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Quarter 1 • 2021

Six Amazing Years of eLab



A Story of Timely Expansion

When eLab was launched in 2015, with offices in Hong Kong, London and Milan, the plan was for it to act as an in-house digital agency, so we could instantly access expertise across areas such as web development, search engine marketing, digital design and analytics.

This was a time when eCommerce was taking off, and A.S. Watson was determined to be at the forefront of that development, ensuring that we could stay relevant and close to customers while creating synergies and efficiencies within the business.

The world has been transformed since the launch of eLab, and O + O is now at the heart of the A.S. Watson strategy. eLab initially worked primarily with eCommerce and digital teams, but now is linked to marketing, customer insights and store teams. eLab is now all about O + O, ensuring we're all ready to connect with customers anytime, anywhere.

Much has changed in the past six years, but one thing hasn't: intense focus on the customer.



Starting with a blank page has really enabled us to create something special from the ground up, recruiting the very bes alent, building strong relationships with customers, and working on some incredible projects. It's been nspiring, challenging, and lots of fun.

> Dan Jarvis f Digital Officer, Europe



Making a Difference to the Shopping Experience

eLab has been customer obsessed and contributed to countless projects around the world to improve customers' shopping experience both offline and online.

It has been working to connect with the customers wherever they are. There is a sharpening focus on creating engaging, interactive experiences, like livestreaming on social media and augmented reality filters. eLab's product printing service in store allows us to custom-mix cosmetics to thousands of specifications, giving a truly personalised product.

It is also making shopping easier, with best-in-class delivery options and new payment methods. WatsonsGo allows customers to buy in store through the app and avoid queues at the checkout.

There's also work going on to build awareness of great experiences already on offer, like the skincare analyser, which uses a selfie to recommend the best regimen for each customer, and of course mobile apps from across the company, which are packed full of fantastic features like interactive games, virtual make-up trial and loyalty card offers.



Working is FUN at eLab!

The eLab team has grown to more than 500 talented people in Europe and Asia. As eLab is the company's innovation hub, it's been really important to create a fun working environment that's conducive to generating and exchanging fresh ideas and promotes collaboration and curiosity.

To attract and retain the most able and dynamic people, from office design, to the culture we create in the team, eLab offices have a real agency feel – there's music playing, an open-plan office layout, breakout areas and hot desks for collaboration, and a casual dress code.

There are also bite-sized training modules and knowledge-sharing, and lots of fun to be had as well. In normal times, there are team events like pizza lunches, cinema nights and quizzes. Happy people make top performers.



Andrew Ma eLab Technology Director (Asia)

The COVID Challenge

The challenges brought about by the pandemic have been a masterclass in what the eLab teams can achieve when they unite around a common goal – staying connected with customers.

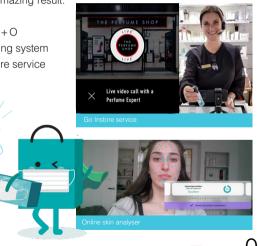
Agility has been essential, from quickly communicating vital information to customers, to adapting to a surge in online shopping. In 2020,

we saw 90% increase in eCommerce sales and eLab has played a pivotal role in this amazing result.

In Asia, eLab pioneered digital queuing for in-demand items, and in Europe showed O+O in action, turning some closed stores into mini-fulfilment hubs for online orders. A booking system was launched to allow shoppers to book a slot to safely shop in store, and the Go Instore service lets customers speak with an in-store advisor from home.

What's also been important is to fully understand the impact of the pandemic on customers and how to put a smile on their faces by doing things differently.

eLab has been able to crunch huge amounts of data to spot trends early on and react quickly. These early insights enabled the business to create timely content that most suits customer's needs, such as the hugely popular story "How to cut your hair with clippers at home".



Coming Soon

As the world starts to return to normal, eLab is ready to embrace the upcoming challenges.

Customers' expectations are on the rise. To meet their needs, we've got to be customer obsessed – with an intense focus on customer needs, customers' ways of communicating, and their way of shopping.

O+O continues to be at the heart of eLab strategy, driving the seamless integration of offline and online platforms and offering truly effortless O+O experiences for customers.

To ensure A.S. Watson stays at the forefront of retail development, we will continue to invest in the next stage of development for eLab and harness the best technology in order to deliver best-in-class customer experiences and drive O+O customer connectivity.

Focus Story

Simple SMILE, big IMPACT

A.S. Watson Group and its 14 global retail and manufacturing brands are proud to announce the launch of their refreshed Social Purpose. The Group has been a purpose-driven company with its social purpose, "to put a smile on our customers' faces", enshrined in every action over the past 180 years. The spirit of giving is deeply rooted in the Group's heritage, from giving free medicines to the needy in the early days, to protecting people's health against COVID19 by producing medical masks and supporting vaccination programmes.

Meanwhile, the Group also announces its 2030 Sustainability Vision, with clear visions on social and environmental sustainability, hoping to bring smiles to everyone we touch and help shape a better planet and a better tomorrow!







#SmileInsideOut

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A.S. Watson Global Smile Campaign

180 Years, 180 CARING ACTIONS

A.S. Watson Group is pleased to announce that the Smile Community has achieved its target to reach a 1.8 million smile index by 20 March 2021, to coincide with the United Nations' International Day of Happiness. The Smile Community is established to mark A.S. Watson's 180th anniversary and promote mental wellness and positivity.

Furthermore, the Group has pledged to organise 180 caring actions around the world to help give the anniversary celebrations a greater depth of meaning. It is believed that every little smile and action will add up to a big and positive impact on people around us and community at large.

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Shopping **FUN**

A.S. Watson Group and Grab announced the largest O + O health and beauty partnership in Southeast Asia, spanning across six Southeast Asian markets involving over 2,300 **Watsons** stores. This partnership means that customers will be able to conveniently access their favourite health and beauty products from an extensive network of Watsons stores via Grab in Singapore, Indonesia, Malaysia, Thailand, Vietnam, and the Philippines.

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SPRINGING into Spring!

Spring is on its way and **Kruidvat** is on hand to help everyone dust off those cobwebs. The Everything Bright & Shiny campaign uses celebrities and "how-to" content on social media to help customers prepare themselves for the season ahead. **Trekpleister**'s latest brand campaign, meanwhile, focuses on attention – attention to detail and attention to customers' needs – by providing great offers, and personalised tips and recommendations.





A ROARING start

Superdrug starts 2021 with its Show January Who's Boss campaign, featuring a series of virtual, interactive events to promote wellbeing and the power of a positive outlook. Each week, journalists and influencers were targeted with a different themed session, including yoga class, vegan cooking, virtual art class, and more, featuring relevant exclusive products in each session.





True **LOVE**

Valentine's Day means love is in the air, and at **ICI PARIS XL**, generous offers on leading fragrances were supported by an emotion-charged online and offline campaign called Love Starts with ICI. Meanwhile, **The Perfume Shop** created a video campaign based on an exclusive piece of customer research about what "Real Love" is, highlighting the value of little, everyday things, not just grand gestures, in setting people's hearts a-flutter.

ICI PARIS XL

THE PERFUME SHO



MORE than skin deep

Watsons Hong Kong is celebrating the arrival of CUBE ME inner beauty products from Korea with in-store, online and social activities to spread the word about beautiful skin and a healthy body starting from within. The CUBE ME range, available exclusively from Watsons, has been developed based on the philosophy that "Skin is not flat but is rather, a CUBE".





PERFECT partners

Watsons China launched a Whitening Academy Campaign, helping customers improve their skin with tips from celebrity ambassador. And collaboration with Head & Shoulders saw Cantopop star meet fans at a Watsons event, to introduce the new "Professional AD PP" range of products.

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Be your own SUPERHERO!

Watsons Taiwan hosted 120 elite members at a fun superhero-themed day at the movies. Precautions such as temperature checks and masks helped protect everyone involved so they could join Watsons for a screening of the classic Wonder Woman film, chosen to inspire everyone to face the challenges of the pandemic head on, and to continue to look good and feel great.









FEEL GOOD vibes

The Chinese New Year Movie is eagerly anticipated in **Watsons Malaysia**, and this year, a start-studded cast delivered a nostalgic #HappyBeautifulYear film designed to bring a little joy to people's lives. Meanwhile, the brand has also launched the Watsons Wellbeing 45+ programme to promote wellbeing among its middle-aged customers, offering members a welcome gift, vouchers for health screening and supplement offers.



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BEAUTY spots

Watsons Thailand has rolled out Clean Beauty Zones in stores, featuring environmentally friendly products made with natural ingredients. It has also launched a new QUICKFX simple skincare range, designed to reach young customers in ways that resonate with their lives. Meanwhile Watsons Philippines has launched a campaign to promote its LOOK store and eCommerce site as a magnet for the most discerning beauty product enthusiasts.





CARE for you

Watsons Indonesia has launched the M.A.S.K. social media campaign, helping customers overcome the irritating side-effects of wearing face masks during the pandemic, with strategies to soothe skin irritation, redness and clogged pores. While Watsons Singapore has partnered with LINE FRIENDS on a range of products. It has launched Watsons-branded LINE FRIENDS reusable bags in four adorable designs, as part of the #SayNoToPlasticBags & Bring Your Own Bag campaigns.

PARTY time!

PARKnSHOP Hong Kong and 40 partner brands have launched a fun-filled Happy Carnival at all 25 Oishī Su-pa- stores. Activities include photo booths, games, mascots and giveaways. At FORTRESS, there are now 26 stores with a 3HK@FORTRESS shop-in-shop, where customers can find 3HK mobile phone services and cool gadgets all in one place. Special offers are now available to incentivise customers to sign up to a 5G SIM plan.





JUICY ideas

Watson's Wine has launched its first ever biodynamic desk calendar, so wine lovers can appreciate winemakers' viticulture practice with the passing of the seasons. Fans of Watsons Water, meanwhile, have the chance to win PlayStation® 5 through the In-Home Sports Festival to help its Drops of Fun reward scheme members stay active. And Watson's Soda has launched two new Japanese-style fruity flavours, both low in sugar and made with real juice.





Recent Awards

A.S. Watson Group

Ranked 27th in Top 50 Global Retailers (by Kantar)



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



Benelux Top Employer 2021 (by Top Employers Institute)

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Hong Kong

MARKies Awards 2021

- Best Idea (Digital Solution) Gold
- Best Idea (Mobile & Apps) Silver
- Best Use of Mobile & Apps Bronze

MobEx Awards 2021

- Best Customer Journey Gold
- · Best Use of Interactive Media Gold
- Most Innovative Use of Mobile Gold
- Best Use of Mobile (Retail) Bronze (by Marketing Magazine)

Thailand

Superbrands Thailand (by Superbrands)

Outstanding Organisation Award 2020 (by Association for the Promotion of the Status of Women)

Turkey

Istanbul Marketing Awards (by Istanbul Marketing Summit)

Direct Marketing Awards (by Direct Marketing Communication Association)



Best Private Label Product 2021 (by POY Netherlands)

Belgium

SmartSpotter Promo Compliance Award 2020 (by SmartSpotter Belux)

Belgian Beauty Awards 2020 -Kruidvat Skinny Lash Define Mascara (by Roularta Media)

Superdrug 🟠

2020 Modern Retail Awards - Best Customer Insights Strategy (Superdrug Customer Community) (by Modern Retail)

Top100 Most Influential People in Data (by DatalQ100)

The Drum Digital Advertising Awards 2021 • Best Health Campaign • Most Effective Use of Data (by The Drum Awards)

THE PERFUME SHOP

Feefo Platinum Trusted Service Award for Consistently Delivering Excellent Online Experience (by Feefo)

watson 15

WatsON 117 • Quarter 1 • 2021

New Store Openings

January to March





New Store Openings

January to March



Recently a regular customer who is not able to get out to shop contacted us, loneliness has been a huge issue over the pandemic, so I spent lots of time with her, making sure she had a great experience despite not being able to be with us in store. We prepared a click and collect for her purchase, so she had a new fragrance to spritz and make her feel great the very next day.

> Hayley Brittan Store Manager The Perfume Shop

Connecting Customers

Watson 8

I remember once a customer coming into our store during a typhoon and torrential rain. She had a huge suitcase and, after a while, it emerged she was on a business trip and hadn't slept all night. We invited her to rest in the store and showed her the way to the station. After a while, she came back with fruits and drinks to thank us for our help.

In The seal

Li Haibing Store Manager Watsons Ching

WatsON 117 • Quarter 1 • 2021



66 99

I love having the chance to work with many great brands and to use my passion for beauty to give our customers the best experience.

> Charles Doan Senior Buyer Watsons Vietnam



66 99

My managers over the years have brought out the best in me. I'm now proud to see team members I have coached become good leaders.

Mary Grace Machado-Perez

Store Manager Watsons Philippines





66 99

Every year, I connect with over 200 suppliers to get the best tender results but all my hard work pay off when I see customers smiling.

> Julia Albert Buying Manager A.S. Watson Group Europe



66 99

Being part of the Millennial CSR Committee to join the Give a Smile mission, and seeing patients given an opportunity to smile, was a rewarding experience.

> Veridiana Granger Operations Finance Analyst Savers



sON 117 • Quarter 1 • 2021

Our Responsibility

Joining the **FIGHT**

Superdrug supports the UK's mass COVID-19 vaccination programme, with seven of its pharmacies administering around 1,000 vaccines per week, to patients selected by the National Health Service. Meanwhile, **ICI PARISI XL** marked World Cancer Day with a range of activities, including free beauty sessions and virtual beauty workshops for cancer patients in collaboration with Think Pink and Look Good Feel Better, to give participants a happy feeling in time of sickness.





ACTION for others

PARKnSHOP Hong Kong's charity partner YWCA has made a good use of the cash coupons sponsored by PARKnSHOP, sharing the festive joy of Chinese New Year with over 100 elders living in the elderly home by preparing traditional and delicious meals. In addition, **Watsons Ukraine** delivered a little magic to those most in need, bringing gifts to children in orphanages and to elderly people in care homes and hospitals.

PARKINSHOP



Double **HAPPINESS** @France

Marionnaud France has combined two of its key priorities – wellness and respect for the environment – in the launch of its new gift card, which is FSC-certified and made out of recyclable paper. The new gift card was launched in time for Valentine's Day.





EXCLUSIVE Offers @Romania

Marionnaud Romania has boosted its extensive range of exclusive products with a series of marketing activities. The new products include Marionnaud hair accessories, along with Sisley Izia la Nuit fragrance and Sisley So Stretch mascara.

Marionnaud News

TRENDY tresses

Trendy, affordable hair accessories from byEloise and Pipol's Bazaar have arrived at Marionnaud Switzerland. The byEloise products look great whether worn in the hair or on the wrist, while Pipol's Bazaar items offer a bright splash of colour and glamour.



watson 22

SUPER QUIZ



Answers to Issue 116

1) 180th Anniversary
2) 1841
2) 100 million

Super Prize (Stabiliser)

Name Sharene Goh **Company & Department** Watsons Singapore -Pharmacy

Gold Prize (Eye Massager)

Name Kitty Tong **Company & Department** FORTRESS -Customer Care Department

Silver Prize (Smart Watch)

Name Yvonne Yu **Company & Department** Watsons China -Supply Chain

1. What is A.S. Watson Group's social purpose?

2. How does Superdrug support the mass COVID-19 vaccination programme in the UK?

3. State one action that A.S. Watson Group would achieve in its 2030 Sustainable Vision.



Deadline: 31 May, 2021

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 16,000 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 four core businesses - ports and related services, retail, infrastructure and telecommunications in over 50 countries.

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