

# Chapter 12

## Popular Businesses Model Located Inside a Retail Market in Chiclayo, Peru: Moshoqueque Market Case

**Dagoberto Páramo-Morales**  
*Universidad del Norte, Colombia*

**Gerardo G. Deza Malca**  
*Universidad Nacional Pedro Ruiz Gallo, Portugal*

### ABSTRACT

*Having studied characteristics of micro-businesses located inside a public market a popular business model was discovered. Proximity between owners and customers is its strategic essence. Different types of popular businesses installed inside Moshoqueque market were studied. Since founding in 1974 it has satisfied its distribution traditional role of low-priced mass consumer products. Application of qualitative methodologies of scientific research in grounded theory was resorted to. In-depth interviews to owners were developed, multiple observations -participant and non-participant- on social practices management were made and, a review of this market history rooted in the population in zone was done to know its development. Essential findings are focused on construction of various types of external proximity: functional, relational, spatial, and identity. Other factors were discovered: agents' regulatory actions and their impact on infrastructure, traders' and customers' origins, role played by population in zone and the unceasing informality growth.*

### INTRODUCTION

Moshoqueque, is one of the 2 largest markets in Peru (Joseph, et al, 2009). Known since its beginnings as a popular market, it is located in the Jose Leonardo Ortiz District in the north of Chiclayo, Peru. At the beginning, it was divided into 3 sectors: the first worked the retail tradesmen, the second the wholesalers and the third was used as heavy transport parking.

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Unfortunately, this functional structure was altered to install new stalls, modifying parking, administrative areas, bathrooms, sidewalks, and surrounding streets. By changing original plans there was a significant disorder that is still experienced in the area. A complex swarm of buyers and sellers trading goods and services, with high doses of insecurity, insane smells, imprisonment of garbage and a dense vehicular congestion -traditional and mototaxis- have produced constant social conflicts. Some of them caused by some authorities' intention to modernize more than 3 hectares where Moshoqueque is located. Others, for decided actions carried out by merchant unions in defense of their interests and Chiclayo's community.

This social effervescence produced by the great commercial movement lived in Moshoqueque's market has generated a large economic spill. Not only have more people of multiple ethnic and regional backgrounds been involved, but it has also made possible to consolidate the commercial character that Chiclayo has as an intermediate city (Castells, 2001). The Moshoqueque successful operation has contributed to making Chiclayo "...the largest population, economic and commercial center in the region..." (Joseph et al., 2009)

Great evidence throughout the history of Moshoqueque demonstrates a true paradox. On the one hand, the national, regional, municipal and district authorities have not made the adaptation and modernization decisions that the infrastructure requires, contributing directly to a substantial increase in informality. On the other hand, this increasing informality has deepened the proximity relations between merchants and customers, contributing, in turn, to their economic success.

These complexities poorly studied and understood by administrative theory, led a serious reflection on an entrepreneurship model that gave meaning to this particular situation. For this purpose, we used the rigors of qualitative research in its expression of grounded theory (Glaser & Strauss, 1967). Semi-structured in-depth interviews were conducted with merchants, customers, shop assistants, transporters, district officials, and some inhabitants. Participant and non-participant observations were made on different days, times and contextual circumstances for more than six months.

Research main results will be revealed in this chapter. It will be present essential characteristics of the popular business model located inside the public market of Moshoqueque in Chiclayo, Peru.

## **RESEARCH METHOD**

The research method was the Grounded Theory approach with its strict rigor in the collection, analysis, validation and interpretation of the findings processes. An incremental procedure was developed in a spiral form between social reality characteristics and different theoretical approaches related to the similar events phenomenology. Following a cyclical process through circular interactions (Páramo, 2009), an understanding of the complex relationships established in and around the Moshoqueque Market was being accumulated. From preliminary observations we moved to the formulation of theoretical references through the constant comparison method between data collected in the field, content analysis, researchers' intellectual reflection, emerging theories and similar established theories. Through different coding processes, the knowledge and understanding of social reality under study was being increased until levels of theoretical saturation that stopped the process were reached. Through intense exercises of modification, precision, and elaboration of concepts, validated both from theory and from the perspective of other actors in the process, it was possible to adjust the theory emerged from the data. The final

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