

Seasonal Business Model: The Case of Street Vendors in Tourism Driven Region

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Abstract: *This article provides a conceptual analysis of street vendors' entrepreneurship in the unofficial and seasonal economy of Kodaikanal, a well-liked Indian tourist attraction. In order to create a new paradigm that clarifies how these vendors deal with the difficulties presented by varying visitor numbers and environmental uncertainties, it integrates concepts from informal entrepreneurship, tourism seasonality, and adaptive systems theory. According to the concept, in order to manage risks and maintain their livelihoods, seasonality forces vendors to constantly change their product offerings, move their places of operation, and rely on unofficial networks and social connections. This study emphasizes the importance of informality and seasonality in promoting entrepreneurial flexibility and endurance, in contrast to conventional viewpoints that primarily see them as constraints. Important policies & implications are also covered in the article, with the suggestion that support networks designed to meet the particular requirements of unorganized business owners in regions that depend heavily on tourism might greatly increase their resilience and financial stability. This paper adds important insights into the lived reality of a crucial but frequently disregarded part of the entrepreneurial ecosystem by expanding the focus of entrepreneurship research to include informal, seasonal company models.*

Keywords: Tourism seasonality, street vendors, seasonal economies, informal entrepreneurship, adaptive tactics, and entrepreneurial resilience

1. Introduction

Entrepreneurship is a major force behind social and economic advancement. However, a large portion of the research that is now available concentrates on official businesses and organised marketplaces, frequently ignoring the sizable informal sector, where a large number of people make a living in unpredictable circumstances. Informal entrepreneurship is crucial in developing nations, especially for underserved populations without access to official funding, infrastructure, or regulatory assistance. A sizable portion of this informal sector is made up of street vendors, particularly in places that rely heavily on tourism, where their business operations are influenced by shifting demand patterns linked to seasonal tourist flows.

The South Indian hill station of Kodaikanal is a perfect example of how to examine the dynamics of informal business in a seasonal economy. The town is well-known for its nice climate and scenic surroundings, but it only draws tourists in certain months, which causes noticeable ups and downs in business activity. This seasonality defines the environment in which Kodaikanal Street vendors operate, affecting everything from the kinds of goods they offer to their day-to-day business plans. These sellers must constantly adjust to survive and prosper in an unpredictable economy, unlike formal businesses that might have the means to protect against such fluctuation.

This study intends to expand the understanding by concentrating on how entrepreneurs in the informal sector handle seasonality as a fundamental aspect of their business environment, whereas entrepreneurship research has historically placed an emphasis on innovation, risk-taking, and the validation of enterprises. In particular, it looks at how street sellers use social media and adaptable business structures to meet the cyclical nature of demand for tourism. In order to explain how these entrepreneurs maintain their businesses in the face of obstacles like

varying incomes, a lack of official support, and regulatory uncertainties, the paper offers a theoretical framework that combines ideas from informal entrepreneurship, tourism seasonality, and adaptive systems theory.

This study is important because it aims to reframe seasonality and informality as elements that influence distinct business tactics rather than just as limitations. This viewpoint acknowledges the ingenuity and tenacity of street vendors who work within these limitations by changing the products they sell, moving their locations, and using unofficial institutions like peer support and community networks to reduce risks. Furthermore, by concentrating on a location that depends heavily on tourism, such as Kodaikanal, the study highlights how socioeconomic realities interact with external environmental elements, such as the climate and visitor behaviour, to affect business decisions.

Increased interest of academics and policymakers in encouraging inclusive economic development and acknowledging the contribution of the informal sector to the reduction of poverty, this investigation is pertinent. The creation of supportive policies, such as adaptable licensing programs, focused financial products, and skill development initiatives catered to their particular operating environment, can be influenced by knowledge of how seasonal informal businesses adjust. In the end, this study adds to the body of knowledge on entrepreneurship by highlighting a frequently disregarded subset of entrepreneurs who support local economies under trying circumstances and by providing a sophisticated theoretical framework that encapsulates the interaction of seasonality, informality, and adaptive performance.

In order to increase the resilience of street vendors in tourism-driven economies like Kodaikanal, this paper examines pertinent literature, creates a conceptual framework to explain seasonal informal entrepreneurship,

talks about the implications for theory and practice, and makes recommendations for policy interventions.

2. Literature Review and Theoretical Foundations

The literature on entrepreneurship has been heavily influenced by studies conducted in formal, planned marketplaces, where business owners usually have predictable legal frameworks, steady demand, and institutional backing. But in most of the deprived world, particularly in places like Kodaikanal that are heavily dependent on tourism, the situation is very different. In this context, entrepreneurship is frequently ingrained in informality and influenced by the cycles of seasonal travel. Seasonality in tourism, informal entrepreneurship, and adaptation techniques in dynamic situations are the three interconnected streams of literature that are examined in this review.

2.1 Informal Entrepreneurship

Economic activity that takes place outside of official regulatory frameworks is referred to as informal entrepreneurship. This sector's entrepreneurs usually don't have institutional credit, licenses, or legal recognition, but they still run their businesses to make money and stay afloat. De Soto (2000) made the well-known claim that informality is a logical reaction to regulatory constraints and bureaucratic obstacles rather than the product of ignorance. Street vending is a common informal employment activity in India, especially in metropolitan and tourist areas. Bhowmik (2005) stressed how street sellers, although being demoted, harassed, and having their policies ignored, perform a crucial economic role. Despite working in contexts characterized by institutional exclusion and unpredictability, these entrepreneurs demonstrate persistence and adaptation.

2.2 Seasonality In Tourism

Naturally seasonal, tourism is impacted by the weather, local events, festivals, and school breaks. For merchants in popular tourist locations such as Kodaikanal, seasonality means varying business, changing earnings, and short-term financial instability. According to Butler (2001), the seasonality of tourism has an impact on investment cycles, employment trends, and company revenue. In these kinds of places, entrepreneurs have to modify their plans based on the inflow and outflow of tourists, frequently using makeshift buildings, mobile setups, and fast product modifications to satisfy fluctuating demand. Seasonality in this instance actively influences entrepreneurial deed rather than only serving as a background factor.

2.3 Adaptive Strategies and Informal Institutions

In informal and seasonal settings, entrepreneurs frequently rely on flexibility to manage ambiguity. Holland's (1995) theory of adaptive systems describes how agents use feedback loops, resource reallocation, and ongoing learning to adapt to changing surroundings. For street vendors who have to react fast to changes in the weather, festival crowds,

or abrupt declines in foot traffic, this is extremely important. In addition to their own adaptability, sellers frequently depend on unofficial institutions—like peer networks, local associations, and conventional norms—to sustain their enterprises. In situations where formal mechanisms are unavailable or uninterested, these networks aid in risk-sharing, space distribution, and conflict resolution.

2.4 Integrating the Framework

By connecting the ideas of seasonality, informality, and adaptive strategy, one can comprehend a unique type of entrepreneurship that flourishes through adaptability, improvisation, and social system embedding rather than formal structure. This integrated viewpoint serves as the foundation for the conceptual framework that follows, which attempts to describe how Kodaikanal's street vendors navigate the nexus of opportunity and uncertainty in an unofficial, tourism-driven economy.

3. Conceptual Framework

In informal economies that rely heavily on tourists, like the street vendors in Kodaikanal, entrepreneurship does not adhere to traditional business planning or established market entrance norms. Rather, it is categorized by a cycle of strategic flexibility, informal information sharing, and real-time decision-making. Three main theoretical strands, informal entrepreneurship, tourist seasonality, and adaptive systems are integrated in the conceptual framework created in this research to offer a comprehensive understanding of entrepreneurial practice in unpredictable and constrained environments.

3.1 Framework Overview

Three interrelated forces shape seasonal street entrepreneurship, according to the framework:

- **Environmental Fluctuation (Seasonality):** Changes in visitor numbers determine demand cycles and have a direct impact on vendor strategy.
- **Structural Informality:** The absence of formal business infrastructure, legal protection, and financial systems forces vendors to employ innovative survival strategies.
- **Adaptive Entrepreneurial Response:** Vendors respond through adaptable practices like changing product lines, moving locations, utilising informal networks, and sharing resources.

These factors don't work alone, though; rather, their interaction creates a distinct model of entrepreneurship that is branded more by resilience and responsiveness than by formal innovation or scale.

3.2 Components of the Framework

3.2.1 Trigger: The main environmental variable is the seasonality of tourists. While low seasons pose survival issues, high seasons produce brief spurts in demand.

3.2.2 Limitations: Institutional Deficits Conventional growth avenues are limited by the absence of official assistance (licenses, loans, and legal protection).

3.2.3 Reaction Systems: Flexibility and Unofficial Establishments -Providers adjust by:

- Inventory is rotated according to the seasons and tourist demographics (e.g., toys in summer, woolen garments in winter).
- Moving to regions with a lot of traffic during busy times.
- Using social capital (friends, family, and other vendors) to obtain unofficial loans or business advice.
- Using group dynamics to practice risk-sharing and resource minimization.

3.3 Theoretical Contributions

This approach casts doubt on the idea that seasonality and informality are only obstacles to company expansion. Instead, it recasts them as forces that mold an alternative entrepreneurial logic, one that places more importance on social embeddedness, adaptation, and survival than on ratification and scale. Additionally, it provides a more sophisticated comprehension of how street vendors in seasonal markets make choices in the face of frequent change, adding to the expanding corpus of entrepreneurial literature that emphasises grounded, context-specific insights.

3.4 Visual Representation

The arrows show a dynamic loop in which seasonal variations cause informal business owners to react with adaptive behaviours, which aids in better managing subsequent cycles.

4. Discussion and Policy Implications

According to the conceptual framework this study develops, entrepreneurship in seasonal, informal economies is more than just a basic or archaic type of entrepreneurial activity. Instead, it entails a complicated series of choices, compromises, and social dynamics, particularly in areas like Kodaikanal that are heavily dependent on tourists. Although they are frequently written off as being on the periphery of the economy, street sellers demonstrate noteworthy entrepreneurial traits including flexibility, tenacity, and strategic thinking. When dealing with environmental volatility, such as shifting visitor numbers and shifting weather patterns, these characteristics are most apparent.

4.1 Rethinking Informality and Seasonality

Access to formal finance, institutional support, and somewhat predictable demand situations are frequently assumed by mainstream entrepreneurial theory. The unofficial street vendors of Kodaikanal, on the other hand, show that unpredictability in informal contexts can lead to entrepreneurial success. Usually seen as a limitation, seasonality actually serves as a structuring force that promotes creativity in product selection, sales tactics, and

teamwork. These entrepreneurs actively develop their company models based on their experience, networks of social support, and knowledge unique to their contexts; they are not merely passive players reacting to outside influences.

As a result, the study makes the case for a more expansive definition of entrepreneurship that accepts socially embedded and adaptable tactics as valid types of entrepreneurial activity. In addition to being a sphere of alternate economic rationalities, informality can also be understood as a lack of formal systems, where trust, adaptability, and improvisation are essential for survival and development.

4.2 Practical Implications for the Policy

This study examines the necessity of developing solutions that take into account the unique circumstances of seasonal informal entrepreneurs from a policy perspective. If blanket plans ignore the risk culture, entrepreneurial agency, and cyclical character of Kodaikanal companies like street vending, they may not succeed. Rather, more adaptable and encouraging frameworks are required. The framework yields the following policy recommendations:

- **Flexible Licensing Models:** Establish mobile vending or seasonal licenses so business owners can legally operate during seasons of high visitor demand without being constrained by strict bureaucratic processes.
- **Seasonality-tailored microfinance:** Create low-interest, short-term loans that coincide with business cycles, particularly to assist vendors in restocking during busy times.
- **Market training and capacity building:** Provide training programs tailored to the specific situation, such as risk diversification strategies, customer relations in tourism environments, and managing seasonal inventory.
- **Vendor Cooperatives and Support Networks:** To improve collective savings, space negotiations, and negotiating leverage, promote the establishment of street vendor groups.
- **Inclusion in Urban Planning:** Acknowledge vendors as valid participants in the urban economy by creating infrastructure and specific areas that facilitate vending without interfering with visitor flow.

4.3 Conclusion

This study contributes to entrepreneurship research by extending the discussion beyond formal business models to include informal, seasonal entrepreneurs whose experiences challenge linear and universal assumptions. By placing emphasis on context, adaptability, and informal institutions, it encourages scholars and policymakers alike to adopt a more inclusive lens when examining entrepreneurial ecosystems in the Global South.

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