

The Challenges and Opportunities of Retail Marketing In Kashmir

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Abstract

Kashmir is one of the most unique regions of the world when it comes to the availability of products and services. The region has a lot to offer to consumers both at the national and international level. The offerings of the region is something that makes retail marketing quite important for businesses to acquire and retain customers. The past few years has witnessed Kashmir undergoing major transformation when it comes to retailing. Hence, this article has focused on the opportunities and challenges involved with retail marketing in the region. Secondary sources of information have been used to provide the necessary findings with the help of multiple themes. The offerings of Kashmir are quite unique and the behaviour of consumers has also changed in the past few years due to the growing popularity of online shopping. There are numerous opportunities present for retail marketing that can aid the growth of businesses but still the region faces numerous challenges that need to be overcome for the better growth of the sector. Hence, all of these aspects have been discussed in detail in the below article along with appropriate strategies for the future.

Keywords: retail marketing, Kashmir, e-commerce, opportunity, customers, challenges

1. Introduction

Retail marketing is referred to as the way in which businesses in the retail industry acquire and retain customers. The primary goal of retail marketing is to increase the sales of the business by promoting the products to the consumers in an effective manner (Timoumi *et al.* 2022). It is also something that focuses on gaining the loyalty of the customers by providing them with a superior experience. Retail industry is something that has existed for quite a long time and has continued to evolve in response to the changing trends and markets. The biggest challenge that was faced by the retail industry in recent years was the Covid-19 pandemic which led to decline in the footfalls in the brick and mortar stores while bringing a significant shift in the behaviour of the consumers (Sayyida *et al.* 2021). However, this further opened opportunities for growing online sales and reaching a far wider target audience. The market value of the e-commerce industry in India was approximately \$75 billion in 2022 is expected to exponentially grow and reach 350 billion by 2030 (Statista, 2023). Hence, the retail industry has witnessed a rapidly changing landscape in the past few years and the retail industry of Kashmir is no exception to that.

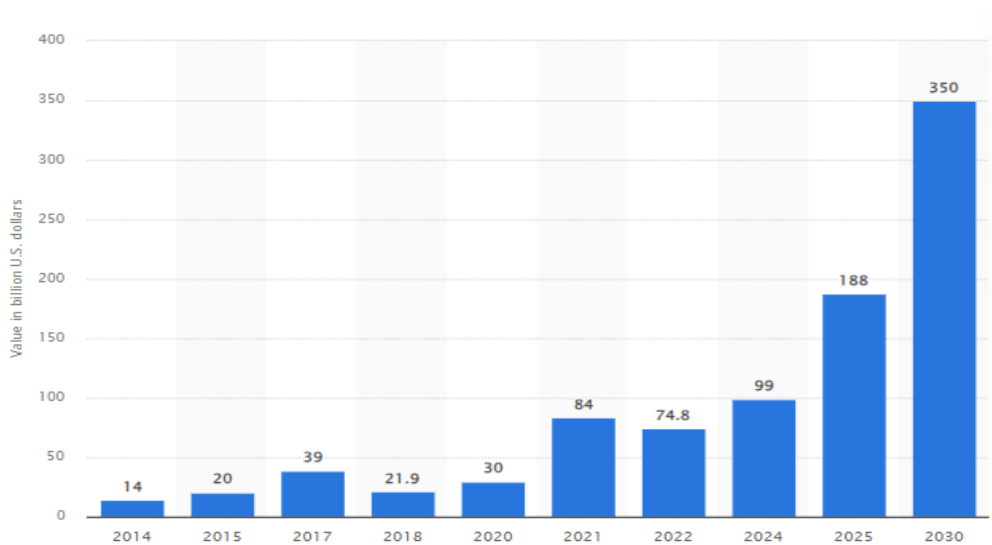


Figure 1: E-commerce market value India 2014-2030

(Source: Statista, 2023)

The Kashmiri economy has been part of the transformation happening at the national and international level from retailing to online shopping. The penetration of the internet, availability of smartphones and arrival of e-commerce technology in the lives of Kashmiris has significantly changed the preferences and experiences of the locals. The changing retail landscape of Kashmir further has numerous implications for retail marketing in the region. Hence, the purpose of this article is to discuss the opportunities and challenges involved with retail marketing in Kashmir.

2. Methodology

The data and information regarding the opportunities and challenges involved with retail marketing in Kashmir will further be collected with the help of secondary methods. Secondary method involves collecting data that has already been collected by someone else rather than the user and the user only analyses the collected data. Secondary method makes it easy to collect a large amount of data in a quick period of time to gather the necessary insights (Ruggiano and Perry, 2019). Hence, data have been published in newspapers, peer-reviewed journals and online articles about retail marketing and Kashmir will be used to complete the research. Further, the analysis of the collected data will be done with the help of thematic analysis. Thematic analysis involves collecting, looking for patterns and codes within the collected data and developing themes based on that to present the findings. Hence, multiple themes have been developed in line with the purpose of the work to present the findings of the study in a systematic and structured manner.

3. Findings

3.1 Retail marketing scenario of Kashmir

Retail marketing scenario of Kashmir is a lot different from the rest of India due to the unique culture and history of the region. The unique culture and history of the region has shaped the way in which people have shopped over the years. The culture of Kashmir is a blend of many cultures that came from Northern India, Northern Pakistan and Akshai chin territory of China (EaseMyTrip, 2023). Kashmir is also famous for its cultural heritage due to the presence of a mix of religions in the region. Kashmir is amalgamation of people from all backgrounds and cultures who have adopted their own culture and this in turn has a

significant influence on their shopping habits and experiences (EaseMyTrip, 2023). Kashmir has some of the most mouth-watering cuisines with costumes of the region being colourful and attractive. Large number of festivals are celebrated in the region with traditional dance, participation in painting, handicrafts shops and multi cuisine being an integral part of all these festivals. Kashmir is also one of the most popular places for its unique and beautiful handicraft and one such example is the Pashmina Shawl which is famous globally for its quality and fabric (EaseMyTrip, 2023). Hand-knotted carpets, woollen rugs with floral design, basketry, silverware, paper mache and wooden carving furniture are some of the unique handicrafts that the region has to offer to the people. The climatic conditions of Kashmir also aids the cultivation of various fruits like walnuts, almonds, apricots, cherries, apples, mulberry and many others (Shaheen *et al.* 2019). Hence, the sales of agricultural products and handicrafts at the national and international level is an integral part of Kashmir's economy and supports the livelihood of hundreds of people living in the region.

Kashmir has a lot to offer to its locals and the people visiting the region from various parts of the world. Retail industry of Kashmir is something that has everything to offer to the people and this has led to significant growth of the industry over the years (Bhat, 2021). On the other hand, the online business is flourishing in Kashmir just like any other part of India and the world. Social media is making it easy for the sellers to promote their products and attract potential buyers. A large number of online businesses have come up in Kashmir after the Covid-19 lockdown while the traditional businesses who have built an offline brand have also partially shifted online if not wholly (Jesarat, 2022). The retail landscape of Kashmir which is driven by its unique offerings to the customers is undergoing major transformation due to the growth of e-commerce in the region. Everything is just a click away from groceries, to clothes and farm tools in Kashmir's digital landscape. Traditional businesses in Kashmir have witnessed a surge in popularity due to Instagram and Facebook while the rise of start-ups have aided the growth of online sales. One such example of start-ups aiding the retail marketing scenario of Kashmir is FastBeattle. FastBeattle is an app-based courier and parcel start-up based in Srinagar founded in 2019 has been able to thrive in Kashmir because of its ability to thrive in the volatile conditions of Kashmir (Reuters, 2022). The services of FastBeattle have been used by retail giants like Amazon and Flipkart to provide last mile delivery outside Kashmir's capital. Hence, the current retail marketing scenario of Kashmir is being defined by changing behaviour of consumers towards online shopping and rise of e-commerce.

3.2 Opportunities of retail marketing in Kashmir

Kashmir is one of the most beautiful and culturally rich regions of the world offering numerous opportunities for retail marketing. The rapidly growing population of the region is one of the significant opportunities for retail marketing since it means that there is a growing market for goods and services in the region. On the other hand, the region also has a young and growing population indicating a potential large customer base for the future. The needs of the growing population must be addressed and this in turn serves as an opportunity for retail marketing. The next opportunity for the retail industry is the booming tourism industry of the region. The abrogation of Article 370 and Covid-19 pandemic almost broke the tourism industry of the region but with things returning to normal, the region has witnessed the highest influx of tourists since independence. In 2022, 26.73 lakh tourists visited Kashmir and this is more than double the previous highest number of 12.99 lakh in 2016 (Hindustan Times, 2023). In the post-Covid era, Kashmir has witnessed the highest influx of tourists throughout the year and this has greatly benefited

the local populace and brought cheers on the faces of local shops and retailers along with everyone in the tourism industry. Hence, the large number of tourists visiting the region implies that a large number of potential customers are visiting the region and this in turn serves as an opportunity for retail marketing in the region.

Further, the cost of living is also low in the region which makes the region an attractive destination for shoppers. This also provides an opportunity for businesses to operate at a lower price and improve the shopping experience of the customers in the process. The next opportunity for retail marketing in the region is support and investment being made by the Government in the region. The government of Kashmir is very supportive of the businesses in the region and taking every possible step to make the environment more favourable (Yusuf, 2023). The government has announced various subsidies and incentives for attracting the necessary investments in the Kashmir region. Tax incentives, financial assistance and capital subsidies are being provided for infrastructure development. Global investors' summit was organised by the government to attract businesses in the region while numerous steps are being taken for improving the ease of doing business in the region. Bureaucratic hurdles are being removed and simplified procedures are being developed for creating a business friendly environment in the region (Yusuf, 2023). Further, the biggest opportunity in the region seems to be the rising e-commerce sales and businesses looking to make a shift from brick-and-mortar stores. Along with the rest of India, Kashmir is also bound to witness a continued rise in online sales of goods and services, which in turn serves as a significant opportunity for retail marketing. There are numerous examples of traditional shops making a shift towards online platforms and social media to boost their sales and ensure their survival in the long run while keeping up with the latest trends.

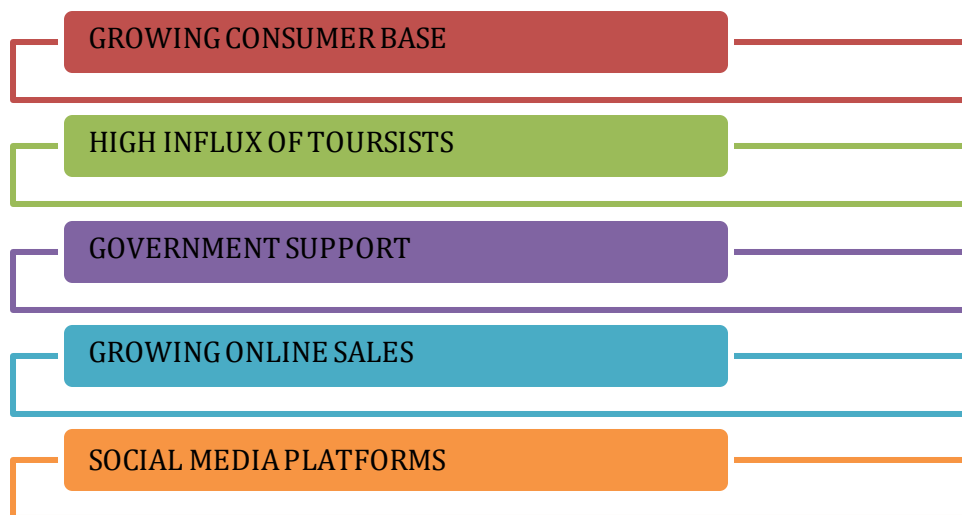


Figure 2: Retail marketing opportunities in Kashmir

(Source: Self-developed)

3.3 Challenges involved with retail marketing in Kashmir

Despite the opportunities involved with retail marketing in Kashmir and a forecast for a bright future outlook, there are still numerous challenges the region faces in the present scenario due to a number of factors. The first challenge for retail marketing in the region is the political instability that has existed for years in the region which has further led to a decline in economic activity. The insurgency witnessed by

the region and heavy presence of armed forces for peace in the region reflects the political instability of the region (Ganie and Akhter, 2018). This has created a negative impact for retail businesses with customers spending less due to the uncertainty. However, in the past few years, efforts have been made by the government to reduce the terrorist incidents and conduct counter-terrorism operations for neutralising the terrorist groups. The next challenge for retail marketing in the region is the lack of well-developed infrastructure to conduct the business operations. Retailers find it difficult to operate in Kashmir due to the poorly developed infrastructure. Regions of Kashmir face the problem of frequent power outages and are stuffed with transportation problems which makes the transportation of goods quite difficult for the retailers. In response to this, efforts are again being made by the government to improve the infrastructure of the region and build its connectivity for better flow of goods and responses (Cash, 2023).

Retail marketing also faces the challenge of skilled workforce in the region. Kashmir has a shortage of skilled manpower and this makes it challenging for retailers to recruit qualified employees for various roles in the region. Retailers face challenges related to product knowledge and customer service due to the lack of skilled manpower in the region. On the other hand, the low cost of living in the region is a challenge since it makes it difficult for retailers to generate higher sales and revenue in the region. Moving on, the growing e-commerce landscape of the region faces the challenge of high competition where big retail giants like FlipKart and Amazon are offering products at lower prices (Gupta, 2020). This makes it quite difficult for the brick-and-mortar stores in the region to compete with the online retailers. On the other hand, the retail industry is not considered as one of the major industries of the region and this makes it difficult to get the required financing for growth. This further reduces the pace of growth of the industry and affects the expansion plan of the region. Tourism is one of the major industries which receives significant support from the government and retail is something that can thrive by supporting the tourism industry in the process. Hence, the supporting role of retail in the economy of Kashmir also serves as a challenge.

3.4 Future strategies for the growth of retail marketing in Kashmir

The future prospect for retail marketing in Kashmir looks great and the necessary growth can be achieved in the areas by making the most out of the opportunities and addressing the challenges in an effective manner. Although most of the challenges faced by retailing marketing in Kashmir require effective intervention of the government, there are still numerous strategies that can be taken by retailers to function effectively in the face of tough competition. On the other hand, the future strategies of retail marketing also need to take into account the opportunities of the market and make the most out of them for better development. Hence, the future strategies for the growth of retail marketing in Kashmir are-

- *More focus on customer service*- The people of Kashmir are known for their hospitality and the consumers there expect the same level of service from retail brands and businesses (Sofi *et al.* 2020). Hence, it is completely necessary to train the employees to make sure that they are friendly and ready to go an extra mile to make the customers feel welcome. Hence, customer service is an essential part for the success in the area with the help of the customer retention and loyalty.
- *Effective use of social media*- With the rising popularity of social media platforms in the region, businesses need to leverage the entire power of social media to connect with customers. A strong social

media presence is required to engage with the customers and promote the business in an effective manner (Mason *et al.* 2021).

- *Be patient and persistent-* The challenges being faced by the region requires businesses to be patient in their approach since changes in Kashmir will not be overnight. There is a lot of effort that needs to be put by businesses to build strong relationships with the customers and ensure the growth of their business. Hence, staying persistent in this area can help the business build a strong and loyal customer base.
- *Offering unique products and services-* Kashmir is a region with its own uniqueness, culture and history. Hence, offering products and services that are able to reflect the uniqueness of Kashmir can help the business stand out from the competition.

Hence, these are some of the strategies that can aid the growth of retail marketing in future and provide the businesses with a particular advantage.

4. Discussion

Kashmir is a region with endless opportunities for retailers and in turn is a great option for the growth of the business. The uniqueness of Kashmir can be said to be the biggest opportunity in retail marketing for all businesses. The landscape of Kashmir in context to retail marketing has undergone significant transformation with the rising popularity of online sales. There are numerous opportunities involved with retail marketing in the region with the changing landscape but certain challenges still persist that need to be addressed for the growth of the industry. The consumer base in the region is growing at a rapid pace along with the rising younger population who are more inclined towards online shopping. This provides the businesses with the opportunity to increase their sales and build a strong online presence. Kashmir has also emerged as a popular tourist destination witnessing a continuous influx of tourists throughout the year. This further provides an opportunity to cater to the needs and demands of a large number of consumers on a regular basis. The support of the government for the development of businesses and rising popularity of various social media platforms also serves as an opportunity in the process. Further, Kashmir still faces a lot of challenges that need to be addressed to make the most out of the provided opportunities in retail marketing. Political instability, poorly developed infrastructure, lack of skilled workforce and high competition are some of the challenges faced with retail marketing in the region. Most of it requires effective intervention from the government while others can be addressed with the help of appropriate strategies. There are certain steps that can be taken to aid the growth of retail marketing in the future like leveraging the power of social media, promoting the uniqueness of Kashmir, engaging with excellent customer service and being patient & persistent with the approach.

5. Conclusion

This article has been able to successfully discuss the challenges and opportunities associated with retail marketing in Kashmir with the help of secondary sources in a brief manner. However, there still remains a scope to conduct future research that is able to provide a comprehensive idea into the opportunities and challenges of retail marketing in the region. The use of secondary sources is a limitation of the study and thus future works on the topic can focus on primary sources like data collected from interviews and surveys. Hence, interviews and surveys can be conducted in the future regarding retail marketing in Kashmir to gain a proper idea of retail marketing based on first hand insights.

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