Challenges Faced by New Age Entrepreneurs in India in Street Food Business

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Abstract: *India's dynamic street food industry is a reflection of its rich cultural identity and economic vitality. While it presents valuable opportunities for tech-driven, modern entrepreneurs, the journey is not without significant roadblocks. This paper explores the major obstacles encountered by these new entrants, such as inconsistent regulatory frameworks, inadequate urban infrastructure, and shifting consumer expectations. Entrepreneurs must deal with complex licensing procedures, meet hygiene benchmarks, and innovate within tight margins. As consumer demand tilts toward safer and more creative street food experiences, building trust and visibility in a saturated market becomes essential. Drawing from secondary sources, the study highlights how digital tools and inventive branding can empower these ventures. It concludes by calling for policy clarity, financial inclusivity, and improved municipal systems to unlock the sector's employment and growth potential.*

Keywords: street food, entrepreneurship, India, regulation, digital footprint, urban consumers

I. INTRODUCTION

Street food in India serves more than just appetites—it plays a critical role in social interaction and economic sustenance. With urban spaces buzzing with culinary activity, a new generation of entrepreneurs is emerging, aiming to redefine the street food narrative. Armed with technology and a contemporary mindset, these entrepreneurs seek to formalize and elevate traditional food vending. This paper investigates the primary challenges that hinder their aspirations and examines how this segment can evolve into a robust platform for inclusive growth.

II. METHODOLOGY

This study employs secondary research, analyzing data from industry reports, academic literature, government publications, and media articles. Key trends and barriers have been drawn from case studies and observational findings in urban hubs such as Mumbai, Delhi, and Bengaluru, focusing on legal, infrastructural, and consumer behavior dimensions impacting modern street food businesses.

III. RESULTS AND DISCUSSION

3.1 Regulatory Challenges

Despite being widespread, street food vending in India lacks a streamlined legal structure. Although recognized under various local and national policies, compliance with safety and operational norms varies widely. The involvement of multiple regulatory bodies leads to delays and confusion in obtaining the necessary approvals.

3.2 Infrastructure Deficiencies

Many vendors in Indian cities operate without access to essential utilities like clean water, waste disposal, and electricity. This deficit not only hampers cleanliness but also affects customer confidence. A NASVI report revealed that over 60% of street vendors in major urban areas lack access to basic services, underscoring the need for infrastructural intervention.

3.3 Evolving Consumer Preferences

Modern consumers, especially in urban settings, prefer food that is not only tasty but also hygienic and visually appealing. To meet these expectations, entrepreneurs need to invest in aesthetic presentation, sustainable packaging, and health-conscious menus—often at a higher cost. Balancing these elements with affordability remains a key challenge.

3.4 Competition and Market Penetration

Emerging entrepreneurs are up against both entrenched street vendors and organized food brands, some of which enjoy substantial financial and marketing resources. To compete effectively, newcomers must carve out a distinct identity, often relying on local branding and digital engagement strategies.

3.5 Technology Integration

Technology can transform street food operations through digital payments, online ordering, and targeted marketing. However, limited technical knowledge and budget constraints often hinder adoption. Collaborations with delivery apps and use of social media are proving useful for some.

3.6 Financial Challenges and Informal Financing

A persistent obstacle for new-age entrepreneurs in the street food business is limited access to formal credit. Due to their informal status, many do not qualify for traditional loans. They rely heavily on personal savings or informal lending sources, which can come with high interest rates and repayment risks. Although schemes like PM SVANidhi provide microcredit, awareness and access remain uneven, especially among marginalized vendors. Enhancing financial literacy and designing street-vendor-specific banking products can significantly support this sector.

3.7 Skill Development and Training Needs

Despite entrepreneurial enthusiasm, many street food vendors lack training in key business areas such as food safety, digital marketing, and inventory management. Government and private organizations can bridge this gap through vocational training programs. Initiatives like FSSAI's Food Safety Training and Certification (FoSTaC) are steps in the right direction but need broader implementation. Upskilling vendors can lead to improved product quality, better compliance with hygiene standards, and increased customer satisfaction.

3.8 Pandemic-Induced Setbacks

The COVID-19 pandemic highlighted the vulnerability of informal sectors like street vending. Strict lockdowns, mobility restrictions, and fear of contamination caused sales to plummet. Many vendors faced total shutdowns, with minimal support. The crisis emphasized the importance of digital preparedness and financial buffers. Entrepreneurs who had online visibility or access to delivery services were better positioned to survive. Future resilience planning must include emergency support mechanisms.

IV. RECOMMENDATIONS AND FUTURE PROSPECTS

To promote a sustainable future for street food entrepreneurs, a multifaceted approach is necessary. This includes simplifying legal formalities, ensuring dedicated vendor zones with essential infrastructure, and offering subsidies for cleanliness upgrades. Digital inclusion programs and collaborations with food delivery platforms can widen market reach. Moreover, partnerships between municipal authorities and academic institutions can help with policy development and monitoring. If these areas are addressed effectively, India's street food industry can evolve into a global case study in urban micro-entrepreneurship.

V. CONCLUSION

India's street food industry can become a powerhouse of entrepreneurship and job creation if current obstacles are addressed. By simplifying regulations, expanding access to digital tools, and enhancing local infrastructure,

stakeholders can help modern vendors thrive. Strategic support from policymakers, financial institutions, and urban planners is crucial to realizing this sector's full potential.

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