

Watson¹¹⁵N

Here Comes Watsons –
the Long-Awaited Beauty Retail Brand
in the Middle East

Quarter 4 • 2020



watsons

Focus Story

Here Comes **Watsons** - the Long-Awaited Beauty Retail Brand in the Middle East





The Dubai launch marks an exciting milestone in A.S. Watson Group's history, and an exciting moment for customers in the region. This is our first venture in the Middle East, and that builds on decades of market-leading experience across Asia and Europe. We are delighted to bring local customers our world-class products, outstanding customer service, and retail innovations.

Dominic Lai

Group Managing Director
A.S. Watson Group



A.S. Watson Group is proud to launch Watsons, its health and beauty flagship brand, in Dubai, marking the brand's entry into the United Arab Emirates as well as the wider region, the Middle East.

The store, in the Dubai Mall, opened its doors on 1 October, along with a local eStore (Watsons.ae), a mobile app (Watsons UAE), and Watsons loyalty programme.

The launch is the result of the first franchise agreement in almost 180 years of A.S. Watson's history. This cooperation links Al-Futtaim, one of the most diversified and progressive privately held businesses in the region, with A.S. Watson Group, the world's largest international health and beauty retailer.



Tremendous Potential

The Dubai store opening not only marks Watsons' first foray into the United Arab Emirates but also the alliance of Gulf Cooperation Council (GCC) markets, and we see it as our stepping stone into the Middle East region.

The GCC markets have a huge health and beauty market for Watsons, and we predict strong potential for further growth. Part of this potential is demographic and economic; these are generally young markets, in which employment rates are being assisted by government job-creation schemes. In addition, social change is under way in these markets, and there is a potent combination of rising affluence and a desire to look good and feel great.

The skincare segment is one of the fastest-growing beauty categories, but until now, there has been no health and beauty retailer with the breadth of skincare expertise that Watsons can offer.

United Arab Emirates at a Glance

- Capital: Abu Dhabi
- Population: 9.77 million
- GDP Per Capita*: US\$43,103
- Median Age: 33.5 Years

**According to The World Bank 2020*

Bring the Best to Local Customers

As the leading health & beauty brand, Watsons is currently operating over 7,800 stores and more than 1,500 pharmacies in 14 markets.

Its promise is to help customers LOOK GOOD, FEEL GREAT every day, and is constantly innovating to stay ahead of fast-changing consumer demands, preferences and expectations, blending online and offline, technology and the human touch for a world-class customer experience.

Watsons is famous for its customer engagement through its 100 million member base loyalty programme and a 30 million-strong social media community. Its expertise in beauty, as well as the strength of the customer experience, has helped Watsons achieve the title of Asia's number one health and beauty brand for 12 consecutive years.

In the GCC countries, customers want the highest quality, and want to be inspired by a wide selection of international beauty brands so Watsons will offer well-established and long-trusted global brands, as well as relatively new trendy options, including many that are exclusive to Watsons and are therefore new to the region. We are confident that Watsons' reputation will bring with it the trust and authority that consumers are looking for.



**WE ARE
READY**



Seamless Shopping Experience

Spanning over 3,000 square feet, the new G8 store is designed to appeal to modern beauty lovers who demand an exciting and highly interactive shopping environment.

The store offers Watsons' global exclusive brands for the first time in the GCC.

"Makeup Studio", a trendy, experience-led makeup space is designed to encourage customers to try out different looks and play around with colour cosmetics. "StyleMe" and "Skin Analyser" are also equipped to allow customers to virtually try on make-up products and have their skin analysed.

There are clear sections focusing on specific product categories. These include a zone for Global Picks, an area dedicated to Natural, Derma skincare, and a zone focused on Clean Beauty brands and products which are completely transparent about their ingredients.

To engage with the customers, Watsons has also launched an eStore, a mobile app, and social media accounts so as to offer a seamless online and offline (O + O) shopping experience to local customers.



The Next Growth Engine

The Dubai store opening marks the beginning of a bigger chapter in A.S. Watson's expansion story. Two more stores will open in Dubai this year alone, at the Dubai Festival City Center and The Mall of the Emirates.

In 2021, Watsons will move into a second GCC country, with expansion into Saudi Arabia. Watsons plans to have 100 stores in the region by the end of 2025.

In fact, the Middle East is one of the world's fastest-growing markets for beauty products - beauty and personal care industry market is worth US\$25.4 billion, which is expected to grow by 6.4% a year over the next five years. With a solid foundation in the health and beauty sector, coupled by the state-of-art retail technologies and world-leading online and offline (O + O) platforms that match digital-savvy customers' preferences, there is no doubt that Watsons will capture this massive opportunity ahead*.

**Source: Euromonitor International*





2021 marks the 180th anniversary of **A.S. Watson Group**.

Established in 1841, we've grown from just one small dispensary into the world's largest international health & beauty retailer, operating over 15,800 stores in 27 markets. A.S. Watson Group becomes one of the longest-standing companies in Hong Kong, and even in the world.

What has given us such longevity and truly makes us unique is LOVE.

LOVE motivates us to make the impossible possible. Our LOVE to our customers is the motivation for us to become better every day.

To continue the heritage of LOVE, we're going to celebrate this remarkable milestone in the theme of "180 YEARS of LOVE" which will also be the theme of MAKE 2021.

Together, let's write the next chapter of our history, and embrace the challenges and opportunities ahead with LOVE!

Because OF
LOVE²





A World of **SMILES**

A.S. Watson Group has launched the Global Smile Campaign, as the kick-off event of its 180th anniversary in 2021, to promote a culture of happiness around the globe, encourage customers and colleagues to foster positivity and raise awareness of mental health and wellbeing.

With 'Smile Inside-out' being the theme, the campaign will be rolled out to over 15,800 stores, across the Group's 12 brands that are operating in 27 markets around the world. To support the initiative, we have appointed 13 millennials in the company to be our Chief Smile Officers (CSO). They are on our Global Millennials CSR Committee who has set a mission to get billions of smiles on the faces of our people and our customers.

A large image of a smiling woman with long, curly brown hair, wearing a white top. A large white smiley face graphic is overlaid on the image.

Smile Inside Out!



Malina Ngai (left), Group COO of A.S. Watson Group and CEO of A.S. Watson (Asia & Europe) presents the certificate of appointment to Christie Yeung (right), Chief Smile Officer



13 Millennials CSR Committee members are appointed as Chief Smile Officers to promote mental wellbeing to colleagues and customers around the globe

Exclusive for YOU

Kruidvat plans to boost customer awareness by publishing a range of photos in the media showing staff sharing their specialist knowledge of health products. Meanwhile, **Trekpleister** has introduced a convenient and affordable dry cleaning service based on customers' specific requirements – whether they want a party dress or ski clothing professionally cleaned.



WOW the customers!

Superdrug launched the new B. Hair Removal range by working with influencer to start a customer conversation aimed at breaking the taboos surrounding hair growth and the pressure to remove it. It generated a hugely positive social media response. **Drogas Lithuania** launched its 9.9 Buy Today! campaign on 9 September - customers who spent over €9.90 received free delivery from the eStore. Drogas also created an online game, allowing players the chance to win valuable giftsets.



Sweet smell of **SUCCESS**

The Perfume Shop's Love Perfume Awards are back for another year, with customers asked to vote for their favourite perfume to reveal the winning scent of 2020. This year, the awards have seen more than double the number of customers voting through the website, while the campaign reached over 5 million people on social media.

THE PERFUME SHOP



Shopping **FUN**

ICI PARIS XL introduced customers to the exciting launch of BE Creative Make Up Wonder Wear high coverage foundation and concealer which offer the perfect range to celebrate diversity, and the concept behind the campaign was "how to find the perfect shade". Also, the brand counted down to Black Friday with a host of deals every day so as to encourage its customers to shop more, save more.

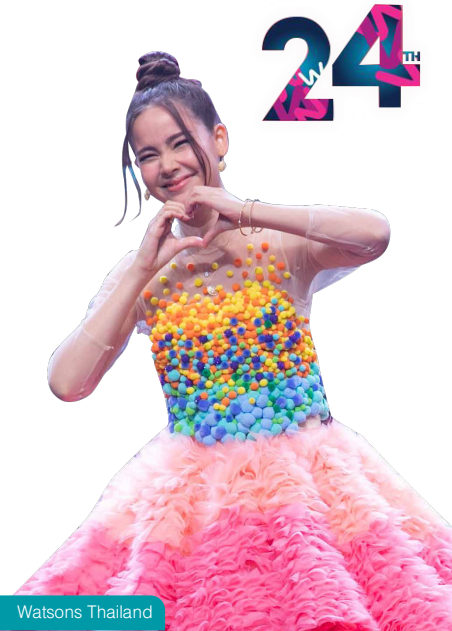
ICI PARIS XL

CONGRATULATIONS!

Watsons Malaysia celebrated the 10th anniversary of its hugely successful loyalty programme with amazing offers and contests. Along with the campaign, the Watsons Syokathon activity was run with discounts for members on more than 1,000 products both in-store and online. Plus, customers had the chance of winning a car.

Watsons Thailand organised a celebratory 24th Anniversary Live Event to mark almost a quarter of a century of continuous business in the country. Watsons decided to give back to the community by donating money from dolls sold to APSW Thailand, a charity that provides emergency housing to women and children from all parts of the country. A fashion show was also held as part of the celebrations, with brand ambassador and celebrities representing different brands taking part.

Watsons Indonesia also had an anniversary to celebrate – 14 years in the country. As part of the festivities, a lucky draw was held along with special offers.



Watsons Thailand



Watsons Malaysia



Watsons Indonesia

COOL collaborations

Watsons Hong Kong has recently collaborated with Doraemon to launch a theme store, celebrating the 50th anniversary of this comic classic character. Besides a 1:1 scale figure at the entrance, the store features Instagrammable wall stickers for customers to take photos with. In addition, a range of Doraemon premium products is now exclusively available at Watsons.



PERFECT pairings

Celebrities of animation and entertainment are helping **Watsons China** promote selected products from its extensive range. Doraemon is the lively public face of a co-branded product range launched with LetsAqua. While for the Whisper range of feminine hygiene products, actor and brand ambassador Zhang Zifeng joined fans at an exclusive meet-and-greet event held at a Watsons store in Chengdu .



ELITE privileges

Elite members of **Watsons Taiwan** were treated to a skincare product launch event when Watsons teamed up with SOFINA. Members were given personalised help to choose products just right for them, and received welcome gifts and coupons. Also, the brand has launched an exciting partnership with UberEats, which will now deliver thousands of health and beauty products from Watsons, all within an average of 21 minutes after a customer placing an online order.



Stay **STRONG**, stay **BEAUTIFUL**

As lockdown began to ease, **Watsons Philippines** launched a campaign aiming at helping customers adjust to the “new normal”. The Stay Strong, Stay Beautiful campaign focused on helping people feel good by looking great. Also, in response to the pandemic, **Watsons Singapore** launched Beauty My Way campaign, inviting customers back in store. The campaign focused mainly on quick-fix beauty solutions, like facial masks, hair dyes, treatments and serums.



REWARDING success

The **Watsons Turkey**'s Beauty and Personal Care Awards ceremony was streamed live on YouTube. The event celebrated 36 winning products in 25 categories, voted by 1.3 million customers, media, influencers and loyalty members. The YouTube broadcast attracted 830,000 views in just one week and the whole campaign had a reach of 41 million. All winners were posted on the Watsons Turkey website, allowing customers to click on a winner's photo and buy the product.



We **CARE** for you

Watsons Water has recently launched WatsMask We Care vending machines in Hong Kong, allowing busy customers to buy various anti-pandemic products including the We Care Safety Set. Meanwhile, Watsons Honey Water has extended its selection of luxurious flavors by adding orange blossom to its range. Together with rose flavor, the collection will be relaunched with new packaging and an upgraded formula.





A.S. Watson Group

Best Companies to Work For in Asia

(by HR Asia)



DigiZ Awards Hong Kong 2020 - MoneyBack App

- Best Mobile Integration Strategies - Gold
- Most Innovative Technology - Silver
- Best Digital CRM Campaign - Bronze

(by Marketing Magazine)

watsons

Hong Kong

DigiZ Awards Hong Kong 2020 - Watsonshealth App

- Best Digital CRM Campaign - Bronze
- Best O2O Strategies - Bronze

(by Marketing Magazine)

Smart Retailing Awards 2020 Smart Service
Innovation Award (Retailers) - Silver

(by Hong Kong Retail Management Association)

China

ECR China Annual Golden Cases

(by Efficient Consumer Response China)

Philippines

Cosmo Beauty Awards 2020

- Best Micellar Water - Dermaction Plus by Watsons
Anti-Acne Cleansing Water
- Best Hair Tonic - Naturals by Watsons Aloe Vera Hair
and Scalp Tonic
- Best Hair Tool - Watsons Professional Ionic Hair Straightener
(by Cosmopolitan)

PR Awards 2020 Best Use of Micro & Niche Influencers -
Silver

(by Marketing Magazine)

Indonesia

Indonesia Content Marketing Awards 2020 (Owned Media
Retail Category) - No. 2

(by Grid Story Factory and Grid Voice)



Netherlands

Dutch Beauty Awards 3rd Best Budget Beauty Product -
Kruidvat Lash Booster

(by Association Experts of Beauty)

ICI PARIS XL

Netherlands

Best Folder Award 2020

Retailer of the Year (Perfumery Category)

Best Webshop (Perfumery Category)

(by Q&A Consultancy)

Belgium

Retailer of the Year (Perfumery Category)

Best Webshop (Perfumery Category)

(by Q&A Consultancy)

THE PERFUME SHOP

Online Fragrance Retailer of the Year

(by The Fragrance Foundation)

Best New Retailer's Own Label Product

(The Perfume Edit) - Bronze

(by Pure Beauty Awards)

September to October



Watsons China – 84 new stores



Watsons Malaysia – 4 new stores



Watsons Thailand – 7 new stores



Watsons Philippines – 18 new stores



Watsons Indonesia – Bandung Indah Plaza store



Kruidvat – 2 new stores



ICI PARIS XL Benelux – 3 new stores



“ ”

I enjoy helping our young, passionate and talented people to make their dreams come true.

Toto Huang

Deputy People Manager
Watsons Taiwan



“ ”

I've had many amazing opportunities in PARKnSHOP. It's the best place to learn, work and grow!

Ricky Ma

Sales Operations Manager Designate
PARKnSHOP Hong Kong



“ ”

*The time spending with the team
is my happiest moment as
they're the best friends who
always support me.*

Anastasia Zakutaeva

Store Manager
Watsons Russia



“ ”

*It was such an honour to be
nominated as the Head Office
Employee of the Year,
it's truly fantastic!*

Sarah Heaton

Assistant Buying Team Leader
The Perfume Shop



Connecting Customers

“ I had one regular customer coming in to show me photos from her 50th wedding anniversary celebrations. That was a real delight, and showed my store colleagues the kind of relationships they could build with customers. That’s how, together, you create a store that customers enjoy coming back to. ”

Lois van der Staay
Store Manager
Trekpleister

“ One day a customer came in looking very gloomy and a little overwhelmed. We chatted and I found she was looking for an acne treatment and I suggested a product. A few weeks later, she came back with glowing skin and thanked me, before buying the whole range, she was so happy with the results. This truly was a ‘look good, feel great’ moment! ”

Hersy Noveelia Anak Henry
Store Manager
Watsons Malaysia



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ANNIVERSARY
CELEBRATIONDoing **GOOD**, feeling **GREAT**!

It's time to celebrate the 10th anniversary of the launch of the **A.S. Watson Group**'s Global CSR Committee! Over the years, the Committee has achieved so many great things, and are constantly searching out ways to do more for our customers, our people, the community and the planet. The 10 years of positive impact stem from the idea that the Group's CSR would need to adapt to each market and evolve over time.

Key moments include the launch of the Millennials CSR Committee in 2019, and joining the "Give a Smile" medical mission to reach out to the cleft children in Thailand. This year, the Group is also committed to using more sustainable palm oil in Own Brand products, eliminating unnecessary plastic in packaging as well as completely ban PVC by 2030.



Sending our **LOVE** and **CARE**

The COVID-19 pandemic has brought a tremendous impact on the economy and even the livelihood of the underprivileged. In an effort to give back to the community, **PARKnSHOP Hong Kong** has distributed food coupons with a total value at over HK\$40 million in October through the network of 27 charity partners. The beneficiaries, including the low-income family, elderly and disabled persons, can use the vouchers to redeem daily necessities and food at PARKnSHOP stores. It is estimated that over 204,500 people will be benefited.

Thanks to all charity partners, PARKnSHOP can reach out to the underprivileged and help them get through the difficult times.



Foster **POSITIVITY**

FORTRESS and Camel have launched the “The Colours of Life” special-edition vacuum flasks featuring messages of positivity to help people through the pandemic. The flasks are available for customers to redeem, and are also being donated to nursing staff to keep up their spirits. Also, the volunteer team of **Watsons Hong Kong** has partnered with InspiringHK to encourage everyone to get active during this difficult time, sharing diet and exercise tips at a recent online sports camp.



CLEANING up

Superdrug has become the first UK retailer to collect empty medicine blister packs to be recycled. The Little Packs, Big Impact initiative, in partnership with TerraCycle, enables the public to recycle any empty medicine blister packs. In **Drogas Latvia**, the seventh annual Wash Your Hands Properly campaign has had strong resonance this year, with a strong focus on teaching children to wash their hands properly, ahead of the start of the new school year.



Reasons to **SMILE**

@France



Marionnaud France has launched a service to offer greater convenience to customers in the most environmentally friendly way possible. The “Green Evening Delivery” service means customers can order their beauty products from the website and have them delivered to their homes by drivers using vehicles powered by electricity.

Meanwhile, to help put a smile on customers' faces when they visit our stores, beauty advisors have drawn lipstick smiles on their face masks.



Exclusive Launch of

Men's Grooming Brand Mootes

@Switzerland

Marionnaud Switzerland is proud to be the exclusive retail partner of upmarket men's natural grooming brand Mootes. The brand blends retro styling with innovative product development for a range to care for the discerning, modern man who is looking for quality in his daily grooming.



Marionnaud News

Box of **TRICKS**

@Italy

Social media influencers are using unboxing videos and demonstrations on Instagram to highlight the goodies inside Marionnaud Italy's Active Beauty Boxes. These carefully curated packages contain skin, hair and body products, and each month brings a new box with a seasonal theme.



SUPER QUIZ

1. What is the theme of A.S. Watson's 180th Anniversary?
2. How many years of anniversary is Global CSR Committee celebrating?
3. What is the new flavour of Watson's Honey Water?

Super Prize (1)
Facial Cleansing Brush



Gold Prize (1)
Portable Necklace Negative Ion Air Purifier



Silver Prize (1)
Ultrasonic Cleaner



Answers to Issue 114

- 1) 34th
- 2) 1.8 million
- 2) Go Instore service

Super Prize (Bluetooth Speaker)

Name	Company & Department
Elaine Lau	A.S. Watson Industries - Finance Department

Gold Prize (Wireless Earphone)

Name	Company & Department
Dewi Fitriana	Watsons Indonesia - Trading Department

Silver Prize (Smart Watch)

Name	Company & Department
Tang Ching Lam	FORTRESS - Distribution Centre

Deadline: 30 November, 2020

You now have the chance to win Superquiz by sending both your answers and contact information to WatsOn@aswatson.com

About A.S. Watson Group

With a history dating back to 1841, the A.S. Watson Group has evolved into the world's largest international retail and manufacturing business with operations in 27 markets worldwide.

Today, the Group operates over 15,800 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 140,000 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

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