Abstract
Street food vending has been exhibited as the most common form of informal business; (Muzaffar, Huq and Mallik, 2009; Cross, 2000) at the same time, it is a form of traditional microenterprise in a modernized world (Tinker, 2003). Street food vending in recent times also has the characteristic to shift from modernism to post modernism (Cross, 2000) and can solve the problems related to being informal by becoming formal.

Because of the non-taxpaying business model of the street food stalls, the official number of the vendors is not easy to collect. However, according to a report, around 200,000 street food vendors are operating their businesses at present, in Dhaka city (Ahmed, 2000).

This study aims to discuss the different marketing practices undertaken by a local tea café (Street food vendor operated in informal sector) in Bangladesh and how it transformed from being a street cart in the informal sector to a strong brand, operating a larger scale business as a formal enterprise.

Since the British Era, tea has become one of the most popularly consumed drinks in Bangladesh. A large portion of the street vendors in Bangladesh are local versions of tea houses or tea stalls, colloquially called ‘tong’s; in recent times, different types of newer form and typed of tea stalls or cafes have emerged in the urban areas to serve the trendy millennial customers. The business “Ek Cup Cha” (which translates to ‘A Cup of Tea’) stands for such an effort; it could be classified as a modernized version of a local tea stall, serving a variety of tea based hot beverages to its customers.

This study explores the nature of transformation of this small yet trendy street-side cart from an inadequate informal business status to an emerging brand.

To fulfill the desired study objectives, a single, inductive case study approach was adopted, as Yin (1994) suggested that the case study approach is an appropriate method to interpret questions such as ‘How’ and ‘Why’ about contemporary dealings over which, the researchers have less or no control.

The information was collected using an in-depth interview consisting of a set of standardized open-ended questions. The interviewee was Mr. Simanto Redwan, one of the owners of the business ‘Ek Cup Cha’. The questions were designed in a way which would present a holistic understanding of the business. The interview was conducted over multiple sessions in a conversational approach in order to ensure the absence of any sort of inhibition from the interviewee’s perspective. However, various information, (such as detailed financial data) could not be collected to aid the report, as the owners of the café deemed those to be confidential.

The case study revealed that, during the early days of the business, in the informal sector, ‘Ek Cup Cha’ managed to utilize an effective crowd control technique. The owners started off each day by inviting a lot of their friends to taste their tea. A large group of their friends and acquaintances visited the street cart throughout the day and formed a small crowd around it. The people within the vicinity of the cart would notice the crowded atmosphere surrounding it and be immediately drawn to tasting the variety of tea based hot beverages the cart had to offer.

In November 2015, the unforeseen decision from the Government to shut down most of the street vendors was the primary reason for ‘Ek Cup Cha’ to prematurely shift to the formal sector by changing itself from a street cart and metamorphosing into a tea café. The move towards the formal sector made it initially difficult to promote their tea. However, positive word of mouth, proper utilization of social media marketing, different seasonal
discount offerings, openness to customer suggestion & complaints and a unique value proposition helped the café’s survival and rapid growth in the highly competitive formal business sector.

The new transformed formal sector tea café is located around the busy food street of the area known as Khilgaon. The bustling environment of the area posed a threat of strong competition for ‘Ek Cup Cha’. To survive in the competitive surroundings, ‘Ek Cup Cha’ merged with a Mexican themed restaurant/café called ‘Taco-Loco’. Following the merger, the café got the access to more personnel and an expanded portfolio of food items to offer aside from their signature tea.

The independent enterprise’s aesthetic outlook, ambiance and strategically thought-out geographic locations worked as core competencies for the business as a whole resulting in a successful transformation.

References


Keywords: informal street food, tea, business transformation, branding, marketing practices, Dhaka

Relevance to Marketing Educators, Researchers and Practitioners: The findings of this case study aims to facilitate the scholars and assist them in further studies of this new thriving marketing trend of transforming successful informal street food businesses into successful brands in the formal sector. The study will benefit everyone in the marketing field to understand the business model of the chosen café and explore the various marketing strategies street food carts in the informal sector can implement after a shift to the formal one.

Author Information
Tanveer Kabir is a lecturer in Department of Business Administration at East West University, Dhaka, Bangladesh.

Sayed Arafat, is an Undergraduate student in Department of Business Administration at East West University, Dhaka, Bangladesh.

M Sayeed Alam is an Assistant Professor in Department of Business Administration at East West University, Dhaka, Bangladesh.

TRACK: Entrepreneurship/ Small Business Marketing