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Scotch whisky makers pursue airport shoppers despite lagging duty-free spending

Global travel retail sales hit £3.2bn in 2025, leaving a $5bn gap from weaker spending per passenger

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Scotch whisky producers are trying to turn a recovery in global travel into stronger airport and duty-free sales, even as spending per traveler remains below pre-pandemic patterns and competition for attention inside terminals grows more intense.

The Scotch Whisky Association said global travel retail sales of Scotch reached £3.2bn in 2025. Blended Scotch accounted for £2bn of that total, while single malts contributed £1.2bn. Industry data cited by companies in the sector show whisky makes up about one-third of all spirits sold in global travel retail, underscoring how important airports, ferries and other duty-free locations have become for Scotch makers.

That matters beyond whisky. Travel retail is one of the few international sales channels where spirits companies can reach large numbers of consumers from many markets at once, test premium releases and limited editions, and recruit first-time buyers. For the wider beverage industry, the channel can shape brand visibility and pricing power, but it also exposes producers to high operating costs and uneven customer spending.

The rebound in air traffic has helped restore the market after the sharp collapse caused by the Covid-19 shutdowns of 2020 and 2021. Passenger flights fell about 90% during that period, severely damaging duty-free sales. In 2025, airlines carried almost 10 billion passengers, nearly 7% above the pre-pandemic level, according to the International Air Transport Association. IATA expects passenger numbers to rise another 3% in 2026.

But higher passenger numbers have not produced a full recovery in spending at airport shops. Consulting firm Oliver Wyman estimated that duty-free and travel-retail sales in 2025 were still 0.2% below 2019 levels. The firm said that implied a roughly $5bn shortfall compared with the amount the industry would have taken in if spending per passenger had returned to pre-Covid levels.

Even with that gap, Scotch remains one of the strongest categories in the channel. IWSR said Scotch whisky sales in global travel retail grew 10% in 2025, making whisk(e)y the main growth driver in the segment. The researcher also expects Scotch to offer the biggest growth opportunity through 2030, despite rapid gains by agave-based spirits.

Some in the industry believe the upside could be larger than current forecasts suggest. Andrew Cowan, managing director of global travel at Diageo, said at a recent duty-free conference in Cannes that travel retail could deliver stronger structural growth if retailers and brand owners improve how they connect with passengers during the

journey. He said many travelers are looking for products that feel specific to the trip as well as for a distinctive shopping experience.

Cowan said passenger numbers could rise by 6% a year over the long term. He added that alcohol retailers already convert about one-third of that traffic into the category, giving the sector a built-in growth tailwind if more travelers can be drawn into stores.

The challenge is getting those travelers to stop. Andrew Bardsley, brand director for prestige and champagne at Pernod Ricard Global Travel Retail, said the window to engage passengers is very short. In his view, brands have roughly 10 to 15 seconds to get attention in an airport environment where food and beverage outlets compete directly with alcohol stores for foot traffic and impulse spending.

That pressure has pushed brands to invest in large displays, exclusive finishes and travel-only bottlings. Bardsley said special products are important because travelers want to find something different when they shop away from home. He also said the cost of securing prime retail space in airports is high, forcing companies to weigh commercial returns against the value of brand exposure.

For airport operators, whisky remains one of the most dependable traffic drivers. Fraser Brown, retail director at Heathrow Airport, said a bottle of whisky is sold there every 30 seconds. He said the category continues to attract travelers looking for gifts, limited editions or a product tied to the trip itself.

Diageo said only 11% of passengers currently visit an alcohol duty-free fixture, suggesting that most potential customers still walk past the category. But among those who do buy spirits in travel retail, average spending is high. Cowan said the average purchase is about $85 a bottle, roughly four times the average domestic purchase.

The channel is also important for customer acquisition. Cowan said 55% of duty-free alcohol buyers are purchasing a product for the first time. That makes airport retail more than a sales outlet. It is also a place where producers can introduce new labels, premium expressions and unfamiliar styles to shoppers who may later buy them again in domestic markets.

Price still matters, but industry executives say it is no longer enough by itself. Barry Geoghegan, founder of brand consultancy Duty Free Global, said consumers can easily compare prices online, which means they are more likely to buy products with a clear story or a distinctive reason to purchase. He said the U.S. travel market generally requires at least a 15% price advantage to support sales.

Asia remains a major target for future expansion, although conditions differ widely by market. Bardsley said growth in parts of Asia is still at a low level, but companies continue to see strong potential there. India is viewed as especially attractive, while China remains more difficult.

Geoghegan said companies that want to sell in Chinese airports often have to participate in airport e-commerce systems as well. Even so, he said those platforms can offer access to very large customer databases, including millions of buyers who have already purchased Scotch.

South Korea has emerged as another area of interest, especially through the internal duty-free market on Jeju Island. Geoghegan said a change in allowances there has altered buying patterns. Korean shoppers are now allowed to buy two bottles of alcohol up to a combined value of $400 six times a year, compared with a previous limit of one bottle up to $400. He said the change has shifted demand toward older Scotch whiskies priced in the $150 to $200 range, with many shoppers buying two bottles to use the full allowance.

Cruise travel is also gaining attention as a sales and marketing venue. Industry consultants say cruises give brands more time with consumers than airports do because passengers are not rushing to board flights or move through security. That creates more room for tastings, master classes and other activities that explain a brand’s history and production methods.

For drinks companies, that wider lesson is becoming clearer. Travel retail is no longer just a place to sell discounted bottles to captive passengers. It is increasingly a global showroom for premium spirits, a testing ground for new packaging and exclusive releases, and a channel where first-time purchases can influence later sales across whisky and other beverage categories.