

# Thinking about the Development of Stall Economy Based on SWOT analysis

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**Abstract.** This paper examines the current situation of the development of the stall economy by analyzing data from Yujincheng area of Xi'an. And analyzes the four dimensions of the development of the stall economy in the context of COVID-19 under the SWOT perspective, and proposes feasible suggestions and countermeasures for the sustainable development of the stall economy by applying the four SWOT strategies.

## 1 Introduction

Since the outbreak of COVID-19 in January 2020, all industries have been greatly impacted, with some enterprises facing closure and many workers losing their jobs. In the national industries are facing a period of recession, due to the low cost of the ground stall economy, the threshold of entry and variety of categories are not subject to too many restrictions, become the transition of the unemployed, entrepreneurs preferred. The "Stall Economy" has always been a controversial form of economy, but with Premier Li Keqiang emphasizing the importance of the "Stall Economy" during his visit to Yantai, the term "Stall Economy" quickly became popular online, and stalls were promoted and supported throughout the country. In the economic downturn, is it "advantageous" or "disadvantageous" to regain the "fireworks" and advocate the restoration of the stall economy, and is it a short-term or long-term solution? Taking Yujincheng Area of Xi'an as an example, this paper studies the current situation of stall economic development, analyzes the four dimensions of the development status of stall economy from the perspective of SWOT, and applies the four strategies of SWOT to put forward feasible suggestions and countermeasures for the sustainable development of the stall economy, so as to hope that the stall economy can still develop healthily and sustainably after the epidemic.

## 2 Basic information on the stall economy

### 2.1 Concept

The stall economy is an economic activity that generates income by selling legal goods in public spaces in the

city. It can be divided into two types, fixed vendors with a fixed place of business and mobile vendors without a fixed place of business <sup>[1]</sup>.

### 2.2 Relevant legal provisions

1. According to the Regulations on Individual Entrepreneurs, a citizen who has the ability to run a business and is registered by the administrative department for industry and commerce in accordance with the regulations to engage in industrial and commercial operations is an individual entrepreneur. An individual industrial and commercial household can operate as an individual or as a family. The stall economy belongs to individual industrial and commercial households and should apply for an individual industrial and commercial household business license. Among them, those who sell agricultural and sideline products, daily necessities, or individuals who use their skills to engage in convenient labor activities that are not required to obtain a license according to law, at places and times designated by local people's governments at or above the county level, are not operating without a license according to Article 3 of the Measures for Investigation and Punishment of Unlicensed and Unlicensed Businesses.

2. According to the relevant provisions of the Labor Law, workers who form a labor relationship with an individual business are required to sign an employment contract, the employees go to and from work every day, are managed by the shop and are paid monthly, if they do not sign an employment contract, they may be subject to recovery of double wages and are also required to purchase social security for their employees.

3. According to the relevant provisions of the Food Safety Law, food vendors can legally sell food and should apply for a record, a public card and a health

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certificate at the local industry and commerce department. If there are quality problems with the food, consumers can claim compensation from the producer or operator for ten times the price or three times the loss.

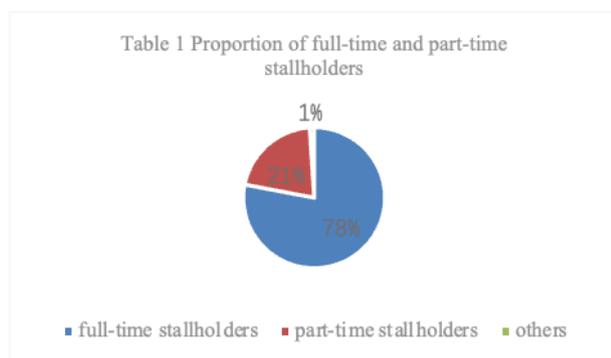
4. Article 53 of the Product Quality Law stipulates that if a product's place of origin is forged, or if another's factory name or factory address is forged, or if a quality mark such as a certification mark is forged or forged, the product shall be ordered to be corrected, the products produced or sold in violation of the law shall be confiscated, and a fine of up to the equivalent value of the goods value of the products produced or sold in violation of the law shall be imposed; if there is any illegal income, the illegal income shall be confiscated; if the circumstances are serious, the business license shall be revoked.

5. According to Article 60 of the Fire Services Law of the People's Republic of China, individuals who "occupy, block or close evacuation passages or safety exits or otherwise obstruct safe evacuation; bury, encircle or block fire hydrants or occupy fire breaks; occupy, block or close fire engine passages and obstruct the passage of fire engines" are liable to a fine of not more than five hundred yuan. shall be liable to a warning or a fine not exceeding five hundred yuan.

### 2.3 Case - Research on the current situation of stall economy in Yujincheng Area, Xi'an

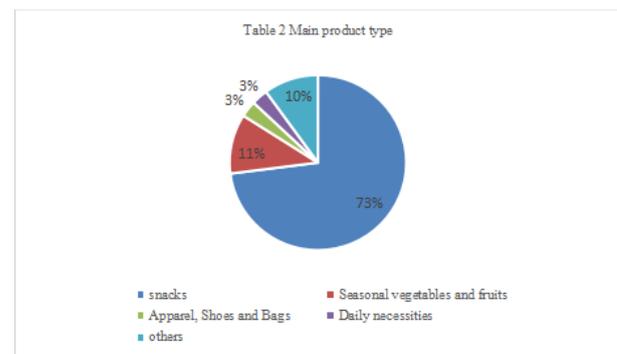
Through on-site visits, 158 stall owners were randomly interviewed, focusing on the types of stall owners, main commodity types, and profit status.

#### 2.3.1 Stallholder types



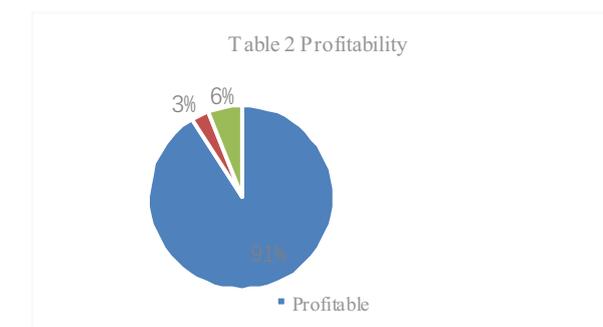
It can be seen from Table 1 that among the 158 stall owners in Yujincheng Area of Xi'an, full-time stallholders accounted for 78% of the total number and part-time stallholders accounted for 21% of the total number. According to the survey results, the stall economy is the main source of income for a considerable number of people, and has long-term internal factors; The long-term existence of the stall economy also meets the purchase needs of consumers and forms a stable two-way consumption system.

#### 2.3.2 Main product type



As can be seen from Table 2, among the 158 stallholders in Yujincheng Area of Xi'an, 73% of the total number are engaged in snacks, 11% are engaged in seasonal vegetables and fruits, 3% are engaged in clothing, shoes and bags, 3% are engaged in daily necessities, and 10% are of other types. The type of stall is mainly food stalls, and this part of the personnel constitutes the main force of the stall economy. And there are many types of stalls, which can meet the various needs of consumers, so that consumers can quickly and conveniently buy their favorite goods, but snacks account for too much proportion in the type of stalls, which may cause the singleness of consumption, to continuously derive new consumable goods, so that they have a certain degree of selectivity, so that the market economy is more active and more diversified.

#### 2.3.3 Profitability



As can be seen from Table 3, among the 158 stallholders surveyed in the Yujincheng area of Xi'an, 91% considered "profitable", 3% considered "basically flat", and 6% considered "loss". According to the results, the stall economy brings continuous income to the vast majority of operators, but if it is not well managed, it may also lead to losses.

## 3 SWOT analysis of the stall economy

### 3.1 Advantages of the stall economy

1. Provide employment opportunities and relieve current employment and economic pressures. Compared to other formal jobs, The stall economy has a low threshold, low risk, low operating costs, flexible operating hours, low age, education and skill requirements, and requires only

a small amount of capital to operate and run. In the post-epidemic era, the downward pressure on the economy continues to intensify. As one of the important means to "protect people's livelihoods and promote employment", The stall economy has broadened the temporary employment channels for the unemployed and some university graduates who have difficulties in finding employment, and also provided opportunities for low-income groups to increase their income. Some of the bankrupt owners can sell their unsold products through the stalls to reduce their losses, some workers with sufficient spare time can also use the stalls to increase their income and temporarily relieve their financial pressure, and some university graduates can use the stalls as a starting point for their own business. The rise of the stall economy has provided employment opportunities, reduced the unemployment rate and has a positive effect on stabilizing the livelihood of the community.

2. Bridging the market hierarchy and providing convenience of life. Medium and large markets tend to serve middle and high level consumers, neglecting the needs of low income groups and raising the cost of living, while The stall economy caters to the needs of most working class and elderly people with its low prices and closer proximity to the daily lives of residents. In addition, floor stall vendors tend to choose crowded areas to set up their stalls, providing a great convenience to passers-by, commuters and residents living and working in the surrounding area. Commuters can buy breakfast on their way to work and late-night snacks on their way home from work, and residents can buy fresh fruit and vegetables produced and sold by farmers at the ground stalls. Consumers do not have to enter the mall specifically to find the target products and queue for the checkout, which not only reduces the pressure of consumption but also saves the time cost of purchase.

3. Create a distinctive commercial cultural atmosphere in the city. The stall economy and the culture of the city are closely related, just as every city has iconic buildings and specialties, the night market is also a city's calling card with a strong local colour. For example, the night market in Hotan, Xinjiang, the night market in Linghe, Jinzhou, the night market in Xisi, Kaifeng, the night market in Licun, Qingdao, and the night market in Liuhe, Kaohsiung, etc<sup>[3]</sup>. The stalls are full of all kinds of goods, food, clothing, housing and transport, all of which reflect the characteristics of a city. Local snacks, folk paper-cutting, ethnic embroidery, exquisite handicrafts and other local characteristics are integrated into the city in the form of stalls, which have distinctive regional cultural characteristics and carry the cultural connotation and heritage of a city, and also shape the unique tourism charm of a city.

4. Driving the regional economy. In the context of Dazhiyun, modern production and sales channels are no longer single, and the e-commerce and express delivery industries are rapidly emerging, so the world will also become a global village, and consumers can buy the goods they want through various sales channels. Local specialties that were previously stagnant due to closed traffic and information can now be sold through a

combination of floor stalls and live streaming. For example, Guangxi snail noodles, Changsha stinky tofu, Xi'an cold skin, etc., these famous snacks, which originally appeared only on the ground stalls and were made ready to eat, have been processed into quick and easy to transport products, and through the current network for local businesses to open up the national market, driving the regional economy and providing convenience for consumers.

### 3.2 Disadvantages of the stall economy

1. Affecting the appearance of the city. Due to the strong mobility of the stall economy, in order to solicit customers to increase revenue, the stall location is generally in a busy area with a large flow of people, bringing inconvenience to pedestrians and vehicles passing through, some occupying business practices will even affect the normal traffic order, randomly placed stalls will also affect the city's appearance to a certain extent. In addition, the stall economy is also susceptible to urban environmental hygiene, such as the pollution of waste plastics caused by white rubbish discarded anywhere and everywhere, the smoke from open-air barbecues damaging the city air, loud hawking and amplified sound affecting residents' rest, these unfavorable factors obviously affect the neatness and beauty of the city and environmental hygiene.

2. Trading is not standardized and not competitive. The amount of money traded is relatively small, the trading hours are not fixed, the trading locations are mobile and the prices of goods are random, and there is a lack of detailed and clear laws and regulations to regulate prices and quality standards. As a result, most of the commodities available at the stalls are relatively low-cost, low-grade products of average quality, even sham and shoddy goods. The mobility of the stalls makes it difficult for consumers to obtain after-sales service when they encounter quality problems. The prices shouted by the stall vendors vary from person to person, and consumers who are inexperienced in shopping and do not know how to bargain may buy products with lower cost performance. In the face of fierce homogeneous competition, the vendors usually adopt a price war. In the face of fierce homogeneous competition, traders often resort to price wars, thus falling into a vicious circle of poor quality and meagre profits. All these have a serious adverse impact on the normal operation of commodity markets.

3. Security management is difficult. Vendors usually choose to set up their stalls in places with a high flow of customers, which easily causes idle people to gather, laying a hidden danger for the occurrence of vicious incidents such as theft and robbery. Vendors fight with each other in order to grab business, solicit customers and compete for territory, and there are also vendors who are dissatisfied with the city management due to the occupation of the road, market management and penalty violations, and fist and kick each other, and violent resistance to the law occurs from time to time; these undesirable phenomena not only increase the urban

management These undesirable phenomena not only increase the difficulty of urban management, but also undermine the normal economic order and social stability.

4. Crowding out the real economy. The rise of e-commerce has affected the real economy to a large extent, and many physical shops have become untenable. Coupled with the low cost, low prices and the existence of tax advantages, The stall economy is bound to become a strong competitor to the real economy. The real economy is a symbol of a city's competitiveness and the country's economic strength, especially in the current context, where the real economy is showing a massive depression, generating a great deal of negative sentiment towards the population, which in turn tends to breed various social problems.

### 3.3 Opportunities for the stall economy

On 27th May 2020, the Central Civilization Office made it clear that roadside markets and itinerant traders would not be included as part of the assessment of civilized cities in the 2020 National Civilized City Assessment Index. During a visit to Yantai in Shandong Province on 1 June, 2020, Premier Li Keqiang said that the economy of stalls and small shops is an important source of jobs and is the fireworks of the world, and is as much a part of China's vitality as they are the fireworks of the world, and are as much a part of China's vitality as the "high and mighty"<sup>[2]</sup>. People-centered development should be the starting and ending point of urban work.

### 3.4 Threats to the stall economy

1. Unsuitable cities are not suitable for the stall economy. First-tier cities and second-tier cities, as well as other cities, are at different stages of development and have different development requirements. The suitability of the "stall economy" for the city depends on the positioning of the city. In most locations in first-tier cities such as Beijing and Shanghai, where the economy is relatively well developed, I do not think that a stall economy is suitable. These relatively developed cities have a high concentration of businesses and a high population density, so it is very difficult to manage without stalls. The location of the stalls will inevitably lead to dirty streets, noisy people, traffic jams, rubbish everywhere, frequent accidents and other phenomena, which is not conducive to establishing a good image of the city and the country, and is even more detrimental to promoting domestic and international economic exchanges and cooperation, and will certainly affect the city's high-quality economic development.

2. The constant impact of Internet commerce. With the development of "Internet+" and e-commerce, online shopping is penetrating into thousands of households in a new form, especially with the rise of live-streaming and online direct sales, The stall economy is being squeezed tremendously. Not only young people, but also some middle-aged and elderly people who do not want to lag behind the times are gradually moving away from the

stall economy and integrating into this new consumer culture. The development of e-commerce has led to a partial shift of consumers from the stall economy. Against the background of the gradual development of the internet and the increasing individualization and desocialization of the leisure life of the masses, the impact of the development of online shopping on the stall economy and its consumer culture is still enormous.

3. The stall economy has struggled under COVID-19. Since the outbreak of COVID-19, the stall economy has been at a standstill for a while and development has been adversely affected. The intensive, mobile and contact nature of stalls has undoubtedly made it difficult to prevent and control the epidemic. From the perspective of public health and safety and the health of the entire population, ground stalls are inevitably subject to strict control and restrictions on the time periods and areas where they can be set up, which has reduced the space for the stall economy to operate and develop. With the normalization of COVID-19 prevention and control, consumers and small operators are considering how to minimize the impact of the epidemic, but this is adding to the already low income of stall vendors, and causing consumers to change their purchasing methods to online and other safer shopping channels.

## 4 Countermeasures and Recommendations

### 4.1 Highlighting strengths and seizing opportunities

Combining the stall economy with regional culture. Firstly, cooperate with local universities and research. Developing new products with the information advantage of local universities, not only can help transform the creativity of university students, but also help solve the shortage of uniqueness and culture of the stall products. Then, a holistic immersive cultural atmosphere can be built up through coordinated planning, with unique local cultural content abstracted as cultural symbols, then processed and utilized and promoted to the whole ground stall area, which can give visitors an immersive cultural atmosphere experience.

### 4.2 Creating opportunities to overcome disadvantages

Conducting internet business and creating new development models. With the rapid development of the Internet, e-commerce has shown great potential, especially during the epidemic, e-commerce orders have surged and shown explosive growth. The traditional floor stall economy, which has the weaknesses of low economic efficiency and small scale, can take advantage of the east wind of the Internet to innovate its sales model and keep pace with the times to achieve efficient and low-cost online and offline synchronization, forming a benign and healthy competitive environment. Internet majors and e-commerce platforms, among others, have

also launched successive help schemes to provide support to stall operators in terms of funding and operations. Small and medium-sized enterprises can use the Internet to buy goods and then use The stall economy to sell their products, pulling forward a series of developments in the industrial chain and supply chain. Vendors can use the online platform to stock their products in advance and use digital tools to reconstruct the new retail model of "people, goods and venues" to realize online and offline integration<sup>[4]</sup>. In addition, for the new internet era of the stall economy, communities can be integrated into the business, using powerful and well-established platforms such as WeChat, Maidu and Jindo to establish links with target customers and attract users to the business. Combining the internet with the development of the city, the stall economy can be better integrated into the urban economy.

### 4.3 Play to strengths and neutralize threats

Improve the management system of the stall industry. Firstly, carry out regulation of industry categories and determine the scope of merchandise business at different levels of control. We should support and encourage service industries that are essential to the livelihood of residents, such as shoe repair, clothes mending and key cutting. For small daily commodities, fruits and vegetables, children's toys, newspapers and magazines, that are convenient to the public and do not affect the cityscape, should be permitted to sell. For industries that affect the cityscape and have security risks, such as barbecue, late-night stalls and spicy hotpot, should be strictly controlled and must obtain the appropriate qualifications before they can operate. Second, the establishment of quality and price standards for goods and services. The management should conduct adequate market research, strictly control quality and prices, and standardize service standards, so as to prevent bullying and protect consumer rights. Thirdly, setting conditions of access for stall owners. Control the group of operators through qualification checks to ensure orderly and healthy competition in the operation of stalls. Help vulnerable groups such as people with disabilities and low-income families by giving them priority access. A stall owner's business integrity file will be established. Who operators with negative records such as frequent complaints, non-compliance with stall regulations, or business content exceeding the scope will no longer be accepted for admission. Fourthly, issue stall licenses and legal stall operation rights. The management should issue business licenses for stall operators who have been granted stall status, so that their operation is legalized.

### 4.4 Reducing disadvantages and avoiding threats

Innovative and intelligent management, from "disorderly" to "orderly". Scientific and rational planning of areas, delineation of relevant business zones and no-frills zones, appropriate regulation and control to allow

vendors to operate on the street, at temporary stalls or in designated areas, and intelligent management in these areas combined with the Internet and big data to promote intelligent and accurate urban management. Based on the contradiction between the scarcity of public space resources and the large number of stall operators, urban management officials can establish a pre-registration system based on the scale of demand and type of operation of the stall economy, implement an access permit system for the stall economy, and use tools such as WeChat mini-programs and It will also allow city administrators to systematically monitor the business behavior of stall operators and impose restrictions on their behavior, blacklisting and disqualifying those who disobey management, sell poor quality products or operate in breach of regulations<sup>[5]</sup>. In addition, ground stall operators can also express their views and give feedback on the platform, which helps the management to monitor and adjust policies in real time. In this way, The stall economy can be managed and supported with high efficiency and quality, so that urban governance can also deliver a perfect answer in the post-epidemic era.

## 5 Conclusion

In the post-epidemic era, the stall economy is an important policy to ensure employment and people's livelihood. It not only needs the central government's "high-level promotion", but also needs the local government's implementation, to realize the standardized, legal and orderly development of the stall economy. It is necessary to grasp the development characteristics of the stall economy, guide the coordinated development between the stall economy and the city economy, play an effective role and function of the stall economy. In addition, it is important to further enhance the development capacity and quality of the stall economy by combining the Internet to manage and integrating the local culture to enrich the connotation. Reform and opening up over 40 years, our country has accumulated a lot of experience and governance pattern in the social governance aspect. Let us wait and see the healthy stall economy with the city governance supporting .

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