

Consumer Behaviour and Street Vending in Northeast India's Urban Informal Economy

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ABSTRACT

Street vending plays a crucial role in India's informal economy, offering essential goods and services while sustaining the livelihoods of millions. This paper examines the multifaceted aspects of consumer behaviour towards street vendors in India, including key influencing factors, socio-economic impacts, and emerging trends. Special attention is given to studies conducted in Northeast India, highlighting regional variations and unique challenges faced by vendors and consumers in this area. By integrating insights from a broad range of literature and empirical research, this study provides a thorough understanding of the complex relationship between consumers and street vendors in urban India.

Keywords: *Informal economy, consumer behaviour, street vendors, socio-economic impact, urban dynamics*

INTRODUCTION

Street vendors are a ubiquitous presence in India's urban landscape, offering a diverse array of goods and services at affordable prices. This sector is a vital component of the informal economy, supporting the livelihoods of millions and catering to the daily needs of urban residents. According to Bhowmik (2005), street vendors contribute significantly to the urban economy by providing employment opportunities and ensuring the distribution of goods and services to a broad spectrum of society, particularly the lower and middle-income groups. Their role in urban economies is indispensable, not only as providers of affordable goods but also as significant players in the economic fabric of cities. The presence of street vendors in public spaces such as markets, sidewalks, and transit hubs facilitates accessibility and convenience for consumers. Anjaria (2006) notes that these vendors offer a range of products, from fresh produce and street food to clothing and household items, often at prices lower than formal retail outlets. This affordability and the strategic locations of street vendors make them an essential part of daily life for many urban dwellers, who rely on them for quick and cost-effective shopping. Understanding consumer behaviour towards street vendors is critical for several reasons. First, it aids in the formulation of policies that can better support the informal economy and protect the rights and livelihoods of street vendors. Effective policy-making requires a deep understanding of consumer needs and preferences, which in turn helps in designing interventions that enhance the operational environment for street vendors. Second, insights into consumer preferences and behaviour can inform urban planning efforts to accommodate street vendors more effectively, ensuring they can operate in a manner that benefits both them and the consumers they serve. Third, analysing the socio-economic role of street vendors highlights their contribution to urban economic development

and social equity, providing a basis for advocating for their inclusion in urban development plans.

Several studies have highlighted the importance of street vending in urban economies. For instance, Cross (2000) discusses the resilience and adaptability of street vendors in response to economic and regulatory changes. He emphasizes how street vendors adjust their business practices to survive and thrive despite often adverse conditions. Similarly, Bromley (2000) underscores the need for supportive policies that recognize the economic contributions of street vendors and address the challenges they face, such as harassment and eviction. Bromley's work advocates for a balanced approach that safeguards the interests of street vendors while ensuring public order and safety. In addition to these general observations, specific studies conducted in Northeast India provide further insights into the unique dynamics of street vending in this region. Deka (2013) examines the socio-economic conditions of street vendors in Guwahati, revealing the critical role they play in the local economy and the challenges they face, such as lack of legal recognition and infrastructure support. These challenges often hinder their ability to operate efficiently and sustainably. Similarly, Baruah (2015) explores consumer preferences in Imphal, highlighting the cultural factors and economic conditions that influence buying behaviour towards street vendors. His study indicates that local customs and economic conditions significantly shape consumer choices, pointing to the importance of regional context in understanding consumer behaviour.

This paper examines the factors influencing consumer choices when purchasing from street vendors, the socio-economic impact of street vending, and the implications of regulatory changes on this dynamic. By integrating insights from a broad range of literature and empirical research, including studies specific to Northeast India, this study aims to provide a comprehensive understanding of the complex relationship between consumers and street vendors in the Indian urban context. Through this examination, the paper seeks to contribute to the broader discourse on urban informal economies and inform policy and planning efforts to support and enhance the street vending sector.

LITERATURE REVIEW

Historical Context and Evolution:

Bhowmik (2012) provides an extensive overview of street vending in the global urban economy, highlighting its historical significance and evolution. His work traces the roots of street vending, demonstrating how this form of entrepreneurship has been a staple in urban economies worldwide. Street vending has adapted through various socio-economic changes, becoming a resilient and essential component of urban markets. Cross and Morales (2007) delve into the socio-political aspects of street entrepreneurship, emphasizing the resilience and adaptability of street vendors. They explore how street vendors navigate the complex urban environment, often facing regulatory and social challenges. Their ability to adapt to changing economic and political landscapes is a testament to their enduring presence in urban settings. In Northeast India, street vending has a rich historical context intertwined with the region's cultural and economic fabric. Studies by Das (2015) and Sarma (2018) highlight the

unique evolution of street vending in cities like Guwahati and Imphal, where vendors have historically catered to local needs while adapting to external influences. The presence of street vendors in Northeast India reflects not only economic necessity but also cultural traditions and community dynamics.

Economic Impact and Livelihoods:

Roy (2003) explores the socio-economic contributions of street vendors, focusing on poverty alleviation and employment generation. His research underscores the critical role street vending plays in providing livelihoods for millions, particularly in low-income urban areas. Street vendors not only support their own families but also contribute to the broader urban economy by offering affordable goods and services. Bromley (2000) reviews the global policy environment for street vending, underlining its importance in urban economies. He argues that supportive policies are essential for maximizing the economic benefits of street vending. Bromley's work highlights the need for a balanced approach that recognizes the contributions of street vendors while addressing the challenges they face, such as legal recognition and infrastructure support. Studies specific to Northeast India by Baruah (2017) and Sharma (2019) shed light on the economic impact of street vending in the region. These studies reveal the significant role street vendors play in providing employment opportunities and meeting the daily needs of urban residents in cities like Guwahati and Shillong. Despite facing challenges such as limited infrastructure and seasonal fluctuations, street vendors in Northeast India contribute substantially to the local economy and livelihoods of communities.

Consumer Behaviour and Preferences:

Anjaria (2006) investigates consumer interactions with street vendors in Mumbai, noting the importance of trust, affordability, and convenience. His study reveals that consumers are drawn to street vendors due to their accessibility and the personalized shopping experience they offer. Trust plays a significant role, as consumers often return to vendors they perceive as reliable and honest. Recent studies, including those conducted post-2010, focus on changing consumer preferences due to urbanization and digitalization. These studies highlight a shift towards quality and hygiene, reflecting broader trends in consumer behaviour. Urban consumers are increasingly demanding higher standards of quality and cleanliness from street vendors, influenced by rising living standards and health awareness.

Regulatory and Policy Framework:

The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, aims to safeguard the rights of street vendors. Various studies examine its implementation and impact on vendor-consumer interactions. This legislation represents a significant step towards formalizing the street vending sector, providing vendors with legal protections and access to designated vending zones. Studies by scholars like Sharma (2016) and Kapoor (2018) evaluate the effectiveness of this Act, noting improvements in vendor security and public space management, but also pointing out ongoing challenges in enforcement and public awareness. In Northeast India, studies by Das (2017) and Singh

(2019) analyse the implementation of the Street Vendors Act in cities like Guwahati and Agartala, highlighting the unique challenges and opportunities faced by street vendors in the region. These studies underscore the importance of context-specific policy interventions that consider the socio-economic realities of Northeast India's urban centres.

To sum up, the literature on street vending in India covers a broad range of topics, from historical evolution and economic impacts to consumer behaviour and regulatory frameworks. Studies specific to Northeast India enrich our understanding of street vending dynamics in the region, emphasizing the need for tailored policies and interventions to support and enhance the sector's contributions to urban life.

OBJECTIVES

The primary objectives of the present research are i) to identify key factors influencing consumer behaviour towards street vendors in India, with a focus on Northeast India; ii) to assess socio-economic Impact of street vending on urban economies in Northeast India; iii) to evaluate effectiveness of regulatory frameworks in shaping consumer and vendor dynamics in Northeast India; and iv) to explore future trends in street vending, particularly in the context of digitalization and changing consumer preferences in Northeast India.

RESEARCH METHODOLOGY

The methodology involves an exhaustive review of academic articles, policy papers, and empirical studies related to street vending and consumer behaviour, with a special emphasis on research conducted in Northeast India. Through a systematic synthesis of existing literature, the objective is to establish a comprehensive understanding of the subject matter, particularly within the context of Northeast India, and identify gaps for further exploration. It also involves a comprehensive examination of the implementation and impact of the Street Vendors Act, 2014, specifically in Northeast Indian cities. Through the analysis of secondary data and expert interviews from the region, the objective is to assess the effectiveness of existing policy frameworks in governing street vending practices and their implications for consumer-vendor dynamics in Northeast India.

ANALYSIS

Economic Factors:

Affordability - In Northeast India, affordability is a primary driver of consumer purchases from street vendors. Street vendors often offer goods at lower prices compared to formal retail outlets, making them attractive to a wide range of consumers, particularly those from lower and middle-income groups. This affordability is crucial in Northeast India, where economic disparities can be more pronounced. The ability to negotiate prices allows consumers to feel they are getting value for their money, further enhancing the appeal of street vendors in this region. **Unique Products** - Street vendors in Northeast India often carry

unique, locally sourced, or handmade products that are not readily available in formal retail settings. These products can include traditional crafts, regional foods, and other culturally significant items. This uniqueness attracts consumers looking for distinctive items, contributing to the vendors' economic viability. The diversity of products also means that street vendors can cater to a broad spectrum of consumer tastes and preferences specific to the cultural context of Northeast India. Income Generation - For many vendors in Northeast India, street vending is a critical source of livelihood. It provides an avenue for entrepreneurship and self-employment, especially in urban areas where formal job opportunities may be limited. This economic dynamic is particularly relevant in regions with high levels of informal employment, such as Northeast India, where many rely on street vending as their primary income source.

Convenience and Accessibility:

Strategic Locations - In cities like Guwahati, Imphal, and Shillong, street vendors typically position themselves in high-traffic areas such as near public transportation hubs, markets, schools, and busy streets. This strategic placement ensures maximum visibility and accessibility, making it convenient for consumers to make quick purchases during their daily commutes or errands. Extended Operating Hours - Unlike formal retail stores with fixed operating hours, street vendors in Northeast India often operate for extended periods, sometimes late into the night. This flexibility accommodates the schedules of diverse consumer groups, including those who may work late shifts or have irregular work hours, particularly in urban settings where life can be more dynamic. Ease of Access - The informal setup of street vending in Northeast India means that consumers can access goods without the need to navigate large stores or stand in long queues, making the shopping experience quicker and more efficient. This ease of access is especially important in densely populated urban areas.

Trust and Social Relationships:

Personal Interactions - Regular, face-to-face interactions between vendors and consumers in Northeast India help build trust and foster strong social relationships. These personal connections often lead to better customer service and personalized attention, which can enhance customer satisfaction and loyalty. In a culturally rich and community-oriented region like Northeast India, these relationships are vital. Loyalty and Repeat Business - Trust built over time encourages repeat business. Regular customers are more likely to return to vendors they trust, leading to stable, ongoing sales for the vendors. This loyalty is often reinforced by the perception of fair pricing, quality of goods, and reliability of the vendor, which are crucial in maintaining the social fabric of Northeast Indian communities. Community Ties - Street vendors often become integral parts of their communities in Northeast India, participating in social networks and local economies. Their presence and engagement in community activities can further solidify their relationships with consumers, reflecting the communal and interconnected nature of Northeast Indian societies.

Impact of Digitalization:

Digital Payment Systems - The increasing adoption of digital payment systems among street vendors in Northeast India is transforming the transactional landscape. Digital payments provide a convenient, cashless option for consumers, reducing the need for carrying cash and making transactions faster and more secure. This shift is particularly beneficial in regions where banking infrastructure may be limited. Broadening Customer Reach - Digital platforms and mobile payment systems allow street vendors in Northeast India to reach a broader customer base, including tech-savvy consumers who prefer digital transactions. This technological integration can also enhance the vendors' ability to track sales and manage finances more effectively, helping them scale their operations. Improved Transactional Efficiency - Digital payments reduce the time required for each transaction, which can be particularly beneficial during peak hours when customer volumes are high. This efficiency can lead to increased sales and better customer experiences, crucial for maintaining competitiveness in bustling urban markets. Adoption of E-commerce - Some street vendors in Northeast India are beginning to leverage e-commerce platforms to expand their reach beyond physical locations. This trend allows them to sell their products online, catering to a wider audience and adapting to changing consumer behaviours driven by digitalization. This integration of e-commerce reflects a significant shift in how street vendors operate, providing new opportunities for growth and sustainability.

Thus, the analysis reveals that economic factors such as affordability and unique products, coupled with the convenience and accessibility provided by strategic locations and extended hours, play crucial roles in influencing consumer behaviour towards street vendors in Northeast India. Trust and social relationships further strengthen consumer loyalty, while digitalization enhances transactional efficiency and expands the vendors' customer base. Understanding these dynamics is essential for developing policies and interventions that support the sustainability and growth of street vending in urban economies, particularly in the unique context of Northeast India.

DISCUSSION

Socio-Economic Contributions:

Employment and Income Generation - Street vending is a vital source of employment, particularly for low-income and marginalized groups in urban areas. According to Roy (2003), street vendors play a crucial role in poverty alleviation by providing livelihoods for millions, particularly in low-income urban areas. This sector offers a means of subsistence for those who might otherwise be unemployed or underemployed, contributing to the overall economic stability of urban environments. In Northeast India, where formal employment opportunities may be more limited, street vending is especially critical. Das (2015) and Sarma (2018) note that in cities like Guwahati and Imphal, street vending not only supports local economies but also provides vital income for households, helping to reduce poverty levels in the region. Promoting Social Equity - Street vending also promotes social equity by making goods and services accessible to economically disadvantaged groups. Bhowmik (2012) highlights how street vendors provide affordable goods and services, catering to the

daily needs of urban residents from various socio-economic backgrounds. By ensuring the distribution of essential items at lower prices, street vendors help bridge the gap between different economic strata, fostering a more inclusive urban economy. In Northeast India, this role is particularly pronounced as vendors often sell culturally significant products that are integral to local communities, thereby maintaining social and cultural ties alongside economic benefits (Baruah, 2015).

Challenges Faced by Street Vendors:

Harassment and Legal Recognition - Despite their significant contributions, street vendors often face harassment from local authorities and a lack of legal recognition. Bromley (2000) points out that street vendors frequently encounter issues such as harassment and eviction, which hinder their ability to operate efficiently. These challenges are compounded by the absence of formal legal status, which leaves vendors vulnerable to exploitation and limits their access to resources and support. In Northeast India, the situation can be exacerbated by ethnic and regional tensions, as noted by Das (2017), making it even more critical for policies to address these specific challenges. **Competition from Formal Retailers** - Street vendors also face intense competition from formal retail outlets, which often have greater resources and market access. Cross (2000) emphasizes the resilience and adaptability of street vendors in response to economic and regulatory changes, yet the competitive pressure from established retailers remains a significant hurdle. Effective implementation of supportive policies is crucial to address these challenges and ensure the sustainability of street vending as a viable economic activity. In Northeast India, vendors often rely on local products and traditional goods to differentiate themselves from formal retailers, but they still need supportive policies to compete effectively (Sharma, 2019).

Consumer Expectations and Preferences:

Shifting Preferences - Urbanization and changing lifestyles are influencing consumer preferences, particularly regarding quality and hygiene. Anjaria (2006) notes that consumers in cities like Mumbai are increasingly prioritizing trust, affordability, and convenience when interacting with street vendors. However, as living standards rise and health awareness grows, there is a noticeable shift towards higher standards of quality and cleanliness. In Northeast India, similar trends are observed, with consumers demanding better quality and hygiene standards from street vendors. Baruah (2017) highlights how vendors in Imphal are adapting to these changes by improving their offerings and maintaining higher hygiene standards to attract more customers. **Adapting to Change** - To remain competitive, street vendors need to adapt to these evolving consumer expectations. Recent studies indicate that street vendors who can enhance their offerings in terms of quality and hygiene are more likely to attract and retain customers. This adaptation is essential for vendors to continue meeting the needs of a dynamic urban population. In the context of Northeast India, vendors are increasingly adopting new practices to meet these expectations, thereby ensuring their sustainability and competitiveness in the urban market (Sarma, 2018).

Regulatory Impact:

The Street Vendors Act, 2014 - The implementation of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, has had mixed outcomes. While the Act provides a legal framework aimed at protecting street vendors' rights and regulating their activities, its inconsistent implementation and enforcement pose significant challenges. Sharma (2016) and Kapoor (2018) highlight that while the Act has led to some improvements in vendor security and public space management, persistent issues in enforcement and public awareness undermine its effectiveness. Regional Variations - In Northeast India, the impact of the Street Vendors Act varies. Das (2017) and Singh (2019) examine the Act's implementation in cities like Guwahati and Agartala, noting both successes and ongoing challenges. These studies underscore the importance of context-specific policy interventions that consider the unique socio-economic realities of Northeast India's urban centres. Tailored approaches are necessary to address the distinct needs and challenges faced by street vendors in this region. Policies must take into account the diverse cultural and economic landscape of the Northeast to be truly effective.

Hence, while street vending significantly contributes to urban economies by providing employment and supporting social equity, vendors face numerous challenges, including harassment, lack of legal recognition, and competition from formal retailers. Adapting to changing consumer preferences is essential for their continued success. The Street Vendors Act, 2014, represents a step towards formalizing and protecting the sector, but its inconsistent implementation highlights the need for more effective and context-specific policy measures, particularly in diverse regions like Northeast India.

CONCLUSION

In conclusion, street vending in Northeast India plays a crucial role in the local economy by providing affordable and unique products, generating income, and promoting social equity. Street vendors' strategic locations, extended operating hours, and ease of access make them attractive to consumers. Strong personal interactions foster trust and loyalty, while digital payment systems and e-commerce expand their reach and efficiency. However, vendors face challenges such as harassment, lack of legal recognition, and competition from formal retailers. The Street Vendors Act, 2014, aims to protect and regulate the sector, but inconsistent implementation and regional variations necessitate more tailored policy interventions. Understanding these dynamics is essential for supporting the sustainability and growth of street vending in urban economies, particularly in the diverse socio-economic context of Northeast India.

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