

High Flyers

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As Dubai Duty Free once again breaks records and sets major new milestones during its 41st year, the company is readying its roadmap to lead the charge for a new era

Effective from 1 June 2024, Ramesh Cidambi was appointed as the new Managing Director of Dubai Duty Free. Reporting directly to H.H. Sheikh Ahmed bin Saeed Al Maktoum, President of Dubai Civil Aviation Authority and Chairman of Dubai Duty Free, Cidambi had previously spent eight years as the company's Chief Operating Officer. He had first joined back in 1988, as head of the retailer's IT division, and has steadily risen through the ranks over the past 36 years – playing a key role in growing the company into not just one of the world's largest airport retailers in a single location, but one of the biggest and best travel retail operators across the globe.

ABOVE: Dubai Duty Free has been operating for over 41 years, having celebrated its 40th anniversary on 20 December 2023

A month earlier, Dubai Duty Free had claimed the title of “Best Duty Free Shopping in the Middle East” at the *Business Traveller Middle East Awards* for the 23rd year in a row. It was one more accolade among the 780 awards the company has earned both regionally and globally since it first opened in December 1983. Beyond its own success, the company has also played an instrumental role in establishing Dubai's position to the world, and acted as a major contributor to the UAE economy.

During the first 11 months of 2024 alone, the company recorded US\$1.94 billion in sales. The year before, it hit a record US\$2.16 billion – an impressive figure showcasing a 24.39 per cent growth from 2022, and rising 6.40 per

cent above its pre-pandemic levels. Barring 2020 – when like many others, it was affected by the COVID-19 pandemic – the company has seen a steady year-on-year increase every single year since its establishment in 1983, when it had recorded a cool US\$20 million in its first-year sales.

“In terms of the business, I think the defining story of the last five years would have been the catastrophe that was [the COVID-19 pandemic], and the recovery from that. During the year 2020, when the impact of COVID was at its maximum, the airport did about 26 million passengers. Most of the 26 million were in the first three months of the year. The airport shut down on 25 March. And we shut our shops on the 25 March, reopening



on 3 June. In the whole month of June, we did half the number of passengers that we normally would in one day,” Cidambi says.

Cidambi tells us that they recorded 105,000 passengers in June of 2020 – for context, on a normal day, this figure would hit about 240,000. “[The pandemic] was very dramatic,” he says, sharing that the business only took in US\$697 million in 2020. Before that, the travel retailer had achieved a new record of US\$2.029 billion in 2019. By 2021, their passenger numbers had recovered a little, coming back up to 29 million passengers and sales of US\$976 million. In 2022, passenger numbers went up to 66 million and sales of US\$1.74 billion. Then in 2023, passenger numbers recovered so much that they reached around 88 million, with sales now exceeding US\$2 billion. From a staffing perspective, too, their numbers are now equal to or even slightly higher than what they were pre-COVID. During our interview, Cidambi recited these numbers from memory, reflective of his laser-sharp focus.

It's an inspiring comeback story achieved in record time. It's also not hard to see that the leadership behind this team, from Cidambi himself to his predecessor, Colm McLoughlin – a visionary force who had a pioneering impact on the company for more than 40 years – has played an enormous role in its success. McLoughlin's legacy wasn't just to leave behind a successful company, but also, a team of people who also



bring an exceptional philosophy to the table – including Cidambi.

“In terms of retail success, we've had a 40 year [track] record. We have been profitable without exception until 2020, and 2020 was the only year where we made a very small loss, before we once again became profitable by 2021 onwards. Including 2024, that means we've been profitable for 40 out of the 41 years of our existence. So when you take over a business like that, the first principle is to respect what

FROM TOP: A ribbon-cutting ceremony at Dubai Duty Free on 8 November 2024; Ramesh Cidambi

we have done in the past, while also being prepared to make changes for the future. Because the context changes.

“The emphasis in the past was promoting Dubai as a business and leisure destination, promoting the airport, and becoming the best Duty Free in the world – all of which were extremely important objectives. But now, the promotion of Dubai is also being [spearheaded] by many other entities, from the Dubai Economy and Tourism Department to Emirates Airlines, both of whom are big players. So for us, as a business, it's now more important for us to do more with the passengers, and utilise our position at the airport,” Cidambi explains.

In terms of his leadership style, Cidambi says that as someone who has been in the business for such a long time, he is very clear-eyed about looking towards the future with facts-based expectations. His personal philosophy, however, is extremely people-focused. He believes that for those in leadership positions, “our job is primarily to make other people's jobs easier.” This includes being held accountable for making key decisions, and for the impact of those decisions. “[It's] a combination of being a coach while also helping your team reach their potential,” he says, adding: “We always keep in mind that we are a service organisation above all, so our primary purpose is to serve the passengers using the airport.”

Cidambi believes this multifaceted approach is essential to leadership in the current day. “Ultimately, it's a people's business. It's a cliché to say that people are what make the difference, but it's true. It's human beings with emotions, feelings, and thoughts who help you to achieve your objectives. And with the nature of retail, you have a very large base of people who are exposed to passengers day by day. [As a leader], it's a very asymmetrical relationship, wherein you can have a great deal of impact on their lives, but it's hard for them to have the same amount of impact on your life. So you have to be very cognisant of the power that you have in that – the effect of your words and your actions,”

he says. Cidambi firmly believes that great leaders should be able to take responsibility for their actions and support their team even when the chips are down – because “you can’t expect loyalty from your employees if you don’t look after them when things get complicated.”

Indeed, Cidambi has taken the reins at an incredibly pivotal time for the business – and continuing to invest in the people is still a key part of his vision. Looking ahead to the next five years, he says that he doesn’t expect anywhere near the acceleration of the past. “As the airport gets closer and closer to its capacity, both in terms of aircraft movements and its ability to handle the number of passengers, there will be more congestion. [This] means potentially less time for passengers to shop,” he explains. “The airport is absolutely doing whatever they can to mitigate that, but that is something we need to watch. We have to be realistic,” he adds.

“The second thing that we have to be aware of is that most geographies that are important to us from a destination point of view – such as the Indian subcontinent, Europe, North America, the Far East – have experienced high inflation in a general sense. [Across the world], the general cost of living has gone up,” he says.

As cocoa prices have increased, confectionary items have seen a 15 per cent price increase from 2019. On alcohol, price increases averaged 15 per cent, while in perfumes, it was 10-11 per cent. “In fashion, there have been significant price increases for exactly the same item,” he says. “If you compare 2019 to 2024, you will see double digit price increases in many categories. The cost of travel in general has also gone up,” he says, highlighting that these changes inevitably impact the spend per passenger. As DDF looks ahead, their focus in the coming year will be on increasing this spend. To do this, Cidambi believes the key is the human factor.

“In practical terms, it means more investment in the employees – training and motivating them. It [also] means more investment in renovation and



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refurbishment,” he says, keenly pointing out that as people have less time to get around, helping them access more of their favourite shops more easily will help them shop with more convenience.

And as modern shoppers increasingly crave immersive and interactive experiences from brick-and-mortar stores, creating a more attractive environment for shopping is essential – whether that’s getting better lighting, better flooring, new furniture, or new activations. These changes coexist alongside factors like price competitiveness and range – but even in Duty Free retail’s unique 24-hour environment, where you can’t shut down the shops so upgrades are harder, it’s a worthy investment. DDF is investing at least Dhs200 million into renovations and refurbishments, and Cidambi is certain that the benefits from 2026 onwards will be worth it.

They have also invested in the technology and sustainability aspects of the business, in the most practical ways. Enabling the acceptance of more currencies as well as different types of payment systems at point of sale, for instance – as well as utilising data to strategically improve the human aspect of the retail experience – both help to reduce friction and, once again, make things more convenient

for shoppers. Finding innovative ways to help passengers reduce stress and receive better service are among the priorities being improved through the information gleaned from technology.

When it comes to sustainability, the company’s focus is once again about giving customers more choice, and not taking away the convenience factor. Rather than enforcing people to switch out plastic bags (especially when DDF’s bags are famously sturdy – an essential component for purchases of heavy bottles, for instance), they offer both an eco-friendly as well as a classic option. The goal here is to help their customers transition to more greener practices without shaming them for their practical needs.

Dubai Duty Free has also invested in training their staff about sustainability. They have spent many years doing significant amounts of recycling, and even launched a line of products called Love Earth, featuring eco-friendly items that somehow give back. This community-minded aspect is reflective of the company’s many years of philanthropic efforts that have seen it supporting charitable organisations and eco initiatives within the UAE and beyond.

With a leadership team – and a business ethos – that believes in the importance of using success and profits to give back to the community, as Dubai Duty Free prepares for another winning trajectory, its city – and those who pass through it – also stands much to gain. **BT**

TOP: A Dubai Duty Free shop in Dubai International Airport’s Terminal 3, Concourse B West