

## **Impact of Environmental Factors on Entrepreneurial Behaviour of Street Food Vendors**

Vijaya Bharathi Gali<sup>1</sup> and A. Ananda<sup>2</sup>

<sup>1</sup>Associate Professor, Dept of Commerce, Yogi Vemana University, Kadapa

<sup>2</sup>Research Scholar, Dept of Commerce, Yogi Vemana University, Kadapa

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**ABSTRACT:** One of the informal sectors that happening in urban areas is street vendors, known for their contribution to reducing unemployment despite their existence are often raise urban planning problems. The purpose of this study is to analyze the impact of environmental factors like family, sociocultural, financial, operational, and competitive environments on the entrepreneurial behaviour of food vendors in the Kadapa district. A total of 125 respondents spread across the district are considered for the study using convenience sampling. A multiple regression model was applied using SPSS to analyze and interpret the data. The study results stated that all four dimensions are positively and significantly influencing the entrepreneurial behaviour of the food vendors.

**KEY WORD:** Entrepreneurial Behaviour, Street Vendor, Street Food, environmental factors

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Date of Submission: 18-02-2022 Date of acceptance: 03-03-2022

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### **I. INTRODUCTION**

Entrepreneurship is perceived as one of the substantial aspects that lead to development, where entrepreneurs are faced with the task of organizing and managing businesses and in the process assuming all risks of their entrepreneurial ventures (Hoogendoorn, Zwan, & Thuri 2019). In India, MSMEs contribute nearly 8% of the country's GDP, around 45% of the manufacturing output, and approximately 40% of the country's exports. So, MSMEs are referred to as the Backbone of the country (Lending cart, 2021). Among the micro-enterprises, street vending contributes largely which has hundreds of years of existence. Street vending has become an integral part of urban economies and is growing rapidly around the country (Bromley, 2000; Winarno & Allain, 1986).

Street foods comprise a wide variety of ready-to-eat food that include meals, beverages, and snacks prepared and/or sold by vendors in streets (FAO, 1989). They are typically sold on the street from 'pushcarts or baskets or balance poles, or from stalls or shops having fewer than four permanent walls' (Tinker, 1987). It is critical to the production and use of a variety of food products in the region. Street food, often self-financed by the vendor and self-regulated, is a well-established institution of the food culture of a city (Hoffman & Dittrich, 2009; Kusakabe, 2006; Nischalke, 2011) and a 'cherished part of local culture' that is also an attraction for tourists in many cities (FAO, 2007). In some cities eating street food is so popular that many street foods form an important share of the city resident's food requirements.

It is observed that street food vending survives not merely because it is an important source of employment, but also because it provides cost-effective food to the urban population. Available literature indicates the potential of street food for food security, especially of the urban poor, and its contribution to the uniqueness and cultural identity of the cities and livelihoods of a large number of the urban poor (Bergmann & Dittrich, 2012; Rani & Dittrich, 2010).

Kadapa is a place of different cultures with multiple religious aspects and it is also a good source for the tourists for many visiting locations. The city presently has nearly 1020 registered food vendors and is contributing to its popularity. The deliciousness in taste, uniqueness in look, convenience inaccessibility, and affordability in price are attracting the customers at large towards street food. All these factors have laid importance in the usage of street food.

However, there are concerns. The perishable nature of street food preparations forces the vendors to sell the food items at the earliest. Not only are they ignored by the state and denied benefits from welfare programs, but also by labor unions (FAO, 2007). Studies reveal that street food vendors do not form a homogeneous group (Draper, 1996) owing to the specialization of their food items, location of their operations,

size of the unit, and gender of the vendor. In this context, the present study is carried out to achieve the following objective.

- To measure the influence of environmental factors on the entrepreneurial behavior among street food vendors in the Kadapa district.

## **II. LITERATURE REVIEW**

Many studies have explained the relationship between environmental factors and entrepreneurial behaviour among vendors in domestic, national, and international platforms. Welter F (2005), classified the environment into three important elements such as macro environment, which involved political, legal economic, cultural, and religious traditions, meso environment which includes business associations, industry-relevant practices and codes of conduct, etc, microenvironment which comprises personal beliefs, values, and individual culture, etc. The data were collected from suitable respondents. environment impact on entrepreneurial behaviour was measured with multiple regression. The study results revealed that the all the three environments such as micro, meso, and macro environments are significantly influencing the entrepreneurial behaviour among entrepreneurs.

Mir, D. F., &Feitelson, E. (2007), have conducted a study on the factors influencing the entrepreneurial behavior related to small services family firms like laundry and motor vehicle repairs. The data were collected from 107 individual entrepreneurs who operate laundry (61) and vehicle repairs (46) in Jerusalem. The data were analyzed using appropriate statistical tools like correlation, regression, etc are carried. The study results showed that there was no relationship between environmental awareness and environmental action among micro-enterprises. It was observed that the micro-entrepreneurial behavior was active despite the limited intervention of the government. EsuhOssai-Igwe, L., & Najafi Auwalu, I. (2014), have examined the influence of environmental factors on the entrepreneurial intention of Nigerian students in UUM. They considered environmental support and environmental influence as independent variables and entrepreneurial intention as the dependent variable. 159 students from different backgrounds of UUM are approached and collected responses with the help of a structured questionnaire. Multiple regression analysis with SPSS is applied for the analysis and interpretation. The results of the study revealed that both environmental support and environmental influence were not influencing the entrepreneurial intentions among the students. They finally added that entrepreneurial orientation and entrepreneurial skills as the important ingredient of entrepreneurial intentions.

Hosseininia, G., &Ramezani, A. (2016), have conducted a study to feed the relationship between social, environmental and demographic factors with sustainable entrepreneurship (SE) in small and medium-size enterprises in the Iranian food industry. 130 responses are collected from food stall owners using mixed approach. Data analysis was carried with descriptive and inferential statistics. The results of the study show that the entrepreneurs demographic characteristics like work experience and education has found significant effect on sustainable entrepreneurship. On the other hand, social factors, customer orientation, human resources, environmental factors were positively and scientifically contributing to sustainable entrepreneurship in food sector. Razak, Abu Said, Ahmad and Jumain (2017), conducted a study by developing a model with four independent and one dependent variables. Risk taking, locus of control, perceived barrier and self-efficacy were observed as independent and entrepreneurial success as dependent variables. To prove the model, the data were collected from 168 respondents from the state Sarawak of Malaysia by using a structured questionnaire through stratified random sampling. A Correlational and regression approach was adopted for the study to analyze and interpret the data. The result as risk-taking and self-efficacy were strongly influencing the entrepreneurial success among micro-entrepreneurs in the study area.

Sanchez, A. M., &Bannikova, M. (2018) studied the environmental factors which are leading to entrepreneurial intentions to start a business. Using the cross-sectional approach, the data has been collected from different respondents from 69 countries through World Bank Data and Global Entrepreneurship Monitor. The study was analysed using appropriate statistical tools. The results indicate that the entrepreneurial intentions to start a business are influenced by several factors like financing, education, culture, market dynamics, entry regulation, government policy, R&D transfer and commercial and physical infrastructure. Mungai, A. M., Kihonge, E., &Gichure, J. (2019), stated have made research on the proactiveness and its relationship with growth of women street vending in Kenya. For the purpose, 384 women street vendors are approached to collect the data. Systematic probability sampling technique has been adopted to collect the data. Correlation and logistic regression are applied for analysis and interpretation. The results indicate that the proactiveness is significantly and positively influencing the growth of the women street vendors.

E.Nagaraju&Y.Subbarayudu (2019), have conducted a study on entrepreneurial efficiency and its impact on the entrepreneurial behaviour component i.e. satisfaction. among women entrepreneurs in the Kadapa district. Data were collected from 192 women entrepreneurs who were dealing with street vending. the structured questionnaire comprised Managerial Efficiency, Technical Efficiency, Commercial Efficiency, Financial Efficiency, Operational Efficiency, and Public Relations and entrepreneurial satisfaction. The results derived from the multiple regression revealed that all the entrepreneurial efficiency factors significantly impacted or influenced the satisfaction of the street vendors.

Marliati, M. (2020), has made an investigation into exploring the relationship between various factors like a family environment, internal environment, and external environment with entrepreneurial behaviour in Pekanbaru. A total of 131 responses from street food vendors are collected and analyzed using Partial Least Square (PLS) method. Among the family environment factors, formal education, parental education, family support skills are positively influencing entrepreneurial behaviour. On the whole, family environment and internal environment are having a positive relationship with entrepreneurial behaviour but external environment like government support/policies do not possess a positive relationship with entrepreneurial behaviour.

P Manjula Vani and Nagaraju Ellaturu, (2022), have conducted a comparative study on entrepreneurial intentions among graduates between 'science' and 'arts' students in the Kadapa district. The data were collected from 120 students covering both groups through the structured questionnaire. A stratified random sampling technique was applied for the study. The questionnaire consists of entrepreneurial attitude, intention, perceived support, and perceived barriers as entrepreneurial intention measuring factors. The study results revealed that out of dimensions of entrepreneurial intentions like attitude, intent, and perceived support was observed to be more among arts group students than science groups students. Perceived barriers were similar in both groups.

Based on the literature review, four important dimensions are found as environmental factors. They are family and social-cultural environment, financial environment, the operational environment, and competitive environment. Studies suggest that all these four dimensions were having a positive relationship with the entrepreneurial intentions among the entrepreneurs. Hence, the present study proceeded with the following hypotheses.

- H1: Family & socio-cultural environment influences entrepreneurial behavior among vendors
- H2: Financial environment influences entrepreneurial behavior among vendors
- H3: Operational environment influences entrepreneurial behavior among vendors
- H4: Competitive environment influences entrepreneurial behavior among vendors

### **III. MATERIALS AND METHODS**

The present study is intended to measure the impact of environmental factors on the entrepreneurial behavior among street food vendors in the Kadapa district. A convenience sampling technique has been adopted to collect the data from the respondents. Structured questionnaire/schedule with 25 items are distributed to 160 food vendors out of which, 125 responses were found valid and used for the analysis. Multiple regression models with the help of JASP and SPSS were applied for the analysis wherever necessary.

### **IV. RESULTS AND DISCUSSIONS**

For achieving the framed hypotheses, a regression model of environmental impact on entrepreneurial behavior is developed. Environment dimensions are treated as independent variables and entrepreneurial behaviour is treated as the dependent variable in the model. The results of multiple regression analysis are mentioned below.

#### **Regression Model Fit**

Various measures are used to assess the model fit of the regression model Environment impact on the entrepreneurial behavior like R<sup>2</sup>, Adjusted R<sup>2</sup>, Akaike's Information Criteria (AIC), Bayesian information criteria (BIC), and Root Mean Squared Error (RMSE).

Table 1

Model Summary

Model	R	R Square	Adjusted R Square	AIC	BIC	RMSE
1	.961 <sup>a</sup>	.924	.921	911	948	0.846

a. Predictors: (Constant), FSCE, FE, OE, CE

The results of the regression model, environment's dimensions impact on entrepreneurial behaviors are presented in table 1. R2 explains the proportionate variance explained by the environment in the prediction of entrepreneurial behaviour. It means that 0.924 or 92.4% of the variation in entrepreneurial behaviour is explained by environmental dimensions such as Family, Financial, Operation, and Competitive environments. Adjusted R2 describes the explanatory power of multiple predictors in the regression model. AIC, BIC, and RMSE values denote that the regression model is found accurate.

**Regression Model significance**

ANOVA is performed to identify the statistical significance of the model. ANOVA results are presented in Table 2. It explains the overall significance of the regression model Environment dimensions impact on entrepreneurial behaviour. Residual values, F value, and p values are used to judge the significance of the model.

Table 2

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	21.759	4	5.440	364.063	.000 <sup>b</sup>
1 Residual	1.793	120	.015		
Total	23.552	124			

a. Dependent Variable: EB

b. Predictors: (Constant), FSCE, FE, OE, CE

The results of the ANOVA show that the residual sum of squares between actual and estimated 21.759 with F statistic 364.063 is significant as the resulting p-value 0.000 is less than 0.05. So, the model is found statistically significant and it can be said that at least one of the four environment dimensions (Family, Financial and Operation, and Competitive environments) is going to be significant.

**Specific path effects**

Regression-specific path estimates and effects with significant values are presented in table 3. Standardized estimates, t statistic, and p values are used for assessing the path effects in the linear regression model.

Table 3

Regression Coefficients Values

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.636	.100		6.332	.000
Family & Socio-Cultural Environment	.221	.015	.388	15.021	.000
Financial Environment (FE)	.221	.012	.466	17.767	.000
Operational Environment (OE)	.226	.014	.420	16.205	.000
Competitive Environment (CE)	.194	.015	.323	12.606	.000

**a. Dependent Variable: EB**

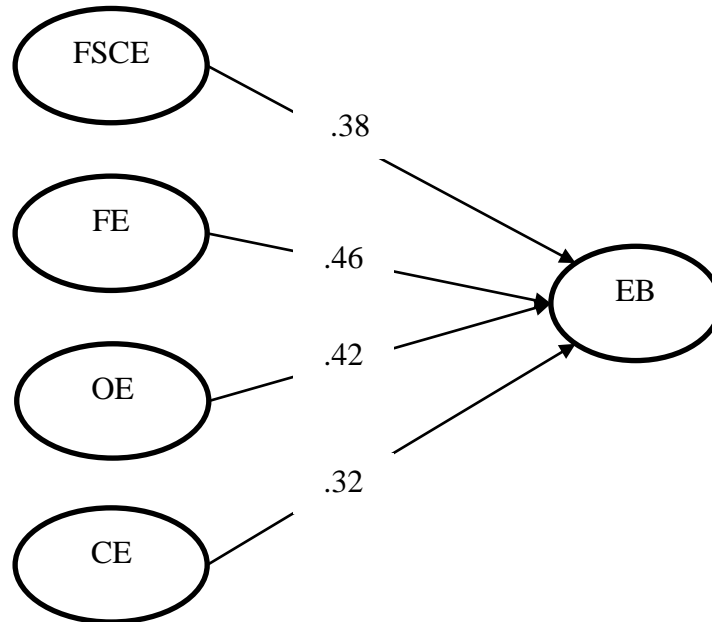


Figure 1 Empirical Model

Positive unstandardized co-efficient beta values for Family. Socio-cultural environment (0.388), Financial Environment (0.466), Operational Environment (0.420), and Competitive Environment (0.323), meaning that there is a positive relationship between these four dimensions with perceived entrepreneurial behavior (EB). The p values for all the four individual paths from FSCE->EB (0.000), FE->EB (0.000), OE->EB (0.000), and CE->EB (0.000) are less than significant value 0.05 denotes that, all these four paths affect entrepreneurial behavior of street food vendors in Kadapa district.

Standardized Regression co-efficient beta values explain the size of the effect of environment dimensions on the Entrepreneurial behavior (EB) in the model. Standardized Beta value for the path FE->EB (0.466) is maximum followed by OE->EB (0.420), FSCE->EB (0.388) and CE->EB (0.323). It means that 47% of the positive influence is stretched out from the financial environment alone. Hence, the framed hypothesis “H1, H2, H3, and H4 are supported.

**V. CONCLUSION**

The study’s core intention was to assess the impact of environmental factors like family, socioeconomic, financial, operational, and competitive environment on the entrepreneurial behaviour of food vendors. For this purpose, a multiple regression model was developed and executed using statistical software. The results stated that all the four important environmental factors were positively and significantly influencing the entrepreneurial behaviour of food vendors. So, better management of the finance, the efficiency of the operations may lead to positive work behaviour among micro-entrepreneurs like street food vendors.

**VI. LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH**

As the study was limited to the district, Kadapa, further studies may concentrate on other relevant districts in the state of Andhra Pradesh. The present study was restricted to measuring the important environmental factors like family, socioeconomic, financial, operational, and competitive environments, later

studies may focus on including the micro, macro, and meso environments in detail. The study was limited to food vendors' further studies may concentrate on the vegetable vendors, grocery vendors, etc.

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