



Integrating Corporate Social Responsibility and Pay What You Want for Sustainable Street Vendors in Surabaya

Hartono*, Rahayu
Majapahit Islamic University, Indonesia

Received : September 17, 2025

Revised : December 23, 2025

Accepted : January 25, 2026

Online : February 02, 2026

Abstract

Street food vendors (*Pedagang Kaki Lima/PKL*) are an essential part of Indonesia's informal economy, contributing significantly to employment while facing vulnerability and limited institutional support. This study aims to analyze how the integration of Corporate Social Responsibility (CSR) with the Pay What You Want (PWYW) pricing model can strengthen the economic and social sustainability of PKL in Surabaya. Using a qualitative case study approach, data were collected from 25 participants, including vendors, consumers, donor communities, individual donors, and government representatives, through focus group discussions, in-depth interviews, participatory observations, and document reviews, then analyzed thematically with NVivo. The findings reveal that PWYW increases consumer engagement and builds trust-based relationships, while CSR provides crucial support through training, capital assistance, and community education. Nevertheless, challenges remain in terms of income uncertainty and insufficient regulatory frameworks. The study highlights that multi-stakeholder collaboration among CSR actors, government, donors, and PKL is essential for sustaining the model. Theoretically, this research introduces the integration of CSR and PWYW as a hybrid social innovation in the informal economy, while practically, it offers strategic insights to strengthen microenterprise resilience and contribute to inclusive economic development.

Keywords: *CSR, Pay What You Want, Street Food Vendor, Economic Sustainability, Culinary Business*

INTRODUCTION

Micro, small, and medium enterprises (MSMEs), including street vendors (PKL), are an important element in Indonesia's economic structure, especially in the informal sector, such as the culinary. In urban areas such as Surabaya, culinary PKL not only contribute significantly to employment creation and the fulfillment of daily consumption needs, but also play an important socio-cultural role in sustaining the economy of people (Arlinaninova & Dewi, 2024). Despite their strategic contribution, many PKL continue to face persistent challenges, including limited access to capital, income volatility, weak competitiveness, and low customer loyalty. These structural vulnerabilities highlight the urgency of developing alternative business models that extend beyond short-term profit orientation and incorporate social values aligned with local community characteristics.

Within the Indonesian socio-cultural context, characterized by strong communal ties, mutual trust, and social solidarity, pricing strategies that emphasize fairness and empathy may resonate well with consumer behavior. One approach that is beginning to gain attention is *Pay What You Want* (PWYW), a flexible pricing model in which consumers are given the freedom to pay according to their perception of the value they receive. Although PWYW entails financial uncertainty, previous studies indicate that this model can generate positive outcomes when implemented in environments where social norms, trust, and moral responsibility influence consumer decisions (Ashrafimoghari & Suchow, 2022). In the context of Surabaya's culinary PKL, PWYW has the potential to strengthen emotional bonds between vendors and customers, foster

Copyright Holder:

© Hartono & Rahayu. (2026)

Corresponding author's email: hartono.fe@unim.ac.id

This Article is Licensed Under:



repeat patronage, and encourage a sense of shared responsibility within the local community. However, empirical evidence on the application of PWYW in Indonesian informal businesses remains scarce (Iskandar et al., 2024)

Parallel to the development of innovative pricing strategies, Corporate Social Responsibility (CSR) has increasingly evolved beyond its traditional association with large corporations. In recent years, CSR practices have begun to emerge within MSMEs and informal businesses, including PKL, albeit in simplified and localized forms. At the micro-enterprise level, CSR may manifest through participation in community training programs, environmentally responsible practices, mutual aid among vendors, or engagement in local social initiatives. Studies on CSR in Indonesian MSMEs demonstrate that socially responsible practices rooted in local wisdom can enhance business legitimacy, strengthen social capital, and improve long-term sustainability (Nugrahaningsih & Falikhatun, 2023; Putri & Irfan, 2024). Moreover, comparative studies from Indonesia and Malaysia show that CSR initiatives implemented by small business contribute not only to community development but also to increased competitiveness and resilience.

Despite growing scholarly attention to PWYW and CSR as separate concepts, research that systematically integrates both approaches, particularly in the context of informal culinary PKL, is very limited. Existing PWYW studies largely focus on formal businesses or experimental settings, while CSR research in MSMEs tends to emphasize program mapping, compliance, or general community development. Consequently, there remains a significant research gap concerning how PWYW can function as a socially embedded pricing mechanism when supported by CSR values, how this integration affects the business sustainability, and what challenges PKL face in implementing such a hybrid model in real world-settings.

Integrating PWYW with CSR offers a promising social business framework grounded in transparency, trust, and shared value creation. Practically, CSR can provide the ethical and social foundation that mitigates the risks of PWYW by nurturing responsible consumer behavior and reinforcing collective norms (Lightwala & Wall-Andrews, 2025). For example, when vendors communicate social commitments, such as maintaining affordable food for low-income consumers, reducing waste, or supporting fellow PKL, customers may feel morally encouraged to pay fair prices under the PWYW scheme. This reciprocal relationship illustrates how CSR and PWYW can mutually reinforce each other in fostering economic viability and social cohesion.

Therefore, this study aims to analyze the integration of CSR values within the PWYW pricing model as a social business strategy for culinary PKL in Surabaya. The novelty of this research lies in three key aspects. Conceptually, it combines PWYW and CSR, two approaches rarely examined together in micro-enterprise and informal sector contexts. Methodologically, it employs a qualitative approach to explore in depth the perspectives of vendors, consumers, and relevant stakeholders. Practically, it proposes a collaborative and context-sensitive model that can be applied to enhance both the economic and social sustainability of PKL. Given increasing economic pressures, rising operational costs, post-pandemic vulnerabilities, and intensified urban competition faced by informal food vendors, the exploration of adaptive and socially embedded business models becomes more urgent. Therefore, this study is timely in offering an alternative social business model that integrates empathy, trust, and shared responsibility as key resources for sustaining informal micro-enterprises.

LITERATURE REVIEW

The Pay What You Want (PWYW) as an Alternative Pricing Strategy

The Pay What You Want (PWYW) model is a pricing approach that gives consumers complete freedom to determine the price they pay, including the option of paying nothing. This model challenges conventional principles in pricing strategies and emphasizes the values of trust,

fairness, and consumer participation. [Gneezy \(2025\)](#) explains that PWYW represents a radical shift from posted pricing systems because it transfers pricing authority from sellers to consumers, thereby relying heavily on social norms and intrinsic motivation rather than contractual enforcement.

Empirical studies indicate that the effectiveness of PWYW is strongly influenced by consumers' perceptions of value, transparency, and social context. Long-term implementation at Der Wiener Deewan restaurant in Vienna demonstrates that voluntary payments tend to remain within reasonable market ranges, indicating that most consumers do not exploit the system ([PMC, 2025](#)). Similarly, research in the tourism sector shows that average voluntary payments can even exceed fixed prices, reflecting the role of moral considerations, reciprocity, and social awareness in consumer decision-making ([PMC, 2025](#)).

In digital and creative industries, PWYW has also been associated with audience-based contribution dynamics. [Tom Morkes \(2023\)](#), a digital marketing strategist, argues that revenue sustainability in PWYW-like models often depends on a small segment of highly engaged and loyal consumers who are willing to contribute disproportionately more than the average user. This insight suggests that PWYW is not merely a pricing strategy, but a relationship-based model that leverages emotional attachment, trust, and community belonging. Prior studies emphasize the importance of mitigation strategies such as suggested prices, social cues, transparency narratives, and communication of shared values to sustain the model (*Psychology Behind PWYW Pricing, 2022–2025*).

Within the context of culinary street vendors (PKL) in Surabaya, PWYW can be adapted beyond a transactional mechanism into a socially embedded strategy that strengthens customer loyalty and community ties. When combined with narratives of mutual trust, collective responsibility, and social contribution, PWYW has the potential to function as an inclusive pricing system that aligns economic objectives with social values.

The Concept of Corporate Social Responsibility (CSR) in the Context of Micro Businesses

Corporate Social Responsibility (CSR) in the context of micro businesses refers to the social responsibility of businesses that involves making a real contribution to the community and the surrounding environment. CSR is no longer considered an exclusive practice of large companies, but has now become an important strategy for MSMEs and informal businesses in creating shared value in a sustainable manner ([Yekti et al., 2024](#)).

In micro and informal enterprises, CSR typically manifests in modest yet impactful forms, such as community empowerment, skill development, ethical business conduct, and collaborative partnerships. [Asmara \(2023\)](#) highlights that cross-sector collaboration through the Quadruple Helix model, engaging government, academia, business actors, and communities, plays a crucial role in strengthening the social foundation of small enterprises. For culinary street vendors in Surabaya, CSR practices may include access to entrepreneurship training, digital marketing support, microfinance schemes, and institutional collaboration with local governments and universities. Such initiatives not only enhance managerial capacity and competitiveness but also reinforce social legitimacy and resilience. Thus, CSR functions as a strategic intervention that supports the sustainability of informal businesses by integrating economic goals with social responsibility.

Economic and Social Sustainability of MSMEs/Street Vendors

Sustainability in MSMEs and street vendors encompasses both economic and social dimensions. Economic sustainability refers to the ability of a business to survive, adapt, and grow amid uncertainty through innovation, efficiency, and resilience. Social sustainability, on the other hand, involves community participation, social justice, cohesion, and contributions to local welfare.

These two dimensions are deeply interconnected, particularly within the informal sector (Putri & Irfan, 2024).

The interaction between financial capacity and social capital strengthens sustainability. Masdianti et al. (2004) demonstrate that financial literacy combined with strong social networks significantly enhances MSME performance. Similarly, Iskandar et al. (2024) underline the role of intellectual capital, local creativity, and social innovation in enabling adaptive strategies among small enterprises. Environmental practices and supportive policies also contribute to resilience, as shown by Megawati et al. (2024), who highlight the importance of green innovation and circular economy initiatives for MSMEs in Surabaya. Moreover, Ansar et al. (2025) argue that social cohesion and perceptions of fairness are as critical as economic resources in sustaining small businesses. For culinary street vendors in Surabaya, long-term sustainability depends on the strengthening of financial literacy, community-based innovation, supportive policies, and collective forums that promote solidarity and shared growth. This reinforces the notion that economic viability and social embeddedness cannot be separated in informal-sector sustainability.

Previous Research

Previous studies have contributed valuable insights into PWYW and CSR, yet most have examined these concepts separately and primarily within formal or experimental settings. Ashrafimoghari and Suchow (2022), for instance, analyzed PWYW through a game theory framework, but their findings were limited to laboratory simulations and did not account for informal business dynamics.

In contrast, CSR-focused studies in Indonesia, such as the Enciety Business Consult report (2025), document the positive impact of MSMEs empowerment programs on business performance, including increased turnover. However, these studies tend to focus on program outcomes rather than exploring how CSR values interact with core business mechanisms such as pricing strategies. To date, research that explicitly integrates PWYW and CSR into a unified framework for micro-enterprises or street vendors remains scarce. This gap underscores the need for studies that systematically examine how socially embedded pricing strategies supported by CSR values can promote both economic and social sustainability. Therefore, this study positions itself as an initial contribution toward developing a hybrid PWYW-CSR model for culinary street vendors, offering both theoretical advancement and practical relevance for informal-sector development.

Theoretical Framework

This study is grounded in an integrative theoretical framework that combines behavioral economics, social trust theory, stakeholder theory, and sustainability perspectives to explain the relationship between Pay What You Want (PWYW), Corporate Social Responsibility (CSR), and the sustainability of culinary street vendors. From a behavioral economics perspective, consumer decisions are not purely rational but are influenced by emotions, perceived fairness, and social consideration. PWYW reduces the psychological burden associated with fixed prices by allowing consumers to align payments with perceived value, thereby increasing transaction comfort and participation (Sani, 2022). This mechanism is particularly relevant in informal settings, where price flexibility can encourage voluntary contributions rather than resistance.

Social trust theory further explains how PWYW operates as a trust-based exchange mechanism. In the absence of formal contracts or strict pricing regulations, PWYW relies on mutual trust between vendors and consumers. Trust functions as a mediating factor that shape consumer's willingness to pay fairly and supports long-term relational exchanges. When trust is reinforced through transparent practices and social narratives, PWYW can generate not only economic transactions but also social legitimacy (Nugrahaningsih & Falikhatun, 2025).

Within this framework, CSR plays a complementary and reinforcing role by strengthening social value and empowerment. CSR initiatives at the micro-business level, such as skills training, community engagement, and access to resources, enhance vendors' capacity and credibility, which in turn supports the effective implementation of PWYW. CSR also signals ethical commitment and shared responsibility, increasing consumer confidence and reinforcing trust. The interaction between PWYW and CSR thus creates a reciprocal mechanism in which value co-creation, social norms, and empowerment mutually reinforce one another.

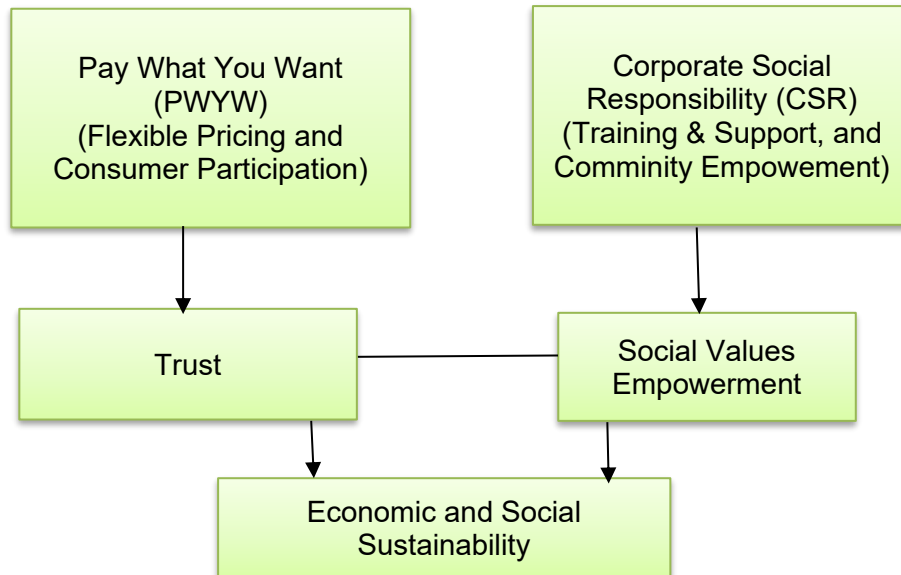


Figure 1. Theoretical Framework

RESEARCH METHOD

This study applied a qualitative case study design to explore the integration of the Pay What You Want (PWYW) model and Corporate Social Responsibility (CSR) in supporting the sustainability of street vendors' culinary businesses in Surabaya. Surabaya was selected as the research location due to its dense concentration of culinary street vendors, diverse consumer base, and the presence of CSR-based initiatives from both communities and institutions. A total of **25** participants were involved, consisting of 7 street vendors, 7 consumers, 4 donor communities, 4 individual donors, and 3 government representatives. Donors included community-based groups and individuals who provided financial contributions, food subsidies, or support for social programs linked to PWYW practices, making them directly relevant to the PWYW-CSR context. Participants were selected through purposive sampling, based on their active engagement with PWYW or CSR-related activities, and complemented by snowball sampling to identify donor actors operating through informal networks. The sample size was deemed sufficient to reach data saturation.

Data were collected chronologically through participant observation, followed by semi-structured interviews, focus group discussions (FGDs), and document analysis. Interviews lasted approximately 50-60 minutes, were audio-recorded with consent, and later transcribed verbatim. FGD's were conducted separately for vendors and consumers to encourage open discussion, each involving 5-7 participants and lasting about 90 minutes. Observations were carried out over three months to capture daily PWYW practices and interactions. Document analysis included local policy documents, CSR program reports, community guidelines, and promotional materials related to

PWYW implementation, which helped contextualize field findings and trace institutional support.

Methodological triangulation was applied to enhance credibility by comparing insight cross interviews, FGDs, observations, and documents. Each method contributed a distinct perspective: interviews captured individual experiences, FGDs revealed collective norms, observations documented real practices, and documents provided structural and policy context. Data were analyzed using thematic analysis following Braun and Clarke’s framework, involving familiarization, initial coding, theme development, review, and refinement. Coding reliability was strengthened through iterative comparison across data sources and reflective memo-writing. This analytical process enabled a robust interpretation of how PWYW and CSR interact through trust, social values, and empowerment to support the economic and social sustainability of street vendors.

FINDINGS AND DISCUSSION

Results

The implementation of the PWYW model supported by CSR programs shows that business innovation can be combined with social values and cross-sector collaboration. The success of this model depends not only on pricing mechanisms but also on trust, communication, and support from the surrounding ecosystem. These findings reinforce the theory that collaborative and participatory economic approaches can increase the resilience of micro and small businesses in the informal sector. Furthermore, this research expands the understanding of CSR from philanthropic activities to microeconomic empowerment strategies.

Data was obtained through Focus Group Discussions (FGD) with 25 participants consisting of street vendors, consumers, donor communities, independent donors, CSR implementers, and relevant government agencies.

Table 1. Demographics of Research Participants

No	Participant Category	Number	Roles in the PWYW/CSR Program
1	Street vendors (PKL)	7	Key PWYW Actors
2	Consumer (KONS)	7	Voluntary Price Setters
3	Donor Community (DNTR-K)	4	Education and Social Assistance
4	Independent Donor (DNTR-M)	4	Direct Financial/Non-Financial Support
5	Related Agencies (DINS)	3	Regulation and Program Coordination
Total		25	

Source: Data Processing, 2025

This demographic table shows the representation of various stakeholders relevant to the implementation of the CSR-based Pay What You Want (PWYW) model, thus supporting the depth of thematic analysis and triangulation of perspectives.

Following the presentation of participant demographics, the next stage of analysis focuses on how empirical data were generated and organized. All interview, Focus Group Discussion (FGD), and observation data were transcribed verbatim to preserve the authenticity of participants’ perspectives. Table 2 presents an overview of the data transcripts, including participant codes, categories, trigger questions, key quotations, and initial coding results, which form the basis for subsequent thematic analysis.

Table 2. Presentation of Data Transcripts

No	Participant Code	Participant Category	Trigger Question	Transcript Quote	Initial Code (Coding)
1	PKL-03	PKL Culinary	How has your experience been implementing the PWYW system?	"Sometimes people pay less than the cost, but others pay more. So we help each other out."	Income instability, Social solidarity
2	KONS-01	Consumers	What is your reason for being willing to pay more than the minimum price?	"Because I feel like I'm helping the street vendors, so it's okay to pay more."	Empathy, Social awareness
3	DNTR-M-02	Independent Donor	What motivated you to become a donor in this program?	"I help because I know they need it, and this is a simple way to get involved."	Personal concern
4	DINS-01	Related Agency	What is your view on the PWYW system for street vendors?	"We see this as creative, but it is still difficult to regulate."	Innovative potential, regulatory challenges

Note: PKL= street vendors; KONS= consumers; DNTR-K= donor communities; DNTR-M= independent donors, DINS= relevant government agencies.

Source: processed by researchers in 2025

After the data were transcribed and grouped according to participant categories (Table 2), the next stage involved the coding process to identify patterns of meaning, categories, sub-themes, and overarching themes emerging from qualitative data. This process was conducted using NVivo through a combination of open coding and axial coding to ensure inter-code relationships and analytical consistency.

Table 3. Coding Details Linked to Transcripts

No	Participant Code	Key Quote	Initial Code	Category	Sub-Theme	Main Theme
1	PKL-03	"Sometimes people pay less than the cost, but sometimes they pay more. So let's help each other."	Unstable income	Financial Risk	Income Irregularity	Financial Impact of PWYW
2	PKL-04	"I'm happy because more and more customers trust us and come back."	Consumer confidence increases	Consumer Response	Loyalty	Social Impact of PWYW
3	PKL-06	"CSR helped me participate in training on how to sell online and how to manage finances."	CSR business training assistance	CSR Support	Capacity Building	The Role of CSR in PKL Sustainability
4	KONS-01	"Because I feel like I'm helping street vendors, it's okay to pay more."	Empathy for PKL	Social Awareness	Consumer Social Values	Social Impact of PWYW
5	KONS-05	"Sometimes I'm confused about how much to pay, afraid it will be too little."	Price uncertainty	Consumer Uncertainty	Price Ignorance	PWYW Implementation Challenges

No	Participant Code	Key Quote	Initial Code	Category	Sub-Theme	Main Theme
6	DNTR-K-02	"We help because the purpose of this activity is clear: to help small businesses."	Social objectives of donation activities	Purpose of Donations	Social Mission	Role of the Donor Community
7	DNTR-K-03	"We also educate residents so they understand this concept and can help street vendors."	Community education	Community Support	Social Education	Role of the Donor Community
8	DNTR-M-01	"I help directly because I feel satisfied seeing the impact."	Satisfaction with direct contribution	Personal Satisfaction	Individual Motivation	Role of Independent Donors
9	DNTR-M-03	"Sometimes I don't know what they (street vendors) need. There is minimal information."	Limited information	Access Barriers	Limited Information	Collaboration Challenges
10	DINS-02	"We support it, but there are no clear rules regarding the voluntary payment system."	Regulatory constraints	Policy Barriers	Regulatory Vacuum	PWYW Implementation Challenges

No	Participant Code	Key Quote	Initial Code	Category	Sub-Theme	Main Theme
11	DINS-03	"CSR can be a bridge to help street vendors if coordinated." "	CSR & Government Collaboration	Structural Support	Cross-Sector Coordination	Collaboration in Sustainability

Note: PKL= street vendors; KONS= consumers; DNTR-K= donor communities; DNTR-M= independent donors, DINS= relevant government agencies.

Source: processed by researchers in 2025

Table 3 demonstrates how empirical data from multiple participant groups were systematically coded and linked to broader analytical themes. The presence of similar sub-themes across different stakeholder categories indicates cross-source convergence, strengthening the credibility of the findings through triangulation.

After the coding process was completed and categories were established, the analysis proceeded to a simplified coding stage to illustrate how raw interview quotations were condensed into general meanings. This step helps clarify the logical connection between empirical data and emerging themes before higher-level thematic interpretation.

Table 4. Simple Coding

No	Informant	Interview Content (Direct Quotation)	Meaning / General Theme
1	PKL-03	"Sometimes people pay less than the cost, but sometimes they pay more."	Income is unstable
2	PKL-04	"I'm happy because more and more customers trust us and come back."	Consumer confidence is increasing
3	KONS-01	"I'm willing to pay more because I feel sorry for the street vendors."	Consumer empathy
4	DNTR-M-02	"I am satisfied because I can help directly. It feels more real."	Satisfaction from helping directly
5	DINS-01	"We haven't been able to implement this model because there are no clear regulations."	Regulations are not yet available

No	Informant	Interview Content (Direct Quotation)	Meaning / General Theme
6	DNTR-K-01	"We help educate residents so they understand this voluntary payment model."	Community education and support

Note: PKL= street vendors; KONS= consumers; DNTR-K= donor communities; DNTR-M= independent donors, DINS= relevant government agencies.

Source: processed by researchers in 2025

Following the coding process and category development presented in Table 4, the next step was theme identification, where initial codes and sub-themes were consolidated into overarching analytical themes that directly address the research objectives.

Table 5. Theme Identification Stage

No	Participant Code	Key Quote	Initial Code	Sub-Theme	Main Theme
1	PKL-03	"Sometimes people pay less than the cost, but sometimes they pay more."	Income is unstable	Income Instability	Financial Impact of PWYW
2	PKL-04	"I'm happy because more and more customers trust us and come back."	Consumer trust increases	Consumer Loyalty	Social Impact of PWYW
3	PKL-06	"CSR helped me participate in training on how to sell online and how to manage finances."	CSR business training assistance	Capacity Building	The Role of CSR in Supporting PWYW
4	KONS-01	"Because I feel like I'm helping the street vendors, it's okay to pay more."	Empathy for PKL	Consumer Social Awareness	Social Impact of PWYW

No	Participant Code	Key Quote	Initial Code	Sub-Theme	Main Theme
5	KONS-05	"Sometimes I'm confused about how much to pay, afraid it will be too little."	Price confusion	Consumer Uncertainty	PWYW Implementation Challenges
6	DNTR-K-02	"We help because the purpose of this activity is clear: to help small businesses."	Social objectives of donation activities	Purpose of Donations	Role of CSR / Donor Community
7	DNTR-K-03	"We also educate residents so they understand this concept and can help street vendors."	Community education	Community Education	Role of CSR / Donor Community
8	DNTR-M-01	"I help directly because I feel satisfied seeing the impact."	Satisfaction with direct contribution	Personal Motivation	Role of Independent Donors
9	DNTR-M-03	"Sometimes I don't know what they (street vendors) need. There is very little information."	Limited information	Information Barriers	PWYW Implementation Challenges
10	DINS-02	"We support it, but there are no clear rules regarding the pay-what-you-want system."	Regulatory obstacles	Regulations Not Yet Ready	PWYW Implementation Challenges

No	Participant Code	Key Quote	Initial Code	Sub-Theme	Main Theme
11	DINS-03	"CSR can be a bridge to help street vendors if coordinated."	CSR & Government Collaboration	Synergy Between Parties	CSR Collaboration & Street Vendor Ecosystem Sustainability

Note: PKL= street vendors; KONS= consumers; DNTR-K= donor communities; DNTR-M= independent donors, DINS= relevant government agencies.

Source: processed by researchers in 2025

Following the theme identification stage, the analysis proceeded by synthesizing sub-themes into broader analytical categories. This step aimed to clarify the relationship between empirical findings, participant perspectives, and the research objectives, while also demonstrating cross-source triangulation among street vendors, consumers, donors, and government actors. The results of this thematic synthesis are presented in Table 6, which summarizes the main themes, their source, and the extent of stakeholder representation.

Table 6. Summary of Main Themes Identified

Main Theme	Source Category of Participants	Number of Sources
1. Financial Impact of PWYW	PKL	2
2. Social Impact of PWYW	Street Vendors, Consumers	2
3. The Role of CSR in Supporting PWYW	Street Vendors, Donor Community	3
4. Challenges in Implementing PWYW	Consumers, Donors, Government Agencies	3
5. Collaboration between CSR and the PKL Ecosystem	Agencies, Donors, Communities	1-2 (connected)

Source: processed by researchers in 2025

This table highlights that several themes, particularly challenges in PWYW implementation and the role of CSR, emerged across multiple stakeholder groups, indicating that these issues are structural rather than actor-specific. Such convergence of perspective strengthens the analytical validity of the findings and supports the interpretation that PWYW outcomes are shaped by interconnected social, financial, and institutional factors.

Following the identification and consolidation of the main themes (Table 6), the analysis proceeds to a deeper thematic categorization and interpretation stage. At this stage, each main theme is examined in relation to its constituent sub-themes, the participant groups from which they emerged, and their analytical relevance to the research objectives. This step allows the study to move beyond descriptive categorization toward interpretive explanation, highlighting causal mechanisms, stakeholder dynamics, and the role of CSR in shaping PWYW outcomes.

Discussion

The findings indicate that the PWYW model for culinary street vendors in Surabaya generates both enabling and constraining financial effects, with income uncertainty remaining the primary risk. From a behavioral economic perspective, consumers' willingness to pay more than the reference price is influenced by social preferences, moral satisfaction, and perceived fairness rather than purely rational cost-benefit calculations. This explains why vendors who clearly communicate the social purposes of PWYW and CSR support tend to receive higher voluntary payments (Meliza & Zuhri, 2023).

From the lens of social trust theory, PWYW functions as a trust-based exchange system. Trust is constructed through transparency, repeated interactions, and shared social values. Evidence from Street Vendors (PKL), consumers (KONS), and Donors (DNTR) consistently shows that increased trust leads to stronger consumer loyalty and repeat purchase, confirming triangulation across participant groups and data sources (FGD, interviews, observations). Street vendors (PKL) consistently emphasize trust as a determinant of income stability, consumers (KONS) associate PWYW fairness with moral satisfaction and willingness to pay, while donors (DNTR) and CSR implementers frame trust as a mechanism for market legitimacy and program effectiveness. These converging perspectives are further supported by observational data showing higher repeat purchases and more stable payments in contexts where trust-building narratives are clearly communicated. Conversely, where trust is weak, due to unclear price norms or limited information, payment uncertainty increases.

CSR plays a strategic role not merely as financial assistance but as a social strategy, meaning an intentional intervention to shape social relations, trust, and legitimacy within the market ecosystem. Through this role, CSR contributes to burden reduction, defined as the reduction of vendors' operational, promotional, and reputational costs by providing training, branding support, infrastructure, and mediated access to consumers, while simultaneously enhancing market legitimacy and consumer confidence. The mechanism of CSR impact operates through four interrelated pathways:

1. Capacity building (training in pricing communication, branding, and digital promotion)
2. Symbolic Legitimacy (CSR-branded booths and campaigns increase consumer confidence)
3. Information signaling (CSR involvement signals credibility and social value to consumers), and
4. Network facilitation (linking vendors with communities, donors, and local government) (Megawati et al., 2024).

Taken together, these findings indicate that CSR affects PWYW outcomes through a sequential mechanism in which capacity building, legitimacy signaling, information cues, and network facilitation strengthen trust and perceived fairness, which subsequently enhance consumer loyalty, reduce income uncertainty, and ultimately support the economic and social sustainability of culinary street vendors. These mechanisms explain how CSR amplifies PWYW outcomes, particularly by stabilizing income during the adaptation phase. Importantly, the data suggest that vendor dependence on CSR is largely temporary, especially during early-stage implementation. As vendors develop communication skills and loyal customer bases, reliance on external support decreases. However, prolonged dependence may occur when CSR programs are fragmented or not accompanied by exit strategies (Masdiantini et al., 2024).

The main implementation challenges, payment uncertainty, hesitation among vendors, and fragmented assistance, can be explained causally. Cultural norms around fixed pricing make both vendors and consumers initially uncomfortable with price discretion. Perceived financial risk discourages vendors with high input costs, while consumers fear underpaying due to the absence of reference prices. Fragmented CSR initiatives further lead to duplication of assistance, such as

overlapping promotional support or repeated training without coordination, reducing efficiency and impact (Kim et al., 2020). In practice, this duplication occurs when multiple CSR actors independently deliver similar forms of assistance, such as basic marketing or pricing communication training, branding materials, and short-term promotional support, to the same street vendors without shared planning, coordination mechanisms, or exit strategies, resulting in inefficiencies, participant fatigue, and limited cumulative impact on long-term business capacity. From a stakeholder theory perspective, sustainable PWYW implementation requires alignment among key actors. Support for multi-stakeholder collaboration is explicitly expressed by government agencies (DINS), CSR implementers, and donor communities, who view coordination as essential to avoid duplication and strengthen program legitimacy. Government actors emphasize the need for enabling regulations, while vendors prioritize practical support and consumers seek clarity and fairness (Harymawan et al., 2022).

Regulatory gaps remain a critical issue. The absence of guidelines on voluntary pricing, CSR coordination, and informal-sector protection limits scalability. Stakeholders differ in emphasis: vendors seek protection from losses, CSR actors seek incentive clarity, and government agencies seek administrative feasibility. This highlights the need for light-touch, facilitative regulation rather than rigid price controls.

Practical Implications

- a. Improve consumer education to understand the importance of voluntary contributions in the PWYW model.
- b. Expand and improve the quality of CSR programs that focus on training and capital support for street vendors.
- c. The government needs to formulate regulations that support and protect the interests of street vendors and consumers.
- d. Strengthen collaboration networks among stakeholders to build a sustainable and adaptive ecosystem.

CONCLUSIONS

This study demonstrates that the integration of the Pay What You Want (PWYW) model and Corporate Social Responsibility (CSR) provides a promising hybrid approach to enhance both the economic and social sustainability of street food vendors (PKL) in Surabaya. From a practical perspective, the findings suggest that PWYW can serve as more than a pricing mechanism; it becomes a medium for building trust, empathy, and consumer engagement, which are essential for sustaining informal businesses. However, the success of PWYW in this context cannot be separated from the enabling role of CSR. CSR initiatives—through training, financial support, community education, and infrastructure provision—help mitigate income uncertainty and foster the resilience of street vendors. For practitioners, this research offers guidance on how to design CSR programs that are not only philanthropic but strategically aligned with microenterprise empowerment. For policymakers, the study highlights the urgency of creating a supportive regulatory environment that recognizes voluntary payment systems, ensures fair protection for vulnerable entrepreneurs, and incentivizes cross-sector collaboration. These practical implications emphasize the need for stronger integration between social innovation, business practices, and public policy to drive inclusive economic growth.

Theoretically, this research contributes to the literature by bridging two frameworks—PWYW and CSR—that have rarely been studied together in the context of micro and informal businesses. It extends behavioral economics and social trust theory by demonstrating how voluntary pricing, when reinforced by CSR, can reduce transaction uncertainty and create shared

value. Furthermore, it enriches stakeholder and sustainability theories by illustrating that CSR, when embedded in grassroots business models, transcends its conventional role as corporate philanthropy and evolves into a mechanism for collaborative economic empowerment. This integration contributes to the discourse on social entrepreneurship by presenting a hybrid model that is sensitive to both market dynamics and community well-being.

In conclusion, the study not only fills an empirical gap by analyzing the intersection of PWYW and CSR in Indonesia's informal sector but also offers conceptual innovation by framing their integration as a pathway to sustainable microenterprise development. The narrative emerging from this research underscores that inclusive growth and poverty alleviation require business models grounded in trust, solidarity, and institutional support. As global development agendas such as the Sustainable Development Goals (SDGs) continue to prioritize social inclusion and equitable economic participation, the PWYW-CSR hybrid model introduced in this study provides a valuable reference point for scholars, practitioners, and policymakers seeking innovative solutions for informal economies worldwide.

Recommendations

Based on the findings, several actionable recommendations are proposed:

1. **Structured Consumer Communication**
Vendors and CSR partners should use clear signage, digital content, and verbal cues explaining PWYW principles and CSR support to reduce price ambiguity and strengthen trust.
2. **Targeted CSR Design**
CSR programs should prioritize time-bound capacity building, including exit strategies, to prevent long-term dependency while maximizing early-stage impact.
3. **Integrated CSR Coordination Platform**
Local governments should facilitate a shared database or coordination forum to prevent duplication of assistance and align CSR, community, and donor initiatives.
4. **Facilitate Regulation**
Governments should develop non-binding guidelines on PWYW practices, consumer protection, and CSR incentives to enhance legitimacy without constraining flexibility.
5. **Multi-Stakeholder Governance Model**
Establish a collaborative governance structure involving vendors, CSR actors, communities, donors, and government agencies to ensure program sustainability.

LIMITATIONS & FURTHER RESEARCH

This study is subject to several limitations. First, consumer payment behavior in the PWYW model is strongly influenced by situational factors such as empathy, social norms, and perceived financial risk, which may vary across contexts and limit generalizability. Second, the absence of clear regulatory frameworks for PWYW and CSR-based informal sector support constrains policy analysis and implementation assessment. Third, the study focuses on a limited number of street vendors and stakeholders in Surabaya, which may not fully capture broader institutional and cultural variations.

Future studies should examine PWYW implementation across different cities and sectors to compare behavioral and institutional dynamics. Further research is also needed to analyze the long-term sustainability of vendor dependence on CSR and donor support, as well as the role of formal regulations in shaping trust and risk perceptions. Mixed-method or longitudinal designs are recommended to better capture behavioral change, policy impact, and ecosystem evolution over time.

REFERENCES

- Arlinaninova, C. J., & Dewi, P. K. (2024). The impact of corporate social responsibility at PT Bank Rakyat Indonesia (Persero) on MSME financing in Indonesia. *Transformasi: Journal of Economics and Business Management*.
- Asmara, T. T. P. (2023). Legal analysis of the application of the quadruple helix concept in the implementation of CSR for MSMEs. *Indonesian Legislation Journal*.
- Ansar, M. C., Tsusaka, T. W., & Syamsu, S. (2025). Social sustainability of micro, small, and medium enterprises: The case of Makassar City, Indonesia. *Frontiers in Sustainability*. <https://www.frontiersin.org/articles/10.3389/frsus.2025.1545072>
- Ashrafimoghari, V., & Suchow, J. W. (2022). A game-theoretic model of consumer behavior under a pay-what-you-want pricing strategy. *arXiv*. <https://arxiv.org/abs/2207.08923>
- Enciety Business Consult. (2025). The development of philanthropy in Indonesia 2020–2025 and its differences with CSR and ESG. *International Journal of Economics*. <https://enciety.co/perkembangan-filantropi-di-indonesia-2020-2025-dan-perbedaannya-dengan-csr-serta-esg/4>
- Gneezy, A. (2025). Shared social responsibility in pay-what-you-want experiments. In *Wikipedia*. https://en.wikipedia.org/wiki/Ayelet_Gneezy
- Harymawan, I., Indahsari, A. T., & Putra, F. K. G. (2022). Strengthening MSME sustainability through the sustainable finance lab. *Journal of Community Service*, 6(2), 421–438.
- Iskandar, Y., Ardhiansyah, A., & Pahrijal, R. (2024). Key factors affecting business sustainability of MSMEs in Indonesia: The role of intellectual capital, social innovation, and social bricolage. *Eastasouth Management and Business Studies*.
- Kim, W., Kim, H., & Hwang, J. (2020). Sustainable growth for the self-employed in the retail industry based on customer equity, customer satisfaction, and loyalty. *Journal of Retailing and Consumer Services*, 53, Article 101963. <https://doi.org/10.1016/j.jretconser.2019.101963>
- Lightwala, O., & Wall-Andrews, C. (2025). The impact of pay-what-you-want pricing in the non-profit arts sector. *Journal of Arts Management, Law, and Society*, 54(6), 323–347. <https://doi.org/10.1080/10632921.2024.2442962>
- Masdiantini, P. R., Devi, S., & Kusyanda, M. R. P. (2024). The role of financial literacy and social capital in the performance and sustainability of MSME businesses. *Equity: Journal of Economic Education*, 12(1), 23–29.
- Megawati, S., Herdiansyah, H., & Machmud, A. (2024). Integrating circular economy, digital economy, and social protection policies to drive green business innovation: Insights from Indonesia's culinary SMEs. *Environmental Economics*, 22(4), 368–381.
- Meliza, J., & Zuhri, Z. (2023). The CSR–crowdfunding model for strengthening the competitiveness of SMEs and enhancing business value. *Indonesian Journal of Law and Economics Review*.
- Nugrahaningsih, P., & Falikhatun. (2025). Implementation of corporate social responsibility based on local wisdom in sustainable culinary business. *Journal of Research and Application: Accounting and Management*, 7(3). <https://jurnal.polinema.ac.id>
- PMC. (2025). *Pay-what-you-want, identity, and self-signaling in markets* (e.g., Der Wiener Deewan case study on long-term PWYW restaurant).
- Putri, D. C., & Irfan, M. (2024). Empowerment strategies for MSMEs in PT Angkasa Pura II's CSR program. *Journal of Community Service*, 7(2), 187–195. <https://jurnal.unpad.ac.id/jppm/article/view/61524>
- Sani, N. T., Rahman, A., & Yusuf, M. (2022). Stakeholder alignment in CSR implementation. *Global South Review*.
- Tom Morkes. (2023). *The Complete Guide To Pay What You Want Pricing* (quotation from Gumroad practitioner).

Yekti, W. K., Affan, M. W., & Mawardi, F. D. (2024). Analysis of social return on investment (SROI) in the micro and small business funding program (PUMK) CSR of PT Petrokimia Gresik. *Business Journal*