

## Retail booms in sacred cities as spiritual tourism soars

*Tourist influx prompts retail brands to diversify and tailor offerings.*



The categories of these large retailers include fashion & apparel, food & beverage, hypermarkets, homeware & department stores, and consumer electronics brands. (Image: Reuters)

Retail brands are strategically adapting their offerings in both established mall clusters and high-street locations to cater to the growing tourist population in religious destinations, stated real estate consulting firm CBRE South Asia on Thursday. Key cities experiencing this retail boom include Amritsar, Ajmer, Varanasi, Katra, Somnath, Shirdi, Ayodhya, Puri, Tirupati, Mathura, Dwarka, Bodh Gaya, Guruvayur and Madurai.

The categories of these large retailers include fashion & apparel, food & beverage, hypermarkets, homeware & department stores, and consumer electronics brands. They are seeking bigger opportunities fueled by improved infrastructure coupled with a surge in tourism.

Retailers like Zudio, Westside, Pantaloons, [Starbucks](#), and Domino's Pizza have recently launched in Ayodhya post the [Ram Mandir](#) inauguration. QSR chains including [Restaurant Brands Asia](#) (RBA), [Devyani International](#), and Jubilant Foods, are discussing expanding outlets in cities like Ayodhya, Amritsar, and Varanasi. Lulu Group plans to invest Rs 4,500 crore to establish shopping malls and hypermarkets in Varanasi, Ayodhya, and other cities. Enhanced shopping experiences and a diverse consumer base in these cities due to increased brand presence and quality mall supply, the report stated.

Spiritual tourism is poised to significantly contribute to [India's](#) tourism [industry](#) growth, with 60% of domestic tourism being of a spiritual nature. Moreover, projections suggest that over 30 million international travellers will visit India for spiritual purposes by 2028. In addition, government initiatives aimed at promoting tourism and enhancing connectivity between pilgrimage sites are also bolstering this growth trajectory.

The rise of online retail platforms offering easy access to faith-based products and services is also a key factor, said Anshuman Magazine, chairman and CEO, India, South-East Asia, Middle-East & Africa, CBRE. To meet the growing demand for spiritual travel, local governments and businesses are joining forces to create unique retail experiences, such as integrating local practices into the design and offerings of shops, restaurants, and hotels.

With enhanced infrastructure providing better access and connectivity to such cities, hospitality companies are also tapping demand in holy cities with a strong pipeline of hotels across various segments, such as [economy](#), mid-scale, upscale, and luxury.

For instance, [OYO](#) is planning to add 1000 hotel rooms in Ayodhya and with an investment of Rs 7,200 crore, Japanese hotel chain Hotel Management International Company Limited (HMI) to develop luxury hotels in 30 major cities in Uttar Pradesh including Ayodhya, Agra and Varanasi. Several cities have a strong pipeline of new hotel projects, including that of Marriott, Taj, and Hyatt, whereas branded hotels are emerging as key players, offering a blend of comfort and traditional hospitality tailored for spiritual seekers.

In addition, improved travel services such as online booking, tourist centres and heightened security enhance the overall travel experience. This shift towards experiential travel is primarily driven by younger generations seeking cultural immersion and spiritual growth, the report said.