

Watson¹¹⁰N

Makeup station



TAP and SHOP



Connecting with Gen Z



Future Growth Engine of A.S. Watson



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The young people we call Generation Z (Gen Z) represent the future of the retail industry, given their growing influence and rising spending power. But serving them well requires a deep understanding of their desires and priorities.



At A.S. Watson, we are drawing on our sophisticated customer insights to understand Gen Z's needs, motivations and shopping behaviour, so that we can adjust our business and marketing strategies to meet the needs of this unique – and important – group of next generation shoppers.



“Gen Z are very different to the Millennials who came before them. Their expectations of unique, memorable shopping experiences and their desire to protect the environment bring distinct challenges to the retailers. We're ready for these challenges, and we're excited to develop new ways of doing business.”

Dominic Lai

Group Managing Director
A.S. Watson Group

Who is Gen Z?

Gen Z is a term used to describe people born between 1995 and 2009. They've grown up with smartphones and always-on connectivity, and with different expectations of the brands and businesses they engage with.

In 2019*, Gen Z became the largest consumer segment in the world, and now accounts for 32% of the global population of 7.7 billion. As a cohort, they are more influential on consumer spending than any generation before them. They are coming of age and driving retail trends.

A.S. Watson operates over 15,200 stores under 12 retail brands in 25 markets; many of our markets have a high proportion of Gen Z customers.

Our data and customer insights showed that the spending power of Gen Z increased by 23% in 2018 alone. Gen Z has therefore become the future growth engine of A.S. Watson Group.

**Source from Bloomberg's "Gen Z Is Set to Outnumber Millennials Within a Year"*



What Makes Them Tick ?

With our strong analytical capabilities, A.S. Watson is well equipped to obtain customer insights that play a vital role in helping us understand Gen Z. This enables us to adjust our strategy to best meet their demands.

Fascinating Facts about Gen Z:

Spending Habits



Shopping Behaviour

Prefer in-store shopping



Love shopping in malls and city centres



Shop offline



Prefer technology-enabled stores



Like socialising and shopping with friends at physical stores



Read consumers' reviews online while shopping in stores



Shopping Preferences

Choose beauty product based on:



Conscious about the environment



Shop with a brand that takes environmental issues seriously



Connecting with GEN Z

So, how is A.S. Watson responding? We know that meeting and exceeding the expectations of Gen Z customers means rethinking everything we do and being prepared to adapt. There are three key ways we are evolving to better serve Gen Z:

Creating fun and engaging experiences



Watsons China – A series of flash mobs and beauty classes in university campuses to show how Watsons aligns with Gen Z's values and help them live a colourful life.



Watsons Taiwan – An invitation-only luncheon for Gen Z members provided the chance to enjoy an exclusive health and beauty experience.

Being digital first



The Perfume Shop has launched a new digital service called "Go in Store", connecting online shoppers with store experts via a live video chat, enabling them to get a personalised consultation.



The modern and stylish G8 concept stores being launched by **Watsons** around the region incorporate the latest retail technology, including StyleMe, Digital Beauty Advisor, self-checkout and digital shelves.

Going green

Since 2014, **A.S. Watson Group** has banned the use of microplastics in its rinse-off own brand cosmetics and personal care scrub products. By the end of 2019, this ban will extend to all brands sold in our stores. The Group is replacing plastic cotton bud shafts with paper in its own brand products, and all own brand dry paper products will use FSC-mix paper by 2020.

Superdrug has certified its own brand beauty and personal care products as cruelty free, and opened a special Little Vegan Pop Up Shop offering 1,000 vegan beauty essentials.



The Future of Retail



Gen Z are reinigorating the retail industry with their desire for unique shopping experience motivated by a search for excitement as well as ways to combat some of the toughest environmental challenges the world now faces.

Gen Z are not only the growth engine of A.S. Watson Group, but also a game changer in the future of retail. The issues that dominate Gen Z's thinking are issues for all of us to consider; in adapting to the needs of Gen Z, we are making shopping a more fun experience and, in a small but important way, making the world a better place.

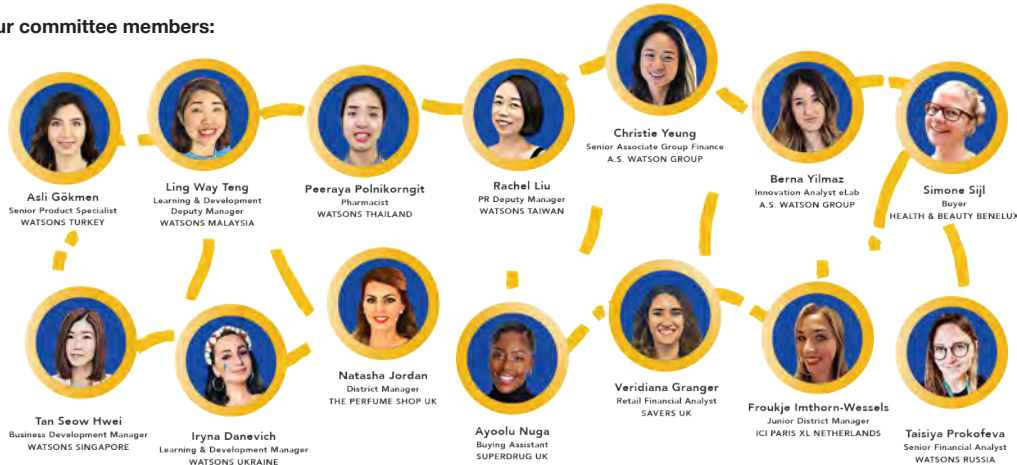


The voice of **YOUTH**

A global Millennials CSR Committee featuring 14 of our brightest young stars has been launched to help guide the business towards its social and environmental objectives. These talented members across Asia and Europe have been selected to work together to provide the Group CSR Committee with the view of millennials, as **A.S. Watson Group** designs and seeks to achieve its CSR goals. They will have input into the Group CSR Roadmap's scope and targets as part of the Sustainable Development Goals Accelerate Team.

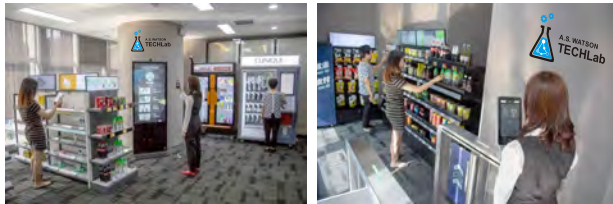


Our committee members:



Seeing the **FUTURE**

A.S. Watson Group is proud to unveil TECHLab, a technology experience centre in Shenzhen, China tech hub. The Team will focus on new architecture development, as well as testing new customer experience technology before it's rolled out in our business units. The TECHLab is currently showcasing the latest shopping technology including unmanned stores, smart shelves, unmanned cabinet, interactive games, store entrance with facial recognition and seamless payment.



SHOP, shop, shop!

The **Watsons** 8.8 Shopathon, which created huge excitement through fun games and time-limited special offers, was launched in Hong Kong, Taiwan, Malaysia, Singapore, Thailand, Philippines, Indonesia, Vietnam, Russia, Ukraine and Turkey.

Many markets played on the number 8 as a symbol of luck and fortune in their week of promotions, which began on 8 August. The 8.8 Shopathon activities spanned online and offline, becoming an eagerly anticipated annual occasion.



BRIGHT and BOLD!

Customers of **Drogas Latvia** were treated to a huge splash of colour this summer with the introduction of the NYX Professional Makeup range, which is popular among cosmetics lovers and professional makeup artists. Featuring bright shades that encourage users to be bold in using makeup to show the true colours of their personality, NYX Professional Makeup is now available online and in selected Drogas stores.

Drogas



PREMIUM sensations

Savers is going to exclusively launch Lionel Richie's debut fragrances, HELLO for Women and HELLO for Men, in all physical stores and eStore in November. HELLO for Women is a fresh yet warm fragrance with a sensual and empowering blend of lemon, jasmine and ambrox ingredients while HELLO for Men is a stylish, elegant fragrance with a blend sparkling fougere mixed with warm ambery note.

savers
READY. HOME. BEAUTY.

Warm **WELCOME**

Kruidvat has been greeting customers back from their summer holidays with a range of services and special offers that say, "Welcome Home". It has set up a "Welcome Home Pit Stop" near national borders to give travellers a quick pampering for the last leg of their journey home. Meanwhile, **Trekpleister** launched a loyalty programme allowing customers to earn bonus points and redeem products which are specially collaborated with suppliers.



WOW the customers!

Superdrug hosted its first-ever customer expo, #Superdrug Presents, to showcase its latest products and services. Thousands of customers were able to discover the newest launches, participate masterclasses with influencers and celebrities, and enjoy free access to Beauty Studio services. The event was a huge success and has created buzz on social media with over 10,000 live stories shared on Instagram only in 5 days!

Superdrug[☆]

Looks **GOOD**, Smells **GREAT**

The Perfume Shop has announced the winners of the Love Perfume Awards 2019. All winners are chosen and voted by over ten thousand customers. The brand held a glamorous award presentation event where a massive congratulations went to all winners. **ICI PARIS XL** is meanwhile teaming up with online influencers to promote BE Creative Make Up products. In Belgium, the focus is on the new lipstick range, while in the Netherlands, influencers are promoting the products they use to create their own distinctive look.

THE PERFUME SHOP

ICI PARIS XL



Genetic **BREAKTHROUGH**

Watsons Hong Kong has become the first health and beauty chain in Asia to launch the Circle DNA genetic health testing service, in an exclusive partnership with Prenetics. Circle DNA can provide over 500 health reports based on a single saliva sample, enabling individuals to focus on personalised, preventive healthcare. After the premiere in Hong Kong, there is also expansion plans to introduce Circle DNA in additional retail outlets in other markets of A.S. Watson Group.



NEW look

Watsons China teamed up with Japanese cosmetics brand KATE to launch the latest collection of KATE colour cosmetics. VIP members were exclusively invited to the launch event, where KATE brand ambassador Eddie Peng made a special appearance. The sought-after KATE dark rose eyeshadow box is now available in all Watsons stores in China.



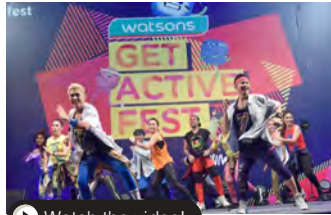
Exclusive EXPERIENCES

Watsons Taiwan treated its Elite members to an exclusive event: a baking workshop! Participants were offered a chance to learn how to bake and decorate a cake, with guidance from a famous pastry chef. In **Watsons Indonesia**, members were selected to enjoy a sumptuous spa treatment, hair treatment and dinner at the One Fine Day event. Celebrities offered tips and tricks for achieving glowing skin in a polluted environment.

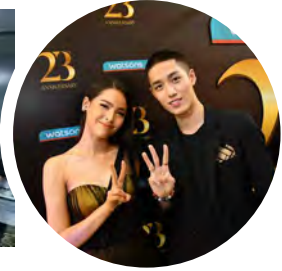


Time to **MOVE!**

The **Watsons Malaysia**'s Get Active Festival was back this year, bigger and better than ever. This year, more than 8,000 participants have joined to enjoy the newly introduced Strong by Zumba, a high-intensity workout using the tempo of the music to push participants through burpees, push-ups and other strengthening moves. Wellness workshops and a health and beauty bazaar helped participants recharge.



▶ Watch the video!



Double **CELEBRATION**

Watsons Thailand has celebrated two important milestones recently. First came the news that the brand had achieved 3 million fans on Facebook, a gala event and fashion show were held to mark Watsons' 23rd anniversary. Business partners, media and celebrities attended the event, and a charity auction and doll sale raised money for women and children in need.



TRAVEL together

Watsons Philippines treated over 34 loyal members to a relaxing trip at Boracay Resorts and Spa as the highlight of its Share the Sun campaign! All participants had an incredible stay while being sun-protected from head to toe with island essentials pack specially prepared by Watsons. Meanwhile, **Watsons Turkey** partnered with local celebrities to promote an exclusive tie-up with New York Fashion Week sponsor Maybelline. The stars' live feeds were shared via the Watsons Instagram account, and customers could win prizes including a trip to New York.



RELAXING vibes

What a fantastic night! The **Watsons Water Drops of Fun Go Green** concert brought together hit songs and messages about the importance of green living. **Watson's Wine**, meanwhile, has been presenting some of the 100 Ways to Enjoy Wine. These include yoga practice alongside biodynamic wine tasting, and a bottle painting event linking creativity and a drop or two of great wine.



Watson's Wine

MEMBERS treats

Hong Kong customers with annual spending across PARKnSHOP, Watsons and FORTRESS of over HKD30,000 are being given an upgrade in the **MoneyBack** loyalty programme. The new VIP status brings exciting and exclusive privileges to its loyal members. Also, the team invited its member to an exclusive VR experience event, allowing members to experience the exciting VR games with top-notch VR devices at a VR studio.



At your SERVICE

A new eCommerce snack platform, FillFull, is the latest new launch which seeks to “hack” traditional ways of doing business in order to test and launch new ideas that provide the products and experiences loved by young consumers. Since launch, Fillfull has been well-received by customers who can now order and stock up snacks anytime, anywhere.





A.S. Watson Group

PR Awards Asia 2019 Best Use of VR/AR
(by *Campaign Asia*)

Top 50 Innovative Retailers
(by *Inside Retail*)

Hong Kong Sustainability Award 2018/19 -
Certificate of Excellence
(by The Hong Kong Management Association)

Sustainable Business Award 2019

Sustainable Leadership Award 2019
(by World Green Organisation)

Caring Community Prize
(by Hong Kong Children & Youth Services)



A.S. Watson Group



A.S. Watson Industries



Watson's Wine

Green Office Label and Eco-healthy Workplace Label
(by World Green Organisation)



Watson's Wine

Happiness at Work Promotional Scheme 2019 -
Happy Company 5+
(by Promoting Happiness Index Foundation)



Taiwan

1111 Job Bank Happiness Enterprise Award
(by 1111 Job Bank)

Top Service Awards 2019 - No.1 in Health & Beauty Store
(by *Next Magazine*)

Malaysia

Most Attractive Employer in Retail - Champion
(by *Graduates Choice Awards*)

Marketing Excellence Awards 2019 Excellence in
TV/Video Advertising - Gold
(by *Advertising + Marketing Magazine*)

Putra Brand Awards in Retail Category - Platinum
(by Association of Accredited Advertising Agents Malaysia)

Thailand

Most Valuable Brands of the Year 2019
(by Longtunman)

Recent Awards

Turkey

Online Marketing Campaign of the Year - Gold
(by *Stevie International Business Awards*)

Ukraine

The Most Competitive Purchases
(by *Zakupki.Prom.ua*)

ICI PARIS XL

Netherlands

Retailer of the Year -
Best Perfumery in the Netherlands

Retailer of the Year -
Best Webshop in the Netherlands
(by *ABN AMRO*)

Belgium

Retailer of the Year - Best Perfumery in Belgium
(by *ABN AMRO*)

Superdrug★

Best New Retailer's Own Label Product -
B. Confident Hydrating Peel-Off Mask
(by *Pure Beauty Awards*)

Consumer Superbrands in Retail Category
(by *Superbrands UK*)

August to October



FORTRESS –
TechLife by fortress in K11 MUSEA



PARKnSHOP Hong Kong – 5 new stores



Watsons Hong Kong – 2 new stores



Watsons China – 128 new stores



Watsons Malaysia – 8 new stores



Watsons Taiwan – 8 new stores



Watsons Thailand – 10 new stores



Watsons Indonesia – 8 new stores

August to October



Watsons Philippines – 40 new stores



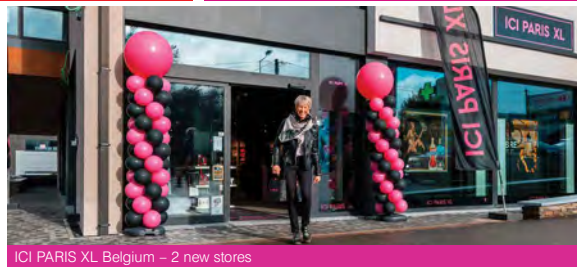
Kruidvat – 3 new stores



Superdrug – 17 new stores



The Perfume Shop – Sheffield store



ICI PARIS XL Belgium – 2 new stores



“ I joined as a Store Manager and from day one I was encouraged to grow, develop and make a difference. I've been part of our Aspire Programme, and have taken great pride in seeing members of our team get the promotions and opportunities they deserve. I love the daily variety of my role and the opportunity I have to meet new colleagues and customers. ”

Barrie Gough
Regional General Manager
Superdrug



“ I joined Watsons as a store intern before being promoted to Customer Service Supervisor, and now I'm on the Commercial Trainee programme. One of the most exciting things I've done is to become a KOL through the Watsons Idol scheme, making videos about our beauty products. What an impressive experience! ”

Chloe Ouyang
Commercial Trainee
Watsons Taiwan



“ I joined Watsons China in 1994, when there were just four stores! Fast-forward to today, and I’m now part of a 3,700-store network in China. To keep pace with the changes we’ve seen over the past 25 years, I’ve attended many leadership courses. As well as promoting wellness at work, I love to keep myself fit, which includes being part of our staff running club. ”

Sucy He
Operations Director
Watsons China



“ I can honestly say that those 20 years have passed in a flash. I started as a Customer Service Assistant, and have changed roles and been promoted several times. The best part of being here is the opportunity to work with different people, learn from them and improve myself in different ways. I love Drogas! ”

Dzintra Madelane
Product Data Base Administrator
Drogas Latvia



“There’s a customer called Beryl who comes into our store nearly every week. She loves to have a chat about how her week has been, and I enjoy helping her choose presents for her family. Seeing her leave with one of our bright pink shopping bags and “That Superdrug Feeling” is fantastic.”

Rachael Delaney
Team Leader
Superdrug

“One evening we had an anxious visit from a couple who were shortly expecting a baby. They were having trouble finding a breast pump, and time was running out! We were able to find what they needed, much to their relief. We now see them all the time, with their lovely baby boy.”

Mandy Man
Senior Customer Service Assistant
PARKnSHOP Hong Kong



LOVE is all around!

A.S. Watson Group organised the Project LOL Elderly Visit, a highlighting activity of Smile for Good 2019, with the support of 1,200 volunteers from the Group's business units and 45 business partners to visit more than 2,000 singleton elderly in Hong Kong.

Dominic Lai, Group Managing Director of A.S. Watson Group said, "We are happy to serve 2,000 elderly in the community with our suppliers and colleagues today. This year, the Group is also proud to introduce "Vollar" (Volunteer Dollar). We will turn the volunteer hours into donation to help cleft children and give them new hope. We expect to serve 4,000 volunteer hours for today's elderly visit, so the Group will donate HKD200,000 to Operation Smile to restore the smiles of cleft children around the world."



[Watch the video!](#)



FOOD for thought

PARKnSHOP Hong Kong held its annual City Food Drive Volunteer Day which has led to over 1,800 tonnes of food being donated to Food Angel over 7 years. This year, in partnership with Knorr, volunteers promoted the importance of food rescue, preparing meal boxes and presenting goodie bags to the elderly. In **Watsons Hong Kong**, volunteer team held the #GetActive Sports Fun Day along with the InspiringHK Sports Foundation. Dodgebee games and relay races were part of the fun.



GOOD causes, GREAT work

Volunteers from **Watsons Malaysia** took more than 30 children from the House of Joy orphanage on a visit to their local fire department. They were treated to a simulated firefighting scenario and given lessons in fire safety and prevention. Meanwhile in **Watsons Ukraine**, employees joined the national Race of Kindness by donating clothes, toys and books to children's charities.



New Telecom Companies Formed

CK Hutchison Telecom is the new short name for the consolidated operations of **3** Group Europe and Hutchison Telecom Hong Kong Holdings. More formally known as CK Hutchison Group Telecom Holdings, it will also hold the Group's 28,500 European tower asset interests via a new telecom infrastructure company, CK Hutchison Network Holdings.

The new structure provides a diversified telecom asset platform across eight geographical locations, and is expected to achieve a robust credit profile and operational efficiency through centralised management processes and commercial functions.



SUPER QUIZ

1. Where is the TECHLab technology experience centre located?
2. What is the name of the Award that has been organised by The Perfume Shop recently?
3. Name one milestone which Watsons Thailand has recently celebrated.

Super Prize (5)

B. 7-Piece Personal Care Gift Set



Sponsored by



international buying
by a.s. watson

Answers to Issue 109

- 1) Lip care range from BE Creative Make Up
- 2) HSBC

Super Prize (Blood Pressure Monitor)

Name

Angerine Tan

Company & Department

Watsons Malaysia -
Finance Department

Gold Prize (Humidifier)

Name

Sandy Liao

Company & Department

Watsons Taiwan -
Human Resources Department

Deadline: 1 December, 2019

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 25 markets worldwide.

Today, the Group operates over 15,200 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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Editor : Malina Ngai

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