

The logo for aeroseync features the word "aeroseync" in a lowercase, sans-serif font. The letter "o" is replaced by a white gear icon. The "aero" part is in blue, and "sync" is in white.

aeroseync

Tangible Solutions for Masses

# DHA/CLIFTON Research Report 2016-17

Study and Mapping of  
Microenterprise Landscape



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## AEROSync – A SEED Venture

AEROSync is a startup that fabricates not just products but also opportunities through its team of Industrial Designers, who have been working on various disciplines including, Product Design, Exhibition Design, and Interior Design. Through clever design and state-of-the-art technology, AEROSync aims to provide indigenous solutions through their locally manufactured products, and have been working on redesigning the existing vendor carts for the past year. The product aims to address the aesthetic issues of the city and solve them in a uniform and systematic manner while providing more employment opportunities and combining the design with energy conservation.

### Impact

#### Social Impact

Verkios has been designed keeping in mind the thousands of street vendors who operate their small businesses in the regular and often difficult conditions of the city. These vendors have various categories of products and all strive to achieve sustainability in their businesses to increase their regular income. Verkios aims to alleviate their struggles by firstly providing a lasting, comfortable solution to their operational problems. It is mobile with ease, has efficient storage and a prominent display. It aims to improve the conditions of the business operations along with aesthetically contributing to the landscape of the country.

#### Economic Impact

Verkios aims to improve business operations of Vendors, that directly impacts their revenue generation. Additionally, as a greater number of entrepreneurs gain access to verkios, it will lead to the promotion of healthy competition causing total revenue, productivity and efficiency to rise. A more profitable business means more contribution to the economy for grass root entrepreneurs who are very prominent yet neglected part of the economy.

#### Environmental Impact

Verkios is highly efficient when it comes to its functionality. Equipped with a solar panel, the kiosk allows vendors to enjoy renewable energy which allows these businesses to run on an alternate form of energy and save electricity.

### Objectives

- Poverty Alleviation
- Revenue Generation
- Community Development
- Entrepreneurial and technical trainings
- Growth of Microenterprises

## The Product – Verkios (Vertical Mobile Carts)

Verkios is a kiosk on wheels, which has been specially designed for roadside vendors. It is a versatile solution for street vendors offering adequate accommodation and storage for their goods, and has an aesthetically pleasing display. Some of the exclusively designed features include a shutter that converts into a shade and a foldable serving/display platform. The kiosk is equipped with solar panels which provides vendors with an alternate form of energy to power their kiosks.

### Other Products in pipeline

1. Loop - Emergency puncture tool
2. Portable Toilet Facility - for public spaces
3. Green Fox- Litter collection trolley
4. PlantAll- Vertical garden partitions for urban spaces

## Grass Root Entrepreneurs (GREs) in Pakistan

Grass root entrepreneurs (GREs) form a prominent and necessary part of the local community. Their microenterprises are a vibrant part of the private sector which could nourish the growth of the economy and provide it with long term sustainability. It is important to realize that these GREs form a large part of our population and if helped and guided to scale up, have the potential of impacting our GDP. Therefore substantial endeavours are required to uplift the microenterprise sector that exists in Pakistan.

### Karachi

Street vendors are a prominent and vibrant part of Karachi's landscape. However, despite their contribution to the economy, their operations remain undocumented and their roles often neglected. These roadside vendors are a hard working community of grass-root entrepreneurs who have been running their operations for decades despite their bare minimum facilities and circumstances. The following research therefore, documents their struggles and requirements which will give us the understanding of their needs and help us in creating innovative, tangible products and solutions that encourage growth of such microenterprises. The document also aims to highlight the importance of educating this informal labor segment about the efficacy of documenting earned revenue, using financial services, as well as increasing business acumen.

## DHA/Clifton Research and Mapping

The DHA/Clifton site visit was conducted in two segments which altogether covered 27 blocks and phases of both areas. This research was part of a more elaborate documentation of street vendors and their carts, belonging to 10 other denser areas of the city.

This survey helped ascertain their requirements which could be used to develop and customise products that could relevantly addresses their business and operational needs.

We would like to acknowledge the integral contribution of SEED (Pvt.) Limited towards the making of this report and for providing us with all the resources and mentoring required in making its production possible.

## Background

Karachi is a city of opportunities for many who migrate from various parts of the country and settle here. Its variable landscape and lifestyle allows cultural tolerance and versatile practices to follow. This alone creates a huge window for many from various segments of the economy to set their businesses on the always-awake streets of Karachi. The heart of Karachi's informal economy belongs to these roadside vendors who have been constant and upright through decades despite desperate efforts to dislodge them by many authorities. It is a shame that their efforts escape much of the city's attention even though it is their primary means of combatting poverty and improving livelihood. These grass-root entrepreneurs are often taken as hindrance or obstruction to the grand schemes of order and development, while the truth is they are highly contributive to the economy with their vast range of products and services, day and night, in a highly competitive and fast paced city. The primary roadside industries that operate in Karachi are food, beverages, gift items, garments, shoes and accessories, predominantly sold through street vendors. Others include everything from a bird in a cage to a plant in a pot. The diversity in the nature of business is almost lyrical to the city's vibrancy and that is the essence that AEROSync aims to capture in our designed products with the help of this research.

## Aims and Objectives of Research

### Stakeholders for DHA/Clifton Research Report

1. Public Sector - Defence Housing Authority (DHA)
2. Consumers/Customer Base
3. Financial Sector
4. Private Sector

Our research objectives are as follows:

- To study and understand the landscape, the needs and challenges of grass root entrepreneurs, specifically mobile vendors in order to innovate products which would encourage growth of microenterprises.
- To understand the user and consumer needs as well as the operations of mobile vendors/street vendors.
- To map the specified areas and clusters of vendors operating there.
- To customize designs which cater to the business needs of street vendors operating in different industry verticals.
- To determine customization in designs that enhance street vendors' productivity, operational efficiency, and that would alleviate their business challenges.
- To determine the influence and/or involvement of local authorities on the business operations of street vendors.
- To understand and determine ways through which Verkios can be made financially accessible to the vendors (i.e. rent, lease, loan or purchase model)

# Methodology

## Forms and Profiles

In order to fulfil the aforementioned research objectives, we designed a questionnaire which was used to collect information about the vendors, and their business aspirations.

Sample Size	460 participants
Area selected	DHA, Clifton –Karachi
Locations	DHA Phase 1, 2, 4, 7, 26th Street, Badar Commercial, Rahat Commercial, Sehar Commercial, Tauheed Commercial. Clifton Block 2-9 , Bath Island, Neelam Colony, Delhi Colony, Zamzama, Boat Basin, 3 Swords, 2 Swords, Gizri, Punjab Colony, Bilawal Chowrangi, Shah Rasool Colony.
Objectives	To determine the operational and business challenges faced by street vendors and also the existing conditions of their work surroundings.
Information Collected	<ol style="list-style-type: none"><li>1. Basic owner profile ( name, education level, age and location)</li><li>2. Nature of business</li><li>3. Business challenges and operational difficulties</li><li>4. Top operating businesses in the area</li></ol>
Methodology	Qualitative and Quantitative

## Field Research and Data compilation

The collated data helped to provide us with a perspective on industry performance and its challenges. The sample population was also asked about their future plans with respect to their current businesses and how innovative methods could possibly increase their revenue generation and hence add value to their current methods. They were shown pictures of the product in this regard to which they gave their comparative responses and reviews. The research was also done from the perspective of design, as to how modern, designed infrastructure could attract more customers, create ease of operations and make their current facility more accessible, aesthetically appealing and profitable.

## Outcome

A total of 460 questionnaires were successfully filled over a period of two weeks. Video footage, voice recordings and photographs are available for reference. The interviews were conducted in Urdu and native language by SEED and AEROSync research team. Following this research, a sample size of 250 consumers was also involved in research and mapping to understand their engagements with mobile vendors and difficulties they face, as well as to understand the requirements which would provide ease to the consumers.

## Survey Locations

The Pie chart shows the comparison of vendor population surveyed in the locations of DHA and Clifton. The most prominently vendor populated areas in DHA included Phase 4 (19%), Phase 2 (19%) and Phase 1 (12%). While the most prominently vendor populated areas in Clifton included Punjab Colony (15%), Gizri (11%) and Delhi Colony (11%).



### DHA Locations

- Tauheed Commercial
- 26th Street
- Phase 2
- Phase 7
- Rahat Commercial
- Seher Commercial
- Phase 1
- Phase 4
- Badar Commercial

### Clifton Locations

- Bath Island
- Neelum Colony
- Delhi Colony
- Block 3
- Block 5
- Block 7
- Block 9
- Zamzama
- Boat Basin
- 3 Swords
- Gizri
- Punjab Colony
- Block 2
- Block 4
- Block 6
- Block 8
- Bilal Chowrangi
- Shah Rasool Colony
- 2 Swords



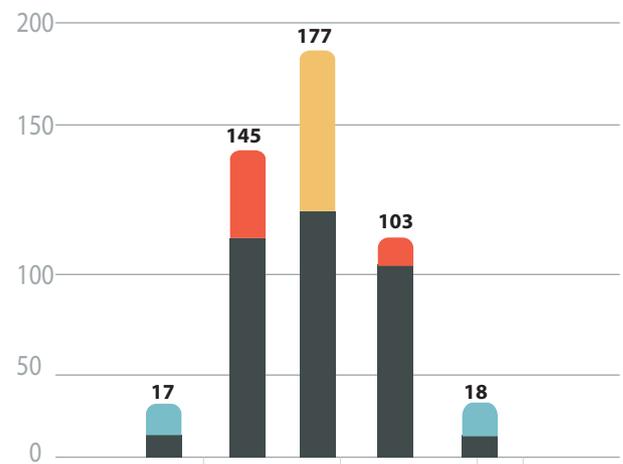
## General Observations

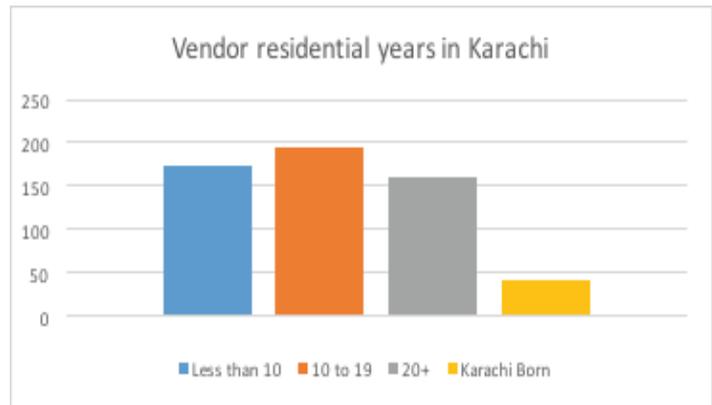
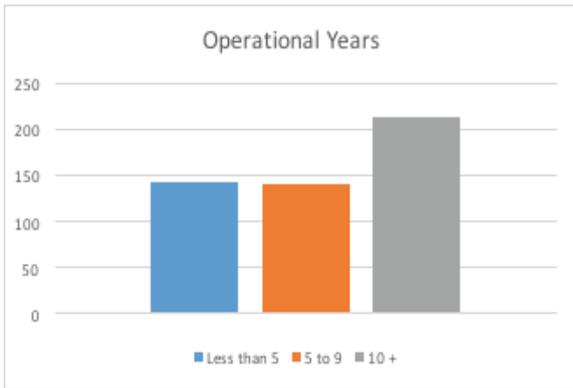
### Personal & Operational Information

- The bar graph shows the age bracket of the candidates interviewed at the locations of DHA/Clifton. Most of the vendors belonged to the 30-40 age category.
- Less than 10% of the vendors interviewed belonged from Karachi originally, however more than 50% have been working here for more than 10 years due to the commercial business value the city provides.
- Around 40% of the vendors have been selling through their carts for more than 10 years.

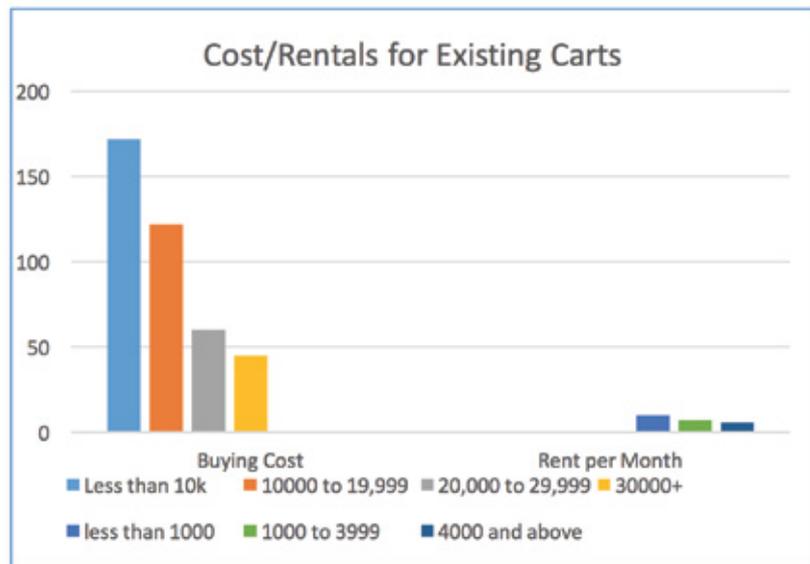
### AGE BRACKET

- less than 20
- 20 - 29
- 30 - 39
- 40 - 49
- 50+

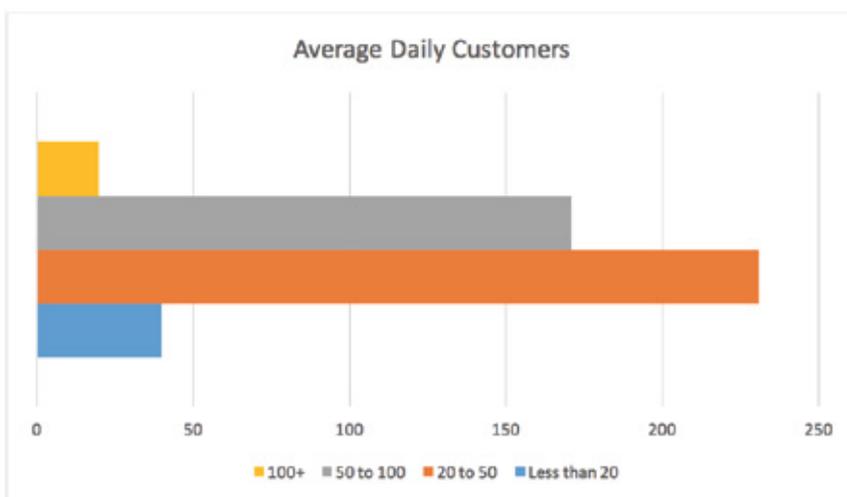




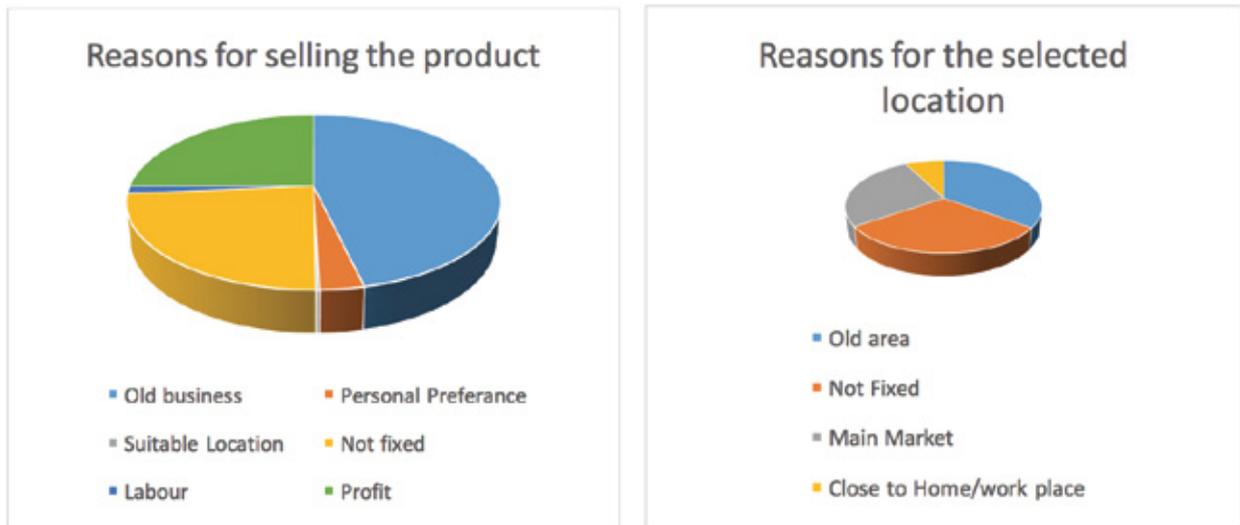
4. Only 5% of the vendors interviewed actually own their carts. 95% of the vendors pay a monthly rent for their carts. The majority of the rented cart owners pay more than Rs 4000 per month for their carts. The buying cost for the carts lies between Rs 10,000 to 20,000 for most of the carts operating in these areas.



5. The average daily customers lie between 20 and 50 for most of the vendors interviewed.



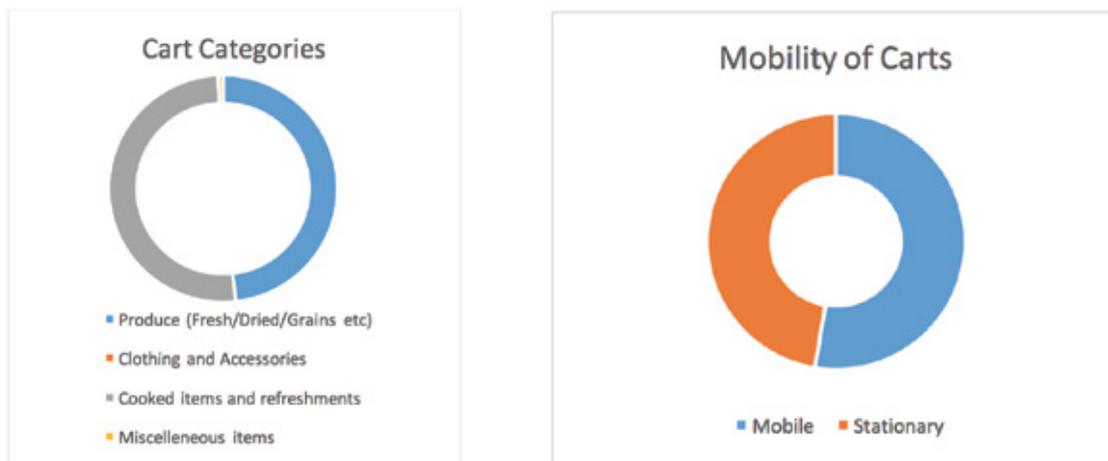
- Selling product and location selection - 46% of the vendors stated that they were selling their products because this is what they, or their ancestors have been doing for years. While 25% admitted that it was the most profitable medium for them. 35% of the vendors chose to sell their products in this particular location because it was an old or familiar area for them. While 30% of the cart owners said they are mostly mobile, and shift from one area to another for business.



### Product Requirements and Challenges

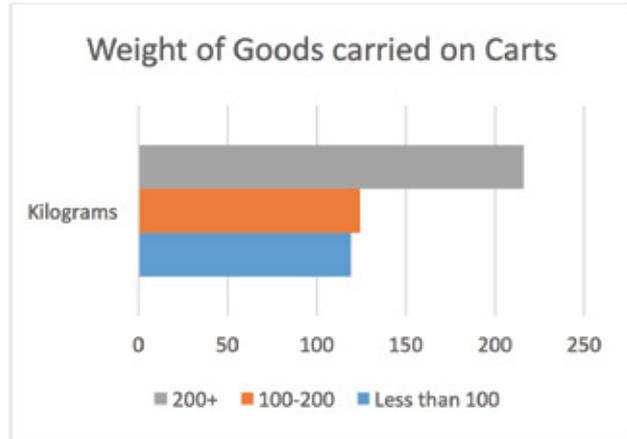
#### 1. Cart Categories

The most popular businesses constantly running on carts in the Clifton and DHA locations include cooked items and refreshments ( 51%) and produce (48%). 53% of these carts are mobile while the remaining stay stationary.

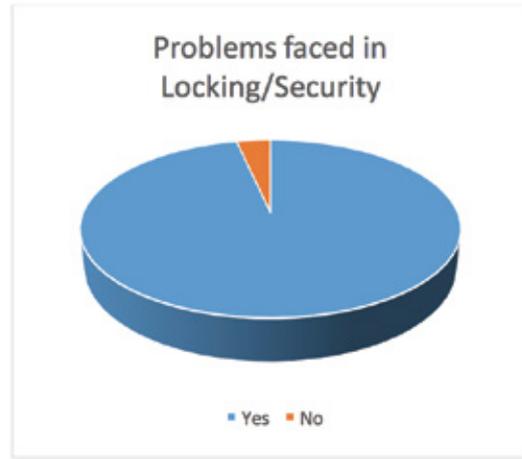
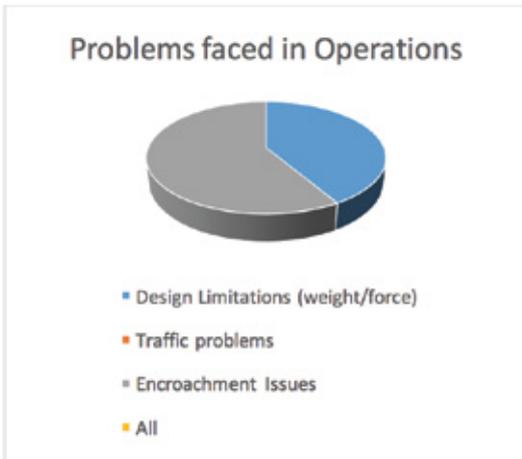


- Energy Consumption - 99% of the vendors require electricity for the purpose of lights and display. 28% of the operational carts utilize illegal sources of electricity to charge their devices and function their equipment.

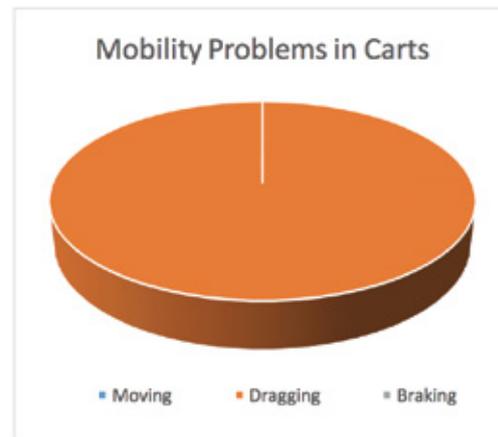
3. Storage and carriage - The weight of goods carried on the existing carts was more than 200 kgs for around 40% of the vendors. However 96% of the vendors interviewed do not have the much required satisfactory option for storage in their carts.



4. Problems in Operations - Encroachment issue was one of the major problems faced in operations by 58% of the candidates interviewed. 42% also faced design limitations in their carts which made it difficult for them to function properly. 97% of the vendors admitted to facing security problems in their carts in terms of locking and storage.



5. The biggest mobility problem that 100% of the vendors face is in dragging their carts. Conventional vendor carts do not have a proper steer to maneuver the carts through turns and bumps. Sometimes these carts are close to impossible to lift and relocate on a raised platform. Often road blocks and traffic jams are encountered due to the difficulty in mobility of these carts while crossing the roads.



## Financial Research

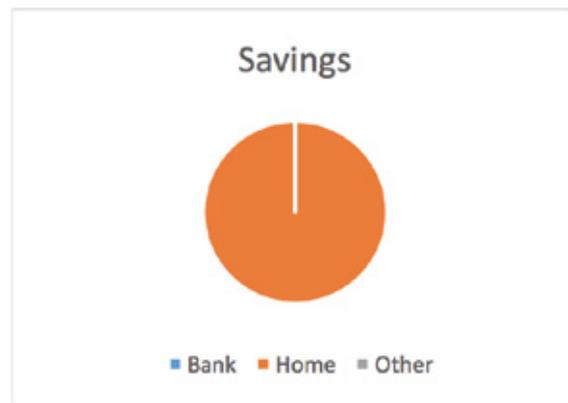
1. The daily income for most vendors is above Rs 2000 amongst which their average profit per day is between Rs 500 to 1000.



2. External costs may include maintenance or unusual expenses and therefore may go from 1000 to 3000 and even above for some vendors.



3. Majority of the Vendors were positive about working with MFIs (75%) and a 100% admitted to keeping their savings at home instead of banks or other means.



## Key Findings

1. The results of the mapping research exercise indicated that even though the respondents are satisfied with their current setups, they are willing and enthusiastic about changing to a better option.
2. On a business level most of them feel that there is room for expansion, however they are not quite sure about how they should proceed in this respect. On the other hand there are some who do not yet understand or envision the potential in their respective businesses and have been conducting them because of family work background.
3. There is a large gap with respect to their understanding about good branding and marketing exercises, and proper packaging of their product and services.
4. Many of the street vendors require technical and entrepreneurial training to expand their businesses and make them more profitable.
5. More than 80% of the interviewees mentioned how their business activities are affected with the interference of local authorities, which therefore results in unnecessary moving around, in search for customers. More than 70% of the interviewees asked for a solution to these issues.
6. More than 70% of the candidates were open to the idea of micro leasing/ microfinance schemes which could make the designed Verkios, more accessible financially.
7. The analysis helped determine how a regulation policy could benefit the vendors.

## Other Findings

1. The survey helped determine the four categories of vendor carts, mentioned in the table above. Each category caters to a specific product type and this breakdown helps to determine the relevant plug-ins. These plug-ins will be installed to customise the Verkios to serve vendors operating in a specific category.
2. Categorizing the requirements into four groups, helped design relevant plug-ins. This will also help in setting their specific selling price.

## Recommendations

Some of the biggest obstacles faced by the vendors everywhere in the city, include lack of available resources to carry out their business operations successfully, which included the obvious – electricity and gas. These lack of facilities, infrastructure, fixed place of operation and business knowledge are also the key reasons due to which these small scale yet prominent business have not experienced subsequent growth in their operations and income generation. Based on these findings, following are the recommendations and initiatives proposed which could alter and enhance their operational capabilities.

### 1. Training and mentoring sessions to enhance business acumen:

Survey responses revealed that the vast majority of small-scale businessmen among the masses had received little or no formal education. Instead they learned their trades early on in childhood. In most cases the trainers, or masters were their own relatives who had run similar businesses in the past. These traits and skills were predominantly transferred from one generation to another. When interviewed, some respondents specifically pointed out that they do not visualize their businesses beyond what they currently are. There were a few who had received exposure if not education, and therefore were enthusiastic about expanding their activities to other parts of the country.

Training sessions that provide basic business mentoring would help attendees develop a better understanding of the value of planning, research, goal-setting, record-keeping, marketing, customer satisfaction etc. These sessions could be specific to business but also approach the ethical value required behind their everyday conducts, such as dealing with the customers and assuring quality. Such initiatives could act as catalysts of change and eventually benefit the society.

### 2. Innovating Methods in business operations:

Closely allied with the training initiative, a technology and mapping drive could be used to create appreciation amongst these small scale entrepreneurs. This would allow them to understand and explore the value of involving innovation to their methods of business operations at the same time provide opportunities to the local authorities to invest in their space and placement.

- I. **Assigned Spaces** – One of the major problems discussed above were encroachment issues faced by operating vendors in the areas mentioned. Assigned spaces and registered carts would not just benefit the landscape of the city but also provide essential secure linkage between financial institutions and these micro-enterprises.
- II. **Energy Consumption**- A possible exploration in terms of renewable energy would not just benefit the environment but create sustainable systems of operations and expand business hours and therefore increase the revenue generation capacity of these vendors.
- III. **Health and Hygiene**- There were not many relevant avenues in terms of health and hygiene. Vendors could therefore be trained in this regard to adapt standardized methods of operating food kiosks by using hair nets, gloves, clean equipment, disposable cutlery, clean drinking water etc.
- IV. **Variety**- Some of the vendors, though running their operations for years, have not expanded their businesses by experimenting with other products for selling. Food vendors have been selling the same products and recipes since generations. The different vendors are spread out in different areas and thus do not attract a larger number of regular customers neither do they plan to do so. Therefore they could be trained in this regard.

## Conclusion

One of the major objectives of the report was to understand the potential of growth in these sustainable arenas. These vendors, who were profiled after being interviewed proved to be excellent establishments in their respective business genres, however they majorly lacked training, business mindset, education, understanding of the potential in their conducts and anticipation to grow. The need of the hour is to channel these everyday efforts carried out by the 200 promising grass root entrepreneurs in the right direction so that they do not keep limiting themselves to their conventional business methods but in fact aim towards expansion and growth in business and revenue generation. It is therefore important to instill these ideas into their minds, and encourage and facilitate their efforts to tap in to their full potential. This in turn would not just affect the region and its current business methods but ultimately the society.



SEED is an investment firm and enterprise development organization, which provides solutions to social challenges, using entrepreneurship as a vehicle to create wealth and deliver positive social impact. SEED's global presence, strongly established in the UK and Middle East, allows it to create cross-economic partnerships, and transfer expertise and knowledge to aspiring and existing entrepreneurs. This helps to bridge the gaps between them and the different sectors that it works with.



AEROSync is a startup formed by a team of Industrial Designers that fabricate not just products but also opportunities. Through clever design and state-of-the-art technology, AEROSync aims to provide indigenous solutions through their locally manufactured products, and solves issues of grassroots level entrepreneurs and masses in a uniform and systematic manner, providing more employment opportunities and ensuring energy conservation.