

# An investigation into business practices of selected street food vendors at KwaDlangezwa, Northern KwaZulu Natal

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## Abstract

Food businesses have become widespread in recent times in response to the changing lifestyle and food consumption patterns of people. They offer convenience and ease of access to food to busy individuals, who are unable to prepare their own meals regularly at home. In large scale cooking, food passes through many hands, thereby increasing the chances of food contamination due to improper handling. Food vendors have a prime role to play in food businesses and that is to guarantee that meals served are hygienic for consumption. Conscious contamination of such food places consumers at risk of suffering from food borne illnesses. The main aim of the study was to explore and document business practices of selected food vendors at Kwa-Dlangezwa with a view of business practices. The study targeted food vendors (N=8) on and off campus (University of Zululand), who prepared and sold food on site. This data is analysed using the Excel for Microsoft office to find out the statistic responses of respondents from the data collected and the same Excel was used to formulate graphs and table from the responses of participants. The results indicated that there was only one food vendor who have been in the food vending business for long period of time and they all faced a common challenges. Out of the eight food vendors two were responsible for also cashing up daily and the owner/managers were responsible for cashing up for the other six but record keeping and ordering was done by the owners/manager for all the food vendors. Only two out of the eight vendors received proper training on business practices.

**Keywords:** business practices, food vendors, food contamination, food borne illnesses

## Introduction

The potential of street foods for improving the food security and nutritional status of urban populations remains almost totally unexplored. There are a number of aspects of street foods which make them promising vehicles for micronutrient fortification. The data available on the consumption of street foods show that they are inexpensive and available when needed, which in many countries they form an integral part of the diet, and that they are consumed with regularity and consistency across all income groups, but particularly by the urban poor and, in some countries, children. Street foods are extremely diverse both in terms of what is available (they encompass drinks, meals, and snacks) and the ingredients from which they are made (Draper, 1996).

The author further states that the ways in which street foods are processed are also extremely variable and range from the preparation of foods "on the street" in relatively heterogeneous and unregulated conditions to the central processing of ready-to-eat foods such as snacks, that

although manufactured by the formal sector industry they are distributed and retailed through street food vendors. This implies two potential strategies for protection, firstly, the ingredient-based protection of universal ingredients which have passed through some form of centralised processing and the food-based protection of centrally processed foods. Potential constraints to fortification include food safety requirements (both quality control of the protection process and microbiological safety), consumption requirements, cost and the enormous variability of street foods in terms of ingredients and the ways in which they are processed. Information is needed on all of these to evaluate the potential for the fortification of street foods and to identify suitable vehicles in specific country contexts.

Small businesses have become a major influence on the country's economy and the main reason is that it creates employment and provides income for the population (Parker, 1996 and Huq *et al.*, 2009). The number of private street food stalls is growing very fast over the years. Food vendors usually choose spots that are very popular such as in high pedestrian traffic areas such as taxi ranks, bus stations, train stations, building construction sites, school premises, tertiary institutions, hospitals, market place and busy street corners to get good business (Hiemstra *et al.*, 2006 and Leus *et al.*, 2006). According to Hiemstra *et al.* (2006), street food is consumed by large segments of the urban population, especially the poor segments because the food items are often relatively cheap. The authors further state that street food is important for the low-income groups in the urban community that do not have time and/or resources to prepare their own meals. According to Otoo *et al.* (2012), micro-enterprises such as street food enterprises are typically owned by one individual, including one or two apprentices or paid and unpaid family workers. These enterprises require small amounts of start-up capital and relatively simple skills. The authors further elaborate that due to limited levels of investment, these enterprises are typically located outdoors or under a roof with easy accessibility from the street and their marketing success depends on the location and word-of-mouth promotion.

Muinde and Kuria (2005), states that the street foods feed millions of people daily with a wide variety of foods that are relatively cheap and easily accessible and Steyn and Labadarios (2011) concur that street foods are consumed each day by an estimated 2.5 billion people due to its low cost and convenience. Muinde and Kuria (2005) further state that street food industry offers a significant amount of employment, often to persons with little education and training. Huq *et al.* (2009) indicate that street food vending is a prevailing and distinctive part of a large informal sector and it is commonly viewed in public spaces, particularly in the cities. Furthermore, the authors state that street food vending provides a basic need to the urban inhabitants and the items available consists of a diverse selection from snacks to a wholesome meal. Each street food enterprise is generally small in size, requires simple skills, basic skills and small amounts of capital. Street vending business holds a tremendous potential for generating income and employment in the urban population (Huq *et al.*, 2009).

According to Steyn and Labadarios (2011), street foods are most commonly sold in low-and middle-income countries and the types of food sold vary according to socio-economic status of buyers and the food culture of the local people. The authors further states that there are four categories of street food items that are typically sold, namely; whole meals (full meal), snacks, beverages and fruits. Lues *et al.* (2006) also add that street foods reflect on traditional cultures based on local products as well as new dishes adapted to urban living conditions and the low incomes of many city dwellers. Furthermore, in South Africa, typical street food dishes consist of maize porridge served with either chicken or beef pieces or stew, tomato and onion gravy or salad. An average of the family budget is spent on street food which is an essential part of the diet of middle-income and poor families in Mali (Steyn and Labadarios, 2011).

Tinker (2003) states that married entrepreneurs face decreased profit margins because family members consume some of the food products sold while, Berger (1991) argues that most of the micro-enterprises in developing countries depend on the family unit to provide free or inexpensive labour and thus decrease production costs. Women in the street vending businesses use their earning for basic family needs, such as food, clothing, health care and educating their children (Otoo *et al.* 2012).

In many countries including South Africa, street food vending was regarded as illegal and the sector experienced significant growth in the past few decades, due to socio-economic changes (von Holy and Makhoane, 2006). Street food vending is probably the single largest employer in the informal sector and makes a major contribution to the country's economy and offers business opportunities for developing entrepreneurs (Rane, 2011; von Holy and Makhoane, 2006). The authors further states that, the conditions under which some street vendors operate are reported to be unsuitable for the preparation and selling of food. Von Holy and Makhoane (2006) states that after some research that was done on the impact of street food vending within Durban, the Metro made a decision to integrate the informal economy into its long-term plan to promote economic development. Furthermore, some of the benefits of the informal economy that were identified were that the informal sector contributed to job creation; provides convenience to its customers and is able to meet the cultural and religious needs of the people, due to its diverse nature. The Ethekwini Metro street food vendors now operate in allocated areas which minimises the problem of public nuisance in the Durban City and surrounding towns.

Sun *et al.* (2012) states that a food vending business requires less equipment and earns a better margin than other businesses and they have become the most common in kind of vendors. The authors further state that the number of vendors have undoubtedly grown since then, due to food vendors being able to provide food at lower prices during the slow economy. Steyn and Labadarios (2011) elaborates that street foods sold by vendors account for up to forty percent of the daily diet of urban consumers in developing countries. Furthermore, the authors defines street food as it is provided by a stand, cart or kiosk on the street or pavement usually sold in busy public areas such as pavements, school premises, beaches, bus stations and rail.

Street foods contribute to an individual and to household food security because it is generally inexpensive, readily available, meets the need of immediate hunger and provides vendors with a source of income (Steyn and Labadarios, 2011).

## **Methodology**

The study adapted the qualitative research approach and the research design that was used was the emergent design. The interview questionnaires and observation schedule were used as means of collecting data. The data was collected in the form of a face-to-face communication. The technique of collecting data was observing and interviewing whereby an interviewee was asked questions to answer so to give his or her opinion about the question asked. The sampling procedure used was purposive sampling because of the knowledge of the number of food vendors in the area of KwaDlangezwa. The instrumentation that was used was an observing schedule and interview questions with open format questions. Including open format questions in the interview, the researcher was able to obtain true, insightful and even unexpected suggestions from the food vendors.

The questionnaire was divided into sections where demographic information, business practices (such as training, operation of the business, competitors, financial records responsibilities were taken into consideration) and food hygiene practices (not part of this paper) were assessed. Participants were interviewed using the unstructured interview method based on their business practices and observation based on their food hygiene practices (not part of this paper). The observation was done for duration of forty minutes per food vendor and the interview did not have a specific time for completion. Analysis of data was conducted using the Excel to capture the data on a soft copy, measure the data and convert to tables and graphs. This had a great advantage of increasing the validity in the instrument being used where vendors' obscurity can be better guaranteed with confidentiality maintained. The data analysis method used was the inductive method for theory development generated by the research where findings are analysed after the data collection.

### Limitations and Ethical Considerations

The participants were given an assurance of confidentiality and protection of the information obtained from them, since the interview questionnaire and observation schedule did not include any names or surnames. A consent form was drafted and given to participants for them to sign ensuring that they agree to participate in the project. Due to insufficient resources, random sampling was not possible to accomplish and it prevents the generalization of the results, hence, purposive sampling was used instead.

### Data analysis and interpretation

The following data analysis refers to the responses from data collected and reflects the views and perceptions of respondents to the investigated topic. This data was analysed using the Excel for Microsoft office to find out the statistic responses of respondents from the data collected and the same Excel was used to formulate graphs and table from the responses of participants. This paper consists of all the findings from the research sample of eight food vendors in KwaDlangezwa.

### Characteristics of respondents (N=8)

The socio-demographic of respondents is basically the gender, age, occupation, ethnic group the respondent belongs to, the place of residence and main language spoken at home of the participant. In table 1 the socio-demographic characteristics of respondents are summarised.

**Table 1 Socio-demographic characteristics of respondents (N=8)**

Variable	Frequency N(%)
<b>Sex</b>	
Male	5(62.5)
Female	3(37.5)
<b>Age</b>	
20-29	4(50)
30-39	2(25)
40-49	0
≥50	2(25)

<b>Level of Education</b>	
Did not complete Secondary School	3(37.5)
Grade 12	5(62.5)
<b>Occupation</b>	
Owner and Manager	2(25)
Manager and Staff	1(12.5)
Manager	1(12.5)
Staff	4(50)

Five of the food vendors (62.5%) are males and the average age of the respondents is 35.6. All the respondents (food vendors) are Black African and their main language spoken at home is IsiZulu, and they all reside off campus. Contrary to this study, (Omemua and Aderojub, 2008) found that in countries like Nigeria, Uganda, Kenya and Botswana, the majority of vendors are women who balance the income-generating opportunities of street vending with traditional household and child care duties. In a study done in Nigeria, it was also found that there are more women in the street vending business compared to males (Chukuezi, 2010). In agreement to the current study (Muinde and Kuri, 2005) concur that there are more males (60%) than females (40%) in the street food vending business. Muzaffar *et al.*(2009), states that education, however, does not have any significant impact on business performance.

### Business practices

The business practices include the operation of the businesses by food vendors who seemingly are each other's competitors (the participants and non-participants). In table 2, the number of years the business has been in operation and the number of years the food vendors have been in the food vending business and its location is summarised.

**Table 2 No. of years the food vending business has been in operation and food vendor has worked in the food vending business and location**

<b>Business Operation</b>	<b>F/V1</b>	<b>F/V2</b>	<b>F/V3</b>	<b>F/V4</b>	<b>F/V5</b>	<b>F/V6</b>	<b>F/V7</b>	<b>F/V8</b>
Location of food vendor	O	C	C	O	O	C	O	O
No. of years in operation								
<b>Food vendor</b>								
No. of years as food vendor	8	5	2	13	1	8months	6months	1
	8	5	2	13	1	2	6months	1

O= Off campus  
 C= On campus  
 F/V= Food Vendor

As indicated in Table 2 above, food vendor four has been in the food vending business for a longer period of time as compared to the others.

### Products Sold and Portion Control

The food vendors use Styrofoam containers when they serve their products and these containers come in different sizes. The cooked meals are served with the big Styrofoam containers that have a lid, the chips, russians and chips are served with the small containers with lid and the fried chicken, fish, fried gizzards are served with the small ones that have no lid and are wrapped with a cling wrapper. These Styrofoam containers help the food vendors to maintain portion control because they limit the portion of food to be put. Products sold by the food vendors are listed in table 3 below. According to Steyn and Labadarios (2011), the most

purchased food on the street in South Africa are fruits, cold drinks, savoury snacks, biscuits and cooked food such as pap, fat cakes and fried meat of which there is some similarity. The authors further state that the fast food types that are commonly consumed are also fried and energy-dense such as burgers, fried chicken and soft drinks.

**Table 4.3 Products sold by Food Vendors**

Products Sold	F/V1	F/V2	F/V3	F/V4	F/V5	F/V6	F/V7	F/V8
Vetkoek <sup>1</sup> with Polony	✓	✓		✓				
Fried Chips	✓	✓					✓	
Fried Fish	✓			✓			✓	
Russians	✓	✓					✓	
*Hamburgers			✓			✓	✓	
\$Wors <sup>2</sup> Roll			✓			✓		
#Cooked meal	✓			✓				
Fried Gizzards				✓				
Braaied <sup>3</sup> Gizzards								✓
Fried Chicken				✓				
Grilled Chicken					✓			
Grilled Wors					✓			
Grilled Beef					✓			
Boiled Eggs	✓							

\* Bun, meat pattie, tomato, onion, lettuce and sauces (chilli, mustard, tomato and chutney)

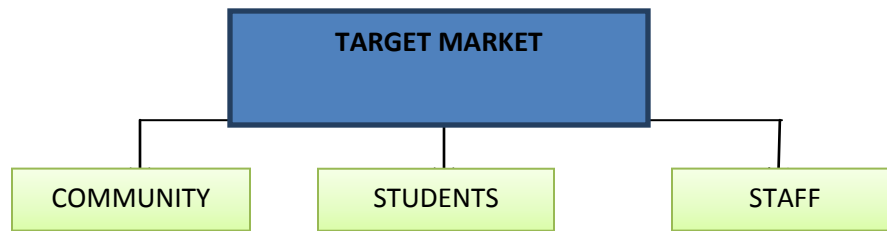
\$ Bread roll, wors, tomato, onion, lettuce and sauces (chilli, mustard, tomato and chutney)

# Chicken or Beef curry served with rice or stiff pap.

Two of the vendors sell the same product (wors roll and hamburgers). Food vendor five sells total different products from all the food vendors, food vendor eight sells the same product as food vendor four (gizzards) but prepared in a different manner. The common products that the food vendors sell are vetkoek with polony and fried chips. All the food vendors do sell other products that do not necessary need preparation and where hygiene practices does not play an important role such as cold drinks, bread, cigarettes, sugar, soap.

### Target Market

In figure 1, the target market of all the food vendors is illustrated.



**Figure 1** Target Market of Food Vendors

### Differentiation from Competitors/Competition

<sup>1</sup>Vetkoek–African doughnut/fat cakes

<sup>2</sup>Wors - Sausage

The food vendors compete with one another and even with the non-participants. They differ from their competitors by selling different products, better services, lower prices, big portion sizes, offering better product, selling fresh food and selling in bulks. Some of the vendors sell the same products and the method of preparation is different.

### **Staff and their Responsibilities**

**Food vendor 1:** There is eight staff members, four of them work in other business ventures of the owner and the four works in the food vending business. Three of them cook, sell and clean and the fourth one assists the owner with orders on Monday or during the weekend, depending on the demand.

**Food vendor 2:** The staff consists of four members. One is responsible for making the vetkoek and the other three are responsible for preparing other foods and they are all responsible for cleaning and selling.

**Food vendor 3:** There is only one staff member, who is responsible for preparing the burgers and wors rolls and also sells. She also does cashing up before closing.

**Food vendor 4:** This business has thirty staff members of which five of them are supervisors and they are responsible for supervising the staff who work in the butchery, cooking, cashiers, inventory and restaurant. Three of them are cashiers, eight of them are assistance of which one is a driver, four of them work in the butchery department, four of them cook and sell and others are merchandisers (responsible for checking and putting stock on the shelves).

**Food vendor 5:** The business consists of two staff members who are responsible for preparing the meat, selling and also cleaning and the owner is in responsible for ordering.

**Food vendor 6:** This business has one staff member who is responsible for preparing and selling the food. He is also in charge of calculating cash made daily and record the number of product sold and income made.

**Food vendor 7:** There are three staff members. Three of them are responsible for cooking, cleaning and selling and one of them takes responsibility of being a manager when the manager is not around.

**Food vendor 8:** There is only one staff member who prepares, sell and clean the area and the owner/manager is in charge of ordering and collecting cash.

It is clear that the staff members are responsible for food preparations, selling and cleaning and the owner/managers are responsible for record keeping, cashing up and ordering of the products needed. Three of the food vending business owners only employed one staff member.

### **Occupation and Training**

Out of the eight food vendors, four of them are staff, two are owner and managers, one is the manager and the last one is both manager and staff. Two of the food vendors (staff and manager) received training and the others did not. The kind of training involves customer care, the operation of equipment, checking of stock, portion control and record keeping. Muinde and

Kuria (2005) argue that most of the street food vendors neither underwent any form of formal training in food preparation nor did they attempt to seek it.

### **Financial Management and Record Keeping**

The food vendors manage their finances differently but keep record of similar things. The first food vendor manages his costing and pricing by checking on the competitor's prices and then use the same price or just adds R2 to R4 to the price at which he purchased the product/item or sometimes changes more due to the increasing prices of food. He has an operational budget and in this budget he uses half of the money (petty cash) for purchasing stock and the other half remains as his profit. He keeps record of all staff, income and expenditure. The second food vendor adds a forty to forty five percent of profit to the price at which the product was purchased in order to get the price at which he should sell his product at. He also has an operational budget where he saves forty to forty five percent of the money (profit) and uses the rest of the money as petty cash to purchase whatever stock is needed. He also keeps record of income and expenditure.

The third food vendor is told by the owner of the business the price at which she should sell the products and he also takes care of the budget too. The records kept are, all the expenditure and income. Fourth vendor checks the price of the wholesaler's ingredients and adds a percentage to it as a profit. She does the stock inventory and sees what is needed the most and then buy that certain product or ingredient. The records that she keeps include expenditure and income or transactions made. The fifth vendor adds thirty percent to the price at which a product was purchased and the price at which they sell includes labour, lease payment and rates. He checks how much meat or stock they have and buy according to what is needed, depending on the demand and how busy it is. The records of bank statements, expenditure and income are kept.

The sixth food vendor also sells the products at a price stipulated by the owner or manager. He purchases new stock depending on the available stock and demand. The expenditure and income made are kept as records. The seventh vendor includes forty percent to the price at which the product was purchased and it also depends on the demand of the product. The vendor finds it hard to maintain the budget because of high demand of certain products and is forced to spend more. She keeps record of all the income and expenditure. Lastly, the eighth food vendor sells the product at a price stipulated by the owner of the business; the owner also takes care of the budget too and is informed if stock is needed. He keeps record of expenditure and income made daily.

It is quite clear that all these businesses keep similar records such as income and expenditure and one of the food vendors also keeps the bank statements too. From the above information, it can be concluded that a profit of thirty to fifty percent is added to the price of a wholesaler. Some calculate the cost of production and stipulate a price afterwards. They also consider the prices of their competitors and the demand rate of a product may influence an increase to the price.

### **Challenges**

When operating a business that deals with food, people generally face some challenges which they try by all means to overcome them. The challenges of food vendors are summarised in Table 4.



**Table 4 Challenges of Food Vendors**

CHALLENGES	F/V1	F/V2	F/V3	F/V4	F/V5	F/V6	F/V7	F/V8
<b>Customers</b>								
Insults by customers/students		✓	✓		✓	✓	✓	✓
Attending to customer complaints	✓			✓				
Make customers feel happy and welcomed or sated	✓	✓		✓				
Have to be fast when it's busy			✓		✓	✓		
<b>Staff Related</b>								
Finding honest and dedicated staff	✓	✓						
Have to do orders because there's no one else		✓						
<b>Logistical/Practical Matters</b>								
Cashing up			✓		✓	✓		
Insufficient space for movement						✓		
Cannot work properly when it's raining, no shelter								✓
Checking of stock available								
Load shedding				✓				
							✓	

The common challenges that the food vendors face is insults by customers or students and only two food vendors who face different challenges from the others, of which are no shelter and load shedding.

### Summary, conclusions and recommendations

Most of the street vendors used the Styrofoam containers as a way of maintaining portion control. The common food product that the food vendors sold was vetkoek with polony and fried chips while other two food vendors sold different products from their competitors where the method of preparation was different. Apart from the prepared meals sold on sight, the food vendors also sold other products which did not necessarily need preparation and hygiene did not play an important role in. The food vendors had the same target market of students, community and staff. All the staff was responsible for preparation, selling and cleaning. Out of the eight food vendors two were responsible for also cashing up daily and the owner/managers were responsible for cashing up for the other six but record keeping and ordering was done by the owners/manager for all the food vendors. Two vendors did receive training while the others did not and they all kept similar records and they add a certain percentage to their purchased price as a profit.

All the food vendors agreed that it was important to use clean utensils all the time whereas when observed, only three of them always used clean utensils. Six of them also acknowledged that it was important to store food at correct temperature while when observed, only one of them store their food at correct temperature. Six of the food vendors did not wear hairnets and always used clean cloths, one of them wore the apron part of the time and the four did not. Four of them cover the food part of the time and one does not at all. They all acknowledged that table should be clean before preparation when observed, it was discovered that two did not clean their working stations. All the food vendors kept record of income and expenditure and two kept different records such as staff records, bank statement and inventory. It was also found that the food vendors add a percentage of thirty to fifty percent to their wholesale price as a profit and the demand of a product also influenced an increase in prices. Although one food vendor has been in the business for a longer, he is still faced challenges of attending to customer

complaints, making the customers feel welcome and satisfied as well as checking stock available (inventory). All the food vendors compete with each other and five of them operate their business of campus. It was also found that only one food vendor is registered as a business. The main recommendation is that all food vendors require training in how to manage a business and food hygiene procedures.

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