

Audio clips: Ajmal Perfumes' king of fragrances sees opportunities ahead



Abdulla Ajmal, Deputy COO of Ajmal Perfumes

COVID-19 has battered the travel retail industry and even companies run by the savviest executives have been impacted.

Take Dubai-based Abdulla Ajmal, Deputy COO of Ajmal Perfumes, who's the third generation of his family to helm the prestige fragrance business.

"It's a tough period," he admits in an interview with *Gulf-Africa Duty Free* magazine. "Retail is affected and travel retail is horribly affected. I reckon it's going to continue for some time."

Travel retail is a small but significant part of Ajmal Perfumes' business. Before the COVID-19

pandemic struck, the company had a lot of aspirations for growth in markets beyond the Middle East as well as other travel retail areas which unfortunately aren't going to happen, says Ajmal. Its ambitious plans were focused on Europe.

Asked whether travel retailers will want to carry new brands following the unprecedented crisis, Ajmal thinks that although buyers will want to invest in certain products, this may not be for new brands they're unaware of.

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Ajmal says that the crisis has meant that cash is king and survival is key. “Right now it's not about offsetting losses, it's about cash flow. The immediate need of the hour is to stay afloat.”

Opportunities ahead

The crisis could, however, result in opportunities to strike business deals. “It's also about taking advantage of the situation if possible, if there are deals to be done,” he says. “I would be very keen on looking at acquiring brands as a growth strategy. It would be an opportunity purchase, a brand we can develop.”

Ajmal reports that the amount that the UAE government has spent on sanitizing and taking control of the situation has been heartening. It converted a large convention center into a COVID-19 hospital and is continuing to spend a huge amount of money, announcing relief packages way ahead of everyone else.

Dubai started opening up from the first day of Ramadan but with huge restrictions, followed by Abu Dhabi and Al Ain.

Now, in stores that have reopened, product sampling is not allowed in the fragrance category for hygiene reasons. “It's not the same,” says Ajmal. He notes that customers have been coming in during the seasonal Ramadan period to buy products they know and want “exactly”. Ajmal Perfumes is giving away a lot of testers for home.

Value is vital

Ajmal Perfumes has kept its full team in place and is not considering any retrenchment. But the company has taken some measures, including a 30% salary cut for everyone for three months and the directors foregoing their dividends. “When it comes to manpower we're sensitive to that. We don't look at retrenchment. I hope and pray that we don't reach that level. Our staff have great trust in us.”

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online advertising. This is bringing us closer to an omnichannel business.”

Travel retail will take some time to recover, believes Ajmal. Having said that, brands will have to be very proactive about giving deals, promotions and good offers, as value is going to be critical for consumers. If niche luxury brands want to improve business in travel retail, they should concentrate on product novelty, including travel retail exclusives and launches before the domestic market, as well as the price advantage. “This means as a supplier we will have to compromise on our margins even more now,” he says.

However, there is a silver lining on the post-pandemic horizon: the crisis has turbocharged Ajmal Perfumes’ online sales. “We have grown our online business 15 times in the last three months. About a month ago we asked our team to put more impetus into the e-commerce part of the business, instead of resources into online advertising. This is bringing us closer to an omnichannel business.”