

# Watson<sup>97</sup>ON

When Everything Clicks -  
eLab Marks 2 Great Years





# Wats<sup>97</sup>ON

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# When Everything Clicks - eLab Marks ② Great Years



In 2014, A.S. Watson Group established eLab in Hong Kong, London and Milan to support the accelerated development of eCommerce business in Asia and Europe. The eLab is an in-house digital team working alongside each business unit to help engage customers online, advise on strategies, provide consultation, accelerate web and mobile development as well as enhance user experience.

Now, it's time to celebrate the eLab's 2<sup>nd</sup> anniversary.

# Focus Story

## Two Short Years, One Giant Leap

It's hard to believe how much has changed in just two years. Mobile phone penetration worldwide has risen from 25% to 31%; in many of our markets, smartphone penetration is almost universal, fuelling tremendous demand for eCommerce and mobile shopping options.

Anticipating the huge scale and rapid pace of this development, we launched eLab two years ago, backed by investment of US\$60 million to support our businesses across Europe and Asia as they advance their eCommerce capabilities. In the past 12 months alone, A.S. Watson has seen a significant growth in online global health & beauty sales, in a large part as a result of the work eLab has done, including launching and upgrading mCommerce apps and eCommerce websites.

"The global launch of eLab allows us to provide cost-effective support to all of our business units in ways that offer economies of scale yet can be adapted to local needs. It's providing a road map for inspirational eCommerce solutions."

**Andrew Ma**

Head of eLab Technology  
(Asia)

“There’s a lot of excitement around the hi-tech aspects of eLab, quite understandably. But it’s important to remember that at the heart of the eLab mission is something very simple: a focus on the customer.”

**Dan Jarvis**

General Manager of Group eCommerce  
(Europe)

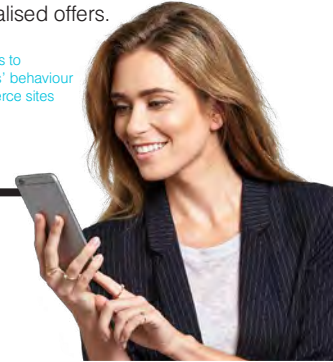
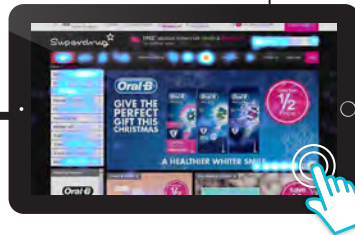
## Beyond the Transaction

Success in digital retailing is about providing more to the customers than just another way to buy a product. Consumers want convenience and speed, but they also want an engaging experience that suits their needs. The eCommerce platform is both a sales tool and an engagement platform – with the rise of social media, we understand that content matters in online marketing, therefore we capitalise the opportunity on eCommerce channels to provide shopping options with a rich range of engaging contents. We go

beyond transactions and think about interactions.

Globally, we have 120 million loyalty club members, and our eCommerce and mCommerce tools help us improve our relationship with them. By linking membership with apps, customers can earn points and rewards without having to carry around a card or collect physical vouchers. At the same time, we can provide personalised offers.

Heatmap analysis helps us to understand our customers’ behaviour and improve our eCommerce sites





## Fun Working Environment

To give our eLab staff a fun working environment, the eLab office is stylish and modern, and there's a range of social activities to keep the creative juices flowing. There's a relaxed feel and casual dress code to encourage openness and a lively exchange of innovative ideas.

eLab brings together talented young people with both commercial acumen and

technological ability; people's expertise ranges from user experience and market analysis to IT and engineering. Staff learn with and from each other, and there's an exchange programme between Hong Kong, London and Milan to encourage even more interaction and sharing of best practices – and to give our best talent a chance to gain international exposure.

# Focus Story

## Building on Success

As the pace of growth in eCommerce and mCommerce accelerates, customers' expectations of the shopping experience are also on the rise. That's why we continue to invest in the next stage of development for eLab. Reaching new generations of increasingly discerning and digitally savvy consumers means looking at fresh approaches to what we do, and rethinking current business models.

Success in this fast-moving sector depends on being agile, so we're constantly adapting and improving. We will harness technological developments to drive seamless integration with the A.S. Watson store network and enrich customer experience.



"The world is changing rapidly, and if we want to remain relevant to them, we have to keep moving too. That's why we're building new capabilities within ASW to support our growth, and most importantly to stay close to customers."

**Malina Ngai**

Chief Operating Officer  
A.S. Watson Group





## Just a **MOMENT**

**Kruidvat** has introduced the new Moments of Me luxury bath and shower products, which are designed to give users a moment of private indulgence through successful engagement with key social media influencers. The launch event led to social media exposure reaching more than 2 million people.



## Get the **FREEBIES!**

**Trekpleister** has launched a new campaign that rewards members with free Own Brand products. For every 5 Euros a customer spends, they receive a sticker and to redeem a free Own Brand product with these stickers. The scheme encourages trial of different products and gives shoppers a reason to visit more often.



Bij elke besteding van €5.- ontvangt u 1 spaarpunt. De spaarpunten zijn in 3 stappen te verzilveren.

**EIGEN MERK SPAARPUNT**

BIJ 12 SPAARPUNTEN **GRATIS** t.w.v. 0.75 - 1.50

GRATIS BIJ **12** PUNTEN

BIJ 18 SPAARPUNTEN **GRATIS** t.w.v. 1.80 - 3.00

GRATIS BIJ **18** PUNTEN

13 14 15 16 17 18

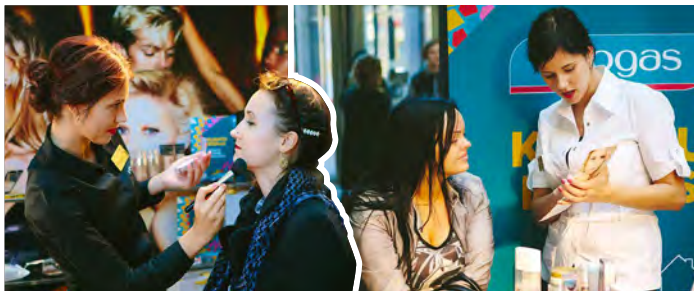
\*De producten uit de 3 groepen kunnen wisselen. Kijk in de winkel...



### Making a **SPLASH**

To launch the Optimum PhytoHydrate range with birch water as its main ingredient, **Superdrug** invited beauty journalists to a breakfast briefing session in London. Meanwhile in Belgium, more than 120 journalists, bloggers and influencers attended **ICI PARIS XL** press day which briefed the guests on the latest releases.

Superdrug  



### More **DELIGHTS**

**Drogas Latvia** underlined its role as a centre of hair, make-up and skincare expertise with a series of pampering events. There were demonstrations, contests, discounts and gifts to reward its customers.





## Thanks a **MILLION**

**Watsons Taiwan** celebrated reaching one million Facebook fans with a special game to thank loyal members. It shot a 360-degree photo in the store displaying all the products that have hit a million sales. Facebook fans could search out hidden 'million' icons in the photo for the chance to win special prize.



## Going **PLACES**

A promotion to celebrate the rollout of Alipay to more than 100 **Watsons** stores in **Hong Kong** and **Macau** was held during Double 12 shopping day and led to a huge surge in transactions and store traffic. **Watsons Singapore** jumped into 2017 by launching an mCommerce app to support the increasingly mobile-savvy shopper. Users can now browse, buy, receive special offers and even earn seasonal gifts via the app.



*Try the new app!*



## Looking **FANTASTIC!**

**Watsons Malaysia** ushered in the Chinese New Year with a #happybeautifulyear music video which reached 1.4 million views on Facebook in less than one week. Meanwhile,

**Watsons Philippines** ran the Eyes on Fleek campaign to deepen its positioning as a beauty expert, and promote the eye make-up category. The campaign showing how to achieve the hottest new looks was a huge online and offline hit.



GET YOUR  
*eyes*  
ON FLEEK



## **BEAUTIFUL** days

**Watsons Thailand** created tremendous buzz around the launch of Bank of Beauty campaign – a way customers can earn 'WINK' points that can be spent as money on selected health and beauty products. Meanwhile, **Watsons China** and Neutrogena co-branded an event at which artist Ariel Lin shared her skincare tips and her favourite products.



## Rest **ASSURED**

Cracked screens and broken buttons of the electronics are big headaches for customers. **FORTRESS** answers customers' need by extending warranty services on electronics and launching a Pro-Team to help troubleshoot problems via a series of hilarious promotions and a TV commercial.



## Festive **FUN**

**Watsons Water Hong Kong** marked the festive season with a Facebook game based on the popular real-life game of bottle flipping. Consumers could play the online game and share their own bottle-flipping videos. For the New Year, **Watsons Water China** used the WeChat app to link the brand to fun experiences. Its "FUN" platform allows user access to great seasonal games and earn rewards.



# Recent Awards



## A.S. Watson Group

2016 Social Capital Builder Awards -  
Outstanding Social Capital Partnership Award (Corporate)

Social Capital Builder Logo Award (2016 - 2018)  
(by Community Investment and Inclusion Fund, Labour and  
Welfare Bureau, HKSAR Government)



## A.S. Watson Group

15 Years Plus Caring Company Logo  
(by The Hong Kong Council of Social Service)

 watsons

 豐澤 FORTRESS

 PARKnSHOP



 great

 TASTE

 Watson's Wine



## A.S. Watson Industries

10 Years Plus Caring Company Logo  
(by The Hong Kong Council of Social Service)

 watsons

## Hong Kong

Social Capital Builder Logo Award  
(by Community Investment and Inclusion Fund of the Labour  
and Welfare Bureau)

## China

Employer Excellence China 2016  
Excellence in Organisation Development 2016  
(by 51JOB.COM)

Work Different Employer in Guangzhou 2016  
(by Liepin.com)

Best Employer in Guangzhou 2016  
(by Zhaopin.com)

## Singapore

Excellent Service Award 2016  
(by Singapore Retailers Association)

## Thailand

Superbrands 2016  
(by Superbrands Thailand)

The Cleo Beauty Hall of Fame 2016  
(by Cleo magazine)

Sunscreens of 2016 Best Easy-to-Apply Sunscreens for Body  
(by Cosmopolitan)

## Ukraine

Best Crisis-proof HR Solution 2015 - 2016  
(by Business Magazine)

Top 10 Retail Facebook-pages in Ukraine  
(by Socialbakers)



## Hong Kong

HK 50+ Award - Supermarket Category  
(by Christian Family Service Centre)

## China

Outstanding Retail Brand of 2016  
(by South Metropolis Daily)

Advanced Unit of Implementing Entity Responsibility of  
Safety in Production  
(by Administration of Work Safety of Foshan Municipal)

Tenant Best Sales Records in 2016  
(by King Glory Plaza)



## Belgium

Lifestyle & Brands 2016 Best Leaflet of the Year  
(Beauty Category)  
(by myShopi)

Best Tested Day Cream  
(by Testaankoop)

 Superdrug

Pure Beauty Awards 2016  
(by Cosmetics Business)



## New Store Openings



Watsons Hong Kong – Watsons bébé



Watsons China – Shanghai Daning Store



Watsons Malaysia – Kwasa Sentral & Pusat Bandar Damansara



ICI PARIS XL Belux – 4 new stores



Superdrug – Leicester's Fosse Park



Kruidvat – Kruidvat in the City

## ASW People

“ I like working for an organisation that challenges its employees to not sit still, but to be actively looking at what we can do differently and how we can improve the experience for our customers.

Teamwork is also important to me. In my 13 years with the company, I've seen how the company encourages you to work, share and learn together, giving me exposure and knowledge from different departments. There are so many amazing examples within our business of how Superdrug has nurtured talent from the shop floor up and allowed people to dream and succeed. I am one of those.

I also value the support and understanding I've had while balancing being a full-time working mum. It's not easy juggling being a mum and having a career, but compared to many of my mummy friends I feel lucky that my job has allowed me to have both. Working in retail is very challenging, but the culture here ensures that even on the most challenging days you know you can get through it. ”

### Gemma Mason

Head of Customer Service and Experience  
Superdrug

Years of service: 13 years

#### Awards:

2016 Worldpay Everywoman in Retail Ambassador Award





## Our Responsibility



### BREATHING easy

**Watsons Taiwan** teamed up for the third year running with Formosa Cancer Foundation to raise public awareness of lung cancer in women. The Love in Her, Love Your Lungs campaign was backed by its CSR endorsers and fitness trainers who demonstrated aerobic exercises to help women maintain healthy lungs. It helped raise NT\$1 million for the Formosa Foundation during the campaign period.



### DREAMS come true

**Watsons Singapore** is working with Olympic swimming champion Joseph Schooling to encourage young customers to develop their confidence, pursue their passions, and be a force for positive change. It has launched a Dream Tree which encourages people to reach for the highest goals, and made a donation to the Make a Wish Foundation.





## CHAIRMAN'S SPEECH

Mr Li Ka-shing delivered a speech at the Cheung Kong Group Annual Dinner 2017.  
Full speech is as follow:

“Dear Directors and Colleagues, it is always great to welcome the New Year with you all.

What a year 2016 has been. Rising economic and political tensions piqued by globalisation brewed populist sentiment and much discontent – reshaping politics and economies. The ripple effects of Brexit, rising rates and the strong dollar will spawn market uncertainties. Thus, even if there is modest growth we will need to stay vigilant.

Current challenges impelled us to strive always for best returns to shareholders. Looking forward, we shall cast our eyes far and wide to identify both dynamic and stable, long-term opportunities. I firmly believe our guiding principle “to advance while maintaining stability” will remain our thriving edge.

Since 1950, we have morphed from plastics manufacturing into a multi-national conglomerate that invests and operates in 52 countries; in property, infrastructure, telecom, retail, ports, energy, and aircraft leasing. When we acquired Hutchison in 1979, the A.S. Watson Group had 31 stores. Today our 606 stores proudly serve over 7 million residents in Hong Kong, and around the world in 22 countries – more than 13,000 stores serve many millions more.

Diversification overseas has always been and will always be the cornerstone of our corporate strategy. I am grateful for all your hard work and dedication that contributed to our success story. My vote of confidence in you all is reflected through my shareholdings in the group, which have only increased over the years. I will continue to work with you side by side for a brighter future.

The sigh of experience tells us that the “long arc of the moral universe” is a work in progress. It needs our conscious collective effort to bend it toward justice and compassion. This is why I started my foundation in 1980, and have gradually injected one-third of my assets to advance education reforms and to support medical research and healthcare initiatives. We have contributed more than HK\$20 billion over 30 years, of which over 80% of the projects are in the Greater China Region.

I dedicate my time and energy putting funds to work behind people and missions to effect positive and progressive impact that can make a difference for others. In changing times, the Foundation is my unchanging promise.

I often remind myself and my grandchildren that having the capacity to give is a blessing. Especially at times when people are anxious and fearful of the future, we need to be a formidable operator with a compassionate heart. While your duty towards shareholders compels you to net greater returns and perpetual growth, your duty towards the Foundation is to effect positive impact for our country and all humanity.

No doubt 2016 has been a difficult year, but thanks to each and every colleague's efforts our performance is expected to meet expectations. The coming year of the Rooster may usher in greater political and economic challenges, but the Rooster is a symbol for self-respect, ambition and perseverance. With prudence and agility, and with creativity and innovation we will sail through. I take this opportunity to thank everyone again for their hard work and to wish you all a happy New Year! ”



## About A.S. Watson Group

With a history dating back to 1841, the A.S. Watson Group (ASW) has evolved into the world's largest international retail and manufacturing business with operations in 25 markets worldwide.

Today, the Group operates over 13,300 retail stores running the gamut from health & beauty, luxury perfumeries & cosmetics to food, electrical & electronics and fine wine. Also an established player in the beverage industry, ASW provides a full range of beverages from bottled water, fruit juices, soft drinks and tea products to the world's finest wine labels via its international wine wholesaler and distributor.

ASW employs over 130,000 staff and is a member of the renowned multinational conglomerate CK Hutchison Holdings Limited, which has five core businesses - ports and related services, retail, infrastructure, energy and telecommunications in over 50 countries.

### Editorial committee

**Adviser** : Dominic Lai

**Editor** : Malina Ngai

**Members** :

- **Group Office** : Clare Forrester, Teresa Pang, Hanks Lee
- **Health and Beauty (Asia and Continental Europe):**  
Nuanphan Pat Jayanama, Jose Mes,  
Monica Hsu
- **Luxury Europe** : Michelle D'vaz, Marjolein Geenjaar
- **Manufacturing** : Kim Siu
- **Retail Hong Kong** : Winnie Chow
- **Designer** : J Chu

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Email: [WatsOn@aswatson.com](mailto:WatsOn@aswatson.com)  
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