

# RETAIL AND TOURISM:

## A BOND MADE FOR PUBLIC AND SOCIAL DEVELOPMENT

No matter where they travel, shopping is a default activity for both domestic as well as international travellers. Tourists pick up a variety of goods while travelling, both for their own needs and as gifts for their loved ones as souvenirs, which has supported souvenir industry world over.

The crucial connection between the tourism sector and retailing is known as retail tourism, also known as shopping tourism. Shopping, purchasing regional goods, and sampling regional cuisine are all essential components of the tourist experience. Therefore, if a country's tourism sector grows, it opens numerous opportunities for retailers to profit from the influx of tourists, both domestic and foreign.



# INTRODUCTION



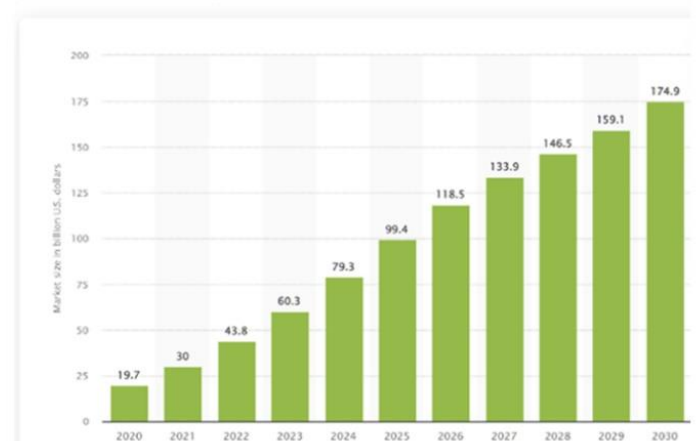
The development of retail and tourism, both of which suffered significant setbacks during the COVID era, have recently regained a lot of steam.

Although these two development areas may appear to be separate, community leaders must understand the crucial connection between these initiatives and avoid managing retail and tourism development separately, especially in countries where this is a prominent industry eg- Dubai.

The size of the global travel retail market, which was estimated to be worth \$60 billion in 2020, is expected to increase to more than \$174 billion by 2030. Retailers in tourist areas cater to a different kind of customer than regular shoppers. This presents an opportunity to profit from "shopping tourism," which refers to traveller decisions that are moderately or significantly influenced by retail activities.

In this article, we'll go in-depth on shopping tourism, including what it is and how one you can use it to expand their business.

Global travel retail market size in 2020, with a forecast  
(in billion U.S. dollars)



## Retail: A Tourism Magnet

Retail is one of the key elements in drawing tourists. Retail and dining are among the most popular leisure travel pursuits and play a significant role in local tourism economies. A recent development in tourism is the practise of shoppers visiting a location solely to make purchases. In general, going shopping while travelling is regarded as a leisure activity. However, for those who only travel to shop, it is a full travel experience; they plan on which brands they would visit, the amount and time spent on this activity

**However, this does not imply that their only motivation for travelling is to shop. Travelers frequently combine a variety of motives, such as a desire for culture, a desire to see well-known landmarks, and a desire to shop.**

## Tourism Development Routes

Numerous resources are available to assist communities in better comprehending how tourism affects their local economy, where visitors are coming from, and their preferences for dining and shopping. Convention and visitors' bureaus, state-level tourism organisations, and the Indian Travel Association all offer valuable information for same.

To find out where visitors are coming from and where they are spending their money, many communities are also turning to customer analytics companies. They can offer insights into the regions where the community should focus its tourism marketing efforts and can also offer details on the shopping and lifestyle preferences of tourists.

## Expanding Product Line & Developing New Stores For Tourists

One should review both the local attractions and the profiles of visitors to identify new retail products and / or stores that make market sense. The next step is to predict what goods they might purchase while visiting your town after identifying the attractions that draw tourists there and profiling those visitors. To do this, consider what purchases would improve both their trip and their memories of it once they get home. These purchases can generally be split into two categories: convenience and household goods, and souvenirs, crafts, and collectibles.

Tourists buy souvenirs, crafts, and collectibles to keep as a memento of their trip or destination visit. These are frequently non-essential items that tourists buy for their own enjoyment or as presents for other people. Tourists typically purchase the following items: postcards and booklets, T-shirts, sweatshirts, other clothing, crafts, local food products excluding meals, books, items to add to a collection, mementos of a location or attraction such as bumper stickers, and antiques, according to research on tourist purchasing habits.

Most commonly, convenience/household items include both the necessities for a vacation that consumers need to make their trip and return home more comfortable. Products like food, health and beauty aids, gasoline, maps, automotive supplies, ice, suntan lotion, firewood, and other things you might find at a convenience store or gas station can be found here. Additionally, more and more travellers are stocking up on typical household essentials for use once they get home during their journey. Many consumers now buy clothing, furniture, home decor, electronics, toys, and other items while travelling due to their increasingly busy lifestyles and limited free time.





## THE ADVANTAGES OF SHOPPING TOURISM

Around the world, there are businesses that rely on tourism to stay open. Whatever the reason for a trip, shopping tourism directly supports the expansion of the regional economy.

### 01

#### ENHANCES THE LOCAL ECONOMY.

Travelers are increasingly choosing destinations based on what they can buy as shopping tourism gains popularity. More visitors increase sales at businesses, which generates more tax revenue for the local community.

### 02

#### SHARING REGIONAL CULTURE

Shopping tourism implicitly entails promoting the local culture in addition to buying cool stuff at a destination. Visitors can anticipate learning about various cultural aspects whether they shop at Jaipur or Udaipur in India for example.



## STRATEGIES FOR PROMOTING SHOPPING TOURISM TO DRAW IN MORE VISITORS

Visitors are distinct from regular shoppers. Their shopping habits are more impulsive, and they frequently find new stores by accident. One can anticipate them to buy if they enjoy the atmosphere of the shop and the calibre of the goods.



#### PRESENT RETAIL STORE EVENTS

One's retail business needs distinctive differentiators to set it apart from the competition in a sea of available product options. The best retail experiences draw crowds at in-store events. Nearly 60% of consumers say they anticipate retailers to devote more than half of their floor space to experiences. For instance, Alo Yoga offers regular yoga classes at their retail locations, and outdoor voices organises a series of events dubbed #DoingThings that include basketball club, joggers club, and endorphin hour (yoga and dance).

#### OFFER THE SERVICES THAT TOURISTS REQUIRE



One may be able to increase the foot traffic to their store if one can foresee the needs of tourists & provide goods & services that will suit those needs. For instance, selling or renting skates and other items that tourists might require would be beneficial if one's store was close to Kufri in Shimla that is popular for ice skating. The Bozeman Fly Supply in Montana is another illustration. They specialise in selling fishing flies but also sell and rent customers' necessary equipment, provide free or paid classes, and host special events.





## ASSIST VISITORS IN ADJUSTING TO THEIR NEW ENVIRONMENT

When one runs a retail business in a popular tourist area, visitors will frequently ask you for recommendations on nearby attractions. This is your chance to give them a fantastic experience. Distribute local maps, educate them about the materials used in your product that were sourced locally, or offer them a free (or fee-based) tour of the area.

One can get an amazing collection of readymade items and cotton items on the Marine Drive Road and the GCDA shopping complex. One great thing about shopping in Cochin is that there are many varieties of cotton clothes that would fetch high prices in western shops. This means that a lot of them make it onto market stalls in Cochin. These employees in shopping complex share their recommendations to customer for eg -Mentioning many fast-food joints and cafes on the roadside such that one can stop there to munch on some eatables while they on your shopping spree.

In Clark, Colorado, the Clark Store is close to lakes and parks that are well-liked by tourists, particularly in the summer and winter. The best recommendations come from Clark employees who are eager to share their wealth of local knowledge even though they sell trail maps of the area.

## A SHIP-TO-CUSTOMER OPTION



"A visitor likes a product, but store doesn't carry it". Send it to their hotel; one no longer needs to have all the products in stock with ship-to-customer. Before placing an order for goods to be delivered from a nearby warehouse or another store carrying that item, customers can browse entire catalogue.



## INNOVATIVE RETAIL

Adding distinctive experiences that go well with store's merchandise is one of the best ways to draw more visitors. If one's stores sell beauty products, for instance, you might add free beauty classes every friday; people who attend the classes might end up buying some of your products.

Canada Goose's winter room is an illustration of experiential retail and was named "best retail experience of the year."

# VARIETIES OF TOURIST SHOPS



### FAMILY-RUN ENTERPRISES

Family-friendly establishments are places where parents and their kids can enjoy wonderful experiences together. These shops typically have a section of the store designated specifically for children, where the youngsters can play while the adults shop. CAMP, a family experience store in the US, is a prime illustration of this. It's a toy store with a unique idea: the thrill of toy shopping outweighs the desire to purchase it.



### INDIVIDUALIZED GOODS

Enjoy having one's favourite quote displayed on coffee cup. Personalization is popular, and some stores are dedicated to it. This is typical in parties and theme parks where guests can purchase personalised t-shirts. Customization is effective with their Tailor Shops -a creative space for customizations, repairs, and design," Levi's is one company that makes use of it".



### SHIPPING SOUVENIRS AND RELICS

Travelers have one thing in common, whether they're taking a lengthy trip abroad or just a quick weekend getaway: they need to mail something. Postcards, packaging, and gifts can now be sold alongside mailing supplies in shipping stores.

In an entire section of the store at the Mail Room and Copy Center in Durango, Colorado, customers can buy postcards to send home that showcase the area's scenery.





### LOCAL SHOPS

Tourists enjoy interacting with the local culture. Retailers can benefit from this by encouraging local makers.

The Working Artist is an boutiques studio where local designers in Hauz Khas, New Delhi, rent out space to create designs, and customers can stop by the store to see them in action. A piece of outfit can be bought by visitors.

If one is unable to base their entire business strategy around regional artists, consider holding occasional pop-up shops where one can sell goods made by regional makers.



### SERVICES AND STORES

The addition of pertinent services to current retail offering can help one draw in more customers as more tourists join the shopping tourism trend and are prepared to purchase new items.

The Well, a wellness centre with its main offices in New York, is a fantastic example. Along with offering their clients classes in mindful movement and meditation, they also assist clients with health coaching sessions, various forms of therapy, and mindful movement.

That's what the food delivery service Yumble did when its courier was experience delays in delivering the meals. Instead of doing nothing or waiting until the shoppers got in touch, Yumble proactively emailed customers about the problem and even issued a \$10 credit to make up for the inconvenience.



### CONCESSION STAND/ SOUVENIRS

Tourists enjoy bringing home trinkets for their loved ones. Because of this, selling souvenirs is a great way for businesses to attract more customers.

This is something that Imagica in Khopoli excels at, using its storefront not only for tour reservations but also for the sale of themed memorabilia.

If the store is near a popular tourist destination, think about stocking popular mementos that will draw visitors & encourage them to browse various other offerings.

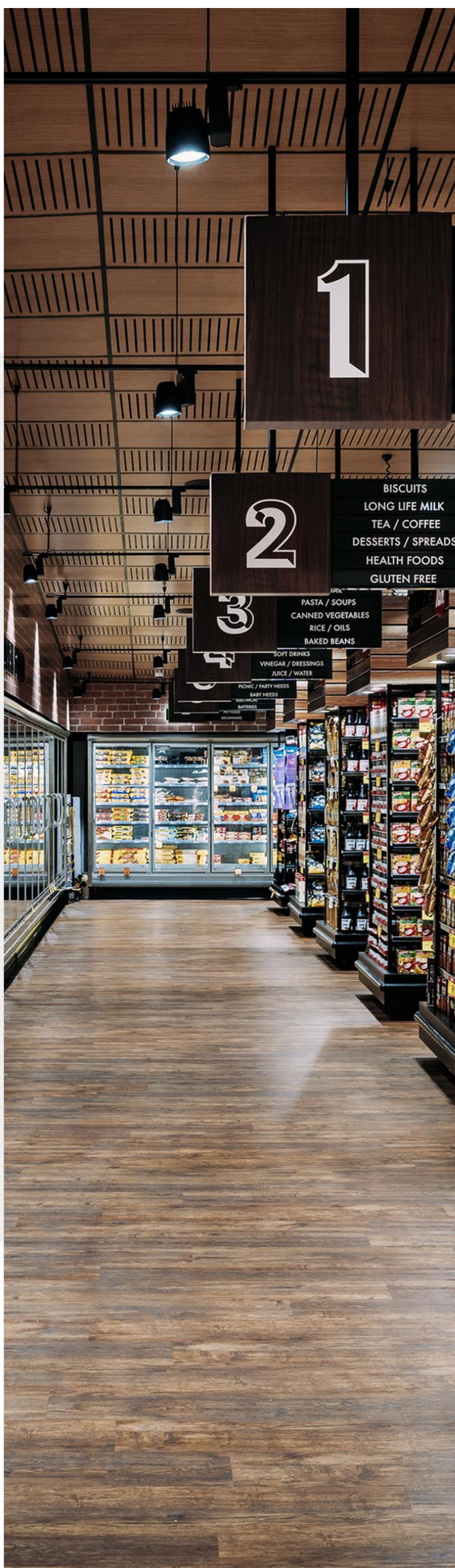


### TOURIST RETAIL IS MORE THAN SOUVENIR SHOPS

For many communities, tourism is a major driver of economic growth, and local government officials are carefully examining strategies to attract more tourists who will boost the local economy. Communities have used cutting-edge marketing strategies for years to advertise their man-made and natural attractions. Communities are realising that positioning and promotion alone won't ensure success as the tourism industry becomes more competitive.

**One must provide enticing "sub-attractions," such as retail and dining establishments, in addition to the attractions themselves, to draw in the crowds of tourists frequently.**





## STORE PRESENTATION

**Consider the first impressions that customers might have of your store.** Visitors may not be familiar with store, so they may judge one's business quickly and decide not to do business. When one approach your store, think about the first things you hear, feel, see, and smell.

**Use a window display to attract passers-by's attention.** The Rocky Mountain Chocolate Factory in Galena, Illinois, has chocolate production areas that are visible to passersby on the store's street side. The owner, schedules preparation times during periods of high business activity.

**The building should reflect the neighbourhood's architecture.** Retailers, in the opinion of Scott Stocker of the Brewster Café and Cheese Store and Gifts in Shullsburg, Wisconsin, should pay attention to the exterior of their structures. Visits become historical lessons thanks to buildings' tasteful reflection of the town's historic architecture.

**Put up sidewalk signs.** By using imaginative sidewalk and window displays, Ollie Burmeister of the Flower Bucket Treasure Chest in Shawano, Wisconsin, has been successful in drawing customers to his store. Knowing the town's traffic patterns, he opens his shop at 8:00 in the morning to meet demand from early-morning commuters.

**Window displays** can be one of your most successful marketing tactics. For some companies, the first step should be as simple as placing eye catching products on display with unique aesthetics and experience.

## EXPERIENCE OF STORE

Honor your visitors. Photographs of local sportsmen and their trophy game would have recall factor for customers and build memories. Visitors who receive this recognition are more likely to come back to the neighbourhood and shop.

Throughout the year, switch up your promotion tactics. In an ongoing effort to "wow" diners, one should frequently switch up its themes and menus. The restaurant's themes, which range from summer barbecues to Oktoberfest and Winterfest celebrations are constantly changing rapidly.

Give clients a practical experience. An old lumberyard that has been converted into several specialty stores and an antique mall is called The Antique Market in Watertown, Wisconsin. Every day, various artisans open their doors and offer a hands-on environment where customers can interact.



# THE IMPORTANCE OF SHOPPING TOURISM FOR DESTINATIONS AND HOTEL COMPANIES

## *Attract shopping tourism customers to one's hotel*

One of the key deciding factors when picking a vacation destination is now this new tourism trend. International trade markets are already utilising these advantages, and many businesses already offer goods and services that are intended to draw in customers from other countries. It is now appropriate for hotels to adopt the style and begin utilising the fresh possibilities provided by shopping tourism.

## *Shopping is the main draw for visitors globally.*

The concept of "shopping tourism" is relatively new, and it is growing in the tourism industry. Its market expansion is being driven by new consumer attitudes, as are many other changes taking place today. For many years, consumer purchases in the tourism sector were considered a leisure activity, a circumstance linked to the motivation to travel, whether for a vacation or a business trip. Today, this circumstance has become the primary motivator for many customers to travel: an increasing number of travellers choose to travel internationally to purchase products rather than purchasing them in their home country.

## *Shopping tourism on an international scale*

When travelling for vacation or business, it is common for a traveller to incur expenses, so any point of interest has an average of tourist spending. When compared to destinations where this type of tourism is not promoted, the average is much higher in the case of destinations that are just starting to generate interest in shopping tourism.



## THE ADVANTAGES OF A WIDER SELECTION OF TOURIST RETAIL INCLUDE

- *Tourism increases the community's visibility and creates new opportunities for economic development. Tourism is an "export" industry that brings new money into the area.*
- *Residents gain from a more varied and expansive range of restaurants and shops.*



### *Travel Retail – Tapping into the shopper side of tourists*

Brick and mortar stores are doing exceptionally well in these shopping hubs because of the surge in international travel, particularly in Asia-Pacific.

Experiential activities have seen a rise in popularity among consumers of all income levels in recent years. However, the reality is that this phenomenon was the only reason the travel retail business model was born. However, many contend that the decline of retail is also a result of the new generation's preference for vacations over material purchases.

The emergence of new and exotic retail locations is also an intriguing result of the tourism industry's expansion. Shopping is slowly evolving into one of the primary factors that people take into consideration before deciding where to travel, providing enormous potential to a wide range of different retailers.



## BOTTOM LINE

### AVOID WAITING FOR THEM TO ARRIVE

Although it is obvious that the number of passengers is increasing and will continue to do so, brands cannot assume that passing tourists will just happen to wander into their store. Travel retail bridges a significant gap in physical retail that remains unfilled by digital behemoths like Amazon and ASOS, namely the provision of human engagement, emotion, and multisensory experiences. However, businesses need to take things a step further if they want to successfully attract potential customers and keep them as loyal customers. **It's crucial to incorporate technology into the system and establish a valuable affiliation that the participant can take back to their home country, particularly in the case of digitally native millennials and their younger cohort, Gen Z.**

**One such value addition that works for both personal use and gifting is personalization, which can be a huge draw for every visitor.** Consider easy-to-apply options that enable quick decision-making, such as customised outfit, engraving, embossing, calligraphy, size adjustments, or simple smart personal stylists. Additionally, by providing travel-specific discounts and offers that specifically target potential travellers heading in a particular direction, travel retail is the best place to develop loyalty programmes. To create efficient and seamless points of sale from the ground to the air, airlines, airports, and retailers must collaborate.

***Making an experience that is hassle-free, quick, and memorable all at once is the key to drawing in "tourist shoppers".***



Maximising the benefits of shopping tourism for all stakeholders in the destination

- 01** The development of infrastructure, access to energy sources, and investment in public services
- 02** Financial services provided in a manner that is appropriate tourism access to capital for businesses.
- 03** Improving workforce education and training to benefit tourism businesses and destinations with knowledge and innovation.
- 04** Global promotion and marketing coordination with active private sector involvement
- 05** Liberalization of trade and the removal of trade barriers.
- 06** Elimination of unfair business practises like collusion, abuse of market dominance, and management of the tourism supply chain.

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**For queries and consultation**



+91 7666 901 002



[Sonal.Shrivastav@ppz.co.in](mailto:Sonal.Shrivastav@ppz.co.in)

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