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Market Penetration of a Premium Dairy Brand through General and Modern Trade: Exploratory Field Evidence from Pune, India

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Abstract

A premium dairy brand entering an established city market has to win over two very different people: the neighbourhood retailer in general trade (GT) and the shopper in modern trade (MT). This paper reports an exploratory field study of Sid's Farm, a dairy brand that sells on laboratory testing and quality, carried out during a two-month on-the-job training placement in Pune (May–July 2026). I draw on a recorded retailer funnel from Wakad (53 retailers approached), a brand-availability audit of those same 53 outlets, and field observation of customer interactions, freezer merchandising and two sampling activities at a modern-trade store in Baner. Reading the evidence through Ansoff's market-penetration logic, the AIDA model and retailer relationship management, I find five things. First, 77.8% of interested retailers (21 of 27) placed a first order, yet only 39.6% of everyone approached did. Second, 13 of the 21 first-order retailers (61.9%) were recorded as reordering, while 6 had stopped. Third, Govind and Amul were present in 94.3% and 88.7% of audited outlets, so entry means competing for shelf space that is already taken. Fourth, the main GT barriers were price, demand uncertainty, margin and cold-chain-related spoilage, while MT shoppers pushed back on price, loyalty and low visibility. Fifth, high-protein curd and paneer drew stronger interest in a fitness-adjacent store, and sampling was followed by observed purchase interest in other SKUs. The study is descriptive, rests on a convenience field frame and cannot establish causal effects. What it offers is a channel-specific penetration model and a set of testable propositions for later survey and experimental work.

Keywords: *market penetration; general trade; modern trade; dairy marketing; retailer acquisition; in-store sampling; cold chain; Pune*

1. Introduction

India is one of the world's largest dairy economies. The National Dairy Development Board (NDDB, 2025) put milk production at about 250 million tonnes for 2024–25, with per-capita availability of roughly 490 grams a day. The category is changing as it grows. Premium products, protein- and health-led offerings, quick commerce and rising expectations about food-safety transparency are all pulling it in new directions. That is an opening for a challenger brand, but a difficult one. People buy dairy out of habit, they trust the names they already know, and the product spoils. One lapse in availability or freshness, and credibility goes with it.

Selling existing products more effectively in an existing market is what Ansoff's (1957) product–market framework calls market penetration. For a brand that is already in a city, penetration is mostly a question of execution: finding new outlets, keeping them supplied, making the product visible, getting people to try it and giving them a reason to come back. How that plays out depends on the channel. In general trade, which covers kirana stores, supermarkets and chemist outlets, the retailer decides whether the product gets stocked, and decides on commercial grounds. In modern trade the product is already on the shelf, so the question shifts to whether a shopper notices it, trusts it and tries it.

This paper looks at that two-gatekeeper problem using data from my field placement with Sid's Farm, a dairy



company that positions itself on laboratory testing, purity and the absence of preservatives. Practitioner reports often compare channels without so much as a recorded funnel behind them, and they tend to blur sampling or merchandising observations into causal claims. I have tried to avoid both. The contribution here is deliberately modest: I report what was recorded, mark what was only approximate, and draw out propositions that more structured research can test.

The rest of the paper is organised as follows. Section 2 covers the conceptual and empirical background and Section 3 sets out the research questions. Section 4 describes the field setting and data, Section 5 presents the results, and Section 6 discusses them. Section 7 turns to managerial implications, and Section 8 covers limitations and future research before the conclusion.

2. Background and Conceptual Framework

2.1 Dairy consumer behaviour in India

Research on Indian dairy consumers rarely points to a single purchase driver. Srivastava, Das and Giri (2021) look at purchase frequency, brand loyalty and what shapes dairy buying more broadly. Parasuraman et al. (2021) review consumer choice and preference for dairy-based products and report that quality and nutrient content are major influences, with price and promotion also mattering. Arora (2020) uses conjoint analysis on packaged milk and finds taste, price, availability and brand to be significant attributes. Regional studies carry this further: Dash and Anand (2013) in Jaipur and Tandle and Dubey (2025) in Parbhani, Maharashtra, examine buying behaviour and satisfaction across dairy companies. Read together, these studies suggest that a premium entrant has to justify its price with credible quality signals while still being easy to find and familiar.

2.2 Retailer acceptance in general trade

Retailer relationship management treats stocking as a risk decision. A shopkeeper weighs margin, expected movement, supply reliability, freshness and the cost of stock that gets damaged or expires. A new, premium-priced brand asks the retailer to carry all of that risk, often while pushing aside or sitting next to something already established. So commercial reassurance, meaning clear margins, regular supply and return-to-vendor (RTV) support, counts for as much as product claims. In a perishable category there is one more condition, cold-chain discipline at the outlet, and the brand does not fully control it.

2.3 Visibility, trial and the AIDA sequence in modern trade

In modern trade, where a product sits on the shelf or in the freezer decides whether anyone notices it. The AIDA model (Attention, Interest, Desire, Action) maps neatly onto in-store selling. Placement earns attention, a personal pitch creates interest, talking about quality and benefits builds desire, and sampling lowers the perceived risk of a first purchase. Research on in-store sampling and product trials in Indian FMCG contexts (Harshil & Khan, 2020; Jacob & Aruwaji, 2021) links sampling to purchase intention and buying behaviour, which supports using it as a penetration tool. I rely on this work for theoretical support only and do not claim comparable statistical effects.

2.4 Conceptual framework

Putting these strands together, the study works with a penetration chain. Perceived quality and testing build trust, and trust supports retailer acceptance, then availability, visibility, trial, purchase and finally repeat purchase. Any link can break, and where it breaks depends on the channel: acceptance and supply reliability in GT, visibility and trial in MT.

Figure 1. *Penetration chain: Quality/testing → Trust → Retailer acceptance → Availability → Visibility → Trial → Purchase → Repeat purchase.*



3. Research Questions

- RQ1. How do the penetration mechanisms of a premium dairy brand differ between retailer-led general trade and consumer-led modern trade in Pune?
- RQ2. What retailer and shopper barriers (price, competition, familiarity, supply, cold chain, visibility, trust) were observed most often?
- RQ3. What does the recorded GT funnel and outlet audit reveal about acceptance, repeat ordering and competitive intensity?
- RQ4. What practical, channel-specific actions are supported by the evidence?

4. Research Design and Data

4.1 Setting and design

This is a descriptive, exploratory study built on field evidence from a single brand. The fieldwork ran from May to July 2026 under the supervision of the company's Retail Head and covered two channels. GT work took place in the Wakad area of Pune between 9 AM and 2 PM. I visited roughly 9–10 retailers a day and took orders face to face against a sales target of
₹25,000. MT work took place at Deli Essentials in Baner between 2 PM and 9 PM, promoting curd, lassi, buttermilk, butter and paneer against a target of ₹20,000. The Baner store sits below a gym, which shaped who walked in.

4.2 Data and their status

I have tried to keep exact records and approximations clearly apart, as Table 1 summarises.

Table 1. Data sources and their evidentiary status

Data	Description	Status
GT retailer funnel	53 retailers approached; 27 interested; 21 first orders; 13 reorders; 6 stopped; 2 unclassified	Recorded, exact
GT outlet audit	Brands stocked in each of the 53 outlets; numeric average daily sales where reported	Recorded; sales available for a subset
GT retailer remarks	Qualitative field notes, objections and responses	Qualitative
MT approaches	About 10–15 customer approaches per working period	Approximate
MT interactions	About 30–35 customer interactions	Approximate
MT observations	Freezer placement, weekend peaks, sampling response	Qualitative
Secondary sources	NDDB annual report; FSSAI framework; company website; academic literature	Published

4.3 Sampling and analysis

In GT, I covered the assigned Wakad territory instead of drawing a probability sample, so the unit of analysis is the retail outlet. In MT, I spoke with shoppers who happened to visit the freezer area. The number of unique customers was not recorded, which is why I report no consumer sample size or conversion rate. The analysis itself is simple: descriptive proportions from the GT records, brand-presence counts from the outlet audit, and



thematic grouping of objections and observations. I report no inferential statistics because the sampling frame cannot support generalisation.

5. Results

5.1 General trade: the retailer funnel

Of the 53 retailers approached, 27 (50.9%) showed interest and 21 (39.6%) placed a first order. Once a retailer was interested, the order usually followed: 77.8% (21 of 27) converted. The weak spot came earlier, since about half of all approaches did not spark interest at all. Among the 21 first-order retailers, 13 (61.9%) were recorded as having reordered, 6 (28.6%) had stopped or never reordered, and 2 (9.5%) had no follow-up classification.

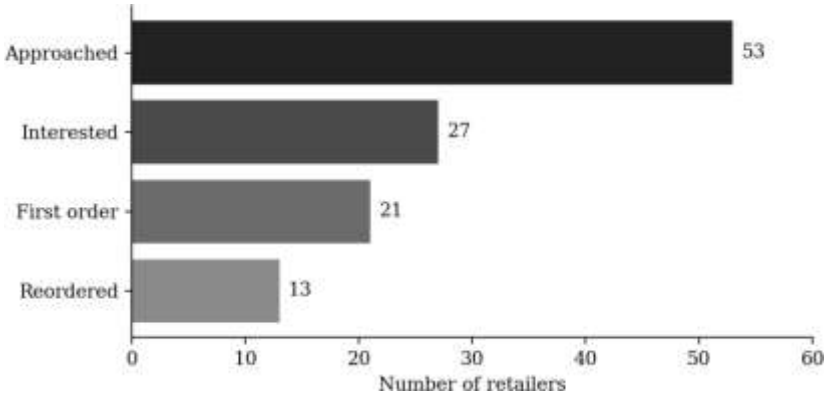


Figure 2. GT retailer funnel, Wakad (n = 53 retailers approached)

Table 2. GT funnel indicators

Indicator	Count	Rate
Approached → interested	27 of 53	50.9%
Approached → first order	21 of 53	39.6%
Interested → first order	21 of 27	77.8%
First order → reordered	13 of 21	61.9%
First order → stopped / never reordered	6 of 21	28.6%
First order → no follow-up classification	2 of 21	9.5%

Two leaks matter here. One is the failure to spark interest at the first visit. The other is the failure to keep outlets once they are won. A reorder rate of 61.9% is encouraging for a new premium brand, but it leaves more than a third of acquired outlets inactive or unclassified. That argues for systematic follow-up after acquisition.

5.2 General trade: competitive intensity

The outlet audit shows that Sid's Farm walked into shelves already held by regional and national incumbents. Govind was stocked in 50 of 53 outlets (94.3%) and Amul in 47 (88.7%), followed by Katraj (67.9%), Gowardhan (54.7%) and Chitale (43.4%). Premium and value-added competitors were much less widespread: ID (18.9%), Epigamia and Milky Mist (13.2% each), Mother Dairy (3.8%) and Pride of Cows (1.9%).

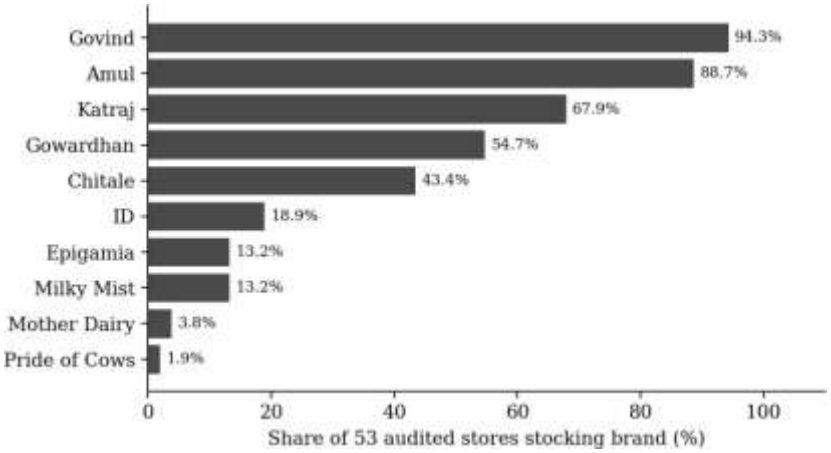


Figure 3. Brand presence across the 53 audited GT outlets

Where numeric daily-sales entries were recorded, Govind reported the highest average curd movement (11.27 units per day, n = 51), followed by Amul (10.0, n = 2, too few to interpret), Gowardhan (8.75, n = 20) and other brands (7.92, n = 12). For paneer, Govind (7.06, n = 17), ID (6.88, n = 8) and Gowardhan (6.25, n = 20) led among brands with adequate entries. These figures describe the audited outlets only and are not market-share estimates. Two field notes also add nuance to the premium opportunity. Some retailers did not stock paneer at all because their customers relied on loose local dairy supply, while others showed interest in specific Sid's Farm products such as curd, buttermilk, lassi and paneer.

5.3 General trade: objections and responses

Table 3. Retailer objections and the responses used

Retailer objection	Response used in the field
High price	Explain premium quality, laboratory testing and product value
Existing brand loyalty	Explain differentiation and offer trial
Demand uncertainty	Build confidence through supply reliability and product movement
Margin concern	Explain retailer margin
Supply concern	Emphasise regular supply
Damaged or expired stock risk	Explain RTV availability
Early spoilage	Explain the importance of cold-chain maintenance

Most objections, then, were about retailer risk and not about the product itself. The early-spoilage complaints came from retailers who could not maintain refrigeration, and they show how a distribution problem can end up being read as a product-quality problem.

5.4 Modern trade: visibility, interest and sampling

At the Baner store, about 10–15 customers were approached and about 30–35 interactions were observed. Saturday and Sunday were the peak periods. High Protein Curd and paneer drew stronger interest, which fits the store's proximity to a gym and its health-conscious footfall. Price was the main objection. Some customers already bought the brand through quick-commerce platforms, which suggests that digital availability can help discovery. Competitor brands held their ground through lower prices, familiarity, loyalty and trust.

I tried two interventions. First, I moved products towards the front of the freezer, which improved visibility and made it easier to start conversations. Second, I ran two weekend sampling activities handing out small packs of Cow Dahi. Customers responded positively, and purchase interest in other SKUs was observed afterwards. No pre/post sales data were collected, so I treat this as a directional observation and not a measured sales uplift.



5.5 Channel comparison

Table 4. General trade versus modern trade

Dimension	General trade (Wakad)	Modern trade (Baner)
Primary decision maker	Retailer	Shopper
Main barriers	Price, margin, demand uncertainty, supply	Price, loyalty, trust, visibility
Main lever	Retailer economics and relationship	Visibility, sampling, personal selling
Product opportunity	Broad portfolio with retailer support	High Protein Curd and paneer
Peak opportunity	Route coverage and follow-up	Weekend footfall
Key risk	Cold chain and spoilage	Low visibility and price resistance

6. Discussion

The results back the central premise that penetration depends on the channel. In GT, the binding constraint is the retailer's risk calculation. Interest converted to orders at a high rate (77.8%), which suggests that once a retailer engages with the margin, supply and RTV proposition, resistance falls. The weaker links are getting that engagement in the first place and then sustaining it, as the 61.9% reorder figure shows. This fits the retailer-relationship view that commercial reassurance matters as much as product claims.

The audit adds a competitive angle. Entry was into outlets dominated by Govind and Amul, which also reported the strongest movement wherever numeric data existed. A premium challenger is therefore up against familiarity and habit as well as price. The field notes suggest that the quality and testing claim is a credible differentiator, but it has to be put to retailers and shoppers in simple terms.

In MT, the AIDA lens is a useful way to read what happened. Front-freezer placement dealt with attention, the personal pitch with interest, and sampling with the barrier to trial. The strong interest in High Protein Curd and paneer suggests that contextual segmentation, here health-conscious shoppers near a gym, can make a premium proposition easier to sell than the same pitch for every SKU. The positive response to sampling is consistent with the sampling literature. But it rests on unrecorded counts and has no control, so it should be treated as a hypothesis.

Finally, the cold-chain finding shows that in a perishable category, marketing and distribution cannot be separated. A retailer who has seen stock spoil is unlikely to reorder however good the original pitch was. That may partly explain the retailers who stopped, although the records do not let me test the link.

6.1 Propositions for future testing

- P1. Retailer reorder behaviour is positively related to perceived margin clarity, supply regularity and cold-chain support.
- P2. Introductory sampling increases trial and cross-SKU purchase relative to non-sampled periods, controlling for footfall and day of week.
- P3. Front-of-freezer placement increases customer-initiated interactions compared with rear placement.
- P4. Health-oriented SKUs convert better in fitness-adjacent stores than in general retail stores, holding price constant.
- P5. Price resistance to a premium dairy brand falls when quality and testing information is made visible at the point of purchase.



7. Managerial Implications

Table 5. Evidence-linked recommendations

Action	What to do	Evidence
GT follow-up system	Log first order, reorder date, lead SKU, issue and next follow-up for every acquired outlet	13 of 21 reordered; 6 stopped; 2 unclassified
Cold-chain support	Provide simple storage guidance and retailer education	Spoilage complaints
Hero SKUs in MT	Lead with High Protein Curd and paneer in fitness-linked stores	Stronger observed interest at Baner
Systematic weekend sampling	Record packs distributed, approaches, trials and observed purchases	Positive response to two activations
Visibility	Front-facing freezer placement and clear shelf communication	Visibility intervention at Baner
Selective offers	Use introductory bundles or sampling-linked offers rather than blanket discounts	Price resistance in both channels
Local awareness	In-store, retailer and fitness-partner communication, within food-claims regulation	Low familiarity versus incumbents

One thread runs through all of this: measurement. Several of these actions already happen informally. Recording them turns informal selling into a programme that can be evaluated.

8. Limitations and Future Research

The study covers one GT territory (Wakad), one MT store (Baner) and one brand over about two months, so it does not represent the Pune dairy market. The GT frame is territorial coverage, not a probability sample. MT figures are approximate, and no structured consumer questionnaire was used. I do not know the total number of unique retailers approached across the whole placement, nor how long retailers stayed beyond their recorded reorder status. Sampling effects were not measured against a control. Outlet-level sales figures exist only for some stores and brands. Verified market-share and company financial data were not available, and I have not inferred any. Finally, the data were gathered by a participant-observer who was selling at the same time, which may tilt interpretation in the brand's favour.

Future work should do six things: (i) survey 100–200 Pune consumers across both channels on awareness, price sensitivity, purchase intention and repeat purchase; (ii) collect retailer-level margin, stock movement and reorder data over time; (iii) run pre/post or matched-store experiments on sampling and freezer placement; (iv) estimate price elasticity for selected SKUs; (v) compare several Pune neighbourhoods; and (vi) analyse quick-commerce availability and ratings, which interact with offline purchase.

9. Conclusion

This paper offers exploratory field evidence on how a premium dairy brand can deepen its presence in an existing city market through two retail channels. In general trade, retailer acceptance depends on margin, supply, return support and cold-chain reliability, and keeping retailers takes deliberate follow-up. In modern trade, penetration depends on visibility, targeted pitching and trial, and health-oriented products showed the clearest promise in a fitness-adjacent store. In both channels the brand's quality and testing proposition is an asset, but it only pays off once it is turned into something retailers and shoppers can see and value commercially. Because the evidence is descriptive and tied to context, the findings are best read as practical lessons and hypotheses for a



larger, measured study.

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