

Ready for takeoff: why India's travel retail market is set to soar

Asia Pacific Exhibition & Conference
Singapore
May 2025

KEARNEY



**Why does India become
the next growth market?**

**What growth frontiers
exist for India?**

**How can airport
operators, retailers and
brands win in India?**



Victor Dijon
Senior Partner, Zurich

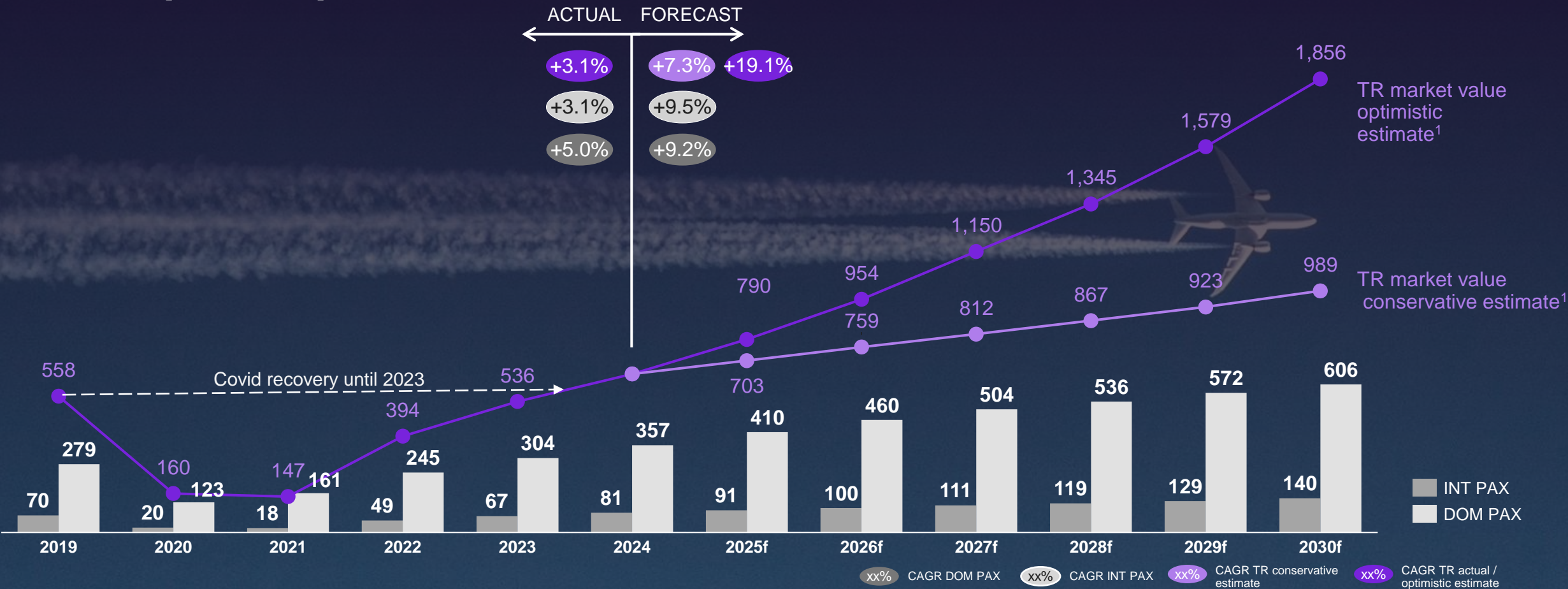


Neelesh Hundekari
Senior Partner, Mumbai

KEARNEY

Indian Travel retail market outpacing passenger growth

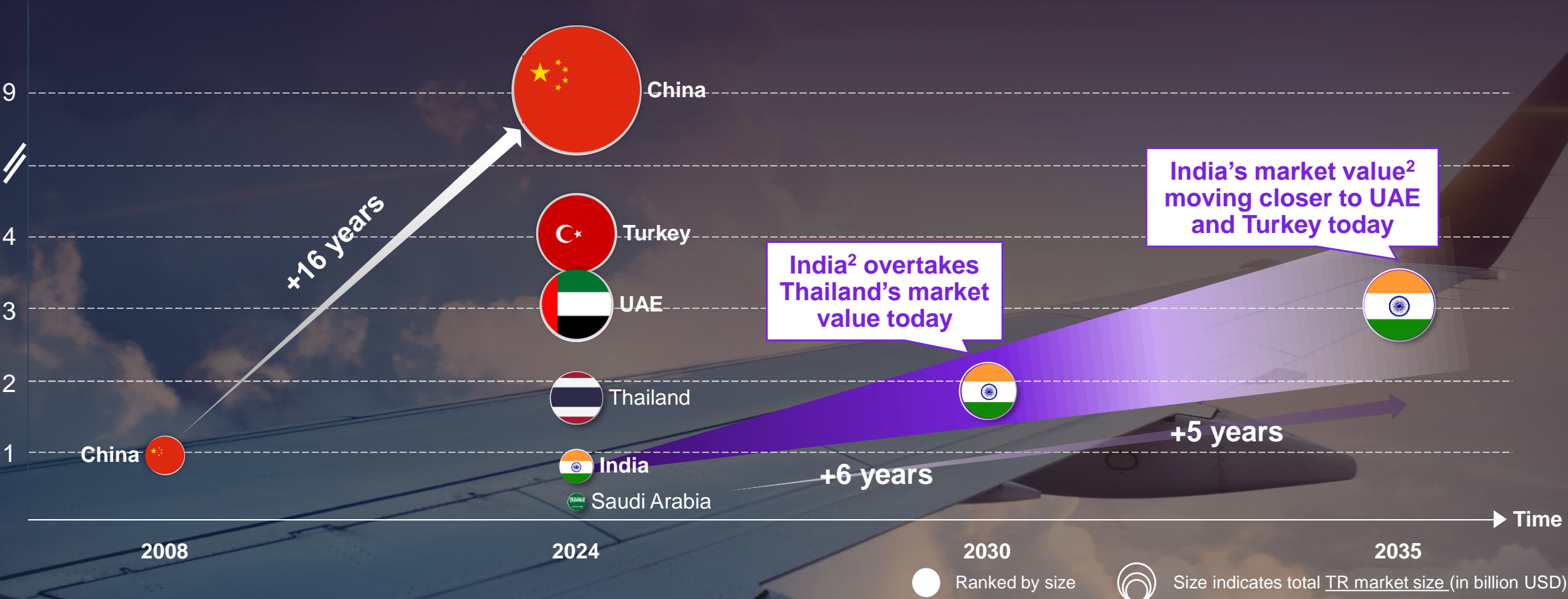
Indian passenger traffic and travel retail market
2019-2030f [in \$ million]



Note: DOM = Domestic, INT = International, TR = Travel retail, PAX = Passenger 1. TR market value covers duty-free and duty paid, but excludes F&B, convenience and press stores;
Sources: Airports Council International, Generation Research, Kearney analysis

India travel retail market could track China's growth path

Travel Retail market value¹
2008-2030 [in billion USD]



Note: TR = Travel retail, 1. TR market value covers duty-free and duty paid, but excludes F&B, convenience and press stores; 2. Based on optimistic market value estimate;
Sources: Generation Research, Kearney analysis

Key factors fueling India's travel retail future growth

Economic growth of India as world's most populous country

Growing economy **6%**
CAGR 2024-2030

Increasing # millionaires **4%**
CAGR 2024-2030

Rising consumerism¹ **6%**
CAGR 2010-2024

Aviation industry boom with significant investments

Investment in infrastructure **10bn USD**
for airports

Upcoming privatization **11**
airports planned

Emerging twin airports **2**
add. airports

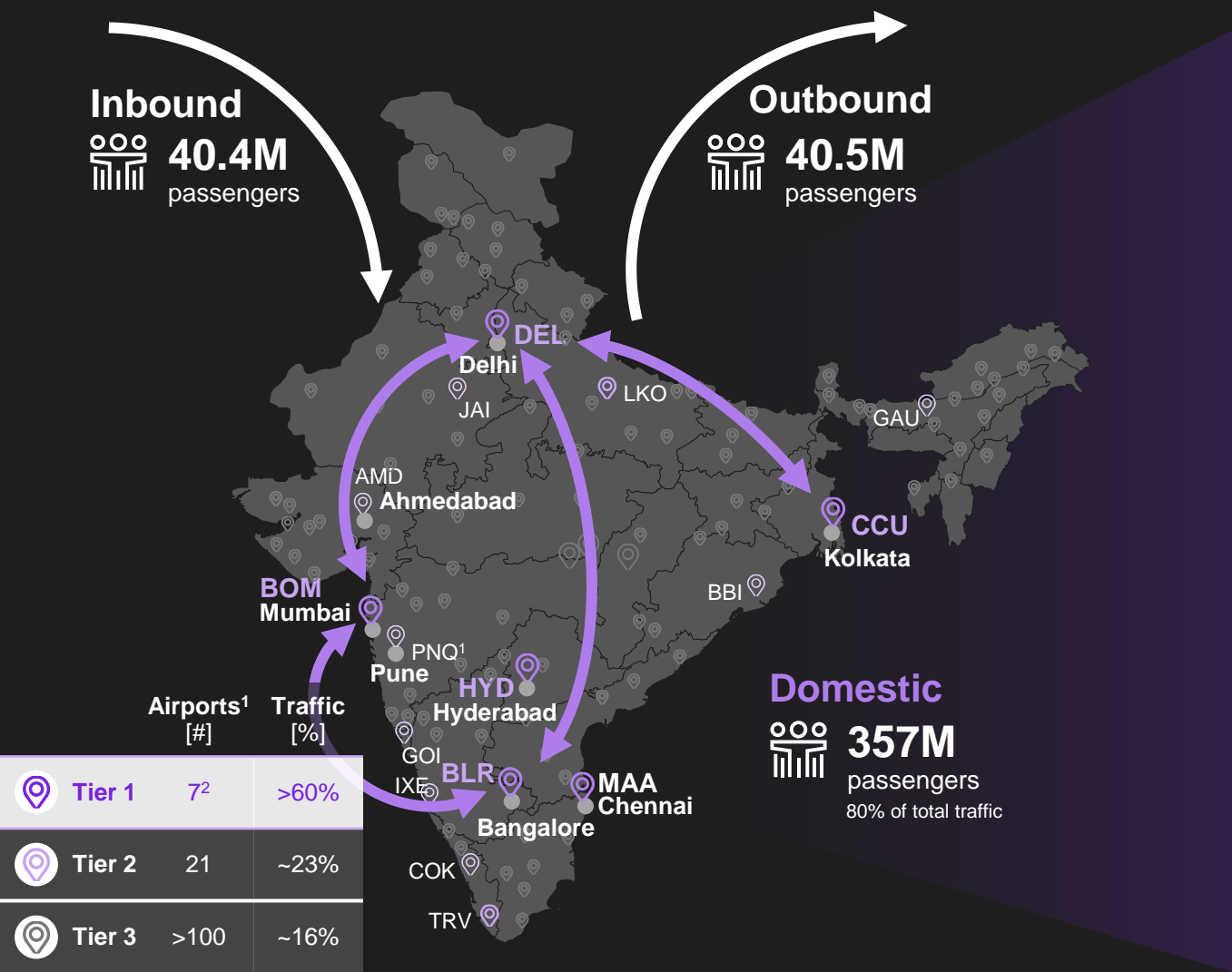
Domestic and international PAX volume and spend growth

Growing PAX volumes **>9%**
CAGR 2024-2030

Leading PAX volume **3rd**
largest global PAX volume by 2030

Highest DF basket size **Leading**
in makeup & fragrances in APAC

Investments in infrastructure are key growth driver



Airports

From 159 airports today to **350-400 by 2047**

Non-aero revenue as key driver of profitability: >57% for top-performing vs. 30-40% for other tier 1 airports

Majority of tier 1 airports are private (5 out of 7), with plans to **privatize 11 additional airports** by FY2025-2026



Carriers

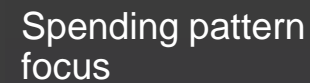
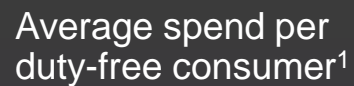
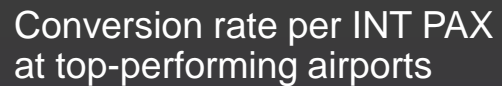
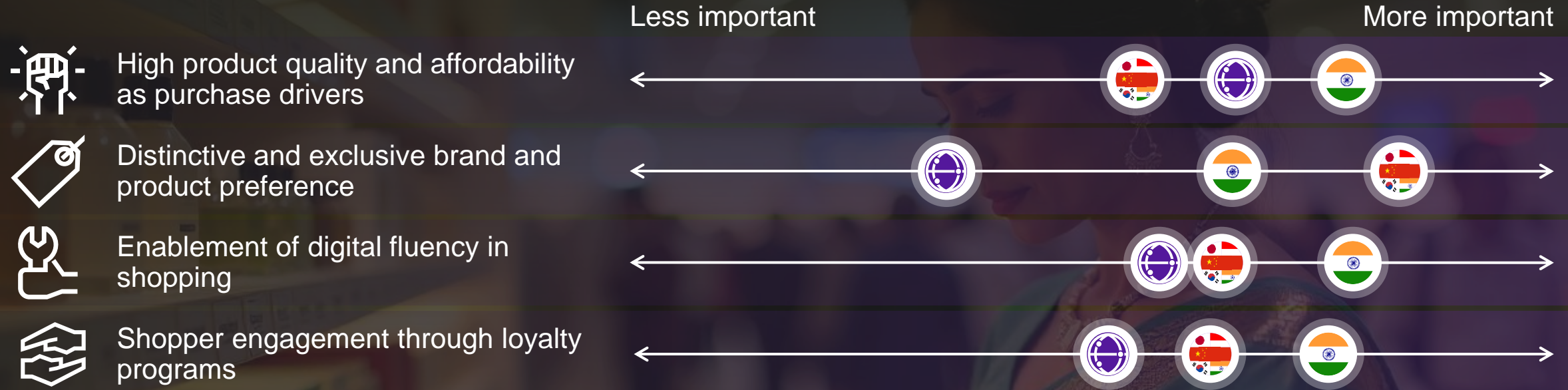
>1,000 airbus planes in order by Air India and IndiGo since 2023



Routes

Launching **long-haul international routes** – with IndiGo flying to Amsterdam and Manchester in summer 2025






Indian consumers require a different value proposition



Note: APAC = Asia-Pacific, INT PAX = International passenger, TR = Travel retail;
1. Non-transactional data excluding F&B;
Source: m1ndset, Pi insights, DFNI magazine 2024, Kearney Survey 2024

Wine and spirits as leading category and projected growth

Category share of total TR and DF sales¹ and projected category growth per country
2024-2030 [in %]

Relative market size										
	India		China		Turkey		UAE		Saudi Arabia	
	Share of TTL TR & DF sales ²	Conservative CAGR estimate 24-2030	Share of TTL TR & DF sales ²	CAGR 2024-2030	Share of TTL TR & DF sales ²	CAGR 2024-2030	Share of TTL TR & DF sales ²	CAGR 2024-2030	Share of TTL TR & DF sales ²	CAGR 2024-2030
Watches, Jewellery & Fine Writing	2%	5%	7%	2%	5%	2%	16%	2%	18%	3%
Fashion & Accessories	4%	6%	15%	3%	7%	3%	7%	2%	12%	3%
Fragrances & Cosmetics	16%	6%	61%	3%	18%	3%	21%	3%	29%	4%
Wines & Spirits	58%	8%	5%	6%	19%	4%	17%	4%	1%	n.a.
Tobacco Goods	5%	8%	7%	7%	36%	4%	14%	4%	9%	5%
Confectionery & Fine Food	10%	7%	1%	7%	11%	4%	9%	4%	13%	5%
Electronics, Gifts & Other	5%	6%	5%	5%	5%	3%	15%	3%	18%	3%

Note: 1. based on 2024, 2. TR market value covers duty-free and duty paid, but excludes F&B, convenience and press stores;
3. CAGR estimates 24-2030 are based on conservative TR market value view;
Source: Generation Research, Kearney

Departures is closing the gap to arrivals' travel retail sales

Illustrative duty-free departure map [incl. % of revenue by category] and key metrics of Mumbai CSMI airport

Delhi IGI airport



Mumbai CSMI airport



Bengaluru KI airport



Entrance to Ospree Duty Free



Fragrance and cosmetic section within Ospree Duty Free



"Gifts from India" area in duty-free or store with local brands



Ospree operated stores and standalone Mont Blanc store



Electronics, Gifts & Other

Apple dyson SONY hama

2%

Tobacco Goods

CAMEL Winston Marlboro GOLD FLAKE

4%

Fashion & Accessoires

GUCCI Ray-Ban SAINT LAURENT PARIS

4%

Watches, Jewelry & Fine Writing

TAG HEUER MONTBLANC SWAROVSKI

4%

Confectionery & Fine Food

Milka Lindt TOBLERONE FERRERO ROCHER SAN-CHA

10%

Fragrances & Cosmetics

JO MALONE LONDON KYLIE COSMETICS BY KYLIE JENNER FOREST ESSENTIALS Elizabeth Arden DIOR GUCCI

14%

Many categories show a mix of international and local brands

Wines & Spirit

BACARDI JOHNIE WALKER DEVERON RAMPUR AMRUT

61%

Project departure

Equal split of departure and arrival sales with dedicated measures (previously ~75% of sales in arrival)

Speedbreakers to increase time at departure



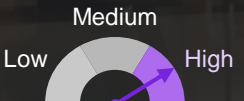


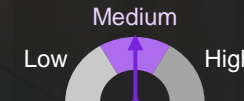
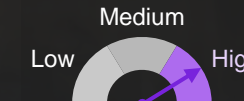















Premiumization via Vue De Luxe by Ospree Duty Free



Note: CSMI = Chhatrapati Shivaji Maharaj International Airport, IGI = Indira Gandhi International, KI = Kempegowda International; Source: Generation Research, m1ndset, Moodie Davitt Report, Mumbai airport, Kearney

x% Category share of total TR & DF revenue

Five frontiers for the next phase of growth

	1	2	3	4	5
Growth frontiers	Capitalize on increasing airport privatization	Grow departure shopping and maximize arrival shopping	Drive conversion rates across diverse consumers	Make the market for international brands through travel retail	Embrace the full opportunity through domestic duty paid
Key reasons to believe	400 functioning airports by 2047	25% of duty-free sales captured at departure at top Indian airports	10–20% lower conversion rates at India’s top airports compared to leading global airports	173 new brands introduced across various categories at Mumbai airport in FY23/24	82% of traffic from domestic passengers but duty-paid generates 4.4 times less sales than duty-free
Value potential					
Most relevant for	<div>Airport </div> <div>Retailer </div> <div>Brand </div>	<div>Airport </div> <div>Retailer </div> <div>Brand </div>	<div>Airport </div> <div>Retailer </div> <div>Brand </div>	<div>Airport </div> <div>Retailer </div> <div>Brand </div>	<div>Airport </div> <div>Retailer </div> <div>Brand </div>

Note: KI = Kempegowda International;
Source: Airport Authority of India, Secondary research (airport websites, airport annual reports, Air India, IndiGo, Article TR Business, The Economic Times, India Retailing; Moodie Davitt Report), Expert Interview, Kearney

How to win for travel retail India including existing success examples



Bold investments in the future

Bengaluru KI Airport established as greenfield in 2008, and is now India's **third-largest airport**

Terminal 2 **retail space** expanded to handle **four times more passengers** vs. today



Governments & Airports



Privatization: funding and expertise

Noida International Airport **privatized to attract investment** and to **improve infrastructure**

More profitable airports bundled with less profitable ones to increase attractiveness for investors



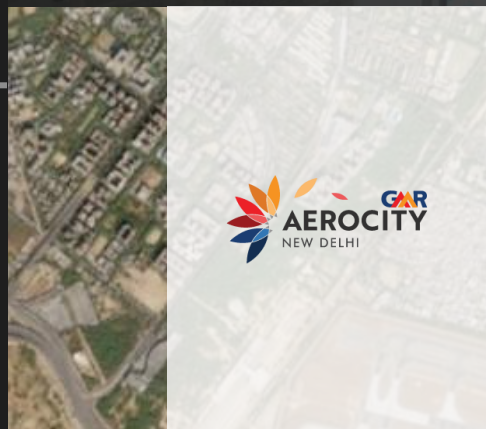
Retailers



Brands



Airport-city developments



Aero-City by GMR infra conglomerate features residential & business spaces around Delhi airports

Combined with a **semi-high-speed rail line**, metro and improved roads for better **connectivity**

Note: KI = Kempegowda International;
Source: Secondary research (airport websites, airport and travel retailer annual reports), Expert Interview, Kearney

How to wins for travel retail India including existing success examples



Localized visionary spaces

Avolta's Bengaluru KI Airport DF embodies Lablagh Gardens' in its "terminal in a garden" concept

Avolta



Innovative hybrid retail space sets new Indian retail standards

Governments & Airports

Distinct branded retail milestones

Kylie Cosmetics' first APAC store at **Mumbai CSMI Airport's** DF offers exclusive in-store experiences

Macallan's first Delhi IGI Airport's DF store unveiled its **new visual identity** in India



Retailers

Brands

Digital and loyalty offerings

Bengaluru KI Airport provides in-app exclusive "**BLR Pulse**" rewards program

Travelers can **earn and redeem points across airport services** and book flights, taxis, and lounges



How to wins for travel retail India including existing success examples

Travel-retail exclusive assortment

The Balvenie launched the exclusive “12-Year-Old Golden Cask” with Osprey DF at Mumbai CSML airport

Curated brand portfolio showcased by Osprey Duty Free at Mumbai CSML airport



THE BALVENIE
SINGLE MALT SCOTCH WHISKY

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Local brands and heritage

Highlight local heritage in portfolio through retail space or brands like The Bharat Story store

International players like Pernod Ricard introduce Indian malts like Imperial Blue or Royal Stag



Retailers

Upskilling and right-skilling

International brands like COTY or Estee Lauder upskill staff specifically for Indian consumers' expectations

Training includes product-specific knowledge and general selling techniques

COTY
SINCE 1904

ESTÉE LAUDER



Brands



Note: CSML = Chhatrapati Shivaji Maharaj International Airport;
Source: Secondary research (airport websites, airport and travel retailer annual reports), Expert Interview, Kearney

Thank you

Victor Dijon

Senior Partner, Zurich

Victor.Dijon@kearney.com

Neelesh Hundekari

Senior Partner, Mumbai

Neelesh.Hundekari@kearney.com

Vincent Barbat

Senior Partner, Paris

Vincent.Barbat@kearney.com

Christophe Chaix

Senior Advisor, Genève

Christophe.Chaix@kearney.com

René Ceipek

Principal, Zurich

Rene.Ceipek@kearney.com

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