South Korea Travel Retail Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** Travel Retail & Duty Free (Retail)
> **Source:** https://www.mordorintelligence.com/industry-reports/south-korea-travel-retail-market
> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 8.92 billion
Projected Forecast (2031)	USD 8.92 billion
Growth Rate (CAGR)	7.96 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

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![Major players in South Korea Travel Retail industry](images/chart_2.png)

![South Korea Travel Retail Market (2025 - 2030)](images/chart_3.png)

![South Korea Travel Retail Market: Market Share by Product Type, 2025](images/chart_4.png)

![South Korea Travel Retail Market: Market Share by Traveler Demographics, 2025](images/chart_5.png)

![South Korea Travel Retail Market ](images/chart_6.png)

![Icon](images/chart_7.png)

![footer background image](images/chart_9.png)

![Mordor Intelligence on Facebook](images/chart_11.svg)

![Mordor Intelligence on Pinterest](images/chart_13.svg)

![Mordor Intelligence on Instagram](images/chart_14.svg)

![ESOMAR](images/chart_16.png)

![GPTW](images/chart_18.png)
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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market Overview

Study Period | 2020 - 2031 |
Forecast Data Period | 2026 - 2031 |
Base Year Market Size (2025) | USD 8.26 Billion |
Market Size (2026) | USD 8.92 Billion |
Market Size (2031) | USD 13.09 Billion |
Growth Rate (2026 - 2031) | 7.96 % |
Market Concentration | High |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

South Korea Travel Retail Market Analysis by Mordor IntelligenceThe South Korea travel retail market size is expected to grow from USD 8.26 billion in 2025 to USD 8.92 billion in 2026 and is forecast to reach USD 13.09 billion by 2031 at 7.96% CAGR over 2026-2031. This performance demonstrates a robust rebound from pandemic-era disruption as flight schedules normalize, cruise itineraries resume, and the policy environment turns supportive. Demand is anchored by the return of group tours from mainland China, historically the single largest spending cohort, alongside steady gains from other Asian source markets and the United States. Retailers are also benefiting from the government's decision to raise duty-free alcohol limits to 2 liters at a higher value ceiling and to expand the perfume allowance to 100 ml, thereby widening the typical tourist basket. Operators have rapidly scaled AI-powered dynamic pricing systems that recalibrate shelf prices multiple times per day, improving conversion and margin management while supporting inventory optimization. New revenue streams are emerging from growing cruise passenger volumes in Busan and Jeju, the proliferation of medical wellness tourism, and the bundling of K-culture merchandise that monetizes the global Hallyu wave. Although airport concessions remain the dominant channel, consumers increasingly seek seamless omnichannel experiences that integrate pre-order mobile platforms, downtown pick-up, and immediate tax-refund services, signaling the next phase of digital transformation in the South Korea travel retail market.

Key Report Takeaways

* By product type, fragrances & cosmetics commanded 39.94% revenue share of the South Korea travel retail market in 2025, while Wine and Spirits is forecast to post the fastest 15.33% CAGR through 2031.
* By distribution channel, airport stores held 82.12% of South Korea travel retail market share in 2025; cruise liners are set to expand at an 17.78% CAGR to 2031 as Busan consolidates its status as a Northeast Asian cruise hub.
* By traveler demographic, leisure tourists accounted for 55.86% of the South Korea travel retail market size in 2025, whereas medical and wellness tourists are projected to grow at a 13.01% CAGR through 2031 as cosmetic-surgery demand escalates.
* By geography, the Seoul Capital Region retained 68.71% share of the South Korea travel retail market in 2025; Jeju Island is advancing at an 11.05% CAGR on the back of cruise tourism recovery and wellness positioning.

Key Market Trends

South Korea Travel Retail Market Trends and InsightsDrivers Impact Analysis*

Driver	(~) % Impact on CAGR Forecast	Geographic Relevance	Impact Timeline
Return of Chinese group tours & easing visa rules	+2.1%	APAC core, spill-over to Seoul Capital Region	Medium term (2-4 years)
Increased duty-free alcohol allowance & tobacco quota adjustments	+1.3%	Global, concentrated in Seoul & Jeju	Short term (≤ 2 years)
K-culture fandom-driven merchandise bundling	+1.8%	Global, strongest in APAC and North America	Long term (≥ 4 years)
AI-powered dynamic pricing & digital twin store fronts	+0.9%	National, early gains in Seoul, Busan, Jeju	Medium term (2-4 years)
Rising demand for premium tequila & craft spirits	+0.7%	Global, led by Seoul Capital Region	Medium term (2-4 years)
Resumption of cruise itineraries boosting port retail footfall	+1.2%	APAC core, focused on Busan & Jeju	Long term (≥ 4 years)

Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

The South Korea travel retail market is highly concentrated, with a small group of major players dominating overall revenues. Lotte Duty Free leads the market, driven by its broad presence across major airports and a well-developed digital membership program that boosts customer engagement. The Shilla Duty Free holds a strong position as well, setting itself apart through exclusive partnerships with premium brands and an expanding international footprint, including operations in Singapore, Hong Kong, and upcoming locations in Phuket and Tokyo. Shinsegae Duty Free, Hyundai Department Store Duty Free, and Hanwha Galleria also play key roles, together accounting for a substantial portion of the market.

Margin pressure persists as concession fees normalize and labor costs edge higher, prompting a focus on operational efficiency and tech-driven personalization. AI-enabled price engines, mobile checkout, and retail media networks are common investment themes across leading operators. International diversification acts as a hedge; for instance, Lotte Duty Free’s Dior pop-up at Da Nang Airport reflects a strategy of exporting Korean retail know-how to fast-growing Southeast Asian markets.

White-space opportunities include cruise retail, medical tourism concierge services, and K-culture merchandise, areas where smaller specialists can carve a niche. Cross-border e-commerce platforms remain disruptive, but ongoing crackdowns on daigou resellers offer traditional players a respite. Strategic alliances between retailers and beauty conglomerates exemplified by Coty’s updated joint business plan with The Shilla Duty Free signal a shift toward vertically integrated product pipelines that secure exclusive demand generators. Overall, technology adoption speed and merchandising agility will determine competitive advantage over the next cycle of the South Korea travel retail market.

South Korea Travel Retail Industry Leaders* Lotte Duty Free

* The Shilla Duty Free

* Shinsegae Duty Free

* Hyundai Department Store Duty Free

* Hanwha Galleria Duty Free

* *Disclaimer: Major Players sorted in no particular order

Scope Methodology P Space

For this report, the South Korea travel retail market is measured as the value of goods sold to travelers through duty-free and travel-oriented retail points, where the purchase is linked to a trip and traveler eligibility.

Scope exclusions: We exclude regular domestic retail sales that are not tied to a travel event (even if the same brands are sold).

Segmentation Container

* By Product Type* Fashion and Accessories
* Wine and Spirits
* Tobacco
* Food and Confectionery

* Fragrances and Cosmetics
* Other Product Types (Stationery, Electronics, Watches, Jewelry, etc.)

* By Distribution Channel* Airports
* Cruise Liners
* Railway Stations
* Other Distribution Channels

* By Traveler Demographics* Business Travelers
* Leisure Travelers
* Visiting Friends & Relatives (VFR)
* Medical & Wellness Tourists
* Student Travelers

* By Geography* Seoul Capital Region (Incheon & Downtown)
* Jeju Island
* Busan & Southeastern Region
* Other Regions

Frequently Asked Questions

What is the current value of the South Korea travel retail market?

The market is valued at USD 8.92 billion in 2026 and is projected to reach USD 13.09 billion by 2031.

Which product category holds the largest share in South Korea travel retail?

Fragrances & Cosmetics leads with 39.94% share thanks to Korea's globally recognized K-beauty brands.

How fast is the wine and spirits segment growing?

Wine and spirits is expanding at a 15.33% CAGR, the fastest among all product groups.

Why is Jeju Island considered a high-growth geography?

Jeju benefits from cruise tourism recovery, visa-free entry for certain nationalities, and a strong medical-wellness proposition, resulting in an 11.05% CAGR.