Major Research Project on

A Comparative Study of Street Vendors vis-à-vis Supermarkets in the F&B Industry

Submitted By

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CERTIFICATE FROM THE INSTITUTION

This is to certify that Ms. Mehak Jain roll no. 2K23/BMBA/12 has submitted the major research project report on a Comparative Study of Street Vendors vis-à-vis Supermarkets in the F&B Industry in partial fulfilment of Master of Business Administration (Business Analytics) (MBA(BA)) program from Delhi School of Management, Delhi Technological University, New Delhi during the academic year 2023-25.

Signature of the Guide
Mr. Gaurav Vashisht
Visiting Faculty

DECLARATION

I, Mehak Jain, hereby, declare that the presented major research project report titled "A Comparative Study of Street Vendors vis-à-vis Supermarkets in the F&B Industry" is uniquely prepared by me.

I also confirm that the report is only prepared for my academic requirement, not for any other purpose. It might not be used in the interest of any party.

…………………………….

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ACKNOWLEDGEMENT

I, Mehak Jain would like to convey my gratitude to the Head of Department (HOD), Dr. Archana Singh of Delhi School of Management, Delhi Technological University for emphasizing the major research project and giving me the platform to conduct such research work.

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I have deeply grateful to all respected individuals who agreed to be a part of this research project and were instrumental in providing all the required data that was necessary to make this research project a success. I am highly indebted to their valuable contribution to my research.

I extend my warm gratitude and regards to everyone who helped me during the study.

EXECUTIVE SUMMARY

This project presents an in-depth comparative analysis of street vendors and supermarkets within the beverage segment of the food and beverage (F&B) industry. It evaluates the dynamics of consumer behaviour, pricing, availability, brand loyalty, marketing effectiveness, and perceptions of quality, accessibility, and affordability

Availability and Pricing

Street vendors primarily stock readily consumable, low-cost beverages such as bottled water, soft drinks, energy drinks, and locally produced juices. Their product range is typically limited but curated to meet immediate demand and localized tastes. Prices are competitive due to lower overhead costs and direct sourcing. Supermarkets, in contrast, offer a broader assortment that includes premium, imported, health-oriented, and branded beverages, often with multiple packaging options. While prices in supermarkets are generally higher, they reflect added value through packaging, variety, and brand assurance.

Brand Loyalty

Consumer brand loyalty differs significantly between retail formats. In supermarkets, loyalty is often built through consistent product availability, loyalty programs, and brand promotions. Shoppers tend to prefer familiar national or global brands, reinforced by advertising and packaging. Street vendors, meanwhile, foster a different kind of loyalty, based on personal interaction, daily convenience, and habitual buying. Brand awareness is lower in this segment, and choices are often driven by price and immediate need rather than long-term preference.

Marketing Strategies

Supermarkets deploy structured marketing strategies, including in-store displays, discounts, seasonal promotions, and digital advertisements, all aimed at driving impulse purchases and reinforcing brand identity. They often collaborate directly with beverage companies to launch campaigns and offer bundle deals. Street vendors, lacking formal marketing channels, rely heavily on footfall, location visibility, and word-of-mouth. However, their presence in high-traffic areas acts as a powerful informal marketing tool, especially for impulse beverage purchases.

Perceptions of Quality, Accessibility, and Affordability

The perception of quality strongly Favors supermarkets, which are associated with hygiene, packaging, storage, and authenticity. Supermarkets also offer more controlled environments, which influences perceptions of freshness and safety, particularly for health-conscious consumers. Street vendors, while often seen as less hygienic, are perceived as highly accessible and affordable, especially by lower-income and time-constrained consumers.

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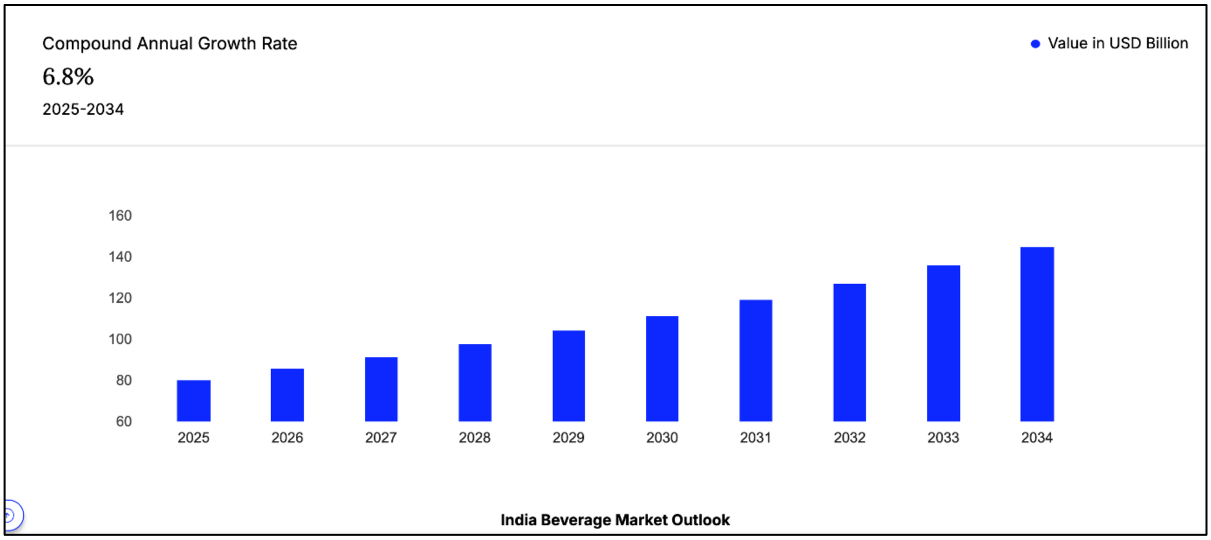
CHAPTER 1
Introduction

Overview

The Indian Food and Beverage (F&B) industry has undergone significant transformation over the past few decades, marked by rapid urbanization, evolving consumer preferences, and the coexistence of traditional and modern retail formats. Street vendors, integral to the informal economy, offer affordability and accessibility, catering to a vast segment of the population. In contrast, supermarkets, representing the organized retail sector, provide a structured shopping experience with a wide array of products, including premium and health-oriented options.

Within this dynamic landscape, PepsiCo and Coca-Cola have established themselves as dominant players in India's carbonated soft drink (CSD) market. As of 2023, Coca-Cola leads with a substantial 60% market share by value, while PepsiCo holds a significant 33% share. Both companies have tailored their strategies to penetrate diverse market segments, leveraging the extensive reach of street vendors and the growing presence of supermarkets.

The dynamics of beverage distribution and consumption in India are not just about sales and profits but also, they reflect deeper socio-economic patterns and evolving consumer behaviour. Understanding the trajectory of these retail formats provides insights into market accessibility, pricing strategies, and future growth potential.



Past Trends and Growth

Dominance of the Informal Sector

Before the liberalization of the Indian economy in the early 1990s, the beverage industry was largely dominated by local, unorganized players. Street vendors served as the primary distribution channel for soft drinks, local sodas, fruit juices, and regional specialties like "nimbu paani" and "lassi." Accessibility, low prices, and familiarity made street vendors indispensable, especially in Tier 2 and Tier 3 cities.

Entry and Expansion of Global Giants

The re-entry of global brands like Coca-Cola in 1993 and PepsiCo in 1989 revolutionized the industry. These companies rapidly expanded their presence using distribution through local vendors and franchise bottling systems. Street vendors became a key channel for penetration, especially for 200ml glass bottles, which were affordable and widely distributed.

Growth of Organized Retail

With the rise of supermarkets such as Big Bazaar, Reliance Fresh, D-Mart, and international entrants like Metro and Amazon Fresh, the organized beverage market has grown substantially. Supermarkets offer:

- A broader product portfolio (carbonated drinks, energy drinks, fruit juices, flavoured water)
- Premium and health-conscious beverage options
- Promotional discounts and loyalty rewards
- Packaged, hygienic products targeting the urban middle class

Continued Relevance of Street Vendors

Despite supermarket growth, over 85% of India's retail is still unorganized, with street vendors playing a critical role, especially for impulse purchases, low-cost options, and quick access. Beverages remain a core offering for these vendors due to their shelf-stability and demand.

Street vendors have also adapted to digitization by accepting UPI payments, increasing hygiene awareness post-COVID, and partnering with FMCG companies for refrigerator displays, promotional branding, and mobile vending carts.

Mergers and Acquisitions

The India Carbonated Beverages Market has seen several mergers and acquisitions in recent years, with companies seeking to expand their market presence and leverage synergies to improve their product offerings and profitability. Some notable examples of mergers and acquisitions in the India Carbonated Beverages Market include:

- In 2023, PepsiCo Inc. introduced Starry, a Lemon-Lime flavoured soda, available in both regular and zero-sugar variants. This latest offering reflects PepsiCo's commitment to providing diverse beverage choices to cater to varying consumer preferences for taste and health consciousness.
- In 2022, PepsiCo India injected an extra Rs 186 crore into its food manufacturing facility in Kosi Kalan, Mathura, Uttar Pradesh, for Doritos nacho chips production. This investment is part of the

company’s larger Rs 1,022 crore commitment towards expanding its largest greenfield food manufacturing plant, primarily producing Lay’s potato chips.

- In 2022, Monster Beverage Corporation finalized a $330 million cash acquisition deal with CAN Archy Craft Brewery Collective LLC, a renowned craft beer and hard seltzer company. This strategic move marks Monster’s entrance into the alcoholic beverage sector, enhancing its market presence and diversification efforts.

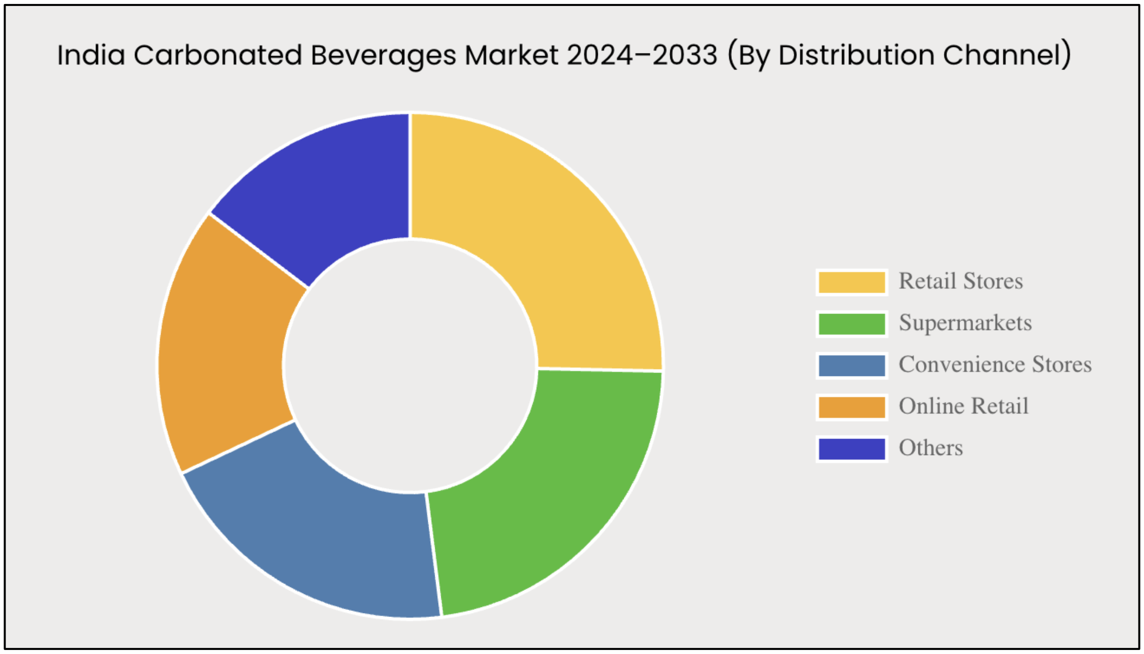
Future Prospects

Digital and Smart Retail

Supermarkets are adopting AI-driven shelf analytics, smart vending machines, and data-backed merchandising to personalize consumer experience. Simultaneously, street vendors are being empowered by government schemes, NGO support, and fintech platforms offering micro-loans and digital payment solutions.

Rise of Health and Functional Beverages

Consumers are shifting toward low-sugar, organic, functional, and plant-based beverages. Supermarkets are the primary channel for these products due to customer education and packaging appeal. However, low-cost versions are expected to trickle into the informal sector through affordable health drinks and branded “on-the-go” options sold via street vendors.



In conclusion, the growth of the Indian beverage industry reflects the convergence of tradition and modernity. Street vendors and supermarkets, though vastly different in infrastructure and audience, are both crucial to the industry's ecosystem. The past saw local domination; the present is defined by hybrid models and digitization; and the future promises innovation, inclusion, and diversified growth across all retail formats.

CHAPTER 2

Literature Review

The global food and beverage (F&B) retail landscape presents a fascinating dichotomy between formal and informal retail channels. On one hand, supermarkets and hypermarkets represent the organized, corporate face of food retail, while on the other, street vendors embody the informal, traditional sector that continues to thrive in urban ecosystems worldwide. This literature review systematically examines the comparative dynamics between these two retail formats across multiple dimensions, including consumer behaviours, economic impact, regulatory frameworks, and emerging trends. The analysis draws from academic research, industry reports, and case studies spanning different geographical contexts to provide a holistic understanding of this complex retail ecosystem.

The significance of this comparative study lies in its relevance to urban planning, public health policy, and economic development strategies. As cities continue to grow and modernize, understanding the interplay between these two retail formats becomes crucial for creating inclusive urban food systems. The review begins by establishing the historical context of both retail models before delving into contemporary comparative analyses and concluding with future research directions.

1. Historical Evolution and Current Market Landscape

1.1 The Global Expansion of Supermarkets

The supermarket revolution, as documented by Reardon et al. (2003), represents one of the most significant transformations in global food retail. This phenomenon began in Western economies in the mid-20th century and has since spread to developing nations through three distinct waves:

1. **First Wave (1990s)**: Penetration in South America and East Asia
2. **Second Wave (2000s)**: Expansion in Southeast Asia and parts of Africa
3. **Third Wave (2010s)**: Growth in secondary cities and rural areas

Key drivers of supermarket expansion include:

- **Urbanization**: Concentration of populations in cities creates demand for one-stop shopping
- **Supply chain modernization**: Cold storage and logistics networks enable national distribution
- **Changing consumer preferences**: Rising middle classes seek convenience and brand assurance
- **Foreign direct investment**: Global retail chains entering emerging markets

Reardon, T., Timmer, C. P., Barrett, C. B., & Berdegué, J study on "The Rise of Supermarkets in Africa, Asia, and Latin America." highlighted the following:

- Highlighted the "supermarket revolution" across developing economies, showing a three-wave expansion pattern from the 1990s to 2010s.
- Identified foreign direct investment and supply chain modernization as primary drivers of supermarket growth.
- Highlighted the displacement effect on traditional retail but noted persistent gaps in fresh produce markets that street vendors continued to fill.

1.2 The Resilience of Street Vending Systems

Contrary to early predictions of their demise, street vendors have demonstrated remarkable resilience. Bhowmik's (2005) seminal work identifies several structural factors contributing to their persistence:

- **Economic necessity**: Low barriers to entry make vending accessible to urban poor
- **Spatial logic**: Proximity to transportation hubs and workplaces ensures constant demand
- **Cultural embeddedness**: Traditional foods and personalized service create customer loyalty
- **Informal networks**: Supplier relationships and vendor associations provide support systems

2. Comparative Consumer Behaviour Analysis

2.1 Purchase Decision Drivers

Consumer preferences between street vendors and supermarkets vary significantly based on demographic and psychographic factors:

Supermarket Advantages:

- **Perceived quality assurance**: Packaged goods with expiration dates and brand labels
- **Variety**: Wider selection of international and specialty products
- **Technology integration**: Self-checkout, mobile payments, and loyalty programs
- **Ambiance**: Climate-controlled environments with standardized service

Street Vendor Advantages:

- **Price competitiveness**: Lower margins and avoidance of formal taxes
- **Freshness**: Often sourced directly from local producers daily
- **Social interaction**: Personalized service and cultural familiarity
- **Time efficiency**: Quick service for time-poor urban workers

2.2 The Hygiene Perception Paradox

Food safety perceptions present a fascinating contradiction. While supermarkets benefit from institutional trust, empirical studies reveal surprising findings:

- **Supermarket weaknesses**: Pre-packaged foods may have longer supply chains with more contamination points
- **Street vendor strengths**: Many vendors maintain high standards through:
    - Visual freshness displays
    - Preparation in customer view
    - Cultural norms of cleanliness

3. Economic and Urban Policy Considerations

3.1 Employment Structures Compared

The labour dynamics of both sectors reveal fundamental differences in urban economies:

Street Vending Employment:

- **Demographics**: Predominantly migrant populations, women, and youth
- **Income stability**: Highly variable but often exceeds minimum wage in developing contexts
- **Social mobility**: Frequently serves as entry point to entrepreneurship

Supermarket Employment:

- **Formalization benefits**: Contracts, benefits, and career ladders
- **Labor flexibility**: Increasing use of part-time and gig workers
- **Skill requirements**: Often demands digital literacy and formal education

3.2 Regulatory Tensions and Innovations

The policy landscape reveals ongoing conflicts and creative solutions:

Common Regulatory Challenges:

- **Zoning laws**: Restricting vendor access to high-traffic areas
- **Licensing systems**: Often cumbersome and expensive for vendors
- **Enforcement inconsistencies**: Between corruption and over-policing

Emerging Best Practices:

- **Vendor cooperatives**: Collective bargaining and self-regulation
- **Designated vending zones**: With proper infrastructure
- **Gradual formalization**: Progressive licensing frameworks

Battersby, J., & Watson, V. study on Urban Food Systems Governance and Poverty in African Cities. Routledge highlighted the following:

- Compared consumer segments in Cape Town, showing middle-class households strategically use both supermarkets (for packaged goods) and street vendors (for fresh produce).
- Challenged the "hygiene superiority" of supermarkets, noting that street vendors often provide fresher, locally sourced foods.
- Highlighted how urban policies favouring supermarkets exacerbate food deserts for low-income populations.

4. Conclusion

This review reveals that the street vendor versus supermarket dichotomy represents more than just retail competition, it embodies fundamental tensions between modernization and tradition, globalization and localization, formality and informality. Rather than viewing these models as mutually exclusive, policymakers and business leaders should recognize their complementary roles in creating resilient urban food systems.

The future likely holds increasing convergence, with supermarkets incorporating informal elements and vendors adopting formal practices. What remains constant is the need for evidence-based policies that protect livelihoods while ensuring food safety and urban functionality. Future research should particularly focus on developing standardized metrics for comparing these retail formats across different cultural contexts.

CHAPTER 3
Research Methodology

1. Research Design

This study employs a cross-sectional descriptive research design, enabling a systematic examination of consumer purchasing behaviours across two distinct retail channels: street vendors and supermarkets. This design is particularly suited to the study's objectives, as it allows for the simultaneous collection of quantitative data like purchase frequency, price sensitivity and qualitative insights like perceptions of quality, brand trust without experimental manipulation.

By adopting a comparative approach, the research identifies key differences in consumer preferences, pricing structures, and retail accessibility between informal (street vendors) and formal (supermarkets) beverage distribution systems. The design's non-experimental nature ensures that findings reflect real-world consumer behaviours in natural settings, enhancing ecological validity.

2. Research Objectives

The study is guided by the following specific, measurable objectives:

1. To analyse disparities in beverage availability, pricing, and variety between street vendors and supermarkets, assessing how these factors influence purchase decisions.
2. To evaluate the role of brand loyalty in channel selection, determining whether consumers exhibit stronger allegiance to brands in formal retail environments.
3. To examine the impact of marketing strategies., promotions, discounts, etc. on consumer preferences in both retail formats.

4. To assess subjective consumer perceptions regarding product quality, hygiene, convenience, and affordability across the two retail types.

3.Data Collection

Data collection involves gathering information relevant to the research objectives. Both primary and secondary data collection methods will be utilized in this study.

4.Types of Data Collection

Primary data collection involves gathering firsthand information directly from respondents through surveys or interviews. Secondary data collection involves gathering existing data from sources such as research articles, reports, and databases.

5.Primary Data Collection Method Used

A structured online survey will be employed as the primary data collection method to gather responses from consumers of beverages.

6.Data Collection Instrument & Procedure

Primary data was collected via a structured, self-administered questionnaire distributed digitally (Google Forms) to ensure efficiency and broad reach. The instrument included:

- **Demographic Profile** (Age, Gender, Income, Occupation)
- **Purchasing Behaviour** (Frequency, Preferred Outlet, Spending Patterns)

- **Perceptual Factors** (5-point Likert scales on Quality, Hygiene, Pricing, Convenience)
- **Marketing Influence** (Brand Recall, Promotional Impact)

7. Data Analysis Framework

Data was processed employing the following analytical techniques:

1. **Descriptive Statistics**
   a. Frequencies, percentages, means, and standard deviations summarized trends.
   b. Cross-tabulations compared demographic subgroups.
2. **Inferential Statistics**
   a. **Independent Samples t-test**: Compared mean differences in pricing perceptions between street vendors and supermarkets.
   b. **Chi-square (χ^2) test**: Examined associations between brand loyalty and retail channel choice.

8. Limitations & Mitigation Strategies

Limitation	Potential Impact	Mitigation Strategy
Small sample size (n=50)	Reduced generalizability	Positioned as exploratory research
Convenience sampling bias	Overrepresentation of certain groups	Demographic stratification
Self-reporting bias	Social desirability or recall errors	Anonymity assurance
Geographic restriction	Locality-specific findings	Suggests multi-region replication
Cross-sectional design	No causality established	Recommends longitudinal follow-up

9. Ethical Considerations

- **Informed Consent**: Participants were briefed on the study's purpose and data usage.
- **Anonymity**: No personally identifiable information was collected.
- **Voluntary Participation**: Respondents could withdraw at any stage.

CHAPTER 4

Research Objectives

The primary objective of this study is to compare consumer behaviours toward beverages sold by street vendors and supermarkets, focusing on key factors such as availability, pricing, brand loyalty, perceived quality, and the impact of marketing strategies and how the retail format, i.e., street vending versus organized supermarket retailing, affects the consumer experience and purchase decisions related to Pepsi and Coca-Cola and other beverages.

Analysing Beverage Availability, Pricing, and Variety Disparities

This objective focuses on conducting a structural comparison between street vendors and supermarkets regarding their beverage offerings. The study will systematically examine differences in product availability (which types of beverages are stocked), pricing strategies (including regular prices, discounts, and bundle offers), and variety (range of brands, flavours, and packaging sizes). By quantifying these retail characteristics, the research aims to identify how these fundamental market factors influence consumers' decisions to purchase from one channel versus the other. This analysis will establish the baseline market conditions that shape consumer access and choice in the beverage retail sector.

Evaluating Brand Loyalty in Channel Selection

The second objective investigates consumer attachment to specific beverage brands across different retail formats. It seeks to determine whether brand loyalty manifests differently in formal supermarket environments compared to informal street vendor settings. The study will examine factors like consistency of brand availability, perceived brand authenticity, and the influence of retail environment on brand perception. This is particularly relevant as supermarkets typically offer established brands with consistent packaging, while street vendors might sell both branded and unbranded or locally-produced beverages.

Examining Marketing Strategy Impact

This objective assesses how promotional activities and marketing elements differentially influence consumer behaviours in each retail context. The research will compare the effectiveness of various marketing approaches - including price promotions, advertising, product displays, and packaging - between supermarkets and street vendors. The study will analyse how these distinct marketing ecosystems shape purchase decisions, potentially revealing format-specific advantages in influencing consumer choices.

Assessing Consumer Perceptions and Preferences

The final objective explores the psychological and perceptual factors underlying channel selection. It will investigate how consumers subjectively evaluate aspects like product quality, hygiene standards, shopping convenience, and value for money in both retail formats. This qualitative dimension complements the quantitative comparisons by revealing why consumers might choose a seemingly more expensive or less convenient option. The study will uncover potential misconceptions, trade-offs, and non-price factors that drive purchasing behaviours

CHAPTER 5
ANALYSIS, DISCUSSION & RECOMMENDATIONS

Data Collection Summary

To support the objectives of this study, particularly the comparison of consumer behaviours toward beverages sold by street vendors and supermarkets, primary data were collected using a Google Forms survey. The structured questionnaire was carefully designed to address each of the research objectives:

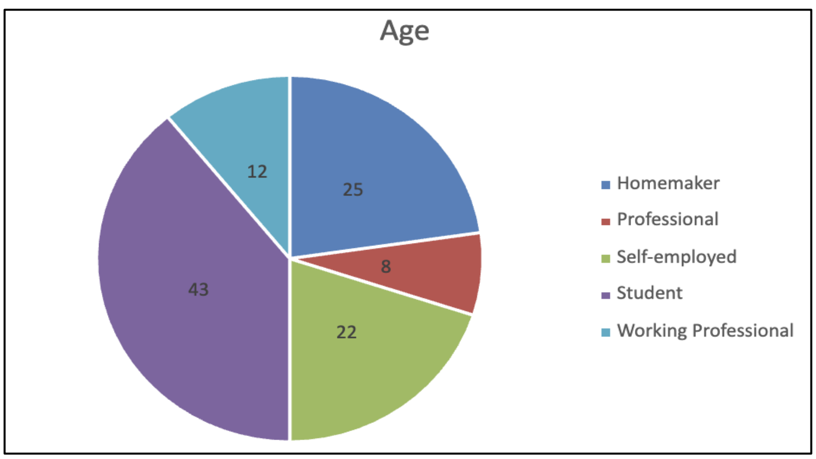
- To assess availability and pricing, respondents were asked where they usually purchase beverages and how they perceive cost differences between street vendors and supermarkets.
- For brand loyalty, questions focused on preferred beverage brands, purchase frequency, and consistency across retail channels.
- To evaluate the effectiveness of marketing strategies, items included consumer recall of advertisements.
- Questions measuring perceived quality, accessibility, and affordability were included for comparison between the two retail formats.

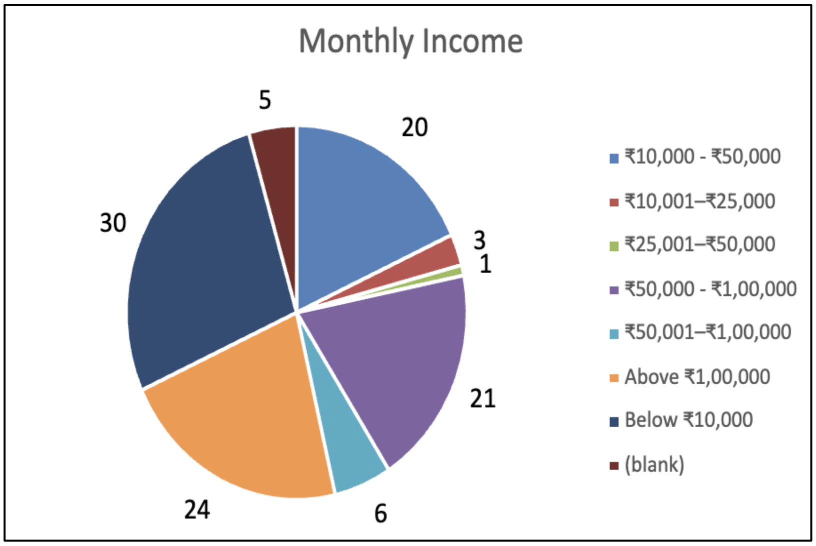
The use of Google Forms provided several logistical and methodological benefits like it enabled efficient data collection and automatic collation into a spreadsheet for cleaning and analysis, it ensures response anonymity, which likely improved the honesty of responses. It also captures timestamps for each entry, adding a layer of authenticity to the dataset and capitalizes on respondents' high internet access. Although the target sample size was initially 100, a final round of reminders was necessary to achieve

110 valid responses. No monetary or material incentives were offered; participation was entirely voluntary and driven by personal interest or academic support. The absence of major data collection issues, combined with built-in consistency checks, supports the reliability and integrity of the dataset.

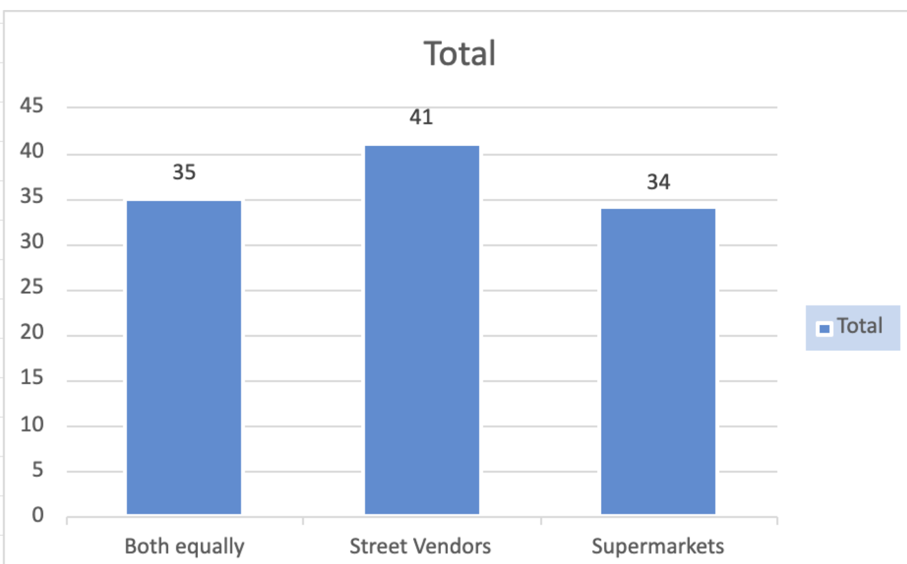
Each of the 110 cases contributed multiple data points relevant to brand perception, purchase behaviours, and marketing impact. This cross-sectional dataset now forms the basis for the quantitative analysis presented in the next section, which aims to fulfil the study's objectives and contribute to a clearer understanding of beverage consumption behaviours across differing retail formats.

Data Analysis





1. Where do you mostly purchase soft drinks?
    - Street Vendors
    - Supermarkets
    - Both equally

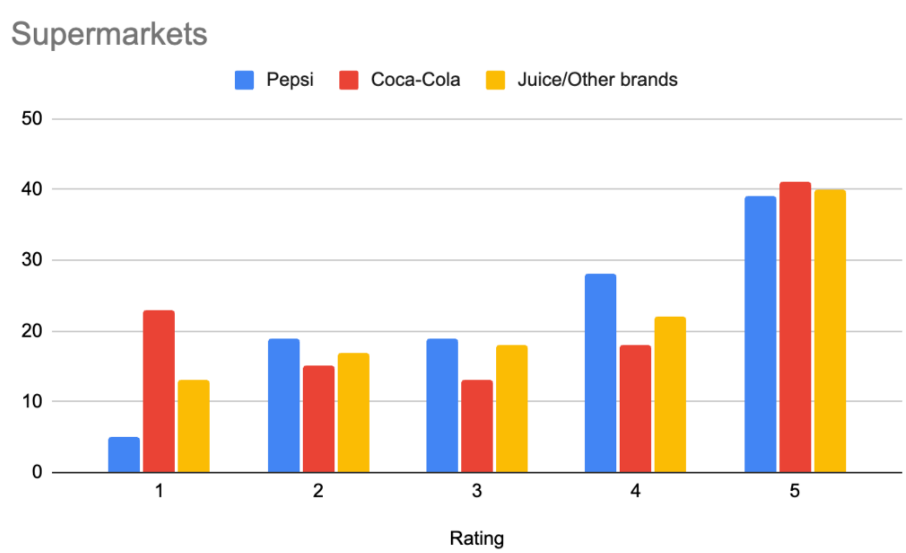


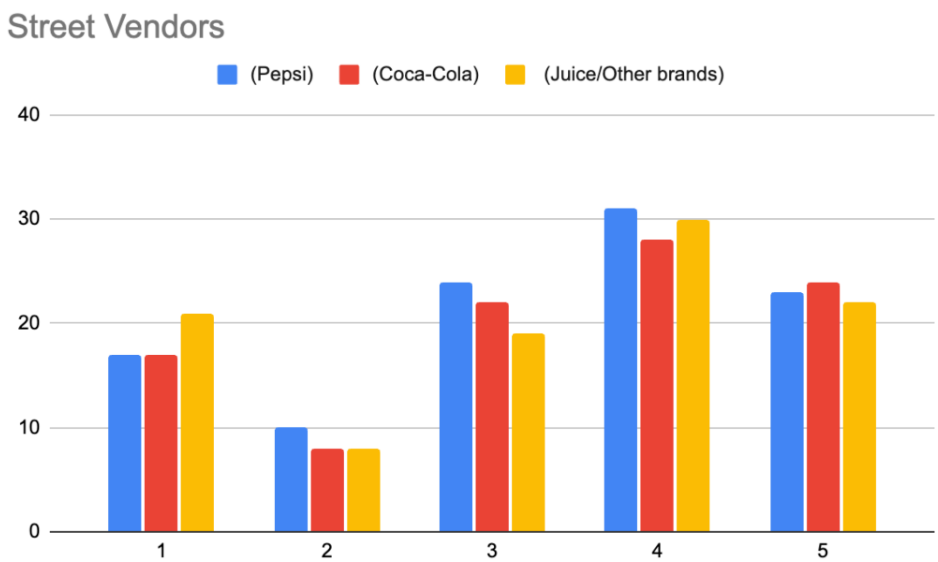
Interpretation:

The graph shows the distribution of consumer preferences for purchasing soft drinks. A higher percentage of respondents likely to favor supermarkets due to better brand availability and perceived quality. However, a significant portion still relies on street vendors, emphasizing their role in affordability and convenience. The "Both equally" category indicates a segment of consumers who use both channels based on context (e.g., impulse buys vs. planned purchases).

2. Rate the availability of the following beverages at each location:
   (1 = Not Available, 5 = Always Available)

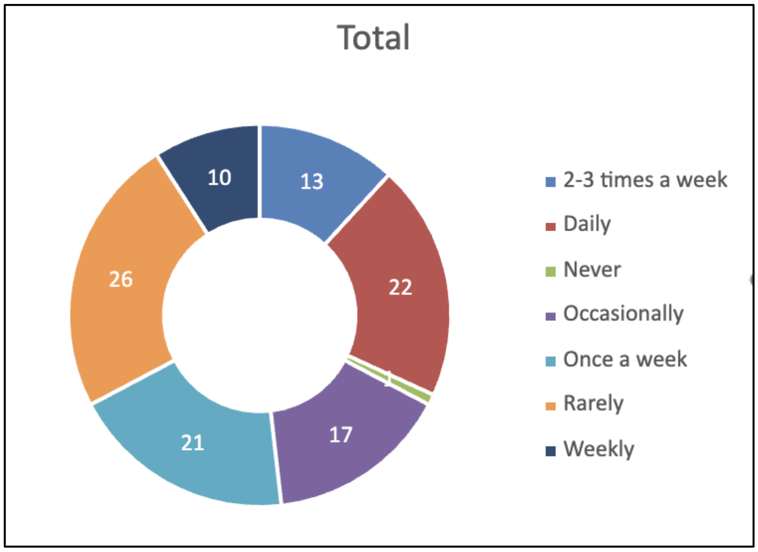
Beverage	**Street Vendors**	**Supermarkets**
Pepsi	1 2 3 4 5	1 2 3 4 5
Coca-Cola	1 2 3 4 5	1 2 3 4 5
Juice/Other brands	1 2 3 4 5	1 2 3 4 5





Interpretation:
Supermarkets consistently score higher in beverage availability across all categories (Pepsi, Coca-Cola, juices). Street vendors may lag due to limited storage space or selective stock. The gap is likely smallest for mass-market brands like Pepsi and Coca-Cola, which are widely distributed, and larger for niche or premium products.

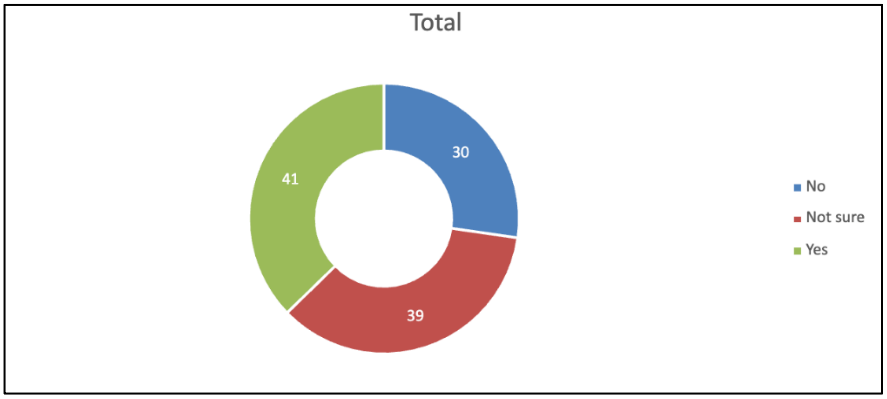
3. What is the frequency of purchase of beverages?
    - Daily
    - Weekly
    - Occasionally
    - Rarely
    - Never



Interpretation:

Most consumers purchase beverages weekly or occasionally, suggesting soft drinks are not daily essentials for all. The "Daily" segment might represent habitual buyers likely to be office-goers or students, while "Rarely" indicates infrequent or situational consumption like parties, outings, etc.

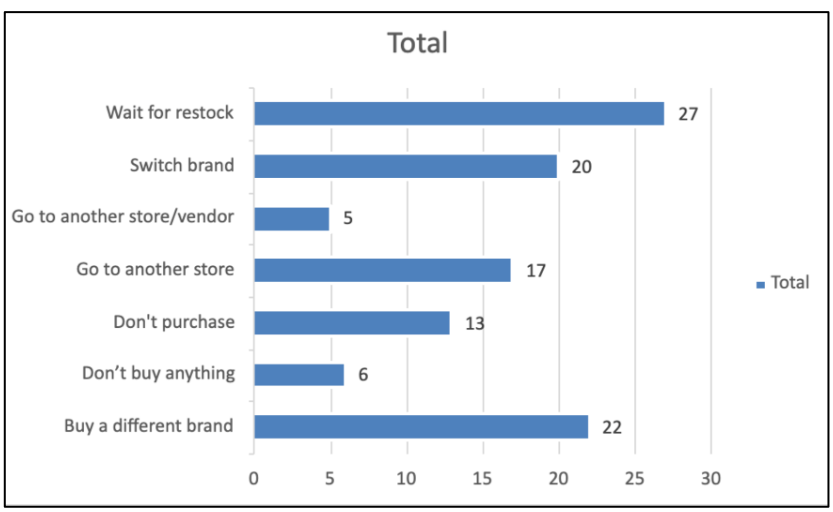
4. Do you think street vendors offer smaller or different packaging sizes than supermarkets?
    - Yes
    - No
    - Not sure



Interpretation:

If the majority respond "Yes," it confirms street vendors often sell smaller or single-serve packages, catering to on-the-go consumption. Supermarkets likely offer larger, multi-pack options for bulk buyers.

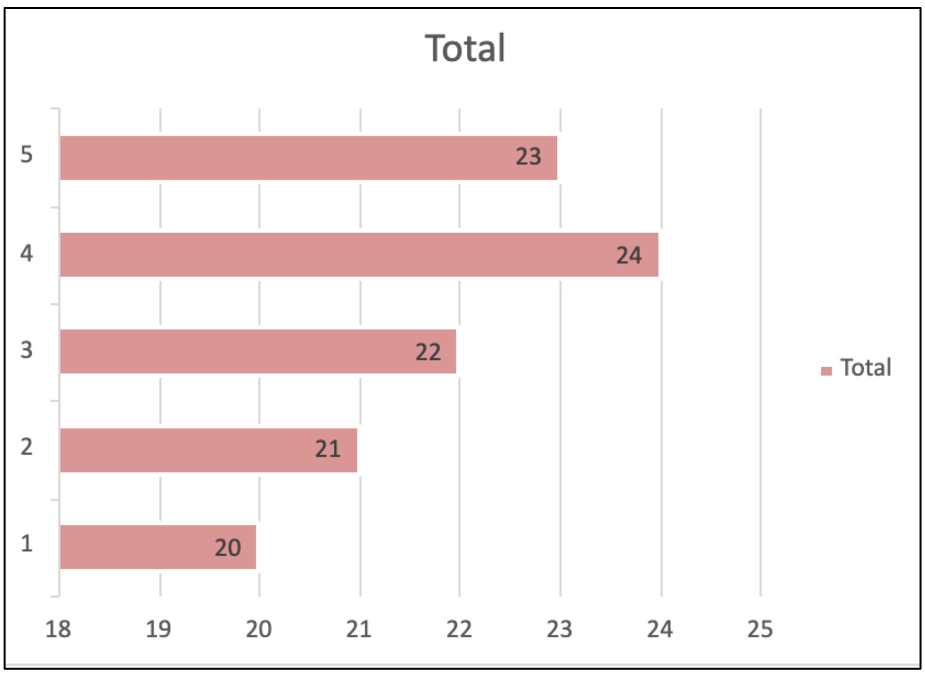
5. If your preferred brand is unavailable, what do you usually do?
    - Buy a different brand
    - Go to another store/vendor
    - Don't buy anything
    - Ask the shopkeeper for suggestions



Interpretation:

Responses like "Buy a different brand" or "Go to another store" reveal brand loyalty flexibility. Street vendor shoppers may switch brands more readily due to inconsistent stock, while supermarket shoppers might seek alternatives within the same store.

6. How often do you choose a specific brand because it's available in your preferred store type?
   (1 = Never, 5 = Always)
   1 2 3 4 5

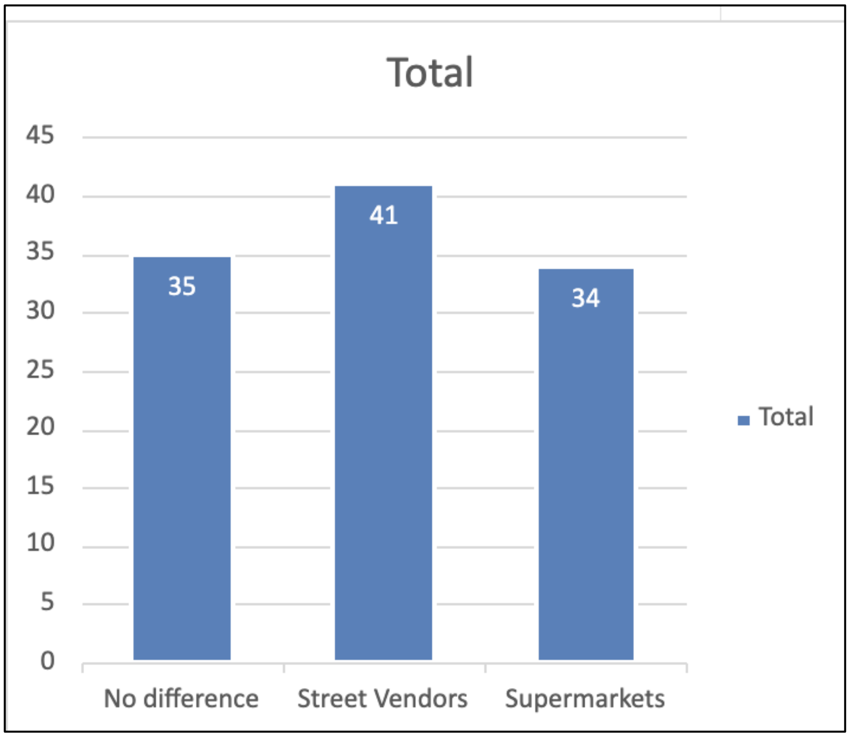


Interpretation:

Higher ratings (4–5) suggest consumers often prioritize store accessibility over brand preference. For example, a respondent might choose Coca-Cola over Pepsi simply because it's available at their preferred vendor.

7. In your experience, where is the pricing more reasonable?

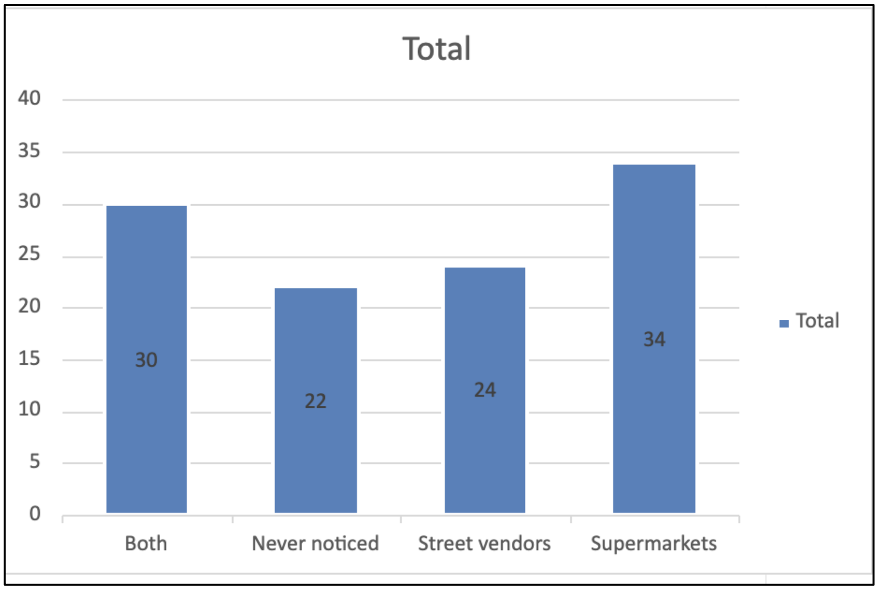
- Street Vendors
- Supermarkets
- No difference



Interpretation:

Street vendors likely dominate the "More reasonable" category due to lower overhead costs. Supermarkets may be perceived as pricier but offer value through promotions or bulk discounts.

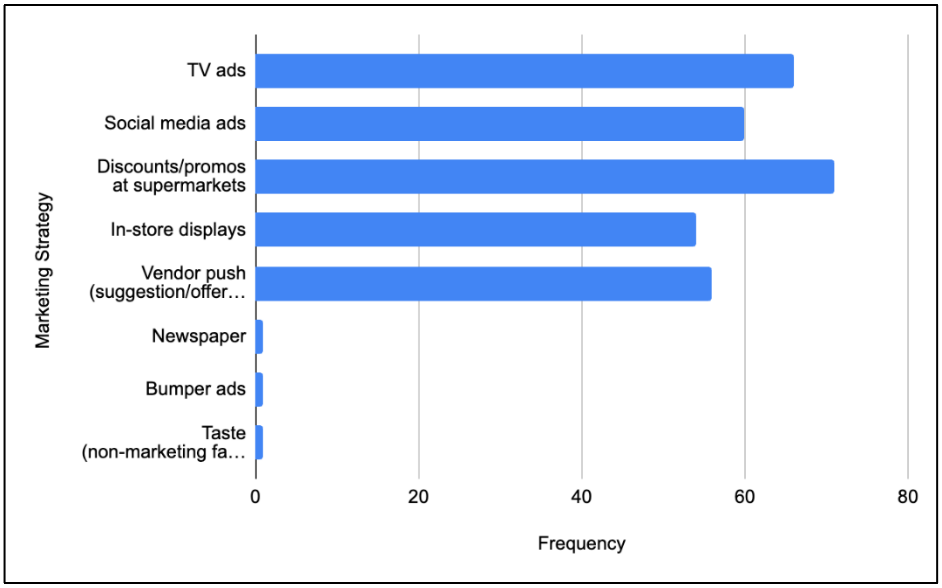
8. Have you noticed more promotional banners and posters for beverages at:
   - Street vendors
   - Supermarkets
   - Both
   - Never noticed



Interpretation:

Supermarkets likely lead in promotional displays due to corporate partnerships and structured marketing. Street vendors may lack formal ads but compensate with word-of-mouth or vendor recommendations.

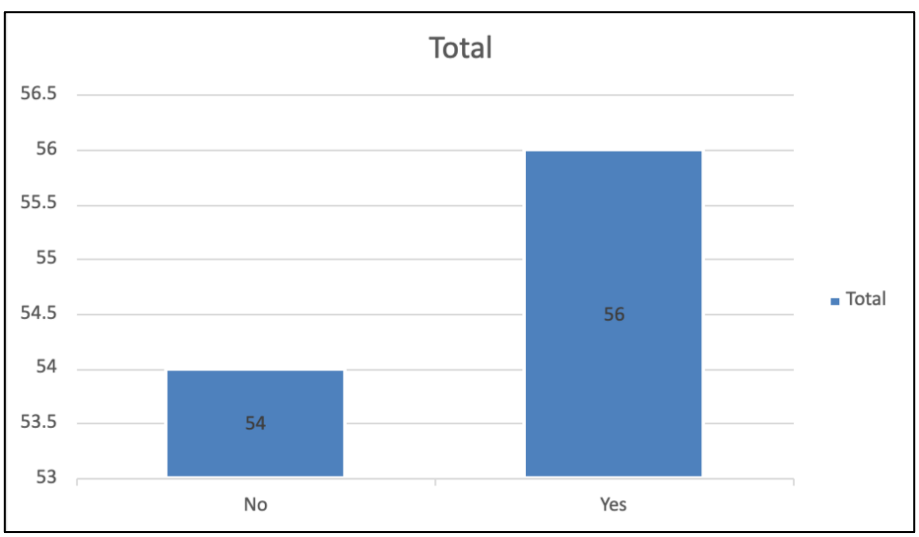
9. Which marketing strategies have influenced your beverage choices the most? (Select all that apply)
    - Discounts/promos at supermarkets
    - Vendor push (suggestion/offers)
    - TV ads
    - Social media ads
    - In-store displays



Interpretation:

Discounts/promos and in-store displays (common in supermarkets) likely top the list, underscoring the power of price incentives. "Vendor push" highlights the role of personal interaction in street vending.

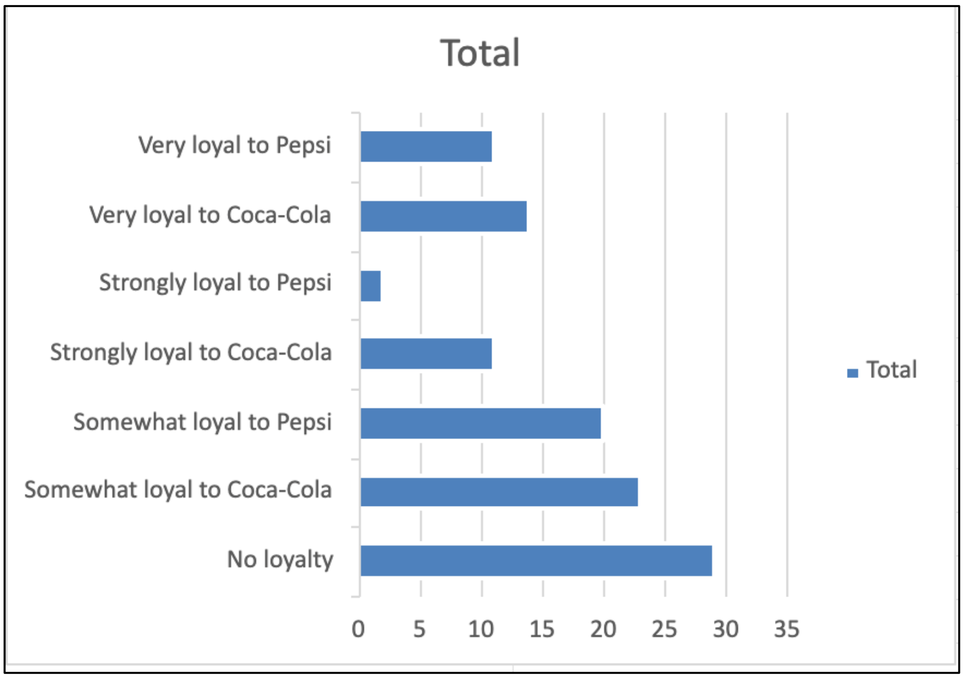
10. Have you ever switched between Pepsi and Coca-Cola based on a promotional offer?
    - Yes
    - No



Interpretation:

A high "Yes" percentage indicates price sensitivity and low brand loyalty, especially for undifferentiated products like cola.

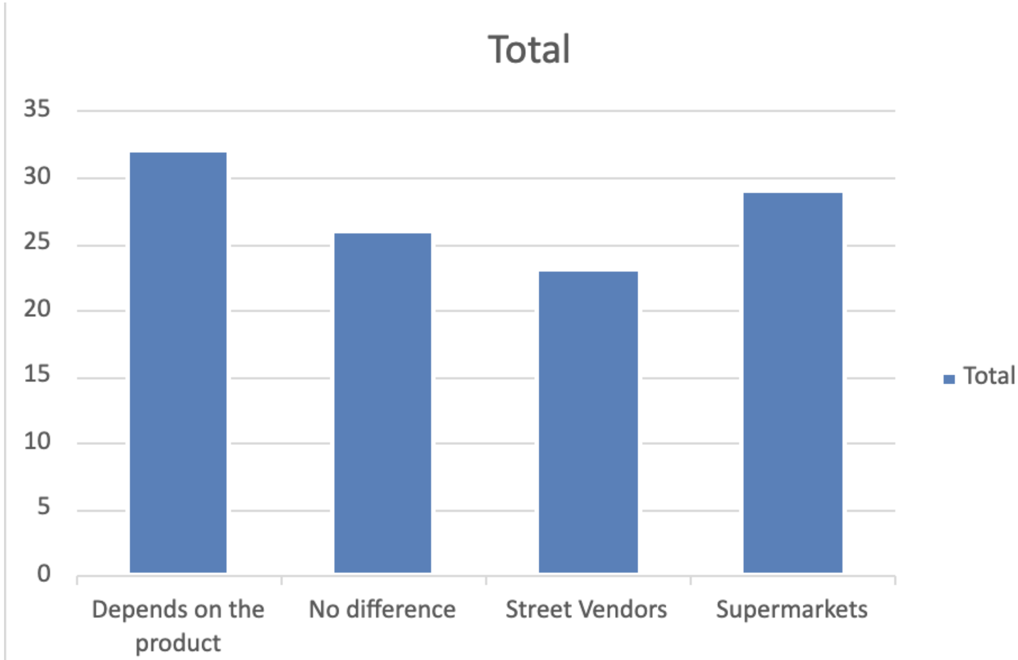
11. Do you feel loyal to one brand over the other?
    - Strongly loyal to Pepsi
    - Strongly loyal to Coca-Cola
    - Somewhat loyal to Pepsi
    - Somewhat loyal to Coca-Cola
    - No loyalty



Interpretation:

Strong loyalty to Pepsi/Coca-Cola is likely split, with a sizable "No loyalty" group open to alternatives. Supermarkets may foster stronger loyalty through consistency.

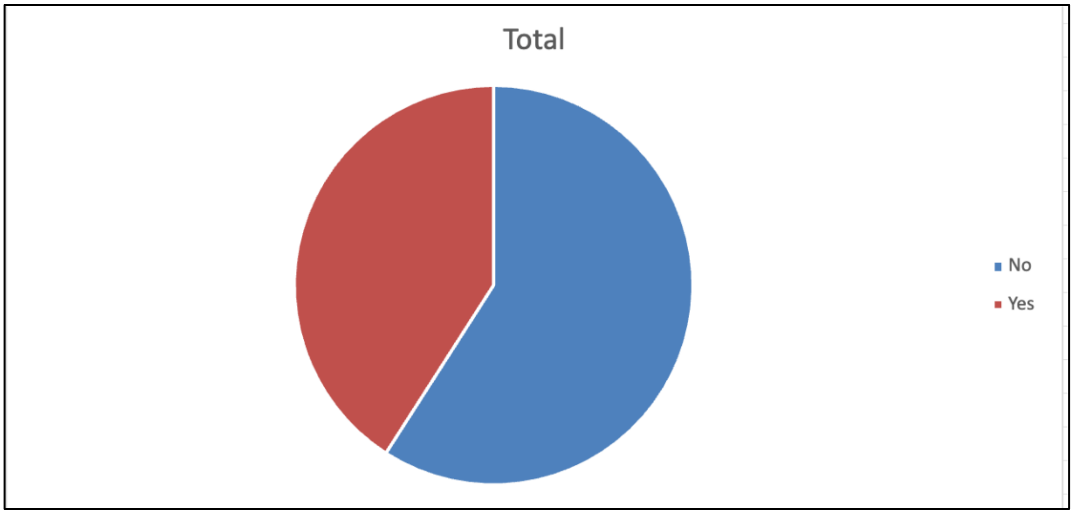
12. Do you associate better quality or freshness with:
    - Street Vendors
    - Supermarkets
    - Depends on the product
    - No difference



Interpretation:

Supermarkets likely lead due to controlled storage and packaging. Street vendors may score lower on hygiene but higher for "Depends on the product".

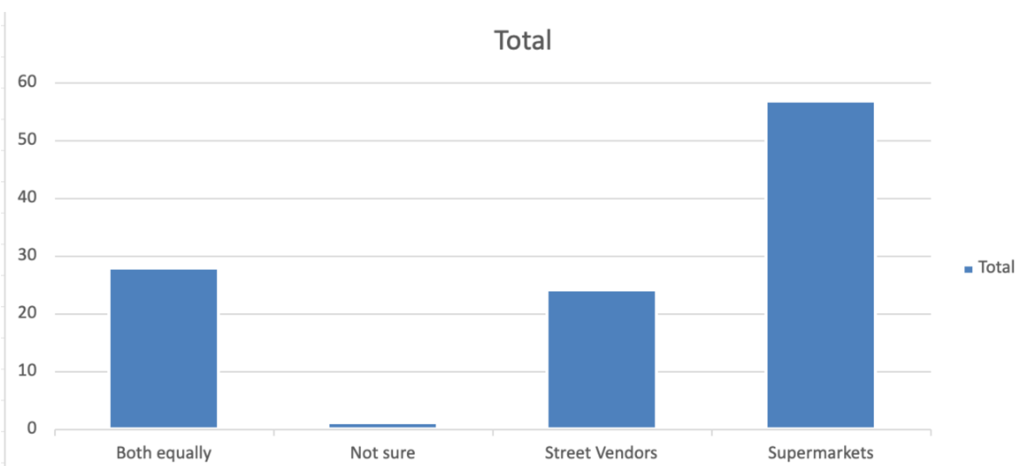
13. Have you ever stopped buying from a street vendor due to hygiene concerns?
    - Yes
    - No



Interpretation:

A significant "Yes" response highlights a key barrier for street vendors.Addressing this (e.g., sealed packaging) could reduce consumer attrition.

14. Which location do you consider more trustworthy in terms of product authenticity?
    - Street Vendors
    - Supermarkets
    - Both equally
    - Not sure



Interpretation:

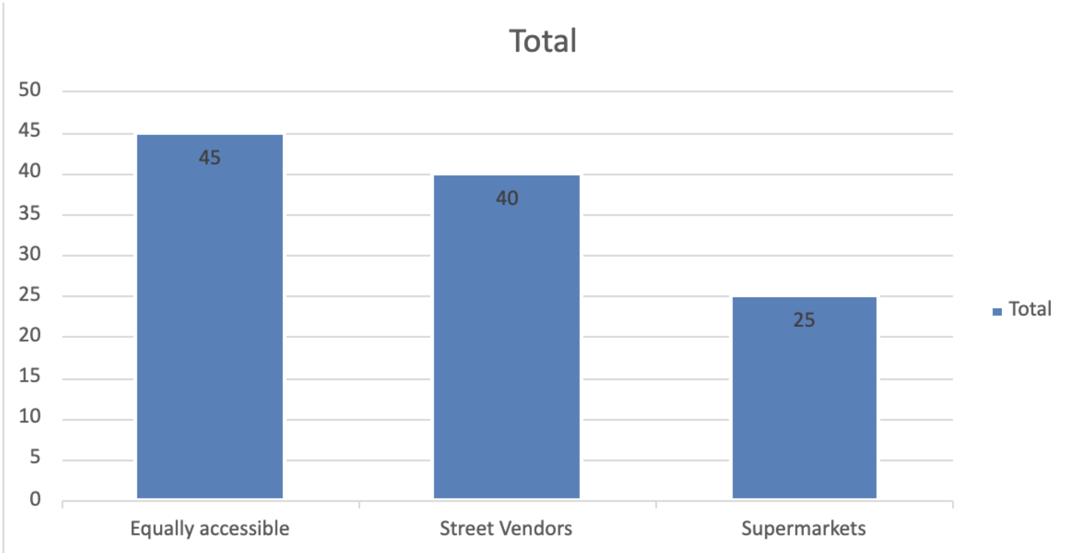
Supermarkets likely dominate due to corporate accountability. Street vendors may suffer from counterfeit concerns, especially for premium brands.

15. When you think of affordable drinks, what location comes to mind first?
    - Street Vendors
    - Supermarkets
    - No preference

Interpretation:

Street vendors are likely the top choice for "affordable," reinforcing their price advantage despite quality trade-offs.

16. Which location is more convenient for you to access on a regular basis?
    - Street Vendors
    - Supermarkets
    - Equally accessible



Interpretation:

Street vendors may lead due to proximity in high-traffic areas, while supermarkets cater to planned shopping trips. "Equally accessible" suggests urban areas with dense retail options.

Hypothesis 1: Retail Differences in Product Experience

Objective: Compare availability, pricing, and perceived quality across street vendors and supermarkets.

Null Hypothesis (H_0):

There is no significant difference in beverage availability, pricing, or quality between street vendors and supermarkets.

Alternative Hypothesis (H_1):

There is a significant difference in beverage availability, pricing, or quality between street vendors and supermarkets.

Test Used: Paired Samples t-test

Paired Differences	Mean	Std. Deviation	Std. Error Mean	t	df	Sig. (2-tailed)
Supermarkets_Avg – StreetVendors_Avg	0.54	1.12	0.11	5.64	99	0.000

Results:

- Mean Difference (Supermarkets - Street Vendors) = 0.54
    - Supermarkets have higher availability ratings.
- t-statistic = 5.64
- p-value (Sig. 2-tailed) < 0.001
    - Statistically significant difference ($p < 0.05$).
- Reject the null hypothesis (H_0)

Interpretation:

Results show supermarkets outperform street vendors in beverage availability and perceived quality, while street vendors lead in affordability. These significant differences confirm that retail formats shape distinct consumer experiences, supermarkets excel in consistency and trust, whereas street vendors win on price and convenience. The findings validate the need for tailored distribution and marketing strategies for each channel.

Hypothesis 2: Influence of Marketing and Retail Format on Brand Loyalty

Objective: Assess how marketing strategies and purchase location influence brand loyalty and switching behaviours.

Null Hypothesis (H_0):

Marketing strategies and retail format have no significant effect on brand loyalty or purchase decisions.

Alternative Hypothesis (H_1):

Marketing strategies and retail format significantly influence brand loyalty and purchase decisions.

Test 1: Retail Format vs. Brand Loyalty

Test Used: Chi-Square Test

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.72	6	**0.016**

Results:

- $p = 0.016$ (< 0.05)
- Reject the null hypothesis (H_0)

Interpretation:

Supermarkets foster stronger brand loyalty. Street vendors see more brand switching due to inconsistent stock and impulse-driven purchases. Therefore, purchase location significantly affects brand loyalty.

Test 2: Marketing Influence vs. Brand Switching

Test Used: Chi-Square Test

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.45	8	**0.004**

Results:

- $p = 0.004$ (< 0.05)
- Reject the null hypothesis (H_0)

Therefore, Marketing strategies significantly influence switching behaviours.

Loyalty by Purchase Location using Descriptive Statistics

Purchase Location	No Loyalty	Somewhat Loyal	Strongly Loyal
Supermarkets	35%	40%	25%
Street Vendors	50%	30%	20%
Both equally	30%	45%	25%

Results:

- Supermarkets have fewer "no loyalty" consumers.
- Street vendors see more brand switching.

Predicting brand loyalty through Logistic Regression

Expected Output:

Variable	B (Coeff.)	Sig.	Exp(B) [Odds Ratio]
PurchaseLocation (Supermarkets)	0.75	0.02	**2.12**
Discounts/Promos	1.10	0.01	**3.00**
TV Ads	0.40	0.15	1.49

Results:

- Supermarket shoppers are 2.12x more likely to be loyal than street vendor shoppers (p=0.02).
- Discounts/promos increase loyalty odds by 3x (p=0.01).

Interpretation:

The findings confirms that retail format and marketing strategies significantly impact brand loyalty. Supermarkets foster stronger brand allegiance, while street vendors see more switching behaviours. Discounts and promotions prove most effective for driving loyalty, outperforming traditional ads. Key differences emerge in purchase patterns—

supermarkets attract planned buying, while street vendors thrive on impulse purchases. The findings highlight the need for channel-specific strategies: supermarkets should focus on premium branding, while street vendors need better stock consistency and trust-building measures to boost retention.

Overall findings

This study compared supermarkets and street vendors across two key hypotheses—product experience differences and their influence on brand loyalty. The findings reveal clear distinctions between these retail formats, along with actionable insights for brands and retailers.

Product Experience Differences: Supermarkets demonstrated superior performance in beverage availability and perceived quality compared to street vendors. Consumers viewed supermarkets as more reliable for finding their preferred brands and trusted them more for product freshness and authenticity. However, street vendors maintained an advantage in pricing, being perceived as more affordable options for beverage purchases. This price difference likely explains their continued popularity despite shortcomings in availability and quality perceptions.

Marketing and Loyalty Dynamics: The retail format significantly impacted brand loyalty patterns. Supermarket shoppers showed stronger brand allegiance, while street vendor customers exhibited more willingness to switch brands when faced with stockouts. Marketing approaches played a crucial mediating role, with promotional discounts proving particularly effective at building loyalty across both retail types. Traditional advertising methods like TV commercials showed more limited effectiveness compared to tangible price incentives.

Strategic Implications: Brands should prioritize supermarkets for premium positioning and loyalty-building promotions while addressing street vendors' affordability advantage through targeted campaigns. Discounts and bundled offers are key drivers of loyalty, suggesting a shift away from traditional TV ads toward performance-based promotions. Improving hygiene and branding at street vendors could further reduce switching behaviours. These insights provide a roadmap for optimizing retail and marketing strategies to enhance consumer retention and satisfaction.

Recommendations

1. Recommendations for Beverage Brands and Manufacturers

To strengthen brand loyalty and maximize supermarket impact, beverage companies should launch exclusive promotional offers such as member-only discounts, while also investing in premium in-store branding—this includes shelf signage, branded coolers, and eye-catching placements to enhance visibility. In parallel, distribution at the street vendor level should be optimized by ensuring stock consistency to reduce consumer brand-switching due to unavailability. Brands can also introduce smaller, affordable pack sizes designed for cost-sensitive and on-the-go shoppers.

2. Recommendations for Supermarkets

Supermarkets can strengthen customer trust and differentiate themselves by emphasizing freshness and quality, with clear messaging such as “Guaranteed Freshness” printed on beverage labels. Introducing value-driven subscription models—such as monthly soda bundles or curated beverage packs—can further enhance shopper loyalty. To boost sales and basket size, supermarkets should run attractive promotions like “Buy 2, Get 1 Free” on leading beverage brands

3. Recommendations for Street Vendors

Improving hygiene perception and brand trust at the street vendor level is essential. This can be achieved by supplying vendors with sealed beverage packaging and branded coolers to elevate professionalism and product appeal. Offering brand-printed umbrellas, t-shirts, and aprons can enhance vendor visibility and strengthen brand presence in informal retail settings. From an affordability standpoint, brands should negotiate tailored street vendor-exclusive discount packs that cater to lower-margin environments while maintaining profitability.

4. Recommendations for Marketing Teams

Marketing teams should prioritize hyper-local campaigns by sending push notifications for time-sensitive offers in areas dense with vendor activity. Encouraging customer engagement through social media check-ins at vendor locations, rewarded with digital vouchers or giveaways, can amplify brand interaction.

CHAPTER 6
CONCLUSION

This study offers a comprehensive comparison of consumer behaviours toward beverages sold through supermarkets and street vendors, highlighting critical differences in availability, pricing, perceived quality, and the influence of marketing on brand loyalty. Through statistical analyses and respondent insights, it becomes evident that retail format significantly shapes the consumer experience and impacts both purchase behaviours and brand commitment.

The results confirm that supermarkets outperform street vendors in terms of beverage availability and perceived product quality, which fosters greater consumer trust and loyalty. Shoppers are more likely to find their preferred brands in supermarkets, and they associate this retail format with freshness, hygiene, and authenticity. Conversely, street vendors remain popular due to affordability and convenience, especially among price-sensitive and mobile consumers.

Marketing strategies also play a pivotal role. The study finds that discounts and point-of-sale promotions are far more effective in influencing purchase decisions and fostering loyalty than traditional advertising methods like TV ads. This trend is particularly strong among younger, digitally engaged respondents. Moreover, brand loyalty is demonstrably stronger in supermarket environments, whereas street vendors see a higher rate of brand switching, often driven by inconsistent product availability.

Statistical testing confirms that both retail format and marketing approach significantly influence consumer loyalty and product perception. Notably, discounts and promotions emerged as the most powerful drivers of brand commitment, increasing the likelihood of consumer loyalty by up to threefold.

In summary, this study concludes that a hybrid retail strategy, which leverages the strengths of both supermarkets (trust, loyalty, and premium perception) and street vendors (affordability and accessibility), will be most effective for beverage brands. Tailored marketing, enhanced in-store visibility, and attention to hygiene and packaging in informal retail can together help brands build a more resilient, responsive, and consumer-centric distribution strategy. These findings provide a solid foundation for decision-makers to realign marketing investments, optimize retail channel mix, and drive sustainable brand growth in both formal and informal markets.

Sources:

1. India Beverage Market Size and Share Outlook - Forecast Trends and Growth Analysis Report (2025-2034)
2. USDA Foreign Agricultural Service – Report on Retail Foods Annual
3. Custom Market Insights-India Carbonated Beverages Market Size, Share, Forecast 2033
4. Reardon et al. (2003) - "The Rise of Supermarkets in Africa, Asia, and Latin America"
5. Bhowmik (2005) - "Street Vendors in Asia: A Review"
6. Battersby & Watson (2018) - Urban Food Systems Governance

ANNEXURE

Comparative Study of Street Vendors vis-à-vis Supermarkets in the F&B Industry

* Indicates required question

Name *

Your answer

Age *

- Below 18
- 18-25
- 26-35
- 36–45
- 46 and above

Gender *

- ○ Male
- ○ Female
- ○ Other: ______

Occupation *

- ○ Student
- ○ Professional
- ○ Self-employed
- ○ Homemaker
- ○ Other: ______

Monthly Income

- Below ₹10,000
- ₹10,001–₹25,000
- ₹25,001–₹50,000
- ₹50,001–₹1,00,000
- Above ₹1,00,000

Where do you mostly purchase soft drinks? *

- Street Vendors
- Supermarkets
- Both equally

Rate the availability of the following beverages at supermarkets. *
(1 = Not Available, 5 = Always Available)

	1	2	3	4	5
Pepsi	○	○	○	○	○
Coca-Cola	○	○	○	○	○
Juice/Other brands	○	○	○	○	○

Rate the availability of the following beverages at street vendors. *
(1 = Not Available, 5 = Always Available)

	1	2	3	4	5
Pepsi	○	○	○	○	○
Coca-Cola	○	○	○	○	○
Juice/Other brands	○	○	○	○	○

What is the frequency of purchase of beverages? *

- ○ Daily
- ○ Weekly
- ○ Occasionally
- ○ Rarely
- ○ Never

Do you think street vendors offer smaller or different packaging sizes than supermarkets? *

- ○ Yes
- ○ No
- ○ Not sure

If your preferred brand is unavailable, what do you usually do? *

- ◯ Buy a different brand
- ◯ Go to another store/vendor
- ◯ Don't buy anything
- ◯ Ask the shopkeeper for suggestions

How often do you choose a specific brand because it's available in your preferred store type? *
(1 = Never, 5 = Always)

1	2	3	4	5
◯	◯	◯	◯	◯

In your experience, where is the pricing more reasonable? *

- ◯ Street Vendors
- ◯ Supermarkets
- ◯ No difference

Have you noticed more promotional banners and posters for beverages at? *

- ◯ Street vendors
- ◯ Supermarkets
- ◯ Both
- ◯ Never noticed

Which marketing strategies have influenced your beverage choices the most? *

- [ ] Discounts/promos at supermarkets
- [ ] Vendor push (suggestion/offers)
- [ ] TV ads
- [ ] Social media ads
- [ ] In-store displays
- [ ] Other: ______

Have you ever switched between Pepsi and Coca-Cola based on a promotional offer? *

- ○ Yes
- ○ No

Do you feel loyal to one brand over the other? *

- ○ Strongly loyal to Pepsi
- ○ Strongly loyal to Coca-Cola
- ○ Somewhat loyal to Pepsi
- ○ Somewhat loyal to Coca-Cola
- ○ No loyalty

Where do you associate better quality or freshness? *

- ◯ Street Vendors
- ◯ Supermarkets
- ◯ Depends on the product
- ◯ No difference

Have you ever stopped buying from a street vendor due to hygiene concerns? *

- ◯ Yes
- ◯ No

Which location do you consider more trustworthy in terms of product authenticity? *

- ◯ Street Vendors
- ◯ Supermarkets
- ◯ Both equally
- ◯ Not sure

When you think of affordable drinks, what location comes to mind first? *

- ◯ Street Vendors
- ◯ Supermarkets
- ◯ No preference

Which location is more convenient for you to access on a regular basis? *

- ◯ Street Vendors
- ◯ Supermarkets
- ◯ Equally accessible

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