli District
- To know the ways to improve the conditions of street vendors in Tiruchirappalli District

METHODOLOGY

Given the limitations of available data in understanding of the various dimensions and issues of workers involved in vending, which is widely acknowledged, the present study is primarily based on field data. Convenient sampling was used to choose the sample of 100 street vendors from four main markets of Gandhi Market namely Big Bazaar Street, N.S.B. Road, Chinnakadai Street and Andar Street. Proper care has been taking to include different types of street vendors who are selling different variety of products like fruits, vegetables, fish, clothes, toys, footwear and electronic equipments etc. Data has been collected with the help of well structured interview schedule, which was pre-tested before actually administering it. Descriptive statistics was used to analyse and interpret results.

ANALYSIS AND INTERPRETATION

Table 1:
Gender Wise Age Distribution of Respondents

Age	Male	Female	Total	Percentage
Below 15	2	0	2	2
16-20	2	2	4	4
21-25	9	4	13	13
26-30	13	3	16	16
31-35	17	3	20	20
36-40	18	3	21	21
41-45	13	5	18	18
46 and above	6	0	6	6
Total	80	20	100	100

Source: Field survey

The analysis of the above table reveals that most of the vendors were adults. More than 2/3rd of the respondents were in the age group of 25- 45 years old and only 6 percent were above 45 years old. The table also shows that male vendors outnumber female vendors in the sampled area. In the whole sampled area we found that there were 75 female vendors selling different varieties of products and among them only 50 percent respondents were selected for the present study. Most of the local female respondents were selling fish and immigrants were selling foot wares, clothes and socks etc. During the survey we found there were more than 50 immigrants who have been settled here from last 20 to 30 years.

Educational Status

For the attainment of higher level of productivity it is important to study the extent to which the education and employment are matched. It also plays an important role in one's life in the sense that it helps in shaping the right kind of life style in the human beings. The educational standard of the selected respondents is depicted in Table 2.

Table 2:
Gender Wise Educational Distribution of Respondents

S. No	Education	Male (%)	Female (%)
1	Illiterate	10	55
2	Up to 6 th	24	23
3	Up to 10 th	20	11
4	Up to 12 th	25	8
5	Up to Graduation	18	3
6	Up to PG & above	3	0
Total		100	100

Source: Field survey

The above table shows that most of the respondents were from poor educational background. Regarding male vendors 4/5th of them have studied up to 12 standards and 18 percent have studied up to college level and only 3 percent were post graduate. More than half of the female respondents were illiterate and 42 percent have studied only up to 12th standard. One of the post graduate female respondent was found during our survey. There were various factors responsible for poor educational background. Low level of family income was one of the most important reasons for poor education for both the sexes. As it was found in most of cases, all the family members were engaged directly or indirectly in informal sector and their children were either illiterate or studying in government schools. Another reason for poor education was that either their parents were dead or they were the only earning members in their family. Some of them responded that there is no job security as there are thousands of educated unemployed and it is better to earn than join any school.

Nature of Employment and Working Conditions

Most street vendors sell items produced by home-based and small scale industries. The produce is designed to meet the needs, tastes and affordability of the local consumer and in places convenient to access. It would be hard to find an urban household who doesn't purchase something from a vendor. The middle and lower class consumer specifically prefers to purchase from them, though even well-off

citizens purchase many commodities given reasonable prices. From the pin to household utensils and garden tools, everything is being sold on the streets now. That day is not far when mobile phones and computer equipment will be available on the streets.

For most street vendors, trading from the pavements is full of uncertainties. They are constantly harassed by the authorities. The local bodies conduct eviction drives to clear the pavements of these encroachers and sometimes confiscate their goods. A municipal raid is like a cat and mouse game with municipal workers chasing street vendors away while these people try to run away and hide from these marauders. Besides these sudden raids, street vendors normally have to regularly bribe the authorities in order to carry out their business on the streets. All these mean that a substantive income from street vending is spent on greasing the palms of unscrupulous authorities or to private money lenders. In fact in most cases street vendors have to survive in a hostile environment though they are service providers. It was found that most of vendors start their business early in the morning and were working for about 8-10 hours daily. Most of them were residing for about 5 Kms from the marketing place.

Reason for Choosing Vending

There are various driving forces behind street vending as with the informal economy as a whole. One school of thought argues that many of the working poor who enter street vending do so because they can no find jobs in the formal economy. Thus vending serves as a refuge occupation, where low barriers to entry make it possible to earn a sustainable income. Another school of thought argues that people choose this occupation because it offers a more flexible or otherwise attractive employment option than other blue collar workers. In order to know why workers choose this occupation, sampled respondents were asked to mention the reason for choosing the vending as their profession. They gave different reasons which are presented in table 3.

Table 3:
Gender Wise Distribution of Vendors across Reason to Choose Vending

Reason	Male (%)	Female (%)	Total (%)
Lack of employment	8	0	8
Absence of earning member in the family	15	7	22
Death of parents	9	4	13
Needs less skill	13	3	16
Needs less investment	17	3	20
Other reasons	18	3	21
Total	80	20	100

Source: Field survey

The above table reveals that 1/3rd of the respondents prefer vending because of lack of employment opportunities. More than 1/6th of them choose this profession as there was no earning member in their family. Similarly 20 percent prefer it because it requires less investment and 16 percent prefer vending because it requires less skill as we find above that most of the respondents were illiterate so choosing vending is the better option for them.

Income pattern

Out of the total 100 vendors surveyed, more than 1/3rd were vending on the streets with their own investment and about 20 percent were those who were working as sales men/women and most of them were immigrants. The earning of vendors depends upon the type of products they sell. The highest profit was earning those vendors who were selling footwear followed by clothes and fish. While the lowest profit were earning those who were selling toys followed by vegetables. Those who were selling footwear were earning on an average Rs 500 to Rs 700 per day while those who were selling toys were earning Rs 200 to Rs 300 per day. It was also revealed that during peak and festival season most of them earn from Rs 1000 to Rs 1300 per day.

About half of vendors who were working as sales men were receiving fixed wages of Rs 2500 to Rs 3000 per month and the rest of them were receiving their wages from 20 to 25 percent of the total revenue per day. There was no significant difference between the earnings of male and female vendors. We found that female members who were selling cloths in were earning on an average Rs 500 to Rs 600 per day. Despite variations in the earnings from one occupation to another we found majority of them were satisfied in their present earnings and were not willing to change their occupation in any situation. Thus we can conclude that vending is a profitable business and contributes to the economy in a huge way besides being a form of self-employment which brings down the numbers of unemployed in the country.

Price structure

It was found in our study that because of informal nature of the market, only the price of few commodities was fixed. Price was mostly determined by bargaining power of buyers and sellers. Most of the vendors reported that very often they have to reduce the price of their products due to various reasons including the bargaining skills of customers, to attract the customers from other vendor or in order to retain the regular customers. It was also reported by most of the vendors of perishable and eatables that if the product remains unsold they prefer to sell it at a lower price to customers than taking back home as they have to bear the storage costs which results in loss in their net profit.

Suggestions

Sustained and continuous efforts are needed to improve the education, health and employment conditions of the street vendors. The government can create a separate ministry or a special cell under the Ministry of Labour to look after the welfare of the workers in the un-organized sector under which the street vending falls.

Street vendors can be trained in food preservation methods. And they can be provided with a common chilling warehousing to preserve their unsold articles.

The government can assist them financially for their business activities at free rate of interest. And government can extend the subsidy to the street vendors, especially for vending perishable items.

A market place can be allotted specially for street vending where the street vendors may be charged a very nominal rent.

A vigilance team can be constituted under the headship of the City Police Commissioner to prevent the harassments on street vendors.

Free education can be given to the children of street vendors and a quota system can be implemented to the children of the street vendors in higher education.

Pension scheme can be implemented and to protect the aged vendors and the premium can be paid by the Government.

Conclusion

While norms have been eased for FDI in multi-brand retail, no effort is taken to ease the livelihood of the poor street vendor. The streets of every city in the country are not only home to of thousands of working poor and destitute men and women; they are also vibrant hubs of livelihood for impoverished people; and reliable sites for cheap and affordable retail. On city pavements, women and men energetically hawk variety of goods, including fruit and vegetables, clothing, toys, books, household utilities and newspapers. Our study revealed that most of the street vendors were in the age group of 25 to 45 years old. They came from poor and illiterate families and prefer this occupation because of diverse reasons. Most of them were working Eight to ten hours daily without any holiday. However despite variety of occupations and long working hours, they were satisfied for vending as they were earning enough to meet their family needs. Thus we can conclude that vending is a profitable business and contributes to the economy in a huge way besides being a form of self-employment which brings down the numbers of unemployed in the country.

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