

Marketing, Institutional, and Financial (MIF) Dynamics Among Agri-Food-Vending Businesses in Urban Settings of Tanzania

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Abstract

This paper examines the marketing, institutional, and financial dynamics among agri-food vending businesses in the urban setting of Ubungo, Dar es Salaam, Tanzania. This study employed a mixed-methods approach that utilized both qualitative and quantitative techniques. This study collected primary data through a structured questionnaire administered to food vendors, while secondary data were obtained from relevant literature and local government reports. Excel and SPSS were employed to undertake descriptive statistics. The findings reveal that food-vending businesses experience Marketing-Institutional-Financial (MIF) Dynamics, including high competition, limited pricing flexibility, a moderate tax burden, and regulatory compliance issues. However, the results postulate that the licensing process is relatively efficient. This study provides the following policy implications: Firstly, financial institutions should develop and promote specialized micro-loan and credit programs for agri-food vending businesses in urban settings with simplified application processes and competitive interest rates; Secondly, government authorities (Ubungo Municipal) and lastly, financial institutions should collaborate to provide practical-oriented and hands-on financial literacy training. These trainings should go beyond basic budgeting to include modules on understanding loan terms, calculating interest, and the strategic use of credit for business expansion. On the other hand, business development organizations like GroFin and local business regulatory authorities like Small Industries Development Organization (SIDO) should take the lead in offering workshops on digital marketing and branding to help agri-food vending businesses to move beyond a reliance on word-of-mouth. Government bodies like city councils and regulatory agencies like Small Industries Development Organization (SIDO) should focus on maintaining the current supportive environment by continuing to streamline and simplify the licensing and tax compliance processes as much as possible, perhaps by introducing online portal services. They should also regularly communicate upcoming regulatory changes through accessible channels, such as community meetings or mobile text alerts, ensuring vendors are always informed. This study is limited to the licensed agri-food vending businesses from Ubungo ward, Dar es

Salaam, Tanzania. The study faced the following challenge during data collection: some respondents' unavailability or unwillingness to participate due to other commitments or personal matters. Furthermore, this study relied on the presence of respondents on their business operation area in order to acquire accurate information. Despite these limitations, the study results are reliable and useful for understanding the real situation in the study area. This study contributes to the body of knowledge by answering the following research question: What is the marketing, institutional, and financial dynamics among agri-food vending businesses in urban settings in Tanzania? Thus, providing localized insights to inform targeted interventions and policy recommendations that support agri-food vending businesses in similar urban settings.

Key words: *regulatory compliance, agri-food-vending business; urban settings*

1. Introduction

The informal economy is a significant part of food systems in many low- and middle-income countries, accounting for 50% to 70% of all trade. Food vending business sector is one part of the informal economy that has an integral role in providing affordable, fresh, and nutritious foods to billions of consumers. Despite its scale, the informal economy often operates in the shadows, making its dynamics poorly understood and underutilized in efforts to strengthen food systems in urban setting. Globally, the agri-food vending business sector is often characterized by low capital investment, limited access to advanced technical innovations, and a relatively easy entry point (GAIN, 2020). In Africa, informal employment such as agri-food vending business is prevalent, with street vending emerging as a significant source of income due to factors like unemployment (FSDT, 2023). For instance, in urban Southern Africa, over 70% of households purchase their food from informal food retail points weekly or even daily (GAIN, 2020). However, this sector faces challenges such as a lack of access to capital and credit, spoilage due to inadequate storage, and competition (IIED, 2019). Governments often struggle to provide adequate structures and regulations, particularly regarding food safety, making it difficult for informal food retailers to guarantee a stable supply of nutritious and safe foods (GAIN, 2020).

In Tanzania, urbanization fueled by youth migration and population growth, has led to a notable rise in informal sector activities from 22% in 2014 to 29.4% in 2020/2021 (FSDT, 2023). The sector is a leading provider of jobs, with approximately 47% of informal enterprises owned by youth and 52% by women, many of whom are street agri-food vendors. This sector significantly contributes up to 40% to the country's GDP.

In Dar es Salaam, it is estimated that between 10,000 and 14,000 agri-food vending businesses operate, with over 80% being owned by women-aged 20 to 45, many supporting dependents and employing 3 to 6 individuals (Lyatuu, 2025). Approximately 71% of agri-food vending business owners allocate their income to household needs, including food, rent, and school fees (Karondo, 2020). Despite their economic contributions, the agri-food vending businesses in Tanzania face numerous challenges such as harassment, customer shortages, inadequate infrastructure, adverse weather conditions, and limited access to financial services (Lyatuu, 2025).

While existing literature sheds light on various institutional, financial, and market challenges faced by food vendors in Dar es Salaam, several information gaps remain that could provide a more nuanced understanding for targeted interventions. For instance, while studies acknowledge the prevalence of informal operations and conflicts with authorities, there is a limited understanding of the specific marketing, institutional and financial dynamics among agri-food-vending businesses in urban settings of Tanzania. Thus understanding these dynamics and they affect the operations of the agri-food vending business in the urban settings of Tanzania is of imperative. Therefore, this study aims at undertaking the analysis of marketing, institutional and financial-related dynamics among agri-food vending businesses; and how these businesses navigate the dynamics in urban settings of Tanzania. Therefore, this study contributes to the body of knowledge by achieving the following objectives:

- To determine marketing, institutional and financial dynamics agri-food vending businesses in urban settings of Tanzania
- To determine the perceived effects of marketing, institutional and financial dynamics on the performance of agri-food vending businesses in urban settings of Tanzania

2. Literature Review

2.1 Synthesis and Research Gap

This study provides a localized insight into marketing, institutional, and financial dynamics that can inform targeted interventions and policy recommendations to support agri-food vending businesses in similar urban settings. The insights from this study are crucial for developing tailored capacity-building initiatives that genuinely address the unique marketing, institutional, and financial dynamics among agri-food vending businesses in Tanzania's urban settings.

2.2 Theoretical framework

The study of the challenges facing food vendors in business growth in Ubungo Municipal can be grounded in several theoretical frameworks, including the informal economy theory, which helps explain the dynamics of informal-sector operations, business growth, and the socio-economic factors influencing small enterprises. The theory of the informal Economy posits that it is a significant and often integral part of national economies, especially in developing countries. It encompasses economic activities that are unregistered, unregulated, and untaxed by the state, but which provide livelihoods for a large portion of the population (Hart, 1973; Portes, 1994). This highlights the dual nature of the informal sector: as a survival strategy for those excluded from the formal labor market and as a source of cheap goods and services for consumers. In the context of agri-food vending businesses, this theory helps explain why vendors operate informally, the benefits they derive (e.g., low entry barriers, flexibility), and the inherent dynamics (e.g., lack of legal protection, harassment, limited access to formal resources). The informal Economy theory is central to this study because it directly addresses the nature of food vending as an informal economic activity. Thus, the theory explains why food vendors largely operate outside formal registration and regulation, highlighting the inherent benefits (e.g., flexibility, low overheads, ease of entry) and drawbacks (e.g., lack of legal protection, vulnerability to harassment, limited access to formal resources).

2.3 Conceptual Framework

This framework suggests that the marketing, institutional, and financial dynamics do interrelate and mutually reinforce. Institutional dynamics influence marketing dynamics by determining where and how agri-food vendors can operate. The institutional framework, on the other hand, affects financial dynamics (policies governing credit access and financial inclusion). Financial dynamics, such as financial capacity, enable agri-food vendors to make better decisions about existing marketing dynamics, such as improving product quality and diversification. Effective marketing activities enhance financial outcomes by increasing sales and cash flow. Thus, the marketing, institutional, and financial components operate as a dynamic system rather than independent variables to influence performance, sustainability, and growth of agri-food vending businesses.

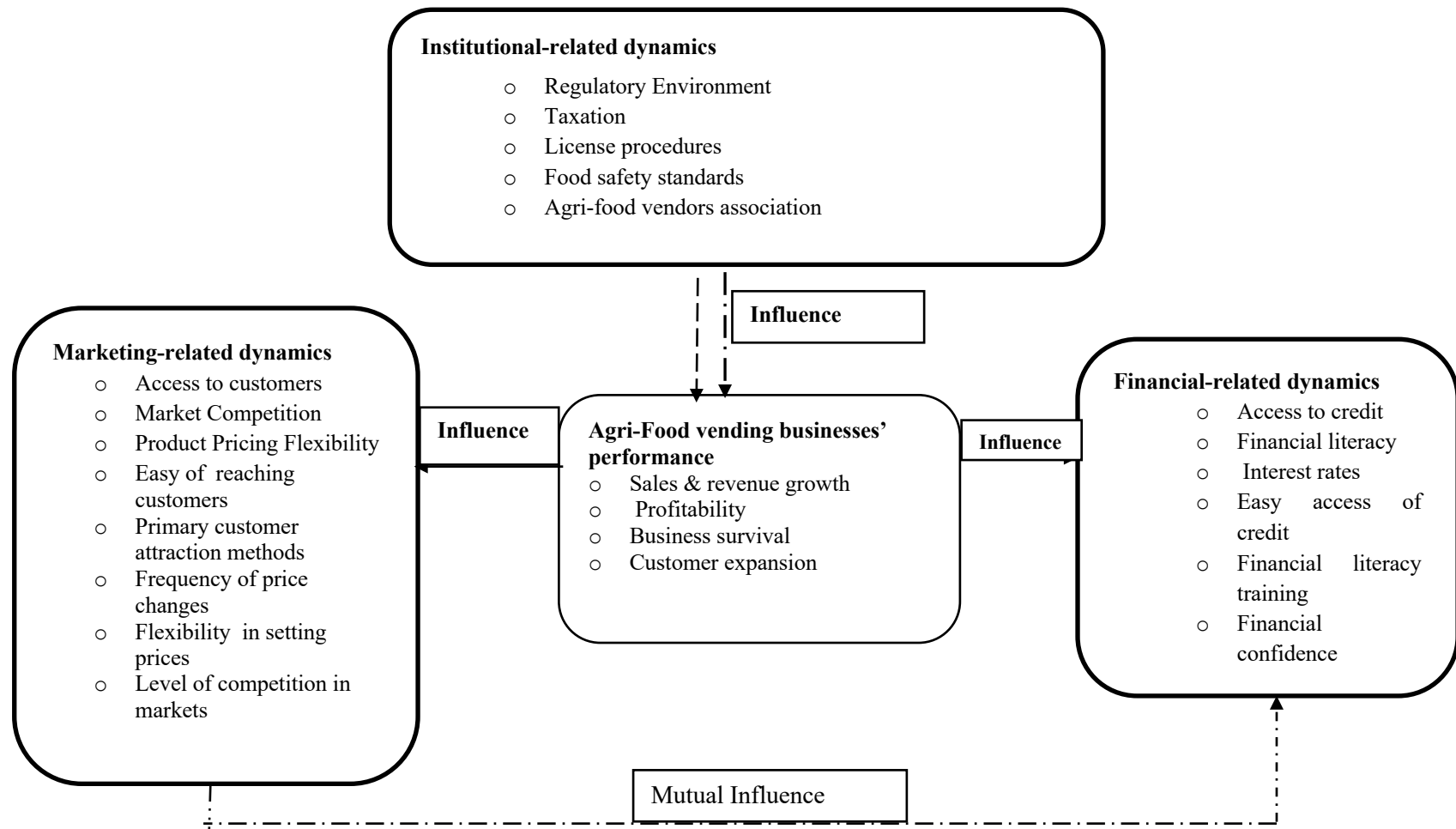


Figure 1: Conceptual framework showing interrelationship among marketing, Institutional and financial dynamics

3. Materials and Methods

3.1 Study Area

The study was conducted at Ubungo ward, which is located in Ubungo Municipal, Dar es Salaam Region in Tanzania. Ubungo Municipal and ward, in particular, is a highly urbanized and densely populated area within Dar es Salaam, making it a crucial hub for informal economic activities, including the agri-food vending businesses. As of the 2022 Census, Ubungo Municipal had a population of 1,086,912 people (URT, 2022). This large and growing population, coupled with high urbanization rates in Dar es Salaam, creates a substantial consumer base and strong demand for affordable, accessible food, which informal food vendors primarily meet. The presence of significant economic activity, including the *Magufuli* Bus Terminal, and a large proportion of the workforce engaged in the private and self-employed sectors further supports the likelihood of a vibrant informal agri-food vending businesses.

Furthermore, Ubungo specifically hosts a significant number of agri-food vending businesses and related informal-sector activities. Within Dar es Salaam, there are an estimated 10,000 to 14,000 food vendors (Marrs, 2018). This suggests a considerable and active presence of agri-food vendors within Ubungo, making it a representative and relevant location to study the marketing, institutional and financial dynamics among them.

3.2. Research design, sample size and sampling procedures

This study employed a cross-sectional design, in which data were collected at a single point in time. The research design is suitable for understanding patterns and relationships (Kothari, 2004). The primary sampling unit was the Individual food vendors operating within Ubungo ward. These could be vendors operating from fixed premises (stalls, kiosks), mobile vendors (carts), or those operating informally at specific locations. The sample size of 72 agri-food vending businesses was obtained from the targeted population in the study area. The sample size was determined using the standard formula (Cochran's, 2004).

$$n = Z^2 \cdot P(1 - p) / e^2$$

Where:

Using Cochran's formula for unknown population

n = Sample size

Z = critical value (1.96)

P = proportion 5% = 0.05

e² = margin of error (0.05)

$$n = 1.96^2 \times 0.05 (1 - 0.05) / (0.05)^2$$

Thus, sample size (n) = 72 agri-food vending businesses

Further, the purposive sampling technique was employed to select the agri-food vending business owners operating legally with business permits.

3.3 Ethical Considerations

This study followed ethical principles during data collection, presentation and discussion. Before the interviews began, all respondents signed consent forms indicating their informed consent. Confidentiality was maintained by assigning each questionnaire a unique code number rather than the interviewee's name. The participants were then informed that their participation in the data collection was voluntary and that they could refuse to provide information that they did not wish to provide.

3.4 Data types, methods of data collection and analysis

This study used both primary and secondary data. Primary data were collected using semi-structured questionnaires and field observations to gather information from the agri-food vending businesses in Ubungu ward. The field observation was specifically used to note the visible dynamics that agri-food vendors encounter in running their businesses. Secondary data on the other hand, were collected from existing reports such as journal articles and government. In terms of data analysis, this study employed descriptive statistics, including frequencies, means, and percentages, to determine the marketing, institutional, and financial (MIF) dynamics among Agri-food-vending businesses in urban settings of Tanzania.

3.5 Description and Measurement of variables

Variable	Description	Type of variable
A. Demographic Characteristics		
Sex of respondents	Sex of respondents	Dummy 1=Female 2= Male
Age of respondents	Age of respondents	Categorical 26-35 36-45 46-55 56+
Level of education	Level of education of respondent	Categorical Bachelor's Diploma Primary Secondary
Experience of vending businesses	Experience of vending businesses	Categorical 1-3 years 4-7 years 8-10 years Less than 1 year More than 10 years
Employees	Number of employees	Categorical 1-5 Employee 11-20 Employee 6-10 Employee
B. Financial-related dynamics		
Access to credit	Access to credit among	Dummy Yes/No
Easy access of credit	Easy access of credit	1= Difficult 2=I have never tried 3=Somewhat easy 4=Very easy
Impact of Interest rates	Impact of Interest rates on agri-food vending businesses	Categorical 1=Not at all 2=Not very well 3=Somewhat 4=Very well
Interest rates on loans	Influence of interest rates on loan applications	Categorical 1=No 2=Not sure 3=Yes

Financial confidence	Financial confidence of respondent	Binary 1=Somewhat confident 2=Very Confident
Financial literacy training	Financial literacy training of respondent	Binary 1=Yes 2=No
C. Marketing-related dynamics		
Easy of reaching customers	Easiness of reaching customers	Categorical 1=Difficult 2=Somewhat easy 3=Very easy
Primary customer attraction methods	Primary strategies for customer attraction	1=Direct sales 2=Social media 3=TV/flyers 4=Word of mouth
Level of competition in markets	Level of competition in markets	Categorical 1=High 2=Moderate 3=Very high
Competition's effect on price	Effect of competition on price	Categorical 1=No 2=Not sure 3=Yes
Flexibility in setting prices	How flexible the prices are?	Categorical 1=A lot of flexibility 2=No flexibility 3=Some flexibility 4=Very little flexibility
Frequency of price changes	How frequently does the price change?	Categorical 1=Rarely 2=Yes_frequently 3=Yes_occasionally
D. Institutional-related dynamics		
Tax burden	Tax burden	Categorical 1=High 2=Low 3=Moderate 4=Very high
Compliance costs	Compliance costs	Categorical 1=Difficult 2=use an accountant 3=Somewhat easy 4=Very easy
Licenses or permits	Accessing business Licenses or permits	Categorical Difficult Easy Not applicable Very easy
Regulatory environment	Regulatory environment	Categorical 1=Neutral 2=Somewhat 3=Restrictive 4=Somewhat supportive 5=Very restrictive

Changes in regulations	Changes in regulations	6=Very supportive Categorical 1=Frequently 2=I am not aware of regulatory changes 3=Never 4=Occasionally 5=Rarely
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4. Results and Discussion

4.1. Demographic Characteristics of Respondents

Table 1 presents findings on demographic characteristics, showing that the overwhelming majority of respondents were female (81.9%). This implies that the food vending sector is a crucial source of income and employment for women. Thus, any support or policy interventions for this sector should be gender-sensitive and specifically tailored to the needs and challenges female entrepreneurs might face. The largest group of vendors falls within the 36-45 age group (43.1%), followed by the 26-35 age group (27.8%). This suggests the food vending business is not a passing fad but a long-term profession for individuals in their prime working years. With half of the vendors having a secondary education (50%) and a significant portion having a primary education (27.8%), the sector provides an important economic lifeline for those with limited access to higher education. This shows that food vending is a viable career path and an important opportunity for a large segment of the population. A high percentage of respondents had been in the business for 4-7 years (33.3%), and a combined 41.6% had more than 8 years of experience. This suggests that the food-vending business is a stable, established subsector with a core group of experienced entrepreneurs who have successfully navigated the long-term challenges of running a business. The vast majority of vendors (80.6%) employ 1-5 people. This highlights that the food-vending sector is primarily composed of micro-enterprises. This structure implies that growth strategies and support programs should focus on providing resources for small teams, such as management training, efficient operations, and guidance on scaling from a very small business.

Table 1: Demographic Characteristics of agri-food business vendors

Variable	Category	Frequency	Percent
Sex of respondents	Female	59	81.9
	Male	13	18.1
	Total	72	100.0
Age of respondents	18-25	7	9.7
	26-35	20	27.8
	36-45	31	43.1
	46-55	12	16.7
	56+	2	2.8
	Total	72	100
Level of education	Bachelor's	11	15.3
	Diploma	5	6.9
	Primary	20	27.8
	Secondary	36	50.0
	Total	72	100.0
Experience of vending businesses	1-3 years	12	16.7
	4-7 years	24	33.3
	8-10 years	14	19.4
	Less than 1 year	6	8.3
	More than 10 years	16	22.2
	Total	72	100.0
Employees	1-5	58	80.6
	11-20	1	1.4
	6-10	13	18.1
	Total	72	100.0

4.2 Marketing, institutional, and financial dynamics among agri-food business vendors

4.2.1 Financial-related dynamics among food business vendors

In terms of access to credit, findings from Table 2 show that the majority of respondents (76.4%) do not have access to credit from microfinance, indicating that a lack of formal financial support is a primary barrier to their agri-food vending business growth. The overwhelming majority of respondents (72.2%) had never sought credit from a bank. Implies that most food vendors were either unaware of available credit options, felt intimidated by the process, or had no interest in seeking formal financing. This aligns with other studies; for instance, Mramba (2022) noted that food vendors have limited access to formal credit from banks and other financial institutions. This is largely due to their informal status, lack of collateral, and inadequate documentation, such as a physical business address. On the other hand, the findings of this study postulate that half (50.0%) of the agri-food vendors believe that interest rates did not affect their loan payment. This could indicate a limited understanding of how interest accrues and affects overall debt. Over half of the agri-food vendors (52.8%) noted that, they are not influenced by interest rates when considering a loan application from the formal financial institutions. This reinforces the idea that vendors may not fully comprehend the financial implications of borrowing. In line with other studies, they often rely on risky, high-interest informal loans, which can be a heavy burden on their businesses. When they do manage to secure formal loans, the interest rates are often prohibitively high, negatively affecting their business's performance and profitability.

Regarding financial literacy, the results from this study reveals that almost three-quarters (72.2%) of the agri-food vendors were very confident in managing their personal finances. This suggests their confidence is based on day-to-day cash management rather than a deep knowledge of business finance. The fact that a large majority of vendors (77.8%) had not attended a financial literacy course directly explains their limited engagement with formal financial systems. While many agri-food vendors possess practical fund management skills from daily operations, they often lack the formal knowledge required for strategic business growth (Mittal *et al.*, 2019). The findings from other studies also pointed out that, majority (68%) of food vendors earn below the poverty line and that the "size of capital" is a statistically significant predictor of income increase (Lyatuu, 2025). Agri-food vendors often rely on their meager daily earnings to operate, making it difficult to save for expansion or weather economic shocks. Furthermore, the informal nature of their businesses often excludes them from formal credit markets, as they lack the collateral, financial records, and established business structures typically required by traditional financial institutions (Farm Africa, 2022). This forces many to rely on informal lending, which can entail high interest rates and unfavorable terms, further limiting their ability to invest in their businesses and achieve sustainable growth. Beyond initial capital and credit access, food vendors also grapple with issues of working capital management and the impact of fluctuating costs. For instance, many operate with very little working capital, making them highly vulnerable to daily fluctuations in raw-material prices, especially for staple food items (Munishi, 2023). Empirical evidence suggests that effective financial management practices, including working capital management, are crucial for business growth and can enhance management efficiency and increase capital availability. However, many informal food vendors lack the financial literacy and skills to effectively manage their finances, budget, and plan for future investments. This deficiency in financial management, coupled with external pressures such as rising operating costs and informal fees, creates a cycle of financial instability that impedes vendors' ability to grow their businesses beyond subsistence levels. Additionally, despite the vital role food vending plays in urban livelihoods, many vendors face difficulties obtaining credit due to requirements for collateral, high-interest rates, and inadequate documentation (Munishi & Casmir, 2019).

4.2.2 Marketing-related dynamics among food business vendors

Concerning access to customers, results from Table 2 indicate that the majority (86.1%) of respondents believe that it is very easy to reach potential customers, implying that market access and geographical location are generally not a major challenge for these agri-food businesses. Their physical presence and local community networks are effective for connecting with a customer base. It is further noted that the majority (75.0%) of respondents relied on word of mouth as their primary method for attracting customers. This is effective, but it also suggests that most agri-food vendors were not utilizing modern or digital marketing strategies, limiting their potential for broader market reach and growth. Findings are consistent with previous research indicating that food vendors are highly dependent on location and foot traffic, which can make it difficult to attract a steady flow of customers (Mittal *et al.*, 2021).

Regarding the market competition aspect of marketing dynamics, this study's findings reveal that the majority of agri-food vendors perceive the level of competition as either high (55.6%) or very high (22.2%). This implies that the market is saturated and highly competitive, which can limit profit margins and make it difficult for new businesses to enter or for existing ones to expand. On the one hand, about 45.8% of respondents were unsure whether the competition affected their pricing, indicating a lack of strategic market awareness. This suggests they might be setting prices based on intuition or cost rather than in direct response to competitor actions. Another significant market challenge is the inefficiencies in the supply chain and the limited access to quality raw materials at reasonable costs. Informal food vendors often purchase ingredients from local markets, where prices can be volatile and quality inconsistent (Lyatuu, 2025). Market competition is intense, and vendors often compete with both other street vendors and formal businesses. Changing consumer preferences present new threats to their customer base.

The findings further reveal that the majority of vendors (80.6%) had "some flexibility" in setting prices. While it suggests that they did not have complete pricing power, the fact that over the majority of respondents (83.3%) were able to change their product prices occasionally implies a general lack of

responsiveness to market dynamics. Prices remain static, which could prevent vendors from capitalizing on increased demand or adjusting to rising costs, thus hindering their profitability and growth. According to a line from another study, “Vendors often have limited flexibility in pricing their products. They must keep prices low to cater to their customer base, which typically has low purchasing power (Mramba, 2022).

Agri-food vendors in Ubungo ward encounter significant market challenges that directly impede their business growth, with intense competition being a prominent factor. The informal food sector in urban centers like Dar es Salaam, where Ubungo is located, is characterized by a large number of vendors, many of whom offer similar products (FSDT, 2023). This saturation leads to fierce price competition, which can drive down profit margins, especially for vendors operating with limited capital (Lyatuu, 2024). While customers in peripheral wards, like those in Ubungo, appreciate vendor variety and affordable prices, this also puts pressure on vendors to keep prices low to attract and retain customers, even if it means compromising on ingredient quality or quantity (Lyatuu, 2024). Additionally, many vendors' coping strategies, such as reducing portion sizes or opting for lower-quality ingredients to maintain prices, can negatively impact customer perception and long-term business sustainability (Lyatuu, 2024). The high concentration of vendors in certain areas, sometimes due to evictions or reallocations, further intensifies competition for a limited customer base (Munishi, 2023).

On the other hand, to supply chain inefficiencies and access to quality raw materials at reasonable costs pause another dynamic. Informal food vendors often purchase ingredients from local markets, where prices can be volatile and quality inconsistent (Lyatuu, 2024). They often lack the bargaining power or established supplier relationships that larger businesses have, leading to higher input costs. This challenge is exacerbated by inadequate infrastructure, which can hinder the timely, cost-effective delivery of goods, especially in rapidly urbanizing peripheral areas like Ubungo (Kissoly, 2025). Furthermore, a lack of access to market information and formal business development support limits vendors' ability to identify new market opportunities, diversify their offerings, or implement effective marketing strategies to differentiate themselves from competitors.

4.2.3 Institutional-related dynamics among food business vendors

The findings from Table 32 postulate that more than half (58.3%) of the food vendors perceived their tax burden as moderate. This suggests that while taxes are a factor, they were not seen as excessive on the business. This implies that the current tax system, not ideal for all, is largely manageable for most of the vendors surveyed. A significant majority of vendors (76.4%) found it somewhat easy to comply with tax regulations. This indicates that the process of paying taxes is not overly complex or difficult for most because they do not need to pay taxes to the authorities. In the same line, Mramba (2025) noted that, while some food vendors are willing to pay taxes, administrative challenges such as a lack of a vendor database, difficulties in tracking sales and vendor mobility make tax collection a significant challenge for authorities. This can create tension between vendors and the government and may lead to conflicts with formal businesses pay taxes. On the other hand, the findings reveal that the process of obtaining licenses or a large portion (72.2%) of food vendors find permits “easy”. This implies that the regulatory requirements for starting and operating a food vending business were not a significant hurdle. The system is generally accessible and not overly bureaucratic for these entrepreneurs. The related study present that there was “A lack of legal recognition and ambiguous regulatory frameworks. Many operate without proper licenses or permits, making them vulnerable to harassment, evictions, and confiscation of their goods by local authorities (ILO, 2013).

The findings reveal that most (84.7%) of food vendors perceive the regulatory environment as “somewhat supportive,” suggesting that the government and local authorities are seen as facilitators rather than obstacles. This implies that the institutional framework is conducive to business growth and stability. The findings from other Studies show that the licensing process is often bureaucratic and difficult to navigate, and vendors may not have a clear understanding of the relations they need to follow. The uncertainty created by this informal status makes it difficult for them to invest in their vending businesses with confidence (Mramba, 2022). In contrast to these findings, Munishi & Casmir (2019) noted that, food vendors encounter significant institutional challenges that impede their business growth. A primary hurdle is the complex and often unstable regulatory environment. Many vendors operate in informal or unauthorized spaces, such as road reserves and public streets, leading to frequent conflicts

with municipal authorities and recurrent evictions. Furthermore, Mramba (2015) noted that food vendors often lack adequate knowledge of food vending regulations, and there are shortages of proper food storage facilities, contributing to poor hygiene practices and raising public health concerns, which can lead to further regulatory scrutiny and penalties. Additionally, there is lack of awareness and accessibility to business development services and training programs that could equip vendors with essential entrepreneurial skills, marketing knowledge, and information on legal requirements for business growth.

Table 2: Marketing-Institutional-Financial (MIF) Dynamics among food business vendors in urban settings in Tanzania

Variable	Description	Frequency	Percent (%)
Financial-related dynamics			
Access to credit	No	55	76.4
	Yes	17	23.6
	Total	72	100.0
Easy access of credit	Difficult	5	6.9
	I have never tried	52	72.2
	Somewhat easy	11	15.3
	Very easy	4	5.6
	Total	72	100.0
Impact of Interest rates	Not at all	7	9.7
	Not very well	36	50.0
	Somewhat	25	34.7
	Very well	4	5.6
Total	72	100.0	
Influence of interest rates on loans	No	38	52.8
	Not sure	18	25.0
	Yes	16	22.2
	Total	72	100.0
Financial confidence	Somewhat confident	20	27.8
	Very confident	52	72.2
	Total	72	100.0
Financial literacy training	No	56	77.8
	Yes	16	22.2
	Total	72	100.0
Marketing-related dynamics			
Easy of reaching customers	Difficult	2	2.8
	Somewhat easy	8	11.1
	Very easy	62	86.1
	Total	72	100.0
Primary customer attraction methods	Direct sales	12	16.7
	Social media	5	6.9
	TV/flyers	1	1.4
	Word of mouth	54	75.0

Variable	Description	Frequency	Percent (%)
	Total	72	100.0
Level of competition in markets	High	40	55.6
	Moderate	16	22.2
	Very high	16	22.2
	Total	72	100.0
Competition's effect on price	No	25	34.7
	Not sure	33	45.8
	Yes	14	19.4
	Total	72	100.0
Flexibility in setting prices	A lot of flexibility	3	4.2
	No flexibility	2	2.8
	Some flexibility	58	80.6
	Very little flexibility	9	12.5
	Total	72	100.0
Frequency of price changes	Rarely	9	12.5
	Yes_frequently	3	4.2
	Yes_occasionally	60	83.3
	Total	72	100.0
Institutional-related dynamics			
Tax burden	High	15	20.8
	Low	13	18.1
	Moderate	42	58.3
	Very high	2	2.8
	Total	72	100.0
Compliance costs	Difficult	13	18.1
	use an accountant	2	2.8
	Somewhat easy	55	76.4
	Very easy	2	2.8
	Total	72	100.0
Licenses or permits	Difficult	15	20.8
	Easy	52	72.2
	Not applicable	4	5.6
	Very easy	1	1.4
	Total	72	100.0

Variable	Description	Frequency	Percent (%)
Regulatory environment	Neutral	6	8.3
	Somewhat restrictive	1	1.4
	Somewhat supportive	61	84.7
	Very restrictive	1	1.4
	Very supportive	3	4.2
	Total	72	100.0
Changes in regulations	Frequently	5	6.9
	I am not aware of regulatory changes	5	6.9
	Never	1	1.4
	Occasionally	15	20.8
	Rarely	46	63.9
	Total	72	100.0

5. Conclusions, Recommendations, and Limitations

5.1 Conclusions

The results from financial challenges revealed that the high percentage of vendors without access to credit and low engagement with formal lending indicate a barrier to business expansion. While vendors are confident in their personal financial management, this confidence may be a misconception due to their limited participation in formal financial systems and lack of financial literacy training. This suggests that the primary financial implication is not a lack of opportunity and knowledge about how to leverage credit for growth.

In relation to marketing dynamics, the results reveal that reliance on word-of-mouth for customer attraction and a high level of competition are among the marketing-related challenges among agri-food vendors. It is also worth noting that, while the agri-food vending businesses found it easy to reach customers, their general inflexibility in adjusting prices suggests that they may not be strategically responding to market dynamics or competitive pressures. This implies that a key challenge is not reaching customers, but rather competing effectively.

On the other hand, agri-food vendors perceive institution-related dynamics such as tax burden as moderate, as they find it easy to comply with regulations. The business environment is seen as supportive and stable, with infrequent changes. This implies that government regulations and institutional processes are not the primary cause of agri-food vending business growth limitations.

5.2 Recommendations

Financial institutions should develop and promote specialized micro-loan and credit programs for agri-food vending businesses in urban settings with simplified application processes and competitive interest rates.

Government authorities (Ubungo Municipal) and financial institutions should collaborate to provide practical, hands-on financial literacy training. These trainings should go beyond basic budgeting to include modules on understanding loan terms, calculating interest and the strategic use of credit for business expansion.

Business development organizations like GroFin and local business regulatory authorities like Small Industries Development Organization (SIDO) should take the lead in offering workshops on digital marketing and branding to help agri-food vending businesses to move beyond a reliance on word-of-mouth. These workshops should provide practical skills for using social media to build an online presence, highlight their products, and attract new customers. Additionally, these organizations should provide training on strategic pricing and market analysis.

Government bodies like city councils and regulatory agencies like Small Industries Development Organization (SIDO) should focus on maintaining the current supportive environment by continuing to streamline and simplify the licensing and tax compliance processes as much as possible, perhaps by introducing online portal services. They should also regularly communicate any upcoming regulatory changes through accessible channels like community meetings or mobile text alerts, ensuring that vendors are always informed.

Since the results reveal that institutional dynamics are not a major obstacle to the growth of agri-food vending businesses, this implies that government regulations and institutional processes are not the primary cause of agri-food vending business growth limitations. Therefore, policy and support efforts should shift their focus from reducing institutional burdens to addressing the more pressing financial and market-related dynamics that are hindering the growth of food vending businesses in urban settings of Tanzania.

5.3 Limitation of the study

This study involved the licensed agri-food vending businesses from Ubungo ward. The study faced challenges, particularly during data collection. These challenges include some respondents being unavailable or unwilling to participate in the study due to vending or personal matters. Furthermore,

this study relied on the presence of respondents on their business operation area in order to acquire accurate information. To reduce these problems, the researcher required to work closely with local leaders to encourage participation of respondents very well and checked the information carefully to improve accuracy. Despite these limitations, the study results are reliable and useful for understanding the real situation in the study area.

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Conflict of interest

The declare no conflict of interest

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