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Business Sustainability Analysis of Street Vendors: A Case Study in Salletto Village, Simboro District, Mamuju Regency

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Abstract:
This study aims to analyze the sustainability conditions of street vendors and identify the supporting and inhibiting factors faced by street vendors in Salletto Village Market, Simboro District, Mamuju Regency. This study uses a qualitative approach with a case study design. Informants were selected through purposive sampling and consisted of one key informant (the Head of Salletto Village), 15 main informants (street vendors who had been operating for at least one year), and supporting informants from the communities of Pasada and Ganno hamlets. Data were collected through in-depth interviews, participant observation, and documentation. Data were analyzed using the interactive model of Miles, Huberman, and Saldaña, consisting of data condensation, data display, and conclusion drawing and verification. Data validity was tested through source and method triangulation. The results show that the sustainability of street vendors in Salletto Village is more oriented toward meeting basic household needs (livelihood activities), with stable daily capital turnover, although there is not yet a strong orientation toward capital expansion. The main supporting factors include low operating costs, flexible payment systems (credit/installments), access to local microfinance, communal social ties, and the application of Islamic business ethics (sidiq and amanah). The inhibiting factors include low financial literacy and poor financial record-keeping, dependence on middlemen-based supply chains from Mamuju City, intense competition in basic commodities, and limited technological adaptation. This study recommends assistance in simple financial record-keeping and facilitation by the village government to break inefficient supply chains.

INTRODUCTION

Salletto Village, Simboro District, is one of the villages in Mamuju Regency with resources that support community income, both from production sectors such as agriculture and plantations of corn, patchouli, and cocoa, and from non-production sectors such as trade. The people of Salletto Village largely choose small-scale trading activities as their main source of income. These trading activities take place at Salletto Village Market, which serves as a trading center for residents of Salletto Village as well as Pasada and Ganno hamlets. These trading activities function not only as a means of fulfilling economic needs, but also as a space for social interaction that strengthens community cohesion and serves as the backbone of the village economy.(Study et al. 2022)

Street vendors at Salletto Village Market have unique characteristics because they have not experienced significant impacts from global economic crises such as those experienced by large companies in various parts of the world. Such crises generally affect capital-intensive economic activities, whereas street vendors in Salletto Village use small amounts of their own capital or funds from microfinance institutions such as pawnshops, cooperatives, and other informal microfinance institutions available in the village. The existence of cooperatives and microfinance institutions provides stable and accessible financial support because these institutions understand local conditions and can provide assistance quickly and appropriately. Thus, street vendors do not depend on large loans from banks or international investors and are therefore not directly affected by global market fluctuations or credit crises.(Ratu et al., n.d.)

Street vendors in Salletto Village are also more flexible in adjusting their business operations to local economic conditions. For example, they can sell consigned goods without having to provide capital or apply installment systems so that merchandise continues to sell while people with limited purchasing power can still purchase daily necessities. This is difficult for large companies with more rigid structures. In addition, street vendors serve a wider community, including residents of Pasada and Ganno hamlets, whose demand tends to be stable and is not heavily affected by global economic fluctuations. Operating costs are relatively low because street vendors do not have to pay expensive rent, large employee wages, or high distribution costs. This makes them more capable of surviving when income declines.(Study et al. 2022)

Despite these advantages, street vendors in Salletto Village face several constraints that may threaten business sustainability. Limited capital often restricts their ability to develop their businesses or deal with unexpected losses. Intense business competition can also reduce profit margins and make survival more difficult. Difficulty obtaining supplies at competitive prices, especially because of small purchasing volumes and dependence on local suppliers, is another challenge. In addition, limited understanding of financial management, particularly inadequate financial recor-keeping, makes it difficult to manage income and expenditure and may potentially lead to business failure..(Rakhmanita 2025)

RESEARCH METHOD

This study uses a qualitative approach with a case study design. The research location was Salletto Village Market, Simboro District, Mamuju Regency, and data collection was conducted in August 2025. The location was selected because Salletto Village Market is a trading center serving not only the residents of Salletto Village but also those of Pasada and Ganno hamlets, giving it high economic and social significance as a representation of rural microbusiness activities.(Mtisi 2022)

Informants were selected using purposive sampling with specific criteria. One key informant was the Head of Salletto Village, who has comprehensive knowledge of the condition of street vendors in the village. The main informants consisted of 15 street vendors actively operating in Salletto Village, who had operated their businesses for at least one year and were willing to provide information about their businesses. Supporting informants came from residents of Pasada and Ganno hamlets who were familiar with street-vendor activities and could provide additional information to complement the research data. The number of respondents was determined flexibly until data saturation was reached, namely when the information obtained became repetitive and no significant new information was found.(Palinkas et al. 2016)

Data collection techniques included semi-structured interviews, participant observation, and documentation. Interviews used an interview guide prepared by the researcher while remaining flexible enough to explore additional information that emerged during the interview process. Observation involved directly observing activities at Salletto Village Market and recording and documenting relevant findings. Documentation included collecting relevant written documents as non-human data.(Mtisi 2022)

Data analysis used the interactive model of Miles, Huberman, and Saldaña, consisting of three main components: data condensation, data display, and conclusion drawing and verification. Data condensation involved selecting, focusing, simplifying, abstracting, and transforming field notes and interview transcripts. Data were displayed in matrices, tables, or coherent narrative descriptions. Conclusions and verification were developed by reviewing field notes, discussing findings with fellow researchers, and placing findings within the broader context of the data. Data validity was tested through source triangulation, method triangulation, and member checking to ensure the consistency of the information obtained.

RESULTS AND DISCUSSION

Business Sustainability Conditions of Street Vendors in Salletto Village

Based on in-depth interviews and participant observations conducted with 15 main informants at Salletto Village Market, the sustainability of street-vendor businesses in this area is more oriented toward meeting basic household needs, or what is known in MSME literature as livelihood activities, rather than aggressive capital expansion. This finding is consistent with the classification of MSMEs according to the Ministry of Industry, in which street vendors in Salletto function as an economic safety net for rural communities. This basic-needs orientation is reflected in relatively small but stable daily capital turnover, ranging from approximately IDR 300,000 to IDR 1,500,000 per day. Sales do not always generate large profit margins, averaging only around 10–20 percent, but sales volume is relatively stable because the commodities sold include basic necessities such as groceries, clothing, and daily culinary products, for which demand is relatively inelastic to economic fluctuations.(Ahsin et al. 2025)

Referring to indicators of business sustainability according to Verdu's theory, the ability to recover initial capital is a key indicator that has been fulfilled by most street vendors in Salletto. Informant PDK, a grocery trader, stated that capital borrowed from the village cooperative could always be repaid on time, even though the profit obtained was not large. This indicates that street vendors in Salletto have good resilience against microeconomic shocks, although they have not yet demonstrated the ability to expand or transform into small dynamic enterprises. The ability to continue operating and repay capital provides tangible evidence that their businesses are sustainable, albeit on a limited scale.(Koswara, Komariah, and Wirakusumah 2023)

Operational flexibility is another characteristic supporting business sustainability in this area. Street vendors in Salletto apply consignment and credit/installment systems for residents of Pasada and Ganno who are waiting for the corn and patchouli harvest seasons. This system is a key reason vendors continue to sell even when purchasing power fluctuates. Informant AS, a clothing trader, explained that this credit system could not easily be implemented by modern retailers because it requires trust and a deep understanding of the local agrarian economic cycle. This system demonstrates innovation in sales methods in accordance with Hudson's indicators, although the innovation is more adaptive to local conditions than technologically transformative.(Ratu et al., n.d.)

Integrity and honesty in transactions are naturally reflected in everyday practices and constitute valuable social capital. The main informants stated that they never reduce the weight of goods and always separate damaged or expired products and openly inform buyers about them. Such openness and honesty make their goods sell well and build trust among customers across hamlets. This trust is a strong indicator of business prospects because the condition of the surrounding community is strongly influenced by the reputation and integrity of traders. However, professionalism, creativity, and innovation remain limited. Most street vendors in Salletto have not significantly diversified their products or sales methods and still rely on traditional practices of waiting for customers rather than using social media or digital platforms to expand their market reach.

Supporting Factors for Business Sustainability

The main supporting factor for the sustainability of street-vendor businesses in Salletto Village is low operating costs. Vendors do not incur expensive stall-rental costs, large employee wage expenses, or high distribution costs. Most businesses operate as family enterprises involving family members in daily operations, so there is no heavy employee-wage burden on cash flow. Informant SR, a culinary trader, explained that she sells together with her husband on the market terrace without paying rent, while her children help on busy days. This condition allows street vendors to survive better when income declines because their break-even point is relatively low compared with formal retail businesses.(Tambunan 2022)

Access to local microfinance is another significant supporting factor. When they need emergency capital, traders use local pawnshop services, village cooperatives, or family savings groups, whose procedures are simpler and faster than those of conventional banks. Flexible financing close to their homes enables traders to overcome capital constraints that are often a major obstacle for microbusinesses. Flexible payment systems adapted to the harvest cycle of agrarian communities also allow traders to retain loyal customers from Pasada and Ganno. Informant AS explained that many customers from Ganno purchase clothing on credit and pay after the patchouli harvest. This system not only maintains customer loyalty but also strengthens social ties between traders and buyers beyond purely economic transactions.(Supari and Anton 2022)

Communal social ties are invaluable social capital. A culture of mutual respect and trust allows transactions without complicated written agreements to operate smoothly. Strong patron–client relationships between traders and buyers form an important support network during economic difficulties. Informant HR, a vegetable trader, explained that when experiencing financial difficulties, several loyal customers provided interest-free loans to help with business capital. These social ties constitute social capital that strengthens the resilience of traders' businesses in Salletto.(Koswara, Komariah, and Wirakusumah 2023)

The strategic location of Salletto Market as a meeting point on routes toward Pasada and Ganno ensures a stable flow of buyers on market days. This position is consistent with Siti Nurpuji Rahayu's business-prospect indicator concerning appropriate location selection. Informant DK, a building-material trader, explained that the location of Salletto Market at a main-road intersection encourages people from surrounding hamlets to stop and shop. Supporting transportation infrastructure is also a factor, and access to Pasada and Ganno through the Trans-Sulawesi road makes the market relatively accessible. (Kurniasari, Lestari, and Tannady 2023)

Inhibiting Factors for Business Sustainability

The main inhibiting factor for the sustainability of street-vendor businesses in Salletto Village is low financial literacy and inadequate financial record-keeping. Of the 15 informants studied, 12 did not separate business capital, profit, and household consumption money. Informant IS, a clothing trader, stated that profit and capital were mixed in the same tin box. When an unexpected need for school expenses arose, money was taken from the box without being recorded. As a result, business capital was often insufficient for the next morning's purchases, forcing the trader to borrow from a neighboring stall. This condition shows that traders in Salletto do not yet have adequate understanding of the importance of simple bookkeeping, which can create difficulties in managing income and expenditure and potentially cause business failure in the long term.(Rakhmanita 2025)

An inefficient supply chain is another significant inhibiting factor. Street vendors in Salletto must purchase stock from agents or middlemen in central Mamuju City. This makes their cost of goods sold higher than that of traders in wholesale markets, ultimately narrowing profit margins. Informant MR explained that rice and sugar had to be purchased from agents in Mamuju City at prices that already included transportation costs, meaning that selling prices had to be higher than those of wholesale-market traders. Dependence on an inefficient supply chain is a structural burden that individual traders find difficult to overcome because they lack sufficient bargaining power to purchase large quantities directly from major distributors.(Masdiantini et al. 2024)

Intense competition in basic commodities is also a serious challenge. The number of sellers offering the same commodities, such as vegetables or used clothing, is high while the target market remains the same, triggering price wars that reduce profits. Informant HR reported that Salletto Market has more than 10 vegetable sellers offering nearly identical commodities, forcing them to compete by lowering prices. This shows that intense competition can reduce profit margins and make survival difficult, especially when community purchasing power declines or fluctuates because of crop failures.(Widiarty 2024)

Limited technological adaptation is increasingly relevant in the digital era. Unlike urban traders who have begun using digital payment systems or social-media marketing, traders in Salletto still rely heavily on cash transactions and waiting for customers to visit the market. Informant SR admitted that she did not know how to use social media for promotion and felt more comfortable with traditional methods. This finding is consistent with Tuwis Hariyani (2021), who found that not all street vendors can adapt because of limited knowledge and skills, particularly in utilizing science and technology. This limitation restricts their market reach to consumers who physically visit the village market.(Laila 2024)

The findings of this study show that the sustainability of street vendors in Salletto Village is a complex phenomenon in which social resilience and business integrity serve as major supports, while managerial and structural weaknesses hinder development. From the perspectives of Verdu and Hudson, traders in Salletto have fulfilled several business-sustainability indicators, including the ability to recover initial capital and good customer management through the credit system. However, indicators of product and sales-method innovation remain limited to payment innovation rather than product diversification or digital market expansion. This indicates that their businesses are in a survival phase rather than an aggressive growth phase.(Maria Nila Anggia and Muhammad Rifki Shihab 2019)

From a social-capital perspective, honesty and openness have become intangible assets that ensure customer loyalty across hamlets. However, professionalism and innovation remain limited, as reflected in low technological adaptation and product diversification. This presents a serious challenge if Salletto traders want to move from livelihood activities toward small dynamic enterprises. The gap between integrity-based practices and innovation capabilities indicates that street vendors in Salletto need assistance that is not merely technical but also transformative, helping them shift their mindset from simply surviving to developing their businesses..

These findings are also consistent with Ayu Candra Kusuma (2021), which shows that strategic location selection and the use of savings are important supporting factors, as well as Duma Desmawati Putri (2023), which recommends a government role in providing MSME loans. However, Salletto Village has a distinctive context characterized by communal social ties and an agrarian-cycle-based credit system that was not found in previous studies in urban areas. This uniqueness indicates that the sustainability of rural street vendors cannot be analyzed using exactly the same approach as urban street vendors because it is strongly influenced by the unique socioeconomic context of agrarian communities.

From a development-economics perspective, street vendors in Salletto constitute microbusinesses that function as an economic safety net. However, without interventions such as financial-recording education and facilitation to break inefficient supply chains, they may become trapped in a poverty cycle in which their businesses cannot move up the economic ladder because profits are continuously eroded by household consumption and supply-chain inefficiencies. This condition demonstrates that business sustainability among Salletto street vendors depends not only on internal factors such as traders' hard work but also on external factors such as government policy and a fairer market structure. (Widiarty 2024)

CONCLUSION

Based on the research findings and discussion, it can be concluded that the sustainability of street-vendor businesses in Salletto Village is more oriented toward meeting basic household needs (livelihood activities), with stable daily capital turnover, although there is not yet an orientation toward capital expansion. Integrity and honesty in transactions constitute the main foundation for maintaining customer loyalty across hamlets. The main supporting factors include low operating costs, payment flexibility based on the agrarian cycle, access to local microfinance, communal social ties, and a strategic location as a trading hub connecting hamlets. The main inhibiting factors include low financial literacy and financial record-keeping, dependence on middlemen-based supply chains from Mamuju City, intense competition in basic commodities, and limited technological adaptation.

Based on these conclusions, several recommendations are proposed. Street vendors are expected to begin applying simple bookkeeping by separating business money from household money in order to determine actual profits and to begin using social media to expand market reach. Village and subdistrict governments should facilitate financial-literacy training programs, connect traders with producers or direct distributors to shorten the middlemen-based supply chain, and provide appropriately targeted MSME financing assistance. Future researchers are encouraged to further examine the potential for digital marketing among rural traders and the long-term effect of agrarian-cycle-based credit systems on traders' income stability.

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