

The Formation and Development of Street Vendor Economy in Chinese College Towns——From the Perspective of Consumers

Xinran Wang¹ Lu Lei² Chenfei Zhao¹

1. Xi'an Jiaotong-Liverpool University, Xi'an, 215000, China

2. Sungkyunkwan University, Seoul, 03063, South Korea

Abstract: In 2020, due to the sudden outbreak of the Corona, the global economy suffered a serious downturn, most industries were hit unprecedentedly, and the unemployment rate soared. In China, the urban stall economy, which was severely hit by the state in order to maintain the clean and tidy appearance of the city, has returned to people's vision. At the same time, recent studies have further explored the location proportion of the stall economy. The stall economy in University Town accounts for 80% of the total stall economy in China, but less attention is paid to the causes of the formation of stall economy in university town. Therefore, this paper will be based on the perspective of behavioral economics and consumer economics, through the questionnaire survey of mobile phone data, focus on the perspective of consumers, first explore the reasons for the intensive street stalls in the University City from multiple angles, then analyze the advantages of street stalls in economic development, and explore the future development of street stalls in the University City from the two aspects of government and businesses.

Keywords: Street vending; University town; Behavioral economics; Private domain traffic; Inclusive government policy

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1. Introduction

In the 21st century, urban informal economies have attracted the attention of economists and politicians because of the contradiction between the huge output it created and the negative effect on urban environment it brought. In addition, according to research by [3], there are almost 1.8 billion people who are engaged in different kinds of informal economic activities. Moreover, China has nearly 114 million urban informal employees. Since the covid-19 charged China's economy in 2020, China's environment published policies about encouraging people to do street vending. The news (China's premier praised the informal economy 2020) reported that Keqiang Li who is the premier of China appreciated street vending was one of the most significant source of employment which was the vitality of China of economy, like the fireworks in the world. According to research the authors collected, there are 80% of universities which have street vending activities near the schools. The research results can indicate that street vending in the university is a special and big part of informal economy.

This article focuses on discussing the reason of formation and giving suggestions about developing street vending activities in university areas from consumers' perspective. Street vending is a controversial topic which draws much attention in the academic world. It can satisfy the needs of consumers to reduce the cost of living. However, it brought negative effects on consumers, such as poor quality of products, lower food hygiene. Now the academic world is discussing future progress of informal economy. In order to further the study, the article will discuss the reason of formation first. And then it will give advice about developing street vending activities from consumers' perspective.

2. Formation

University Town is an area where many universities and colleges are located in. Since many colleges and universities were located in downtown areas with tight land and high prices, many schools have moved their old districts located in the city center to new ones with low prices on the outskirts of the city. Campus replacement, which can build a new school with a larger area and updated

equipment. After one school succeeded in applying this model, other schools followed suit and built new universities through this model, gradually forming a university town. Therefore, most university cities have the following characteristics: they are located in the suburbs, and law enforcement officers will inevitably be negligent; traffic is inconvenient and inconvenient to travel; most indigenous people living nearby have lower incomes. Coupled with the curfew time of Chinese universities, these reasons are very suitable for the derivation and development of the economy.

2.1 Location

The representative university towns in China are Guangzhou University Town, Beijing Liangxiang University Town, and Nanjing Jiangning University Town as examples. They all located on the outskirts of the city. Before the school was built, they were mainly inhabited by immigrants. Their common characteristics are low academic qualifications, no professional expertise, and most of them can only engage in low-gold and low-income jobs. After the universities relocated their campuses, they created employment opportunities. These original residents could earn money by buying and reselling items, opening food stalls, or turning the extra space at home into Internet cafes or game halls for student entertainment. This is one of the reasons for the rise of the stall economy in the university town.

2.2 University Students' Entrepreneurship

In the past, there was an example of selling pork at the North University of China to make a fortune. Later, the entrepreneurial project of Chinese college students-setting up a street stall became a popular choice. City stalls provide platforms and opportunities for Chinese young people to start their own businesses and accumulate social experience and business experience. From small to elementary and middle school students' charity sales activities, as well as large college students' entrepreneurial experience, stalls are low-cost, low-threshold, and low-technical. The requirements of the host are not low in all aspects. The stall owner must have enough patience and certain management ability and creativity to make the stall well. It is a low-cost trial and error experience. In addition, young people are extremely dissatisfied with China's 996 (work at 9 am, leave work at 9 pm, and get off work six days a week). They prefer the freedom of time to have time to enjoy life. The time, freedom, and freedom of place to share the economy happen to satisfy this point. And the first stop for these college students to set up a stall is usually to choose the university town where they study.

2.3 Consumption Preference

The second reason for the formation in university is the students' consumption preference. Lin(2015) holds a view to students' consumption that at the beginning of the 21st century, in addition to the basic consumption of life and learning, university students have other types of consumption which are gradually increasing. The consumption of contemporary college students is mainly divided into basic living consumption (clothing, food, housing and transportation) and learning consumption (tuition and books)Cost, research, computers, etc.), leisure and entertainment consumption (leisure, tourism, entertainment), interpersonal consumption (human relations, love), etc. Besides the students of university satisfy the basic life needs, here is a diversified trend in the consumption structure, which reflects that college students have the ability to go out of campus, integrate into society and desire to support the idea of high-quality material life. Because University students have diverse needs, the school canteen and store can not satisfy students' need. However most university areas are located in suburbs where there are problems of inconvenient transportation. The cost of transportation to the city center increases the burden on college students who don't have many living expenses. Consequently, street vending may become the best choice for students' consumption. Because it has advantages such as high quality and inexpensive, closing the dormitory. Buying goods from street vendors can not only solve the problem of inconvenient transportation but also save money to satisfy high quality and diverse shopping needs.

3. Development

3.1 Development Advantage

3.1.1 Prices

A floor stall economy is a form of economy in which people make a profit through mobility or fixed forms of sex. In terms of price, the low-cost items sold in the ground stalls create the cheapness of the ground stalls, and it is this cheapness that stimulates the students' desire to buy. The School of Economics at Jiangxi University of Finance and Economics (2021) has used a SWOT analysis to show that, forced by the epidemic, people are very conscious of the price of goods, and this just highlights the advantages of the floor stall economy in terms of price, i.e. increasing people's participation in the floor stall economy in the form of thin margins ^[1].

The very low prices also help to make the stall unique in the myriad of ways of doing business, which in turn increases the competitiveness of the street vendor economy with other sectors. It can be indirectly conclud-

ed from the SWOT that the reduction in rents and the benefit of not having to pay taxes have contributed to the cheapness of the street vendor economy. In turn, the low prices associated with cheapness are more attractive to students in a university town than a tenant's hawkler economy, and when mapped to the level of a university town market with a lot of competitive pressure, the floor stall economy stands out.

3.1.2 Location

The ground stalls in university towns are full of fireworks and students' lives have long been closely linked to them, and the main advantage of ground stalls being able to have these links is the location of the stalls. Shiwei Yang and Jingjing Yin (2020) have argued that the street stall economy, with its mobility in different parts of the city, has successfully and timely dovetailed with the needs of city dwellers and tourists, complementing shopping malls and outlets and helping to enhance the upgrading and vitality of the city. This "capillary" distribution of stalls has successfully spread throughout the university city, linking the street vendor economy to the students and becoming one of the dominant forms of commerce in the university city.

3.2 Employment

The growing employment gap has led to pseudo-urbanization and the emergence of informal employment, such as street stalls, has helped to fill this gap and promote urbanization. The ground stall economy in the university town then employs the stallholders through mobile stalls. And, through Dandan Wu's (2009) presentation, it is concluded that laid-off workers and unemployed people are very much in favor of the low-threshold, low-investment ground-stall industry during the employment downturn. Further, the analysis reveals that in this situation of employment pressure and difficulty in employment today, the simple and easy-to-earn ground stall industry is easier to carry out than other types of industries, and the ground stall economy has certain development advantages in the direction of employment as there are more students in the university town, high demand and strong consumption ability, which in turn reflects the variety of stalls.

3.3 Politics

From a political perspective, most of China's political systems and systems are based on the interests of the people, therefore, Yuehua Zhang (2020) elaborates that under the socialist market, the fruits of the labor of the ground stall operators should be respected and the legitimate rights and interests of the stall operators should be guaranteed. Further mapping to the ground stall economy

in the university city market, the existence of ground stalls gradually meets the daily needs of students and promotes the economic development around the university city, so in a premise with the recognition of students and a good political pattern, the ground stall economy in the university city is better able to function in the market. In addition, most of the workers who carry out the floor stall economy are poor people or career workers who are in deep trouble. In terms of the national policy on poverty alleviation, the thin profitability of the floor stall economy can help the poor people and assist them to get out of their difficulties. Yuehua Zhang (2020) then said that the current government has started to bring the ground stall economy under management, liberalize it, monitor it through the internet, help transform the business forms, improve the quality of goods, and pull the economy to recover. Politically, the government is gradually liberalizing its jurisdiction over the ground stall economy in the university town, which gives the ground stall economy much more room to grow than other industries, and this open politics not only satisfy the will of the people but also helps the country's poor.

3.4 Development Suggestions

3.4.1 Create Private Domain Traffic

In a market environment, enterprises will create consumer loyalty in order to maximize their own interests. This is based on the diversified relationship between enterprises and consumers. The two are both a buying and selling consumer relationship and a win-win partnership. Similarly, the vendor is the positioning of the enterprise, and the student is the consumer. The vendor can earn value by selling goods and services, while the student can get good food and use less money to obtain cost-effective products. In order to better sell their products and maintain a long-term and stable relationship with a group of regular student customers, vendors must explore the needs and potential needs of their student customers and the trend of changes in their needs and potential needs.

Satisfaction, once to reduce the loss of student customers and create their consumer loyalty. At the same time, the concept of emotional accounts makes interdependent behaviors effective. Behavioral economics believes that consumers' decision-making is boundedly rational, which is manifested as relying on mental accounts. Consumers' purchasing decision-making to the completion of the purchasing behavior process are consumer psychology. Concentrated reflection on the activity. This is also more emphasis on starting with consumers and grasping consumer psychology, in order to enable the

university town's stall economy to achieve longer-term development.

In the more than 408 questionnaires we collected, only 243 people filled out that the vendors in their university town are creating private domain traffic through small programs or WeChat groups, and the rest of the vendors are still in the most primitive way—waiting for students on the side of the road for consumption. The way. In fact, for creating consumer loyalty, creating your own private domain traffic through WeChat and Moments is a low-cost operation, low-efficiency and high-efficiency way. Private domain traffic is a single one that can be reused and can directly contact customers. Private domain traffic is centered on users, and depends on the radiant influence of relationships, presenting the characteristics of strong relationships, high viscosity, easy migration, circle-layered, and long-tailed propagation. (Analysis on the construction and operation of private domain traffic—Feng Meilian) After the students have finished spending, vendors can attract students to scan the code by giving red envelopes or small gifts to join the group, so as to create private domain traffic for themselves, maintain customer loyalty, and achieve the result of profit maximization.

3.4.2 Inclusive Government Policy

The second possible way to develop street vending is establishing a unified management organization to make sure street vending well organized. Governing street vending in China can learn from governance in Japan. Lv (2020) pointed out that it has made clear regulations on the development of street vending in Japan's road traffic law.

It is forbidden to stack articles on the road to avoid influencing traffic. China's policy is that law enforcement agencies strike informal economic activities. This kind of policy is hard to help informal vendors and easily stimulating violence which is not conducive to the goal of social harmony and stability. In addition, Zhao (2020) thought the existence of street vending conforms to Nash equilibrium. Because attacking street vending activities requires a large number of law enforcement officers and cost a lot of money, the government seldom does the attacking activities. This policy can not solve the problems of street vending. In addition, tough policy breaks informal economy original advantages such as mobility and flexibility. Government can add the policy of managing street vending into law in order to raise the vendors' legal awareness, so then they can standardize their own business behavior. The government can establish a national vending market and set up stall management institutions

all over the country to ensure the stable operation of informal economy. Setting up management institutions can limit vendors' business behavior and avoid it influencing public traffic, but can not limit the mobility and flexibility. In the process of promoting the development of informal economy, government should pay attention to taking the law as the guarantee and the management organization to ensure the effective development of informal economy, so as to give full play to the function and role of informal economy and make the informal economy more coordinated with urban development.

4. Conclusions

In a summary, the article discusses the reasons of formation which are mainly about location, the University students' entrepreneurship and consumer preference at first.

Then, it points out the development advantages of street vending, such as cheap price and location. At last, the article gives suggestions about how to develop street vending economics from consumers' perspective which are based on development advantages and questionnaires, such as creating private domain traffic and inclusive government policy.

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