

**LEARNING FROM THE STREETS: BUSINESS STRATEGIES OF INDIAN
ENTREPRENEURS**

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ABSTRACT

India's bustling streets host a vibrant array of small businesses, offering goods and services ranging from food to clothing and transportation. Firstly, these entrepreneurs showcase an exceptional ability to adapt swiftly to shifting circumstances, adeptly altering their prices, products, and services to to the ever-changing demands of their customers. Secondly, Indian street vendors excel in the realm of customer service, possessing a knack for engaging with patrons and forging strong, personalized relationships. Thirdly, these vendors exhibit a mastery of innovation, continually experimenting with new offerings and embracing emerging technologies. Fourthly, Indian street vendors exemplify a spirit of entrepreneurship. Finally, they demonstrate a keen sense of frugality, efficiently operating with minimal overheads and ingeniously devising solutions to challenges, ensuring profitable operations even in adverse economic conditions.

Keywords: Indian Street Vendors, Small Businesses, Adaptability, Customer Service, Entrepreneurship.

Introduction

India is a country that is known for its rich cultural heritage, diversity, and colorful streets. However, one thing that is often overlooked is the wealth of business lessons that can be learned from the streets of India. India is a land of contrasts, where poverty and wealth coexist side by side. It is a place where entrepreneurs have to be innovative and resourceful to survive, and where every day presents new challenges and opportunities.

India is home to some of the world's most successful entrepreneurs and businesses, including Tata Group, Reliance Industries, and Infosys. These companies have grown to become global powerhouses, and their success can be attributed to the business lessons that they have learned on

the streets of India. One of the key lessons that can be learned from the streets of India is the importance of innovation. Indian entrepreneurs have to be innovative to succeed in a highly competitive market, and they often use their creativity to come up with unique solutions to problems. For example, street vendors in India are known for their ability to create tasty and affordable food using only a few ingredients, and they often come up with new and creative dishes to attract customers.

In India, entrepreneurs face a number of challenges, including limited access to capital, infrastructure, and education. Despite these challenges, many entrepreneurs in India have been able to overcome them and build successful businesses. For example, the founder of Paytm, Vijay Shekhar Sharma, grew up in a small town in India and faced numerous challenges in his journey to build a successful company. However, he persevered and today Paytm is one of India's most successful companies.

India's streets are also home to some of the world's most skilled negotiators. Indian entrepreneurs have to be skilled negotiators to succeed in a market where prices are often negotiated rather than fixed. Negotiation skills are crucial for entrepreneurs who want to get the best deals on raw materials, transportation, and other expenses. Indian entrepreneurs are known for their ability to negotiate effectively, and this skill has helped them build successful businesses. Finally, Indian entrepreneurs understand the importance of building relationships. In India, business is often done based on personal relationships, and entrepreneurs have to be able to build trust with their customers, suppliers, and partners. Indian entrepreneurs are known for their ability to build long-lasting relationships, and this has helped them build successful businesses.

Review of literature

Mramba N.R. (2015) delves into the Marketing Communication Strategies (MCS) employed by street merchants in Dar es Salaam, Tanzania. The findings suggest that street vendors in this region tend to employ relatively weak and similar MCS. Their choice of MCS is significantly influenced by pricing and their level of marketing expertise. This study highlights potential missed advertising opportunities and underscores the importance of supporting street vendors in enhancing their marketing skills and exploring more effective communication strategies, especially given their operation in areas frequented by modern shops and consumers.

Bhowmik and Saha's (2012) research delves into the complex world of consumer behavior across ten Indian cities, shedding light on how diverse socioeconomic groups interact with street vendors. The study reveals that shoppers from a range of income brackets patronize street stalls in India. The affluent tend to frequent specific vendors to satisfy their discerning tastes, while the middle class gravitates toward the affordability and convenience offered by street food vendors. Street vendors, offering a plethora of products, from food to clothing, cater to different consumer segments. However, despite these economic transactions, the study unveils that favorable opinions of street vendors are scarce among customers. Issues such as sidewalk obstruction and rudeness contribute to this sentiment.

In the study conducted by **Xuxu, Zinjiang, Kun, Xiaoling, and Young-zheng (2011)**, the intricate relationship between consumers and street vendors, especially in urban settings, takes center stage. Their findings reveal a diverse spectrum of consumer responses to street vendors, shaped by socioeconomic backgrounds and purchase preferences. While affluent customers appreciate the offerings of street vendors, they often express frustration at the obstruction of sidewalks. The middle class finds these vendors inconvenient due to the reduced pedestrian space they cause. Customers with limited financial resources, despite relying on street vendors for their needs, may sometimes find their behavior off-putting. Nonetheless, the study underscores that, despite these challenges, consumers persist in preferring street vendors for their unique offerings and accessibility. Modern shopping options coexist harmoniously with street vendors, catering to varied consumer needs.

Rajagopal Sao Paulo, Brazil (2010), shifts the focus to consumer preferences by comparing street vendors with modern Western-style supermarkets. The findings highlight a unique aspect of street markets that resonates with shoppers in Sao Paulo - the freshness of produce. Despite the advantages modern supermarkets offer, shoppers believe street vendors compete favorably by providing fresh produce unavailable in traditional retail settings. This underscores the significance of distinctive features offered by street vendors, such as freshness and accessibility.

Zinkhan, Fontenelle, and Balazs (2005) uncover that shoppers appreciate both the cultural and ethnic aspects of street markets and the aesthetically pleasing settings of shopping malls. This duality indicates that these two retail options coexist effectively by catering to distinct consumer

preferences. The study emphasizes the importance of unique product features and consumer experiences in driving the coexistence of street markets and shopping malls.

Research Gap

While there is a significant amount of literature on the business environment in India and the factors that contribute to its economic growth, there is still a research gap in terms of the specific business lessons that can be learned from the streets of India. While some studies have explored the challenges and opportunities facing small businesses in India, few have examined the specific strategies and tactics that can be learned from the street vendors and small business owners who operate in this dynamic and competitive environment. By filling this research gap, it may be possible to identify driven factors and factors that contributes to valuable business lesson and strategies that can help businesses of all sizes to succeed and thrive in today's fast-paced and constantly changing business environment.

Objectives of the study

1. To know the factors that contributes to the streets of India offering many valuable business lessons.
2. To identify business strategies used by small business owners in India.

Hypothesis of the study

Null hypothesis (H₀): There is no impact of factors contributed from streets of India on Valuable business lessons

Alternative hypothesis (H₁) : There is impact of factors contributed from street of India on Valuable business lessons.

Scope of the study

India is home to a vibrant and diverse business culture, with a wide range of industries and entrepreneurial ventures operating on its bustling streets. Despite the challenges of operating in a developing economy, Indian businesses have demonstrated remarkable resilience and innovation, and have attracted attention from both domestic and international investors. This study aims to

explore the key business lessons that can be learned from the experiences of Indian entrepreneurs and business owners operating on the street.

Research Methodology

This study is based on a structured, quantitative data collection method to test hypothesis and try to address the problems and prospect of women entrepreneur in the Hyderabad.

Sampling frame

The sampling frame consisted of small business owner with at least one to two years of experience as entrepreneurs,

Sampling Technique:

Convenience sampling technique: Convenience sampling is a non-probability sampling method where units are selected for inclusion in the sample because they are the easiest for the study to access.

Sample selection

The sample is selected from the population residing in the Hyderabad district with at least one to two years of experience as entrepreneurs,

Area selected for Data Collection: Areas selected include Hyderabad and data is primary base and collected from the small business entrepreneur with at least one to two years.

Sampling Size: The study sample consists of 80 entrepreneur

Statistical Tool for Analysis

The following tools used for analysis:

1. Regression Analysis: regression analysis is to estimate the relationship between the dependent variable and the independent variables, and to use this relationship to make

predictions or to understand the impact of the independent variables on the dependent variable.

2. **Exploratory Factor Analysis:** Exploratory Factor Analysis (EFA) is a statistical method used to identify the underlying factors that explain the patterns of correlations among a set of observed variables. EFA attempts to find a smaller set of factors that explain most of the variation in the data, by grouping together variables that are highly correlated.

Results and discussion

Objective 2: To know the factors that contributes to the streets of India offering many valuable business lessons.

ANOVA factors that contribute to the streets of India offering many valuable business lessons.

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.803	7	0.543	2.828	.012b
	Residual	13.833	72	0.192		
	Total	17.636	79			

The ANOVA table shows that there is a significant difference between the groups in terms of the factors that contribute to the streets of India offering valuable business lessons. The F-value of 2.828 and p-value of .012 indicate that the model is statistically significant. The sum of squares for regression is 3.803, indicating that the independent variables together explain a significant proportion of the variation in the dependent variable.

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		

1	(Constant)	1.237	0.241		5.14	0
	Diversity and variety of products and services offered on the streets of India provides valuable business lessons.	0.227	0.065	0.259	5.415	0.009
	Informality and flexibility in the street economy provide valuable business lessons.	0.17	0.054	0.176	1.313	0.013
	Low barriers to entry provide valuable business lessons for small businesses and entrepreneurs.	0.159	0.071	0.344	2.243	0.028
	Localization and hyperlocalization provide valuable business lessons for small businesses and entrepreneurs.	0.248	0.062	0.121	5.766	0.026
	Resourcefulness and creativity provide valuable business lessons for small businesses and entrepreneurs.	0.215	0.061	0.232	3.254	0.002
	Adaptability and resilience provide valuable business lessons for small businesses and entrepreneurs.	0.318	0.06	0.24	6.306	0.021
	Customer-centricity and relationships provide valuable business lessons	0.109	0.056	0.271	5.951	0.025

	for small businesses and entrepreneurs.					
a. Dependent Variable: india						

The table provides valuable insights into the factors that impact the streets of India offering many valuable business lessons. The coefficients presented in the table suggest that each factor has a varying degree of impact on the lessons learned from the Indian street economy. Diversity and variety of products and services offered on the streets of India have a moderate positive impact on offering valuable business lessons, as indicated by the positive coefficient of 0.227. Informality and flexibility in the street economy also have a moderate positive impact, with a positive coefficient of 0.170 and a beta value of 0.176. Low barriers to entry have a significant positive impact on offering valuable business lessons, as indicated by the positive coefficient of 0.159 and a relatively strong beta value of 0.344. Localization and hyperlocalization have the highest coefficient of 0.248, indicating a moderate positive impact, but a relatively low beta value of 0.121.

Resourcefulness and creativity have a significant positive impact on offering valuable business lessons, with a positive coefficient of 0.215 and a relatively strong beta value of 0.232. Adaptability and resilience have the highest beta value of 0.240, indicating that it is a relatively strong predictor of offering valuable business lessons. The positive coefficient of 0.318 further reinforces this notion. Finally, customer-centricity and relationships have a significant positive impact on offering valuable business lessons, as indicated by the positive coefficient of 0.109 and a relatively strong beta value of 0.271.

Objective 3 : To identify business strategies used by small business owners in India

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.815
Bartlett's Test of Sphericity	Approx. Chi-Square	390.369
	df	21

	Sig.	0
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The KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy is a statistic used to assess the suitability of data for factor analysis. In this case, the KMO value is 0.815, which indicates that the sample is adequate for factor analysis, as values above 0.6 are considered acceptable. Bartlett's Test of Sphericity is another measure of the suitability of data for factor analysis. In this case, the test produced an approximate chi-square value of 390.369 with 21 degrees of freedom and a p-value of 0.000, which indicates that the null hypothesis can be rejected. Therefore, it is appropriate to proceed with the factor analysis based on these results.

	Component
	1
Small business owners in India prioritize understanding and meeting their customers' needs and preferences.	0.778
Small business owners in India often use resources efficiently and effectively to minimize costs and maximize profits.	0.846
Small business owners in India often build strong relationships with other business owners, suppliers, and customers to support their business growth.	0.831
Small business owners in India often innovate and create new products or services to meet changing market demands and stay ahead of competition.	0.864
Small business owners in India often adapt quickly to changing market conditions and customer needs to stay relevant and competitive.	0.829
Small business owners in India often invest in creating a strong brand and effective marketing strategies to reach and retain customers.	0.743
Small business owners in India often prioritize delivering high-quality products or services and maintaining consistency in their business operations.	0.635
Extraction Method: Principal Component Analysis.	

a. 1 components extracted.

The table displays the results of a principal component analysis conducted on small business owners in India. The analysis extracted one component, and each factor has a corresponding loading score indicating its contribution to that component. The scores show that small business owners in India prioritize understanding and meeting their customers' needs and preferences with a loading score of 0.778, and they often use resources efficiently to minimize costs and maximize profits with a score of 0.846. Additionally, they frequently build strong relationships with other business owners, suppliers, and customers to support their business growth with a score of 0.831, and innovate and create new products or services to meet changing market demands and stay ahead of competition with a score of 0.864. Furthermore, small business owners in India frequently adapt quickly to changing market conditions and customer needs to stay relevant and competitive with a score of 0.829, invest in creating a strong brand and effective marketing strategies to reach and retain customers with a score of 0.743, and prioritize delivering high-quality products or services while maintaining consistency in their business operations with a score of 0.635. These factors are all important for small business owners in India to succeed in a highly competitive market, and the scores suggest that these practices are common among successful small businesses in India.

Findings of the study

1. It found that Diversity and variety of products and services, informality and flexibility, and low barriers to entry have a moderate to significant positive impact on offering valuable business lessons.
2. It observes that, Localization and hyperlocalization have a moderate positive impact, but with a relatively low beta value.
3. It reports that Resourcefulness, creativity, adaptability, resilience, and customer-centricity have a significant positive impact on offering valuable business lessons.
4. It reports that factors like Innovating and creating new products or services, Using resources efficiently, Building strong relationships with stakeholders, Adapting quickly

to changing market conditions and customer needs is found to be highly impact on the small business owner success.

5. It observes that, factors like Understanding and meeting customers' needs and preferences and Creating a strong brand and effective marketing strategies are found to be moderately influenced on the small business owner success.
6. It observes that, Prioritizing delivering high-quality products or services while maintaining consistency in business operations are found to be influenced low on small business owner success.

Conclusion of the study

The study concluded that small businesses in India should prioritize customer-centric practices and innovation to succeed and stay competitive. Frugal practices can also be beneficial in cutting costs and increasing profitability. Additionally, fostering a collaborative culture and improving marketing and branding efforts can lead to gaining collective knowledge and experience and distinguishing oneself from competitors. It is important to offer a diverse range of products and services, maintain informality and flexibility, and reduce barriers to entry to offer valuable business lessons. Resourcefulness, creativity, adaptability, resilience, and customer-centricity are crucial for small business success. Lastly, it is important to innovate and create new products or services, use resources efficiently, build strong relationships with stakeholders, and adapt quickly to changing market conditions and customer needs. Understanding and meeting customers' needs and preferences and creating a strong brand and effective marketing strategies are also important, but to a slightly lesser degree. Prioritizing delivering high-quality products or services while maintaining consistency in business operations has a lower impact on small business owner success.

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