EMERGING TRENDS IN STREET VENDING BUSINESSES AND ITS RELATION STREET VENDING: A BUSINESS ACCEPTANCE AND VIABILITY STUDY OF STREET VENDING BUSINESS IN UTTAR PRADESH

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Abstract

India is a growing economy**.** Most of the development in MSME sector is contributed by Micro industries. These are industries with an investment upto 25 lakhs (Turnover upto 5 crore, new definition since feb 2018. The street vending model and types of business activities done in street vending are accepted by small capital businessmen. Street vendors are no more pity business persons trying to earn their livelihood. In the era of increasing convenience for customers, the facilitating quality of street vending is helping them to grow. Street vending businesses are no more one man business, now a days we see lots of people employed on street vending carts too. The present research is based on finding a valid and reliable tool (questionnaire) which can measure various factors effecting street vending. As there is no formal measurement of success of street vending, the tool will consists item relating to acceptance and viability of street vending business. The research is conducted under the guidance of Prof. S. D. Sharma, Principal JNPG College. The output has been evaluated with SPSS 22 and measurement model have been built on AMOS 20.

Keywords - Business acceptance and viability, Informal Economy, PEST, Street vending

Introduction

The research is based on a survey among 900 people. The survey was done in three steps. First sample was of 100 individuals for establishing current factors or trends in street vending based on PEST model of business analysis and demographic study of sample cities. Next survey was of sample size 300. This helped to finalize a reliable tool for research purpose. In third step, the final tool is administered among 500 people of selected cities. For the purpose

of research, the researcher has selected the following cities of Uttar Pradesh: Lucknow, Barabanki, Gonda, Basti and Gorakhpur. Uttar Pradesh is sub divided in 18 'divisions' (mandals) by government for administrative purposes. The research covers population from five divisions. Lucknow city represents Lucknow division, Barabanki represents Faizabad division, Gonda represents Devipatan division, Basti city represents Basti division and Gorakhpur city represent Gorakhpur division. Thus, the whole research is covering major parts Uttar Pradesh.

Development of Research Tool

First 100 sample were given a tool (questionnaire) with 48 items (on a five point scale) to find the credibility of tool and number of factors it evaluate. The responses were coded in SPSS. Extraction method principal component analysis is used with varimax rotation setting. Total variance explained table shows that 10 factors are having Extraction sum square loadings above 1.00. It explains that all 48 questions extract 10 factors.

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.315	23.573	23.573	11.315	23.573	23.573	6.789	14.144	14.144
2	6.408	13.350	36.923	6.408	13.350	36.923	4.711	9.815	23.959
3	5.173	10.776	47.699	5.173	10.776	47.699	4.703	9.797	33.757
4	4.196	8.742	56.442	4.196	8.742	56.442	4.462	9.295	43.052
5	3.651	7.606	64.048	3.651	7.606	64.048	4.406	9.179	52.230
6	2.810	5.854	69.901	2.810	5.854	69.901	4.194	8.737	60.967
7	2.365	4.928	74.829	2.365	4.928	74.829	4.139	8.622	69.589
8	1.896	3.951	78.780	1.896	3.951	78.780	2.924	6.091	75.680
9	1.733	3.610	82.390	1.733	3.610	82.390	2.629	5.478	81.158
10	1.404	2.924	85.314	1.404	2.924	85.314	1.995	4.156	85.314
11	.964	2.008	87.322						
12	.848	1.767	89.089						
13	.680	1.416	90.505						
14	.633	1.319	91.824						

15	.599	1.247	93.072					
16	.507	1.055	94.127					
17	.436	.908	95.035					
18	.385	.802	95.838					
19	.374	.778	96.616					
20	.265	.553	97.169					
21	.223	.464	97.633					
22	.166	.346	97.979					
23	.145	.303	98.282					
24	.125	.260	98.542					
25	.105	.218	98.760					
26	.085	.177	98.937					
27	.084	.175	99.112					
28	.076	.159	99.270					
29	.063	.132	99.402					
30	.047	.098	99.500					
31	.044	.093	99.593					
32	.038	.080	99.673					
33	.030	.063	99.736					
34	.027	.056	99.792					
35	.019	.041	99.833					
36	.017	.036	99.869					
37	.013	.028	99.897					
38	.011	.024	99.921					
39	.010	.021	99.942					
40	.008	.017	99.958					
41	.006	.013	99.971					
42	.005	.010	99.981					
43	.003	.006	99.987					
44	.003	.006	99.993					
45	.002	.005	99.997					
46	.001	.003	100.000					
47	1.064E-15	2.218E-15	100.000					
48	-8.307E-18	-1.731E-17	100.000					

Extraction Method: Principal Component Analysis.

Again the same data is extracted with promax rotation with default setting. Small coefficients with absolute value below 0.40 have been suppressed. The pattern matrix observation shows three questions have loadings less than 0.50. These questions have been removed from tools as they may or may not load further on any extracted factor. Final tool with 45 questions is preceded for further research.

Maximum Likelihood extraction

The tool with 45 questions further administered among a sample of 300 individuals. The Extraction method used was maximum likelihood, promax rotation with default setting.

Numbers of factors fixed to 10 (As found from Principal Component Analysis). Small coefficients with absolute value below 0.40 have been suppressed.

KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.748
Bartlett's Test of Sphericity	Approx. Chi-Square	12291.751
	df	990
	Sig.	.000

Kaiser-Meyer-Olkin (KMO) Test is a measure of how suited data is for factor analysis. Different scholars of statistics have different views for accepting KMO value. In practice value between 0.80 to 1.00 is excellent. A value between 0.70 to 0.80 is middling. Value of research data is 0.748 (approximately 0.75) which can be considered acceptable for sampling adequacy.

The sig. value for Bartlett's Test of Sphericity is 0.000. For factor analysis to be recommended suitable, the Bartlett's Test of Sphericity must be less than 0.05. So, the current data is adequate for factor analysis.

| Factor Correlation Matrix										
Factor	1	2	3	4	5	6	7	8	9	10
1	1.000									
2	.192	1.000								
3	-.054	.118	1.000							
4	.200	.204	-.023	1.000						
5	.316	.221	.359	.081	1.000					
6	-.145	.104	-.087	-.098	-.240	1.000				
7	-.113	-.125	.120	.082	.063	.174	1.000			
8	-.172	-.004	.002	-.198	-.069	.286	.207	1.000		
9	.038	.152	.171	-.055	.061	-.060	-.165	-.003	1.000	
10	.023	.108	.189	-.114	.164	-.038	-.080	-.004	.029	1.000
Extraction Method: Maximum Likelihood.										
Rotation Method: Promax with Kaiser Normalization.										

Factor correlation matrix shows that no two factors have considerable correlation. Correlation value above 0.400 is believed considerable and the value closer to 1.000 is considered higher correlation. Therefore, we can say from factor correlation matrix that all the factors are distinct and items belonging to them are predicting unique factor. The tool shows Cronbach's Alpha 0.756 that is predicting that our tool is reliable and repeats the research results.

Measurement Model Fit

Corrected model fit achieves CMIN/DF 3.867 and RMSEA value .098. Both values are acceptable. GFI and CFI value moderately improve even after modifications. So the

measurement model can be accepted. Measurement model identifies that the tool is exploring 10 factors which are as following:

Dependent Factor (Variable)	Independent Factors (Variables)
1- Business acceptance and viability	2- Government policies
	3- Need and comfort
	4- Satisfaction and trust
	5- Perception (Public opinion)
	6- Cost of goods
	7- Quality of goods
	8- Marketing Collateral Stimuli
	9- Use of new technology (Innovation)
	10- Customer Relationship Management
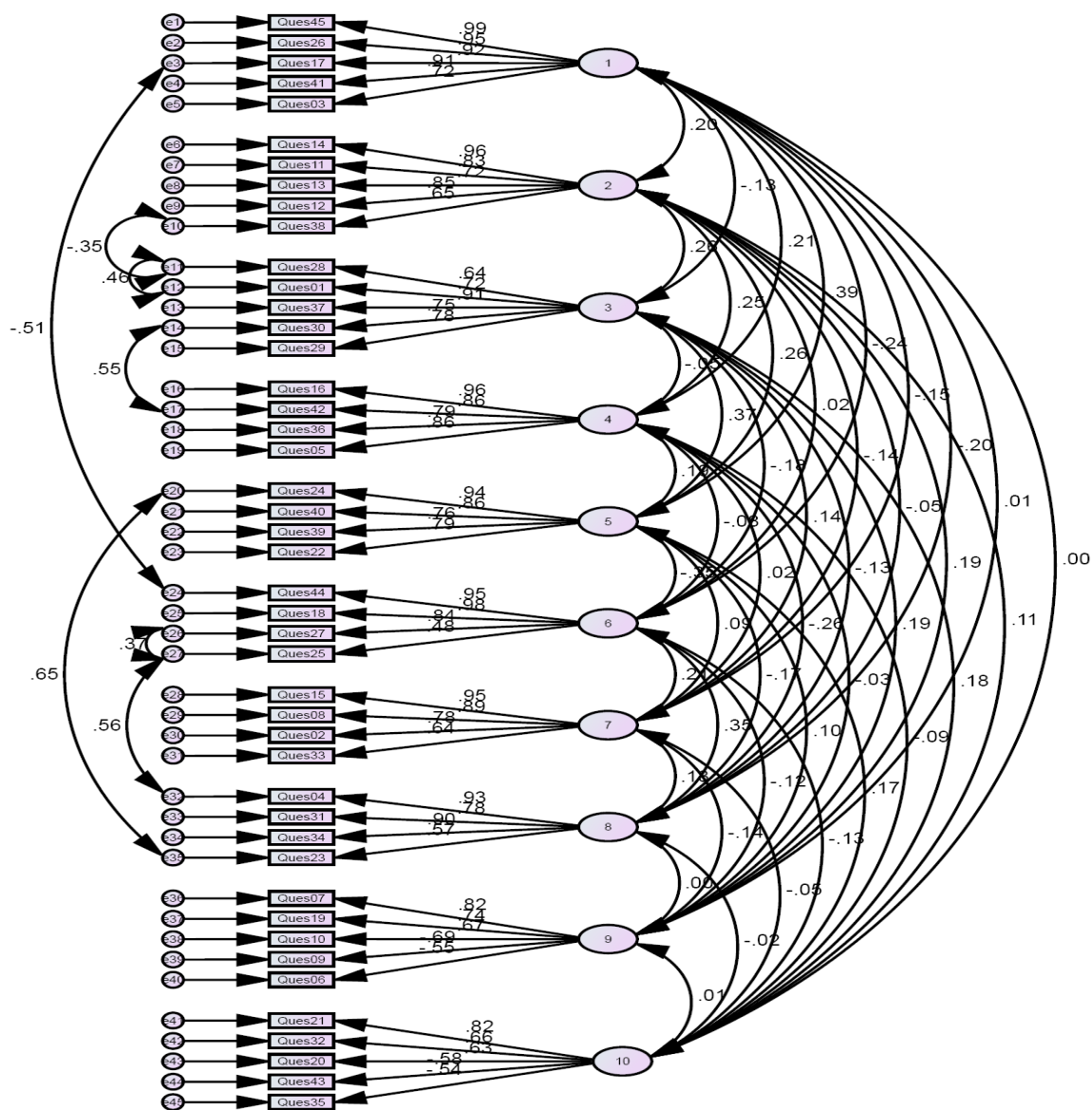
Improved Measurement Model

Testing of Independence of explored factors

These nine factors are considered as independent factors. One factor business acceptance and viability is considered as representative of street vending success. It has to be observed that whether these nine factors are independent or not from business acceptance and viability. For the purpose the final tool was administered among 500 people. The score of 45 items have been tabulated in SPSS. The average of every concerned item, of each factor, resulted in the score for each factors. Thus researcher got total ten columns of ten factors. Crosstabs function is SPSS in used for test of independence. Along with same correlation is being observed among nine factors and business acceptance and viability.

The crosstab and correlation results show that the business acceptance and viability is not independent from eight factors. Results for sig value of Pearson chai square shows that quality is not independent, but sig value for Likelihood Ratio finds some independence of quality factor with business acceptance and viability. Correlation is significant among both the factors. So it can be said that the factor defined as Quality of goods is independent from factor business acceptance and viability but it has significant correlation in present data set and can be used as predictor for business acceptance and viability.

		Cross Tab results and Correlation			
Sr. No.	Independent variables	Pearson Chi-Square Asymp. Sig. (2-sided)	Likelihood Ratio Asymp. Sig. (2-sided)	Spearman's rho Correlations	Pearson Correlation
1	Government policies (X1)	0.000	0.000	Correlation is significant at the 0.01 level (2-tailed).	Correlation is significant at the 0.01 level (2-tailed).
2	Need and comfort (X2)	0.000	0.000	Correlation is significant at the 0.01 level (2-tailed).	Correlation is significant at the 0.01 level (2-tailed).
3	Satisfaction and trust (X3)	0.000	0.000	Correlation is significant at the 0.05 level (2-tailed)	Correlation is significant at the 0.05 level (2-tailed)
4	Perception (Public opinion) (X4)	0.000	0.000	Correlation is significant at	Correlation is significant

#	Variable				
				the 0.01 level (2-tailed).	at the 0.01 level (2-tailed).
5	Cost of goods (X5)	0.000	0.000	Correlation is significant at the 0.01 level (2-tailed).	Correlation is significant at the 0.01 level (2-tailed).
6	Quality of goods (X6)	0.01	0.231	Correlation is significant at the 0.05 level (2-tailed)	Correlation is significant at the 0.05 level (1-tailed).
7	Marketing Collateral Stimuli (X7)	0.000	0.000	Correlation is significant at the 0.01 level (2-tailed).	Correlation is significant at the 0.01 level (2-tailed).
8	Use of new technology (Innovation) (X8)	0.000	0.000	Correlation is significant at the 0.05 level (2-tailed)	Correlation is not significant
9	Customer Relationship Management (X9)	0.000	0.000	Correlation is significant at the 0.01 level (2-tailed).	Correlation is significant at the 0.01 level (2-tailed).
Dependent variable: Business acceptance and viability					

Conclusion

Micro enterprises are growing day by day. No of small businesses are increasing. A trend is started among educated professionals. They prefer to start their setup rather working in any organization. Even government has started a small loan scheme that is named as 'Mudra' scheme. With small loans, the startups can be opened. They can use the research to start any street vending based business. Someone who has already started working on these concepts can use the research findings for increasing profitability of their business.

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