

Global Travel Retail Market Expected to Grow at a CAGR of 9.6% to Reach \$187 Billion by 2022 to 2031

Development of the travel & tourism industry, rapid urbanization, and changes in lifestyle owing to increase in disposable income of consumers

PORTLAND, 5933 NE WIN SIVERS DRIVE, #205, UNITED STATE, September 5, 2023 /EINPresswire.com/ -- According to a new report published by Allied Market Research, titled, "[Travel Retail Market](#)," The travel retail market size was valued at \$52.7 billion in 2021, and is estimated to reach \$187 billion by 2031, growing at a CAGR of 9.6% from 2022 to 2031.



Travel Retail Market

Some of the leading companies in travel retail industry, such as Estee Lauder, L'Oréal, Rituals Cosmetics, and Revlon, are expanding their businesses by opening their outlets at every international airport with an exclusive and wide range of fragrances & skin care products. This is due to the fact that billions of people travel internationally every year and spend sufficient time at airports. Thus, owing to this free time at the airport, travelers prefer to browse & buy products. In addition, enhanced visibility of products draws the attention of new customers in different countries and increases brand loyalty of existing customers.

Development of the travel & tourism industry, rapid urbanization, and changes in lifestyle owing to increase in disposable income of consumers, drive the growth of the travel retail market trends. In addition, international tourist arrivals in the emerging economies of Asia-Pacific and LAMEA is anticipated to create lucrative opportunities for the global travel retail market.

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However, unorganized local markets and stringent regulations in airport retailing hamper the growth of the travel retail market. The government rigid rules & policies for the air traveler

passengers are projected to hamper the growth of the travel retail market. Governments of different countries apply different rules to their air travelers such as the Indian Ministry of Commerce and Industry has proposed to reduce the number of bottles of alcoholic beverages that a passenger can buy through a duty-free outlet, when returning from overseas trip.

In addition, it has been observed that luxury wines & spirits are highly preferred by the international passengers, which leads to the growth of the market. Passengers traveling over distances mostly prefer wines & spirits as beverages. Moreover, growth in culture of owning luxurious goods and consumption of expensive wines & spirits drive travel retail market demand.

Furthermore, Europe is the second largest travel retail markets, owing to its stronger base of luxury products. It is anticipated to have the fastest growth with a CAGR of 7.2% during the forecast period. The region possesses some of the biggest apparels and cosmetics brands, namely, LVMH from France and H&M from Sweden, which hold a significant share in the luxury apparels, perfumes, and cosmetics sector, thereby making it the second largest travel retail market. Wealthy tourists from the Middle East, China, the U.S., and Russia contributes significantly toward the European travel retail market growth. Being the historical home of most of the luxury houses, Europe's market accounts for nearly \$23 billion of the travel retail sector.

The travel retail market is segmented on the basis of product type, sales channel, and region. By product type, the market is divided into perfume & cosmetics; electronics; wine & spirits; food, confectionery, & catering; tobacco; luxury goods; and others. As per distribution channel, the market is divided into airports; cruise liners; railway stations; and border, downtown, & hotel shops. Depending on region, the market is divided into North America, Europe, Asia-Pacific, and LAMEA.

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By product type, the perfumes & cosmetics segment held the major share in 2021 and is expected to dominate the market at a significant CAGR during the forecast period 2022-2031. Sustainability among perfume & cosmetic products is attracting a large customer base at present as the customer wants various information regarding the products being purchased, such as if they are environment-friendly. Customers are now emphasizing over products made from natural ingredients.

As per the distribution channel, the airports segment held the major travel retail market share in 2021 and is expected to dominate the global market at a significant CAGR during the forecast period 2022-2031. Airports follow general retail shop concept as it carries a diversity of items and includes full range of product categories, such as perfumes & cosmetics, tobacco goods, wines & spirits, electronics, and food & confectionery. These retail shops at airports are located in central areas with high passenger flow, which attracts the customers to visit the stores. New

outlets have been opened by L’Oreal and Estee Lauder at airports globally considering the high footfalls of the passenger.

Depending on the region, Asia-Pacific held the major share in 2021 and is expected to dominate the global market at a significant CAGR during the forecast period 2022-2031. Growth of the travel & tourism segment along with rise in number of international routes is majorly driving the market for duty-free retailing in Asia-Pacific. Moreover, increase in levels of urbanization along with the advent of low-cost carrier airlines are driving the sales of duty-free travel retail products in the region. The market is further driven by growth and emergence of duty-free stores around the various international seaports and airports.

The key players in the travel retail market analysis have focused on expanding their business operations in the emerging countries by adopting various strategies, such as acquisition and contact/agreement. The major players profiled in this report include DFS Group, Dufry, LS travel retail, Lotte Duty Free, King Power International Group, The Shilla Duty Free, Gebr, Heinemann, China Duty Free Group (CDFG), Aer Rianta International (ARI), and The Naunace Group.

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Key findings of the study

By product type, the perfumes & cosmetics segment was the highest revenue contributor to the market in 2021 and is expected to grow at a significant CAGR during the forecast period.

As per distribution channel, the airports segment was the highest revenue contributor to the market in 2021 and is expected to grow at a significant CAGR during the forecast period.

Region wise, Asia-Pacific was the highest revenue contributor to the market in 2021 and is expected to grow at a significant CAGR during the forecast period.

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