

Ajmal scents global potential of its brand

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39 SCENT OF SUCCESS

With plans to open 100 outlets across the region in the next few years, Ajmal, a Dubai-based perfume producer, has its eyes set on global expansion.

AJMAL SCENTS GLOBAL POTENTIAL OF ITS BRAND

PERFUME COMPANY PLANS A MAJOR EXPANSION DRIVE IN THE MIDDLE EAST AND CONSIDERS INTERNATIONAL APPEAL OF BRAND

While perfume is viewed as a luxury item in most parts of the world, perceptions are a little different in the Middle East, where people tend to buy scents more as a basic necessity. It is a trend that Abdulla Ajmal, assistant general manager at Dubai-based Ajmal, one of the region's leading producer's of perfume is familiar with – and keen to exploit.

"The good thing is that perfumery in this region is almost like a basic need, like food and shelter. We have found that when people budget, they will budget for perfumery, which will constitute about 5% to 10% of their spending," he says.

And certainly, the market for perfume in the region is growing rapidly, and Ajmal has seen demand rise by an average of about 12% to 14% a year in the past few years. One of the main drivers of this growth is the region's growing population of young people – a trend that also indicates a buoyant market in coming years.

"In the GCC the majority of the population is still very young, so in our estimation, we are going to see a huge boost in the next three to five years because a good chunk of clientele will enter our target age, which is in our case about 25 plus," Abdulla says. "We have a lot of younger clientele and we will see a very large influx of clientele entering that stage where they have money, and they will spend accordingly."

Ajmal is planning to tap this burgeoning market through an ambitious growth strategy. The company intends to double the size of its retail operation in the Middle East and also intends to expand production at its Dubai-based factory three-fold.

Ajmal, which already has 102 outlets across the GCC including 35 in the UAE,



Abdulla Ajmal is optimistic that the Ajmal brand can compete on a global level.

hopes to open a further 100 stores in the next five years. It also intends to invest AED10 million to fund a major extension at its factory in Dubai by 2008.

"Times have changed and we cannot afford to grow at the same rate as we have been in the past," Abdulla says. "We will also establish distribution channels that will help us reach areas where we cannot be physically present.

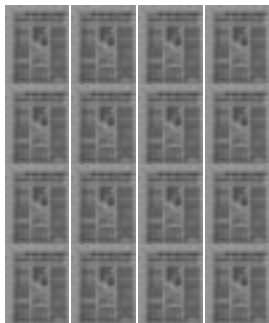
"We plan to expand our existing premises so that we are able to acquire additional storage space. Our production facilities will also receive additional equipment that will enable us to increase productivity three-fold. With very aggressive expansion plans, we want to be ready to be able to supply to our own demands," he adds.

The company also intends to make Ajmal available internationally, partly by forging strategic alliances and developing distri-

bution channels around the world. "This will be key in helping us export the Ajmal brand worldwide," Abdulla says. "We are at present available in 14 countries with an aim to expand that number to 20 by the end of the year. We have plans to start retail operations globally as well, but that will take time to commence."

But Abdulla is optimistic that Ajmal can enter the international arena successfully. The products are already sold alongside international brands in duty free stores, where sales are buoyant, and Abdulla takes a bullish approach to strong competition. "We have strong sales where we are already competing neck to neck with international brands. You have to look upward and always have to shoot for the stars. We have ambitions to go global and the fact of the matter is that competition will always be there. It keeps us on our toes, striving harder."

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