



**AIRPORTS COUNCIL
INTERNATIONAL**

TRAVEL RETAIL IN THE POST-PANDEMIC ERA

Emerging Trends and Passenger Behaviours in Asia-Pacific and Middle East

A study by ACI Asia-Pacific & Middle East

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This research was made possible through the participation of **22 airports**, alongside in-depth interviews with airport commercial leaders, duty-free and retail operators, and focus-group participants from across the region. Their candid perspectives and practical experience were essential in shaping the findings and conclusions of this report.

We are also grateful to the **thousands of passengers** who participated in the quantitative survey and shared their views on shopping behaviour, value perception, and airport retail experiences.

ACI APAC & MID extends its appreciation to all contributors for their openness, professionalism, and continued collaboration in supporting evidence-based insight for the future of airport commercial development.

Participating airports

- **Auckland International Airport** – Auckland, New Zealand
- **Airports of Thailand Public Company Limited** – Bangkok, Thailand
- **Brisbane Airport** – Brisbane, Queensland, Australia
- **Hamad International Airport** – Doha, Qatar
- **Hong Kong International Airport** – Hong Kong, China
- **Incheon International Airport** – Incheon (Seoul Capital Area), South Korea
- **Indira Gandhi International Airport** – New Delhi, India
- **Kansai International Airport** – Osaka (Kansai region), Japan
- **Kempegowda International Airport** – Bengaluru, India
- **King Abdulaziz International Airport** – Jeddah, Saudi Arabia
- **King Khalid International Airport** – Riyadh, Saudi Arabia
- **Kuala Lumpur International Airport** – Sepang (Greater Kuala Lumpur), Malaysia
- **Macau International Airport** – Macau, China
- **Melbourne Airport** – Melbourne, Victoria, Australia
- **Nadi International Airport** – Nadi, Fiji
- **Narita International Airport** – Narita (Greater Tokyo), Japan
- **Ngurah Rai International Airport** – Bali, Indonesia
- **Queen Alia International Airport** – Amman, Jordan
- **Sharjah International Airport** – Sharjah, United Arab Emirates
- **Singapore Changi Airport** – Singapore
- **Sydney Airport** – Sydney, Australia
- **Zayed International Airport** – Abu Dhabi, United Arab Emirates

Glossary

Term	Definition
ACI	Airports Council International
APAC	Asia-Pacific region
Archetype	Segment grouping
Authenticity	Preference for culturally meaningful products
Bid Capex	Capital investment required in a tender
Bleisure	Business + Leisure travel
CAGR	Compound Annual Growth Rate
Calibration	Adjusting data to remove sampling bias
Circa (C.)	Approximately; around
Desktop Research	Secondary research from published sources
Domestic Passenger	Passenger traveling within the same country
Dwell Time	Time a passenger spends in terminal before boarding
Economy / Non-Economy	Passenger cabin class grouping
Experience-Led Shopping	Purchasing driven by store experience
F&B	Food & Beverage
Flexible Space Model	Space designed for rapid retail refresh
GDP	Gross Domestic Product
IATA Code	International Air Transport Association airport code
International Passenger	Passenger traveling across international borders
KPI	Key Performance Indicator
MAG	Minimum Annual Guarantee
MID / ME	Middle East region

Term	Definition
Mn	Million
Normalization	Aligning sample with real-world proportions
OAG	Aviation data provider
P.A.	Per annum
Passenger Mix	Composition of passengers by type
PAX	Passenger
Phased Commitments	Gradual investment retail model
Primary Research	Direct surveys & interviews
Qualitative Research	Interviews & focus groups
Quantitative Research	Numerical/statistical surveys
Recovery Index	Metric comparing 2025 vs 2019 performance
Retail Basket	Distribution of product categories purchased
Retail Conversion	Share of store visitors who purchase
Retail SPP	Spend Per Passenger
Risk-Sharing Model	Shared downside risk in contracts
Survey Penetration	% representation of a surveyed segment
Transfer Passenger	Connecting passenger not exiting airport
USD	United States Dollar
Value-Led Shopping	Purchases driven by discounts/promotions
VFR	Visiting Friends & Relatives

1. Executive Summary



Executive Summary (1)

Recovery has largely occurred — but growth is now constrained by relevance, not demand

- Airport retail across Asia-Pacific and the Middle East has moved beyond the immediate post-pandemic recovery phase. In many markets, passenger volumes and aggregate demand have returned to, or exceeded, 2019 levels. However, this recovery has not translated evenly into commercial performance.
- Headline recovery figures mask significant variation by region, passenger nationality, travel purpose, and category mix. In this environment, passenger mix is becoming more important than passenger volume in determining commercial outcomes. Airports that previously relied on a narrow set of high-spending passengers or categories are increasingly exposed to volatility.
- Critically, the research indicates that the current phase of airport retail is not defined by weak demand, but by misalignment between passenger expectations and the retail offer. Behavioural shifts observed across multiple markets and cohorts are structural rather than temporary, reflecting broader changes in how passengers shop, assess value, and allocate spend.
- As a result, future growth is increasingly constrained by relevance — how well the offer matches passenger needs — rather than by footfall alone.

What passengers are telling us

- After COVID, passenger behaviour across APAC and the Middle East has become more selective, value-driven, and less predictable. Willingness to shop remains, but passengers are increasingly discerning, prioritising clarity, convenience, and perceived value.
- A clear contrast is emerging between international and domestic passengers. International travellers continue to underpin higher spend, supported by longer dwell times, access to restricted categories, and a greater propensity to browse. Domestic passengers, by contrast, are more time-constrained and value-focused, reshaping expectations of what constitutes a “relevant” airport retail experience.
- Generational differences are also widening. Gen Z passengers demonstrate more self-directed, price-aware, and trend-sensitive behaviours, with low tolerance for static or repetitive retail environments. Millennials exhibit a blend of convenience-led and experience-aware behaviour, while Boomers continue to prioritise familiarity, trust, and efficiency. While some differences reflect life stage, the overall direction of travel points to faster cycles of change and a greater emphasis on relevance across all cohorts.
- Digital services resonate more strongly with Gen Z and Millennials, but adoption remains relatively low and is not yet a primary driver of incremental spend. Similarly, sustainability is increasingly important to passengers in principle, but stated willingness to pay does not consistently translate into purchasing behaviour. In both cases, these factors currently function more as qualifiers of choice than as standalone commercial drivers.

Executive Summary (2)

What operators and retailers are experiencing

- From the airport operator perspective, the central challenge is balancing revenue stability with the need for greater adaptability. Long-term, MAG-based concession models continue to provide financial predictability, but they also limit the speed at which retail offers can be refreshed or adapted in response to changing passenger behaviour.
- Retail operators describe their commercial behaviour as a rational response to this environment. High upfront investment requirements, rigid frameworks, and fixed risk exposure discourage experimentation and favour proven, repeatable concepts over innovation. This is particularly evident in categories with fast-moving trends or uncertain demand.
- Both airports and retailers recognise the need for greater responsiveness, but highlight that the ability to change is often constrained by existing commercial frameworks rather than by lack of intent or creativity. There is a shared acknowledgement that closer collaboration and better alignment of incentives would support faster learning and more relevant retail environments.

What this means going forward

- The central conclusion of this study is that the primary constraint on future airport retail growth is increasingly structural rather than behavioural. Passenger demand has not disappeared, but the ability to respond to it at pace is shaped by the systems and models that sit behind the offer.
- The findings of this study do not point to a need for wholesale restructuring of commercial models. Instead, evidence from interviews and case examples highlights the value of incremental, targeted flexibility. Where airports have introduced modular space, pilot formats, or phased commitments, stakeholders report faster learning cycles, improved relevance, and greater willingness to invest - without undermining long-term financial stability.
- Looking ahead, long-term resilience and growth will depend less on optimising within fixed structures and more on ensuring that those structures can evolve over time. Agility, relevance, and evidence-led decision-making are emerging as critical capabilities for airports navigating a more fragmented and fast-moving retail environment.
- These findings set the context for the recommendations, which focus on how airports can balance stability with adaptability, strengthen collaboration with retailers, and use passenger insight to support more responsive and resilient commercial strategies.
- The findings and recommendations in this study might not be applicable to all of the airports in the region. Each airport should assess the degree of suitability and applicability of the recommendations.

Executive Summary (3)

Recommendations

1	Reframe commercial models as strategic enablers of relevance and growth	Airports should increasingly view commercial models not only as mechanisms for revenue protection, but as strategic enablers that determine how quickly and effectively the retail offer can evolve.
2	Introduce targeted flexibility to support faster learning and adaptation	Flexibility should be introduced in a targeted, proportionate, and evidence-led manner, rather than applied universally.
3	Strengthen airport–retailer collaboration and risk-sharing	More collaborative commercial relationships can help align incentives and improve outcomes in a more volatile operating environment.
4	Ensure product and category mix can adapt to fast-moving trends	Airport retail strategies should place greater emphasis on adaptability within the product and category mix to reflect faster trend cycles.
5	Deepen focus on local and regionally relevant offers	Airports should actively support the inclusion of local and regionally relevant products as a source of authenticity and differentiation.
6	Use data and passenger insight to guide commercial decision-making	Commercial planning should be increasingly informed by passenger insight and behavioural data, rather than relying solely on historical performance.

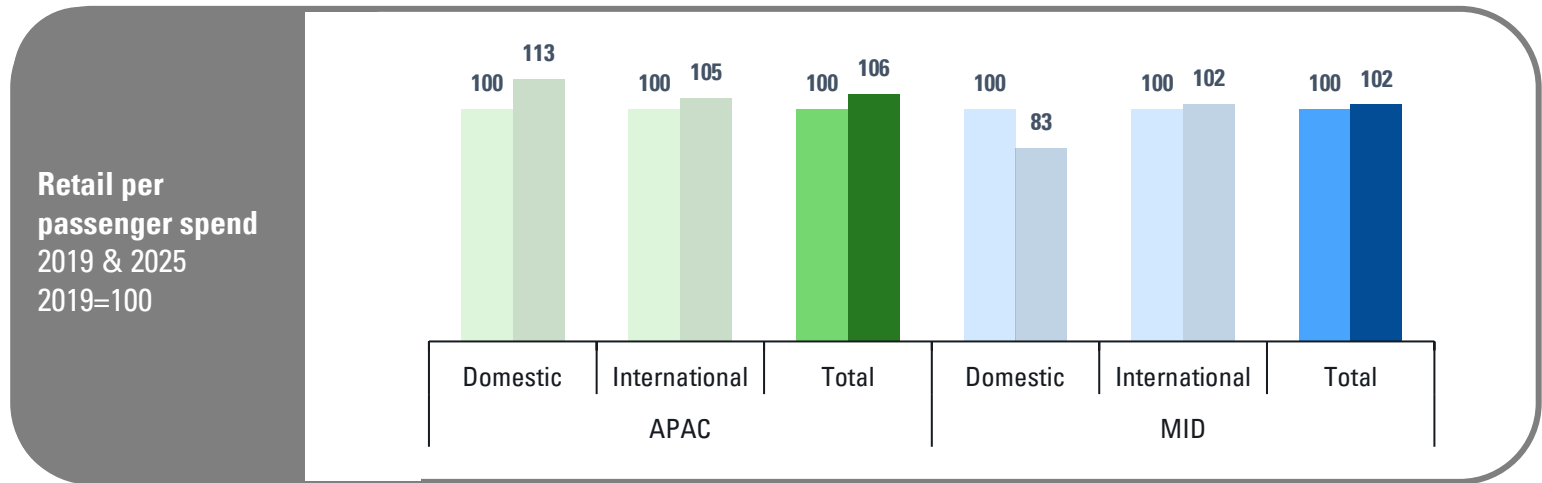
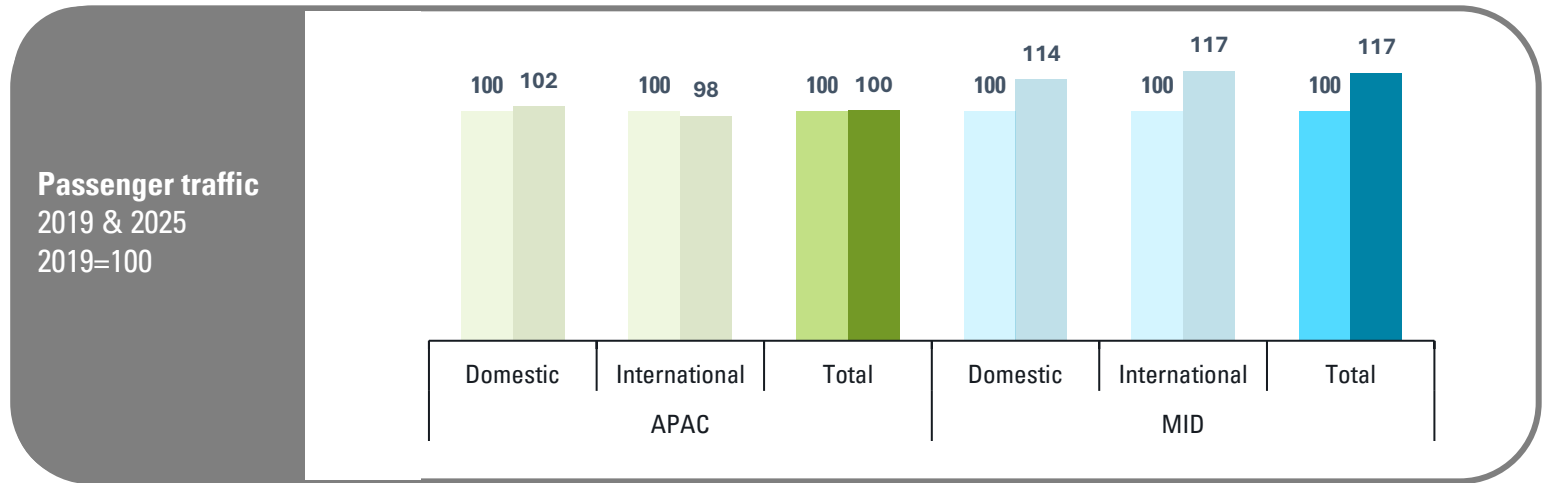
2. Introduction



2.1. Context

Recovery is uneven, and retail performance is being reshaped by passenger mix and spending behaviour.

- Overall, passenger traffic has recovered from 2019 levels in APAC & MID, although unevenly across countries.
- International traffic performance in APAC lags behind domestic traffic.
- Traffic in MID has experienced a substantial growth from pre-COVID levels.
- Retail spend per passenger follows a separate trajectory than traffic, as passenger spending behaviours have materially changed over the last years.
- The mix of nationalities and generation differences are shaping the retail performance at airports.



Source: ACI, Passenger surveys, Steer
 Note: Pax traffic 2025 reflects Jan.-Oct. 2025. Spend is inflation adjusted

2.2. Objectives of this study

The objective of this study is to deliver actionable insights and strategic recommendations for airports, travel retailers, and regulators by analysing recent trends and challenges in airport retail.

The study focusses on the following areas:

- i. Comparison of travel retail and airport performance between 2025 vs 2019 to identify recovery trends, operational adaptations, and key drivers shaping post-pandemic growth.
- ii. Analysis of domestic and international passenger spending, including nationality-based differences, to derive insights for optimizing product mix, pricing, and marketing strategies.
- iii. Examination of generation-specific shopping behaviour across Boomers, Gen X, Millennials, and Gen Z to understand digital expectations, experiential preferences, and category choices for targeted retail planning.
- iv. Assessment of the contribution of Duty-Free revenues to total non-aeronautical income at major APAC & Middle East airports, with a breakdown of channels to guide commercial strategy.
- v. Identification of actionable insights and strategic recommendations to help airports, travel retailers, and regulators enhance retail performance, improve passenger engagement, and strengthen long-term sustainability and growth.



2.3. Structure of this report

#	Section / Sub-Section	Description
1.	Executive Summary	Summarizes the study's key findings, insights, and strategic recommendations for stakeholders.
2.	Introduction	Introduces the study context, objectives, scope, and the structure of this report.
3.	Approach and Methodology	Outlines the data sources, research design covering quantitative passenger surveys, qualitative interviews with airport operators and retailers, and focused group discussions, and study limitations.
4.	Research & Findings	Provides insights across following themes based on primary and secondary data analysis
4.1	Airport Operator Pulse	Provides airport perspectives on recovery, category growth, performance drivers, evolving passenger behaviour and commercial models.
4.2	Travel Retail Performance & Trends: 2025 vs 2019	Compares passenger traffic, retail performance, spending patterns, and operational changes across regions before (Year 2019) and after COVID-19 (Year 2025).
4.3	Spending Behaviour	Profiles passenger spending patterns by nationality, travel type: domestic and international, retail categories and key behavioural drivers
4.4	Generation-Specific Shopping Behaviour	Highlights generational differences in spending, category preferences, shopping motivators, digital usage, and the rise of experiential retail.
4.5	Commercial Models	Reviews existing retail concession models and identifies emerging trends in contract flexibility and risk-sharing.
4.6	Impact of Duty-Free Shopping on Airport Economics	Evaluates the duty free's contribution to non-aeronautical revenues and its role in airport financial performance.
4.7	Summary of Trends	Synthesizes cross-cutting insights across all research themes into overarching market insights.
4.8	Case Studies	Provides deep-dive illustrations of country- and segment-specific insights through representative examples.
5.	Recommendations	Offers strategic recommendations for airports, operators, and policymakers to enhance travel retail performance.
	Appendices	Presents supplementary data tables, sampling listings, and methodological references supporting the analysis.

3. Approach and Methodology



3.1. Overview of data inputs

The study’s methodology integrates desktop research with primary data collected through targeted surveys, interviews, and focus groups. This dual approach ensured a well-rounded, evidence-based analysis of travel retail trends and passenger behaviour in the post-pandemic context.

Primary Data Collection

a. Quantitative Research

- **Passenger Surveys:** Statistically robust surveys conducted on a representative sample of passenger segments, aligned with the objectives of this study.
- **Questionnaires to airport operators:** Extensive insights and data collected from airport operators.

b. Qualitative Research

- **Stakeholder Interviews:** In-depth discussions with airport operators and retailers to understand on ground trends, commercial performance, spending patterns, pricing strategies, and operational challenges.
- **Focus Group Discussions:** Focus group discussions to understand consumer behaviour and perceptions in detail.

Secondary Data (Desktop Research)

- **ACI Database:** Passenger traffic, revenue data, and historical surveys conducted with airport operators, as provided by ACI.
- **Financial statements and annual reports:** Financial and annual reports for selected airports across the APAC & MID regions.
- **Industry publications and relevant studies:** Published studies, white papers, and industry reports relevant to the scope of this study.

Data sources

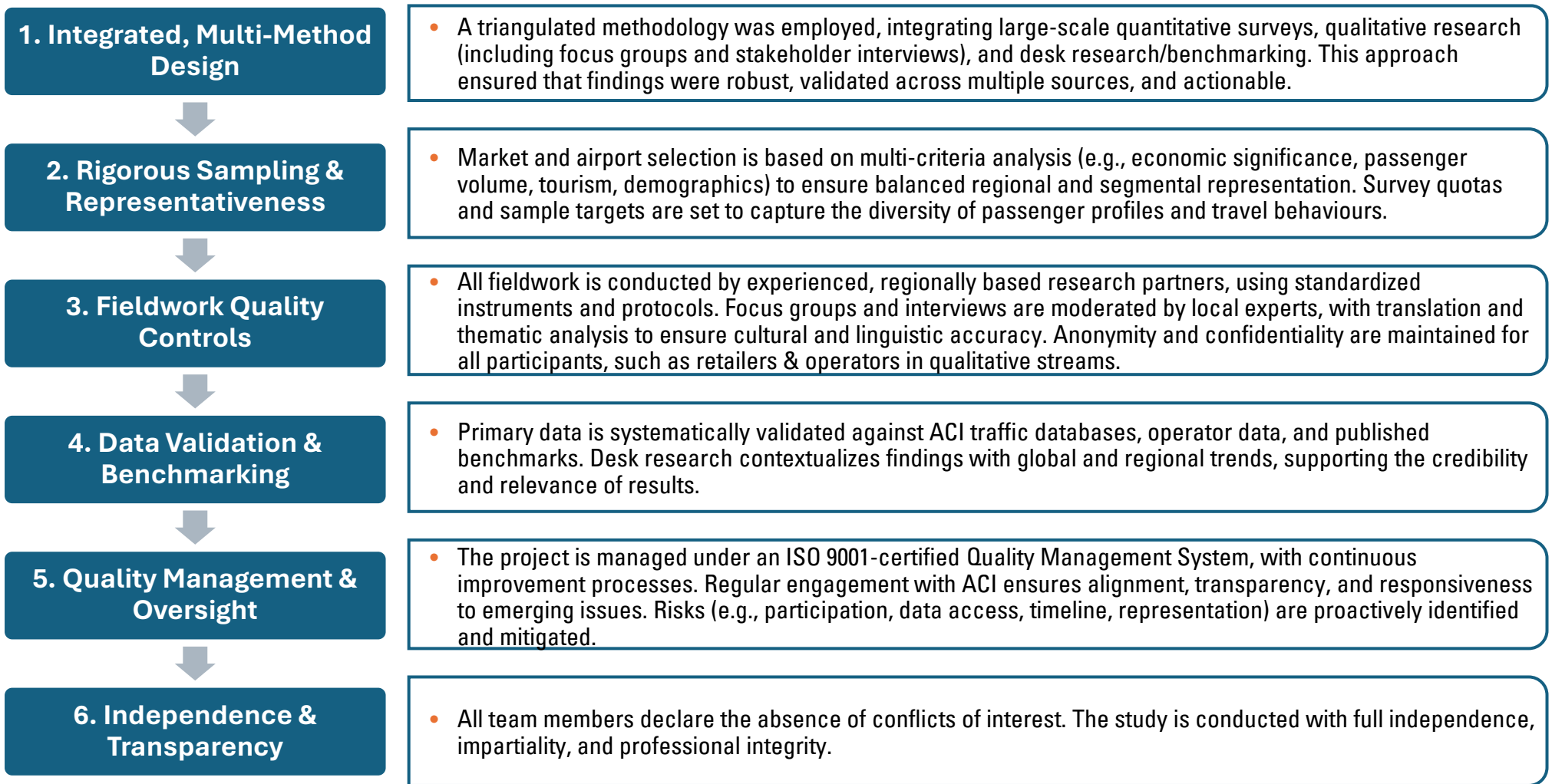
Data sources		
Primary		Secondary
Quantitative	Qualitative	
Surveys to passengers	Focus groups	ACI data
	Interviews to airport operators	Financial statements
Questionnaires to airport operators	Interviews to retail operators	Industry publications

Source: Steer

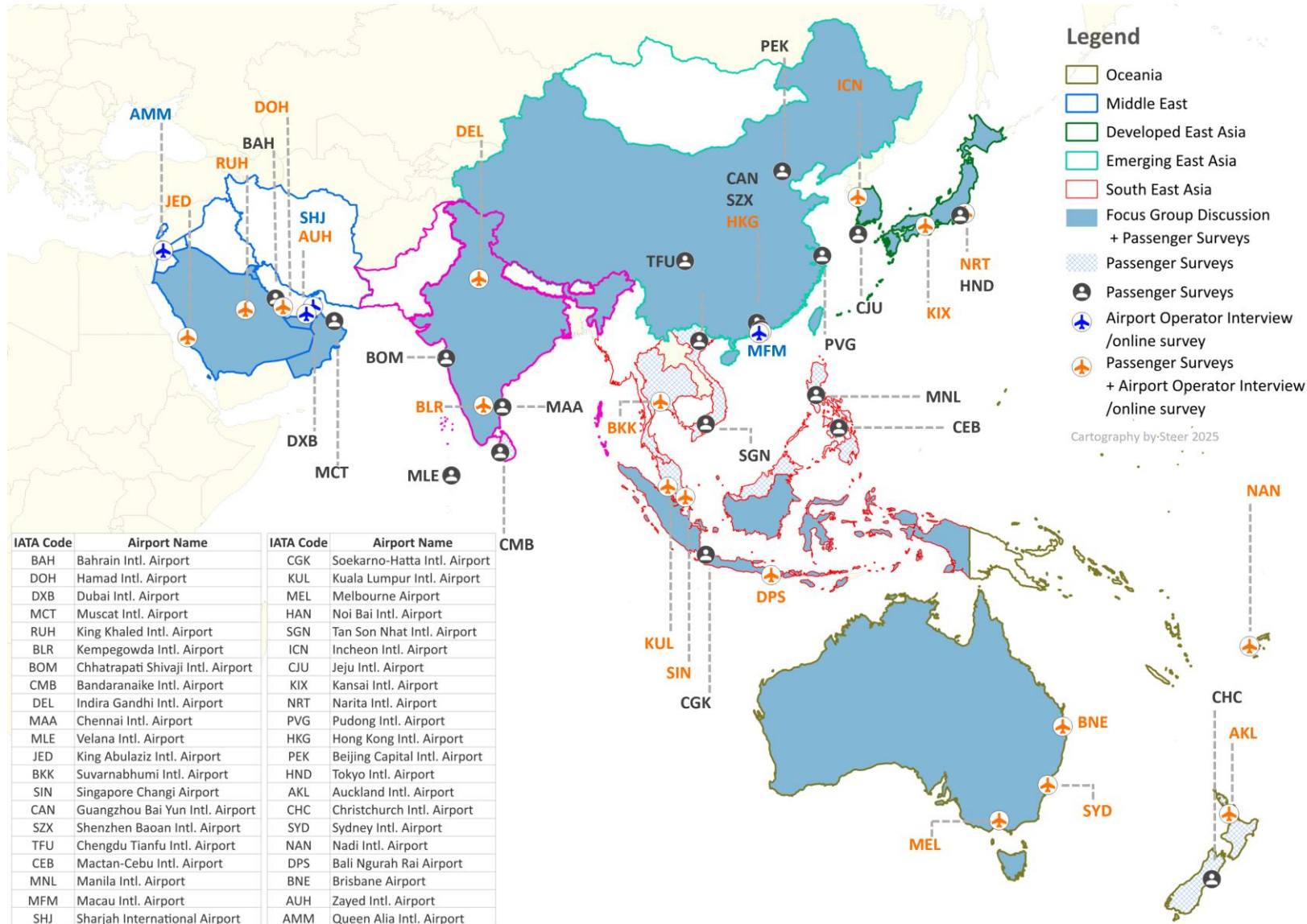
Note: The questionnaires and interview guides are provided in the Appendix

3.2. Quality control and management

Comprehensive, multi-method research approach, integrating quantitative surveys, qualitative interviews, and benchmarking to ensure robust and actionable insights. Rigorous sampling, strict fieldwork controls, and systematic data validation to support representativeness and reliability.



3.3. Overview of primary research footprint



The primary data collection exercise was conducted between mid-October 2025 and mid-January 2026.

Primary data collection highlights

c.4,000

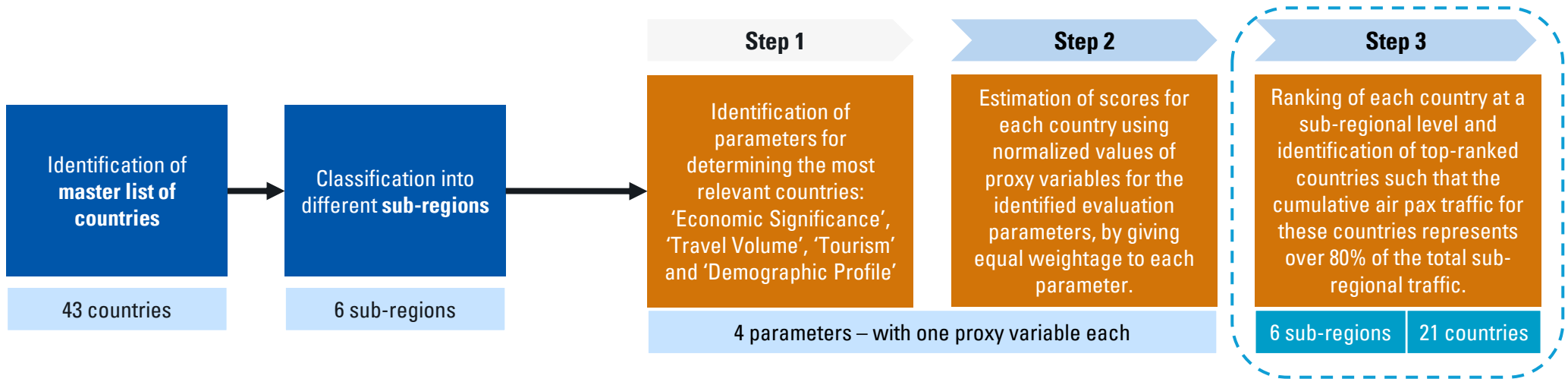
Passenger surveys

36 Airports 21 Countries 150 Segments

18 Airports surveyed online **8** Airport operator Interviews

6 Retail operator interviews **57** Passengers in-depth interviews across 7 regions

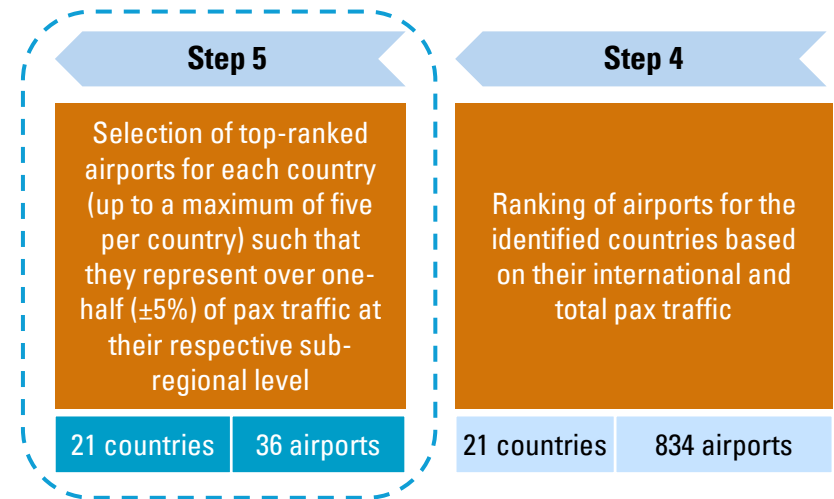
3.4. Countries and airports sampling: Methodology



Shortlisted Countries and Airports

#	Market	Airport
Middle East (5 Countries/ 6 Airports)		
1.	Bahrain	<i>Bahrain</i>
2.	Oman	<i>Muscat</i>
3.	Qatar	<i>Doha</i>
4.	Saudi Arabia	<i>Jeddah, Riyadh</i>
5.	UAE	<i>Dubai</i>
South Asia (3 Countries/ 6 Airports)		
6.	India	<i>Delhi, Bangalore, Chennai, Mumbai</i>
7.	Maldives	<i>Male</i>
8.	Sri Lanka	<i>Colombo</i>
Southeast Asia (6 Countries/ 8 Airports)		
9.	Indonesia	<i>Jakarta</i>
10.	Malaysia	<i>Kuala Lumpur</i>
11.	Philippines	<i>Manila, Mactan-Cebu</i>

#	Market	Airport
12.	Singapore	<i>Changi</i>
13.	Thailand	<i>Bangkok</i>
14.	Viet Nam	<i>Hanoi, Ho Chi Minh</i>
Developed East Asia (3 Countries/ 6 Airports)		
15.	Hong Kong SAR	<i>Hong Kong</i>
16.	Japan	<i>Tokyo, Narita, Kansai</i>
17.	Republic of Korea	<i>Incheon, Jeju</i>
Emerging East Asia (1 Country/ 5 Airports)		
18.	China	<i>Beijing, Chengdu, Guangzhou, Shanghai, Shenzhen</i>
Oceania (3 Countries/ 5 Airports)		
19.	Australia	<i>Sydney, Melbourne</i>
20.	Fiji	<i>Nadi</i>
21.	New Zealand	<i>Auckland, Christchurch</i>



Source: Steer Analysis

3.4. Countries and airports sampling: Steps 1-2

Countries were evaluated using four key parameters, each with a corresponding KPI. Scores were normalised within six subregions to evaluate relative performance of countries within each subregion.

Step 1: Identification of parameters

- Four key parameters were selected to reflect country-level relevance: Economic Significance, Travel Volume, Tourism, and Demographic Profile.
- Each parameter was mapped to a measurable key performance indicator (KPI): GDP, total air passenger traffic, proportion of international travellers, and population demographics (age 15-64 years).
- Data was collected for all member countries across the Asia-Pacific and Middle East regions using sources such as ACI and World Bank Group portal.

Step 2: Scoring of countries against selected parameters

- Countries were grouped into six subregions to ensure fair comparison across diverse geographies.
- For each KPI, countries were scored relative to the highest value within their subregion (top performer = 100).
- This subregional indexing enabled normalised scores that reflect intra-regional competitiveness.

KPIs used for identified parameters

#	Parameter	KPI
1.	Economic Significance	GDP (US\$ trillion)
2.	Travel Volume	Total air passenger traffic
3.	Tourism	% of international travellers
4.	Demographic Profile	% of population aged 15–64

Number of member countries evaluated by region and sub-region

#	Region	Sub-region	# of Member Countries
1.	Middle East	Middle East	10
2.	Asia-Pacific	South Asia	6
3.		Southeast Asia	8
4.		Developed East Asia	5
5.		Emerging East Asia	2
6.		Oceania	12

Note: Region and sub-region-wise list of member countries are presented in the Appendix

3.4. Countries and airports sampling: Step 3

Countries were ranked within each subregion based on aggregated scores, and top performers were selected to ensure coverage of the majority of regional air traffic.

Step 3: Ranking at a subregional level for the countries shortlisting

- **Ranking within sub-regions:** Countries in each of the six sub-regions were ranked based on their composite scores from Step 2, reflecting economic significance, travel volume, tourism, and demographic profile.
- **Selection criteria:** The top-ranked countries were selected sequentially until their combined air traffic accounted for a substantial share (typically >80%) of the total sub-regional passenger traffic. This ensures the sample is both representative and manageable.
- A few countries that ranked well were excluded because low traffic levels made them unsuitable for a viable sample. These include Bhutan, Guam, Northern Mariana Islands, and Samoa.
- This process resulted in a final sample of 21 countries across 6 sub-regions, covering over 90% of the total regional air traffic.

Number of countries selected for the Study

#	Region	Sub-region	Total countries	Selected countries	% of sub-regional traffic covered
1.	Middle East	Middle East	10	5	81%
2.	Asia-Pacific	South Asia	6	3	93%
3.		Southeast Asia	8	6	99%
4.		Developed East Asia	5	3	88%
5.		Emerging East Asia	2	1	99%
6.		Oceania	12	3	96%

Note: Region and sub-region-wise list of selected countries are presented in the Appendix

3.4. Countries and airports sampling: Steps 4-5

Airports were ranked within each selected country to capture the majority of passenger traffic, ensuring the final sample is robust and regionally representative.

Step 4: Ranking of the airports based on passenger traffic

- **Airport-level ranking:** For each of the 21 selected countries, all airports were ranked by total passenger traffic, with a separate ranking for international passenger volumes.

Step 5: Selection of airports at a country-level

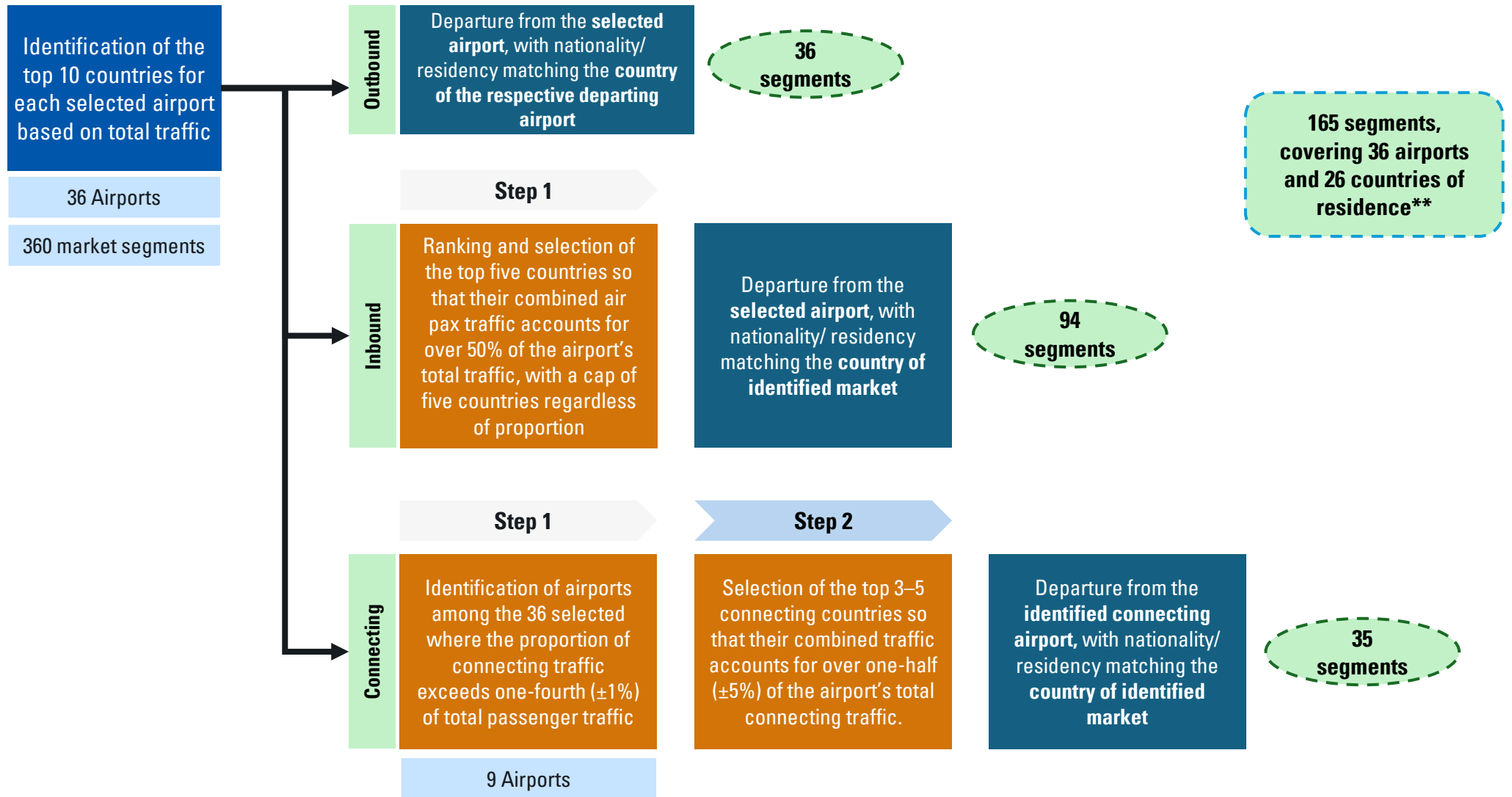
- **Selection criteria:** Airports were shortlisted (up to a maximum of five) so that, for each country, the selected set covers a significant share of both international and total passenger traffic (with an aim of over 50%). This ensures that the sample reflects the main gateways and traffic hubs.
- **Coverage check:** The selected airports were reviewed to confirm that, collectively, they account for a high proportion of both international and total passenger traffic at the sub-regional and regional levels.
- **Representativeness check:** The sample was checked for balanced representation across all sub-regions and market types, ensuring that both major hubs and key secondary airports are included where relevant.
- The final sample comprises 35 airports in 21 countries, providing a robust basis for the survey.

Number of airports selected for the Study

#	Region	Sub-region	No. of airports in sub-region	No. of shortlisted airports	% of sub-regional traffic covered
1.	Middle East	Middle East	45	6	60%
2.	Asia-Pacific	South Asia	134	6	47%
3.		Southeast Asia	159	8	46%
4.		Developed East Asia	104	6	52%
5.		Emerging East Asia	262	5	19%
6.		Oceania	107	5	50%

Note: Detailed list of selected airports under each region and sub-region are presented in the Appendix

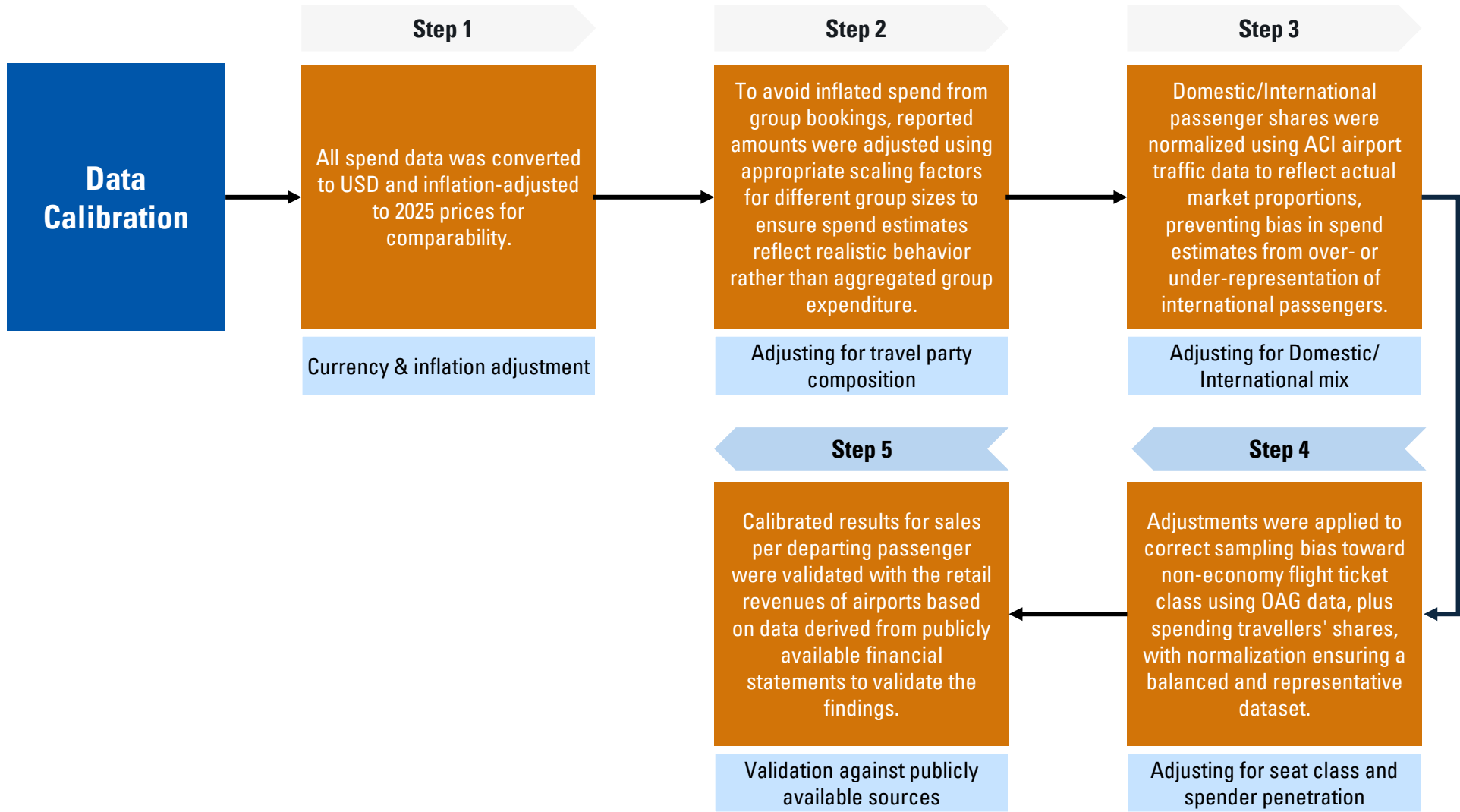
3.5. Travel segments shortlisting: Methodology



Notes:
 *Number of samples estimated based on 85% confidence level and 15% margin of error
 **Russia has been excluded due to non-feasibility to obtain data

3.6. Quantitative data calibration: Methodology

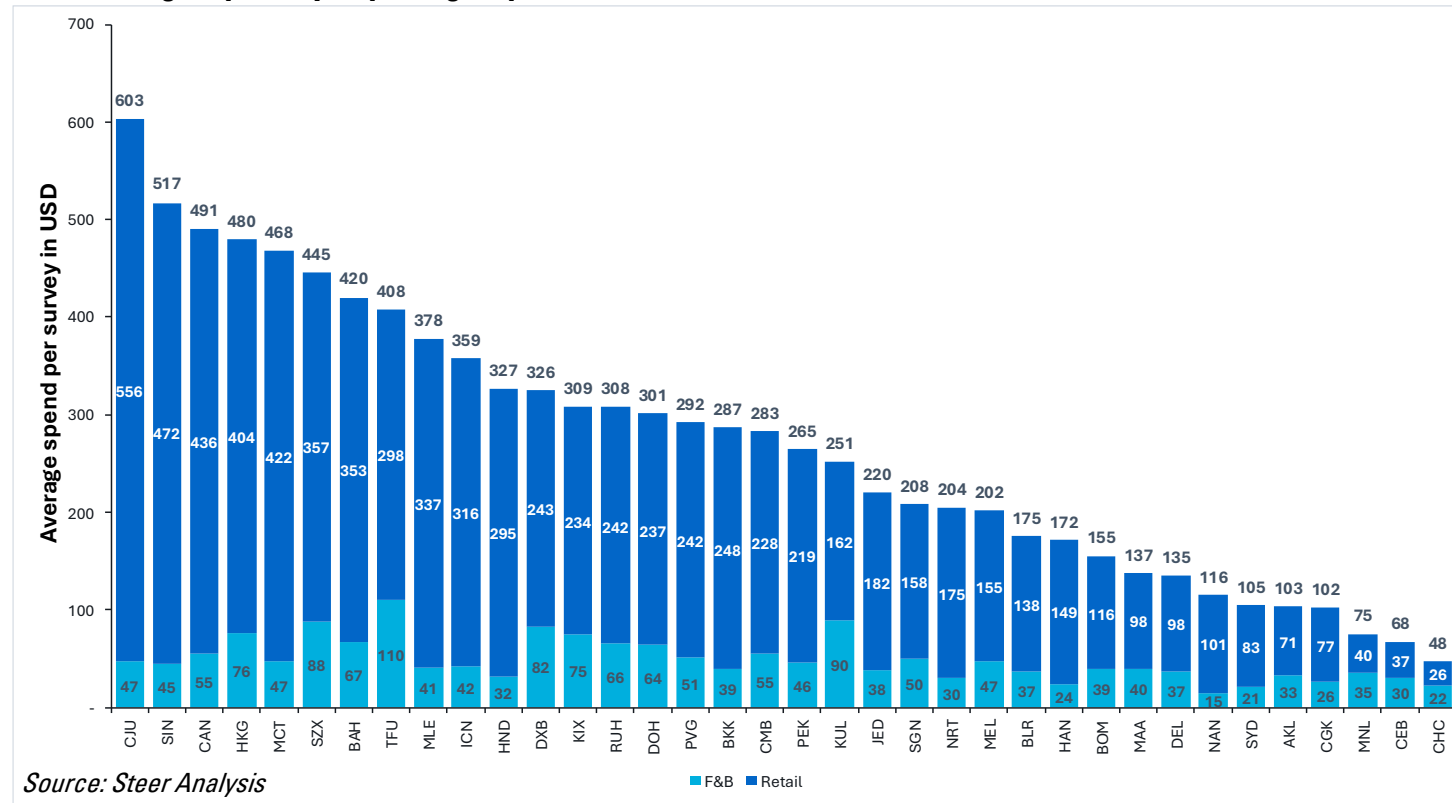
The calibration of passenger spend data (quantitative surveys) is essential for strengthening data control and minimizing skewness in the collected information.



3.6. Quantitative data calibration: Step 1

All expenditure data was converted to USD and standardized to 2024 price levels through inflation adjustments, ensuring consistency across regions and time periods. To mitigate distortion from extreme values, luxury segment spends were capped at USD 5,000, providing a more accurate and representative average spend per passenger.

Per-Passenger spend by Departing Airport (USD)



- After adjustment, the average spend per passenger is **USD 292**, comprising **USD 53** on *Food & Beverage* and **USD 239** on *Retail*.
- This adjustment establishes the baseline for subsequent steps, ensuring all spend data is comparable across markets.

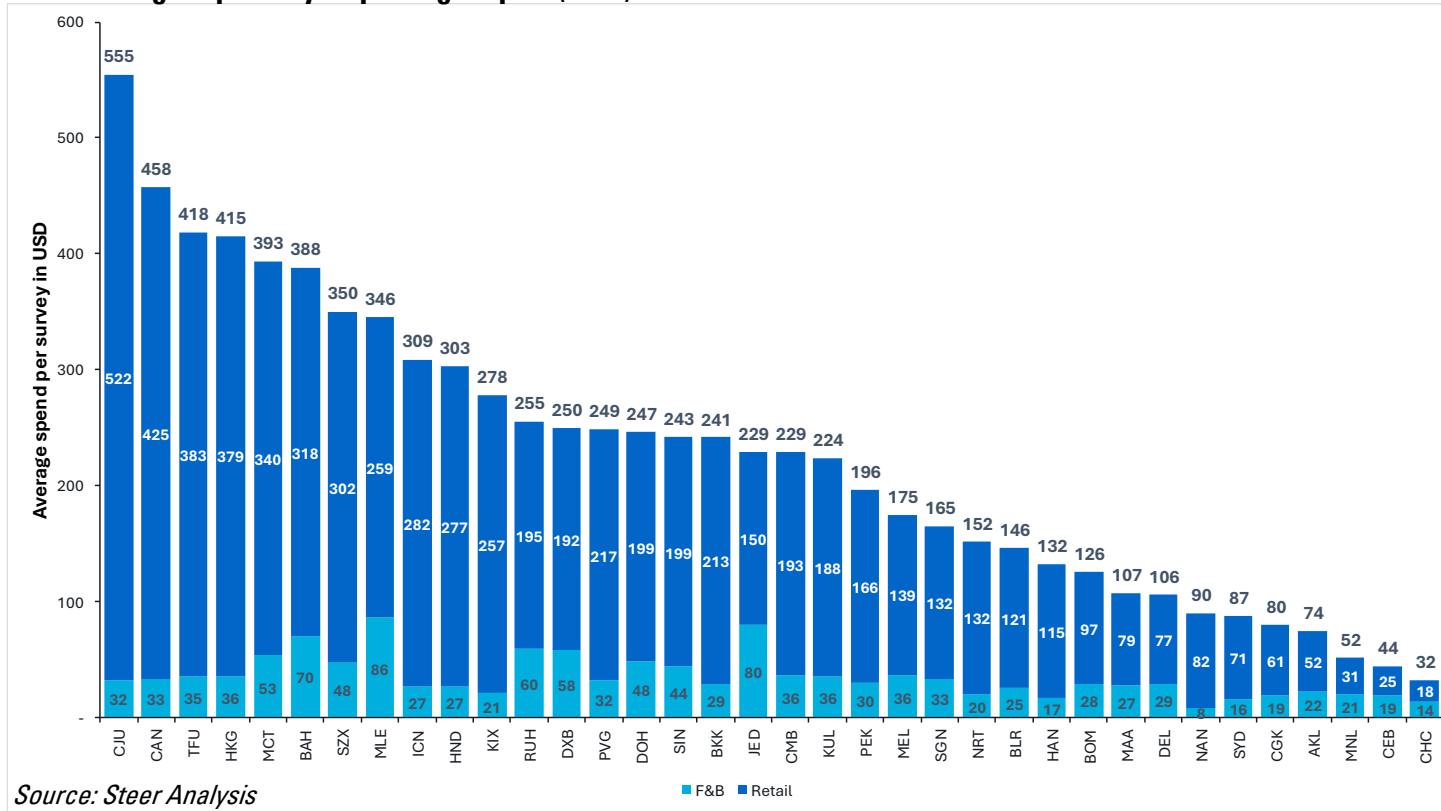
Total average spend per survey in USD

Food and Beverage	Retail	Total
\$53	\$239	\$292

3.6. Quantitative data calibration: Step 2

To prevent inflated per-passenger spend from group bookings, reported amounts were adjusted using calibrated scaling factors based on group size. This ensures that individual spend estimates accurately reflect typical passenger behaviour rather than aggregated group expenditure.

Per-Passenger spend by Departing Airport (USD)



Source: Steer Analysis

- After adjustment, the average spend per passenger is **USD 38**, comprising **USD 204** on *Food & Beverage* and **USD 242** on *Retail*.
- The factors used for adjustment are as follows:

Adjustment factors used

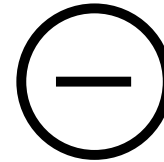
Category	Multiplier
Alone	1.00
With my partner	1.80
With my family – all in group 16 years+	2.50
With my family – children under 16	2.20
With friends	1.00
With colleagues	1.00

Total average spend per survey in USD

Food and Beverage	Retail	Total
\$38	\$203	\$240

3.6. Quantitative data calibration: Step 3(a)

Domestic passenger shares versus International at each airport were normalized using actual traffic distribution data sourced from ACI. This adjustment ensures consistency with real market dynamics and mitigates the risk of disproportionate representation in expenditure calculations.



1. Survey Sample (Observed)

- Passenger survey data was first reviewed to identify the observed proportion of domestic and international travelers at each airport.
- These proportions reflect survey coverage rather than true market structure.

2. Benchmark Domestic Share (ACI)

- Airport-level domestic travel shares were sourced from ACI, representing the actual distribution of domestic versus international traffic in the market.

3. Domestic Share Gap

- Differences between observed survey proportions and actual proportions were assessed to identify under- or over-representation of domestic travel within the survey sample.

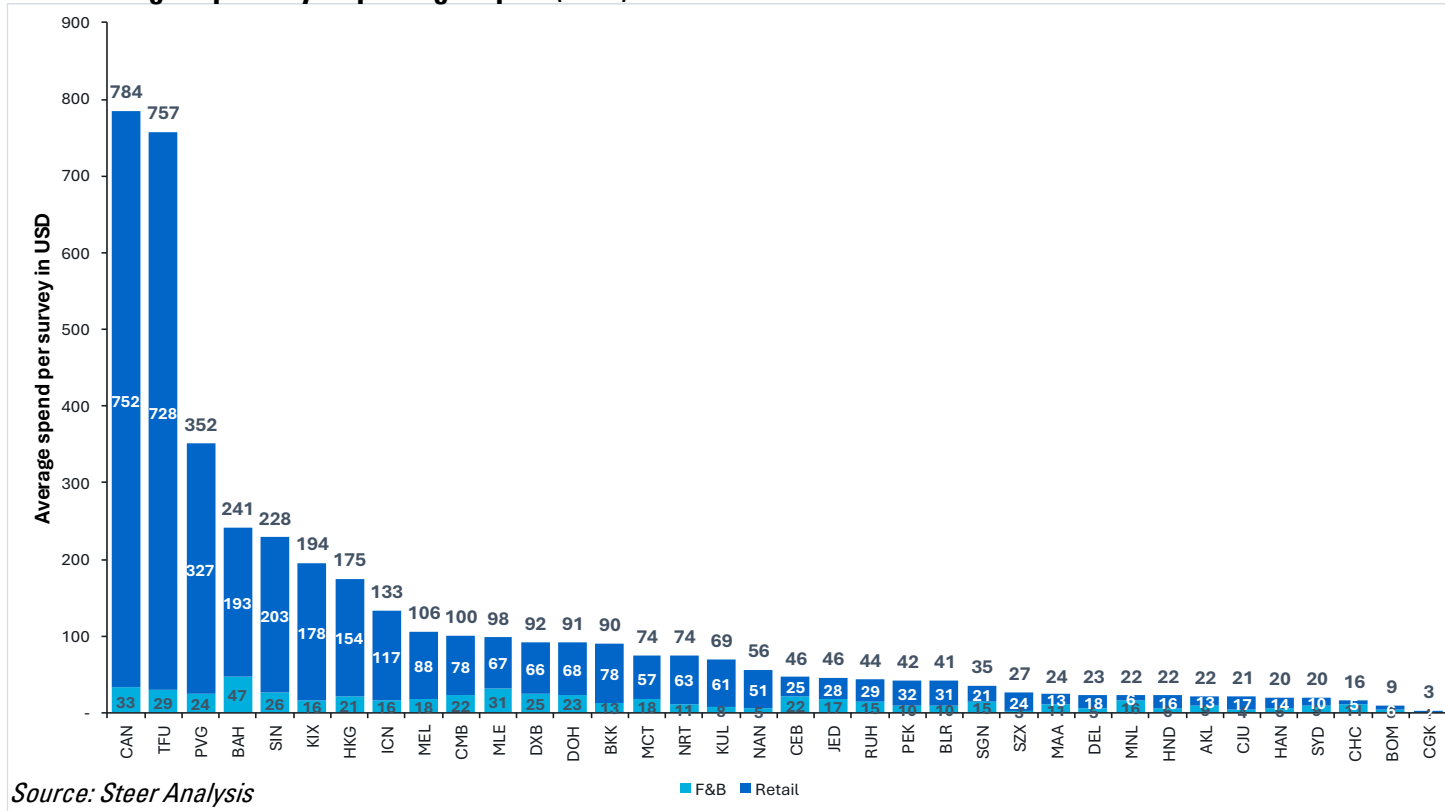
4. Adjusted Sample (Aligned)

- Domestic observations were incrementally added to the survey sample to align airport-level domestic proportions with actual proportions, while preserving the original survey response structure.

3.6. Quantitative data calibration: Step 3(b)

Domestic passenger shares at each airport were normalized using actual traffic distribution data sourced from ACI. This adjustment ensures consistency with real market dynamics and mitigates the risk of disproportionate representation in expenditure calculations.

Per-Passenger spend by Departing Airport (USD)



Source: Steer Analysis

Total average spend per survey in USD

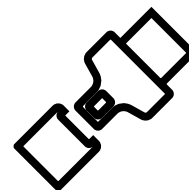
Food and Beverage	Retail	Total
\$20	\$122	\$138

Airport wise domestic proportion (%)

IATA Code	Sample	Actual
AKL	8%	47%
BAH	-	-
CMB	-	-
PEK	19%	78%
TFU	49%	90%
MAA	36%	73%
BOM	26%	72%
CHC	49%	76%
DXB	1%	1%
CAN	26%	82%
DOH	1%	1%
HKG	-	-
ICN	3%	3%
DEL	18%	73%
CJU	45%	92%
KIX	19%	22%
BLR	58%	87%
JED	11%	32%
RUH	11%	52%
KUL	4%	27%
CEB	29%	75%
MNL	19%	54%
MEL	27%	68%
MCT	3%	9%
NAN	-	12%
NRT	11%	19%
HAN	21%	59%
PVG	25%	65%
SZX	46%	92%
SIN	-	-
CGK	1%	69%
BKK	3%	19%
SYD	13%	61%
SGN	11%	59%
HND	28%	73%
MLE	-	20%

3.6. Quantitative data calibration: Step 4(a)

Adjustments were made to correct sampling bias, as the representation was skewed towards non-economy travellers. Additionally, a disproportionately high share of high-spending respondents was observed, prompting further normalization to ensure balanced and accurate insights.



1. Observed Sample Composition

- Initial review of the survey sample indicated a higher-than-expected penetration of spenders and a lower representation of economy class passengers relative to actual market structure.

2. Non-Economy Spender Normalization

- To correct for over-representation of non-economy spenders, non-economy non-spender observations were incrementally added at the airport level, capping non-economy spender penetration at a maximum of 75%.

Spender Penetration	Economy	Non-Economy
Sample	81%	90%
Target	65%	75%

3. Economy Seat Share Alignment (OAG)

- Post non-economy adjustment, economy class penetration was calibrated using OAG-sourced airport-level economy seat share benchmarks by adding economy observations to align the sample with actual market proportions.

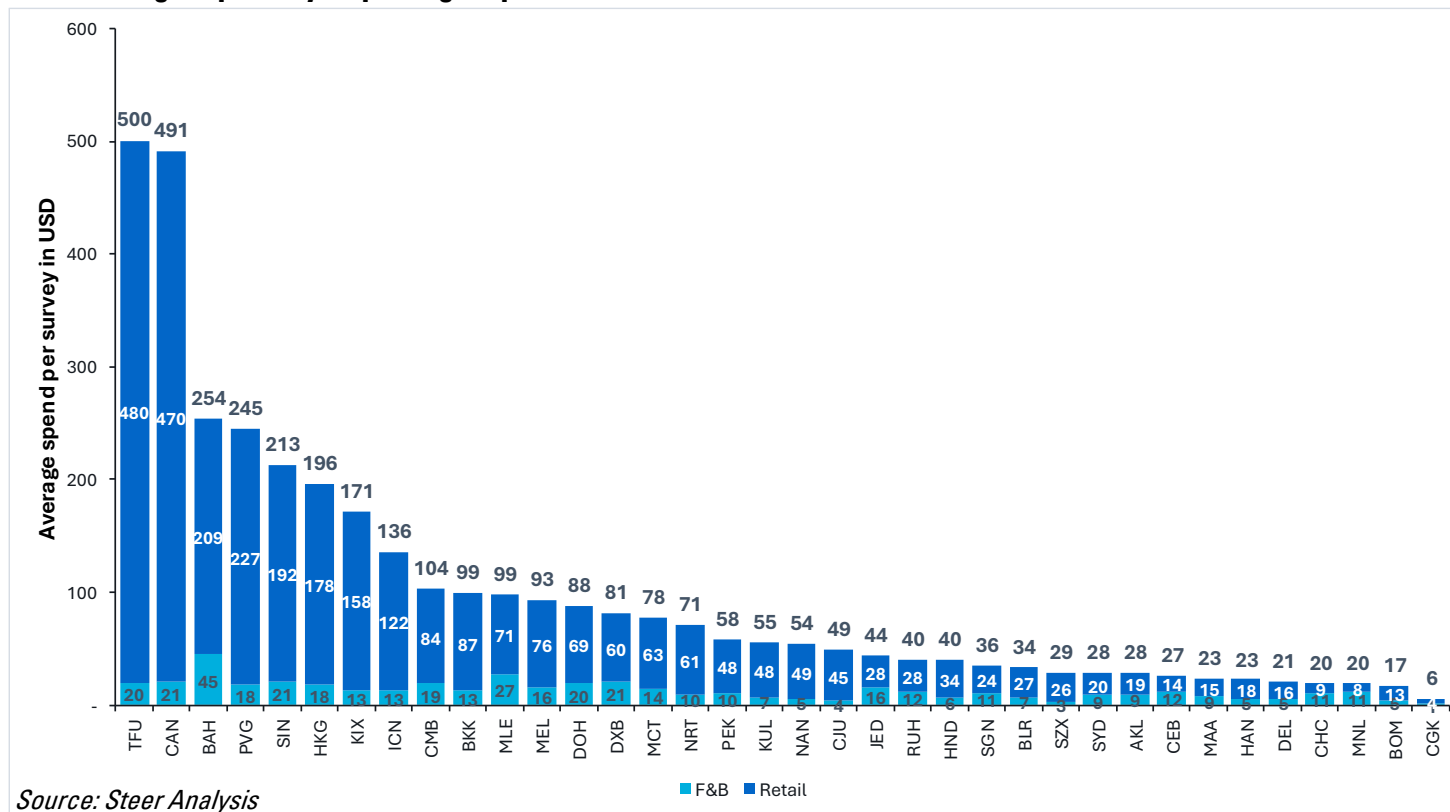
4. Final Economy Spender Calibration

- Within the adjusted economy sample, additional economy observations were introduced to normalize spender behavior, capping economy spender penetration at 65% and allocating the remaining 35% to non-spenders.

3.6. Quantitative data calibration: Step 4(b)

Adjustments were made to correct sampling bias, as the representation was skewed towards non-economy travellers. Additionally, a disproportionately high share of high-spending respondents was observed, prompting further normalization to ensure balanced and accurate insights.

Per-Passenger spend by Departing Airport (USD)



Source: Steer Analysis

Total average spend per survey in USD

Food and Beverage	Retail	Total
\$19	\$98	\$116

Airport wise economy proportion (%)

IATA Code	Sample	Target
AKL	64%	80%
BAH	35%	64%
CMB	41%	84%
PEK	43%	72%
TFU	48%	84%
MAA	44%	84%
BOM	40%	84%
CHC	82%	84%
DXB	37%	90%
CAN	46%	84%
DOH	43%	88%
HKG	46%	81%
ICN	49%	80%
DEL	30%	84%
CJU	65%	84%
KIX	66%	78%
BLR	50%	84%
JED	38%	93%
RUH	29%	90%
KUL	39%	92%
CEB	72%	84%
MNL	60%	84%
MEL	60%	81%
MCT	47%	94%
NAN	75%	84%
NRT	53%	82%
HAN	28%	84%
PVG	44%	85%
SZX	26%	84%
SIN	44%	82%
CGK	52%	88%
BKK	41%	76%
SYD	62%	81%
SGN	52%	84%
HND	56%	88%
MLE	41%	84%

3.6. Quantitative data calibration: Step 5

We compared the calibrated results with sales per departing passenger data derived from publicly available financial statements, and the findings are broadly consistent.

Calibration Summary

Airports	Survey results			Publicly sourced data			Delta (%)	Remarks
	F&B (\$)	Retail (\$)	Total (\$)	Retail + F&B + Duty Free (\$)	Margin for Retail and F&B (%)*	Total (\$)		
Auckland International Airport (Auckland)								The calibrated figures appear broadly consistent
Hong Kong International Airport (Hong Kong)								The calibrated figures appear broadly consistent
Manila International Airport (Manila)								Estimating sales based on Retail and F&B revenue reported by the airport does not provide a reliable basis in this case
Melbourne Airport (Melbourne)								The calibrated figures appear broadly consistent
Nadi International Airport (Nadi)								The calibrated figures appear broadly consistent
Narita International Airport (Narita)								The calibrated figures appear broadly consistent
Singapore Changi Airport (Singapore)								The calibrated figures appear broadly consistent
Suvarnabhumi International Airport (Bangkok)								The calibrated figures appear broadly consistent
Tokyo International Airport (Haneda)								The calibrated figures appear broadly consistent

*Assumed margins with an acceptable range of 10-30%

4. Research and Findings

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- 4.2. Travel retail performance and Trends: 2025 vs 2019
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- 4.4. Generation specific shopping behaviour
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4.1. Airport operator pulse: Purpose and context

This section presents a high-level pulse of airport operator sentiment to provide early context on commercial recovery, performance drivers, and emerging pressures ahead of the detailed analysis that follows.

Purpose of the Airport Operator Pulse

- As part of the ACI APAC & MID Travel Retail Study, a short survey of selected member airports was conducted to capture a directional “pulse” of airport operator sentiment on commercial recovery, performance drivers, and emerging pressures since 2019.
- This Airport Operator Pulse is intended to:
 - Provide an early snapshot of how airport commercial teams assess current performance;
 - Highlight areas of broad alignment and divergence across airports; and
 - Establish context and hypotheses that are explored and tested in greater depth in subsequent sections of this report.

How this input should be read

The findings presented in this section:

- Are based on responses from a limited but diverse group of ACI member airports
- Reflect airport-side perspectives and sentiment, rather than passenger or retailer behaviour
- Are directional in nature and not statistically representative of the full region

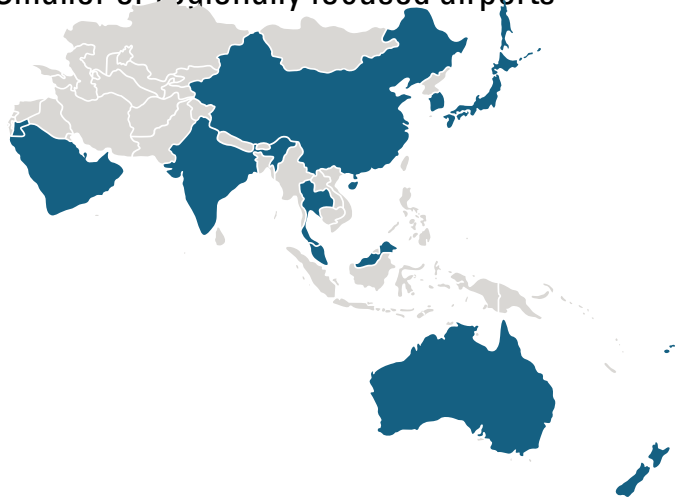
This pulse is therefore used as a context-setting input, helping to frame the more detailed qualitative and quantitative analysis that follows across passenger behaviour, category performance, commercial models, and airport economics.

4.1. Airport operator pulse: Sample overview

The pulse reflects input from a diverse group of ACI member airports across Asia-Pacific and the Middle East, spanning a range of sizes, traffic profiles, and commercial models, and is intended to provide directional insight rather than statistical representation.

Purpose of the Airport Operator Pulse

- The Airport Operator Pulse is based on responses from 18 ACI member airports across the Asia-Pacific and Middle East regions.
- The participating airports represent a broad cross-section of the regional airport landscape, including:
 - Large international hub airports
 - Mid-sized international gateways
 - Smaller or regionally focused airports



Geographic and operational diversity

The sample spans:

- Multiple geographies across Asia-Pacific and the Middle East
- A range of:
 - Passenger volumes
 - Traffic mixes (origin–destination, transfer, regional)
 - Commercial and concession models

This diversity supports the use of the pulse as a high-level indicator of prevailing sentiment and direction, while recognising that individual airport circumstances vary materially.

Important note on interpretation

While the sample size is limited, the spread by geography, scale, and airport type provides useful directional insight into how airport operators are currently assessing commercial performance and recovery dynamics ahead of deeper analysis later in the report.

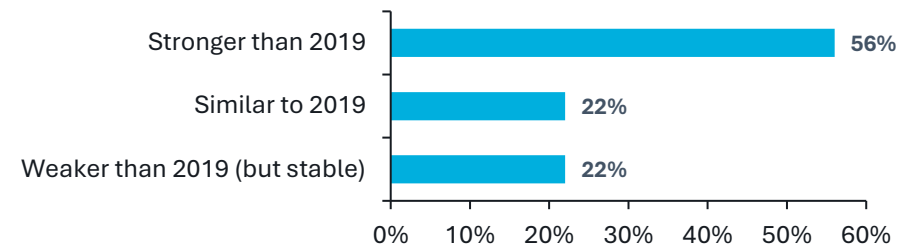
4.1. Airport operator pulse: Performance and recovery

Over half of responding airports report that commercial and retail performance has recovered beyond 2019 levels, although a meaningful minority remain below pre-pandemic benchmarks and the forward outlook is more cautious.

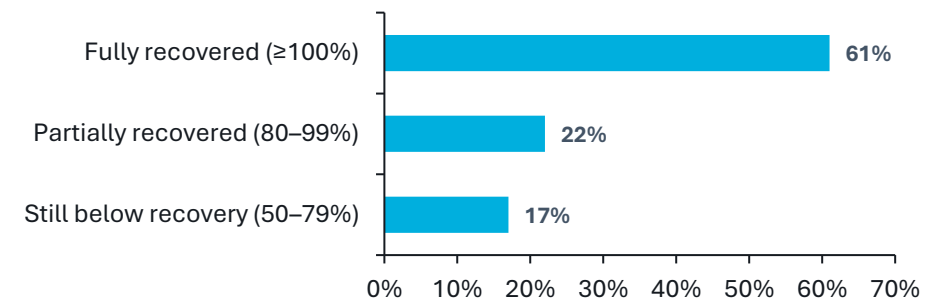
Commercial performance versus 2019

- A majority of airports report that overall commercial performance is now stronger than 2019, indicating that recovery has largely been achieved at an aggregate level.
- A further group describe performance as broadly stable compared with 2019, suggesting consolidation rather than continued rebound.
- Around one in five airports report performance below 2019 levels, although these airports generally characterise performance as stable rather than deteriorating. No airports report ongoing instability, pointing to a sector that has broadly moved beyond the recovery phase
- **Retail and duty-free recovery**
- Retail and duty-free performance broadly mirrors overall commercial recovery, with most airports reporting full recovery to, or above, 2019 levels.
- A smaller share indicate partial recovery, while a minority remain below pre-pandemic benchmarks. This suggests that while retail recovery is well advanced, not all airports are recovering at the same pace.

Overall Commercial Performance vs 2019 (n = 18 airports)



Retail & Duty-Free Recovery vs 2019



4.1. Airport operator pulse: What is driving (and constraining) commercial performance

Airport operators consistently identify passenger mix, dwell time, and category composition as the primary drivers of commercial performance, while operational, regulatory, and spatial constraints continue to limit upside in several markets.

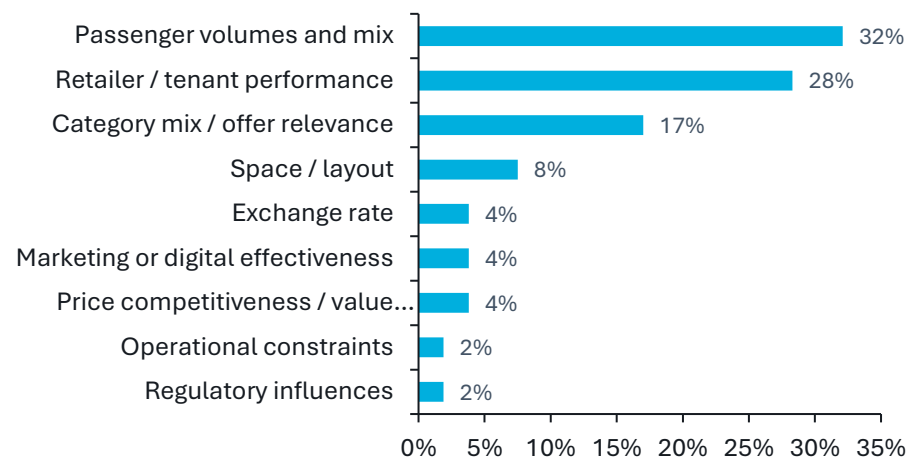
Key drivers identified by airports

- Passenger volumes and mix are the most significant driver of commercial performance, cited by almost all respondents, reinforcing the central role of passenger scale and composition.
- Retailer and tenant performance is also a major driver, underlining the importance of strong operators and effective execution in converting demand into revenue.
- Category mix and offer relevance play a meaningful supporting role, reflecting the need to align retail and F&B offers with passenger profiles.
- Other factors — including space constraints, pricing and FX effects, and digital effectiveness — are referenced by fewer airports, suggesting they are context-specific rather than universal drivers.

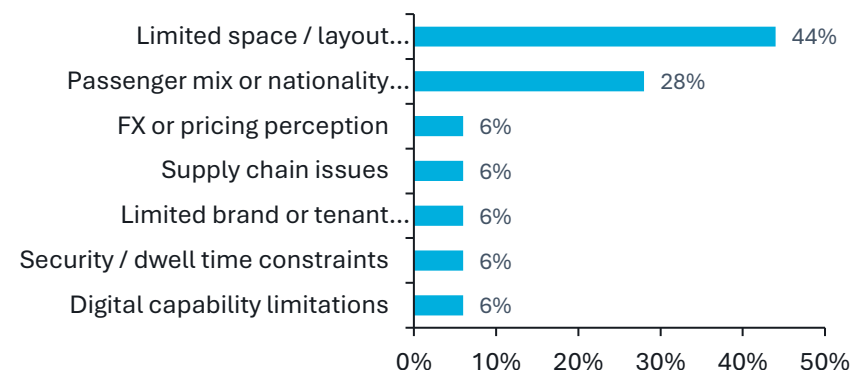
Key constraints limiting performance

- Limited space and legacy terminal layouts are the most common constraints, restricting the ability to optimise passenger flows, visibility, and commercial density.
- Passenger mix or nationality shifts continue to limit performance in some airports, particularly where high-spending segments have not fully returned.
- Operational and external factors, including security processes, supply chain challenges, pricing perception, and digital capability, are cited by individual airports as secondary constraints.
- Overall, constraints are structural rather than cyclical, suggesting that further performance gains will depend on planning, design, and commercial strategy rather than demand recovery alone.

Key Drivers of Commercial Performance



Key Constraints Limiting Performance

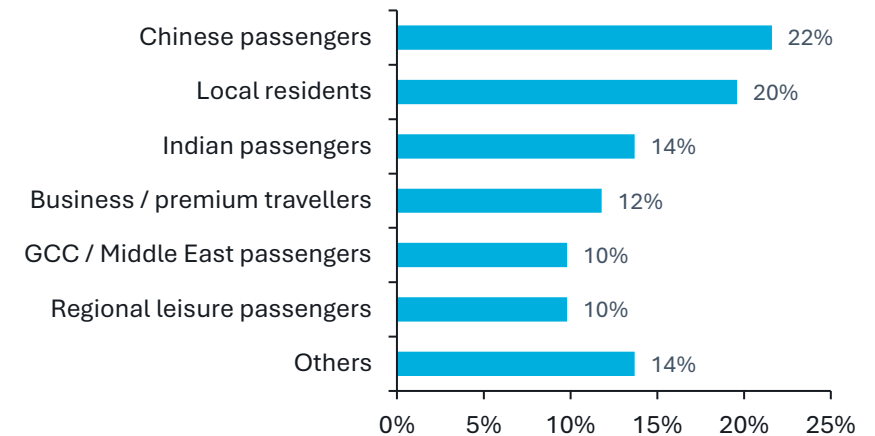


4.1. Airport operator pulse: Passenger mix, behaviour and category signals

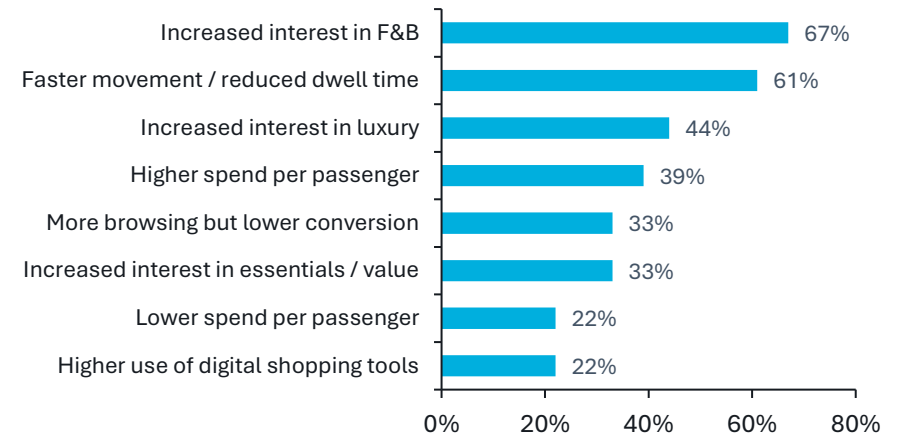
Unsurprisingly, airports report significant shifts in passenger mix and behaviour since 2019, with commercial performance increasingly driven by higher-value international segments and changing patterns of dwell, spend, and engagement.

- **Most commercially significant passenger segments**
- Chinese and local resident passengers are most frequently cited as commercially significant, reflecting their scale, repeat exposure, and strong contribution across retail and F&B categories.
- Indian passengers also emerge as an important growth segment, alongside business and premium travellers who continue to underpin higher-value spend where present.
- GCC / Middle East and regional leisure segments support performance in a range of markets, contributing both volume and incremental spend.
- Overall, airports highlight the importance of a targeted passenger mix, with commercial performance driven more by specific high-value segments than by aggregate passenger volumes alone.
- **Observed shifts in passenger behaviour since 2019**
- All airports report material changes in behaviour, indicating that pre-pandemic patterns have not fully returned.
- Food & beverage engagement has increased consistently, often at the expense of traditional retail browsing.
- Passenger flows are faster and more purposeful, with reduced browsing and more selective purchasing.
- Spend per passenger has increased in some markets, while others report greater value sensitivity.
- Digital engagement is emerging, though impact remains uneven.

Most Commercially Significant Passenger Segments



Behavioural Changes Observed Since 2019

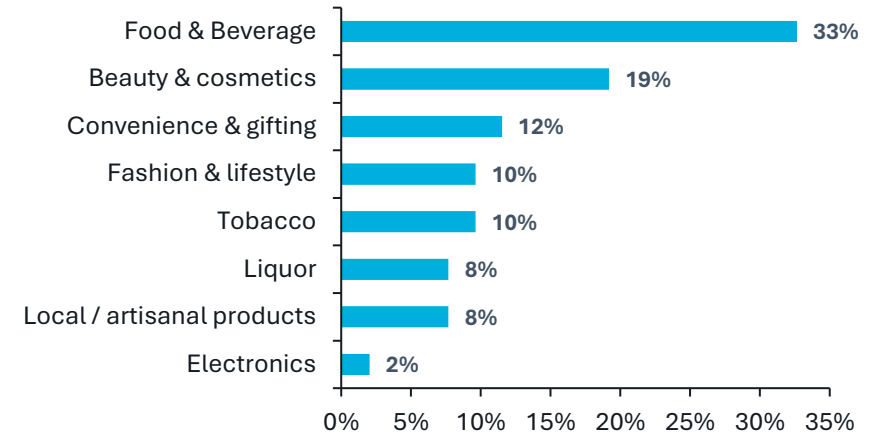


4.1. Airport operator pulse: Category performance signals

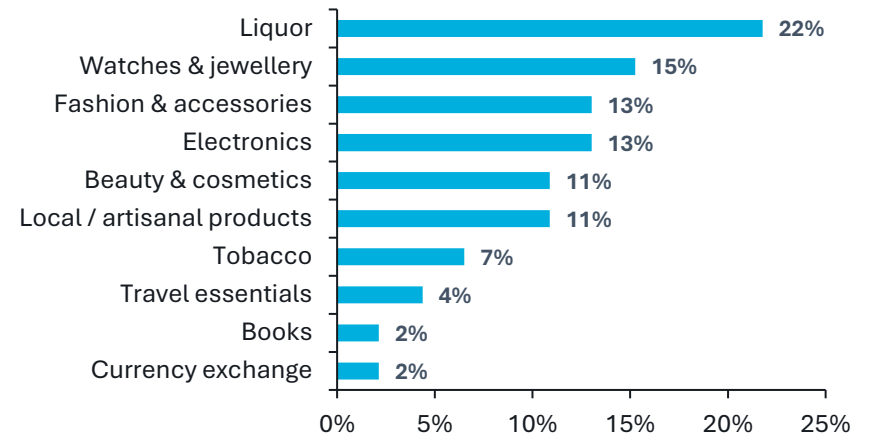
Airport operators report a clear rebalancing of commercial performance, with food & beverage and convenience-led categories driving growth, while several traditional discretionary retail categories remain under pressure.

- **Retail categories showing strongest growth**
- Food & beverage is the most consistently cited growth category, reflecting increased passenger engagement, dwell around dining, and demand for convenience. Quick-service F&B leads growth within the category, supported by time-pressed passengers and faster terminal movement. Beauty and cosmetics remain a strong performer where international passenger volumes have recovered.
- Growth in other traditional duty-free categories is more uneven and market-specific, rather than universal.
- **Retail categories under the most pressure**
- Liquor is most frequently cited as under pressure, reflecting pricing sensitivity, regulation, and changing consumption behaviour. Electronics and watches & jewellery continue to face challenges, linked to reduced impulse purchasing and increased pre-trip price transparency. Fashion and discretionary retail remain under pressure in several airports, particularly where dwell time is constrained.
- Pressure on categories is generally linked to behavioural and structural factors, rather than a lack of passenger demand overall.
- **Category implications for commercial strategy**
- Airports increasingly view category mix optimisation, rather than overall retail expansion, as the primary lever for performance improvement.
- The shift towards F&B and convenience-led offers reinforces the importance of layout, visibility, and integration with passenger flows.
- Traditional retail categories may require more targeted curation, differentiated concepts, or alternative operating models to remain competitive.

Retail Categories Showing Strongest Growth



Retail Categories Under Most Pressure

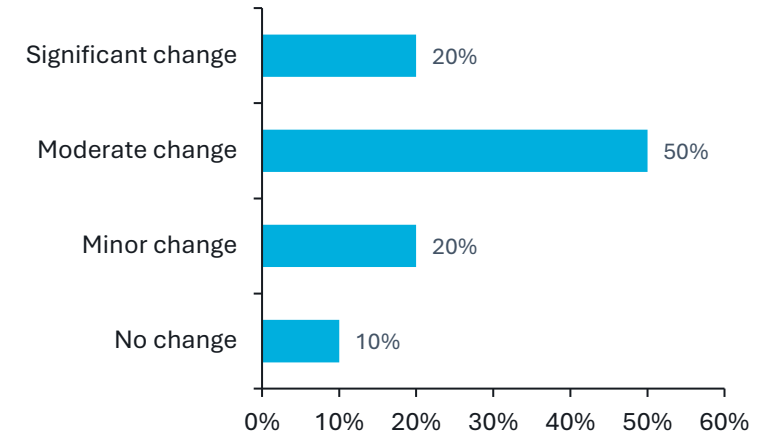


4.1. Airport operator pulse: Commercial strategy and digital transformation

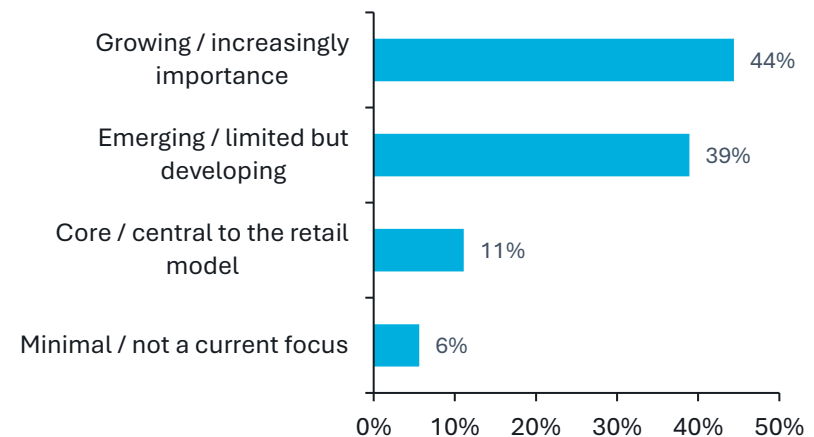
Since 2019, airports have adapted their commercial strategies and operating models, with digital engagement becoming increasingly important, although maturity and value capture remain uneven.

- Evolution of commercial and concession strategies
- Most airports report that their commercial or concession strategy has evolved since 2019, reflecting changes in passenger behaviour, risk appetite, and market conditions.
- Strategy changes are typically incremental rather than transformational, including adjustments to lease terms, contract structures, and partner mix.
- Airports increasingly highlight the need for flexibility, including shorter contract cycles, revised MAG structures, and more selective operator partnerships.
- Interest from new retail and F&B partners has increased, particularly from lifestyle, experiential, and hybrid concepts, although appetite varies by market.
- Digital engagement and maturity
- Digital engagement is now viewed as core or increasingly important to most airport retail strategies.
- Pre-order, click & collect, and digital promotions are the most widely deployed tools.
- Despite widespread deployment, airports report mixed success in translating digital capability into commercial value, particularly in data integration and conversion.
- Collaboration between airports and retailers on data and analytics remains variable, ranging from basic data sharing to more integrated approaches.

Evolution of Commercial / Concession Strategy Since 2019



Centrality of Digital Engagement in Retail Strategy

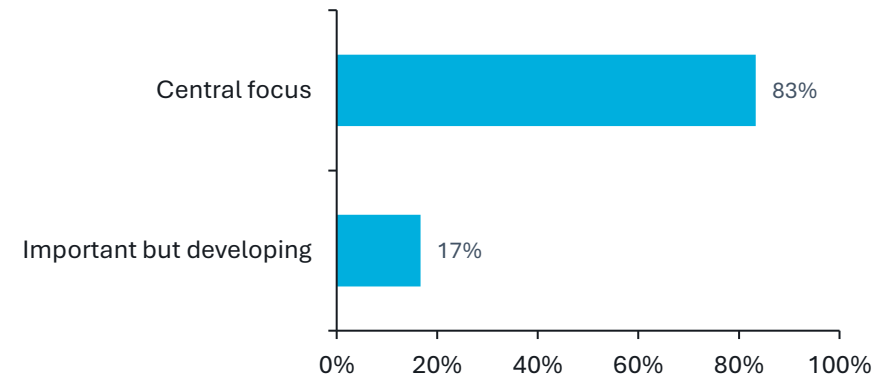


4.1. Airport operator pulse: Sustainability and forward outlook

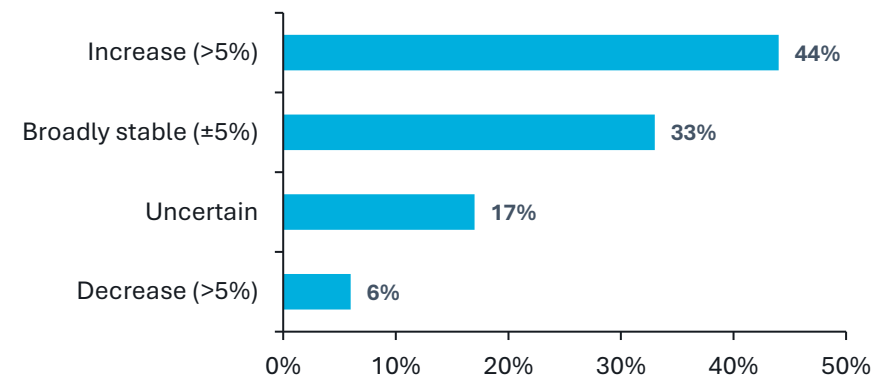
Sustainability is now widely embedded in airport retail strategies, though execution maturity varies, while the forward outlook reflects cautious optimism shaped by structural and operational realities.

- **Role of sustainability in retail strategy**
- All airports indicate that sustainability is either embedded or actively developing within their retail strategy.
- Only a minority describe sustainability as a fully central driver, suggesting that ambition often exceeds execution.
- Sustainability initiatives are most commonly focused on fit-out efficiency, waste reduction, and packaging, with broader circularity models still emerging.
- ESG criteria are increasingly included in tenders, though weighting and enforcement vary significantly between airports.
- **12-month outlook and future priorities**
- Airports express a cautiously positive outlook, with growth expected in some markets and stability anticipated in others.
- Few airports anticipate outright decline, but uncertainty remains, driven by passenger mix volatility, cost pressures, and geopolitical factors.
- Experience-led F&B, digital-enabled retail, and value-led offers are most frequently cited as future priority categories and models.

Importance of Sustainability in Retail Strategy



12-Month Outlook for Commercial Revenue per Passenger



4.1. Airport Operator Pulse: Key Conclusions

Airports largely view recovery as complete, with future commercial performance now driven by passenger mix, behavioural change, and structural optimisation rather than demand rebound alone.

- **What the Airport Operator Pulse tells us**
- Airports broadly view recovery from 2019 as largely achieved, with performance now shaped more by structural and strategic factors than by demand rebound alone.
- Passenger mix, dwell time, and category relevance consistently emerge as the most influential drivers of commercial performance.
- Airports report lasting changes in passenger behaviour, including more purposeful shopping, greater F&B engagement, and reduced traditional browsing.
- Category performance has structurally rebalanced, with growth concentrated in F&B and convenience-led offers, while several discretionary retail categories remain under pressure.
- Commercial strategy, digital capability, and sustainability are increasingly embedded across airports, although execution maturity and value capture vary significantly.
- **Overall conclusion from the airport perspective**
- Taken together, the pulse suggests that airport commercial performance has entered a post-recovery phase, where future upside depends less on passenger growth and more on optimisation of space, offer, and operating models.

4.1. From airport sentiment to evidence-based analysis

The Airport Operator Pulse provides a directional view of sector sentiment, which must be validated and nuanced through deeper passenger, category, and commercial analysis to inform robust conclusions.

Why further analysis is required

- The Airport Operator Pulse reflects airport-side sentiment from a limited but diverse sample and is intended to be directional rather than definitive.
- Individual airport experiences vary significantly depending on:
 - Passenger profile and mix;
 - Traffic composition and hub role; and
 - Regulatory, commercial, and concession context.
- As such, the pulse provides context and hypotheses, rather than standalone conclusions.

How this links to the next sections of the report

The following sections of the report build on this initial pulse by:

- Analysing travel retail performance and trends versus 2019;
- Examining spending behaviour and generational differences;
- Assessing commercial models and duty-free economics; and
- Drawing out evidence-based implications and recommendations.

Together, these sections test, validate, and nuance the themes identified by airports, using wider qualitative and quantitative datasets.

Note

The Airport Operator Pulse sets the direction of travel, while the remainder of the report provides the evidence base needed to confirm where trends are consistent, where they diverge, and what this means for future commercial strategy.

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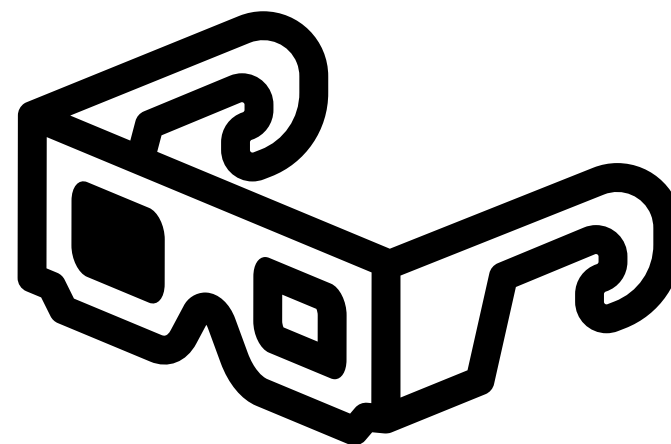
4.8. Case studies



4.2. Travel retail performance and Trends: 2025 vs 2019 (1)

A data-driven, airport-level evaluation of APAC and MID retail performance from 2019–2025, supported by quantitative surveys and qualitative stakeholder insights.

- The travel retail and airport sectors have undergone significant structural shifts since 2019, shaped first by the disruptions of the COVID-19 pandemic and then by a prolonged, uneven recovery cycle.
- As global travel demand gradually returned, airports, retailers, and operators introduced a series of operational, commercial, and consumer-focused adaptations to stabilize performance and respond to rapidly evolving passenger expectations.
- Against this backdrop, this section examines how the industry has rebounded by comparing 2025 passenger spending and retail sales with the pre-pandemic baseline of 2019.
- It establishes the analytical foundation for interpreting emerging trends in passenger volumes and spending patterns across countries, highlighting where recovery has been strongest and what factors are driving these differences.
- The analysis provides a data-driven assessment of airport retail performance across APAC and MID from 2019 to 2025, drawing on departing-airport-level evaluations to consolidate country- and region-level insights.
- Findings are grounded in quantitative survey evidence and enriched with qualitative perspectives from airport operators and retail stakeholders, offering a holistic view of the sector's recovery trajectory.

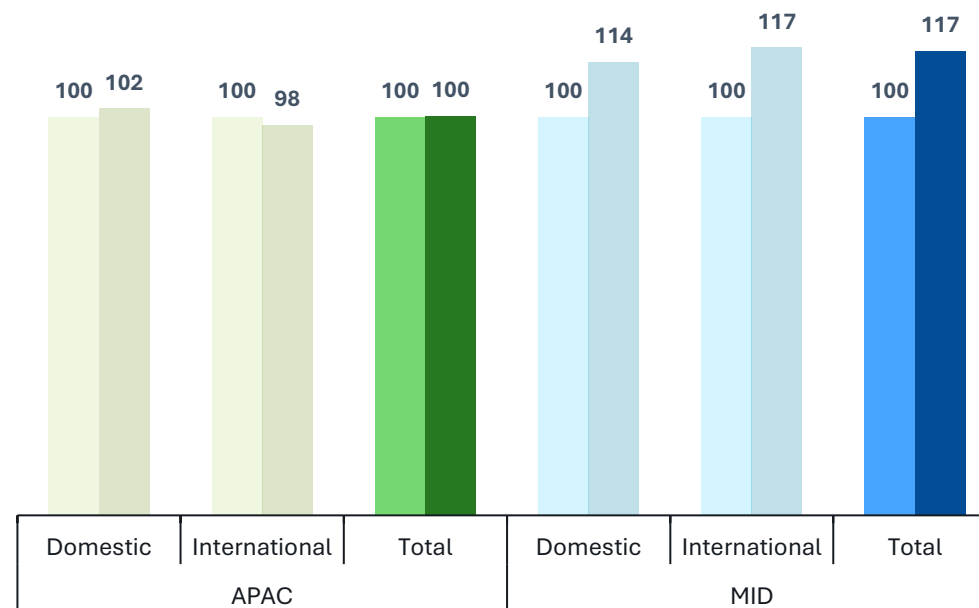


4.2. Travel retail performance and Trends: 2025 vs 2019 (2)

Passenger traffic in APAC has returned to pre-COVID levels on the back of strong domestic demand led by China and India, while the MID region has surpassed 2019 levels, driven by ~17% growth in international traffic supported by Gulf hub expansion, rising tourism, and strengthened long-haul connectivity.

- In the APAC region, total passenger traffic has rebounded to pre-COVID levels, driven primarily by the strong recovery of major domestic markets. China and India have been the key engines of this growth, supported by the expansion of their sizable domestic aviation sectors, rising middle-class travel demand, greater airline capacity, and the reinstatement of domestic routes.
- In the MID region, passenger traffic has not only recovered but exceeded pre-COVID levels—up approximately 17% compared with 2019. Growth has been propelled by the expansion of major Gulf hub airlines, increasing tourism, and strengthened long-haul connectivity across Asia, Europe, and Africa.
- While passenger traffic has largely recovered across both regions, retail spend per passenger presents a different picture. Some airports are outperforming 2019 benchmarks, while others continue to lag. These differences appear increasingly structural rather than cyclical, reflecting shifts in passenger nationality mix, travel purpose, and spending behaviour. As a result, airports with similar traffic recovery are experiencing notably different commercial outcomes.
- This section explores travel retail performance between 2019 and 2025, drawing on insights from passenger surveys and stakeholder interviews, to unpack the underlying drivers shaping these trends.

Passenger traffic: 2025 v/s 2019 (2019 = 100)



Source: Steer analysis of ACI data

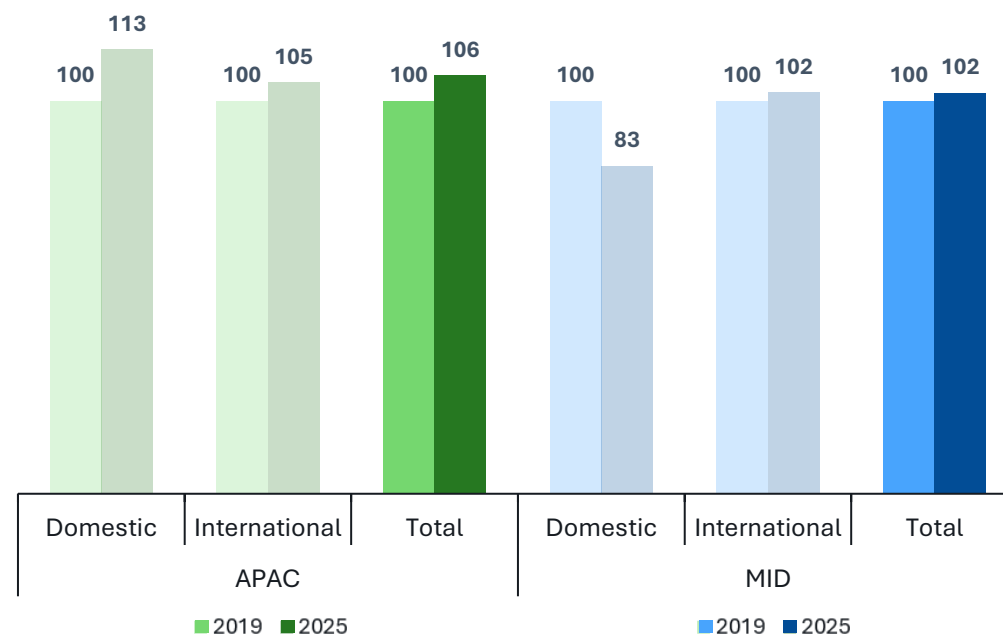
Note: Traffic Jan. to Oct.

4.2. Travel retail performance and Trends: 2025 vs 2019 (3)

Recovery is evident across sub-regions but remains uneven, with retail performance increasingly shaped by changes in passenger mix and spending behaviour.

- Recovery in APAC per-passenger retail spend at a total level is observed v/s 2019 levels. Leisure driven markets such as Maldives, Indonesia and Sri Lanka lead recovery in the region.
- This recovery is further driven by a robust recovery in key domestic markets including major countries such as India, China, Thailand, and Vietnam and is attributable to an improved in-country airport offer and increasing per-capita incomes.
- MID per-passenger spend is observed to recover to pre-COVID levels with countries such as Middle Eastern markets such as Bahrain, Oman, and Qatar record broad improvement, supported by large international passenger flows and diverse travel purpose.

Per-Passenger Retail Spend: 2025 v/s 2019 (2019 = 100)



Source: Steer analysis of quantitative survey data

4.2. Travel retail performance and Trends: 2025 vs 2019 (4)

Leisure is observed to be a major driver of travel across APAC with a mixed generational profile. MID shows a younger but more business- and hub-led travel profile with balanced, multi-purpose demand.

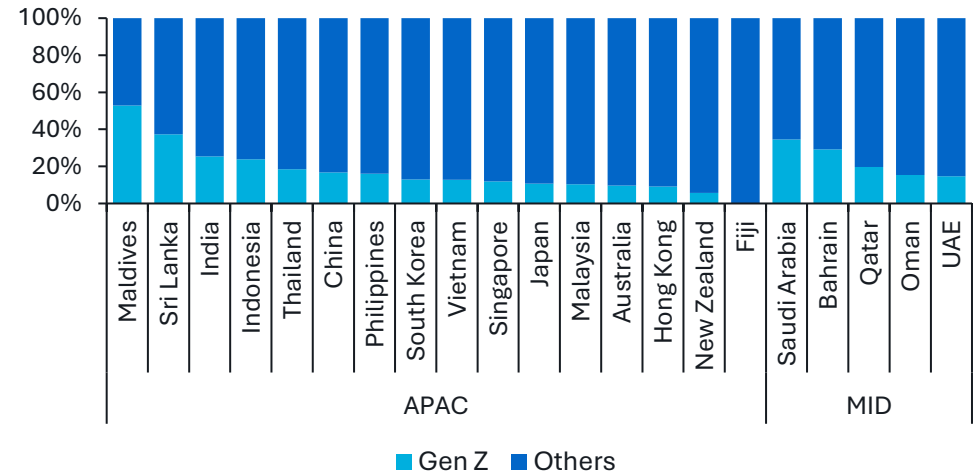
Generational understanding

- Several countries show a notably young Gen-Z profile in APAC, led by Maldives (53%), Sri Lanka (37%), India (25%) and Indonesia (24%).
- MID also features a growing Gen-Z segment, most visible in Saudi Arabia (35%) and Bahrain (29%), signalling a younger traveller base alongside millennial-led hub markets like UAE and Qatar.

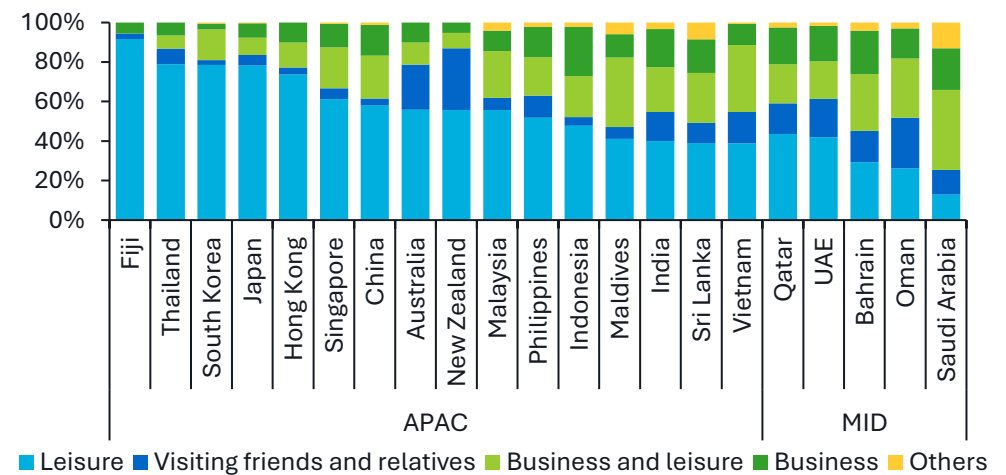
Travel purpose

- In APAC, travel is largely leisure-led, with destinations such as Fiji, Thailand, and Japan showing very high leisure shares, while markets like Indonesia and Malaysia exhibit a more balanced leisure-business mix.
- On the contrary, MID travel is less leisure-centric, with stronger business and business-leisure demand in Saudi Arabia, Bahrain, and Oman, and a balanced mix at major hubs such as the UAE and Qatar driven by business, transit, and multi-purpose travel.

Country wise Proportion of Gen Z (%)



Country wise Travel Purpose (%)



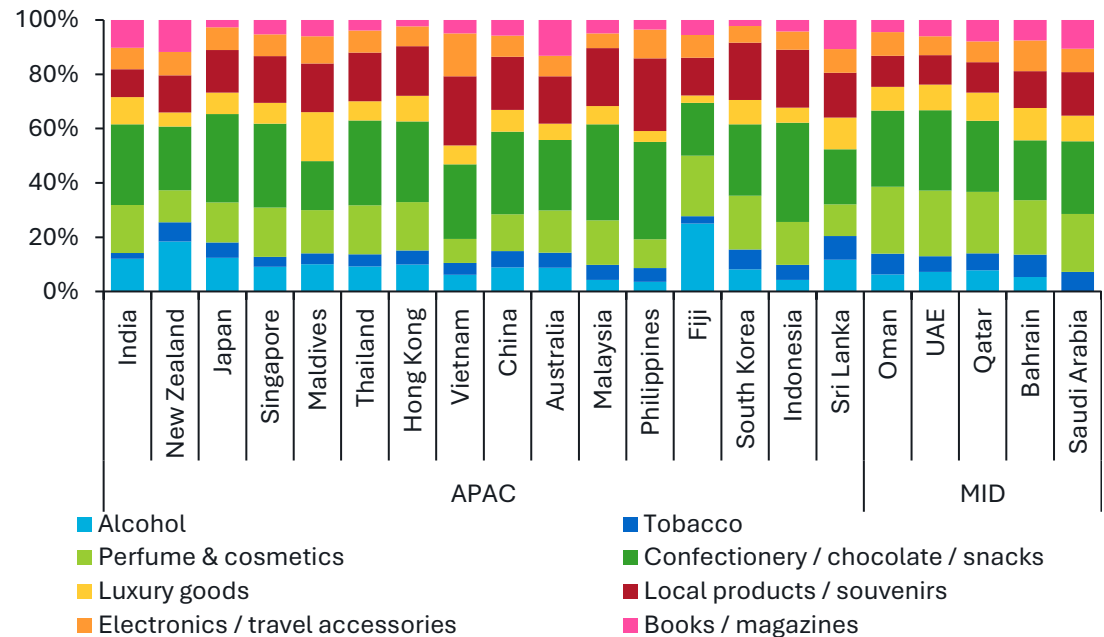
Source: Quantitative survey analysis

4.2. Travel retail performance and Trends: 2025 vs 2019 (5)

Across APAC and the MID, retail purchases are dominated by confectionery and perfume. However, MID is observed to be skewing more to fragrances whereas developed APAC markets are observed to be favouring value-led confectionery and local products.

- Across both APAC and MID, confectionery/snacks and perfume & cosmetics dominate baskets, highlighting impulse-led gifting and duty-free staple behaviour, while local products/souvenirs have emerged as a consistent and important category across both regions.
- MID countries form a larger share of perfume and cosmetics as compared to APAC, signal of culturally embedded fragrance buying.
- Developed APAC countries such as Japan, Singapore, Australia, and New Zealand exhibit high confectionery and moderate perfume shares but consistently low luxury penetration, highlighting value-led gifting and low appetite for high-ticket purchases at departure.

Category Distribution by Departing/Connecting Airport Country (%)



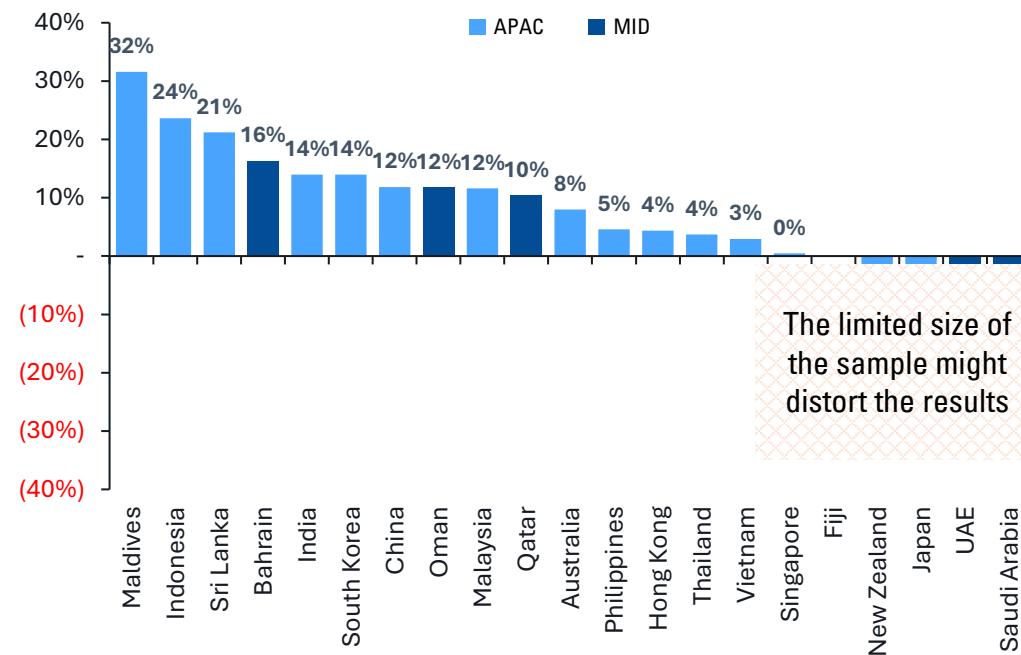
Source: Steer analysis of quantitative survey data

4.2. Travel retail performance and Trends: 2025 vs 2019 (6)

Most countries show recovery in per-passenger retail spend versus 2019, with APAC-dominated survey results. Generally positive Middle Eastern performance driven by robust international traffic and diversified demand across major hubs such as Qatar and Bahrain.

- A majority share of countries (departing-airport-level evaluations) are seen to recover in per-passenger retail spend as seen on the chart on the right.
- Our survey sample is dominated with APAC countries with majority seeing recovery v/s 2019 in terms of per passenger spend. Large gains are observed in leisure-driven markets such as Maldives (32%), Indonesia (24%), and Sri Lanka (21%).
- South and Southeast Asian hubs, notably India (14%), Malaysia (12%), Vietnam (3%), and Thailand (4%) display improvement.
- Mixed but generally positive performance across Middle Eastern hubs is visible in Bahrain (16%), Oman (12%), and Qatar (10%), where strong international flows, diversified travel purpose, and wide product availability are likely to have supported retail spend.

Total: Country-wise Recovery in per-pax-retail spend (2025 vs. 2019)



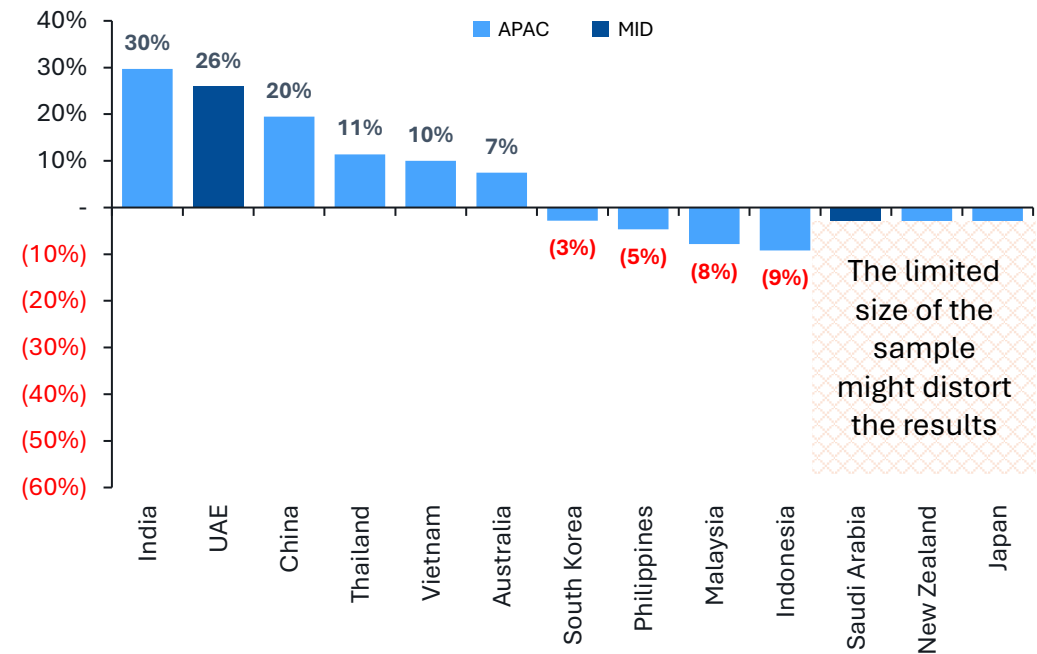
Source: Steer analysis of quantitative survey data

4.2. Travel retail performance and Trends: 2025 vs 2019 (7)

Domestic retail recovery across APAC countries is uneven but is led by large markets such as India and China on the back of strong domestic networks and demand; Middle East domestic recovery remains limited with major domestic market - Saudi Arabia lagging in domestic recovery.

- APAC domestic recovery is led by large markets including India (30%), China (20%), Thailand (11%), and Vietnam (10%) and is driven by extensive increase in domestic networks and improvement of quality of domestic airport offer.
- MID domestic market, a smaller market comparatively, recovery is weaker (e.g., Saudi Arabia (-21%), as international traffic dominates and limits the domestic retail base.
- Lagging APAC markets such as Japan, New Zealand, Indonesia, Malaysia, and Philippines remain below 2019 likely due to currency pressures, value-led spending, and slower recovery in discretionary domestic retail.
- Australia (7%) shows moderate gains, supported by stable domestic leisure and business travel within a mature retail market.

Domestic: Country-wise Recovery in per-pax-retail spend (2025 vs. 2019)



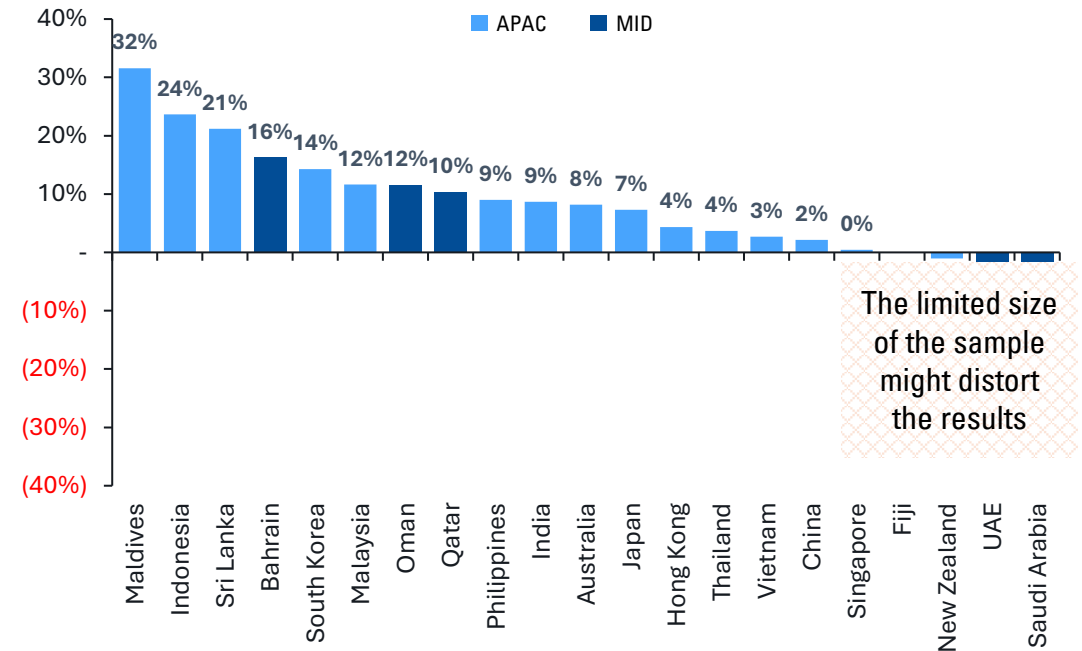
Source: Steer analysis of quantitative survey data

4.2. Travel retail performance and Trends: 2025 vs 2019 (8)

International retail spend recovery mirrors overall trends, with leisure-led destinations and much of APAC outperforming. MID performance is driven by recovery in Bahrain, Qatar and Oman.

- Like total level recovery trends discussed, leisure-led destinations continue to outperform, with Maldives (32%), Indonesia (24%), and Sri Lanka (21%) benefiting from high-value international travel and stronger discretionary spending.
- Broad APAC recovery is evident across South Korea, Malaysia, Japan, Hong Kong, Thailand, Vietnam, China, Fiji and New Zealand driven by the return of regional travel, short-haul connectivity, and essential and destination-linked purchases.
- Middle Eastern hubs such as Bahrain, Oman, and Qatar show solid international spend recovery, supported by long-haul connectivity and diverse travel purposes.
- Below-2019 markets include UAE, and Saudi Arabia, although the limited size of the sample might be distorting the results in these countries.

International: Country-wise Recovery in per-pax-retail spend (2025 vs. 2019)



Source: Steer analysis of quantitative survey data

4.2. Travel retail performance and Trends: 2025 vs 2019 (9)

Indonesia, Sri Lanka, and India are the top countries that combine growth in retail performance with expected growth in traffic.

- In order to assess what are the countries with better retail growth prospects, we have compared the countries that have experienced a higher growth in airport retail spend per passenger between 2019 and 2025, and the countries that are expected to have a higher traffic growth in the coming ten years (2025-2035) according to ACI traffic forecast.
- Both classifications include domestic and international passengers.
- The top 3 overlapping countries are Indonesia, Sri Lanka, and India.
- Other countries in the top 10 are China, Oman, and Qatar.

Country-wise per-pax-retail spend 2019-2025 and Traffic growth 2025-2035

Top growth in retail per pax 2019-2025	Top growth in passengers 2025-2035
1. Maldives	1. India
2. Indonesia	2. Sri Lanka
3. Sri Lanka	3. Indonesia
4. Bahrain	4. Philippines
5. India	5. Oman
6. South Korea	6. Thailand
7. China	7. Vietnam
8. Oman	8. Saudi Arabia
9. Malaysia	9. Qatar
10. Qatar	10. China

Source: ACI Traffic forecast by country 2024-2045, Steer analysis of quantitative survey data

4.2. Travel retail performance and Trends: 2025 vs 2019 (10)

Airport Operator Perspective: Uneven Recovery, Evolving Metrics.

1. 2019 is no longer the benchmark — but recovery is fragmented.

- While some airports now exceed 2019 passenger volumes, especially in regional or transfer-heavy hubs, the link between traffic and commercial performance has weakened.
- Spend per passenger is lagging in several locations, particularly those that historically relied on a narrow, high-spend segment (e.g., group tourism from China or long-haul luxury travellers). The headline recovery hides major structural shifts.

2. Passenger mix now matters more than total traffic.

- The qualitative consensus from airports is that raw footfall is no longer a reliable indicator of revenue. Instead, recovery depends on the composition of that traffic — by nationality, travel purpose, and trip frequency.
- Hubs exposed to changing geopolitical flows or missing segments (e.g., Chinese outbound, Russian inbound) are seeing volatility in duty-free performance. Regional travellers, while back in strong numbers, often exhibit more functional or value-conscious behaviours.

3. Spend is more volatile, and behaviour less predictable.

- Operators describe a more fragmented behavioural landscape, with a wide gap between high-spend premium travellers and a growing segment of cautious, occasional flyers.
- While dwell time has increased — especially post-COVID — that time is not always translating into commercial engagement. Some passengers are more price-sensitive, others are browsing out of boredom but not converting. This unpredictability is prompting airports to revisit assumptions about layout, flow, and category planning.

“We’re beyond 2019 volumes in traffic, but not in spend per passenger.”
Airport operator

“The challenge isn’t traffic — it’s who’s travelling.”
Airport operator

“There’s more browsing — but unless it’s alcohol or a last-minute gift, people hesitate.”
Airport operator

4.2. Travel retail performance and Trends: 2025 vs 2019 (11)_

Retailer Perspective: Resilient Spend, Strategic Pressure.

1. Core categories are performing — but value now drives growth.

- Retailers report continued strength in core travel retail categories — particularly liquor, tobacco (where regulation allows), and premium cosmetics.
- However, what's changed is how passengers' shop: promotions, price visibility, and bundled value offers are now essential to drive conversion. Mid-priced products without a clear deal proposition are being squeezed between top-tier and bargained segments.

2. Conversion is rising — traffic quality has improved.

- Despite lower footfall in some markets, retailers are seeing stronger purchase intent among those who do engage. Many passengers now enter stores with a clear objective, often targeting specific duty-free deals or last-minute purchases.
- This shift is prompting some retailers to reorient store layouts and promotional messaging to optimise fast-path conversion rather than dwell-based browsing.

3. Market exposure and regulatory friction remain binding constraints.

- Markets still waiting for the return of high-value passenger groups (especially Chinese travellers) continue to report weak performance in luxury categories.
- Retailers also cite structural challenges: inflation has raised input costs, shrinkflation has hit value perception (especially in confectionery), and heavy regulation in tobacco and e-cigarettes is limiting promotional flexibility.
- These pressures are limiting margins and complicating category strategy.

"We're selling premium whisky and travel sets — but the middle tier is hollowing out."
Retail operator

"We're seeing fewer people, but better conversion."
Retail operator

"Where Chinese haven't come back, luxury hasn't come back."
Retail operator

"Margins are tighter — price increases are visible to passengers."
Retail operator

4.2. Travel retail performance and Trends: 2025 vs 2019 (12)

- **1. Recovery Has Happened — but It Is Uneven and Redefined**
 - Passenger traffic in APAC has broadly returned to pre-COVID levels, driven by China and India's strong domestic demand, while MID has surpassed 2019 levels due to robust international flows and Gulf hub expansion.
 - Despite this, retail spend per passenger shows divergent outcomes—with some airports outperforming 2019 benchmarks and others lagging, highlighting structural rather than cyclical shifts in retail behaviour.
- **2. Passenger Mix Now Matters More Than Passenger Volumes**
 - Recovery depends significantly on who is travelling, not how many.
 - Shifts in nationality profiles, travel purpose, generational mix, and spend sensitivity are shaping commercial outcomes.
- **3. Spending Behaviour Has Become More Value-Driven and Less Predictable**
 - Travellers increasingly seek value-led purchases, promotions, bundles, and essentials.
 - Impulse categories such as confectionery and perfumes continue to dominate.
 - Behavioural fragmentation is rising—more browsing, but selective conversion and higher price sensitivity.
- **4. APAC and MID Show Distinct Retail Signatures**
 - APAC: Strong recovery in leisure destinations and large domestic markets; developed markets show value-led gifting, low luxury penetration.
 - MID: Strong international spend recovery driven by Bahrain, Oman, Qatar; fragrance-centric buying patterns rooted in cultural preferences; domestic performance weaker due to lower local traffic contribution.
- **5. Operator and Retailer Insights Highlight New Realities**
 - Operators note: "Traffic is back, spend isn't."
 - Retailers note: "Fewer people, better conversion — but tighter margins."
 - Market pressures include inflation, regulatory limits on key categories, and greater demand for deal-oriented shopping.

4. Research and Findings

4.1. Airport operator pulse

4.2. Travel retail performance and Trends: 2025 vs 2019

4.3. Spending behaviour

4.4. Generation specific shopping behaviour

4.5. Commercial models

4.6. Impact of Duty-Free shopping on airport economics

4.7. Summary of trends

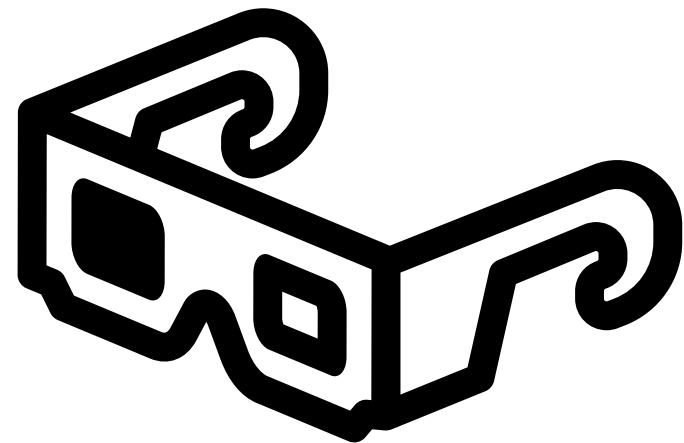
4.8. Case studies



4.3. Spending behaviour (1)

Assessment of spending behaviour from both user and provider perspectives to identify nationality-specific and demographic trends.

- Understanding passenger spending behaviour is essential for airports seeking to optimize their duty-free and retail performance in an increasingly competitive aviation environment.
- Airports across regions—particularly in the Middle East and Asia-Pacific—are experiencing shifts in passenger demographics, travel motivations and retail expectations.
- These shifts directly influence how different nationalities and traveller types engage with airport retail offerings.
- By examining spending patterns at both regional and national levels, this section aims to uncover the shift in trends, underlying drivers of purchasing behaviour, identify high-value customer segments, and equip airports and retailers with insights that can guide more targeted commercial strategies.
- The analysis draws on nationality-based respondent evaluations to consolidate insights at both the country and regional level.



4.3. Spending behaviour (2)

Travel across the APAC and the MID nationalities is Millennial/Gen-Z-driven, with APAC travellers skewing towards leisure, while Middle Eastern travellers skew toward business/leisure.

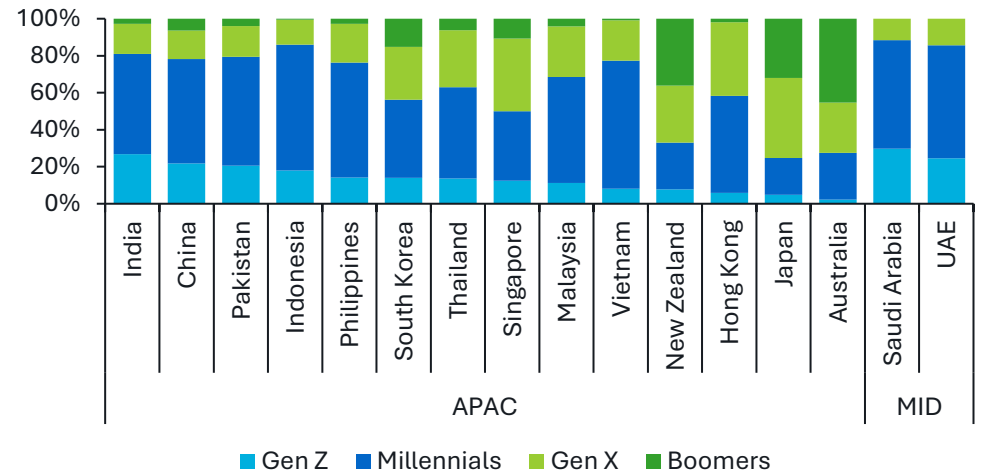
Generational understanding

- APAC nationalities are largely Millennial and Gen-Z-driven, with travellers from Vietnam, Indonesia, Malaysia, Philippines, India, and China showing more than 50% Millennial shares and strong Gen-Z tails, creating a young traveller base.
- In contrast, travellers of Japanese, Australian, and New Zealand nationalities skew older, with higher Boomer and Gen-X representation.
- MID generations represented in the sample might be distorted from reality.

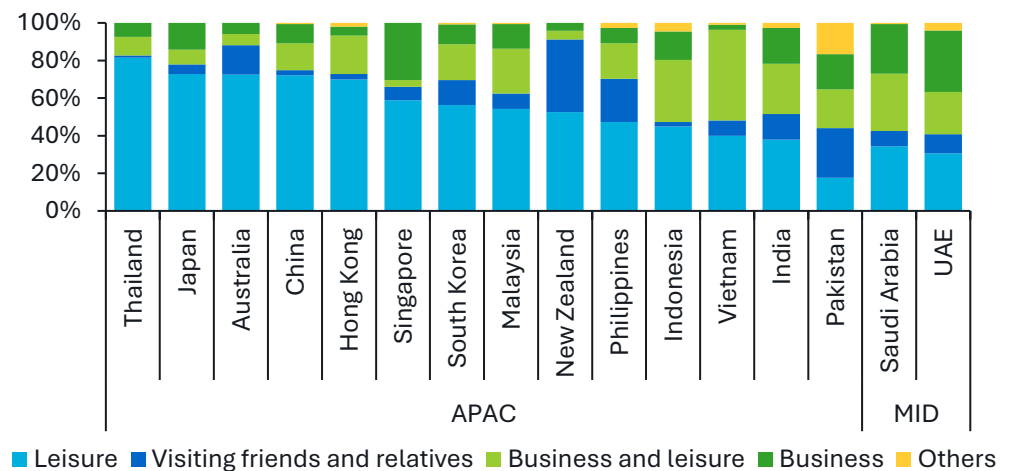
Travel purpose

- APAC nationalities are leisure-led, with countries like Thailand (81%), Japan (73%), Australia (72%), China (72%), and Hong Kong (70%) showing a dominant leisure profile. Emerging markets such as Vietnam (48% business + leisure) and Indonesia (33%) reveal a much stronger multi-purpose travel segment compared to their neighbors.
- MID nationals, particularly of UAE and Saudi nationality, skew more toward business and business + leisure travel, showing a more balanced distribution as compared to APAC nationalities.

Nationality wise Proportion of Generations (%)



Nationality wise Travel Purpose (%)



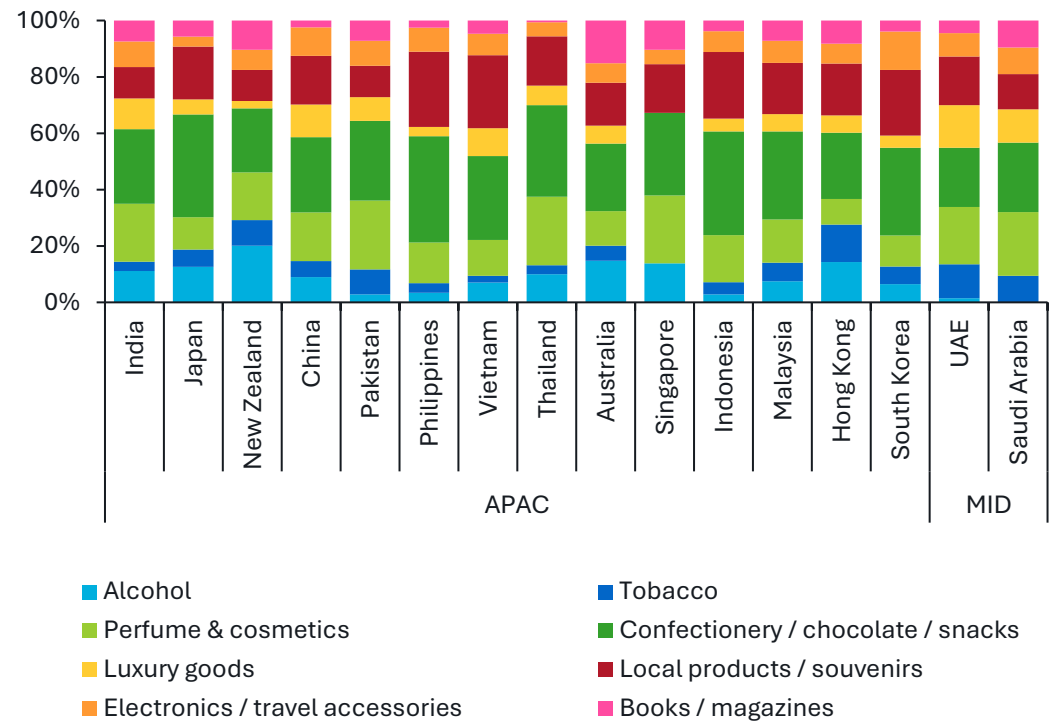
Source: Quantitative survey analysis
 *Boomers: 1946-1964 | Gen X: 1965-1980
 | Millennials: 1981-1996 | Gen Z: 1997-2012

4.3. Spending behaviour (3)

Across the APAC and the MID, Southeast Asian nationalities skew toward confectionery and local products, China and India show broad multi-category baskets. UAE and Saudi travellers tilt toward perfumes, luxury, and local products.

- Across APAC, Southeast Asian nationalities (Philippines, Indonesia, Vietnam, Malaysia, Thailand) heavily favour Confectionery (30–38%) and Local products (18–27%), reflecting strong leisure and gifting purchases. These markets also show meaningful engagement with Perfume & cosmetics (13–24%), likely to be driven by price advantage and travel-occasion purchasing.
- China and India show broad, multi-category engagement, with strong shares in Perfume & cosmetics (17–21%), Confectionery (27%), and Local products (11–17%). Their baskets reflect multi-purpose travel (business + leisure + VFR), resulting in balanced purchasing across both discretionary and practical categories.
- Developed East Asian markets (Japan, South Korea, Hong Kong, Singapore) lean toward more selective categories, with emphasis on Confectionery / chocolate / snacks (23–36%) and Local products / souvenirs (17–23%), while contributing less to Luxury goods and Electronics / travel accessories.
- UAE and Saudi Arabia show a strong tilt toward perfume and cosmetics (20–23%), luxury (12–15%), and local products (13–17%).

Category Distribution by Nationality (%)



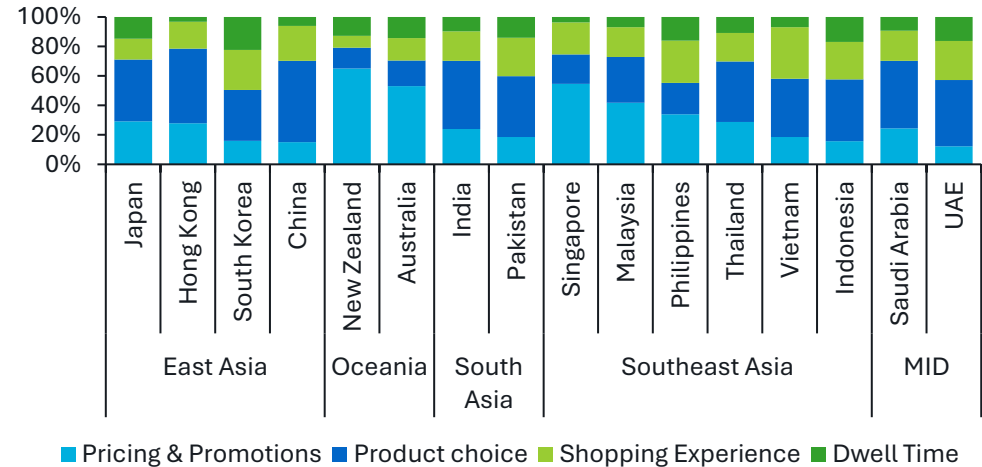
Source: Steer analysis of quantitative survey data

4.3. Spending behaviour (4)

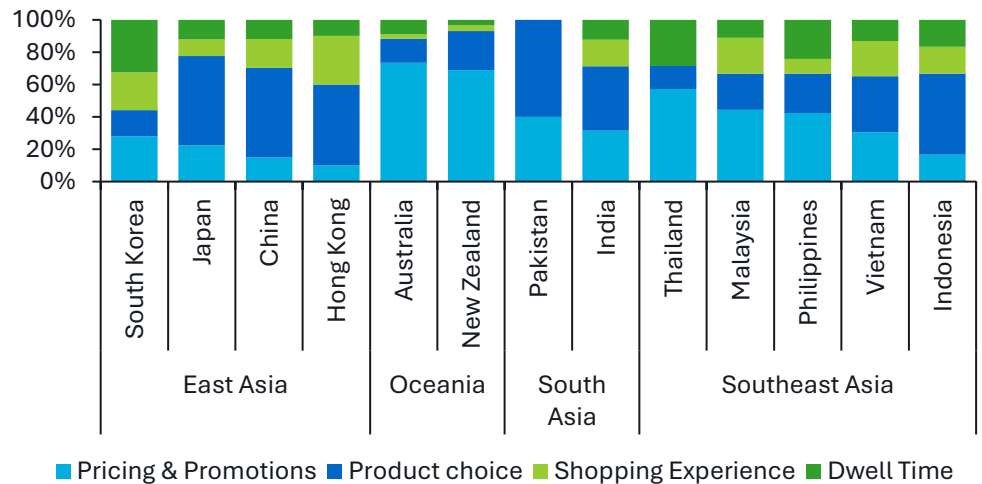
Airport retail drivers diverge by region: ANZ are price-led and functional, Southeast Asia blends price with rising product choice domestically, East Asia is strongly product-choice-driven, and MID travellers focus almost entirely on product choice during international trips.

- Price-led nationalities like Australia and New Zealand (international: 53–65% price; domestic: 69–74% price) treat airport shopping as a functional decision, converting mainly when discounts are clear, while assortment and experience play a secondary role both at home and abroad.
- For Southeast Asian nationalities, international airport purchases are mainly driven by Pricing & Promotions (~29–55%), with Product Choice secondary (~20–42%) and Shopping Experience peaking in Vietnam/Indonesia (~26–35%); domestically, preferences shift toward a stronger Product Choice + Pricing mix, with Product Choice rising to ~24–50% (highest in Indonesia at ~50%) while Pricing & Promotions moderates and Dwell Time becomes more material (~11–29%).
- East Asian nationalities such as China, Japan, Hong Kong, South Korea are led by product choice as their primary category (55%, 42%, 51% and 35% respectively).
- MID passengers (UAE, Saudi Arabia) show a clear product choice first profile on international trips, driven by long-haul, purpose-based travel. With limited domestic travel ecosystems, their shopping is highly focused on international travel.

Drivers of Retail Purchase by Nationality (International Travel)



Drivers of Retail Purchase by Nationality (Domestic Travel)



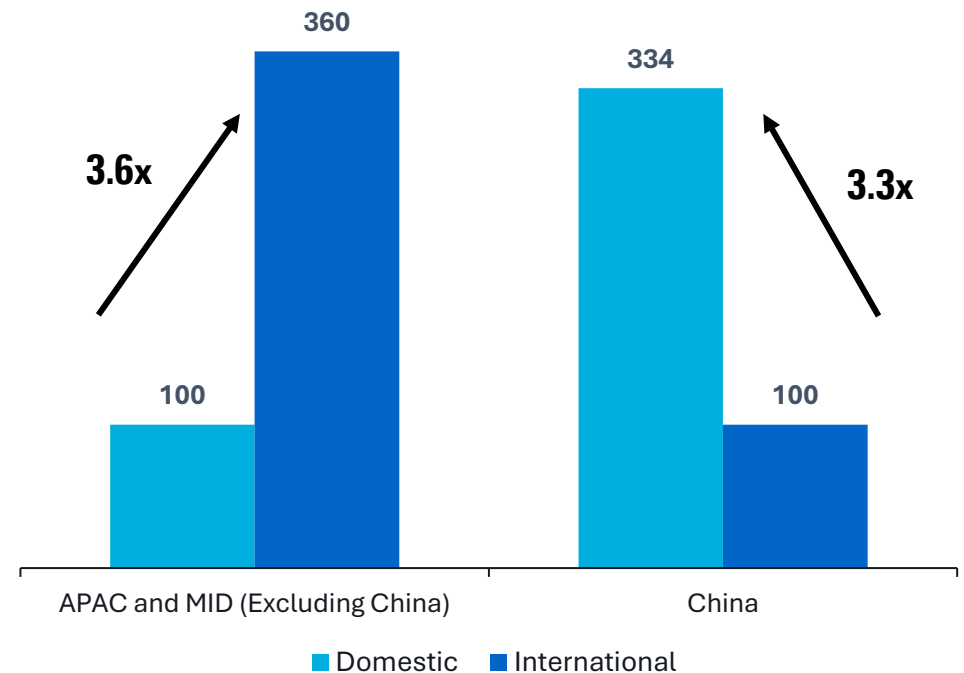
Source: Quantitative survey analysis

4.3. Spending behaviour (5)

International passengers drive materially higher retail spend across APAC and the Middle East due to duty-free access and longer dwell times, while China stands out as a structural outlier where domestic spend dominates.

- Across APAC & Middle East (excluding China), international passengers spend far more than domestic travellers, with international spend indexed at 360 vs 100 domestically. This reinforces the typical global pattern where duty-free eligibility, longer dwell times, and broader commercial offers materially lift international spend.
- China is the exception to the regional pattern, with domestic spend outperforming international, indexed at 334 vs 100. This reflects China's uniquely large, high-quality domestic airport ecosystem, where retail offer, airport investment, and the scale of domestic travel structurally elevate domestic spend.
- International outperformers in APAC & MID benefit from access to duty-free categories, which account for a high share of international purchases. The share of duty-free-eligible items (Alcohol, Tobacco, Perfumes & Cosmetics) structurally widens the spend gap between international and domestic passengers in the region.
- Dwell time remains a decisive driver of international spend, as international passengers typically spend more time in the terminal before boarding, increasing browsing and conversion. Domestic terminals - especially in APAC & MID - operate at shorter turnaround cycles, limiting the time available for discretionary shopping.

2025 Per Passenger Retail Spend (Index: APAC & MID Domestic = 100; China International = 100)



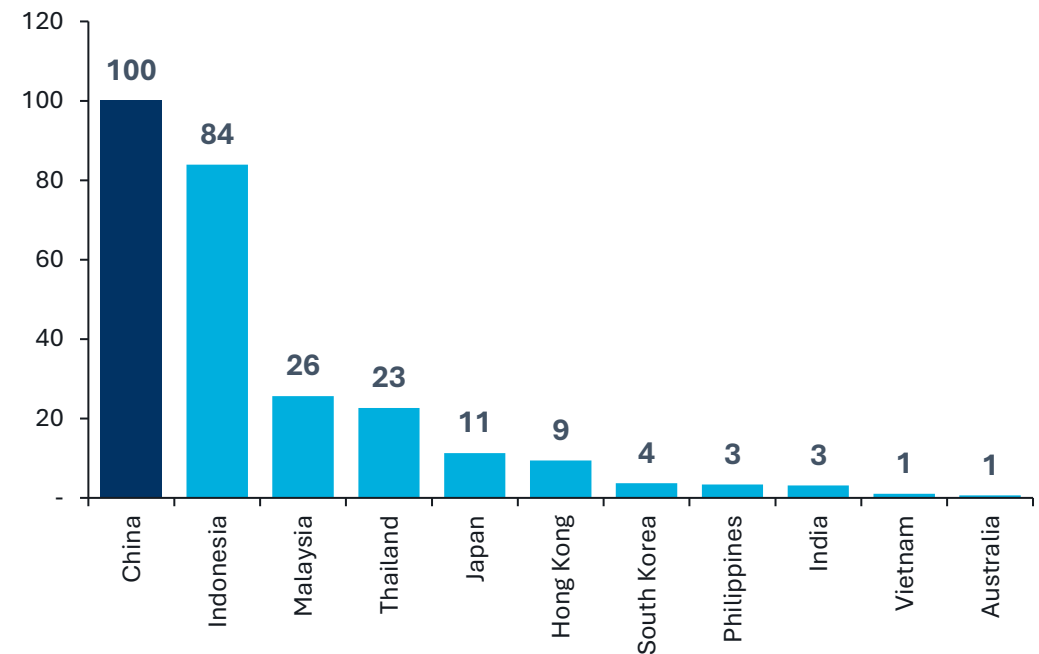
Source: Quantitative survey analysis

4.3. Spending behaviour (6)

Domestic spending intensity varies sharply by market, peaking in large, leisure- and gifting-driven domestic networks and remaining low where domestic travel is short, routine, or utilitarian.

- Chinese travellers remain the strongest domestic spenders (100 index), reflecting the scale of China's domestic aviation network and the growing quality of retail offers at major airports.
- Indonesian travellers too show high domestic spend (84 index), driven by frequent inter-island travel and a strong culture of purchasing gifts, snacks, and practical travel items on domestic journeys.
- Mid-level domestic spenders such as Malaysians (26), Thais (23), and Japanese travellers (11) tend to shop selectively, focusing more on essentials, travel accessories, and destination-led products rather than large baskets or premium categories on domestic trips.
- Travellers from Hong Kong (9), South Korea (4), Philippines (3), India (3), Vietnam (1), and Australia (1) exhibit lower domestic spend, often because domestic journeys in these markets are short, routine, or business-oriented, leading passengers to likely keep discretionary shopping to international trips or city-side retail where product range and pricing are broader.

Per-Passenger Retail Spend by Nationality - Domestic (China = 100)



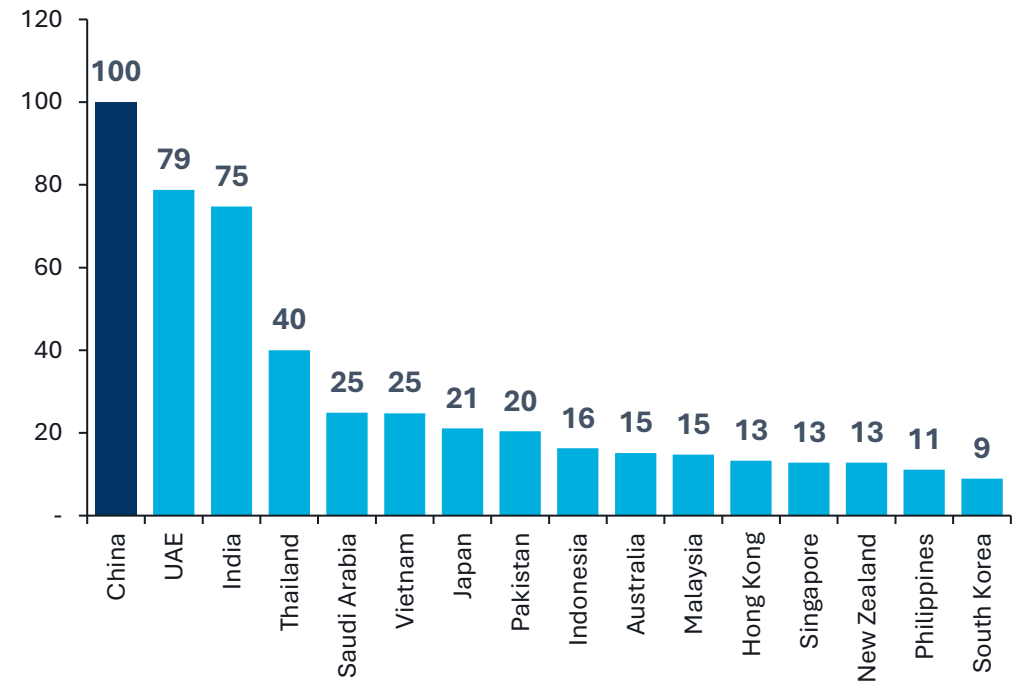
Source: Steer analysis of quantitative survey data

4.3. Spending behaviour (7)

China leads international retail spend, followed by UAE and India. Japan and other mature or value-conscious nationalities show modest spend, and business/VFR-led nationalities exhibit the most restrained international shopping.

- Chinese nationals remain the highest spender (100), driving retail performance in international trips as well.
- UAE and India emerge as the next strongest international spenders (79 and 75).
- Thailand and Vietnam show higher spend internationally than domestically (40–25 range), driven by occasion-led leisure or business trips.
- Japan, Indonesia, Malaysia, and Australia reflect modest international spend (15–21), focusing on practical purchases and only engaging in higher-value categories when pricing or exclusivity abroad is compelling.
- Markets with high business or VFR travel - Saudi Arabia, Hong Kong, Singapore, New Zealand, Philippines, South Korea - show restrained international spend (9–25) because trip purpose skews more functional than retail-oriented.

Per-Passenger Retail Spend by Nationality - International (China = 100)



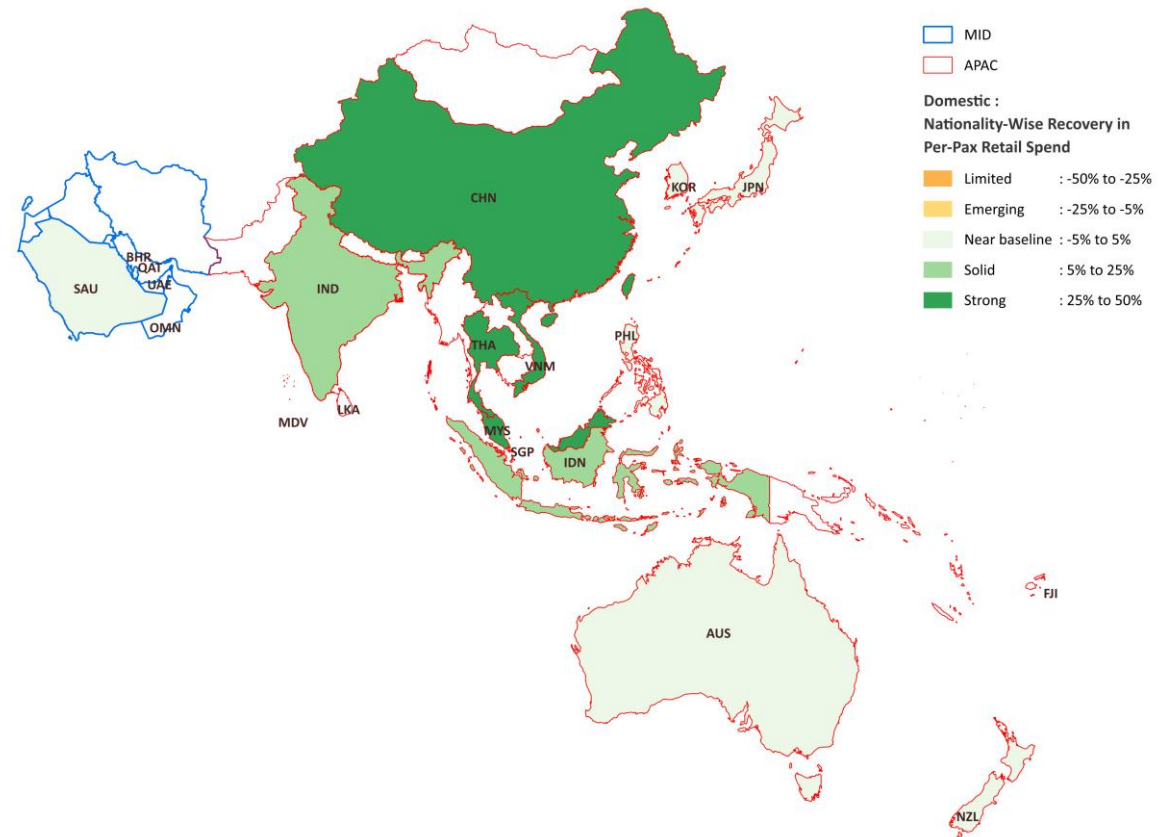
Source: Steer analysis of quantitative survey data

4.3. Spending behaviour (8)

Domestic recovery is strongest in China and India, solid across Southeast Asian countries, muted in Oceania, and lagging in Middle Eastern nationalities where air travel is predominantly international.

- China and India lead domestic recovery, driven by high-frequency internal travel and improved airport retail, lifting per-passenger spend into the solid to strong range through volume and discretionary gifting.
- Southeast Asia (Thailand, Vietnam, Indonesia) shows solid domestic recovery, supported by intra-regional leisure travel and growing spend on snacks, local products, and travel essentials.
- Australia and New Zealand remain near baseline, reflecting routine, convenience-led domestic trips with limited discretionary shopping despite strong traffic.
- Middle Eastern markets (Saudi Arabia, UAE, Oman, Qatar) see structurally weak domestic recovery, as air travel is primarily international, keeping domestic spend low and possibly insignificant.

Map: Per-Passenger Retail Recovery (Domestic Travel) by Nationality



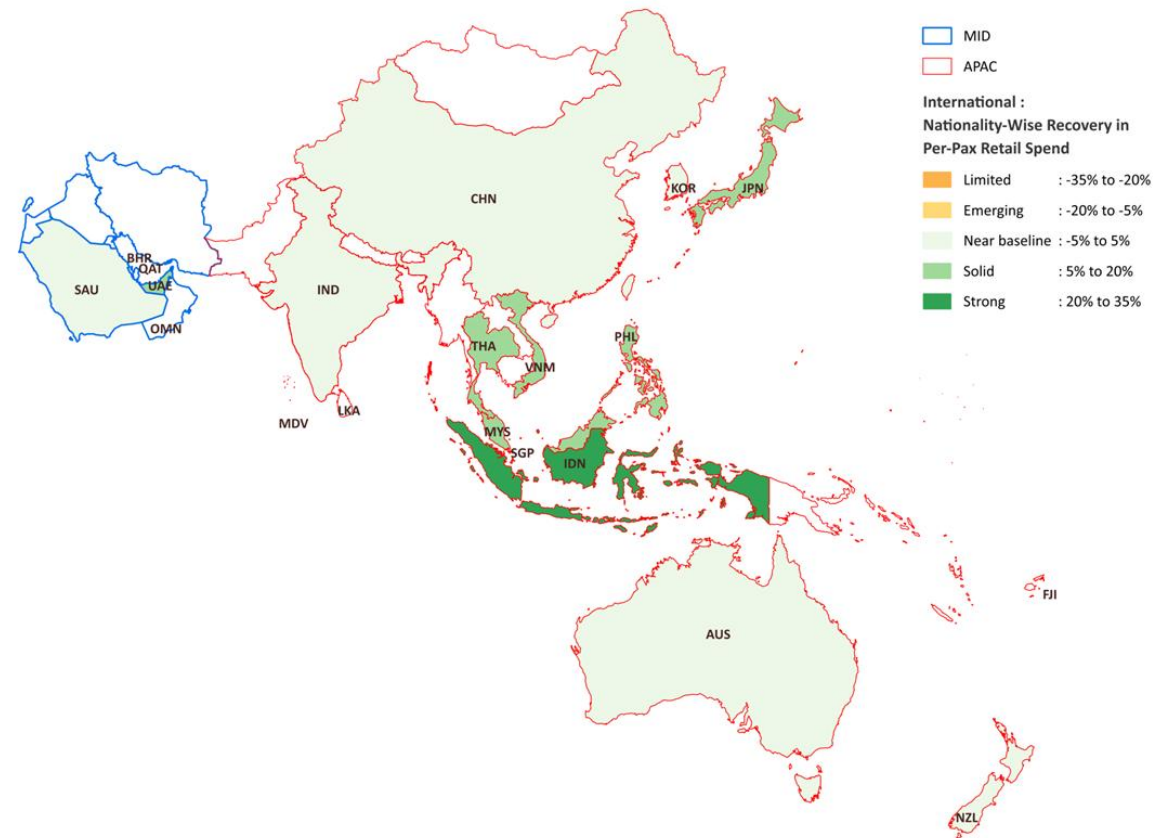
Source: Steer cartography

4.3. Spending behaviour (9)

International retail recovery is strongest in Southeast Asian markets, while large APAC markets - China and India recover display modest recovery at near baseline levels.

- Indonesia, Philippines, Vietnam, and Thailand show the strongest international retail recovery. These countries (apart from Indonesia) also displayed moderate domestic spend, meaning international trips are their primary retail market.
- China & India are stabilizing at 'near-baseline to emerging' internationally, still key spenders on big trips (gifting, beauty), while domestic strength provides the second engine of recovery.
- Singapore, Malaysia, Hong Kong, South Korea record modest international uplift, mirroring selective, value-driven habits; purchases concentrate when pricing/exclusivity is compelling.

Map: Per-Passenger Retail Recovery (International Travel) by Nationality



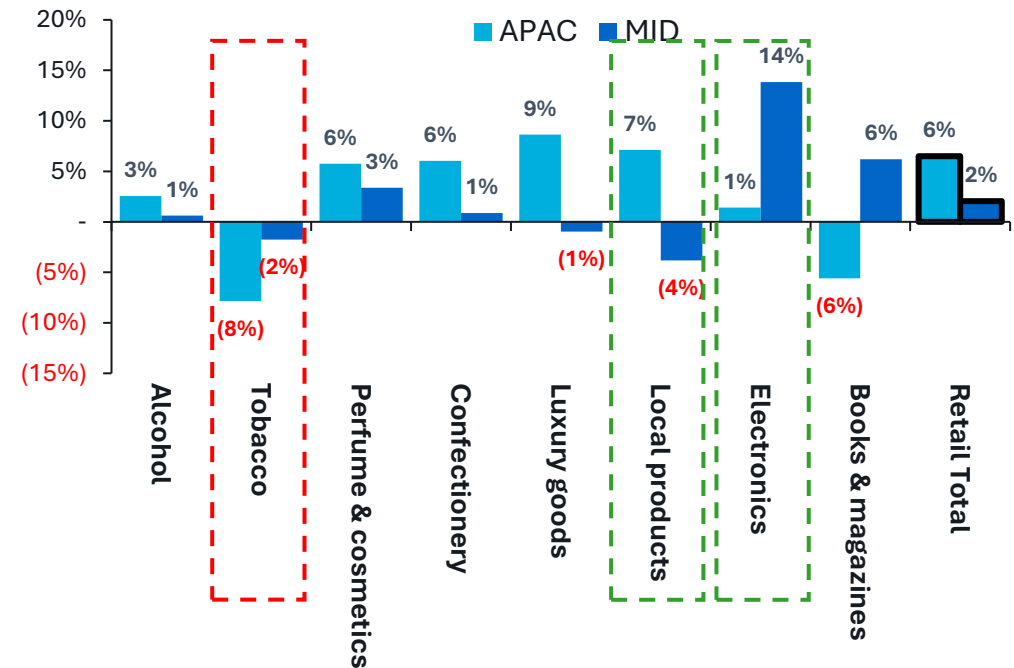
Source: Steer cartography

4.3. Spending behaviour (10)

Overall, APAC and Middle Eastern nationalities have broadly normalized per-passenger retail spend versus 2019, with APAC slightly outperforming MID, driven by luxury, perfumes/cosmetics, and electronics.

- At a per-passenger retail spend level, both APAC and MID nationalities have recovered to 2019 levels, with APAC showing a slightly stronger rebound at 6%.
- APAC recovery is led by luxury (9%), local products (7%), and perfumes and confectionery (6%). Luxury growth is driven by Singaporean, Vietnamese, and Pakistani nationals (34%, 28% and 40% respectively); local products by Indian, Thai, and Indonesian nationals; and perfumes and cosmetics by Vietnamese (27%), and Indonesian (23%) nationals when compared to 2019 per-passenger spend levels.
- Tobacco shows weak performance among APAC nationalities, declining 8% versus pre-COVID levels, driven by sharp reductions in spending by Filipino (-60%), Vietnamese (-26%), and Hong Kong (-22%) nationals.
- MID recovery is driven by electronics (14%), followed by books and magazines (6%). Electronics shows particularly strong recovery among Saudi nationals, whose per-passenger spend is 23% higher than 2019 levels.
- When APAC and MID nationalities are viewed in aggregate, overall retail shows a 5% recovery versus pre-COVID levels, indicating that per-passenger spend has normalized. This recovery is primarily driven by luxury goods (7%), perfumes & cosmetics (5%), and electronics (5%), while tobacco (-5%) is yet to surpass pre-COVID levels.

Recovery in per-passenger spending across retail categories: 2025 versus 2019 (APAC & MID)



Recovery in per-passenger spending across retail categories: 2025 versus 2019 (APAC + MID Total)

Alcohol	Tobacco	Perfume & cosmetics	Confectionery	Luxury goods	Local products	Electronics	Books & magazines	Retail Total
2%	(5%)	5%	4%	7%	4%	5%	(1%)	5%

Source: Steer analysis of quantitative survey data

4.3. Spending behaviour (11)

Airport Perspective: Changing Spend Patterns and Pressure Points.

1. Spend behaviour has become more polarised.

- Airport executives consistently observe a bifurcation in spend patterns: premium passengers continue to spend confidently, while value-focused passengers — often economy leisure or domestic — exhibit low or highly selective spend.
- Airports are increasingly seeing both segments in parallel, which complicates planning and tenant mix strategy.

2. Purpose of travel influences spend far more than before.

- Leisure travellers, particularly those with family or on infrequent trips, are driving more “treat spend” or souvenir purchases.
- Business travellers are showing lower per-trip spend, often skipping retail entirely unless they have downtime or loyalty incentives.

3. Time, terminal layout, and staff touchpoints still shape the basket.

- Where airports have redesigned flow to optimise visibility and ease of access (e.g. “walkthrough” duty-free), spend per passenger has held up better.
- Conversely, airports reporting fragmented or “multi-gate” layouts note weaker conversion due to limited engagement time and passenger fatigue.

“Some are still buying luxury, but others are just browsing or heading to the pharmacy.”
Airport operator

“People travelling for work just want to get through. Families spend more — especially in F&B and gifting.”
Airport operator

“If you make it easy to shop — no stress, no queues — people buy. If it’s a maze, they don’t.”
Airport operator

4.3. Spending behaviour (12)

Retailer Perspective: Triggers, Timing and the Value Shopper.

1. Spend is increasingly promotion-led — especially in duty-free.

- Retailers report that even higher-income passengers are now more deal-conscious.
- Spend is strongest where value is clearly signposted: bundle offers, exclusive SKUs, and price-comparison messaging.
- Products without visible savings underperform — especially in middle categories like confectionery or skincare.

2. Spend per transaction has declined — but impulse wins when well executed.

- Retailers consistently observe smaller baskets overall, but still see spikes tied to impulse triggers: well-placed gifting zones, visible promotions, or last-minute checkout displays.
- This is especially true for travel sets, local snacks, or limited editions.

3. Passenger knowledge of downtown pricing is shaping behaviour.

- Mobile-savvy shoppers — especially Gen Z and frequent flyers — are more likely to compare prices on the spot. If airport retail is not meaningfully cheaper or doesn't offer exclusive formats, the sale is often lost.
- This effect is strongest in high-awareness categories like beauty and electronics.

“The value shopper is no longer just economy class. Everyone wants a deal now.”

Retail operator

“You won't get the five-item cart anymore. But people still grab one or two if it's clever.”

Retail operator

“We've lost the easy sale. If we don't show value up front, they walk.”

Retail operator

4.3. Spending behaviour (13)

• 1. Overall Spending Dynamics

- Passenger spending patterns are increasingly shaped by value sensitivity, product relevance, and the specific motivations of different traveller archetypes.
- High-spending passengers continue to anchor revenue through luxury and premium categories, whereas value-driven groups respond primarily to pricing, promotions, and clear savings.

• 2. Category Opportunities

- Luxury, perfumes, and premium fashion dominate among high-value travellers, offering

strong potential for airports with international and non-economy passenger mixes.

- Meanwhile, categories such as Local Art & Food retain broad universal appeal, while Wellness, Technology, and Fashion emerge as meaningful growth levers for lower-spend or infrequent-spender segments.

• 3. Behavioural Insights

- Price-sensitive travellers place far less emphasis on experience or assortment and significantly more on promotions, signalling that value-led strategies are essential for converting non-spenders.
- Conversely, premium-oriented travellers are driven by

authenticity, perceived value, and in-store experience—highlighting the need for credibility and differentiated engagement.

• 4. Implications for Airports

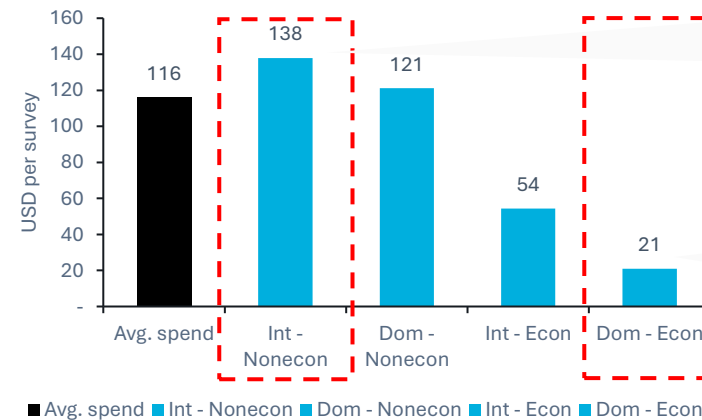
- Airports can maximise revenue by tailoring retail ecosystems to archetype-specific behaviours—offering premium, exclusive assortments for high-spenders, and strategic pricing and curated value categories for price-sensitive groups.
- Strengthening product depth, providing exclusive travel-retail editions, and expanding differentiated category offerings will be key to unlocking incremental spend across passenger types.

4.3. Spending behaviour: Airport shopper archetypes (1)

We have identified three types of “airport shoppers” that present very different behaviours and can be segmented according to the destination (domestic vs. international), the cabin class (economy vs. non-economy), and the generation.

- The analysis groups passengers into four segments based on destination type (domestic vs. international) and cabin class (economy vs. non-economy, i.e. business and first) to assess differences in spending behaviour. Then these are segmented further with the generation (Gen Z, Millennials, Gen X, Boomers). Each segment is evaluated across two metrics: average spend per passenger and the proportion of passengers who make no purchases.
- Average spend is compared across all types to identify the highest-spending segment, and the segment with the highest potential for revenue generation. The share of non-spenders is used to identify under-monetised segments.
- Archetype 1 (high spenders): Gen Z and Millennial** passengers flying **International non-economy** have the highest average spend. This segment forms c. 40% of the international traffic in the sample.
- Archetype 2 (low spenders): Gen Z and Millennial** passengers flying **domestic economy** have low average spend, thereby showing most potential for incremental spending. This segment forms c. 31% of the domestic traffic in the sample (excluding China).
- Archetype 3 (infrequent spenders):** Passengers flying **international economy** are a material segment that have a substantial share of non-spenders. **Boomers and Gen X** form 60% of the non-spenders. This segment forms c. 20% of the international traffic in the sample.

Comparison of average total spend per survey and categories

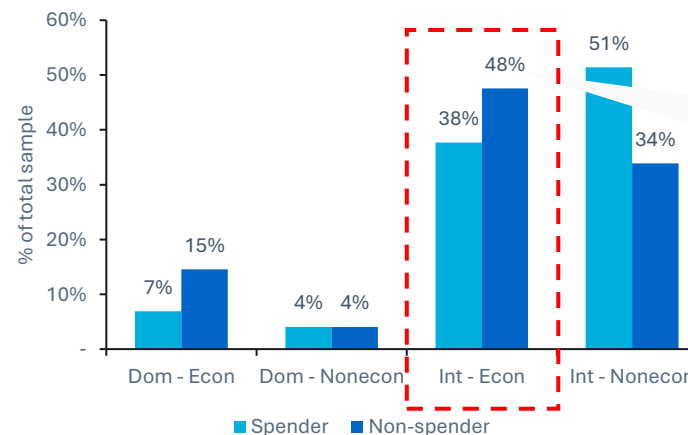


High spenders
Avg. spend further increases to USD 145 among Gen Z and Millennials

Low spenders
Avg. spend among Gen Z and Millennials is USD 13

Note: Domestic-economy excludes Chinese passengers

Comparison of average total spend per survey and categories



Infrequent spenders
Gen X and Boomers form 60% of the non-spenders

Source: Steer analysis of quantitative survey data

4.3. Spending behaviour: Airport shopper archetypes (2)

High-spend travellers concentrate on premium categories, low-spend travellers focus on food and essentials, while segments with high concentration of non-spenders gravitate toward luxury and perfume.

Archetype 1 (skewed towards luxury and premium)

- Luxury dominates (49%), making Archetype 1 dramatically more premium-oriented than Archetype 2 (1%) and Archetype 3 (29%).
- Above-average interest in Perfume (17%) and Electronics (13%) reinforces a high-value, premium-shopping profile.
- Very low engagement in low-ticket categories such as Tobacco (2%), Confectionery (6%), and Books (1%), suggesting a clear prioritization of high-ticket discretionary items.

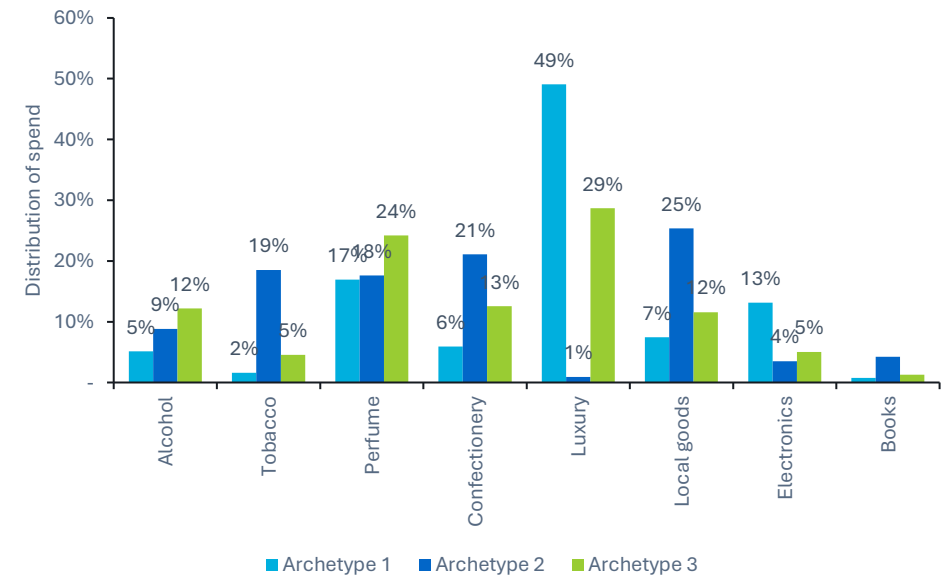
Archetype 2 (led by local goods)

- Local goods are the standout category (25%), far higher than Archetype 1 (7%) and Archetype 3 (12%).
- Higher-than-average spend on Confectionery (21%), Tobacco (19%), and Perfume (18%), indicating a tilt toward impulse, accessible, and necessity-adjacent items.
- Luxury is negligible (1%), showing minimal interest in premium or high-ticket retail.

Archetype 3 (high inclination for perfume and luxury)

- Strong affinity for Perfume (24%) and Luxury (29%), placing this archetype between Archetype 1 and Archetype 2 in premium-segment interest.
- Moderate but notable interest in Confectionery (13%) and Alcohol (12%), showing diversified but mid-value category engagement.
- Very limited interest in Books (1%), Tobacco (5%), and Electronics (5%), indicating narrow engagement outside a few preferred categories.

Current distribution of spending by retail offering



Source: Steer analysis of quantitative survey data;

4.3. Spending behaviour: Archetype 1 (High spenders)

Archetype 1 sustains strong spending through trust-led, premium-focused behaviour, with luxury and perfumes anchored by authenticity, value, and in-store experience. Future growth lies in curated premium fashion and exclusive product choices, reinforcing the need for deeper, differentiated retail ecosystems.

Key behaviours for preserving strong spending levels

- **Luxury remains the core spend anchor:** Allocates ~49% of its average spend to luxury goods and ~17% to perfumes
- **Trust, value, and experience drive purchasing:** Top motivations for luxury and perfumes include trust in product authenticity (~24%), price/value advantage (~21%), and in-store experience (~20%), highlighting the importance of credibility and sensory engagement in retail performance.

New frontiers for driving incremental spend

- **Fashion is the standout opportunity:** Selects Fashion as its top retail category at 30%, slightly higher than other travellers (27%), indicating headroom for category expansion and targeted product curation.
- **Product choice is the strongest lever:** The availability of high-quality, exclusive, and limited-edition items meaningfully boosts spend potential in this segment — signalling that assortment differentiation is a strategic growth tool.

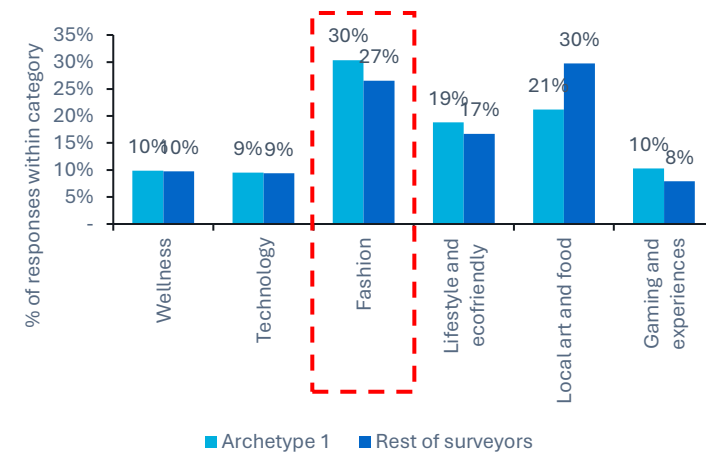
Key takeaways

- **Strengthen premium and exclusive retail ecosystems:** Airports with a sizable share of international, non-economy travellers should prioritise richer product depth in luxury, premium fashion, and differentiated retail offers to capture higher-value demand.
- **Move beyond standard duty-free formats:** Revenue uplift is achievable through exclusive “Travel Retail” editions, globally recognised luxury brands, and curated premium assortments — elevating perceived value and reinforcing the emotional appeal of airport shopping.

Archetype 1: Factors encouraging more spending



Archetype 1: Preference in retail offering



Source: Steer analysis of quantitative survey data; Archetype 1 includes international non-economy passengers who are Gen Z & Millennials

4.3. Spending behaviour: Archetype 2 (Low spenders)

Archetype 2 is highly value-driven, motivated primarily by pricing and promotions, with limited focus on experience or assortment. Local Art & Food emerges as the strongest incremental opportunity, offering accessible, culturally resonant products that match this segment's price-sensitive mindset.

Key shopping behaviours

- **Strong price orientation:** Pricing & promotions are the core motivator, with 44% selecting this factor — substantially higher than the 28% observed across the wider survey group. This reflects a clear sensitivity to deals and value-led propositions.
- **Lower emphasis on experience and assortment:** Compared with others, Archetype 2 places noticeably less weight on shopping experience (14% vs. 20%) and product choice (25% vs. 38%), indicating that store ambience or category breadth plays a secondary role.

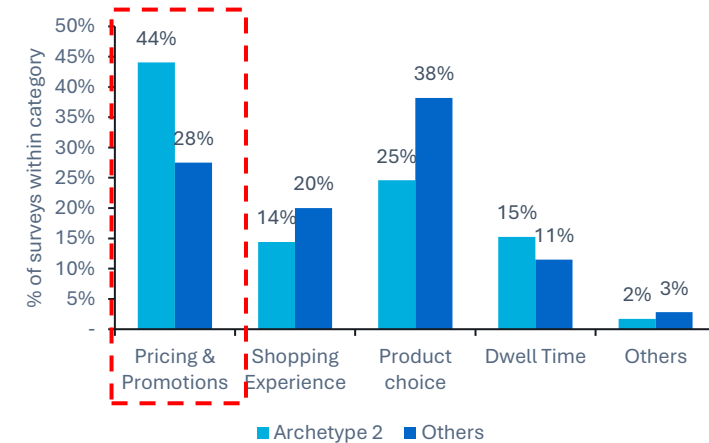
New frontiers for driving incremental spend

- **Local Art & Food as the standout opportunity:** This category is selected by 39% of Archetype 2, significantly above the 26% observed among other travellers. For most other categories, interest levels are broadly comparable or slightly lower than the rest, reinforcing Local Art & Food as the clearest differentiated growth lever for this group.

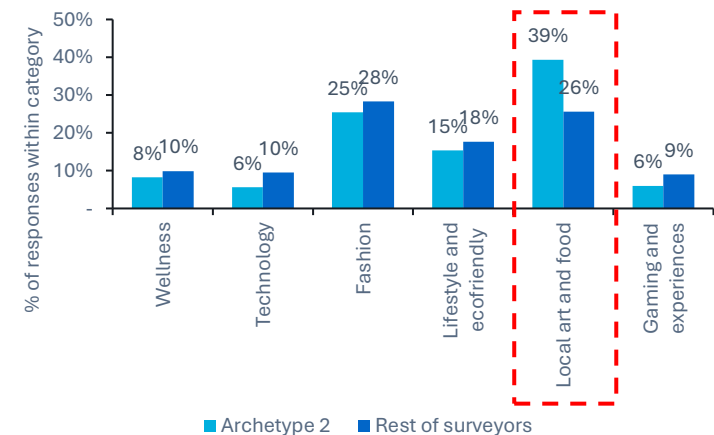
Key takeaways

- **Value-first strategies are essential:** Airports serving a high share of domestic economy passengers can unlock higher spend by emphasising attractive pricing, strong promotions, and clear value signalling.
- **Lead with local relevance:** Retail propositions should foreground Local Art & Food — the segment's top preference — offering culturally authentic, high-quality yet accessibly priced products that resonate strongly with this value-conscious group.

Archetype 2: Factors encouraging more spending



Archetype 2: Preference in retail offering



Source: Steer analysis of quantitative survey data; Archetype 2 includes domestic economy passengers who are Gen Z & Millennials

4.3. Spending behaviour: Archetype 3 (Infrequent spenders)

Archetype 3 is highly price-driven, responding far more to promotions than experience or assortment, making value cues essential for conversion. Wellness, Technology and Fashion offer the strongest incremental potential, as this segment meaningfully over-indexes in these categories.

Key shopping behaviours

- Strongly motivated by pricing and promotions, with 54% of non-spenders citing it as their top driver—far higher than the 37% seen across other travellers. This underscores their strong price sensitivity and the importance of value-led levers in converting this segment.
- They place relatively lower emphasis on experience- or assortment-led retail, meaning discounts and clear value cues significantly outweigh store ambience or product breadth in influencing behaviour.

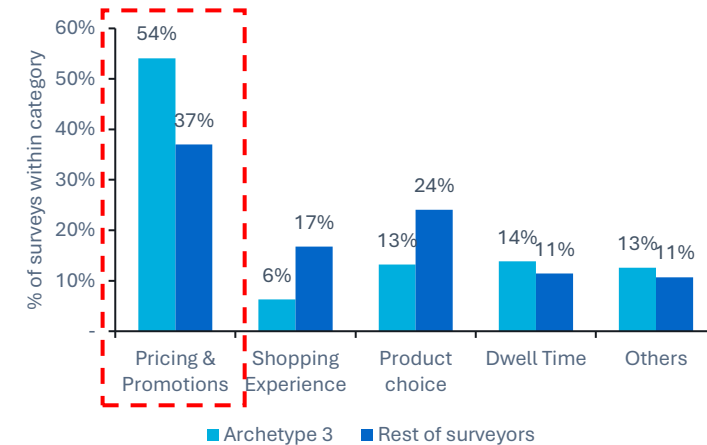
Frontiers for encouraging spend

- While Local Art & Food has broad universal appeal (50% vs 52%), it is not a differentiator for this group.
- Archetype 3 meaningfully over-indexes in **Wellness** (7% vs 1%), **Technology** (14% vs 2%), and **Fashion** (18% vs 4%), marking these as the categories with the greatest incremental opportunity.
- Engagement with Lifestyle & eco-friendly and Gaming & experiences is notably low, signalling weaker traction for experiential or sustainability-oriented propositions.

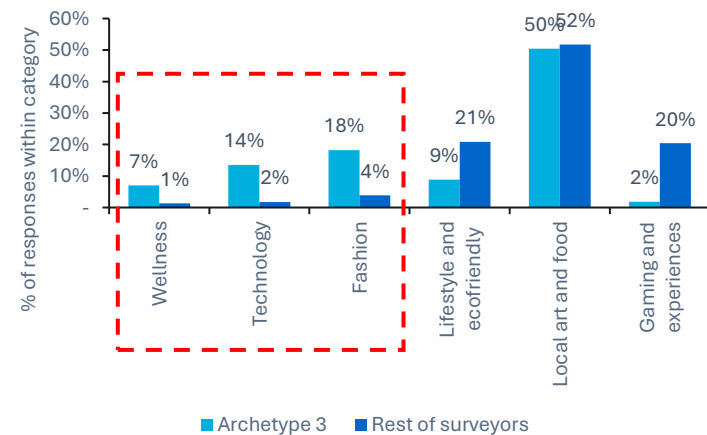
Key takeaways

- Archetype 3 is a **highly price-sensitive** non-spender segment—airports can unlock conversion through strategic pricing and strong promotional mechanics.
- To stimulate spend, operators should **prioritise Wellness, Technology, and Fashion**, where this segment shows distinct and outsized interest compared with the wider traveller base.

Archetype 3: Factors encouraging spending



Archetype 3: Preference in retail offering



Source: Steer analysis of quantitative survey data; Archetype 3 includes international economy passengers who are Gen X & Boomers

4. Research and Findings

4.1. Airport operator pulse

4.2. Travel retail performance and Trends: 2025 vs 2019

4.3. Spending behaviour

4.4. Generation specific shopping behaviour

4.5. Commercial models

4.6. Impact of Duty-Free shopping on airport economics

4.7. Summary of trends

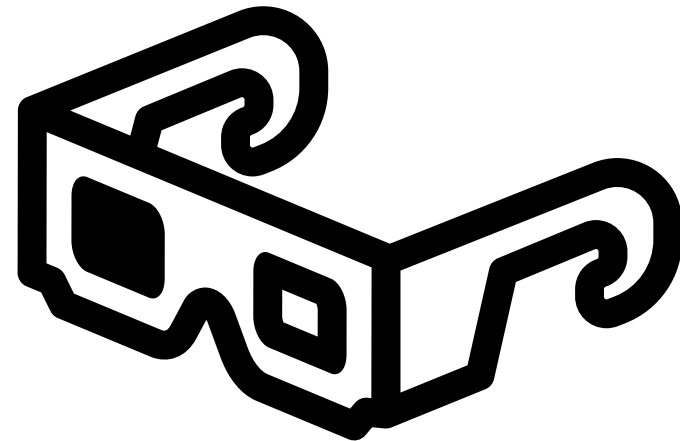
4.8. Case studies



4.4. Generation specific shopping behaviour (1)

Assessment of spending behaviour from both user and provider perspectives to identify generation-specific trends.

- Each generation has distinct shopping preferences, with younger passengers (Millennials and Gen Z) showing a preference varied preferences for digital engagement and experiential offerings by age cohort. Tailoring retail offerings to these preferences can increase revenue.
- These generational differences directly influence retail category preferences, conversion rates, pricing sensitivity, digital adoption, and the willingness to pay for sustainable product-factors that collectively reshape airport retail performance.
- By analysing behavioural patterns across generations, this section identifies who the high-value generational segments are, how their behaviour differs across categories and touchpoints, and what this means for airport operators and retailers seeking targeted growth.
- The insights are drawn from primary passenger research, supported by operator interviews and regional behavioural patterns, enabling airports to tailor assortment, digital journeys, store formats, and sustainability propositions to maximize engagement across age cohorts.



4.4. Generation specific shopping behaviour (2)

Travel behaviour shifts steadily with age as Gen Z and Millennials display higher share of frequent, blended leisure-business travel, while Gen X balances mixed purposes and Boomers concentrate on infrequent, single-purpose leisure trips.

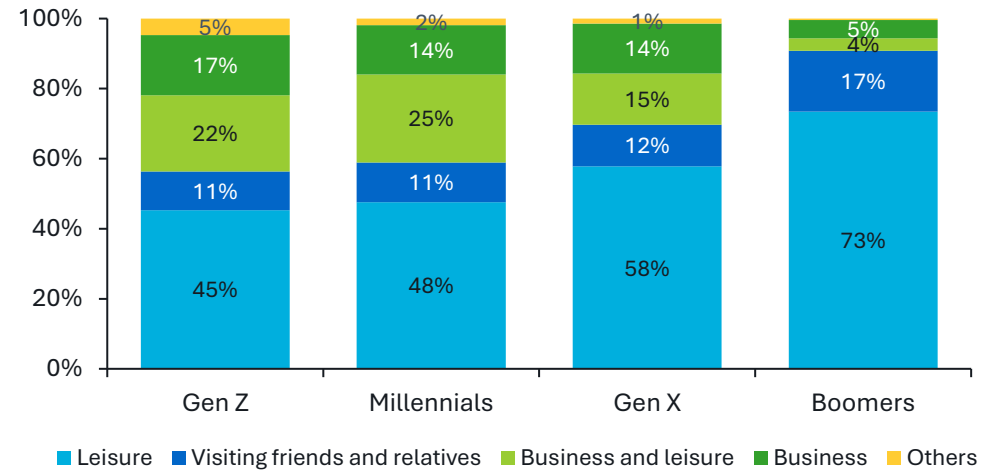
Travel Purpose

- Leisure travel declines sharply with age, with Gen Z (45%) and Millennials (48%) showing mixed-purpose travel, shifting toward Gen X (58%) and peaking with Boomers (73%), who are the most leisure-dominated cohort.
- Younger generations drive multi-purpose and blended travel, with Gen Z (22% B-leisure+ 17% Business) and Millennials (25% B-leisure + 14% Business) showing the highest share of work-linked trips, indicating more flexible, mixed-intent travel patterns.
- Gen X showcases both, leisure and business, with a more balanced split (58% Leisure; 15% B-leisure; 14% Business). Boomers are the least mixed in travel purpose, with very low BLEISURE (4%) and Business (5%), showing the strongest concentration in single-purpose leisure travel compared with all other cohorts.

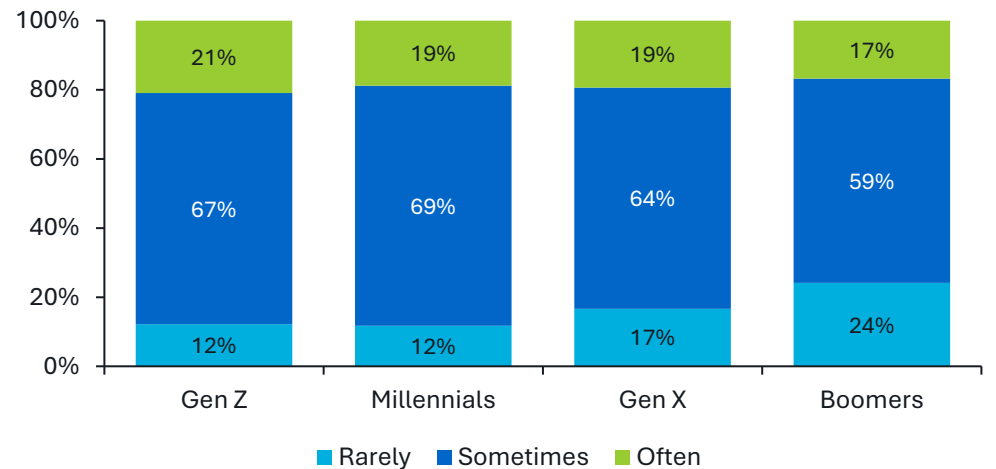
Travel Frequency

- Younger generations (Gen Z and Millennials) are the most active travellers, with 67–69% travelling “sometimes” (2–5 round trips/year) and 19–21% travelling “often” (5+ trips/year), indicating that the bulk of annual travel volume concentrates in these two cohorts.
- Older generations travel less frequently, with Boomers showing the highest share of “rarely” travelling (24%) and the lowest share of “often” travel (17%), while Gen X sits in the middle (17% rarely; 64% sometimes), highlighting a clear decline in travel frequency with age.

Generation wise Travel Purpose (%)



Generation wise Travel Frequency (%)



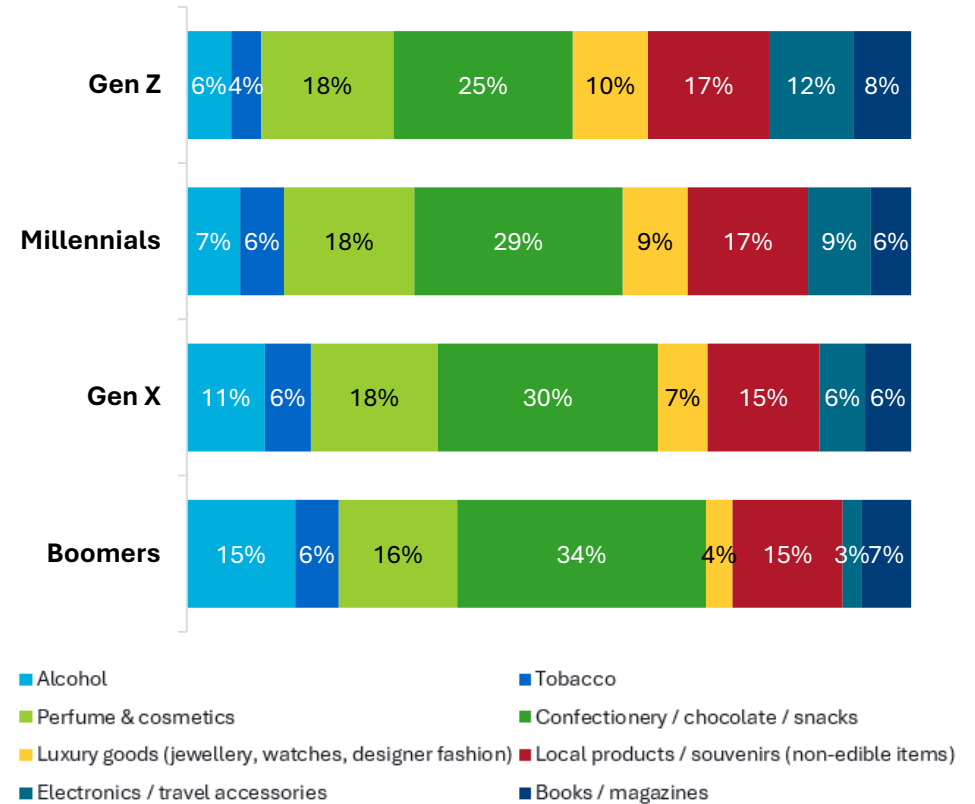
Source: Quantitative survey analysis

4.4. Generation specific shopping behaviour (3)

Across generations, baskets shift from routine, essential categories among Boomers to discovery, experience led purchasing among Gen Z and Millennials.

- Gen Z has the most varied and experience-oriented basket, with stronger preference for confectionary (25%) and Local products (17%), complemented by Perfume & cosmetics (18%) and a meaningful share in Electronics / travel accessories (12%) signalling a tendency to explore, try new brands, and buy exclusive or destination-linked products.
- Millennials skew toward gifting and travel-occasion categories, with high engagement in Confectionery / chocolate / snacks (29%), Local products / souvenirs (17%), and Perfume & cosmetics (18%).
- Gen X shows a preference for familiar, destination-led categories, with strong interest in Local products (15%) and Confectionery (30%). Engagement in Perfume & cosmetics (18%) remains stable, while their spend in Electronics / travel accessories (6%) reflects selective, need-based purchasing.
- Boomers are the most traditional and routine-driven shoppers, heavily favouring Confectionery / chocolate / snacks (34%) and Books / magazines (7%). Their purchasing in categories such as Luxury goods (4%) and Electronics / travel accessories (3%) is notably lower.
- Overall, the generational story shows a shift from 'routine and essential' categories among Boomers toward 'discovery, authenticity, and variety' among Gen Z and Millennials, with younger cohorts engaging more broadly across categories and older cohorts concentrating spend in predictable, lower-impulse segments.
- It is also worthy to note that share of alcohol decreases as age decreases, indicating focus on health and wellness among younger generations. On the contrary, share of electronics increases as age decreases.

Retail Category Preferences by Generation (%)



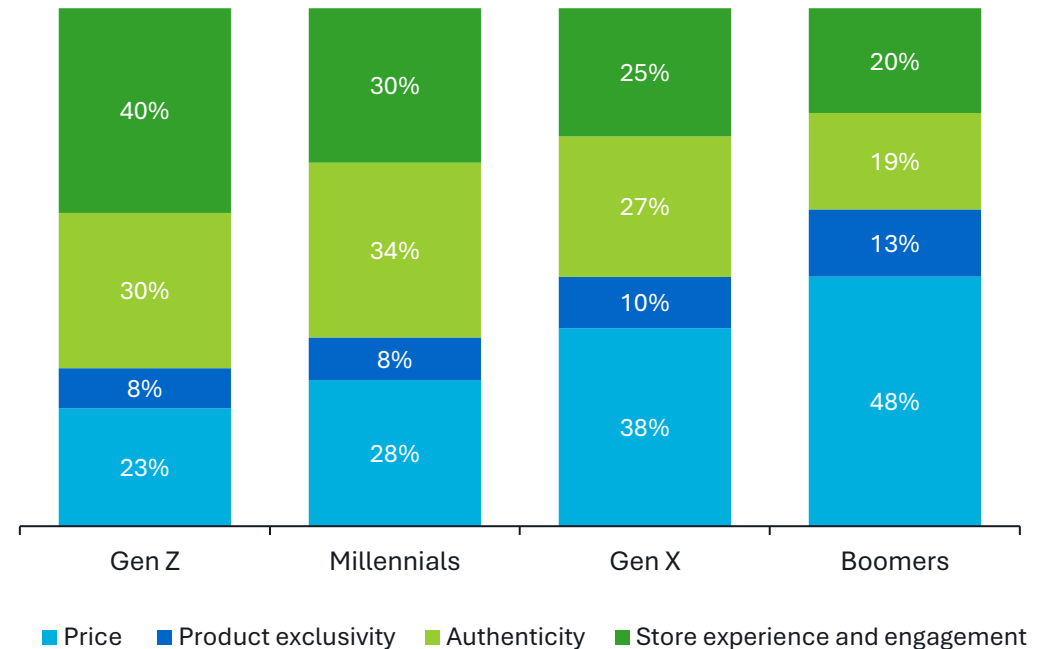
Source: Steer analysis of quantitative survey data

4.4. Generation specific shopping behaviour (4)

Purchasing drivers shift by generation from price-led (Boomers, Gen X) to engagement and authenticity-led (Millennials, Gen Z), with younger cohorts prioritizing experience and meaning while older cohorts focus on value and savings.

- Gen Z purchasing is led by store experience & engagement (40%) and authenticity (30%), meaning this cohort responds most strongly to immersive spaces and products that feel culturally or locally meaningful, with price (23%) only a secondary motivator.
- Millennials show a balanced profile, driven by authenticity (34%) and store experience (30%), but remain more responsive than Gen Z to price (28%) as long as the offer feels relevant and well-positioned. Product exclusivity (8%) plays a modest but consistent role.
- Gen X shifts toward value, with price (38%) as the dominant purchase driver, followed by authenticity (27%). Store experience matters less for this group (25%), and decisions are more deliberate and comparison-driven, with only limited weight on exclusivity (10%).
- Boomers are the most price-driven segment, with nearly half of their decisions anchored in price (48%), followed by smaller contributions from authenticity (19%) and store experience (20%). Shopping behaviour here is functional, familiar, and savings-led.
- Overall, the generational progression reflects a shift from “price-first” (Boomers → Gen Z) to “engagement-first” (Gen Z → Boomers), meaning younger cohorts require experience, storytelling, and emotional cues to convert, while older cohorts prioritise clear value and practical benefits.

Drivers of Passenger Retail Purchase by Generation (%)



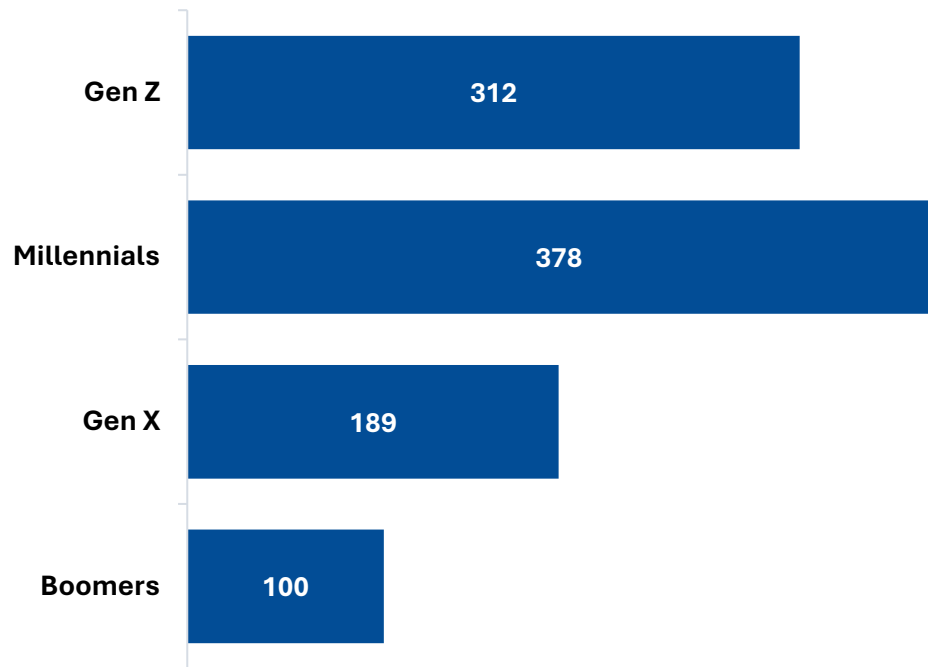
Source: Steer analysis of quantitative survey data

4.4. Generation specific shopping behaviour (5)

Spending shifts from routine, essential categories in older cohorts to experience-driven, exploratory purchases in younger cohorts, with declining alcohol and rising electronics share among Gen Z and Millennials.

- Gen Z spends over three times more than Boomers (index 312), driven by a strong response to store experiences, authenticity, and discovery-led shopping. When offers resonate, they convert strongly across confectionery, souvenirs, and electronics. Luxury dominates spend (51%), followed by beauty (16%) and electronics (15%).
- Millennials emerge as the highest-spending cohort overall (index 378), driven by a balanced blend of gifting and category exploration. Over half of their spend is directed toward luxury (59%), underpinned by strong engagement in beauty (14%) and electronics (9%), highlighting their willingness to trade up while experimenting across categories.
- Gen X shows nearly double the spend of Boomers (189 index), anchored in deliberate, value-driven purchasing. They respond strongly to price and authenticity of products, with a preference for higher volumes of confectionery, local products, and perfume & cosmetics. Luxury accounts for 45% of their spend, followed by beauty (18%) and electronics (12%).
- Boomers form the lowest-spending group (100 baseline), aligning with their focus on price, routine categories, and functional purchases. Their shopping mission is predictable and less elastic. Among generations, boomers spend lowest on luxury (34%) and highest on electronics (22%) and alcohol (11%).
- Overall, spend rises sharply as the traveller base becomes younger, illustrating how the shift from Boomers → Gen X → Millennials → Gen Z corresponds to increasing willingness to explore categories, respond to experience, and convert on experiential cues.

Retail Spending per-passenger by Generation (Indexed: Boomers = 100)



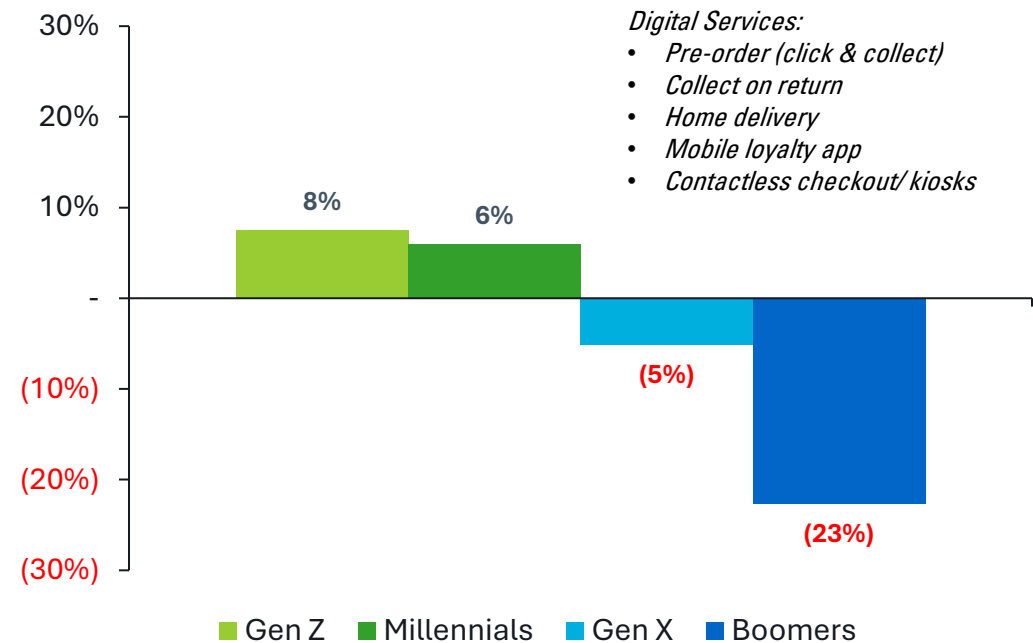
Source: Steer analysis of quantitative survey data

4.4. Generation specific shopping behaviour (6)

Younger cohorts (Gen Z and Millennials) show significantly higher willingness to adopt digital services than Gen X and Boomers, driven by greater digital fluency, trust, and comfort with technology.

- Gen Z shows the strongest adoption and willingness to adopt digital services (8%), driven by their digital-native upbringing, high trust in online tools, and comfort navigating technology independently. When interfaces feel seamless and intuitive, Gen Z rapidly embraces digital processes, reflecting research that they integrate digital solutions across education, productivity, and daily life.
- Millennials also demonstrate above-average adoption (6%), reflecting their blend of digital fluency and practical utility-seeking. This cohort actively uses digital tools for work, planning, decision-making, and convenience, explaining their strong positive deviation in willingness to adopt digital services.
- Gen X falls below the average (-5%) because, while familiar with technology, they approach new digital services with more caution, weighing effort, trust, and reliability.
- Boomers show the lowest willingness to adopt digital services (-23%), consistent with research indicating higher levels of digital anxiety, greater dependence on familiar channels, and elevated concerns about privacy and misuse.
- It is clearly observed that younger cohorts – Gen Z and millennials display a higher willingness to adopt as compared to Gen X and Boomers.

Digital Services adoption (including willingness to adopt) by Generation vs Overall Average (%)



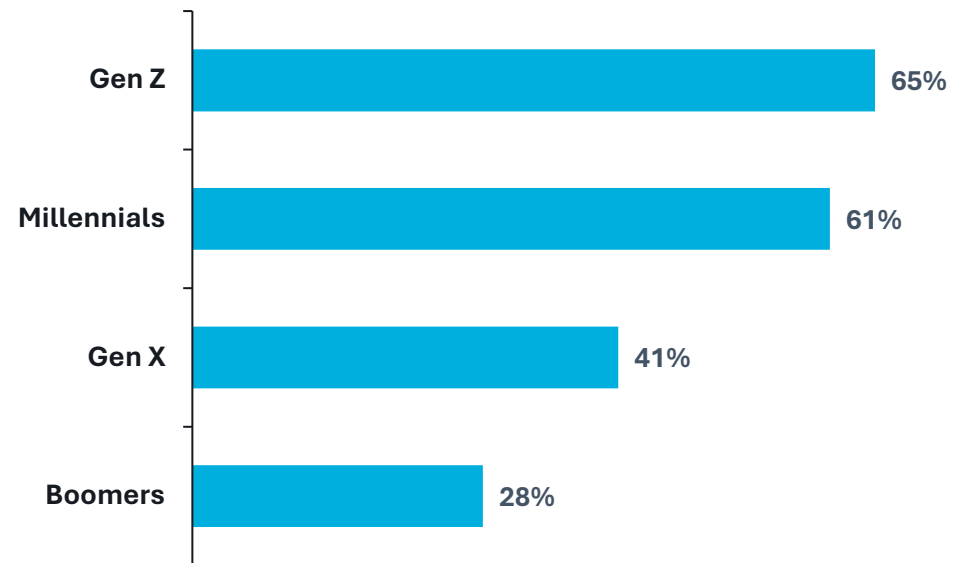
Source: Steer analysis of quantitative survey data

4.4. Generation specific shopping behaviour (7)

While Gen Z and Millennials express the highest willingness to pay for sustainable products, all cohorts ultimately prioritize price and value as per qualitative findings, with sustainability rarely driving purchasing decisions unless cost and quality are comparable.

- Gen Z reports the highest willingness to pay a premium for sustainable products (65%), reflecting strong values-led intent; however, qualitative insights reveal this quickly weakens once real price differences emerge, highlighting a clear aspiration–behaviour gap where sustainability matters only when price and quality are comparable.
- Millennials show similarly high stated willingness (61%) and align with global evidence of sustainability-driven brand preferences, yet qualitative findings confirm that meaningful premiums are rarely accepted, with value-for-money remaining decisive at purchase.
- Gen X demonstrates moderate willingness (41%), with sustainability influencing choice only when it does not affect price or quality, reinforcing a more functional, value-led decision framework.
- Boomers show the lowest willingness (28%) and the largest gap between stated support and actual behaviour, suggesting sustainability currently functions more as a license-to-operate than a true spending driver, with material behavioural change likely to require time, scale, and clearer consumer value

Generational willingness to pay premium for sustainable products (%)



Source: Steer analysis of quantitative survey data

4.4. Generation specific shopping behaviour (8)

Airport Perspective: Generational Differences and Design Challenges.

1. Gen Z is behaviourally distinct — and harder to engage passively.

- Operators report that younger travellers behave differently in almost every step of the journey: they plan via mobile, compare prices before arriving, and avoid unnecessary staff interaction.
- They also engage more selectively — if the space feels dated or slow, they skip it. But when offers are relevant and social-worthy (e.g. trending beauty, snacks, or collabs), they respond.

2. Gen X and Millennials still browse — but are more time-dependent.

- These cohorts — often travelling for work or short leisure — respond to clear layout, ease of flow, and targeted deals.
- When running late or with children, they deprioritise shopping. But when the experience is easy and frictionless, they convert well.

3. Older travellers show lower engagement — and value rest over retail.

- Boomers are seen as the least commercially active group. Many prefer to spend time seated or in lounges. When they do buy, it's often habitual (same products or brands) or based on necessity (snacks, meds, reading materials).

“Younger passengers move fast. If they don't see something exciting or shareable, they're out.”

Airport operator

“That mid-life traveller is time-poor. But if the flow is smooth and there's a smart deal, they still shop.”

Airport operator

“Boomers skip the stores if they can — unless it's something they've always bought.”

Airport operator

4.4. Generation specific shopping behaviour (9)

Retailer Perspective: Gen Z as Signal, Not Just Segment.

1. Gen Z challenges retail models — but teaches speed and relevance.

- Retailers consistently describe Gen Z as a wake-up call. Their brand discovery happens online; their expectations for novelty are higher; and their attention spans are shorter.
- They are less likely to browse aimlessly and more likely to buy something trending — if it's convenient and relevant. Many retailers note they lack the flexibility to rotate brands or test fast enough to keep up.

2. Gen X and Millennials are core — but must be earned.

- These shoppers are experienced, often loyal, and more willing to spend — but only when value and trust are clear.
- They're receptive to duty-free exclusives and bundles, but also price-aware. If the offer feels stale or the process slow, they disengage.

3. Older shoppers have narrowed their retail repertoire.

- Retailers report low engagement from Boomers unless they are shopping for others (e.g. gifts, family requests).
- They stick to familiar brands, avoid experimentation, and often require staff assistance — which some stores are not resourced to provide consistently.

"We can't onboard what's hot on TikTok — our contracts just don't allow it."

Retail operator

"They want the deal, they want the brand — but they also want it to be quick and easy."

Retail operator

"Older travellers want certainty. No hassle, no risk. They shop what they know."

Retail operator

4.4. Generation specific shopping behaviour (10)

Passenger behaviour varies sharply by generation, reshaping how airports must design retail, experiences, and digital journeys.

1. Travel behaviour diverges with age

- Younger cohorts take more trips and mix leisure/work, creating more retail touchpoints.
- Older cohorts travel infrequently and purpose-specifically, limiting retail opportunity.

2. Retail baskets shift from 'routine' to 'discovery'

- Boomers concentrate on essential categories (confectionery, books).
- Gen Z & Millennials over-index on souvenirs, beauty, electronics, and luxury, signalling a desire for novelty, exploration, and gifting.

3. Drivers of purchase evolve from price → experience

- Boomers and Gen X are price-anchored, while Gen Z & Millennials convert based on immersive store experiences, authenticity, and emotional resonance.

4. Spend increases dramatically

among younger travellers

- Millennials spend the most overall, followed closely by Gen Z—both more than double or triple Boomers—reflecting higher willingness to trade up across categories.

5. Digital readiness is generational

- Gen Z and Millennials are far more open to pre-order, mobile loyalty, contactless, and digital convenience features.
- Boomers show strong resistance, requiring simpler, human-assisted journeys.

6. Sustainability is aspirational, but not decisive

- While younger cohorts state strong willingness to pay a premium, actual behaviour shows a value-for-money threshold across all generations.

7. Operator & retailer

perspectives reinforce the divide

- Gen Z is harder to engage passively and demands relevance and freshness.
- Millennials and Gen X browse selectively and convert when journeys are frictionless.
- Boomers show the lowest engagement, buying only what is habitual or necessary.

8. What to do next

- Airports must pivot from a one-size-fits-all retail model to a multi-cohort strategy; and
- Balance high-engagement, digital-first, experience-heavy journeys for younger travellers with clarity, value, and familiarity for older passengers.

4. Research and Findings

4.1. Airport operator pulse

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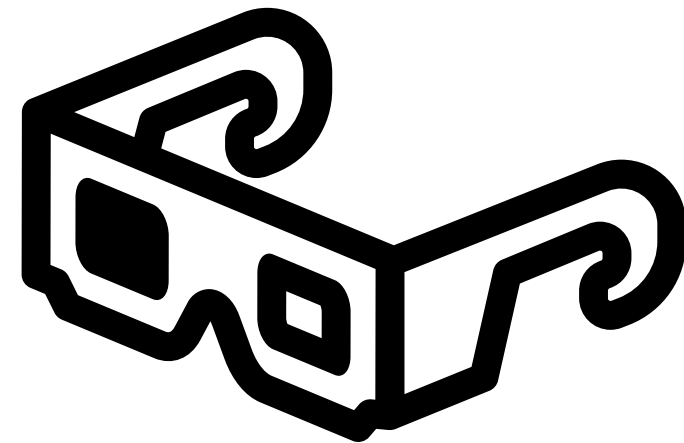
4.8. Case studies



4.5. Commercial models (1)

To respond to shifting behaviours, airports and retailers need commercial models that unlock flexibility, speed, and resilience.

- Commercial models serve as the foundation for how airports and retail operators structure their partnerships, defining how revenue is generated, shared, and protected across stakeholders.
- Beyond financial mechanics, these models play a critical role in shaping operational flexibility, investment appetite, and the pace of commercial change. They directly influence how quickly retail environments can respond to evolving passenger expectations, shifting demand patterns, and market volatility.
- As demonstrated in earlier sections of this report, passenger behaviour across APAC and the Middle East is becoming more fragmented and dynamic — driven by generational change, increased price awareness, shifting category preferences, and varying travel purposes. In this context, the ability to adapt the commercial offer is no longer optional.
- Commercial models are therefore not simply contractual frameworks. They act as enabling (or constraining) mechanisms that determine whether airports and retailers can test, evolve, and remain relevant in a rapidly changing landscape.
- This section examines how current commercial models support — or limit — that adaptability.



The core question:

If passenger demand is evolving faster — how do we ensure the system behind the offer can evolve too?

4.5. Commercial models (2)

Passenger behaviour is changing faster than commercial structures.

- Insights from passenger research across APAC and the Middle East highlight several behavioural shifts that are placing increasing pressure on traditional airport retail models.
- Passengers are more selective, more informed, and more value-driven than before. Purchase decisions are increasingly shaped by price transparency, perceived relevance, and time efficiency, rather than habit or impulse alone. Many passengers — particularly frequent travellers — report reduced engagement when offers feel repetitive or static across trips.
- At the same time, generational differences are widening. Younger passengers expect faster refresh cycles, greater novelty, and offers aligned with current trends, while older cohorts prioritise familiarity and convenience. These divergent expectations increase the need for flexibility within the retail environment.
- These behavioural shifts create a clear challenge: while passenger demand is evolving rapidly, the mechanisms that govern how airport retail offers are refreshed, tested, or replaced often move at a much slower pace.
- As a result, the growing gap between passenger expectations and commercial delivery is increasingly structural, rather than demanded — reinforcing the need to review how current commercial models enable change.

“When you travel many times to the same airports, you start seeing the same layout, the same shops, and the same brands... you do not feel excited to explore again.”

Passenger – Middle East

“I usually know what I want before I arrive. If there’s nothing different or clearly better value, I just walk through.”

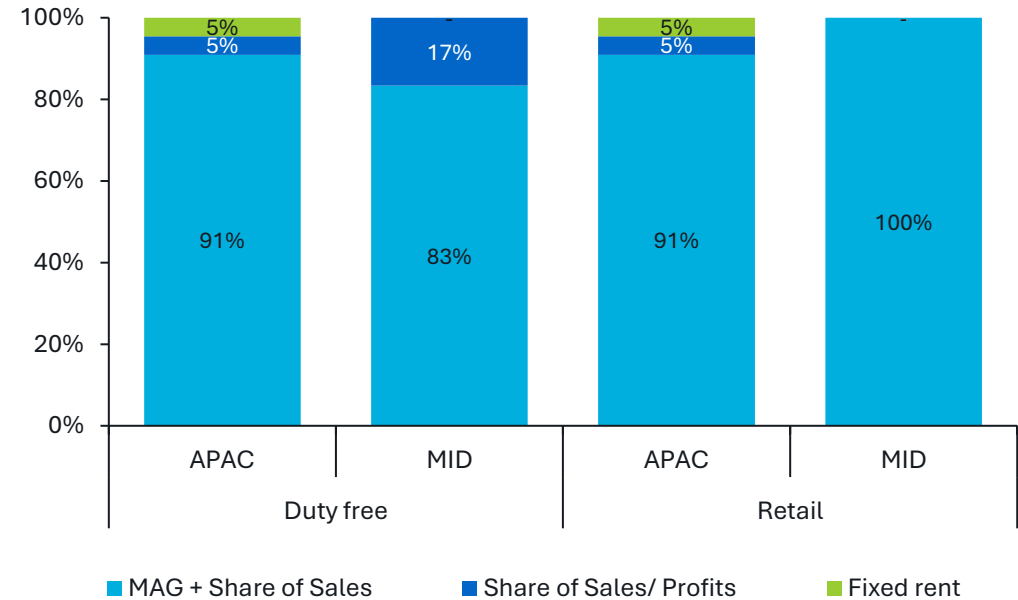
Passenger – Oceania

4.5. Commercial models (3)

Across APAC and the Middle East, airport retail remains overwhelmingly locked into MAG-anchored models, limiting commercial agility despite rapidly evolving passenger demand.

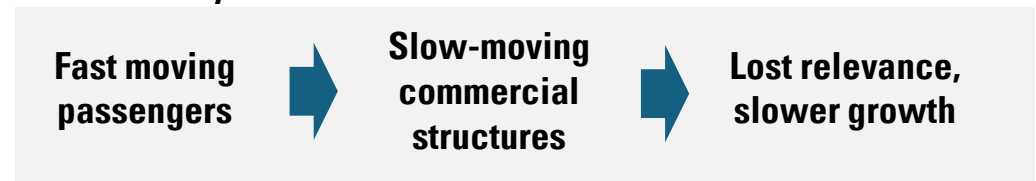
- MAG + Share of Sales overwhelmingly dominates commercial structures across APAC, representing 91% of duty-free contracts and 91% of retail contracts, indicating that guaranteed-rent models remain the default across the region.
- Middle East duty-free displays slightly more variation, with 83% of contracts under MAG + Share of Sales, 17% under Share of Sales/Profits, and no fixed-rent exposure, showing some, however, limited diversification in commercial models.
- Middle East retail is the most uniform, with 100% of retail concessions operating under MAG + Share of Sales, making it the most concentrated model structure across all categories and regions.
- APAC is the only region using fixed rent, though still marginal (~5% across FD and retail), demonstrating very limited experimentation beyond the standard MAG-based framework.
- Across both regions, the heavy reliance on long, MAG anchored models reinforces a structural challenge highlighted qualitative discussions with airport operators: fast-changing passenger expectations are being served by slow-moving commercial structures, leading to reduced agility, slower refresh cycles, and lost opportunities for relevance and revenue growth.

Distribution of Commercial models (%)



Source: Steer analysis

Current industry issue



4.5. Commercial models (4)

Airport operator perspective: balancing stability and adaptability.

- From the airport operator perspective, MAG-based commercial models continue to play a critical role in providing financial stability, predictability, and protection against downside risk — particularly in volatile operating environments.
- However, operators increasingly recognise that these same structures can limit flexibility, especially when passenger mix, category performance, or travel patterns shift unexpectedly. Long contract durations and fixed concepts reduce the ability to refresh offers quickly or respond to emerging trends.
- Several airport stakeholders noted that the challenge is not a lack of willingness to evolve, but the difficulty of doing so within existing contractual frameworks. Introducing flexibility often requires careful balancing of revenue protection, tenant expectations, and long-term commercial commitments.
- Airports noted that increasing consolidation among large retail operators reduces competitive tension and may limit diversity of concepts, particularly local operators.
- As a result, many airports are beginning to explore incremental adjustments — rather than wholesale change — to introduce adaptability without undermining financial resilience.

" Chinese spending is materially down. We renegotiate continuously to avoid operators throwing in the towel. We have suspended MAG and permanently recalibrated rents "

Airport Operator

"We are trying to bring more local operators to the airport. We know that this will create good business, but our tender process is very challenging for them "

Airport Operator

4.5. Commercial models (5)

Retail operator perspective: risk, responsiveness, and investment behaviour.

- Retail operators consistently describe their commercial behaviour as a rational response to the risk profile created by existing concession models.
- High upfront investment requirements, long contract terms, and fixed MAG obligations reduce the willingness to experiment with new brands, formats, or categories — particularly where passenger demand is uncertain or evolving. In this context, operators tend to prioritise proven concepts and established categories over innovation.
- Where flexibility has been introduced — through pilot clauses, shorter commitments, or shared risk mechanisms — retailers report greater confidence to test, refresh, and invest. These environments are perceived as more collaborative, with incentives better aligned between airport and operator.
- The evidence suggests that commercial structure strongly influences not only what retailers offer, but how proactively they engage in innovation and renewal.

"We have not changed the way we do business. If we try new things and they don't work, we are stuck with the MAG — so it limits creativity."

Retail Operator

"Covid has changed things. We focus on where there is partnership, not the old ways of working. We have seen a shift in attitude of some airports"

Retail Operator

4.5. Commercial models (6)

However, consolidation among major operators is also reshaping experimentation capacity, competition and concept diversity.

Across duty free, F&B and convenience retail, ownership is increasingly concentrated among a smaller number of large, multi-market operators. This structural shift influences both innovation capacity and competitive dynamics.

Scale Advantages

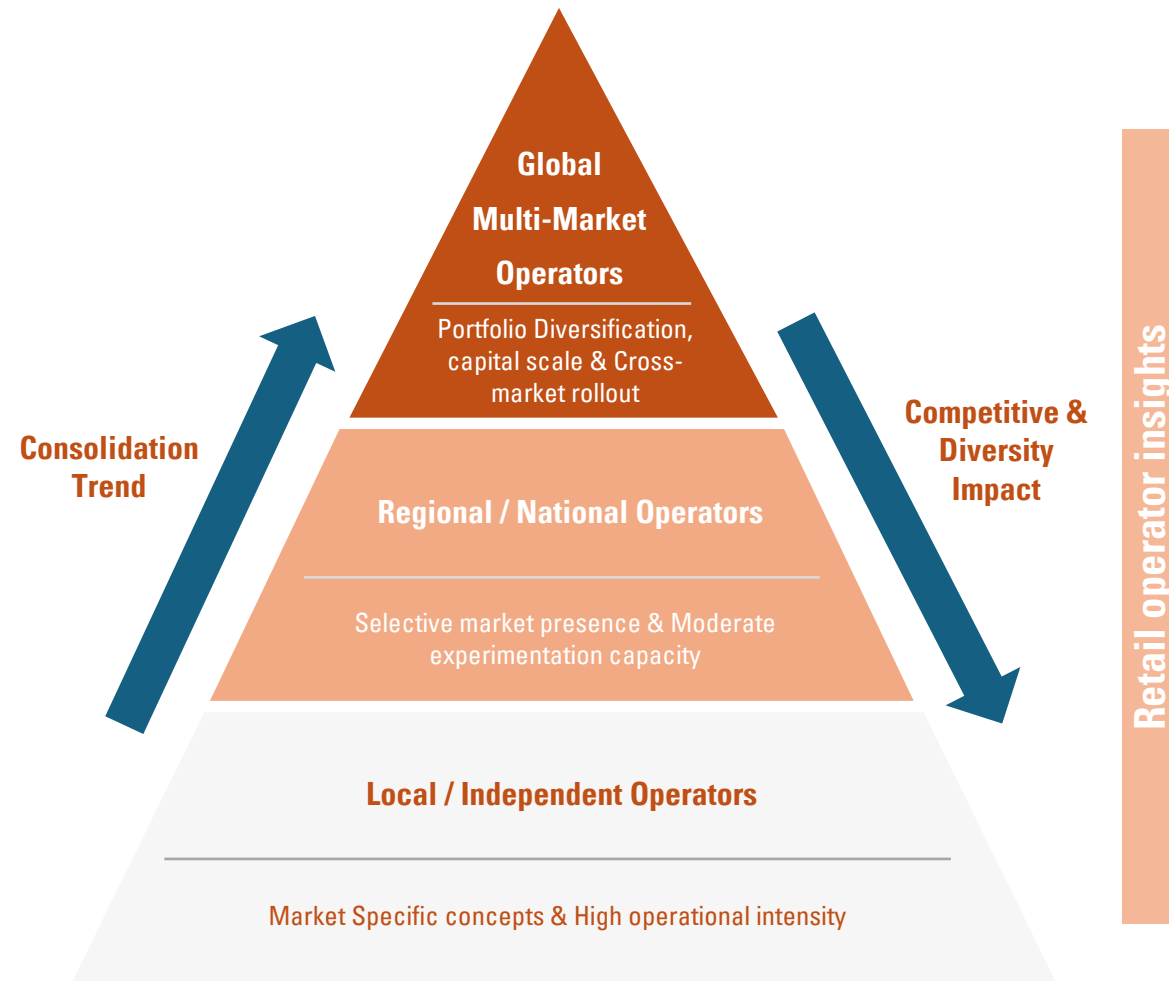
- Greater financial capacity to invest and pilot new formats.
- Portfolio diversification enables controlled experimentation.
- Cross-market knowledge transfer accelerates rollout of proven concepts.

Competitive Implications

- Reduced tender competition in some markets.
- Standardised, formula-driven concepts across portfolios.
- Higher barriers for smaller and local operators.
- Global supply agreements may limit assortment flexibility.

Implication for Airports

- Airports must balance the experimentation capacity of larger operators with the need to preserve diversity, local authenticity and competitive intensity within the retail mix.



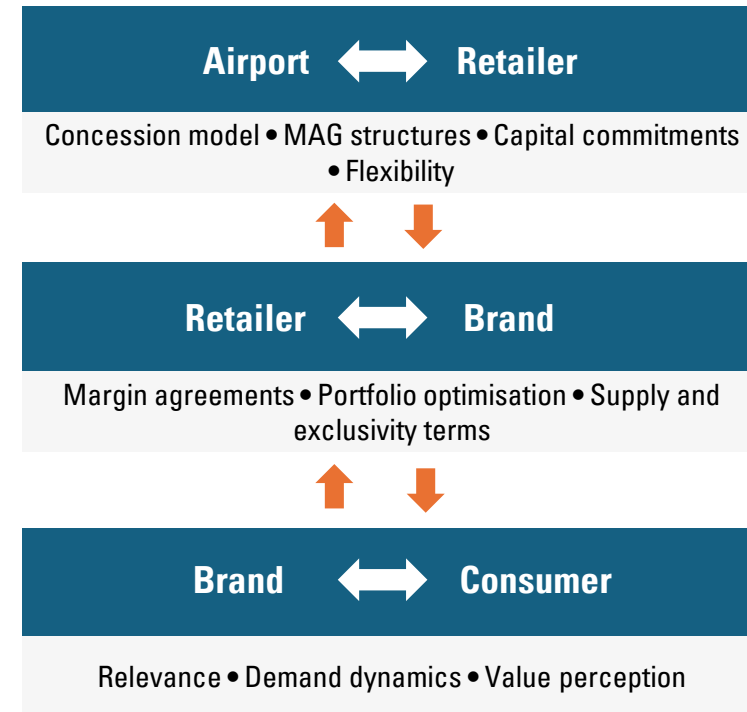
4.5. Commercial models (7)

Ownership concentration alongside layered incentive structures jointly shape airport retail outcomes.

- As industry consolidation increases the influence of large, multi-market operators, commercial behaviour is shaped not only by airport–retailer concession terms, but also by retailer–brand relationships within consolidated portfolios.
- While airport–retailer concession agreements determine overall risk allocation, capital commitments and revenue sharing, retail performance is also materially influenced by retailer–brand relationships.
- Retailer–brand arrangements — including supply agreements, margin structures, marketing support and exclusivity terms — directly affect:
 - Product assortment and brand selection
 - Promotional intensity and pricing strategy
 - Willingness to introduce emerging or local concepts
 - Speed and frequency of range refresh

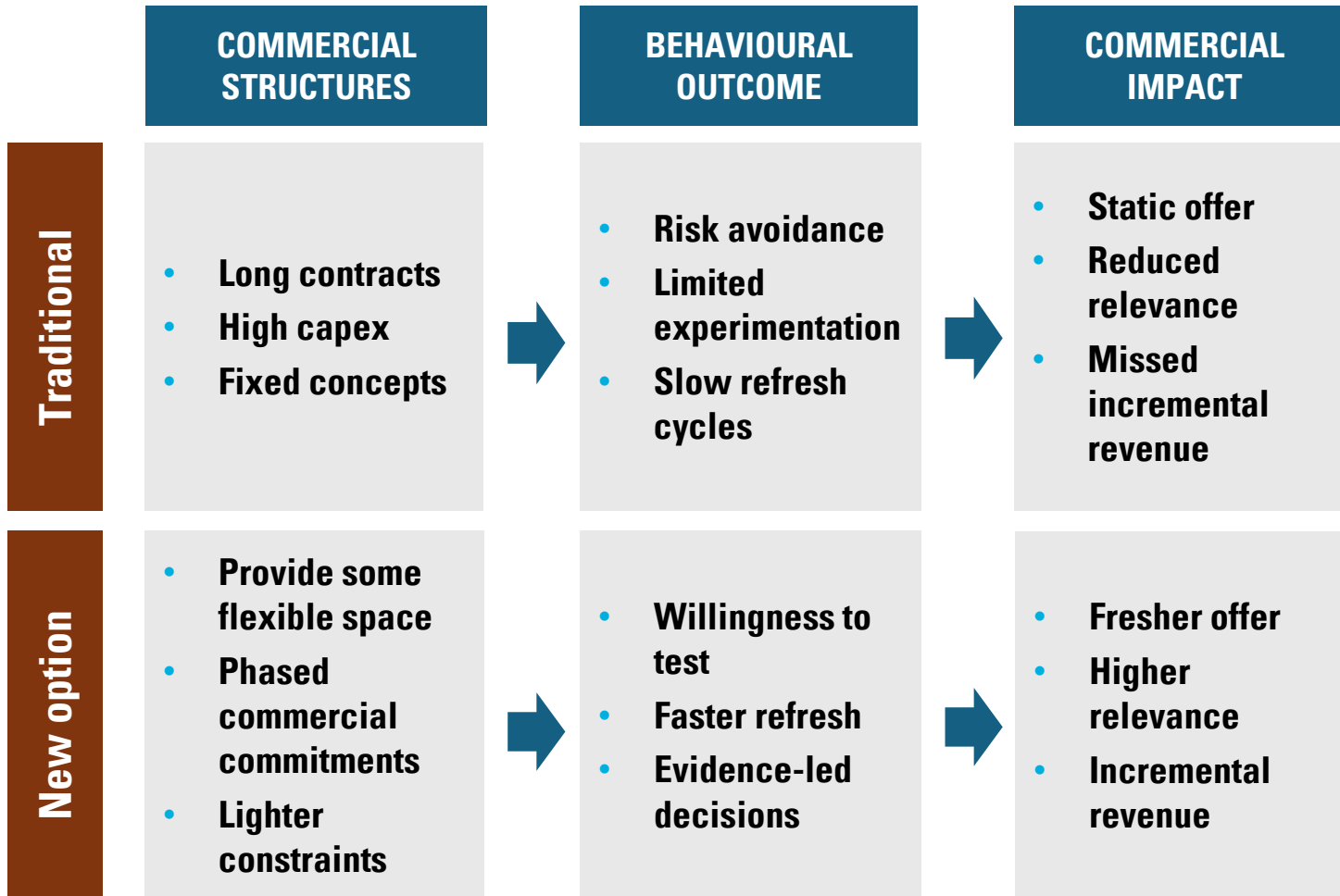
Implication

Effective adaptation requires alignment across all three layers — contractual flexibility alone is insufficient without retailer and brand alignment.



4.5. Commercial models (8)

Commercial structures shape behaviour — and behaviour determines outcomes.



- The research indicates that airport commercial structures have a direct influence on how both airports and retailers behave, and in turn on the relevance and performance of the retail offer.
- Long-term, high-capex, fixed-concept models prioritise stability, but can discourage experimentation and slow refresh cycles.
- More flexible approaches — even when applied selectively — enable testing, faster learning, and evidence-led decisions, leading to improved relevance and incremental revenue over time.

4.5. Commercial models (9)

Commercial models are now a binding constraint on growth.

Commercial models are now a binding constraint on growth

- Across APAC and the Middle East, airport retail demand has largely recovered, but the ability to translate that demand into sustained commercial growth is increasingly constrained by the interaction between existing commercial models, operator portfolio structures, and brand-level incentive.
- Long-term, MAG-anchored agreements have delivered financial stability, but the research shows they can become misaligned with faster-changing passenger expectations when combined with capital intensity and portfolio-driven retail strategies:
 - Faster-changing passenger expectations;
 - Shorter trend cycles; and
 - The need for more responsive retail offers.

As a result, relevance — rather than footfall — is emerging as a key constraint on incremental revenue growth.

Agility functions as a commercial strategy, not a concession

- The research does not suggest a need for wholesale restructuring of airport commercial models. Instead, evidence from interviews and case examples points to the effectiveness of targeted, proportionate flexibility.
- Where airports have introduced limited flexible mechanisms — such as modular space, phased commitments, or pilot formats — stakeholders report:
 - Faster refresh cycles;
 - Greater willingness to test; and
 - Improved relevance of the retail offer.

Even small amounts of flexibility can unlock learning and incremental revenue without undermining long-term financial stability.

4. Research and Findings

4.1. Airport operator pulse

4.2. Travel retail performance and Trends: 2025 vs 2019

4.3. Spending behaviour

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4.5. Commercial models

4.6. Impact of Duty-Free shopping on airport economics

4.7. Summary of trends

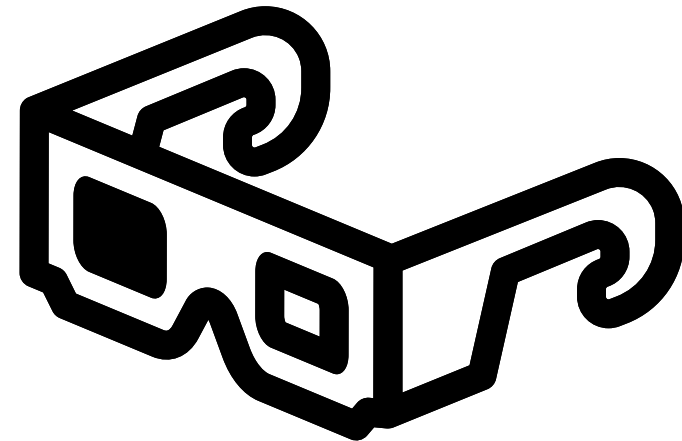
4.8. Case studies



4.6. Impact of Duty-Free shopping on airport economics (1)

Understanding duty-free economics is critical to assessing airport commercial performance, as it links passenger behaviour, spend, and category mix to revenue resilience and long-term value creation.

- Duty-Free remains a vital component of airport non-aeronautical revenue streams. Understanding its contribution and the performance of different channels can inform strategic investment and promotional decisions.
- As airports navigate an uneven post-pandemic recovery, understanding how duty-free penetration, spend per passenger, and category splits differ by country and sub-region is critical for benchmarking performance and identifying commercial opportunities.
- Shifts in passenger demographics and travel purpose are driving variability in duty-free recovery, making standardized retail strategies less effective. A data-backed economic view helps airports calibrate concession models, pricing structures, and category prioritization.
- This section leverages airport-level data, combined with operator insights, to uncover where duty-free is outperforming, where structural gaps remain, and how demand is evolving across APAC and MID markets.
- Together, these insights enable airports and retailers to optimize space allocation, category strategy, staffing, and channel investments—while offering ACI evidence for stronger advocacy on duty-free regulations and allowances.



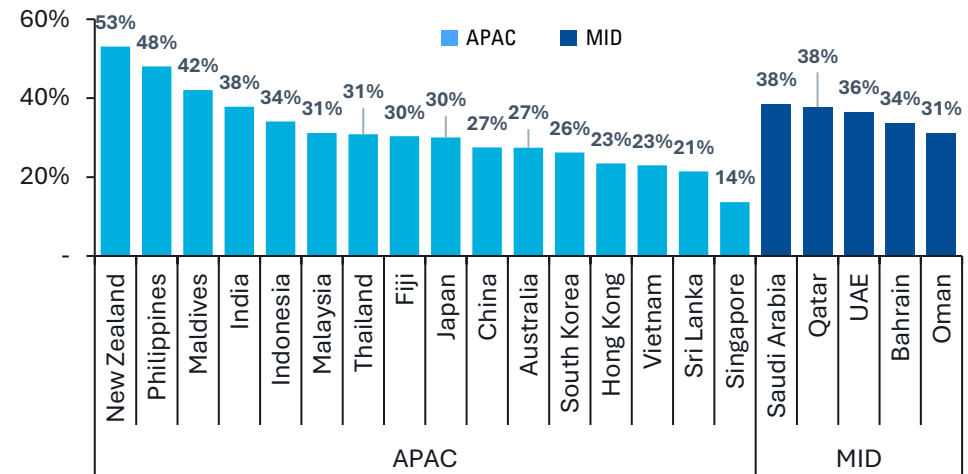
4.6. Impact of Duty-Free shopping on airport economics (2)

Duty-free is the dominant, high-yield retail engine across APAC and the MID, delivering higher revenue than sales share and underpinning commercial performance in key hub markets.

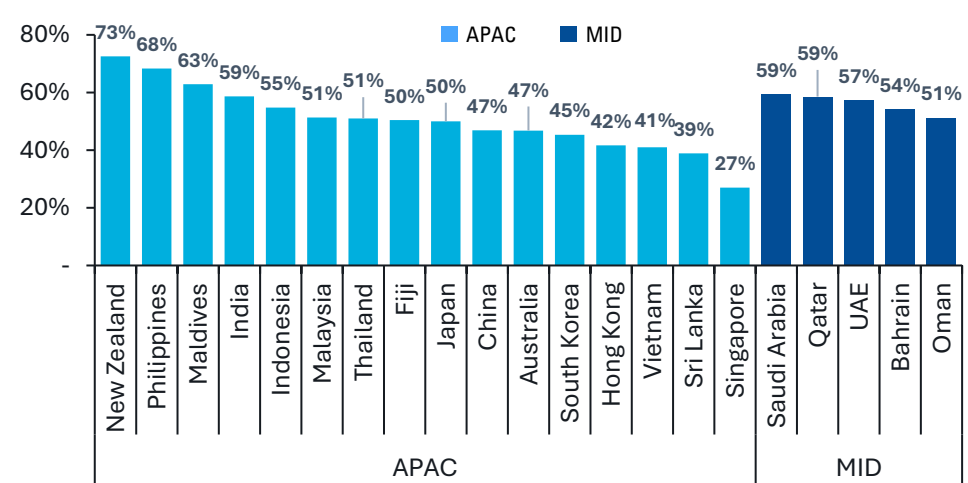
- Duty-free significantly outperforms its sales share in both APAC and the Middle East, underscoring its high-margin nature.
- In APAC, Duty-free products represents ~25% of sales but 44% of revenue, while in the Middle East it contributes 56% of revenue, exceeding its sales share by 21 percentage points, signalling substantially higher per-passenger yields.**
- APAC's duty-free strength is concentrated in Oceania and South/Southeast Asia, with markets such as New Zealand (53%), Philippines (48%), Maldives (42%), India (38%), and Indonesia (34%) leading sales share, reflecting strong outbound, leisure-driven demand.
- Revenue concentration is even more pronounced, with New Zealand (73%), Philippines (68%), Maldives (63%), and India (59%), highlighting APAC duty-free as structurally high-yield and margin-rich.
- In the Middle East, duty-free is the dominant commercial engine, with consistently high sales shares across Saudi Arabia (31%), Qatar (38%), UAE (36%), Bahrain (34%), and Oman (31%). Revenue dependence is even deeper—Saudi Arabia and Qatar (59%), UAE (57%), Bahrain (54%), Oman (51%), reflecting the region's heavy reliance on long-haul and transfer passengers and signalling both structural importance and concentration risk.

Note: Revenue data is derived from sales data by assuming 30% margins on Duty-free and 15% on non Duty-free. Actual revenues might defer from these results.

Duty-Free Category Share of Retail Sales by Airport Country (%)



Duty-Free Category Share of Retail Revenue by Airport Country (%)



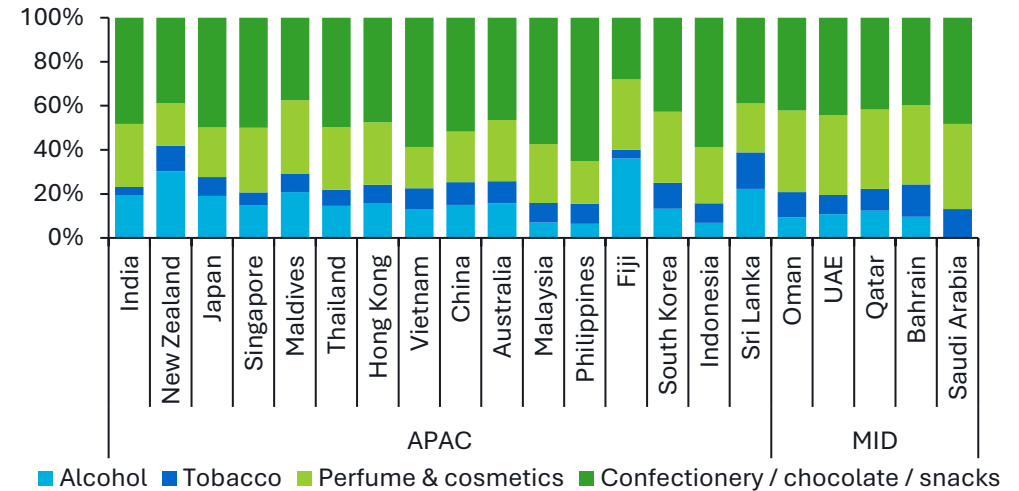
Source: Steer analysis of quantitative survey data

4.6. Impact of Duty-Free shopping on airport economics (3)

Airport retail mix varies by region: duty-free sales are driven by Confectionery and Perfume & cosmetics.

- APAC markets show a clear dominance of Confectionery and Perfume & cosmetics in the duty-free basket, especially in Japan, Singapore, Thailand, Hong Kong, Malaysia, Vietnam, China, and Indonesia, where these categories often account for the majority of duty-free spend.
- Oceania presents a different mix, with Fiji showing higher Alcohol and Perfume & cosmetics shares, while New Zealand leans more evenly across Alcohol and Confectionery, reflecting a more balanced category distribution.
- Middle Eastern countries concentrate more heavily in Perfume & cosmetics and Confectionery, and have higher shares of Tobacco than other countries.

Duty Free Category Split by Departing/Connecting Airport Country (%)

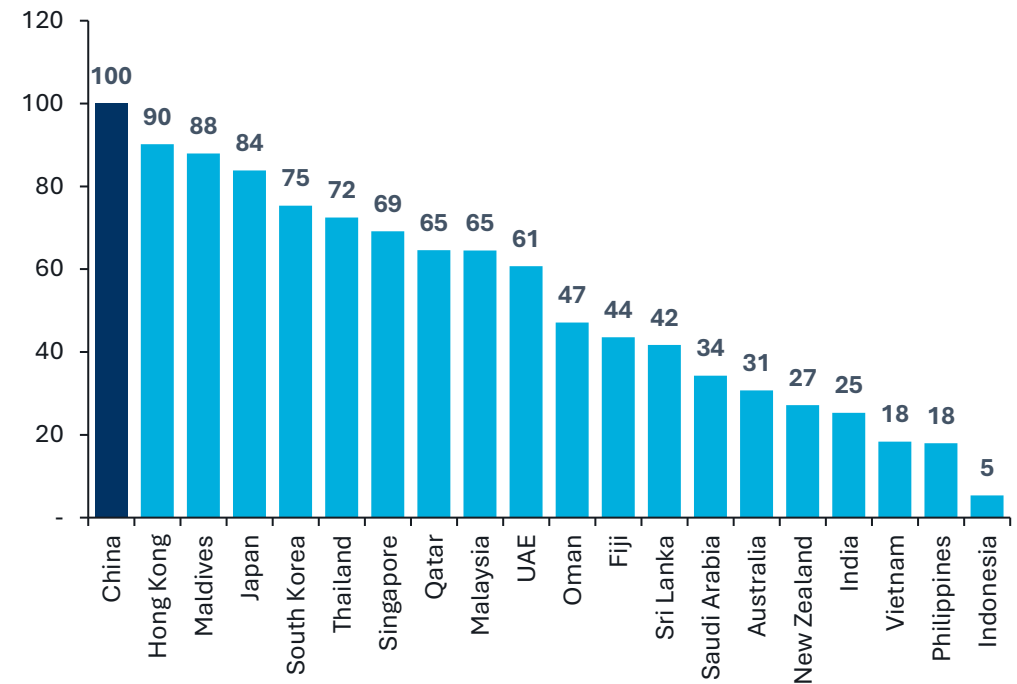


4.6. Impact of Duty-Free shopping on airport economics (4)

Duty-free spend intensity peaks in Northeast Asia, is uneven but solid across Southeast Asia and the Middle East, and remains structurally lower in mature, price-anchored Oceania markets.

- APAC's strongest duty-free spenders cluster in East Asia, with Hong Kong (90), Japan (84), and South Korea (75) sitting just below China (100), indicating that developed East Asian markets continue to anchor high-value duty-free spending despite slower overall recovery in some segments.
- Southeast Asia shows solid mid-tier spend levels, led by Thailand (72), Singapore (69), and Malaysia (65), followed by Vietnam (18), Philippines (18), and Indonesia (5) - a wide spread that reflects how duty-free spend intensity varies sharply within the region.
- Oceania sits in the lower spend bands, with Australia (31) and New Zealand (27) displaying restrained duty-free basket sizes, consistent with their mature, price-anchored retail profiles.
- Middle Eastern markets show mixed performance, with Qatar (65) and UAE (61) performing well, Oman (47) and Saudi Arabia (34) in moderate ranges, illustrating a differentiated spend profile across GCC hubs.
- Leisure-heavy islands such as Maldives (88) sit among the highest spenders globally, reinforcing their strong role in driving duty-free revenue despite smaller passenger volumes.

Per Passenger Spend in 2025 – Duty Free (Indexed: China = 100)



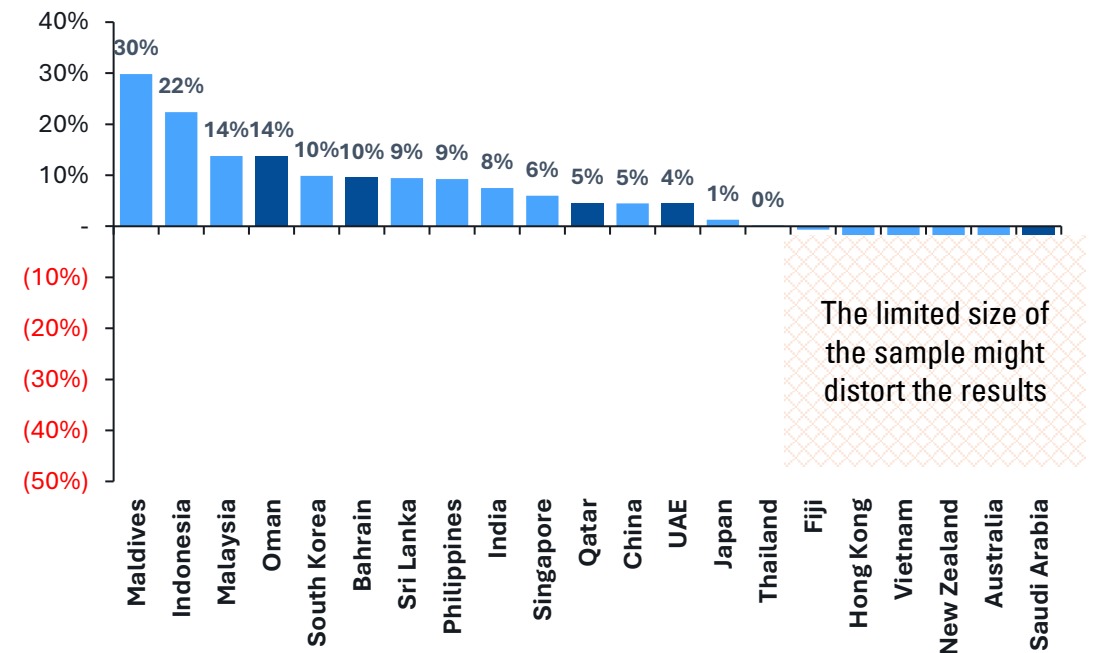
Source: Steer analysis of quantitative survey data

4.6. Impact of Duty-Free shopping on airport economics (5)

Duty-free recovery is led by Southeast Asia and leisure-heavy APAC markets, supported by selective Middle Eastern hubs, while large mature APAC markets show slower, uneven rebound despite traffic normalisation.

- Southeast Asia drives APAC’s duty-free recovery, with Indonesia (22%) and Malaysia (14%) sitting in the most positive band and contributing strongly to uplift—consistent with APAC’s wider pattern of recovery being driven by countries with diverse passenger mix and strong international flows.
- Leisure-heavy APAC markets such as Maldives (30%) and Sri Lanka (9%) also show strong duty-free performance, reflecting the rebound seen in the broader retail chart. These markets continue to anchor APAC’s recovery, with duty-free spend lifting overall performance.
- Large and mature APAC markets such as Japan, Thailand, Hong Kong, Vietnam, New Zealand, and Australia sit in the lower or negative recovery bands, indicating that recovery is not monolithic and that several developed markets display slower spend growth despite traffic returning.
- China (5%) and Singapore (6%) show modest but positive duty-free recovery, aligning with the broader narrative of stabilising spend where channel mix and passenger composition influence the rate of rebound.
- Middle Eastern hubs such as Oman (14%), Bahrain (10%), and Qatar (5%) feature strongly in the positive-recovery band, showing that Middle Eastern performance is bolstered by robust long-haul international traffic and diversified travel mix. These airports have regained momentum in duty-free, reinforcing their position as key spend drivers.

Duty Free Recovery in per-pax-retail spend – Departing/Connecting airport country: International (2025 vs. 2019)



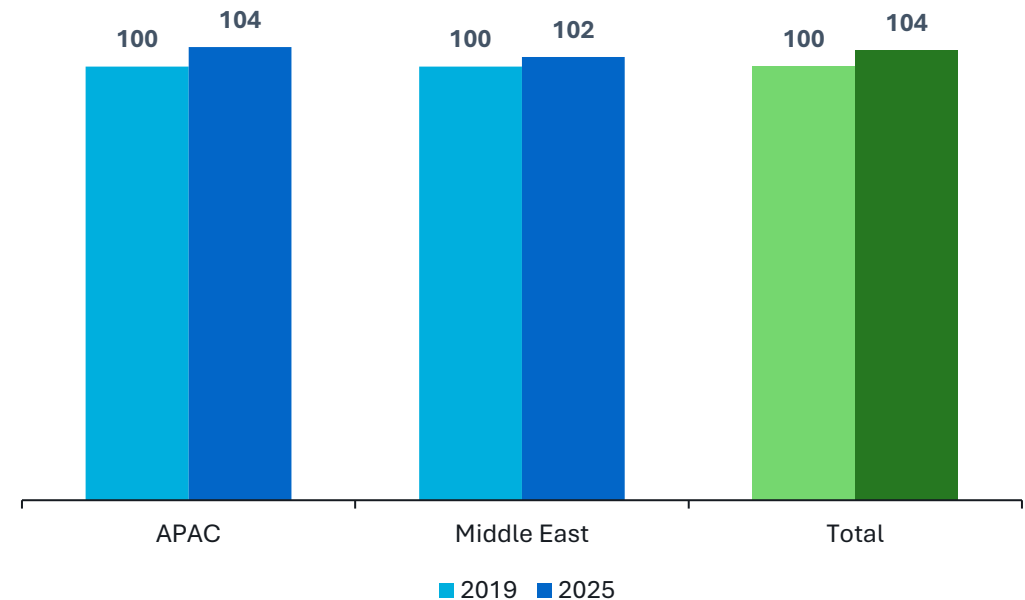
Source: Steer analysis of quantitative survey data

4.6. Impact of Duty-Free shopping on airport economics (6)

Duty-free recovery is uneven: APAC's uplift is powered by Southeast/South Asia and Maldives but dragged by mature markets, while the Middle East's modest rebound is concentrated in a few long-haul-led hubs.

- APAC's duty-free recovery to 104 is driven primarily by strong uplifts in Southeast and South Asia, with Indonesia (+22%), Malaysia (+14%), Philippines (+9%), Sri Lanka (+9%), and India (+8%) all sitting in the positive band. Maldives (+30%) stands out as the region's strongest performer, mirroring its wider retail recovery strength.
- Within APAC, recovery is anchored by a small set of high-performing markets, while several mature economies sit at the bottom of the recovery curve. Japan (+1%), Thailand (0%), Hong Kong (-4%), Vietnam (-5%), New Zealand (-6%), and Australia (-10%) collectively pull down the regional average despite APAC's overall positive index of 104—reinforcing the that APAC recovery is highly uneven and mix-dependent.
- Middle East's duty-free recovery to 102 is supported mainly by Oman, Bahrain, and Qatar, all in the +5% to +14% band. These countries contribute the bulk of the region's growth and align with strong long-haul, diversified traffic being the backbone of ME duty-free performance.

Per-Passenger Duty-Free Recovery: 2025 v/s 2019 (2019 = 100)



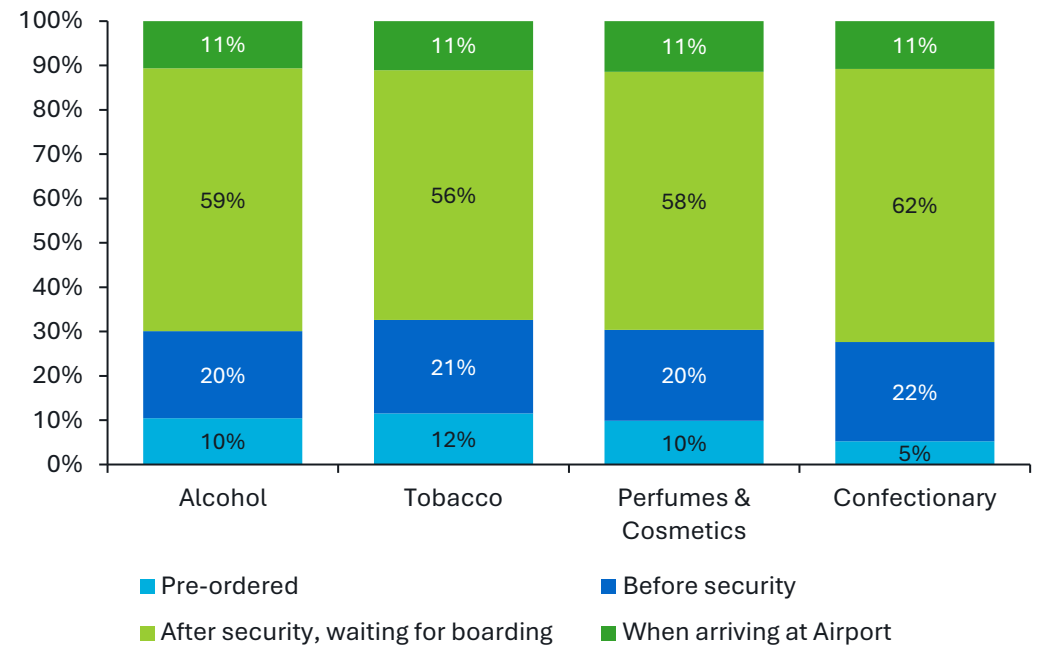
Source: Steer analysis of quantitative survey data

4.6. Impact of Duty-Free shopping on airport economics (7)

Post-security dwell time overwhelmingly drives duty-free sales across all categories, with pre-ordering and landside purchases playing only secondary, niche roles.

- Most duty-free purchases occur after security while waiting to board, with all categories peaking in this window — Alcohol (59%), Tobacco (56%), Perfumes & Cosmetics (58%), and Confectionery (62%), making it the single most critical conversion moment across all product types.
- Contrary to conventional wisdom, passengers that use of VIP/ business/ airline lounges spend twice more in retail than the passengers that don't use them. Therefore, the passenger profile is the key factor on the spending behaviour. Duty-free shopping initiatives at these lounges have proven to be effective.
- Pre-ordering remains a niche behaviour, accounting for just 10–12% of purchases in Alcohol, Tobacco, and Perfumes & Cosmetics, and only 5% in Confectionery, indicating that advance digital engagement captures only a small share of actual sales.
- Purchasing “before security” forms a secondary but meaningful window, especially for Tobacco (21%) and Confectionery (22%), suggesting that availability and visibility in landside areas still plays a role for certain categories.
- A consistent minority of travellers purchase products at arrivals (11% across all categories), which is potentially influenced by the lack of a duty-free shop at arrivals or the restrictions imposed on the number of products or monetary value that can be spend.

Point of Purchase – Duty Free Categories (%)



Source: Steer analysis of quantitative survey data

4.6. Impact of Duty-Free shopping on airport economics (8)

Airport Perspective: Duty Free Revenue Still Critical, But Vulnerable.

1. Duty-free remains a major revenue source — but the margin model is fragile.

- Airport operators confirm that retail, F&B, and services make up a significant share of total non-aero income — in many cases, 30–50%.
- However, they are concerned that the traditional model (long-term leases, fixed MAGs, inflexible space allocations) is less suited to the volatility of modern travel behaviour and nationality mix.

2. Passenger spend supports more than retail — it underwrites infrastructure.

- Several operators noted that spend per pax directly contributes to broader financial sustainability, allowing airports to subsidise operational costs, maintain lower aeronautical charges, or invest in new passenger amenities.
- When retail underperforms, those trade-offs become visible.

3. Volatility in retail makes forecasting and investment harder.

- Post-pandemic behavioural shifts — including earlier arrival times, more browsing but lower conversion, and uneven return of big-spender segments — make it harder for airports to project future revenue confidently.
- This affects not only commercial planning, but broader capex and layout decisions.

“Retail (Duty Free) still carries the commercial load — but we can’t pretend the old model fits today’s cycle.”

Airport operator

“Every dollar spent in duty-free means less pressure on airline charges or terminal fees.”

Airport operator

“Spend is still there — but less predictable. That affects how we think about everything from lounge strategy to terminal size.”

Airport operator

4.6. Impact of Duty-Free shopping on airport economics (9)

Retailer Perspective: Retail as Revenue Engine, Not Amenity.

1. Duty-free is not just commercial — it's a core part of passenger experience.

- Retailers argue that duty-free isn't simply about transactions — it creates atmosphere, generates positive anticipation, and reinforces brand perceptions of the airport itself.
- This makes it a strategic asset, not a space filler.

2. Revenue generation is being squeezed by rigid frameworks.

- Retailers consistently raised concerns about the pressure to deliver fixed returns despite more volatile spend patterns.
- The mismatch between long-term leases and short-term travel cycles limits innovation and can discourage investment — especially in smaller or second-tier terminals.

3. True partnership is needed to unlock next-phase growth.

- The best-performing airports are those where retailer–airport relationships are collaborative, not transactional.
- Retailers value transparent data sharing, flexibility in store configuration, and shared risk/reward structures.
- Where this exists, spend per pax is stronger — and the commercial offer evolves faster.

“Retail helps shape how passengers feel about the airport. When it's vibrant, the airport feels premium.”
Retail operator

“We're expected to deliver 2019 numbers in a 2025 world — with none of the same tools.”
Retail operator

“When we're treated as partners, not tenants, we test more, learn faster, and grow revenue together.”
Retail operator

4.6. Impact of Duty-Free shopping on airport economics (10)

1. Duty-free over-delivers on revenue

- Across APAC & MID, duty-free contributes a disproportionately higher share of revenue vs sales, confirming superior per-passenger yields and its central role in airport commercial performance.

2. Recovery is uneven by market

- Southeast/South Asia and leisure-heavy island markets lead the rebound; several mature APAC hubs are slower; selected Middle East hubs show positive but differentiated momentum—so a copy-paste strategy won't work.

3. Category mix is regional

- APAC markets show a clear dominance of Confectionery, while Middle East countries lean more towards Perfume & cosmetics in the duty-free basket.

4. The conversion moment is after security

- Post-security dwell drives the majority of duty-free purchases across categories; pre-order/landside play niche roles—so prioritise visibility, value cues, and impulse triggers airside.

5. Operator + Retailer view

- Duty-free revenue is critical but vulnerable under rigid, long-term models; true partnerships—flexible formats, shared

risk/reward, and data sharing—unlock faster testing and stronger spend per pax.

6. What to do next

- Double-down on high-yield categories and exclusives;
- Localise by nationality/mission;
- Sharpen value signalling where price sensitivity is high; and
- De-risk via diversified mixes and enabling policies.

4. Research and Findings

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4.7. Summary of trends

4.8. Case studies



4.7. Summary of trends (1)

Key Trend	Explanation
Chinese passengers remain high spenders, but growth is now largely domestic	Chinese passengers continue to demonstrate strong spend propensity, particularly in core duty-free categories. However, outbound volumes and spend growth remain uneven, with most growth now concentrated within China's domestic market. As a result, reliance on Chinese international travel as a primary growth driver presents increasing risk, and airports seeking incremental growth will need to engage a broader mix of nationalities and passenger segments.
Future growth will depend on a more diversified mix of international passengers	Passenger segments from markets such as India, Southeast Asia, and parts of the Middle East are playing a more prominent role in driving future spend. This is supported by rising outbound travel, expanding middle-class consumption, and growing familiarity with travel retail. These shifts reinforce the need for commercial strategies that reflect differing cultural norms, price sensitivities, and purchasing behaviours.
Generational differences are widening, with Gen Z acting as a stress test for existing retail models	Gen Z passengers exhibit more self-directed, price-aware, and trend-sensitive shopping behaviours, with lower tolerance for static or repetitive offers. Millennials display a hybrid of convenience-led and experience-aware behaviours, while Boomers continue to prioritise familiarity, trust, and efficiency. While some differences reflect life stage, the overall direction of travel points to faster refresh cycles and greater demand for relevance across all cohorts.
Core duty-free categories continue to dominate, but the balance within them is shifting	Liquor, tobacco, confectionery, and perfume & cosmetics remain the backbone of airport retail spend across APAC and the Middle East. However, growth within these categories is increasingly driven by value-led propositions, gifting formats, and selective premiumisation, rather than volume growth alone.

4.7. Summary of trends (2)

Key Trend	Explanation
Local and regionally relevant products are gaining renewed importance	There is increasing passenger interest in local brands and products that offer authenticity, gifting appeal, or a sense of place. This trend is evident across multiple passenger segments and provides an important source of differentiation in an environment where global brands are increasingly ubiquitous across airports.
Digital services resonate more with younger passengers, but remain a weak driver of spend	Gen Z and Millennials show greater openness to digital services such as pre-order, mobile apps, and digital engagement tools. However, quantitative findings indicate that overall adoption remains relatively low, and digital channels are not yet a primary driver of incremental spend. Where digital performs best, it tends to reduce friction or support value-led purchasing rather than create new demand.
Interest in sustainability is growing, but does not consistently translate into higher spend	Passengers increasingly express concern about sustainability and ethical sourcing, particularly among younger cohorts. While there is a stated willingness to support sustainable products, quantitative evidence suggests that this does not always translate into a higher willingness to pay, indicating that sustainability currently functions more as a licence-to-operate than a standalone commercial driver.
Overall spend potential is becoming more segmented and context-dependent	Future growth is less likely to come from broad-based recovery across all passengers and categories, and more from targeted alignment between passenger mix, generational expectations, category relevance, and contextual triggers such as journey purpose and dwell environment.

4. Research and Findings

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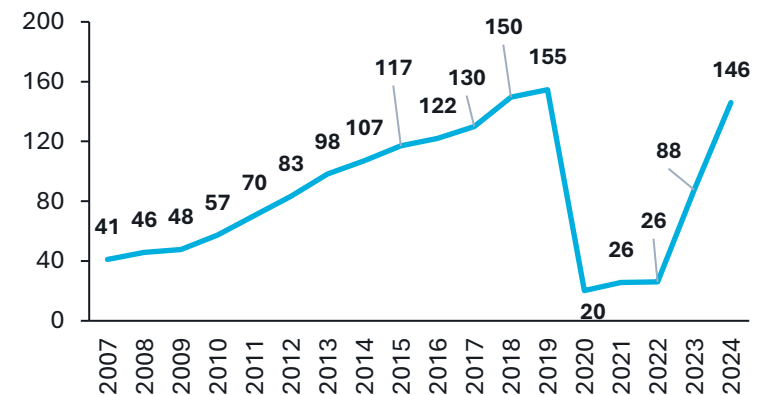


4.8. Case studies – China (1)

“Chinese passengers still have the biggest spending per passenger in our airport. But the profile of the Chinese passenger has changed. They spend less than before and now there is a stronger focus on domestic spending, in Hainan for example ”

- The rise in Chinese passengers travelling overseas throughout to 2010s had a profound effect on airport retailing. In 2019 around 155 million Chinese travelled overseas compared to 41 million in 2007 – A CAGR of almost 16%. The rise in the Chinese middle-market, and an appetite for global brands not available at home led to unprecedented spending on duty-free and luxury goods. Understandably, many airports worked hard to maximise the return from this trend, with increasing focus and space on premium to luxury brands and products. In 2024 the outbound tourism market made a strong recovery, and 2025 figures are reported to be in line with 2019, marking a full recovery.
- More recently Chinese tourists have been encouraged to holiday and spend within China. Domestic duty-free policies have been expanded and enhanced since their introduction in 2011, with the latest enhancements announced in late 2025.
- The detailed survey data within this report clearly highlights the effect of this, with spending in domestic airports up by 20% over 2019.
- Overseas trips for Chinese travellers are most likely to be for leisure – 72% of trips compared to a survey average of 54%.
- Chinese travellers are younger – 78% are Millennials (56%) or Gen Z (22%). The survey average across all nationalities was 66%.

China Outbound Tourism – 2007 to 2024 (MNs)



Source: Ministry of Culture & Tourism

“After COVID I changed to travel domestic. I used to fly 3-4 times a year outside China, now only once or twice a year ”

Passenger - China

4.8. Case studies – China (2)

“Chinese passengers still have the biggest spending per passenger in our airport. But the profile of the Chinese passenger has changed. They spend less than before and now there is a stronger focus on domestic spending, in Hainan for example ”

- Many airports and operators in the region report that Chinese passenger spending, whilst still higher than most nationalities, has not fully recovered to 2019 levels.
- In parallel the availability of international luxury brands has increased in China.
- Shopping categories preferred by Chinese travellers are diversified and close to the survey average. With a high proportion of leisure travellers and a desire to purchase gifts for those at home it is not surprising to see strong preference for confectionery (27%) and local products (17%). 12% state their most preferred category is luxury, second only to UAE nationals (15%).
- Only 15% of Chinese travellers state that price is the primary driver of purchasing in an airport – the lowest of any nationality – with 55% quoting product choice as most important – the highest of any nationality. A further 24% say that the shopping experience is the key purchase driver.

“We see Chinese passengers coming back now, but their spending behaviour is different. The drop in Chinese SPP is significant. They shop domestically and a big proportion of their money is kept inside China. Before Covid many brands were not available in China, but now they are available in the local market ”

Retail Operator

“Chinese passengers still have the biggest spending per passenger in our airport. But the profile of the Chinese passenger has changed. They spend less than before and now there is a stronger focus on domestic spending, in Hainan for example ”

Airport

China remains a very important passenger group, still with the highest spending of any nationality group. However, with continued focus on the development of domestic tourism and shopping, it is less likely that the past significant growth in Chinese spending in international airports will reappear.

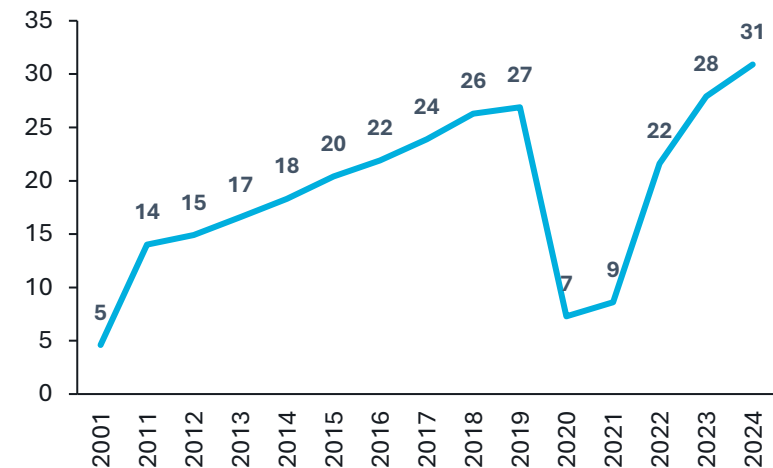
For those airports with a significant proportion of Chinese travellers, the focus will be on maintaining their spending whilst moving focus to growth from other emerging nationalities such as India, Indonesia and Vietnam.

4.8. Case studies – India (1)

India has become an important market for air travel, internationally and domestically. Enhanced route networks, rising incomes and a young population have led to strong demand for flying.

- Whilst not at the same magnitude as China, India has been another major contributor to outbound travel, increasing at over 10% per annum CAGR to almost 27 million travellers by 2019. Staggeringly, the number of passengers flying outside of India was fully recovered by 2023, whilst China was just above half the number of 2019 passengers. 2024 is above 2019 levels, with further growth reported in 2025.
- At the same time the domestic air market has been growing substantially – from around 50m passengers in 2011 to 125m in 2019 and 136m in 2024. The rise in low-cost carriers in India has brought the cost of flying in line with trains and widened the market.
- This is against a backdrop of rising incomes and a young population. 27% of our survey respondents were Gen Z and 81% were Gen Z or Millennials.
- In short, the India air travel market can be summarised as:
 - Young traveller profile + better air connectivity
 - Fuelling demand for experiential travel
 - Growing focus on domestic travel
- Overseas trips from India are more likely to be for business – 46% travel for business or business/leisure combined compared to an average of 34%. Just 38% are travelling purely for leisure against an average of 54%.

India Outbound Tourism – 2001 and 2011 to 2024 (MNs)



Source: Bureau of Immigration, Govt. of India

“After COVID, we understood that life is very limited; you have to enjoy it to the fullest. Go ahead, take vacations, take international vacations, explore.”

Passenger – India, Gen Z

4.8. Case studies – India (2)

India has become an important market for air travel, internationally and domestically. Enhanced route networks, rising incomes and a young population have led to strong demand for flying.

- The research presented here has shown Indian passenger domestic spend up 30% on 2019 and international spend up 9%. Indian airports are adapting to meet this demand, with new projects across the country – Noida, Delhi, Mumbai, Chennai and Ahmedabad to name just a few. In the new terminals at Bangalore and Navi Mumbai there is increased focus on domestic shopping areas that are at least on a par with many international facilities.
- Category preferences for Indian travellers are broad, with no strong domination from any category. There is slight over indexing on alcohol, perfumes & cosmetics and luxury goods, whilst local products are less preferred than for other nationalities.

“Traveller return is strong in APAC. Some nationalities have not bounced back, but there are new emerging nationalities. Indian travellers are surpassing pre-Covid spends . ”

Retail Operator

“Before COVID my purchases were limited mostly to liquor and occasional requests from friends. After COVID my spending has diversified. I now regularly buy chocolates, bags, perfumes, and watches . ”

Passenger – India, Gen Z

“The offerings are highly place-dependent, guiding your purchases: Europe: Famous for its wine, souvenirs, and European cosmetics. Singapore: Known for toffees, confectionery, and liquor. Dubai: The highlight is gold and high-end items. Ultimately, your focus shifts to the authentic, signature products of each country, like cosmetics for an upcoming trip to Japan ”

Passenger – India, Gen Z

India is continuing to be an important and growing market for international travel. Rising income levels have increased spending on international leisure and business travel. The high proportion of digital native Gen Z and Millennial consumers with a passion for global experiences is another key driver. Increasing numbers of Indian travellers are seeking experiential travel around wellness, eco-tourism and adventure.

Indian passengers are likely to increasingly contribute to growth in retail spending in airports in the future

“The journey starts feeling nice the moment I enter the airport. While leaving home is hectic, arriving three hours early at an airport is enjoyable. There are many places to visit and shopping to do, so there is no boredom or problem ”

Passenger – India, Domestic

4.8. Case studies - Indonesia

Indonesia is still very much on the path to recovery, with passenger numbers not yet back to 2019 levels. However, those that are travelling are spending on airport shopping.

- Recovery of Indonesian travellers post 2019 has been slower than the overall region. 2024 domestic passenger numbers were around 85% of 2019 levels, with outbound travel at around 76% of 2019. Inbound tourism is almost fully recovered with 2025 reaching 92% of 2019 levels.
- Domestic air travel between islands is critical in Indonesia and Indonesian domestic passenger spend is second only to China in the region, although still slightly behind 2019 levels (-9%). Reduced seat capacity vs 2019 is a major factor slowing the recovery of the local market.
- Spending of those travelling overseas is a different story, with per passenger spending increasing by 24% over 2019.
- Indonesian residents' overseas departures were stable between 2010 and 2016, ranging between 6.5 and 8.0 million. There was a sharp increase after this, with 11.7 million outbound tourists in 2019. After a drop to just 1.7 million departures in 2021, outbound resident numbers had recovered to 8.9 million by 2024. Malaysia, Saudi

Arabia, Singapore, Thailand and China were the top 5 destinations. Outbound travel by Indonesians is reported to be recovering still further into 2026.

- Indonesian travellers are adept at combining business with leisure trips (33% compared to 20% average), with a further 45% on pure leisure trips.
- Indonesia had the largest sample of Millennial travellers in the research survey, with 86% either Millennial or Gen Z. It is, therefore, not surprising to see that Indonesian travellers exhibit similar category spending behaviour to Gen Z, with purchasing spread across all categories and higher than average spending on local products and confectionery.
- The qualitative research supported this finding.

"Our eyes are always wandering everywhere. For me, I usually prefer souvenirs, even though I know the prices are often more expensive, I still want to buy them because I always forget something for souvenirs."

Passenger – Indonesia

"When I'm at an Indonesian airport, I want to see more local Indonesian brands and products with great and unique designs, such as regional snacks (bakpia, pempek, dodol, local chips), Indonesian coffee (Aceh, Toraja, Flores), and crafts like batik, woven fabrics, and handmade bags/accessories."

Passenger – Indonesia

Indonesia has a large, young population increasingly looking to travel internationally. Already with a large domestic tourist market We believe Indonesia is currently an untapped emerging traveller group with the potential to one of the most important in the region.

In a region dominated historically by other nationalities perhaps not enough is yet understood about Indonesian travellers.

4.8. Case studies: Generation Z

Generation Z are changing the shopping landscape. They do not behave as previous generations and need to be engaged with in a different way. Traditional duty-free shops are likely to become less relevant.

- Much is written about Gen Z across all industries. One definite fact is that Gen Z is growing in number and importance. Our survey results showed that Gen Z is 20% or more of passengers in Philippines, China, Thailand, Indonesia and India, and that their spending in airports is the second highest across generations, behind Millennials.

“There is always something to buy. I always joke with my friends: it’s better to regret buying than regret not buying, especially on long trips .”

Passenger – Indonesia, Gen Z

- One of the key findings regarding shopping behaviour is the level to which the store experience (40%) and authenticity (30%) are the key drivers of purchasing. This compares to 20% and 19% respectively for Baby Boomers. However, it is important to note that the store experience is *not* about staff engagement.

“Gen Z have a defined expectation of what they want to purchase. Gen X and Gen Y can be influenced by store staff, but Gen Z cannot .”

Retail Operator

- Conversely Gen Z are less focused purely on price (23% vs 48% of Baby Boomers). However, this does not mean that they are less price aware.

“The main driver isn't always a major price difference, but the authenticity and renown of the product category in that specific country .”

Passenger – India, Gen Z

- Gen Z are also widening their product assortment. 53% of Gen Z purchasing is in the traditional core categories of liquor, P&C, tobacco and confectionery, compared to 65% for Gen X and 71% for Baby Boomers.

“Youngsters like me shop more. We see it as an exclusive experience with better deals and focus on Instagram-friendly items, not wanting to miss out on anything .”

Passenger – India, Gen Z

- So, is the answer digital? The research has shown that adoption of digital in airports is highest for Gen Z, but it is still low. Digital is normal for Gen Z, it is not unique or special. So there are multiple points of engagement for

“Under 30s do not want advice from staff. It is all checked online and in social media. Some airports really help. They are great on social media and work with influencers .”

Retail Operator

“Move beyond the pushy salesperson approach. Combine a helpful human touch with seamless digital technology. Create a lively atmosphere: Make the environment more fun with nice music and a vibrant vibe .”

Passenger – India, Gen Z

- Whilst older generations value known products at discounted prices, Gen Z will happily buy products at the same price as downtown as long as there is a strong provenance for the product, or it is a trending brand on social media, within a great store experience.

Traditional duty-free shops with traditional products will become decreasingly relevant.

Widening and relevant product offer, authenticity and experience will be key

Those with the ability to react to trends and stay relevant will be the biggest winners

5. Recommendations



5. Recommendations (1)

5.1 Reframe commercial models as strategic enablers of relevance and growth

- **Recommendation**
Airports should increasingly view commercial models not only as mechanisms for revenue protection, but as strategic enablers that determine how quickly and effectively the retail offer can evolve.
- **What this means**
- Recognise that contract structure directly shapes flexibility, innovation, and responsiveness.
- Balance long-term revenue certainty with the ability to adapt to changing passenger behaviour, category performance, and market conditions.
- Treat adaptability as a commercial capability, rather than an exception within the system.
- **Rationale**
As passenger demand becomes more segmented and less predictable, the ability to respond at pace is increasingly central to sustaining long-term commercial performance.

5.2 Introduce targeted flexibility to support faster learning and adaptation

Recommendation

Flexibility should be introduced in a targeted, proportionate, and evidence-led manner, rather than applied universally.

What this means

- Allocate a limited proportion of space to formats that allow faster refresh and rotation, particularly in high-change categories or transitional locations.
- Use pilot formats, phased commitments, or lighter fit-out requirements to test concepts before long-term scale-up.
- Apply flexibility where passenger behaviour, category trends, or nationality mix are evolving most rapidly.

Rationale

Evidence from the study suggests that even modest levels of flexibility can unlock learning, improve relevance, and support incremental revenue without undermining financial stability.

5. Recommendations (2)

5.3 Strengthen airport–retailer collaboration and risk-sharing

- **Recommendation**
More collaborative commercial relationships can help align incentives and improve outcomes in a more volatile operating environment.
- **What this means**
 - Move toward models that better balance risk and reward between airports and retailers, particularly in uncertain or emerging segments.
 - Encourage greater transparency around performance, learning, and category evolution.
 - Create clearer pathways from trial formats to long-term commitments where concepts demonstrate success.
- **Rationale**
Retailers’ investment and innovation behaviour is strongly shaped by perceived risk. Better alignment can support more proactive testing and higher-quality offers.

5.4 Ensure product and category mix can adapt to fast-moving trends

Recommendation

Airport retail strategies should place greater emphasis on adaptability within the product and category mix to reflect faster trend cycles.

What this means

- Avoid over-reliance on static category allocations or fixed brand line-ups, particularly in categories with rapid trend evolution.
- Enable more frequent refresh of assortments, formats, and brand presence where passenger preferences are changing quickly.
- Use passenger data and performance feedback to inform when categories or concepts require adjustment.

Rationale

Growth within core duty-free categories is increasingly driven by relevance and differentiation rather than scale alone, reinforcing the need for ongoing adaptation.

5. Recommendations (3)

5.5 Deepen focus on local and regionally relevant offers

- **Recommendation**
Airports should actively support the inclusion of local and regionally relevant products as a source of authenticity and differentiation.
- **What this means**
 - Look beyond global brands to identify local or regional brands that resonate with passenger identity, gifting behaviour, and sense of place.
 - In categories such as perfume and cosmetics, explore opportunities to complement global players with regionally focused or locally rooted brands.
 - Ensure local offers are curated and positioned as credible, high-quality propositions rather than novelty or secondary options.
 - Incentives from the public sector (e.g. tax discounts) to assist local businesses start operations at the airport.
- **Rationale**
As global brands become increasingly ubiquitous across airports, locally relevant offers provide a meaningful way to differentiate the retail environment and enhance passenger engagement.

5.6 Use data and passenger insight to guide commercial decision-making

Recommendation

Commercial planning should be increasingly informed by passenger insight and behavioural data, rather than relying solely on historical performance.

What this means

- Combine quantitative spend and behaviour data with qualitative insight from passengers, retailers, and operators.
- Use this evidence to guide decisions on category mix, space allocation, refresh timing, and concept testing.
- Recognise that stated preferences (e.g. digital or sustainability) may not always translate into spend, and calibrate strategies accordingly.

Rationale

Evidence-led decision-making reduces risk, improves relevance, and supports more resilient long-term commercial strategies.

Appendices



A.1. List of countries (1)

The following table lists the countries which were evaluated using four key parameters. Scores were normalised within six subregions to evaluate relative performance of countries within each subregion.

Sr. No	Country	Region	Sub-Region	GDP (USD Tn)	Total passenger traffic	Proportion of international travellers	15–64 years
1	China	Asia-Pacific	Emerging East Asia	19.25	1,459,428,467	6%	69%
2	India	Asia-Pacific	South Asia	3.84	398,057,421	19%	68%
3	Japan	Asia-Pacific	Developed East Asia	4.47	320,024,196	32%	59%
4	Australia	Asia-Pacific	Oceania	1.70	162,720,768	25%	65%
5	Indonesia	Asia-Pacific	Southeast Asia	1.39	155,695,870	24%	68%
6	Republic of Korea	Asia-Pacific	Developed East Asia	1.84	152,186,965	59%	71%
7	Thailand	Asia-Pacific	Southeast Asia	0.51	140,622,120	55%	70%
8	Viet Nam	Asia-Pacific	Southeast Asia	0.45	110,046,730	38%	68%
9	Malaysia	Asia-Pacific	Southeast Asia	0.41	97,171,070	52%	70%
10	Philippines	Asia-Pacific	Southeast Asia	0.52	93,537,871	31%	66%
11	Singapore	Asia-Pacific	Southeast Asia	0.45	67,650,000	99%	75%
12	Chinese Taipei	Asia-Pacific	Developed East Asia	0.58	63,964,090	83%	70%
13	Hong Kong SAR	Asia-Pacific	Developed East Asia	0.43	53,002,010	100%	68%

Source: ACI, World Bank, Steer; 2024 data

A.1. List of countries (2)

The following table lists the countries which were evaluated using four key parameters. Scores were normalised within six subregions to evaluate relative performance of countries within each subregion.

Sr. No	Country	Region	Sub-Region	GDP (USD Tn)	Total passenger traffic	Proportion of international travellers	15–64 years
14	New Zealand	Asia-Pacific	Oceania	0.25	34,408,581	37%	65%
15	Nepal	Asia-Pacific	South Asia	0.04	9,494,697	52%	65%
16	Sri Lanka	Asia-Pacific	South Asia	0.08	8,718,163	100%	66%
17	Maldives	Asia-Pacific	South Asia	0.01	6,256,342	78%	76%
18	Macau SAR	Asia-Pacific	Developed East Asia	0.04	7,637,758	100%	72%
19	Cambodia	Asia-Pacific	Southeast Asia	0.04	4,787,462	96%	64%
20	Myanmar	Asia-Pacific	Southeast Asia	0.07	4,093,494	55%	68%
21	Fiji	Asia-Pacific	Oceania	0.01	3,729,944	80%	66%
22	French Polynesia	Asia-Pacific	Oceania	0.01	3,193,788	24%	70%
23	Mongolia	Asia-Pacific	Emerging East Asia	0.02	2,270,591	78%	63%
24	Guam	Asia-Pacific	Oceania	0.00	1,960,065	90%	62%
25	New Caledonia	Asia-Pacific	Oceania	0.01	912,497	41%	67%
26	Tonga	Asia-Pacific	Oceania	0.00	340,290	68%	58%

Source: ACI, World Bank, Steer; 2024 data

A.1. List of countries (3)

The following table lists the countries which were evaluated using four key parameters. Scores were normalised within six subregions to evaluate relative performance of countries within each subregion.

Sr. No	Country	Region	Sub-Region	GDP (USD Tn)	Total passenger traffic	Proportion of international travellers	15–64 years
27	Bhutan	Asia-Pacific	South Asia	0.00	373,113	96%	72%
28	Pakistan	Asia-Pacific	South Asia	0.36	23,593,804	75%	59%
29	Samoa (including American Samoa)	Asia-Pacific	Oceania	0.00	596,047	89%	57%
30	Cook Islands	Asia-Pacific	Oceania	0.00	577,314	64%	64%
31	Northern Mariana Islands	Asia-Pacific	Oceania	0.00	593,915	88%	68%
32	Wallis and Futuna	Asia-Pacific	Oceania	0.00	65,736	6%	68%
33	Cocos (Keeling) Islands	Asia-Pacific	Oceania	0.00	15,214	61%	62%
34	United Arab Emirates	Middle East	Middle East	0.54	140,655,144	100%	82%
35	Saudi Arabia	Middle East	Middle East	1.26	127,754,121	54%	73%
36	Qatar	Middle East	Middle East	0.22	52,722,106	100%	83%
37	Islamic Republic of Iran	Middle East	Middle East	0.43	48,021,427	24%	69%
38	Oman	Middle East	Middle East	0.10	14,593,427	85%	72%
39	Bahrain	Middle East	Middle East	0.05	9,350,580	100%	77%

Source: ACI, World Bank, Steer; 2024 data

A.1. List of countries (4)

The following table lists the countries which were evaluated using four key parameters. Scores were normalised within six subregions to evaluate relative performance of countries within each subregion.

Sr. No	Country	Region	Sub-Region	GDP (USD Tn)	Total passenger traffic	Proportion of international travellers	15–64 years
40	Jordan	Middle East	Middle East	0.05	8,809,990	99%	65%
41	Iraq	Middle East	Middle East	0.28	2,128,659	87%	59%
42	Kuwait	Middle East	Middle East	0.20	15,400,017	100%	78%
43	Lebanon	Middle East	Middle East	0.02	5,622,358	100%	64%

Source: ACI, World Bank, Steer; 2024 data

A.2. Selected countries (1)

The following table lists the countries which were selected for the analysis.

Sr. No	Country	Region	SBU Region
1	United Arab Emirates	Middle East	Middle East
2	Saudi Arabia	Middle East	Middle East
3	Qatar	Middle East	Middle East
4	Kuwait	Middle East	Middle East
5	Bahrain	Middle East	Middle East
6	India	Asia	South Asia
7	Sri Lanka	Asia	South Asia
8	Maldives	Asia	South Asia
9	Indonesia	Asia	South-East Asia
10	Thailand	Asia	South-East Asia
11	Singapore	Asia	South-East Asia
12	Viet Nam	Asia	South-East Asia
13	Malaysia	Asia	South-East Asia
14	Philippines	Asia	South-East Asia

A.2. Selected countries (2)

The following table lists the countries which were selected for the analysis.

Sr. No	Country	Region	SBU Region
15	Japan	Asia	East Asia
16	Republic of Korea	Asia	East Asia
17	Hong Kong SAR	Asia	East Asia
18	China (Mainland)	Asia	East Asia
19	Australia	Oceania	Oceania
20	Fiji	Oceania	Oceania
21	New Zealand	Oceania	Oceania

A.3. Selected airports (1)

S.N	Sub-Region	Region	Total number of countries	Selected countries	Proportion of Total Traffic for selected countries	Number of selected airports	Selected airports	Proportion of Total Traffic for selected airports
1	Middle East	Middle East	10	<ul style="list-style-type: none"> • United Arab Emirates • Saudi Arabia <ul style="list-style-type: none"> • Qatar • Kuwait • Bahrain 	81%	6	<p>Bahrain:</p> <ul style="list-style-type: none"> • Bahrain International Airport <p>Oman:</p> <ul style="list-style-type: none"> • Muscat International Airport <p>Qatar:</p> <ul style="list-style-type: none"> • Hamad International Airport <p>Saudi Arabia:</p> <ul style="list-style-type: none"> • King Abdulaziz International Airport • King Khaled International Airport <p>United Arab Emirates:</p> <ul style="list-style-type: none"> • Dubai International Airport 	60%
2	South Asia	Asia Pacific	6	<ul style="list-style-type: none"> • India, • Sri Lanka, • Maldives 	93%	6	<p>India:</p> <ul style="list-style-type: none"> • Indira Gandhi International Airport, • Chhatrapati Shivaji International Airport, • Kempegowda International Airport, • Chennai International Airport, <p>Maldives:</p> <ul style="list-style-type: none"> • Velana International Airport, <p>Sri Lanka:</p> <ul style="list-style-type: none"> • Bandaranaike International Airport 	47%
3	Southeast Asia	Asia Pacific	8	<ul style="list-style-type: none"> • Indonesia • Thailand • Singapore • Viet Nam • Malaysia • Philippines 	99%	8	<p>Indonesia:</p> <ul style="list-style-type: none"> • Soekarno-Hatta International Airport <p>Malaysia:</p> <ul style="list-style-type: none"> • Kuala Lumpur International Airport, <p>Philippines:</p> <ul style="list-style-type: none"> • Manila International Airport <p>Singapore:</p> <ul style="list-style-type: none"> • Mactan-Cebu International Airport, • Singapore Changi Airport, <p>Thailand:</p> <ul style="list-style-type: none"> • Suvarnabhumi International Airport, <p>Viet Nam:</p> <ul style="list-style-type: none"> • Tan Son Nhat International Airport, • Noi Bai International Airport 	46%

A.3. Selected airports (2)

S.N	Sub-Region	Region	Total number of countries	Selected countries	Proportion of Total Traffic for selected countries	Number of selected airports	Selected airports	Proportion of Total Traffic for selected airports
4	Developed East Asia	Asia Pacific	5	<ul style="list-style-type: none"> Japan Republic of Korea Hong Kong SAR 	88%	6	<p>Hong Kong SAR:</p> <ul style="list-style-type: none"> Hong Kong International Airport, <p>Japan:</p> <ul style="list-style-type: none"> Tokyo International (Haneda) Airport Narita International Airport Kansai International Airport, <p>Republic of Korea:</p> <ul style="list-style-type: none"> Incheon International Airport Jeju International Airport 	52%
5	Emerging East Asia	Asia Pacific	2	<ul style="list-style-type: none"> China 	100%	5	<p>China:</p> <ul style="list-style-type: none"> Pudong International Airport, Guangzhou Bai Yun International Airport, Beijing Capital International Airport, Shenzhen Baoan International Airport, Chengdu Tianfu International Airport 	19%
6	Oceania	Asia Pacific	12	<ul style="list-style-type: none"> Australia Fiji New Zealand 	96%	5	<p>Australia:</p> <ul style="list-style-type: none"> Sydney International Airport, Melbourne Airport, <p>Fiji:</p> <ul style="list-style-type: none"> Nadi International Airport, <p>New Zealand:</p> <ul style="list-style-type: none"> Auckland International Airport, Christchurch International Airport 	50%

A.4. Passenger surveys – Questionnaire (1)

Question Number	Question	Answer					
Q1	What is your nationality (main passport that you use)?	Australia, Bahrain, China, Chinese Taipei, Egypt, Fiji, Hong Kong, India, Indonesia, Japan, Kingdom of Saudi Arabia, Malaysia, Maldives, New Zealand, Oman, Pakistan, Philippines, Qatar, Singapore, South Korea, Sri Lanka, Thailand, United Arab Emirates, United Kingdom, United States, Vietnam, Others.					
Q3	What is your age?	Values between 0-99					
Q4	How often have you travelled by air (round trip) in the last 12 months?	None, Once, 2–3 times, 4–5 times, 6–10 times, More than 10 times					
Q5	Did you fly from or connect through any of the following airports since January 2024?	Auckland Airport	Beijing Capital Airport	Chhatrapati Shivaji Airport	Hamad Airport	Kempegowda Airport	Nadi Airport
		Bahrain Airport	Brisbane Airport	Christchurch Airport	Hangzhou Xiaoshan Airport	King Abdulaziz Airport	Narita Airport
		Bandaranaike Airport	Chengdu Tianfu Airport	Dubai Airport	Hong Kong Airport	King Khaled Airport	Noi Bai Airport
		Chennai Airport	Changi Airport	Guangzhou Baiyun Airport	Incheon Airport	Kuala Lumpur Airport	Pudong Airport
		Indira Gandhi Airport	Jeju Airport	Kuwait Airport	Muscat Airport	Queen Alia Airport	Shenzhen Airport
		Kansai Airport	Mactan-Cebu Airport	Manila Airport	Melbourne Airport	Soekarno-Hatta Airport	Suvarnabhumi Airport
		Haneda Airport	Sydney Airport	Tan Son Nhat Airport	Velana Airport	Xiamen Airport	None of the above
Q6	Were you connecting or transferring through any of these airports to take a second flight?	Same as Q5					
xAirport1	Holds the 1st airport the survey will be asked for						
Q7	What airport did you fly to from [pipe: xAirport1]?						
Q8	What flight ticket class did you purchase?	Economy, Premium economy, Business, First					
Q9	What was the main purpose of your trip?	Business, Leisure, Business and leisure, Visiting friends and relatives, Others such as Education, Medical, Religious, etc.					
Q10	Who were you flying with?	Alone, With my partner, With my family – all in group 16 years+, With my family – children under 16, With friends, With colleagues					

A.4. Passenger surveys – Questionnaire (2)

Question Number	Question	Answer
Q11	How much time did you spend at [pipe: xAirport1] in the shopping, dining and waiting area after the security/ immigration check until boarding?	Less than 15 minutes, Between 15 and 30 minutes, Between 30 minutes and 1 hour, Between 1 and 2 hours, Between 2 and 3 hours, Between 3 and 4 hours, More than 4 hours.
Q12	What purchases did you make at [pipe: xAirport1]?	Food & beverage (cafes/bars, take away food, restaurants) only, Retail (shops) only, Food & beverage and Retail, I did not purchase anything
Q13	How much money did you spend in food & beverage in each type of facility at [Airport X]?	Answered in selected currency by survey taker for Cafes / bars, Take away food, Restaurants
Q14	In what shopping categories did you made a purchase at [Airport X]?	Alcohol, Tobacco, Perfume & cosmetics, Confectionery / chocolate / snacks, Luxury goods (jewellery, watches, designer fashion), Local products / souvenirs (non-edible items), Electronics / travel accessories, Books / magazines, I did not purchase anything
Q14.1	At what point of the journey did you buy [selected category]?	Pre-ordered or pre-paid online before arriving at the airport, Before going through security, After going through security, while waiting for boarding
Q14.2	How much money did you spend in [selected category]?	Answered in selected currency by survey taker
Q14.3	When did you decide to do buy [selected category]?	Before arriving at the airport, Decided at the airport, Both, before arriving at the airport and at the airport
Q14.4	For whom did you buy [selected category]?	To treat myself, As a gift for someone else, On behalf of someone
Q14.5	What was your main reason for buying [selected category]?	Price / value advantage, For convenience, Trust in authenticity of products, Last-minute need, The store created a great experience (e.g. excellent service, appealing environment, engaging displays), Digital engagement, The products were not in downtown, I saw it and I wanted to buy it

A.4. Passenger surveys – Questionnaire (3)

Question Number	Question	Answer
Q15	What would have encouraged you to do more shopping at [Airport X]?	Broader range of products, More local products, More international products, Digital engagement, Experiential offerings, More exclusives / limited editions, Easier pre-ordering / collection, Better promotions / loyalty rewards, Better store environment / displays / space, Friendlier staff / service, Faster checkout / shorter queues, Higher quality of products, Lower prices, Opportunity to try the product, More time for shopping while waiting for boarding, Other
Q16	Did you use a VIP lounge at [Airport X]?	Yes – with my airline ticket, Yes – with a lounge pass (e.g. Dragon Pass, Priority Pass), Yes – through a loyalty reward scheme (e.g. credit card), Yes – part of holiday package, Yes – paid extra online in advance, Yes – paid extra on the door, No
Q17	Do you have a preference for purchasing sustainable, environmentally friendly or organic products?	Yes, but I am not willing to pay more, Yes, and I am willing to pay more, No
Q18	What categories of products would you be likely to buy at [Airport X] if they were available or had more choice?	Wellness & health products, Technology & gadgets, Luxury fashion & accessories, Premium fashion & accessories, Popular fashion & accessories, Lifestyle & athleisure, Eco-friendly & sustainable products, Local or artisanal products, Fresh food & gourmet groceries, Gaming & entertainment, Showrooming & experiential retail, Other
Q19	Would you recommend shopping at [Airport X] to a friend (from 0 to 10), where 10 is fully recommend and 0 is not recommend at all?	0-10
Q20	Now, more generally, compared with before COVID-19, what are your current spending behaviours?	Responses were recorded on a scale from –100% to +100%, where –100% represents no spend and +100% represents double the spend.
Q21	Do you look at websites/apps to check the retail offers at airports before a trip?	Airport's website/app, Airport's YouTube/Instagram/TikTok or other social media, Retailers' website/app, Retailers' YouTube/Instagram/TikTok or other social media, None

A.4. Passenger surveys – Questionnaire (4)

Question Number	Question	Answer
Q22	Would you be interested in receiving retail offers before a trip?	Yes – by email, Yes – by mobile app/notification, Yes – by airline communication, No, not interested
Q23	What digital services would you be most likely to use?	Pre-order / click & collect (shopping), Pre-order / click & collect (F&B), Collect on return of duty-free / shopping, Home delivery of duty-free / shopping, Mobile loyalty app with rewards, Contactless checkout / kiosks
Q24	What other activities and spaces would you be likely to use at airports?	Entertainment (live music, events, exhibitions), Gaming / e-sports, Wellness & relaxation (spa, massage, yoga), Fitness options (gym, walking tracks), Work & productivity spaces (co-working, pods), Children’s play / family areas, Cultural experiences (art, crafts, performances)

A.5. Airport operator surveys – Questionnaire (1)

Question Number	Question	Answer
Q1	How would you describe your airport's current commercial performance compared with 2019?	Stronger; Similar; Weaker; Still recovering
Q2	Which factors are currently driving your airport's commercial performance?	Passenger volumes and mix; Category mix; Price competitiveness and value perception; Retailer performance; Space/ layout limitations; Operational constraints; Exchange rate effects; Effectiveness of marketing or digital channels; Regulatory influences; Other
Q3	Have you observed any major shifts in passenger behaviour since 2019?	Yes – significant changes; Some changes; Minimal change; None at all
Q4	Please describe what has changed and why	-
Q5	Which passenger segments are currently the most commercially significant for your airport?	Chinese; Indian; GCC / Middle East; Regional leisure; Business / premium; Transfer / connecting; Local residents; Expat travellers, other
Q6	What types of behavioural changes have you observed among passengers?	Higher spend per passenger; Lower spend per passenger; More browsing but lower conversion; Faster movement / reduced dwell time; Increased interest in F&B; Increased interest in luxury; Increased interest in essentials/value items; Higher use of digital shopping tools; No meaningful behavioural change
Q7	How would you describe the recovery of your retail and duty-free business compared with 2019?	Fully recovered; Partially recovered (80–99%); Still below recovery (50–79%); Significantly below (<50%)
Q8	Which retail categories have shown the strongest growth compared with 2019?	Beauty & cosmetics; Liquor; Tobacco; Fashion & accessories; Watches & jewellery; Travel essentials; Electronics; Quick-service F&B; Full-service F&B; Local/artisanal products; Pharmacy/health
Q9	Which retail categories are currently under the most pressure at your airport?	Beauty & cosmetics; Liquor; Tobacco; Fashion & accessories; Watches & jewellery; Travel essentials; Electronics; F&B (all formats); Local/artisanal; Pharmacy/health; other
Q10	Which factors are most influencing retail and duty-free performance at your airport today?	Passenger demographics; FX and pricing perception; Price competitiveness; Operator model / concession structure; Regulatory constraints; Limited dwell time; Supply chain or staffing issues; Digital engagement effectiveness; Store design or location; other
Q11	Since 2019, how has your commercial or concession strategy evolved?	Changed significantly; Changed moderately; Changed slightly; Not changed

A.5. Airport operator surveys – Questionnaire (2)

Question Number	Question	Answer
Q12	Which duty-free operating model best describes your airport today?	Single operator master concession; Multiple operators by zone; Joint-venture / airport-owned retail entity; Mixed model
Q13	What type of concession or lease model do you primarily use for retail (non-duty-free)?	MAG + percentage rent; Percentage rent only; Fixed rent; Revenue-share or JV model; Mixed model; other
Q14	Which types of operators are currently part of your commercial mix?	Global travel retail operators; Regional/local operators; Direct mono-brand stores; Airport-owned/JV operators; Local-equivalent small business partners
Q15	Which new types of retail or F&B partners have shown increased interest since 2019?	Luxury brands; Lifestyle/experiential concepts; Digital-first retailers; Local/artisanal brands; F&B crossover concepts; No significant new interest
Q16	How central is digital engagement to your retail strategy?	Core; Growing; Emerging; Minimal
Q17	Which digital tools are currently active at your airport?	Pre-order/click & collect; E-commerce marketplace; Loyalty/CRM; App-based promotions; Digital wayfinding; In-store digital ordering/payment; None
Q18	How effectively do airports and retailers collaborate on passenger data or analytics?	Scale 1–5
Q19	How significant is sustainability in your retail strategy today?	Central focus; Important but developing; Limited consideration; Not yet addressed
Q20	Which sustainability initiatives are currently implemented at your airport?	Low-energy fit-out; Renewable energy; Waste reduction/recycling; Low-plastic packaging; Local/ethical sourcing; Sustainable logistics; Repair/circularity; Water efficiency; Green-building certification; Engagement; ESG in tenders
Q21	How are ESG criteria used in concession/tender evaluations?	Mandatory & weighted; Weighted but optional; Encouraged but not scored; Not included
Q22	Which currency will you use to provide financial figures?	USD; Local currency
Q23	What were your Non-Aeronautical Revenues in 2019?	Numeric input

A.5. Airport operator surveys – Questionnaire (3)

Question Number	Question	Answer
Q24	What were your Non-Aeronautical Revenues in 2024?	Numeric input
Q25	What were your Duty-Free Revenues in 2019?	
Q26	What were your Duty-Free Revenues in 2024?	
Q27	What were your Non-Duty-Free Revenues in 2019?	
Q28	What were your Non-Duty-Free Revenues in 2024?	
Q29	What were your Duty-Free Sales in 2019?	
Q30	What were your Duty-Free Sales in 2024?	
Q31	What were your Non-Duty-Free Sales in 2019?	
Q32	What were your Non-Duty-Free Sales in 2024?	
Q33	How do you expect commercial revenue per passenger to change over the next 12 months?	
Q34	Which business models or retail categories will be most important?	Experience-led/hybrid; Digital retail; Luxury/premium; Local/sustainable; Value/essentials
Q35	What are the main constraints limiting commercial performance?	Passenger mix shifts; FX/pricing perception; Limited space; Staffing/cost pressures; Regulatory restrictions; Supply chain issues; Limited brand availability; Security/dwell time; Digital limitations; Capex limitations
Q36	Final thoughts – anything else to add?	Open text

A.6. Airport operator interviews – Questionnaire (1)

Sr. No.	Section	Questions asked during interview
1	Warm-Up and Airport Context	<ul style="list-style-type: none"> • Could you start by describing your role and responsibilities within the airport’s commercial or retail function? • How would you describe the airport’s current commercial performance compared with 2019? • What are the biggest commercial challenges and opportunities you’re seeing today?
2	Passenger Mix and Behaviour	<ul style="list-style-type: none"> • How would you describe your current passenger profile — by nationality, trip purpose, and spending behaviour? • Have you observed any shifts in spend per passenger, dwell time, or shopping motivation since the pandemic? • Which passenger segments are currently the most commercially significant? • Have generational or cultural differences become more evident in shopping or F&B behaviour?
3	Retail & Duty Free Performance	<ul style="list-style-type: none"> • How has your retail and duty-free performance recovered compared with 2019? • Which categories have rebounded most strongly, and which remain under pressure? • What factors are most influencing performance — passenger mix, exchange rates, regulation, or pricing? • How do you see the balance evolving between duty free, specialty retail, and travel essentials?
4	Commercial Strategy & Partnerships	<ul style="list-style-type: none"> • How has your commercial or concession strategy evolved since 2019? • How do you balance major global operators with local or regional players? • Are you seeing growing interest from luxury brands, lifestyle concepts, or digital-first retailers? • How do you integrate F&B, retail, and services into a cohesive passenger experience?
5	Digitalisation, Data & Passenger Engagement	<ul style="list-style-type: none"> • What role does digital engagement play in your retail approach today? • Have digital tools or partnerships improved conversion or spend per passenger? • How effectively are airports and retailers collaborating on data sharing or analytics?
6	Sustainability and Policy	<ul style="list-style-type: none"> • What steps has your airport taken to make retail more sustainable? • Are sustainability requirements built into tenders or operator evaluations? • How are regulatory or government frameworks influencing sustainability expectations for retail?

A.6. Airport operator interviews – Questionnaire (2)

Sr. No.	Section	Questions asked during interview
7	Case Study-Specific Prompts	<ul style="list-style-type: none"> • Luxury Domain Performance — How has luxury retail performed since 2019 at your airport? Are you seeing shifts between categories or spending demographics? What’s the outlook for luxury in your terminal? • Daigou Shopping Phenomenon — Has Daigou shopping affected your airport — especially in beauty or luxury categories? How have you managed pricing, stock, or contractual implications (e.g., with Shilla, Lotte)? • Currency Impact — How have exchange rate fluctuations — such as the yen’s devaluation — impacted sales or passenger behaviour? Have you seen increased regulatory scrutiny linked to spending spikes? • Regional Arbitrage Patterns — Are you seeing evidence of passengers preferring to shop abroad (e.g., in Singapore, Dubai, London) rather than domestically? How do you address this competition or perception of better value elsewhere? • Tobacco Regulation Evolution — Have changes in tobacco regulations (e.g., Hong Kong’s alignment of airside and domestic laws) influenced your retail mix or strategy? Do you expect similar policy convergence in your market?
8	Future Outlook and Priorities	<ul style="list-style-type: none"> • What do you see as the biggest opportunities for non-aeronautical revenue growth in the next 3–5 years? • Which categories or business models will be most important? • What changes would most help airports strengthen performance? • How can ACI best support airports across the region?
9	Wrap-Up	<ul style="list-style-type: none"> • Is there anything else you’d like to add that would help the study reflect your experience accurately?

A.7. Retail operator interviews – Questionnaire (1)

Sr. No.	Section	Questions asked during interview
1	Warm-Up and Airport Context	<ul style="list-style-type: none"> • Could you briefly describe your company's current role in the travel retail sector? • How would you describe your overall business performance in the region compared with 2019? • What have been the key drivers of recovery — and where do you still see constraints or slow rebound?
2	Passenger Behaviour and Market Shifts	<ul style="list-style-type: none"> • How have you seen passenger behaviour change since 2019? • Which nationalities or traveller segments have been most influential to your recovery? • Are you observing differences by generation? • How has the return of Chinese, Indian, or GCC travellers affected your sales mix? • What are passengers looking for most now — value, authenticity, exclusivity, convenience?
3	Category Performance and Trends	<ul style="list-style-type: none"> • Which product categories have shown the strongest growth or recovery since 2019? • Which categories remain challenged, and why? • Are there any emerging categories becoming more important? • How do you expect the mix between luxury, core duty free, and travel essentials to evolve? • How are inflation and pricing pressures affecting spend per passenger?
4	Commercial Partnerships and Concession Models	<ul style="list-style-type: none"> • How have partnerships with airports evolved since 2019? • Have you seen changes in MAG agreements, contract length, or risk-sharing models? • How do you balance global airport relationships with local or regional partners? • How are you approaching tenders in the current environment?
5	Digitalisation, Loyalty, and Omnichannel	<ul style="list-style-type: none"> • How are you using digital tools to engage passengers? • What results have you seen from digital pilots or partnerships? • How are you working with airports on data sharing or joint marketing? • Is digitalisation driving measurable revenue or mainly supporting awareness?
6	Case Study-Specific Prompts	<ul style="list-style-type: none"> • Luxury Domain Performance — How is luxury performing across regions? • Daigou Shopping Phenomenon — Is Daigou affecting beauty or luxury performance? • Currency Impact — How have fluctuations like yen devaluation affected spending? • Regional Arbitrage — Are passengers shopping abroad for better value? • Tobacco Regulation Evolution — How are regulatory changes affecting tobacco strategy?

A.7. Retail operator interviews – Questionnaire (2)

Sr. No.	Section	Questions asked during interview
7	Future Outlook and Priorities	<ul style="list-style-type: none">• What are the biggest growth opportunities in the next 3–5 years?• How will passenger expectations and spending evolve?• What innovations or partnerships are most exciting?• What major risks or structural challenges do you foresee?
8	Wrap-Up	<ul style="list-style-type: none">• Is there anything else you'd like to share for the final report?

A.8. Focus groups – Questionnaire (1)

Sr. No.	Section	Questions asked during interview
1	Warm-Up and Travel Context	<ul style="list-style-type: none"> • How often do you fly each year (before and after COVID)? Why has it changed? • Typical trip types? How does experience change? • Which airports do you use most frequently? Why? • What stands out from your most recent trip?
2	Airport Shopping Behaviour	<ul style="list-style-type: none"> • Do you usually visit airport shops? Why or why not? • What do you typically buy? • What motivates you to buy? • How does airport shopping compare with city shopping? • How has your spending changed since before COVID?
3	Duty Free vs Tax Free vs Regular Retail	<ul style="list-style-type: none"> • What does Duty Free/Tax Free mean to you? • Do you believe airport prices are better than city? • Have you ever bought something simply because it was duty/tax-free?
4	Category and Product Preferences	<ul style="list-style-type: none"> • Which product categories are you most likely to shop for? • Are there categories or brands you wish airports offered more of? • How do you feel about local/regional brands? • Have you noticed differences between regions?
5	Digital, Loyalty & Convenience	<ul style="list-style-type: none"> • Have you used airport pre-order or click-and-collect? • How do you feel about offers via apps or loyalty? • Do you prefer browsing online or spontaneous shopping? • How important is convenience?
6	Generational, Cultural, Regional Differences	<ul style="list-style-type: none"> • Do people your age shop differently? • How do friends/family view airport shopping? • Do your habits change across regions? Why?
7	Sustainability and Ethics	<ul style="list-style-type: none"> • How important is sustainability? • Do you expect airports/brands to highlight environmental practices? • Would sustainability influence brand choice? • Do eco-friendly claims affect your interest?

A.8. Focus groups – Questionnaire (2)

Sr. No.	Section	Questions asked during interview
8	Case Study-Specific Prompts	<ul style="list-style-type: none">• Luxury Domain Performance — perceptions of luxury shopping and value.• Daigou — bulk buying abroad for resale.• Currency Impact — effect of currency fluctuations.• Regional Arbitrage — preference for shopping abroad.• Tobacco Regulation — changing availability and laws.
9	Expectations and Future Improvements	<ul style="list-style-type: none">• What would make airport shopping more enjoyable?• What could airports/brands improve?• How will airport shopping evolve?
10	Wrap-Up	<ul style="list-style-type: none">• Describe airport shopping in one word.• Anything else to share?



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