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BUSINESS TENURE, OPERATING HOURS, AND COMPETITORS: EFFECTS ON CUSTOMERS AND FINANCIAL IMPLICATIONS

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Abstract *This study aims to examine the effect of business tenure, operating hours, and the number of competitors on the number of customers for street vendors in Medan, along with the financial implications of customer traffic. Using a quantitative approach with a case study method, data were collected through structured questionnaires, involving direct numerical input provided by street vendors. The research was conducted in selected districts of Medan using purposive sampling, with a total sample of 30 respondents. The data were analyzed using multiple linear regression. The findings indicate that, collectively, business tenure, operating hours, and the number of competitors significantly affect customer volume. However, on an individual basis, only operating hours had a statistically significant impact, suggesting that longer operating hours are positively associated with attracting more customers. In contrast, business tenure and competition did not show a meaningful influence. The regression model met the assumptions of normality and showed no signs of heteroscedasticity. From a financial perspective, the results imply that optimizing daily operating hours may enhance customer reach and, subsequently, improve income potential, whereas simply having longer business experience or facing more competitors does not necessarily guarantee higher earnings.*

Keywords: *Business duration, linear regression, number of customers, number of competitors, street vendors, working hours.*

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Introduction

Street vendors play a vital role in urban economies in Indonesia as part of the informal sector, providing affordable access to basic goods and services for the public (Nurhayati, 2020). In particular, this study focuses on *pedagang kaki lima (PKL)* who operate using carts, bicycles, or portable setups without permanent stalls. These vendors typically "mangkal" or settle in the same spot daily—such as sidewalks, street corners, or near public facilities—yet do not possess official or permanent business premises. Common types of goods sold include food and beverages, daily necessities, and low-cost consumer products.

However, increasing competition and fluctuating customer volumes have become major challenges to business sustainability (Ardina, Maharani, Yuliamanda, & Saputri, 2024). Several factors are believed to influence the number of customers, including business tenure, operating hours, and the number of competitors around the vendor's location.

Previous studies have shown that business tenure is positively correlated with customer loyalty, service satisfaction, and revenue stability (Haenlein, 2015; Moreno-Maynero, Gallardo-Garcia, Pagan-Castaño, & Guijarro-Garcia, 2025). Customers who have longer engagement with a business tend to be more loyal and tolerant of price changes (Dawes, 2009). Thus, a longer duration of business operations is assumed to cumulatively increase customer volume over time.

Meanwhile, operating hours are considered an important factor in improving service accessibility. Extending business hours has been associated with increased productivity and customer traffic due to the flexibility it offers in shopping times (Delsen & Smits, 2009; Kügler & Weiss, 2016). However, such decisions are not always strategic but often adaptive responses to competitive pressures.

The number of competitors also produces mixed effects. On the one hand, competition may reduce customer volume by dividing the market. On the other hand, it may encourage vendors to improve service quality and innovate as part of their competitive strategy (Nichols, 2007). Therefore, the impact of competition on customer behavior is not linear and requires further analysis.

Several local studies (Pertiwi, 2023; Prihatminingtyas, 2019; Rachmadani, 2023; Salsabilah, Mutia, & Syahrizal, 2024; Syaifullah, 2019) have explored factors influencing street vendors' income. However, most focus on revenue or sales as the dependent variable, rather than customer volume, which is in fact a key input in the income-generating process. Moreover, few studies have simultaneously examined the influence of business tenure, working hours, and the number of competitors in a single regression model to explain customer behavior among street vendors in urban areas. This study is therefore urgent and timely, aiming to fill a gap in the literature by analyzing how these three variables jointly affect customer volume among street vendors.

The novelty of this research lies in its use of actual numerical data rather than Likert-scale-based perceptions, which dominate previous studies. Unlike perception-based research, this study collects real, observable data directly from street vendors—such as daily customer count, number of competitors, operating hours, and business tenure (in months or years). This evidence-based approach enables a more objective and accurate analysis of real conditions in the informal microenterprise context. Such a method is rarely applied in similar studies, particularly those involving street vendors in developing urban environments.

The findings of this study are expected to make a significant empirical contribution to the understanding of customer behavior dynamics in the informal microenterprise sector—particularly among street vendors who operate without permanent premises. Unlike many prior studies that rely on perception-based Likert-scale data, this research utilizes actual quantitative field data—including daily customer counts, exact operating hours, business tenure (in months or years), and the number of nearby competitors—collected directly from vendors. This approach enables a more objective, measurable, and evidence-driven analysis of factors affecting customer volume.

The novelty of this study lies in three key aspects:

1. Use of objective, non-perception-based data in a research area typically dominated by subjective surveys. This enhances the reliability and validity of findings for policy application and micro-level business strategy.
2. Simultaneous analysis of business tenure, operating hours, and competition in a single regression model—something rarely done in studies on informal urban street vendors.
3. Focus on customer volume as a central variable, rather than sales or income, which allows for a more foundational understanding of how foot traffic translates into revenue potential, thus bridging the gap between micro-level behavior and financial sustainability.

This evidence-based approach offers not only theoretical contributions to behavioral and microenterprise studies but also practical recommendations for street vendors in optimizing business strategies (e.g., choosing the right hours or location) and for policymakers in formulating targeted interventions to support the urban informal economy—particularly in cities like Medan where informal trade is a vital economic lifeline. Specifically, this study aims to identify key factors that influence customer volume based on actual field data from micro-entrepreneurs.

Conceptual Framework

To support the direction of this research, a conceptual framework has been constructed to illustrate the relationship between three independent variables—business tenure, operating hours, and the number of competitors—and the dependent variable, namely customer volume. Each relationship is grounded in well-established theories from consumer behavior and informal economy studies.

Business tenure is assumed to have a positive relationship with customer volume, in line with the Customer Relationship Management (CRM) Theory, which emphasizes that long-term relationships foster customer loyalty and trust (Reichheld & Sasser, 1990). In the informal sector, business longevity also reflects accumulated reputation and social networks that enhance the enterprise's attractiveness.

Operating hours are expected to positively affect customer volume, as longer operational time increases the opportunities for customer interaction. This assumption is supported by the Exposure Hypothesis (Zajonc, 1968), which suggests that the frequency and duration of exposure to consumers increase the likelihood of transactions. For street vendors, being present during peak hours enhances the chance of reaching diverse customer segments.

The number of competitors is assumed to have a negative influence on customer volume, consistent with the Theory of Market Structure and Competition (Heflebower, 1957), which posits that a higher number of market players reduces the share of each individual actor. In the context of street vendors, high vendor density in one area may lead to the fragmentation of the customer base.

These three variables are also analyzed simultaneously in relation to customer volume. The framework is underpinned by the Resource-Based View (RBV), which asserts that a combination of internal resources—such as business experience, time strategies, and competitive adaptability—plays a critical role in building competitive advantage and sustainably attracting customers.

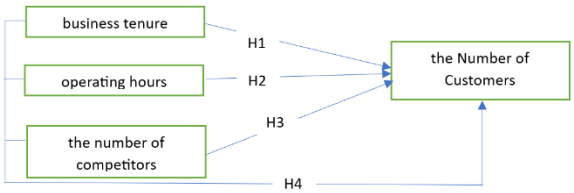

Figure 1. Conceptual Framework

Based on this framework, the following hypotheses are proposed:

H1: Business tenure influences customer volume among street vendors.

This hypothesis rests on the assumption that the longer a vendor has operated, the more likely they are to have built a loyal customer base, earned customer trust, and gained experience to manage their operations more efficiently. In the context of street vendors, sustained business operation is often indicative

of success in retaining customers over time. Empirical evidence by (Fadah & Tobing, 2018) confirms that business tenure significantly affects the income levels of street vendors in Jember. Higher income, in this context, can be interpreted as a proxy for a larger customer base, as increased earnings typically result from a greater number of transactions. Similarly, (Marliati, 2020) reports that the average business experience of vendors in Pekanbaru exceeds five years, enabling them to tailor customer service strategies more effectively. Longer experience allows vendors to form stronger emotional and social bonds with their customers, fostering customer attachment. More broadly, (Kahle, 2020) asserts that customer relationships are strategic assets in any market, with customers tending to return to vendors they know and trust. This principle is highly relevant in informal settings such as street vending, where interpersonal relationships and reputation are often decisive factors in purchase decisions. Supporting this view, (Mahopo et al., 2022) found that most street vendors in South Africa had operated for between 1 and 10 years—reflecting both resilience and customer appeal.

However, not all studies confirm a consistently positive effect. In some cases, longer tenure does not guarantee higher customer traffic, especially in highly competitive or changing environments. For instance, vendors who operate for many years without innovation may experience a decline in relevance or customer interest (Wang & Li, 2009). Additionally, younger vendors who adopt modern tools or marketing techniques may attract more customers despite having shorter business tenure (Kharenko, Fedosova, Novichkova, & Minieiev, 2024). These mixed findings suggest that tenure alone may not be sufficient, and its influence on customer volume could depend on other factors such as location, customer demographics, or adaptability to change.

Therefore, this hypothesis is tested to examine whether business tenure has a significant effect on customer volume in the specific context of informal street vending in Medan, considering both its potential benefits and limitations.

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H2: Operating hours influence customer volume among street vendors.

This hypothesis is based on the premise that longer working hours increase the likelihood of engaging with customers, extending service availability, and enhancing accessibility. In street vending, where sales often depend on spontaneous foot traffic, being present during peak hours is crucial for attracting buyers. (Fadah & Tobing, 2018) show that longer operating hours are positively associated with higher vendor income, which can again be interpreted as a reflection of more customer transactions. The longer vendors are available, the greater the potential number of customers served. Additionally, (Saha, 2011), in his study on street vendors in Mumbai, found that extended working hours allowed vendors to cater to a broader range of customer segments, including those with limited shopping time outside regular work hours. Vendors operating in the morning, afternoon, and evening offer greater flexibility to consumers, thereby increasing cumulative customer volume. Supporting this, (Tamilarai & Angayarkanni, 2016) noted that vendors with longer and more flexible working hours in urban Chennai attracted more customers, owing to their adaptability to diverse consumer routines. However, (Dasgupta & Abdullah, 2024) caution that long working hours alone are insufficient if not supported by conducive working conditions—such as safety, comfort, and a supportive environment—that enhance service quality. Overall, operating hours are a strategic factor in customer acquisition, as increased service duration offers more opportunities for transactions. Hence, this hypothesis is grounded in both logical reasoning and empirical evidence.

H3: The number of competitors influences customer volume among street vendors.

This hypothesis is rooted in the notion that the density of competitors in a given area may affect a vendor's customer base—either positively or negatively. While competition may reduce individual market share, it can also stimulate innovation and service quality improvement. (Awalia, Saleh, Achsan, Astha, & Chistin Dara Maria, 2022) argue that higher concentrations of vendors in one area tend to fragment customer distribution, as consumers

have more choices. As a result, customer numbers per vendor may decline. Similarly, (Mejía, Aránguiz, Espejo-Díaz, Granados-Rivera, & Mejía-Argueta, 2023) find that the entry of new vendors or markets often shifts demand away from established sellers, causing instability in their customer base. Although this can enhance food accessibility, it may adversely affect microenterprises already operating in the area. Conversely, (Amoah-Mensah, 2016) contends that competition can also motivate vendors to develop competitive advantages, such as leveraging social networks, choosing strategic locations, adjusting operational hours, or diversifying products. In cases of competition with large modern retailers, (Cho & Lee, 2022) observed that the expansion of chain stores like Hanaro Mart resulted in reduced foot traffic and sales at traditional markets. This underscores how the scale and capabilities of nearby businesses significantly affect customer flows to informal vendors. (Buell, Campbell, & Frei, 2016) further noted that in highly competitive environments, consumers tend to gravitate toward providers offering superior service or lower prices. Thus, if street vendors cannot maintain competitive quality and pricing, they risk losing customers to rivals.

The influence of the number of competitors on customer volume is likely to vary depending on local conditions, such as area density, type of goods sold, and each vendor's adaptation strategies. Considering the diverse potential impacts, this hypothesis is proposed to empirically examine whether and to what extent the number of competitors affects customer volume among street vendors in the city of Medan.

H4: Business tenure, operating hours, and number of competitors simultaneously influence customer volume among street vendors.

This hypothesis is derived from the understanding that consumer decisions are shaped by multiple interrelated factors rather than a single determinant. The three primary variables examined—business tenure, operating hours, and number of competitors—each contribute to shaping customer attraction and purchase decisions. Business tenure reflects the depth of customer relationships and trust built over time, often resulting in a stable customer base ((Haenlein, 2015; Moreno-Maynero et al., 2025) Operating hours affect the accessibility of vendor services; extended hours offer more opportunities for customer transactions, especially outside regular working periods (Delsen & Smits, 2009).

Competition, on the other hand, can both challenge and stimulate vendors—encouraging quality improvements while also diluting customer concentration in dense vendor zones (Awalia et al., 2022; Mejía et al., 2023). By applying a joint analysis (F-test), this research aims to evaluate whether these three independent variables collectively have a statistically significant impact on customer volume. This approach is critical, as these factors are inherently interconnected in real-life business settings. For instance, (Cho & Lee, 2022) demonstrate that location selection and competitor density are vital considerations for mobile food vendors in securing maximum customer flow. Incorporating population demand data also plays a role in identifying profitable vending locations. Altogether, these findings suggest that vendor adaptability—through service strategy, location, and quality—determines success in retaining and growing their customer base in competitive environments.

Method

This study employed a quantitative approach using a case study method to examine the influence of several business-related variables on customer volume among street vendors in urban areas, as well as to describe the financial implications in terms of vendor income. The case study method was chosen because this research focuses on a specific, real-world phenomenon: how street vendors in particular districts of Medan experience and respond to business challenges. Rather than aiming for broad generalization, this study seeks context-specific insights that can inform local policy and microenterprise strategy. The case study design allows the researcher to connect quantitative data with the local socio-economic realities of informal urban vendors.

The research was conducted in three districts of Medan City—Medan Petisah, Medan

Tuntungan, and Medan Helvetia. The quantitative approach was selected to enable objective measurement of the relationships between variables using actual numerical data that reflect real business conditions.

The primary data collected in this study were quantitative in nature and obtained directly from respondents through open-ended questionnaires requiring numerical entries. The variables measured included the number of daily customers, business tenure (in months or years), daily operating hours, and the number of competitors around the vending location. In addition, to explore the financial implications, vendors were also asked to estimate their average daily income. Data were gathered through brief on-site interviews and direct field observations.

In contrast to many previous studies that use Likert-scale instruments to assess subjective perceptions such as competitiveness, business intensity, or experience, this study deliberately avoided perception-based scaling. Instead, the use of objective numerical data was prioritized to capture factual and observable information that more accurately represents the vendors' business realities. This approach is deemed more appropriate in the context of informal microenterprises, where respondents may have difficulty interpreting abstract, scale-based questions. As such, an evidence-based data collection strategy was implemented to enhance data accuracy and clarity, especially in relation to how customer volume may affect income.

Sampling was conducted using a purposive sampling technique with an area-based approach. Specific street vending zones within each district were selected as observation points. From each location, one vendor who met the inclusion criteria was selected as a respondent. A total of 30 street vendors were selected, with 10 vendors from each district. The inclusion criteria required that the vendors had been operating for at least three months, conducted their business from a fixed location, and were willing to provide accurate business-related data, including income estimates.

The collected data were analyzed using multiple linear regression to assess the influence of the independent variables—business tenure, operating hours, and number of competitors—on the dependent variable, namely the number of customers. This method enabled both simultaneous and partial testing of variable relationships. Additionally, descriptive analysis was used to explore the tendency of customer volume to correlate with reported income levels. Classical assumption tests, including normality and heteroskedasticity tests, were conducted to validate the regression model. All statistical analyses were performed using SPSS software. The results were then used to answer the research objectives and to provide data-driven insights aimed at improving the competitiveness and income potential of informal microenterprises.

Results and Discussion

Respondent Data Description

This study involved 30 street vendors operating across three districts in Medan City—Medan Petisah, Medan Tuntungan, and Medan Helvetia. The respondents were evenly distributed, with 10 vendors selected from each district. All participants were actively running their businesses for at least three months and agreed to provide open and accurate business information.

Table 2. Descriptive Statistics of Research Variables

Variable	Minimum	Maximum	Mean	Standard Deviation
Business Tenure (months)	3	192	59.5	42.15
Operating Hours (hours/day)	5	12	8.57	1.79
Number o Competitors	2	10	4.40	1.79
Daily Number of Customers	25	98	47.50	18.03

Source: Processed by the researcher (2025)

Based on the collected data, the respondents' business tenure ranged from 3 to 192 months (or approximately 0.25 to 16 years), with an average of 59.5 months. This suggests that most vendors had maintained their businesses for a considerable period, reflecting a relatively stable and sustained presence within the informal sector. Daily operating hours varied between 5 and 12 hours, with an average of 8.57 hours per day. This indicates that the

vendors demonstrated a significant time commitment to their operations, which is consistent with the labor-intensive nature of informal microenterprises.

The number of competitors within the same vending area ranged from 2 to 10, with an average of 4.4 competitors. Most vendors reported being surrounded by other sellers offering similar products, indicating a competitive environment with close physical proximity to rivals. The daily number of customers ranged from 25 to 98 people, with an average of 47.5 customers per day. This variation reflects differences in location, product type, and operating hours. On average, vendors served between 40 and 60 customers daily, which aligns with typical patterns of customer flow in informal street vending sectors.

This respondent profile provides a contextual foundation for understanding the business characteristics and competitive environment faced by street vendors, and serves as the basis for further analysis of how each independent variable affects customer volume.

The instruments used in this study were open-ended questionnaires requiring numeric input rather than perception-based instruments using Likert scales. As a result, standard validity and reliability tests were not applicable. Since all collected data were factual and objective (e.g., actual customer counts, years of operation, operating hours, and number of competitors), consistency or perception accuracy tests were unnecessary.

Classical Assumption Testing

Normality Test

The Kolmogorov-Smirnov test returned a significance value of 0.075, while the Shapiro-Wilk test yielded 0.213. Both values exceed the 0.05 threshold, indicating that the residuals are normally distributed.

Table 1. Normality Test Results

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	.152	30	.075	.954	30	.213

a. Lilliefors Significance Correction

Source: Processed by the researcher (2025)

Heteroskedasticity Test

Regression analysis using the absolute residuals (ABS_RES) as the dependent variable showed that all independent variables had significance values above 0.05 (business tenure = 0.458; operating hours = 0.117; number of competitors = 0.312). These results suggest no evidence of heteroskedasticity in the model.

Table 2. Heteroskedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.066	8.405		.246	.808
	lama usaha	.029	.038	.143	.754	.458
	jam kerja	1.558	.960	.330	1.622	.117
	jumlah kompetitor	-.984	.954	-.208	-1.031	.312

a. Dependent Variable: ABS_RES

Source: Processed by the researcher (2025)

Multicollinearity Test

All independent variables showed Variance Inflation Factor (VIF) values below 10 and Tolerance values above 0.1, with the highest VIF being 1.199. Therefore, the model is free from multicollinearity issues.

Table 3. Multicollinearity Test Results

Collinearity Statistics	
Tolerance	VIF
.958	1.044
.834	1.199
.847	1.181

Source: Processed by the researcher (2025)

Multiple Linear Regression Analysis

Coefficient of Determination (R^2)

The model yielded an R Square of 0.258 and an Adjusted R Square of 0.172. This indicates that 25.8% of the variation in customer volume can be explained by the three independent variables—business tenure, operating hours, and number of competitors. The remaining variation is attributed to other factors not included in the model.

Table 4. R-Square Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.508[a]	.258	.172	16.40045

a. Predictors: (Constant), jumlah kompetitor, lama usaha, jam kerja

b. Dependent Variable: jumlah pelanggan

Source: Processed by the researcher (2025)

F-Test (Simultaneous Significance)

The F-test resulted in an F-value of 3.012 with a significance level of 0.048 (< 0.05), indicating that the model is statistically significant as a whole. This means that, collectively, the independent variables have a significant effect on the number of customers.

Table 5. F-Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2430.159	3	810.053	3.012	.048[b]
	Residual	6993.341	26	268.975		
	Total	9423.500	29			

a. Dependent Variable: jumlah pelanggan

b. Predictors: (Constant), jumlah kompetitor, lama usaha, jam kerja

Source: Processed by the researcher (2025)

t-Test (Partial Significance)

The regression results show that operating hours significantly influence the number of customers, with a coefficient of 4.734 and a p-value of 0.017. This finding suggests that longer operating hours are positively associated with a higher volume of customers.

Table 6. t-Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.547	16.264		.034	.973
	lama usaha	.124	.074	.290	1.680	.105
	jam kerja	4.734	1.858	.471	2.548	.017
	jumlah kompetitor	-.224	1.846	-.022	-.121	.904

a. Dependent Variable: jumlah pelanggan

Source: Processed by the researcher (2025)

In contrast, business tenure had a coefficient of 0.124 and a p-value of 0.105, indicating no statistically significant effect on customer volume. Similarly, the number of competitors had a negative coefficient of -0.224 and a very high p-value of 0.904, suggesting that nearby competition does not have a meaningful influence on the number of customers received by street vendors.

Discussion

H1: Business Tenure Influences Customer Volume

The regression results show that business tenure had a positive coefficient (0.124) but was not statistically significant (p = 0.105). This suggests that the duration of business operation does not significantly influence the number of customers. This finding contrasts with the principles of Customer Relationship Management (CRM) theory, which posits that long-standing businesses tend to develop stronger trust and loyalty among their customers (Reichheld & Sasser, 1990; Kahle, 2020).

In the informal street vendor context, this may indicate that experience alone does not guarantee a larger customer base. Market dynamics, location, and service quality may play a more crucial role than tenure. Mahopo et al. (2022) found that although many South African vendors had operated for 1–10 years, customer traffic was still shaped more by accessibility and consumer demand than longevity. Therefore, without adaptive strategies, business tenure may not significantly increase daily customer volume.

The lack of statistical significance in this variable may also be influenced by the characteristics of street vending itself, where purchasing decisions are often spontaneous and transactional rather than relationship-based. In highly mobile and competitive street environments, consumers may prioritize price, proximity, or convenience over long-term familiarity with a vendor. Additionally, while tenure may contribute to operational stability, it does not automatically translate into competitive advantage unless paired with active strategies such as innovation, personalized service, or visual merchandising—all of which were outside the scope of this study. These contextual realities may explain why tenure alone did not significantly affect customer volume, despite its theoretical relevance.

H2: Operating Hours Influence Customer Volume

Operating hours were found to have a significant positive effect on customer volume (coefficient = 4.734; p = 0.017). This confirms that extended working hours increase the likelihood of engaging with more customers. The result supports the Exposure Hypothesis (Zajonc, 1968), which states that the more frequently and longer consumers are exposed to a service, the higher the likelihood of interaction and purchase.

Similar studies by Tamilarai & Angayarkanni (2016) and Saha (2011) found that vendors who operated during morning, afternoon, and evening hours were more successful in attracting diverse customer segments. Fadah & Tobing (2018) also linked longer working hours with higher income, indirectly reflecting greater transaction volume. Thus, extending operating hours can be viewed as a strategic and effective approach to increasing customer traffic in informal microenterprises.

H3: Number of Competitors Influences Customer Volume

The number of competitors had a negative coefficient (-0.224) but an extremely high p-value (0.904), indicating no significant effect on customer volume. This finding suggests that the presence of nearby competitors does not necessarily reduce the number of customers a vendor receives.

This contradicts traditional market structure theories (Heflebower, 1957), which argue that a higher number of sellers fragments market share. However, Amoah-Mensah (2016) and Buell et al. (2016) note that competition can serve as a driver for service innovation and quality improvement. Vendors who can differentiate through service, pricing, or location may still maintain strong customer attraction despite competition. Hence, while competition exists, it does not automatically equate to customer loss if vendors are able to offer unique value.

Additionally, the lack of significance in this result may reflect the unique characteristics of the informal sector, where customer distribution is not solely determined by the number of competitors but also by factors such as strategic location, community loyalty, and incidental pedestrian traffic. In certain high-traffic areas, the presence of many vendors may even generate an agglomeration effect—attracting more customers by creating a perceived informal marketplace. This phenomenon suggests that the influence of competitor density on customer volume is not linear and may be highly context-dependent. Therefore, this finding contributes new insight that, in the context of urban street vending, the number of competitors is not necessarily a reliable indicator of market pressure.

H4: Business Tenure, Operating Hours, and Number of Competitors Simultaneously Influence Customer Volume

The F-test result (F = 3.012; p = 0.048) indicates that the three independent variables, taken together, have a statistically significant effect on customer volume. This supports the notion that consumer behavior is shaped by a combination of factors rather than a single determinant. The finding is consistent with the Resource-Based View (RBV), which highlights the importance of internal capabilities—such as time strategy, experience, and adaptability—in building a sustainable competitive advantage (Cho & Lee, 2022).

Even though not all variables showed significant partial effects, the combined influence confirms the importance of integrating operational time, experience, and strategic responses to competition in enhancing customer acquisition.

While the overall model shows a statistically significant joint effect, the relatively low R-squared value ($R^2 = 0.258$) indicates that these three variables explain only a modest portion of the variation in customer volume. This suggests that other unobserved factors—such as product variety, pricing, customer service quality, or even environmental conditions—may also play a substantial role in determining customer turnout. From a theoretical perspective, this supports the notion that microenterprise performance is shaped by a wide array of interdependent factors, beyond those captured in a single regression model. From a practical standpoint, it highlights the importance for street vendors and policymakers to consider a more holistic

strategy that integrates multiple aspects of business operation when aiming to increase customer volume

Financial Implications for Street Vendors

Although income was not tested as a dependent variable in the regression model, the number of daily customers directly influences daily earnings. The finding that operating hours significantly affect customer volume implies that extending working hours can effectively increase daily revenue.

Fadah & Tobing (2018) found that longer operating hours were positively associated with higher vendor income, as extended availability enables more transaction opportunities. Similarly, Marliati (2020) emphasized that business experience contributes to income stability through improved customer relations, even though tenure may not directly increase foot traffic.

The insignificant effect of competition also suggests that income stability does not solely depend on market density but on the vendor's ability to offer distinctive value. As Buell et al. (2016) note, customers in competitive settings are more likely to choose vendors that offer better service or pricing.

This study provides practical insights indicating that strategically extending business hours and building strong customer relationships are key to increasing both customer volume and income for street vendors. In contrast, merely having more experience or facing fewer competitors does not guarantee financial success.

Conclusion

This study aimed to examine the influence of business tenure, operating hours, and the number of competitors on customer volume among street vendors in urban areas, using empirical data collected directly from 30 vendors across three districts in Medan City. The analysis revealed that, although business tenure and number of competitors did not significantly affect customer volume when tested individually, operating hours had a statistically significant and positive impact. Furthermore, when analyzed simultaneously, all three variables together significantly influenced customer volume. These findings underscore the importance of operational time as a strategic determinant of customer engagement in informal microenterprises.

The results contribute to the growing body of literature on the informal sector by offering evidence-based insights into the actual business practices of street vendors. Unlike most prior studies that rely on perception-based surveys, this study used numeric, factual data to objectively assess the relationship between business characteristics and customer traffic. It affirms that while long-standing operations and competitive conditions may influence vendor resilience and strategy, it is the vendors' availability and presence during key hours that most directly drive customer acquisition.

However, this study is not without limitations. First, the sample size was relatively small (n = 30), limited to three districts in a single city, which may affect the generalizability of the findings. Second, the study did not include other potentially influential variables such as product type, pricing strategy, or quality of service, which may also play significant roles in determining customer volume. Third, while customer numbers were analyzed as the dependent variable, income or revenue was only discussed descriptively and not included in the regression model. In addition, the relatively low coefficient of determination (R^2 = 0.258) suggests that only 25.8% of the variation in customer volume can be explained by the three independent variables. This implies that many other influential factors were not captured in the model. Rather than a weakness, this serves as a valuable insight—highlighting the complexity of customer behavior in informal trade and the need for future studies to consider a wider range of factors, including service quality, product type, pricing, and environmental conditions.

Future research is encouraged to expand the sample size and geographic coverage to capture more diverse patterns across different urban contexts. Incorporating additional variables—such as vendor marketing practices, customer satisfaction, and environmental factors—would also deepen the understanding of what drives success in informal trading. Moreover, analyzing the

direct relationship between customer volume and income quantitatively would provide a more holistic view of vendor performance.

From a practical standpoint, the findings suggest that street vendors should consider extending their operating hours strategically to attract more customers and, by extension, increase their daily income. Training and policy support from local governments could also focus on helping vendors optimize business time management and adapt to competitive environments. Additionally, vendor associations or cooperatives might assist members in identifying peak trading hours and sharing best practices to maximize customer flow.

This study highlights that while experience and competition matter, it is time—how it is used and managed—that plays a decisive role in influencing customer volume. Understanding and applying this insight may serve as a foundation for improving both business sustainability and financial outcomes in the informal sector.

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