

Jordanian Duty Free responds to the wake-up call



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Jordanian Duty Free Shops (JDF) is embarking on a new digital strategy as it emerges from a tough three-month lockdown period due to the pandemic.

Borders around the kingdom are currently closed to international travel in response to COVID-19, and most of its stores remain shut. But the operator's Boulevard Shop in downtown Amman is open, along with Aqaba Gateway in the south of Jordan.

JDF management is focused on boosting sales in these stores, while creating a healthy and safe environment for customers, according to CEO Haitham Al-Majali. The company has applied a strict set of measures, such as frequent store sanitization. Staff are constantly tested for the virus and social distancing is enforced.



Haitham Al-Majali, CEO, Jordanian Duty Free

In addition, the operator has extended its store at the Boulevard (pictured below), adding more space for a new and bigger range of premium products to tempt customers.



While the land borders remain closed, the Jordanian government announced the return of commercial flights and reopened Queen Alia International Airport in early September, after six months of closure.

However, travel restrictions remain, and strict quarantine rules are in place depending on the passenger's country of origin.

But in a very recent government press conference, the Minister of State for Media Affairs and the Minister of Transport announced plans to reopen land borders and the seaport of Aqaba for travelers, without giving exact dates.

Despite Jordan's three-month lockdown period from mid-March to early June, JDF was among the companies that maintained a relatively healthy financial situation, and its employees were not affected by the coronavirus outbreak.

In further positive news, construction work has resumed on JDF's new project called The Fountain, a large commercial and entertainment complex in the Red Sea port city of Aqaba. Construction is nearly complete, and JDF expects to start operations and welcome visitors in early 2021.

Store refurbishments

In another major development, JDF is also following technological trends to better serve its customers and partners.

"We are currently studying the strategy of boosting our operations and market penetration through heading towards e-commerce," said Al-Majali. "I believe COVID-19 unveiled the importance of technology, where we have immediately responded to this trend and altered our strategy to adapt to it."

He continued: "We are also in the process of internally developing the company's compliance with international standards. Our Business Development and Strategy Unit is working with all departments and outsourced business consultancy and auditors to apply the international standards for Quality

Management and Risk Management, to prepare the company for the digital transformation era. Having a holistic approach on all that can help the company grow and prosper.”

Al-Majali believes the pandemic has taught some valuable lessons. “COVID-19 has been a learning experience for all companies around the world,” he said. “For our company, the virus has given us a wake-up call, and gave us the time to sit back and think more strategically, and concentrate more on how to better serve our customers, our partners and merchandising our products within the stores. Our staff are currently working on a plan to refurbish the stores and provide our customers with a unique shopping experience, from the moment they enter the store until the time they walk out of it.”

The border shutdown and uncertainty remain as major challenges for JDF. Since the beginning of the pandemic, the tourism sector has been badly hit, and the numbers of tourists almost dropped to zero, meaning that one of its main passenger segments “almost vanished”, noted Al-Majali.

“This resulted in slow movement of items and a piling of stocks. When the pandemic started spreading, and the borders were closed, the company halted all its purchasing orders, and we were faced with the challenge of how to sell those products when there are no tourists. Luckily today, we still have our diplomatic missions as another major segment of customers. We also believe that the Government of Jordan’s positive approach towards reopening the economy and the borders will help us resume our operations in our stores around the kingdom.”

Fortunately, despite the economic setback due to COVID-19, JDF enjoys a healthy financial situation, while maintaining high cash liquidity, and is looking to invest in several projects as part of the company’s strategy.