

INCREDIBLE India

FROM TRAFFIC TO TRANSACTION: Why India is travel retail's next experience-led opportunity

THE NEW TRAVEL- RETAIL PRIORITY

For years, India has been discussed in global aviation circles through a singular, localized narrative:

A high-growth emerging market defined by spectacular airport projections and skyrocketing domestic passenger curves. Today, that narrative has completely broken through, and its impact extends far beyond Indian borders.

X4

**Indian travellers' travel retail
spending in APAC 2025-2035**

Ministry of Tourism of India,
Oliver Wyman Indian Traveller Survey (2026)

Powered by expanding middle and affluent classes, an unprecedented appetite for international travel, and massive overseas spending potential – x4 growth projection in APAC travel retail by 2035 – this new cohort is reshaping commercial corridors from Dubai to Bangkok, Singapore, and beyond.

Chinese and Indian growth contribution to APAC travel-retail market.



Ministry of Tourism of India, Oliver Wyman Indian Traveller Survey (2026)

While Asia Pacific travel retail was fueled by the rise of the Chinese international shopper over the past decade, a structural shift is now underway as Indian travellers step into the spotlight to take the relay.

India is no longer just a domestic expansion story: it is an immediate, non-negotiable strategic priority for airport commercial teams, operators, and brand owners worldwide. However, as global terminals fill to record capacity, the focal point for the industry must pivot from traffic volume to economic value.

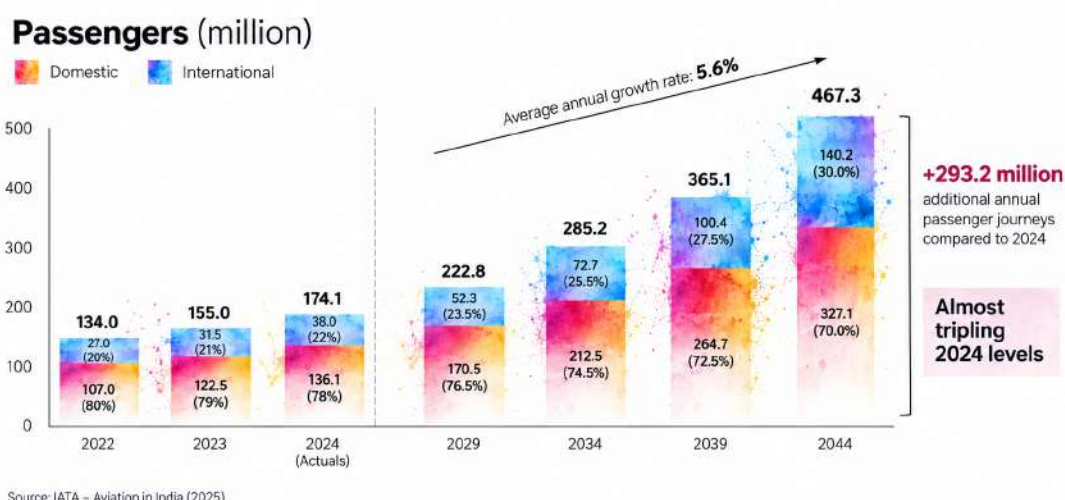
How can this monumental wave of high-intent Indian travellers be converted into sustainable retail performance, expanded basket sizes, and deeper transactional engagement?

+12%

Average annual growth rate (CAGR) of air passenger traffic in India, over the current decade.

Directorate General of Civil Aviation India, 2025

Global Air Passenger Traffic Projections (2022-2044)



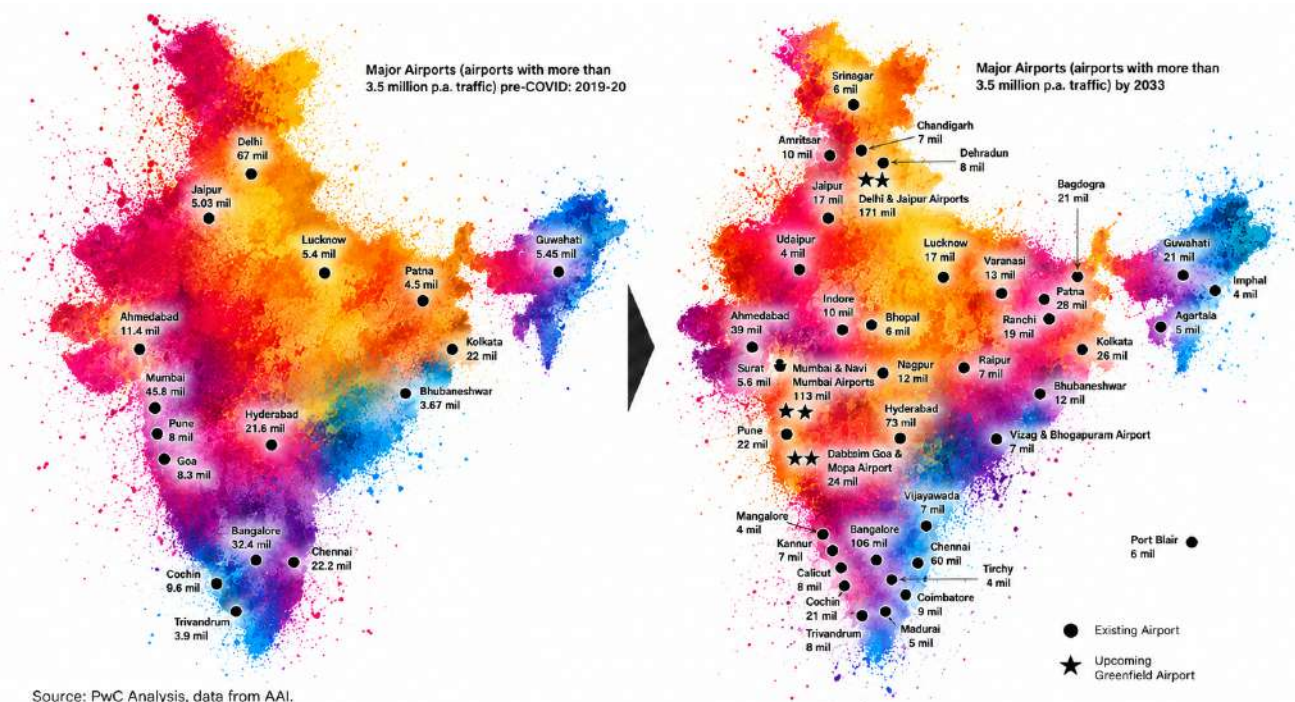
01.

THE OPPORTUNITY

More airports, better terminals, more travellers, more moments to convert.

As legacy hubs undergo radical modernization and brand-new architectural masterpieces enter operations, the industry is gaining access to an unprecedented volume of commercial real estate. Crucially, this growth is not confined to isolated pockets: it spans international departures, booming domestic connections, and regional routes. According to IATA – International Air Transport Association – since 2024, India has ranked as the world’s 3rd largest civil aviation market, with 150+ operational airports and a government target to reach 220 airports by 2030.

Expected evolution of major airports in India in 2019 and 2033



“Indian travellers are rapidly emerging as a key global growth engine. With outbound travel volumes rising, they are becoming an increasingly strategic consumer group across major APAC hubs such as Bangkok and Singapore.”



Veiane Cador
VP Travel Retail APAC
COTY

02.

THE REALITY CHECK

Traffic growth does not automatically create retail performance.

Passenger volume curves and shopping conversion rates are not inherently synonymous. While terminal footfall data in India continues to break international records, a persistent gap remains between the number of traveling passengers and actual point-of-sale transactions.

minus **50%**

2026 average personal luxury spending for Indian travellers compared to Chinese travellers

Oliver Wyman's Chinese and Indian Traveller Survey (2026)

"In global travel retail, 34% of Scotch whisky sales are executed above the USD 100 threshold. In India Duty Free, that proportion drops to 23%. This data point reveals a massive, untapped value capture opportunity for premium assortments."



Clarisse Daniels
Regional Director Travel Retail –
Europe, Middle East, India and Americas
WHYTE & MACKAY LIMITED

While current average spend remains modest compared to Chinese standards, short-term projections confirm a rapid trade-up and **strong purchase intent across key luxury categories in duty-free stores:**

“India is one of the most strategic markets in travel retail today because it combines unprecedented scale with a clear premium trajectory. With a fast-growing base of affluent travelers, consumers are increasingly trading up into single malts.”



Clarisse Daniels
Regional Director Travel Retail –
Europe, Middle East, India and Americas
WHYTE & MACKAY LIMITED

A defining structural characteristic of the Indian duty-free landscape is its historical reliance on arrival shopping. Beyond favorable regulations and transactional convenience, this trend reflects deeply ingrained shopper behaviors: returning travellers purchase in bulk driven by strong family gifting obligations, the pursuit of promotional value, and the desire for high-status, authentic international products (such as imported confectionery with explicit 'Made in Europe' provenance or core spirits) that remain scarce or heavily taxed domestically.

While arrival stores satisfy this destination-led, bulk-gifting mission, the next structural frontier lies in unlocking the immense latent potential of international departures.

In India, traditional duty-free revenue is still historically split 65% at Arrivals versus 35% at Departures, whereas the average for major global hubs like Singapore, Changi or Dubai is reversed, with 75%+ at Departures. (CAPA India, 2024)

“India’s duty-free arrival stores perform well, but departure stores lag behind global conversion benchmarks. Upgrades in airport layout, shopper experience, store design and pre-trip e-commerce will soon lift both conversion rates and average basket values.”



Hugo Vanderschaegh
Managing Director
ALTAVIA TRAVEL RETAIL

03.

THE CONSUMER.

The Indian traveller is changing, brands and airport retailers need to understand that change.

To build an experience-led commercial model, operators must fully decode the behavioral traits of the new Indian traveller. The contemporary Indian shopper is undergoing a profound evolution: they are digitally native, highly connected, affluent, and navigate international brand portfolios with increasing confidence. Yet, their behaviors remain distinct from Western consumer templates.

100
million

In individuals, the estimated size of the upper-middle class and affluent households in India by 2027–2030 (up from 45 million in 2020).

Goldman Sachs Global Investment Research
Strategic Report "Affluent India", 2024

+18%

Annual growth in travel and leisure spending for this demographic segment.

World Economic Forum
Future of Consumption in India Report, 2023

The defining dynamic of this audience is a unique coexistence: a robust, sharp value-consciousness paired with clear premium aspirations.

This is the era of smart premiumization. Indian travellers are entirely willing to trade up to premium tiers, but they demand justification through strong value perception, curated sets, or destination-exclusives. Furthermore, buying decisions are heavily driven by family purchasing dynamics, regional diversity, digital influence, and a deep cultural obligation toward high-prestige gifting.



MONKEY SHOULDER MIXER TRUCK

**Chhatrapati Shivaji
Maharaj International Airport,
Mumbai**

Monkey Shoulder introduced the iconic Monkey Shoulder Mixer Truck with 3D screen content for an immersive shopper experience.

[More info available here.](#)

“The shift is no longer simply from value to convenience, but from price-led buying to quality-led discovery. Indian travellers are actively seeking premium single malts, exclusives and new experiences, with whisky becoming a purchase linked to self-expression, gifting and personal prestige. India has been the #1 malt market in GTR since 2022.”



Clarisse Daniels
Regional Director Travel Retail –
Europe, Middle East, India and Americas
WHYTE & MACKAY LIMITED

“The Indian beauty traveller is one of the most dynamic and fastest-evolving shopper profiles in global travel retail today: digitally informed, highly engaged, and increasingly confident in navigating international beauty brands. What makes this consumer particularly interesting is the combination of strong value awareness with clear premium aspirations.”



Veiane Cadore
VP Travel Retail APAC
COTY



NEUHAUS Chocolate boutique

Recently opened
at Mumbai airport.



04. THE CATEGORY SHIFT.

From a
liquor-led
model to a
broader sales
mix.

Historically, the commercial engine of Indian airport retail has been heavily anchored by the liquor category. While spirits remain an absolute cornerstone, the commercial mix is diversifying rapidly as fragrance, premium beauty, wellness, luxury electronics, fashion, and high-end confectionery capture significant ground.

\$17.4
billion

The estimated value of
the beauty and personal
care market in India
by 2026, with the Premium/
Luxury segment growing
at +14.5% CAGR.

Euromonitor International – Beauty and
Personal Care in India Report, 2023

“India represents one of the most exciting premium consumer markets in the world today. The country has a rapidly expanding middle and affluent class, increasing exposure to international luxury brands, and a growing appreciation for premium gifting and indulgence products. As our CEO Isabel Baert recently stated, India is a strategic growth market where consumers increasingly seek authentic premium brands, craftsmanship, and high-quality products.”



Max Van Coillie
Business Development Manager Asia & Middle East
NEUHAUS



HYDERABAD duty free

Recently opened
departure duty free shops.



This rebalancing does not imply that core categories will decline; rather, it highlights that the market is maturing into a multi-category landscape where value can be captured across diverse shopper missions. Categories that lean heavily into personalization, sampling, experiential gifting, and sensory storytelling are demonstrating the fastest conversion acceleration, successfully expanding retail margins.

“We are also seeing the rise of local brands – a trend long established in mature markets that is now taking hold in Indian duty-free. Home-grown brand initiatives are emerging not only in the food segment but across all core categories.”



Hugo Vanderschaegh
Managing Director
ALTAVIA TRAVEL RETAIL



ALCOHOL

FRAGRANCE

BEAUTY

WELLNESS

ELECTRONICS

FASHION

CONFECTIONERY

05.

LOCAL MARKET ADAPTA- TION

Bridging
global
prestige
& local
relevance.

For international brands, thriving in the Indian travel retail ecosystem requires far more than reproducing a standardized global playbook. We have identified two non-negotiable levers: human interaction and cultural seasonality.

01. THE HUMAN TOUCH: Service, storytelling & In-Store expertise

In an era of instant price transparency, high-growth categories – such as prestige beauty, fragrances, and fine spirits – require experiential activation, sensory rituals, and, above all, human curation. In India, human interaction remains the ultimate driver of retail conversion and brand trust. The frontline associate is not merely a staff member, but an essential advisor who translates complex brand heritage, ingredient education, and usage guidance into personal reassurance for the traveller.

“India is one of the markets where the Beauty Advisor plays the most critical role in conversion. Indian travellers seek in-depth consultation and reassurance before purchase, appreciate fragrance storytelling, ingredient education and usage guidance, respond strongly to sampling and trial experiences, and often rely on Beauty Advisors for gifting recommendations.”



Veiane Cadore
VP Travel Retail APAC
COTY

“The Indian spirits shopper has become disproportionately impactful in travel retail. While footfall remains relatively low, spend intent is high, and alcohol delivers some of the strongest conversion rates in the category. The category is performing, but visibility and engagement are still holding it back, which means there is a clear opportunity to convert more value through better space, stronger storytelling, and more focused in-store activation.”



Clarisse Daniels
Regional Director Travel Retail –
Europe, Middle East, India and Americas
WHYTE & MACKAY LIMITED

02. THE POWER OF SEASONALITY: Navigating festivals & gifting

Localization also means designing activations around the rhythms of the Indian calendar. High-end gifting formats, tailored price points, and explicit visual codes are essential. Particularly during peak celebration windows such as the wedding season and major festivals like Diwali. Capturing this demand requires brands to deploy specific packaging, limited-edition gift sets, and festive-ready merchandising.

**\$20
billion**

Business volume generated solely by the festive year- end season (Diwali) and the “Wedding Season” in India across the retail and luxury sectors.

CAIT & Deloitte India, 2025

**up to
+50%**

Sales increase recorded on gift sets from October to December compared to the rest of the year.

Deloitte India Retail Reports, 2025

“We see opportunities to introduce packaging formats and collections that resonate with local celebrations and festive moments. India-specific launches are already being explored for festive periods such as Diwali.”



Max Van Coillie
Business Development Manager Asia & Middle East
NEUHAUS

CONCLUSION

India is not just a traffic story.
It is a global retail transformation.

The future evolution of Indian travel retail will not be defined by the scale of passenger traffic alone. It will be defined by the industry's collective capability to build an effective bridge from high traffic to high conversion rate and transaction value, both within India's rapidly expanding airport network and across global travel corridors (from the Middle East to APAC and the West).

As Indian travellers take the relay from Chinese shoppers to become the next primary growth driver for global travel retail, relying on generic store layouts or purely transactional convenience is no longer an option. Bridging the current spend gap requires a sharp "Reality Check": recognizing the unique arrival-led shopping dynamics, proving price-value relevance, and designing for strong gifting motivations.

The commercial leaders of tomorrow – whether operators, landlords, or brand owners – will be those who move past general market enthusiasm to invest deeply in the intersection of traveller insights, cultural localization, festive seasonality, and human-led retail storytelling. The transformation of Indian travel retail is already underway – and those who adapt their models to the expectations of this modern, discerning traveller will capture global travel retail's most powerful wave of growth for the decade to come.

INCREDIBLE India

"Top Indian duty-free operators are already developing next-generation stores. Expect spectacular flagship concepts that compete with the world's best while staying rooted in unique regional flair. More details coming soon!"



Hugo Vanderschaegh
Managing Director
ALTAVIA TRAVEL RETAIL

We consult for airports, design concepts for operators and activate brands' stories. Altavia Travel Retail, from all perspectives.



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