

India Travel Retail Market Forecast 2025-2032

Market Report | 2025-01-22 | 132 pages | Inkwood Research

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Report description:

KEY FINDINGS

The India travel retail market is anticipated to reach \$6.67 billion by 2032, growing at a CAGR of 19.80% during the forecast period 2025-2032.

MARKET INSIGHTS

The India travel retail market is witnessing substantial growth, fueled by a rise in both international and domestic tourism. According to the World Economic Forum's Travel and Tourism Development Index (TTDI) 2024, India ranks 39th out of 119 countries, highlighting the nation's increasing prominence in the global tourism sector. As international tourist arrivals (ITAs) continue to recover from the impact of the COVID-19 pandemic, India is poised to capitalize on this upward trend, particularly in the travel retail sector, as global tourism steadily rebounds.

According to the Public Information Bureau, India recorded 9.24 million foreign tourist arrivals (FTAs) in 2023, reflecting a 43.5% increase compared to 6.44 million in 2022. This growth is driving a rise in demand for travel retail products, especially at airports and transit hubs. The duty-free retail segment, which plays a key role in this market, is also benefiting from the surge in tourism. Duty-free shopping at airports provides travelers with the opportunity to purchase a wide range of international products, such as luxury goods, cosmetics, perfumes, and electronics, often at lower prices due to tax exemptions.

To further support the expansion of the travel retail market, the Indian government has allocated ₹2,479 crore (\$288.84 million) for the tourism sector in FY25. This funding aims to improve infrastructure and promote tourism-related initiatives. It focuses on enhancing the overall shopping experience for travelers, particularly in airports where duty-free shops are a significant part of the retail offering.

Domestic tourism also contributes significantly to the sector's growth. Government initiatives like Dekho Apna Desh, the Vibrant Village Programme, and SWADESH 2.0 are promoting local travel and driving increased foot traffic at retail outlets in airports and other transit hubs. Furthermore, the Regional Connectivity Scheme - Udaan, which improves air connectivity to smaller and regional destinations, creates additional opportunities for travel retail, including the duty-free segment.

SEGMENTATION ANALYSIS

The report on the India travel retail market includes segmentation analysis on the basis of product type and distribution channel.

Market by Product Type:

- Fashion and Accessories
- Jewelry and Watches

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- Wine & Spirits
- Food & Confectionery
- Fragrances and Cosmetics
- Tobacco
- Other Product Types

Market by Distribution Channel:

- Airports
- Railway Stations
- Other Distribution Channels

Inkwood Research's report on the India travel retail market provides in-depth insights as well as the market's segmentation analysis. The detailed evaluation of the market includes PESTLE Analysis, Market Maturity Analysis, Market Concentration Analysis, Key Buying Criteria, and Competitive Landscape.

COMPETITIVE INSIGHTS

Some of the prominent players in the India travel retail Market are Gebr Heinemann SE & Co KG, Flemingo Travel Retail Limited, Avolta AG (Dufry), etc.

Flemingo Travel Retail Limited, established in 2007 and headquartered in Mumbai, Maharashtra, India, is a prominent operator in the travel retail and duty-free industry. The company offers an extensive range of products, including cruise and inflight retail, food and beverages, apparel, electronics, household items, personal care products, and gifts. Flemingo Travel Retail caters to a global customer base, providing these products to travelers at airports, cruise lines, and inflight platforms.

Table of Contents:

TABLE OF CONTENTS

1. RESEARCH SCOPE & METHODOLOGY

1.1. STUDY OBJECTIVES

1.2. METHODOLOGY

1.3. ASSUMPTIONS & LIMITATIONS

2. EXECUTIVE SUMMARY

2.1. MARKET SIZE & ESTIMATES

2.2. COUNTRY SNAPSHOT

2.3. COUNTRY ANALYSIS

2.4. SCOPE OF STUDY

2.5. CRISIS SCENARIO ANALYSIS

2.6. MAJOR MARKET FINDINGS

2.6.1. DEMAND FOR PREMIUM AND EXCLUSIVE PRODUCTS

2.6.2. FAVOURABLE GOVERNMENT POLICIES LIKE DEKHO APNA DESH ARE PROMOTING TRAVEL AND TOURISM IN THE COUNTRY

2.6.3. INCREASED GLOBAL BRAND PARTNERSHIPS

3. MARKET DYNAMICS

3.1. KEY DRIVERS

3.1.1. INCREASE IN AIR TRAVEL AND TOURISM

3.1.2. EXPANDING AIRPORT INFRASTRUCTURE UNDER THE UDAN SCHEME

3.1.3. SURGE IN DISPOSABLE INCOME AND SPENDING ON PREMIUM GOODS

3.2. KEY RESTRAINTS

3.2.1. ESCALATING OPERATIONAL COSTS AT AIRPORTS AND TRANSIT HUBS ARE IMPACTING RETAIL PROFITABILITY

3.2.2. FLUCTUATION IN LOCAL TRAVEL PREFERENCES

3.2.3. SPACE CONSTRAINTS AT INDIAN AIRPORTS ARE LIMITING RETAIL EXPANSION OPPORTUNITIES

3.2.4. UNCERTAINTY FROM TRAVEL RESTRICTIONS AND LOCKDOWNS

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- 4. KEY ANALYTICS
 - 4.1. KEY MARKET TRENDS
 - 4.1.1. WIDESPREAD ADOPTION OF DIGITAL PAYMENT SOLUTIONS, LIKE UNIFIED PAYMENTS INTERFACE (UPI), IS ENHANCING TRAVEL RETAIL CONVENIENCE
 - 4.1.2. ADOPTION OF INNOVATIVE RETAIL CONCEPTS LIKE POP-UP STORES AND KIOSKS TO ATTRACT YOUNG CUSTOMERS
 - 4.1.3. TECHNOLOGICAL ADVANCEMENTS IN RETAIL OPERATIONS
 - 4.2. PESTLE ANALYSIS
 - 4.2.1. POLITICAL
 - 4.2.2. ECONOMICAL
 - 4.2.3. SOCIAL
 - 4.2.4. TECHNOLOGICAL
 - 4.2.5. LEGAL
 - 4.2.6. ENVIRONMENTAL
 - 4.3. PORTER'S FIVE FORCES ANALYSIS
 - 4.3.1. BUYERS POWER
 - 4.3.2. SUPPLIERS POWER
 - 4.3.3. SUBSTITUTION
 - 4.3.4. NEW ENTRANTS
 - 4.3.5. INDUSTRY RIVALRY
 - 4.4. GROWTH PROSPECT MAPPING FOR INDIA
 - 4.5. MARKET MATURITY ANALYSIS
 - 4.6. MARKET CONCENTRATION ANALYSIS
 - 4.7. KEY BUYING CRITERIA
 - 4.7.1. BRAND REPUTATION & AUTHENTICITY
 - 4.7.2. DIGITAL INTEGRATION
 - 4.7.3. PRODUCT DIVERSITY
 - 4.7.4. CONVENIENCE
 - 4.7.5. PRICE COMPETITIVENESS
- 5. MARKET BY PRODUCT TYPE
 - 5.1. FASHION AND ACCESSORIES
 - 5.1.1. MARKET FORECAST FIGURE
 - 5.1.2. SEGMENT ANALYSIS
 - 5.2. JEWELRY AND WATCHES
 - 5.2.1. MARKET FORECAST FIGURE
 - 5.2.2. SEGMENT ANALYSIS
 - 5.3. WINE & SPIRITS
 - 5.3.1. MARKET FORECAST FIGURE
 - 5.3.2. SEGMENT ANALYSIS
 - 5.4. FOOD & CONFECTIONERY
 - 5.4.1. MARKET FORECAST FIGURE
 - 5.4.2. SEGMENT ANALYSIS
 - 5.5. FRAGRANCES AND COSMETICS
 - 5.5.1. MARKET FORECAST FIGURE
 - 5.5.2. SEGMENT ANALYSIS
 - 5.6. TOBACCO
 - 5.6.1. MARKET FORECAST FIGURE
 - 5.6.2. SEGMENT ANALYSIS

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- 5.7. OTHER PRODUCT TYPES
 - 5.7.1. MARKET FORECAST FIGURE
 - 5.7.2. SEGMENT ANALYSIS
- 6. MARKET BY DISTRIBUTION CHANNEL
 - 6.1. AIRPORTS
 - 6.1.1. MARKET FORECAST FIGURE
 - 6.1.2. SEGMENT ANALYSIS
 - 6.2. RAILWAY STATIONS
 - 6.2.1. MARKET FORECAST FIGURE
 - 6.2.2. SEGMENT ANALYSIS
 - 6.3. OTHER DISTRIBUTION CHANNELS
 - 6.3.1. MARKET FORECAST FIGURE
 - 6.3.2. SEGMENT ANALYSIS
- 7. COMPETITIVE LANDSCAPE
 - 7.1. KEY STRATEGIC DEVELOPMENTS
 - 7.1.1. MERGERS & ACQUISITIONS
 - 7.1.2. PRODUCT LAUNCHES & DEVELOPMENTS
 - 7.1.3. PARTNERSHIPS & AGREEMENTS
 - 7.1.4. BUSINESS EXPANSIONS & DIVESTITURES
 - 7.2. COMPANY PROFILES
 - 7.2.1. AER RIANTA INTERNATIONAL
 - 7.2.1.1. COMPANY OVERVIEW
 - 7.2.1.2. PRODUCTS
 - 7.2.1.3. STRENGTHS & CHALLENGES
 - 7.2.2. DELHI DUTY FREE SERVICES PRIVATE LIMITED
 - 7.2.2.1. COMPANY OVERVIEW
 - 7.2.2.2. PRODUCTS
 - 7.2.2.3. STRENGTHS & CHALLENGES
 - 7.2.3. OSPREE DUTY FREE (MUMBAI TRAVEL RETAIL PRIVATE LIMITED)
 - 7.2.3.1. COMPANY OVERVIEW
 - 7.2.3.2. PRODUCTS
 - 7.2.3.3. STRENGTHS & CHALLENGES
 - 7.2.4. GEHR HEINEMANN SE & CO KG
 - 7.2.4.1. COMPANY OVERVIEW
 - 7.2.4.2. PRODUCTS
 - 7.2.4.3. STRENGTHS & CHALLENGES
 - 7.2.5. FLEMINGO TRAVEL RETAIL LIMITED
 - 7.2.5.1. COMPANY OVERVIEW
 - 7.2.5.2. PRODUCTS
 - 7.2.6. AVOLTA AG (DUFY)
 - 7.2.6.1. COMPANY OVERVIEW
 - 7.2.6.2. PRODUCTS
 - 7.2.6.3. STRENGTHS & CHALLENGES

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