

## **The Business Behaviors of Malaysian Food Hawkers**

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### **Abstract**

Street retailing is an activity falls under the scope of the informal economy. Though contributes significantly to the livelihood of many people in developing countries, literature describing business behaviours of the hawkers are still lacking. This paper aims to explore food hawkers' business behaviours within the Malaysian context. This study employs interview and observation to gather necessary data. The first fieldwork had involved observation and interview. The interview session was conducted with five (5) respondents. The second field work involve only observation. The purpose of the second observation is to validate consistency of behaviour throughout a longer span of time. The finding indicates street retailing ventures possess specific behaviours which differ from their formal counterparts. Based on our finding, informal street retailing businesses rarely follow the ordinary business life cycle, which normally comprises of birth, growth, maturity and declining stages. Furthermore, the hawker businesses experience short cycle in the growth stage and some skip the growth stage before succeeding either to the maturity or declining stages immediately after the birth stage. We also found the management of street retailing businesses is also personal in nature. Thus the management merely depends on the owners' personal objective, managerial ability and capacity. The originality of this study lies in the attempt to enhance business literature that specifically explains behaviours of the small informal business ventures.

**Keywords:** hawker, street retailing, informal, small business, business life-cycle, entrepreneur

## 1. INTRODUCTION

Street retailing is a typical informal sector available in many countries including Malaysia (Ming-Huang, 2008; Ealham, 2008; Sookram & Watson, 2008; Franck, 2011; Muhammad Sabbir et al. 2013 and Norhaslina 2013). According to Yukio (2011), street retailing provides employment and livelihood for many people in developing countries. Recently, street retailing or hawkers has become an overwhelming phenomenon in most towns in Malaysia (Norhaslina 2013). The increasing number of informal street retail activities in Malaysian towns, has also imposed negative disruption and endanger the formal business entities (Sinar Harian 2015). Hence, there is a need to understand the behavior of informal business ventures in order to develop the entities as progressive entrepreneurial start-up, yet do not cannibalized other forms of formal business entities.

Although there are many study about street retailing within the Malaysian environment (Franck 2011), most had explored specific issues within the context of street retailing (Pang & Toh, 2008; Norhaslina, 2003; and Toh & Birchenough 2000). Therefore, the main concern has been on the operational issue rather than to describe the nature of hawker business ventures. For example, Toh & Birchenough (2000) explores the issue of food safety knowledge and attitudes among food hawkers in Malaysia, whereas Norhaslina (2003) investigates the urban management issue related to the accommodation planning for hawkers in the Kuala Lumpur city center. This article offers different perspective by investigating and describing street hawkers business behaviors in Malaysian context.

This study contributes to assist the policy-making related to the empowerment of hawker's business venture. The hawker's business is the simplest and affordable type of entrepreneurial venture with some promising growth potential provided that accurate policies and aids are given sufficiently. This has been parallel with Henderson (2002) and Eversole et al. (2013) opinion that entrepreneurship creates economic growth and development, especially among rural communities. However, the community entrepreneurial boost programme will be less effective unless the behavior of the participants had been understood (Eversole et al. 2013). Nevertheless, the literature describing the behaviors of informal economy as well as the informal entrepreneurship is hardly found and limited (William 2011 and William & Gurtoo 2012). The next section discusses the informal sector and informal entrepreneur which serve as the entire concept for street retailing businesses.

## **II. Informal Sector and Informal Entrepreneur**

Sustainable Livelihood Approach (SLA) is a fast growing development idea which promotes highest priority on the people (Kollmair & St. Gamper 2002 and Ming 2008). The essence of SLA is about local people using local assets (such as human, natural, financial, social and physical stocks of capital available in the household) to create productive activities that lead towards independent livelihood outcomes. Livelihood refers to the means of human living, including capabilities, assets (both material and social resources) and activities (Chambers & Conway 1991). As far as sustainable livelihood is concern, informal activities are the alternative to create livelihood under the SLA.

The informal sector is a permanent and also growing trend in the current global economy. Majority of the world workers are found in various informal employment relationships (Franck 2011). According to Azuma and Grossman (2002), factors such as a heavy burden of taxes, bribes, and bureaucratic hassles drive many producers, especially in poor countries, into the informal sector. Nevertheless, based ased on Kuchta-Helbling (2000a, 2000b) and Williams and Nadin (2012) findings, the informal sector is not merely exclusive to developing economies. The informal sector can also be found in developed economies and the number has increased significantly during economic downturns (Kuchta-Helbling 2000b and Williams 2011). Moreover, economic growth in countries such as Italy and Hong Kong, has significantly anchored by activities of various small local informal producers. Besides, Hong Kong informal sector players possess positive characteristics which totally deviate from the typical characteristics of informal sector such as extreme poverty, vulnerability and exploitation (Kuchta-Helbling 2000b).

There are various definitions for informal sector causes by the heterogeneity of activities and occupations embedded under the sector. According to Kuchta-Helbling (2000a, 2000b) there are two basic approaches used to define informal sector comprises (1) definitional and (2) behavioral approach. According to definitional approach, “informal sector” refers to the legal as well as illegal market-based production of goods and services which escape from detection of the official national GDP estimates (Sookram & Watson 2008). Thus, the output of the informal activities is not included in the reported gross national product (GNP), gross domestic product (GDP), and/or the national income accounts. Meanwhile, the behavioral approach defines informal sector as activities that circumvent the

cost of complying the laws and the participants are unable to receive any benefits due to their non-compliance of rules and institutional frameworks (Norhaslina 2003; Kuchta-Helbling (2000a, 2000b). Kuchta-Helbling (2000a, 2000b) also suggests the reason for the massive growth of informal sector in the emerging economies was primarily due to the existing of barriers which prevent the person from entering the formal economic system and activities. Most barriers are group under the transaction cost, such as high cost in obtaining business license, acquiring land titles or premises, hiring employees, paying taxes and complying the applicable government laws and regulations. As a result, Kuchta-Helbling (2000a, 2000b) has scoped the informal sector to those entrepreneurs who produce legitimate products without permits or legal status due to lack of resources, the burdening compliance requirements and excessive rules and regulations in order to join the formal system. The general characteristics for the informal sector are further identified by Kuchta-Helbling (2000b) as follows:

- a) Independent participants;
- b) Some of them are self-employed producers who employ family members and some also hire non-family workers or apprentices;
- c) The activities require little or no capital, provide low incomes, unstable employment and frequently operate amid unsafe working conditions.

According to Sookram & Watson (2008) informal sector can also be understood from two points of views. The traditional view considers the informal sector as the source of income for the poor, unproductive and/or excluded workers. Meanwhile, recent view recognizes informal sector as a potential source for higher levels of productivity through the dynamic and entrepreneurial characteristic among micro enterprises.

Based on the work of Williams (2011) and Williams and Nadin (2012), the informal economy contributes to the livelihood for people in deprived situation and rural communities. As a result based on Yukio (2011) most hawkers in the Rizal Park of Manila are found comprises of people with profiles such as female with low education level and rural-to-urban migrates. Surprisingly, based on Williams (2012) the informal economy has also existed among rural communities in England and it becomes the seedbed for enterprise creation among community members. The informal economy seems to be a seedbed for entrepreneurs

to test out their fledging businesses as well as developing them. Meanwhile, William (2011) and William and Nadin (2012) defined informal entrepreneurship as “those actively involved in starting a business or the owner/manager of a business less than 36 months old and engage in monetary transactions which are not declared to the state for taxation or benefit redemption purposes (when they suppose to be declared) but are legal in all other aspects”. Hence, according to William (2011), the hidden enterprise which also belongs to the informal economy comprises of the registered business trading off-the-books and unregistered wholly off-the-books enterprise. Another study by William and Gurtoo (2012) has conducted a study on street entrepreneurship in India. According to William and Gurtoo (2012), street entrepreneurship falls under the domain of informal economy and it can be defined as “either stationary vendors who occupy space on the pavement or some other public/private space, or mobile vendors carrying their wares on pushcarts or in baskets on their head. As far as this study is concerns, informal entrepreneurship and street entrepreneurship are consider similar and both refers to the street retailing that currently discussed.

### ***Street Retailing and Underlying Theories***

Street retailing fits the definition and characteristics of the informal sector discussed in previous studies. Within the context of this study, street retailing in Malaysia involves selling of legitimate goods or services near by the streets and without fix premises. The sellers may register and operates with an authorized business license; and some are unregistered venture operates without business license. Street retailing contributes significantly to the informal sector in Malaysia (Muhammad Sabbir Rahman et al. 2013). There are four (4) competing theoretical explanations related to street hawker (Williams & Gurtoo 2012) which consist of (1) modernization theory; (2) structuralist theory; (3) neo-liberal theory; and (4) post-modern theory.

The modernization theory or pre-modern theory assumes street hawker and peddlers as: the residual of the pre-modern era, unimportant economic players, representing the under-development situation, traditional, backwardness, survives at the fringes of modern society and are destiny to disappear. The structuralist theory or the necessity-driven venture view the informal street entrepreneurship as one of the survival practice to fulfill the economic necessities and occurred in the absence of livelihood choices. The neo-liberal or rational economic choice perspective offer different perspective in which street entrepreneurship has

been recognized as a matter of choice rather than lacking of livelihood choices. On the basis of rational economic agent, the entrepreneurs are assumed to voluntarily participate in the informal sector in order to avoid cost, time, bureaucracies and burdensome effort persist in any formal ventures. Finally, the post-modern theory views street entrepreneurship as a cultural endeavors and related to business and friendships. However, William and Gurtoo (2012) finding shows that the existence of Indian women street hawker is best explained by the combination of the competing theories. No single theory found universally applicable to entrepreneurs in their study. Therefore the involvement in the informal entrepreneurship, including street retailing, can theoretically be justified by these reasons:

- a) A matter of coping/survival strategy – which underlies by the Pre-Modern residual and Structuralist limited-survival alternative; and
- b) A matter of voluntary tactical/creative individual business strategy – which underlies by the Neo-Liberal and Post-Modern.

Williams and Nadin (2012) discuss the underlying objectives of the informal entrepreneurship endeavors. They suggest that informal entrepreneurship objectives not necessary to be commercially oriented. The objective(s) can dispersed between two (2) extreme points, namely the profit and purely social aims. A relatively deprived districts would inclined towards the social orientation objective(s), whereas an affluent districts may adopt a relatively profit-driven objective. The objectives are also subjected to changes over time. Thus, the hawker business objective probably set between the profit to purely social continuum. Different objectives lead towards different kinds of business behaviors and practices. Therefore, it is posited that hawkers would execute behaviors which parallel to their business objectives. A study by Ligthelm (2013) also reiterates the need to understand the differences between the formal and informal small entrepreneurial venture. Although both have often existed in the form of small businesses, formal and informal have different motives and performance orientation. According to Ligthelm (2013) entrepreneurial is categorize into productive, unproductive and even destructive. The unproductive entrepreneurship usually aims for merely survival and most informal small business fall under this category. Meanwhile the formal small businesses usually run as a productive entrepreneurial venture. The justification for a specific study on hawkers can also be justified by Suraiya et al. (2012) who studied on the managerial practices among small business

ventures owned by the poor people. The finding indicates that small business ventures owned by poor people exposed to different sets of problems and managerial practices (Suraiya et al. 2012). Thus, street retailing businesses are also expected to show some patterns of unique behaviors. Besides, the justification for this study is also in line with Williams and Nadin (2012) and Ligthelm (2013) who urged a specific study about informal entrepreneurship due to its nature of complexity and heterogeneity.

### III. METHODOLOGY

This longitudinal study employs two modes of data collection. The first is observation. Observations are conducted to hawkers in Bandar Baru Bangi, Selangor within a specific duration of time. The observations took two (2) weeks in order to extract a consistent pattern of behaviors. The observed variables consist of pattern of operation, agglomeration of business location, growing pattern and product range.

The second data gathering technique is interview. Interviews are conducted with selected hawkers from the observation frame list. The purpose of the interview is to comprehend about specific business behaviors and/or decisions of the hawkers. The background of the interviewees are in Table 1.

**TABLE 1: Respondents Profile**

<b>Respondent</b>	<b>Business background</b>	<b>Time of business operation</b>
<b>Respondent A</b>	Female hawker, age 65, sell various local delicacies (local <i>kuih</i> ).	Afternoon & evening
<b>Respondent B</b>	Male hawker, age late 60s, sell fried noodle and rojak.	Afternoon
<b>Respondent C</b>	Husband and wife hawker, age early 40s, sell various local delicacies (local <i>kuih</i> ).	Afternoon & evening
<b>Respondent D</b>	Female hawker, age late 40s, sell <i>nasi lemak</i> and noodles.	Morning
<b>Respondent E</b>	Male hawker, age mid 40s, sell <i>nasi lemak</i> and noodles.	Morning

The first stage of observation and interview were conducted in September 2014. The second stage of observation was replicated in April 2015. The purpose of the second observation is to confirm the identified patterns from prior observation.

#### **IV. ANALYSIS**

This section describes business behaviors of the particular food hawkers. The descriptions are assigned to the related sub-topics as follows.

##### **1. Business Location**

The hawkers' stall are all located by the road side. The sites can be access easily by the consumers such as along the main road side or near the occupied buildings, neighborhoods, schools and public areas. The development of hawker business agglomeration center follows a unique pattern. At the beginning stage, a pioneer hawker will set-up his/her business at a particular location on the takeaway basis. After a few months, the hawker will start offering a choice of dine-in for his customers. At this stage the hawker will prepare few tables and chairs to accommodate the dine-in service at his/her stall. Simultaneously, other hawkers will also enter the site to provide other types of food services next to the pioneer stall. Our observation as in April 2015, found that all subjects remained at the same location as identified in previous observation.

There are also hawkers who rent a commercial space in an organized or structured business area. The structured area is specifically referred to various local names such as night market (*pasar malam*), agro market (*pasar tani*), and weekend market (*pasar minggu*). The hawkers will pay a rental fee to the market organizer who managed the operation of the structured area. Additionally, there are also hawkers who built semi-permanent stall as their business premise. They build a simple semi-permanent stall along the road site and put few tables/chairs to accommodate dine-in patrons. Besides, there are also mobile sellers who sell product from their vehicle. They will park the vehicle (such as mini truck, motorcycle) at the road side near public areas such as schools, mosque and other public stops. There are also hawkers who rent a kiosk/booth in a restaurant and provide different food items for the restaurant patrons. The hawker will pay rental fee to restaurant owner and shares the customers' of the restaurant.



In terms of location consideration, the respondent choose a site base on certain criterias. One of the criterion is closeness of the location to hawkers' residential area/house as evidenced by the interview transcript:

Respondent A:

*"My house is just few meters from here. I use the trolley to bring my kueh here. It's easy for me to sell my kueh here because I can just walk from my house here. I don't need transport to come here.."*

Respondent E also set-up a stall 50 meters away from his rented house. However, there is also a case in which the hawker travel distantly from his residential to his stall such as Respondent B.

Respondent B:

*"I stay in Kajang. Every morning I will come to my stall (which located in Bangi). I prepared all the cooking ingredients from the house and bring everything here. Then I fry the noodle here...."*

## **2. Existence & Growth Pattern**

The hawker ventures are found to be relatively easy to established due to low start-up and operating costs. For instance based on the observation, all respondents have not registered their business with the government or local registration authorities. The existing process is also simple. Once the hawker found a strategic location, they will park their vehicle or built a temporary stall at the particular location and operate the business immediately. Later, there will be other hawkers who will established a new business next to the first hawker. Eventually, the area will be flourished by many hawkers. As a result, a new informal and unorganized commercial agglomeration center was developed unintentionally.

The hawkers' businesses follow unique pattern of business growth cycle. Although most of the respondents have loyal business patron, they purposely choose to remain in existing size, scope and location (quo-status) throughout their business life-cycle. For example, Respondent B has been offering same product lines, at same location

and scale/size since 1977. While Respondent A also remained at same location and sell similar product range since 1998 (currently is 2015).

Respondent A:

*“I have been selling kueh here for 15 years. I started this business to help my husband’s as we need more income to support our big family. Now, although all my children y have their own income and married, I still continue with my business because people still looking for my kuih. As long as there are people who want to buy my kuih, I will continue this business and of course if I am still healthy..”*

Respondent B:

*“I have been in this business here for 36 years and witnessed the development of the whole Bangi. It was really a long history. Just look at me...I started this business when I was young. At that time my children are still very young and this business help me to support my family. Now I’m an old man, my children have their own professions. I’m proud to see my 5 girls success in their life. They are the output of this precious and barakah (blessed) business. I decided to remain with whatever I had started before. I don’t want to get headache to manage bigger scale. As a long as I’m happy with my life...that’s already enough. One day this business will “perish” together with me.... (laughing)”*

However, there is a hawker who planned to expand his business to better site such as Respondent E. He planned to move his stall to a shop house nearby his current business location. His plan was driven by a notification received from the local municipal regarding the development of a drainage system which will affect his stall. Similarly, Respondent C also took similar action to move her stall to a nearby location due to the council development planning.

Respondent E:

*“ I plan to rent the shop lot in that building (showing to the commercial block across the road). I have to move because this site (his current stall location) is the government reserve land for road purpose. The government can take this land any time. But the shop rental is quite expensive.. but I don’t have other choice. At least*

*my customer can still buy my product because the new location is just over there (opposite current site)”.*

Nevertheless based on our second observation (*as on April 2015*), Respondent E has not yet moved and still running his business at the current site. The government development project also has not yet started.

Respondent C:

*“I moved my stall a bit behind from my previous location because the government wants to build the master drain here. So it is better for me to move now before they start the drain project..”*

### 3. Operation Schedule

Most of the hawkers follow their personal schedule to conduct business operations. They do not publicize information regarding operation hours nor having a consistent business schedule. Table 2 summarizes the observations conducted from 1<sup>st</sup> September 2013 to 6<sup>th</sup> September 2013.

**TABLE 2: Operation Schedule**

Date of observation	Respondent D	Respondent E	Respondent C	Respondent B	Respondent A
<b>Normal operating schedule</b>	Daily, from 7 a.m to 10 a.m	Daily except on Friday, from 7 a.m to 10 a.m	Daily, from 2 p.m to 6.30 p.m	Daily, except Sunday, from 11 a.m to 5 pm.	Daily, from 4 p.m to 6.30 pm.
1/9/13 (Sunday)	/	/	X	/	/
2/9/13 (Monday)	/	/	/	/	/
3/9/13 (Tuesday)	X	/	/	X	/
4/9/13(Wednesday)	X	/	/	/	/
5/9/13 (Thursday)	/	/	X	/	/
6/9/13 (Friday)	/	X	/	/	/

As shown in Table 2, Respondent D operates on daily basis. However, our observation indicates that she did not open her business operation in 2 consecutive days (3/9/13 and 4/9/13) without prior notification. Respondent C who also operate

on daily basis, did not operate on 1/9/13 and 5/9/13. Meanwhile, Respondent B should be operating on every weekdays but had not open his stall on 3/9/13 without early notice. However, Respondent E and A were found consistently operate their business through out the one-week observation period.

The business operation time also parallel with the type of food offered. For example, informants who prepare the breakfast meal will start their business from 7 to 10 a.m (example Respondent E and D). Meanwhile, those who are selling the evening meal will start their business at 4 to 7 p.m in the evening (example Respondent A, B and C).

Based on the second observation in April 2015, we found Respondent E has extended his business operation by offering range of evening meal until 10 p.m.

#### **4. Product**

The respondents prepare typical local delicacies on their own. Besides their own product, they also receive product from local people who want to sell their product through the hawkers. The hawker receive some margin for each product sold at their stall. The price of hawkers' product is relatively cheaper than similar product produced/sold by formal café or restaurants.

The hawkers' products also have high similarities to those sell by other hawkers even though their stall are close to each other. For example, the Respondent A product is identical to the product Respondnet C. Both respondents' stall are next to each other. This has been validate by Respondent A statement:

*“I have been selling here long time ago. At that time, this place is a small resident area. Not many people stay here. Only local villagers. Not many kuih sellers at that time. But now...this area has developed, so many hawkers like me appeared. Surprisingly, one of my helper who used to help me selling the kuih had betrayed me. She started her own kuih business just beside my stall...selling exactly the same kuih like me. It really upset me at first. She can just another places far from my stall...But later, I feel better because I believed that our rezeki (income) is given by God. So there will be some rezeki for her and some of me. Just share the cake. We were friends before but now we just ignore each other...”*

However, later Respondent C expand her product range to include beverages and fried banana which are not offered by Respondent A.

Respondent B sells fried noodle and *rojak*. At the same time his friend offer special local beverage known as *cendol*. Thus their products complement each other. Besides, they have been doing the business together at the same stall. Meanwile, there is also other hawker who sell the same category of food (about 10 meters y from Respondent B stall). She sell another type of local noddle known as *laksa* and *mee rebus* as well as another kind of local beverage called *ais batu campur* which is slightly different from *cendol*.

Therefore, the product offerings are mostly identical or within the same food-category. The product range may also complement each other offerings. Based on our observations in April 2015, there are many other hawkers who sell similar products near Respondent A and E location. Many of them are new players whom are not in the list of our first observation in 2014.

## 5. Management and Performance

The hawker venture is a one man show. Most hawkers did not have employees and some hire their own family members to help them. For example, Respondent C has been helped by her husband and niece. While Respondent D has no staffs and sometimes being helped by her neighbour especially during peak hour.

Respondent C

*“I do all these kuih by myself (at that time the kuih comprise of curry puff and 3 other local delicacies). I started cooking all these at 9 a.m. I make the laksa gravy, prepare the condiments, make the nasi lemak, fried the noodles and prepare the banana to be fried at the stall. I do this on my own. I don’t have any employees, my niece and my husband sometimes help me at the stall. The backstage is all on me! It tiring and one day when my business is really good I’ll a find a staff to help”*

Besides, some of them also hire a temporary staff to assist the selling activities such in Respondent A and Respondent B cases. Sometimes, Respondent A being assist by her daughter especially whenever her daughter is on leave.

Respondent A:

*“I have a worker to help. No...I can't prepare all these myself. It really a lot of work. Sometimes my daughter came back and she help me. But that was very often because she's married and also working. So I cannot rely on her. .”*

The business also operates without systematic management process. They also did not prepare account or book keeping to record their daily transactions. They just make a simple note about the cost of raw material purchased. Therefore, they cannot keep track on the actual profit or loss by their business. Besides, most respondents have described the sales income as the profit for the business.

Respondent A:

*“ Last time it cost me about RM 120 to make all these kuih. Now it goes up to RM 190. Everything is very expensive now. If all this kuih finished, I can get about RM 300 a day. It is enough for my pocket money”*

Respondent C:

*“My sales is about RM600 to RM800 a day. It's enough for me”*

Respondent D:

*“You know if I really concentrate in making these kuih, I can get as much as RM 500 a day. My operation hour is between 2 pm to 6.30 pm. During that hour I can easily get RM 500 due to this rapid developing area. Many people have moved into this area. Three years ago, it had been quite tough to get RM 90 a day. But now, it is not a problem at all. Somehow the cost to make the kuih has been arising nowadays. I once calculated how many fish I can buy with RM 17. You know the price of mackerel that I used to make the laksa gravy...almost RM 1 per fish. OOh...things are so expensive nowadays”*

The hawkers also rely on the “word-of-mouth” marketing strategy. They did not have specific marketing promotion to advertise their business or products aggressively. They just wait for customers to come to their stall. However, there are also few hawkers who has advertised their product at the early or introduction stage by using simple banner or stick-on note advertisement.

## 6. Relationship with Customer

The hawkers have close relationship with their customers. The relationship sometimes transcends the formal business-customer relationship. For example in the case of Respondent A, she decided not to increase the price of her cookies due to sympathize to her customers. Although she experienced high increase in raw material prices, she remained the same selling price for her customers. Respondent E also mentioned similar respond regarding the matter.

Respondent A:

*“ Last time it cost me about RM 120 to make all these kuih. Now it goes up to RM 190. Everything is very expensive now. But I don’t feel like increasing the selling price now because I pity the customers especially the students. There are many GMI students who purchase my kuih. I remember...one time this student wanted to buy my kuih. After he had chose the kuih he preferred, then he asked me the total price. As I told him the amount, he eventually dropped few items from his early purchased because he told me he did not have enough money. So I just told him to take all the items that he had chose and just pay me whatever he has. It’s about food that people wanted to eat. I feel sympathize to them just like my own kin. Imagine my own children in that situation...I just treat it as my sedekah (religious charity giving). So this is how I do my sedekah especially my own customers”*

Respondent E:

*“ I don’t dare to raise the price. I fell very pity to my customers. My the tarik is just the same price as before. Although you can’t find that price any more in any place nowadays...”*

As in the case of Respondent C, she willingly share her personal problems with the customers. As the reseracher asked her what time she opened the stall, she replied in detail respond as follows:

*“ I started this business at 1 pm. Before that I do the house chores first including send my daughter to school then only I come here. (I asked him “so your eldest helped you*

*here?, she replied) This is my niece. He helped me here. He just finished his UPSR and he doesn't want to stay at his house. Now he spend his time here"*

As a result the communication between seller-customer are very personal and friendly in nature. Besides the business judgement have more element of humanities and friendship basis.

## **V. Discussion**

Food street retailing is one of the informal activities normally used to generate individual and household incomes. Food street retailing allows the attainment of sustainable livelihood through the utilization of existing assets and skills at a relatively affordable set-up and operating costs. The respondents serve dishes that they familiar and have ability to produce it. The business is treat as personal object and it was designed to fit the owners' personal aspirations and needs. Unlike formal business entities, the operation has been conducted unsystematically and in the absence of proper management practices for example inconsistent operation hours. Based on our respondents' operating hours, the business have been arranged to accommodate the hawkers' personal schedule rather than customers' demand and needs. Although some of the businesses have high growth potential, the drives to expand the business is at relatively low level. The hawkers also willing to share similar market and customers as well as selling identical type of products in same locations, such as Respondent A and C cases. Thus, the business objective is not entirely commercial or growth oriented. Instead, the respondents aim moderate and sustainable revenue just enough to cover operating expenses and a small portion of profits.

Based on this study some business behaviors or characteristic can be identified for describing hawkers' business venture. First, street retailing is an affordable and low-entry barrier of business venture. The activity only requires some basic skills or knowledge, such as ability to make specific delicacies and some capital to purchase the cooking ingredients and simple equipment. The establishment costs for particular venture is minimal as most hawkers do not pay any registration fee as in formal business establishments. Nevertheless, there are hawkers who obtain business permits from the local authorities before operating the business. Most of the hawkers' ventures existence is driven by *trial-and-error* motive. For instance, once the hawker perceived a particular site as suitable and undisturbed by other parties



(including the local authority), they will proceed to do business in that area and soon be recognized “unofficially” as the site owner/pioneer. The advertising cost is also minimal since they do not use any intensive advertising mechanisms. The management of street retailing business is very personal and merely self-organized. Therefore, food street retailing has become the best mean for gaining sustainable livelihood for people with limited and generic skills.

Second, most of our respondents have expanded their stall sizes into larger scale compared to their first market appearance. It reflects the fact that when the authorities did not take any action to restrain the business/stalls, they will further establish their existence in particular site. Unless the site has been gazette to be taken by the government or any authorized entities, the hawkers will relocate their stall to other site such in Respondents E-case. This fit the element described in the behavioral definition of the informal sector. This is because the entrepreneurs make their evaluation/judgement about the probable cost of the non-compliance behaviors.

Third, we found that hawkers’ business life cycle is slightly different from the ordinary business life cycle. The ordinary business life cycle usually comprises of birth, growth, maturity and declining. As in the food hawkers’ business, they used to skip the growth stage or at least experienced short moment of the growth stage. After the birth stage, the hawkers will quickly move to the maturity stage or to drag to a drastic declining stage. This fact has been supported by the evidence that the respondents purposely choose to remain at their current quo-status without attempt to grow the business further. The current quo-status is described as the maturity or satisfying stage.

Fourth, the hawkers also seem to have an informal hidden contract which enabled them to interact and share the same market harmoniously with their counterparts or competitors. Whenever a hawker started a business in one location, other hawkers will soon follow either to complement or to substitute each other products. Although sometimes conflicts arise from the situation, they eventually manage to adjust the situation and proceed with their own businesses. The area will be flooded by many hawkers and forming a new informal “business park”. The competing situation is manage either by providing complementary product (harmonization) or providing similar products on the basis of pure market competition (survival of the fittest).

Finally the food hawkers also retain close relationship with their customers. The customers not only serve as source of income but also as their “friends” for social fulfillment. In some circumstances their business decision has been bounded by customers’ interest such as in Respondent A decision for maintaining the price of her product.

The explanation of the hawkers’ behaviors depicts coping /survival strategy which falls under the Structuralist or Necessity-Driven theory. This is because the respondents aim for sustainable livelihood rather than business growth. The street retailing business serves as a mean to obtain the average income especially when the entrepreneurs are lacking with opportunity and resources. Post modern theory is also applicable to explain the characteristic of maintaining personal and close relationship with the customers.

### **Suggestion for Future Study**

This study has been limited to few respondents on the basis of qualitative approach. This study is also limited to the extent its only describing the general phenomenon of hawker business behavior without any causal or hypothesis prediction. Therefore, a quantitative study is needed in the future to validate the behaviors of Malaysian food hawkers throughout the nation and across demographic differences such as gender, education level and races. Such findings will further elaborate any significant differences among the food hawkers by taking into consideration individual differences factor. The suggestion has been proposed due to the limitation of this study, which purposely had neglected the demographic differences due to the descriptive type of our research objective. Nevertheless, we believe that there must be differences in their behavior as more young and educated people have also ventured into this scale of business. Besides, a country-level study would enable towards generalization of the identified behaviors. Future studies could also conduct an in-depth study on the life cycle of hawkers’ venture to validate whether a special growth process uniquely occurred. The understanding of such growth phenomenon requires a balanced perspective of theory between the nature of formal and informal business sectors. Therefore, this entity provides a new focus to be explored by researchers in the discipline of business management and organizational behavior. Additionally, it is time for the local authorities and relevant practitioners to formulate strategies to formalize the existence of the informal street entrepreneurial activities. The agglomeration business center can be developed in each district or areas to locate the hawkers in a more structured, conducive and well-maintained environment. This will be a two prong strategy that will empower local people with limited

and basic skills or capital and provide new sources of income through the formalization and re-structuring of current informal sector.

## V. Conclusion

Food street retailing is an interesting and a unique business sector. Although the size of business is rather insignificant, its contribution is important. The street retailing ventures possess specific behaviors and it remained consistent throughout passage of time. One of the intriguing finding is that street retailing business has not exactly follows the ordinary business life-cycle. The food hawkers' business seems to skip or experience a very short period of the growth stage. After the birth stage, the hawkers will quickly move either to the maturity stage or to drag into a drastic declining stage. Therefore, this study recommends that street retailing entity is worth studied by the management discipline. Based on the analysis, the underlying explanation of street retailing phenomenon for particular Malaysian hawkers are dominated by the Structuralist and Post-Modern theory.

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