

Dubai Duty Free interview: McLoughlin's words of wisdom in crisis



Colm McLoughlin conducting the Dubai Duty Free Millennium Millionaire Draw at DDF head office

Colm McLoughlin, Executive Vice Chairman & CEO of Dubai Duty Free, hasn't lost any of his trademark Irish good humor as he speaks to me via Zoom video conferencing (which will be shared in our upcoming digital magazine) from Dubai. He's officially back in the office after 10 weeks of lockdown imposed when the COVID-19 pandemic struck.

"I've been coming into office almost every day since the lockdown started for various discussions, but I'm now back in work officially," he says.

So how is Dubai Duty Free adapting to the crisis? "It is very difficult to adapt, to be honest, because

this happened and eventually everything was closed down. We thought at that time it would be like one of those previous instances where it would be short-lived, short-term and over and done with, but of course we all know now that that is not the case.”

He continues: “We reacted at the beginning like it was a short-term thing but then we had to adjust our thinking into realizing it is much more elongated than that and much more serious. And of course, it’s still serious, because in most places in the world new cases are being identified as positive every day, although the numbers have come down. If you take the United Arab Emirates, for example, the government has been doing fantastic work here and the cases have reduced considerably from around 900 at a peak to 400 per day, with very few casualties. So, we just keep our fingers crossed that in time we will get back to normal.”

But McLoughlin is prepared for a long haul ahead. “It will be a long time in our opinion before the business comes back to the 2019 level. Every airport in the world and every airline in the world is introducing safety measures, and testing where necessary, and so on. We just hope that they continue doing that.

“In Dubai Duty Free, we have had a total of 266 positive cases amongst our staff, mostly of which thankfully have been asymptomatic. Currently there are around 24 staff in self-isolation. We tested over 4,200 employees and everything is under control and it's been dealt with correctly.”

New shopping services

Dubai Airport closed down for passenger traffic on March 25. After more than two months, Dubai Duty Free reopened its retail area in Concourse B in early June, followed by its Terminal 2 operation two weeks ago, which is being frequented by customers. However, McLoughlin reports that a lot of the passengers at Dubai International Airport are people that have been repatriated, so their spending is not high.

Dubai Duty Free has introduced a number of health and safety measures. There are two-metre controls for social distancing, and partitions have been installed to designate the store entrance and exit. All staff wear masks, and some are acting as ushers to help passengers.





Several new services have been added, including a Concierge service. As part of this service, if a customer identifies products they would like to buy, staff will select them, pick them up and pack them.

Dubai Duty Free has introduced a Home Delivery service, where people order online and the items are delivered to their home, thanks to an agreement with Customs.

“We’ve had 46,000 hits since we started about seven days ago and we’re doing some sales with it,” enthuses McLoughlin. “We’ve sold 1.5 million dirhams (US\$410,000) worth of merchandise, so we’re happy with that.”

Also, the Click & Collect service has been reintroduced for passengers, where they can order online and pick up their items from a collection desk at the airport.

Traffic and sales hit

McLoughlin is expecting business to pick up soon. In the last week, the government has announced that from July 7 onwards, tourists and visitors will be allowed into Dubai potentially without a 14-day quarantine. They will be subject to a scan in Arrivals to ensure that they are virus-free. “We’re keeping our fingers crossed that it’s going to be very good,” he says.

Dubai International Airport remains quiet in comparison to last year. Last year, the airport welcomed 89 million passengers, and the forecast for this year is now 25 million. Traffic numbers were up during January and about level in February, but since that time they have been going down. Traffic during June stood at about 83,893 people, whereas in the same month last year it was nearly 7 million.

Dubai Duty Free’s overall sales for the year are down by 57%, McLoughlin reports. The operator generated over US\$2 billion in sales in 2019; on the traffic forecast it has for this year, its maximum

sales will be about US\$600-700 million.

On a normal day a year ago, there would be 300-400 flights in both departures and arrivals, but the daily average is now about 40. "We're hoping after July 7 an announcement that this will increase and we're basing our forecasts on the fact that it will increase. But just like everything else, we'll just have to wait and see what happens."

Look after the customers

Sports sponsorship has always been an intrinsic part of Dubai Duty Free's operation, and McLoughlin is delighted to report that so far, the company is going ahead with its preparations for the Dubai Duty Free Golf World Cup in November. "We're planning for it, but it depends on the pandemic whether it happens or not," he says.

The Dubai Duty Free Irish Derby is being run at The Curragh in Ireland this Saturday, June 27, but without any spectators. "We've been going to The Curragh in Ireland for 18 years; attendance was over 20-30,000 people, but there will be no spectators this year."

The Dubai Duty Free Irish Open Golf, which was scheduled for the last week in May, has been postponed and it may be held sometime later this year. Meanwhile, the horse racing at Newbury in April was cancelled, as was the Dubai Duty Free Shergar Cup at Ascot racing scheduled for August.

So what's McLoughlin's advice for other retailers? "The only advice is to be patient and do the best you can to look after the customers. And here's a new word we invented last week - we'll have a 're-success'."

Looking forward

Any other messages for our audience? "We miss them and we're looking forward to their full return," he says.

Family-wise, his wife Breeda is well, having been locked down for 10 weeks, as has his son Niall and his wife Sherly, who live in Dubai.

McLoughlin, now 76 years young, is getting used to the 'new normal' of life in a pandemic, "obeying the rules" by wearing masks and gloves.

He's new to Zoom video conferencing - "somebody else comes and presses the buttons for me!" he smiles.

He finishes our interview with a tale of his failed visit to a shopping mall. "The over-60s were not allowed into malls. I went to one and they looked at me like I had six heads. I said, 'What makes you think I'm over 60?' and the young man replied, 'I'll need to see your ID'."

We're hoping to hear his roars of laughter in person very soon.





