

A.S. Watson Family Magazine Quarter 2 • 2012

Watsons' winning formula: Innovation in a diverse Malaysia

Superman, Superbrands!

A class of talent

Raising hope, building dreams



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Around the World



Topping the Asian charts

Watsons recorded impressive results in the 2012 Campaign Asia-Pacific's "Asia's Top 1,000 Brands" study, coming in as the No. 1 pharmacy and drugstore brand in Asia* for the fourth consecutive year. Other chart toppers included PARKnSHOP (No. 1 in Hong Kong), Sunkist (No. 1 fruit juice in Indonesia) and Mr Juicy (No. 1 fruit juice in Hong Kong).

* Campaign Asia-Pacific's "Asia's Top 1,000 Brands" survey 2012 of over 5,000 respondents















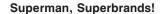
It's all about YOU

The fifth season of Watsons Malaysia's YOU Awards boasted an educational boot camp where celebrities and professional trainers shared insights on building confidence and letting one's individuality shine through. With the support of brand partners and Malaysia's largest inter-university network, student participants also visited a children's home, extending reach of the programme to those in need.

No smoking, please!

In conjunction with World No Tobacco Day in June, **Watsons Malaysia** launched a "Say NO to Smoking" campaign. The event featured a testimonial by former smoker and celebrity friend of the brand, and also a talk by representatives from an organisation which helps people quit smoking.

watsons



It was truly a Night of Heroes at the 2012 Health, Wellness and Beauty Awards by **Watsons Malaysia**. Guests mingled with comic heros such as Captain America, Spiderman and Wonder Woman while trying their luck at casino games adapted to the same theme.

watsons













Just as good, more affordable

Staying true to their commitment to make quality healthcare accessible to everyone, **Watsons Philippines** offered their FDA-approved Own Brand generic medications at an affordable price. These medications come in convenient smaller packs, are manufactured by a trusted pharmaceutical supplier and usually prescribed by doctors. A marketing campaign "Buy Generics and Save" supported the launch by educating consumers about the difference between trusted and questionable generics.

watsons





My father, my hero

The Perfume Shop celebrated Father's Day with the launch of its "Dad, My Hero" awards. Over 500 Facebook fans across the UK nominated their fathers to win attractive prizes while thousands more shared positive comments and likes.

In the Netherlands, **Kruidvat** launched a tribute to fathers with "The Best Dad in the Netherlands" contest. Loyalty card customers nominated their fathers or husbands for the regional and national titles online, and winners were warmly celebrated at their local stores.





App-tastically popular

With 70,000 downloads in the first two weeks of its rollout, the **Kruidvat** mobile app became the second most popular app in the Netherlands. The app allows loyalty card customers to conveniently view their personal rewards information, stay updated on the latest promotions and locate the nearest Kruidvat stores via GPS.

Kruidvat







The people's choice

The Kruidvat Public Award enjoyed remarkable exposure and marketing success for its sixth year running. With over 175,000 customers voting online for their favourite products, the awards were almost twice as popular as the previous year. Among the winners chosen from 15 different categories were Maybelline, which won in the make-up category, and Dove, which won in the men and hair care categories.

Kruidvat











The scent of success

Marionnaud France has launched an innovative point of sale technology that delivers personalised fragrance analyses. The ScentLAB touchscreen displays process a customer's personality and state of mind through a series of questions. Then it selects three perfume samples which are best suited to the customer. This pioneering innovation brings excitement to customers on the spot, a fascinating experience for perfume shoppers.

Marionnaud



Solar power

A cocktail event for derma-cosmetic brand Anne Möller was held at one of **Marionnaud Spain**'s most iconic stores. Guests were given travel sized sunscreens as door gifts and skin experts held talks on sun protection. Sales for Anne Möller as well as other related brands were boosted.

Marionnaud

A milestone to celebrate

In May, **Superdrug** celebrated the first birthday of its Beautycard loyalty programme. The event marked a significant achievement for the brand and its efforts in rewarding loyal customers. Since its launch, Beautycard users have grown to eight million and today, a third of all customer purchases are linked to it. With the card, Superdrug can better understand its customers' preferences across different regions, enabling more personalised store offers and closer community ties.

gnbergrady







New beauty treats unveiled

Ever committed to enhancing the customer experience, **Superdrug** has launched a variety of exciting new beauty services in their UK stores. Riding on the popularity of their brow grooming services, a total of 200 brow bars will be launched in-stores by the end of 2012. What's more, selected stores have also launched exclusive Beauty Bars and even started offering non-invasive treatments like facials and teeth whitening.

Superdrug





Rounds of applause!

Let's look at some of our brands' wonderful achievements in these last few months.















Corporate & Employee Contribution Programme

(by The Community Chest)

Top Three Donor of the Year for 13th Consecutive Year (by The Community Chest)

51st in Global Powers of Retailing (by Deloitte Global Powers of Retailing Report)

watsons

Hong Kong



Hong Kong Leaders' Choice 2011 -**Excellent Brand of Personal Care** Store Award (by Metro Radio)



Metro Creative Awards 2012 -The Best Creative Advertisement (by Metro Daily)



Quality Tourism Services Association -10-year QTS Merchant Recognition (by Hong Kong Tourism Board)



The Most Popular & Glamorous HK Brand Awards -Personal Care Store (by Metro Radio)





Best Perfumery of Vienna (by Elite magazine, MUCHA Verlag)















2012 Hong Kong Retail Industry Trade Awards (Electrical Store Retailer) (by Diversified Events Hong Kong)



Most Popular Consumer Brands in Hong Kong (AV Product Chain) (by Metro Finance)



e-brand Awards 2012 -The Best of Digital Product Retailer (by e-zone)



Excellence in Employee Engagement (by ORC International)



Best Cosmetics Consultant (by L'Essence magazine)





100 Shops Rated (by "Which" magazine)



Gold Doormat (by DDMA Businessgroep Verspreidingen)



Kruidvat

Netherlands

Best Advertisement (by Telegraaf Media Nederland)



Ranked 28th in Most Favourite Employer (by The Labour Market Behaviour Research)



Best Buy Liability Insurance (by The Consumers Association)



watsons winning formula: Innovation in a diverse Malaysia

Navigating Malaysia's cultural diversity with a relentless innovating spirit has rewarded Watsons with leadership status.

Road to





Launched pharmacist, nutritionist, makeup advisory and beautician services



Launched VVIP loyalty programme for celebrities and corporate leaders



Malaysia's No.1 Health & Beauty Facebook fan page



No. 1 in brand awareness amongst Health & Beauty retail brands in Malaysia











Entering a market 25 years after the leading competitor has established a foothold is challenging enough. But what if this same market was as intricately diverse in culture and language as Malaysia? In the case of Watsons, it meant being extra savvy with their communications and extra innovative with their offerings.

In 1994, A.S. Watson Group opened the first Watsons outlet in Johor, Malaysia. After growth momentarily halted in 1997 due to the Asian economic crisis, the Group acquired local pharmaceutical group Apex Pharmacies in 2005 and invested in a dedicated supply chain facility for its store expansion.

Today, the brand has over 260 outlets serving more than 80,000 customers per day, with an annual sales volume of over HK \$1.6 billion – all these while appealing to all the major ethnicities and cultures in Malaysia. But the crowning achievement to date has to be the recent recognition as Malaysia's most preferred health & beauty retail chain.







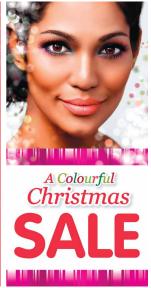














A cultural wonderland, a marketing challenge

Since the days of the Malacca Sultanate in the 1400's, the Dutch, British, Portuguese, Spanish and even the Japanese have all laid claim over Malaysia.

It comes as no wonder then, that modern Malaysia comprises of over 28 million people including Malays, Chinese, Indians and Eurasians as well as over 10 indigenous groups – each speaking their own language and practicing their own cultures.

Add to that a population of expatriates and foreign workers who conduct business largely in English whilst the official language is Malay, and you get a melting pot of cultures but also a very fractured marketing and communications landscape.

Watsons' challenge of appealing to such a diverse market not only impacted its communications strategies, it also affected its product offerings and customer services.

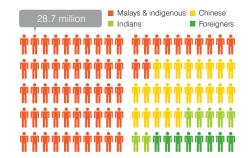
Sales and major promotions often

speak to different Cultural Groups

while channels are selected to reach

both the Majority
as well as Minorities. 77

Ethnicity of Population



Language / Dialect



Mass appeal VS targeted appeal

By working closely with suppliers, business partners and media owners, Watsons ensured that its product offering and promotions would suit every race. However, they also recognised that cultural preferences may vary greatly, especially with certain products.

To this extent, Watsons partners with local manufacturers and suppliers to offer exclusive products customised for customers of particular ethnicities. This is supported by careful selection of the right channels and language platforms for its advertising campaigns, and tailored promotions to appeal to that specific customer group.

Sales and major promotions often speak to different cultural groups and festive calendars while channels are selected to reach both the majority as well as minorities.

Speaking your language

The careful attention to their customer communication extends to loyalty card campaigns and its members. VIP card and Black card members not only receive updates based on their shopping behaviour and preference, but also their language, race and religion too. During special festive seasons, these members get to enjoy additional activities to enhance their cultural or religious celebrations. Even the member's customer service centre operates in multiple languages to ensure that no customer is left out!









Typical Watsons Malaysia's TV commercial in different languages for its customers from diversified ethnicities

Or watch the YouTube video on any computer goo.gl/0GgxF





Innovating to the top

The other key ingredient to Watsons' success in Malaysia is its dedication to innovation.

"Being bold, trying new things and being the first in whatever we do has helped us to stand out in the minds of the Malaysian consumer", says Kulvinder Birring, Managing Director of Watsons Malaysia, when asked about how he drives innovation within the business.

In fact, the last three years have seen a step up in efforts – from growing a leading health & beauty Facebook fan page with over 250,000 fans, to introducing Malaysia's first exclusive celebrity cosmetics and skincare brand. The introduction of well-trained health and beauty advisors has also given Watsons a tremendous edge over its competitors.

Exemplary corporate citizenship

While the brand continues to grow, it has not forgotten the importance of giving back to the community. And even through its CSR initiatives, Watsons maintains its sensitivity to the different cultural groups of Malaysia.







In 2011, Watsons adopted three charity homes, each caring for orphans from the Malay, Chinese and Indian, as well as the indigenous ethnic groups. Under this initiative, each home was given a wide selection of Own Brand products, while staff conducted numerous activities such as health checks and cinema outings with the children. Funds were also raised on the homes' behalf during festive seasons like Chinese New Year and Ramadan.

Momentum rolling on

The customer and product innovations that have taken Watsons Malaysia to the top in its home market are set to grow. These initiatives include fostering close-knit relationships with suppliers to produce joint TV commercials and programmes, as well as the development of a mobile store to bring the Watsons brand to new customers in untapped locations.

With colourful and cosmopolitan Malaysia developing further into a South East Asian trade hub, there will be no shortage of bigger and brighter achievements from Watsons Malaysia in the future.

watsons



"Beauty on wheels" campaign delivers the brand's promise of "look good, feel great." by pampering customers in remote parts of the country











Pearl of youth

Watsons Malaysia launched the Pure Beauty Youth Restore with Black Pearl skincare range with the help of its radiant brand ambassador, Fish Leong. The popular singer made live appearances at two shopping centres and was also present at a media event to introduce the exclusive anti-aging range to journalists.

watsons





White power

Watsons Thailand launched their Dermaction Plus Whitening range with a successful press event. It was a cosy and relaxing event while engaging presentations were given to journalists about the premium brightening skincare range and its proven efficacy.

watsons

Switch and save revolution

The "Switch and Save" campaign by Watsons Philippines aims to start a shopping revolution. With its vast offering of quality Own Brand products, the campaign persuades customers to switch to Watsons Own Brands over branded counterparts so they can save and splurge on the other things they love. Four celebrity brand ambassadors added sparkle to the campaign with their vivacious and outgoing personalities.

watsons







A smashing relaunch

To relaunch U.S. cult cosmetic brand Smashbox in Vienna, **Marionnaud Austria** and the make-up brand invited the press to a fashionable showroom space for an exclusive presentation. Smashbox training team flew down from L.A. to demonstrate the fascinating world of Smashbox and journalists got to try the new products for themselves. As a further treat, many even got their makeovers captured on camera by star photographer Manfred Baumann.

Marionnaud











Dream teams

A.S. Watson corporate sports teams have shown great team spirit and turned tough matches into triumphant moments. Congratulations to the Table-tennis Team for snatching the Men's Doubles silver in the HWL Table Tennis Tournament, and the Basketball Team for capturing bronze in the Inter-Hong Basketball Tournament!







Work hard, play harder

Happiness abounds in the **A.S. Watson** family where it is all about promoting work-life balance and a healthy lifestyle. A variety of leisure activities were recently organised by **Lifestyle Club**, ranging from cookery courses and art jamming workshops, to Easter and Dragon Boat Festival celebrations. Staff also had the opportunity to take part in fun family excursions during the summer months.









Beautiful legend

Superdrug's first store in Putney, London, was opened in 1966. Since then, the brand has charted wave after wave of high street success. In July, the iconic store was completely re-designed, and its grand opening was celebrated by staff and customers. The transformed store offers the very latest products in beauty, skincare and even eyebrow threading treatments.



A class of talent

ICI Paris XL Academy is providing their employees a unique chance to develop their careers with the launch of a college-accredited management course. Taught by teachers and qualified trainers, the course for store managers spans 10 modules that combine theory and practice. Upon successful completion, students are granted 90 European Credits – an equivalent to a Bachelors of Business (Retail Business).

Also committed to helping high-potential employees develop professionally and personally are **Kruidvat** and **Trekpleister**. This year, 37 promising sales personnel were selected to participate in the development and training course, Talent Class. A big round of applause to the 2012 graduates!











Leading the way to the future

It was a proud day for 110 **A.S. Watson** managers when they celebrated the completion of their leadership development programmes in July. The graduation ceremony was the largest ever held and included presentations by selected participants who shared their personal experiences and learnings. Group Managing Director Dominic Lai's speech encouraged everyone to operate in a socially intelligent manner and inspire greater team commitment.







25. An excellent exchange 26. A tribute to domestic helpers • Food for everyone 27. Eating for gold • The gift of giving MoneyBack 28. A little love goes a long way • Some sugar loving 29. Raising hope, building dreams 30. Youth against cancer • Caring boost







An excellent exchange

In July, 29 awardees of the **A.S. Watson Group** Hong Kong Student Sports Awards embarked on a sports exchange tour to Nanjing and Shanghai in Mainland China. The trip was both inspiring and educational, with students gaining insights into China's national sports development, history and culture. The participants had the opportunity to meet famous national athletes in person, and they also visited the organising committee of the Summer Youth Olympic Games 2014 to gain behind-the-scene exposure on the preparation work for a world-class sports event.











A tribute to domestic helpers

To celebrate the hard work of domestic helpers in the community, Renaissance College Hong Kong organised a "Jie Jie" or "Big Sister" Day, an event that hosted over 200 domestic helpers. **PARKnSHOP**'s Own Brand product gift packs were presented as a token of appreciation to the participants. Together with some entertainment programmes, it was a happy day of tribute to the guardians of tidy homes.

PARKISHOP





Food for everyone

A meaningful act became a pioneering one, when **PARKnSHOP** pioneered as the first supermarket in Hong Kong to launch a food donation programme. In partnership with Food Angel, a non-profit food recovery programme, unsold vegetables, fruits and baked goods verified safe and edible are packed and given away to the needy.

PARKISHOP







Eating for gold

It is never too early to pick up good nutritional habits, especially if you are an aspiring sportsperson. This was what junior athletes from the Hong Kong Sports Institute learnt when they visited an **International by PARKnSHOP** supermarket for a nutritional tour. During their time there, they learnt how to read nutrition labels on food products and maintain a balanced diet to keep themselves in top shape.

nternational*





The gift of giving MoneyBack

For the third year running, **PARKnSHOP** has been participating as one of the MoneyBack Charity Fundraisers, which allows MoneyBack members to donate their points to designated charities. This year, charitable PARKnSHOP customers helped to raise funds for beneficiaries including The Community Chest, Hans Andersen Club, Helping Hand and the Hong Kong Cancer Fund.

PARK/ISHOP

A little love goes a long way

Watsons Hong Kong recently partnered with UNICEF to host the Watsons Loving UNICEF Charity Fundraising Campaign. Donation boxes were placed prominently at checkout counters inside all Watsons and Fortress stores, while a charity sale for Christmas teddy bears was organised by Watsons to raise even more funds. The efforts raised more than HK\$470,000 for UNICEF.

watsons

豐澤 🏋 FORTRESS



Some sugar loving

In May, a newspaper published an appeal to help farmers in the Chinese provinces of Guangzhou, Panyu and Nansha who were having difficulties selling 2,600 acres of sugarcane due to high transportation costs. **PARKnSHOP China** answered the call for help and purchased 60,000 kilograms of "loving care" sugarcanes on site. Customers bought the attractively priced produce at supermarkets and were able to share in this small but sweet act of supporting the provincial farms.

PARKISHOP

















Raising hope, building dreams

After raising over €250,000 for the SOS Children's Village Foundation through the sale of cuddly mascots, ICI PARIS XL Belgium is pleased to open the doors to a completed children's home in Kinshasa, Congo. Built in a children's village that provides schooling and medical services, the funded house will shelter 10 orphaned children and a foster mother, providing a safe home for children in pursuit of their dreams.

ICI PARIS XL



Scan the QR code to watch snapshot of the event on YouTube.

Or watch on any computer: and al/bCOZH

% 29 × 29

Youth against cancer

Recognising the need to support cancer education amongst young people, **Superdrug** partnered with Teenage Cancer Trust to raise funds for its vital work in schools and colleges as well as with young cancer patients across the UK. For the first fundraising weekend in April, stores and staff nationwide sold pin badges, held makeovers, internal bake sales and raffles, helping raise over £60,000 for the charity.

Superdrug





Caring boost

In May, **Trekpleister** added the Opkikker Foundation, which organises Booster Days to light up the lives of families with chronically-ill children, into its roster of supporting charities. To raise funds, Trekpleister placed boxes in 135 branches to collect old mobile phones from customers. And during the opening of their new store, Trekpleister purchased 150 Opkikker Foundation Booster toys to surprise the first customers of the day.







Super Quiz

Answers

to Issue 85

1) Over 100

2) 100,000

3) Watsons China

Questions:

- 1) Since which year has Watsons been the No. 1 pharmacy and drugstore brand in Asia?
- 2) How many Facebook fans did Watsons Malaysia recruit?
- 3) Which retail brand of A.S. Watson has achieved the milestone of eight million loyalty card holders?



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Malavsia



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Marionnaud

Super Prize (Digital Camera)

Name

Name

Company & Department

leva Vaivade Drogas Latvia - Store 023

Gold Prize (Make-up set)

Name Company & Department

Wong Lai Wai ASWG - Finance

Calvin Cai
 PARKnSHOP China - Buying

Liang Jing Xian GWFB - Finance

. Ratna Puspita Sari Watsons Indonesia - Human Resources

Michelle Ng
 Watsons Singapore - Finance
 Candy Kong
 Watsons Taiwan - Store S488
 Pattaraporn Prachanpol
 Watsons Thailand - Store 392

8. Natalia Florea Marionnaud Romania - Secretary Department

9. Christiona Braiden The Perfume Shop - Union Square

Jekaterīna Lecīte Drogas - Marketing

Silver Prize (Perfume Atomiser with decorative crystals)

Company & Department

. Mak Kit Man ASWG - IT

2. Celia Wong ASWG - Store Development

Wong Fung Man ASWW - IT

4. Yu Lok Man PARKnSHOP Hong Kong - Store 7411

Jamie Guo Watsons China - Operations
 Ika Kurniawati Watsons Indonesia - Finance

Mae Tanjutco Watsons Philippines - Customer Care
 Lim Fong Yin Watsons Singapore - Supply Chain
 Emma Chano Watsons Taiwan - Sales & Operations

Superquiz goes digital!

Deadline: 15 December, 2012

You can now have the chance to win Superquiz even when you are on-the-gol Just scan the QR code and you may submit your answer for Superquiz from your mobile.

You may also access the website on computer through the link below: watson-superquiz.aswatson.com

Or you may send the **completed** entry form in print to: Group Public Relations, A.S. Watson Group 11/F, Watson House, 1-5 Wo Liu Hang Road, Fo Tan, Shatin, New Territories, Hong Kong

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Company and Department:			
Address:			
Employee No.:		_ Signature:	
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A1:	A2:	_ A3:	

337 Impact Engines to Love HK Your Way!

On 11 August, over 600 creative and caring Hong Kong citizens celebrated together and shared their visions and dedication towards Hong Kong in a sharing ceremony for the 3rd round of "Love Ideas, Love HK", which awarded a total of HK\$49 millon for 337 projects.

Two projects won the Professional Awards, a new category of funding introduced in this round, judged by a panel of individuals invited by the Hong Kong Council of Social Service (HKCSS) and St James' Settlement, and each project was awarded a total of HK\$1 millon. The "Endless Love" project proposed by Hong Chi District Support Centre (NT North) focuses on skillset training for the mentally handicapped through green farming initiatives, of which yields from the field will be distributed to disabled persons, low-income families and elderly. Another winning project, "Migrants Care and Support Network" proposed by foreign workers' support group MFMW Limited, aims to establish a network to provide psychological counselling and emotional support to foreign domestic helpers working in Hong Kong.

"Love Ideas, Love HK" is the first programme of Li Ka Shing Foundation's HK\$300 million philanthropic campaign "Love HK Your Way!", a major interactive philanthropic programme that combines the power of technology, charity and community awareness. The programme encourages Hong Kong residents to be innovative and proactive towards the concerns in their community, and to vote for projects they believe will make a positive difference.

香港仁愛香港



"... the world has too many hard-to-resolve problems and challenges, and the only viable way forward lies within the community's spirit of giving and our citizens' commitment to participate, care and serve."

> Mr Li Ka-shing Chairman of the Li Ka Shing Foundation



Cheque presentation by HKCSS and St James' Settlement to the two Professional Award winners



Two children in one of Round 1's winning project perform the magic show "Young Powers"



Mr Li Ka-shing joins the party and thanks all participants for their commitment and love to Hong Kong through a live webcast

About A.S. Watson Group

With a history dating back to 1828, the A.S. Watson Group (ASW) has evolved into an international retail and manufacturing business with operations in 33 markets worldwide.

Today, the Group operates over 10,000 retail stores running the gamut from health & beauty, luxury perfumeries & cosmetics to food, electrical & electronics, fine wine and airport retail arms. 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 100,000 staff and is a member of the renowned multinational conglomerate Hutchison Whampoa Limited, which has six core businesses - ports and related services, property and hotels, retail, infrastructure, energy, and telecommunications in 52 countries.

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Published by A.S. Watson & Co., Limited

Watson House, 1-5 Wo Liu Hang Road, Fo Tan, Shatir

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