Sphere

ISSUE 33

THE INTERNATIONAL JOURNAL OF THE HUTCHISON WHAMPOA GROUP

A Global Appetite for Apps

Harnessing Digital Innovations to Serve Hutchison's Customers Better

contents



CARING FOR the community and our customers and harnessing innovation and technology are the core values and strengths of the Hutchison Whampoa Group. In this issue we showcase all these areas in our feature stories.

Our cover story tells the Group's application of the latest digital and social media to revolutionalise retail experiences and provide more comprehensive services and support to customers.

In this issue of *Sphere* we also take you to the beautiful and tranquil Austria, and introduce the Group's burgeoning telecommunications and retail sectors businesses.

The Li Ka Shing Foundation's commitment, care and support in providing quality healthcare to the world is featured, detailing its financial support to medical research, facilitation and harnessing of big data.

As a world leader in the hotel industry with recognition and loyalty from guests around the globe, we explore the Group's secrets of success and let their heroes share their experiences and memorable occasions at work.

Last but not least, *Sphere* has always been a platform for our staff to communicate with one another. We are calling for your input for the upcoming issue of *Sphere* to tell your fun stories and photos of your world of work and play.

Happy reading and we welcome your feedback to SphereE@hwl.com.hk

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Hola Mr President

HONG KONG Mr Enrique Pena Nieto, President of Mexico, in which HWL currently has a number of port investments, met Mr Victor Li during his visit to Hong Kong in April 2013.



Web for All

HONG KONG The A S Watson corporate website has been granted the Silver Award in the Web Accessibility Recognition scheme by the Office of the Government Chief Information Officer and the Equal Opportunities Commission in Hong Kong, recognising its barrier-free design for all viewers, especially the visually impaired. **R**

PREPARING TO GO GREENER

HONG KONG Hongkong Electric and the Conservancy Association have jointly developed eight eco-heritage routes on Hong Kong and Lamma islands under the "Green Hong Kong



Green" project, with monthly eco-tours now available in Cantonese for local hikers. A dedicated mobile app featuring the routes, major attractions, detailed maps and access information, is also available for free download at the App Store.



3 Hong Kong bags Gold in the Outstanding Customer Service Program of the "Customer Service Excellence Award 2012", demonstrating market-wide recognition for its digital customer service platform. •

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 PROPERTY & HOTELS
 RETAIL
 TELECOMMUNICATIONS

- ENERGY
- FINANCE & INVESTMENT AND OTHERS



NEW EXPANSION IN WASTE MANAGEMENT

New Zealand In April 2013, Cheung Kong Infrastructure expanded into the arena of waste management infrastructure in New Zealand through the acquisition of EnviroWaste Services Limited, a diversified, vertically integrated waste management business that has national coverage.



WOW for Watsons

ASTA Watsons unveiled a refreshed brand identity across Asia with the dynamic "WOW" campaign via ads, flash mobs, mobile apps and Facebook contests, reinforcing its brand commitment to enable our customers to look good and feel great everyday.





Corporate Governance Asia's Third Asia Excellence Awards 2013 has given HWL the "Best CSR" and "Best Investor Relations by Hong Kong Company." This recognition was based on the scores from magazine readers and interviews conducted with investors.

STATE-OF-THE-ART MACHINERY

UNITED KINGDOM On 25 March, the Port of Felixstowe announced it would double its rail capacity with the arrival of three state-of-the-art rail-mounted gantry cranes, which will span the new nine-track rail terminal at the port, making them the biggest intermodal rail terminal cranes in the UK. P

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NATRUL Breakthrough in Medicine

General Nutrition Science Partners (a 50/50 joint venture between Chi-Med and Nestlé Health Science, which aims to research, develop and commercialise nutritional and pharmaceutical products derived from botanical plants, to bring natural pharmaceutical care to customers worldwide) announced in April that the initiation and treatment of the first Ulcerative Colitis patient in the global NATRUL Phase III trial for the novel botanical oral drug HMPL-004, which treats inflammatory bowel disease, had begun. (5)

NO-FRILLS CHIC

UNITED KINGDOM Comprising 18 skincare and make-up products at affordable prices, B. is a new beauty collection launched by Superdrug, offering ladies seasonal trends to boost beauty and confidence. All B. products bear the leaping bunny symbol of Cruelty Free International to certify they are not tested on animals. ()



→HIGH FLYER!

With its convenient location, attractive leasing terms, best facilities and gracious hospitality, Harbour Plaza North Point is proud to announce it has been conferred the "Top 10 Best Serviced Apartments" and the "Best Facilities Award" at the top property platform's GoHome Serviced Apartment Awards 2012-13.

All-in for Speed

ITALY 3 Italy is offering up to 42Mbps of high-speed mobile Internet service to users in more than 4,113 municipalities in Italy. The tariff is the most competitive in the market. **1**





A PERFECT ALLIANCE

HONG KONG Hutchison Global Communications Limited has announced a partnership with TVB Network Vision to provide HD pay TV programmes via its fibre-optic network.

FOSSIL FUN

GEINE Thousands of shoppers were attracted to Metropolitan Plaza Guangzhou to view the debut display of Asia's largest whale skeleton. The exhibit is approximately 16m long.



Walk for Love

HONG KONG More than 2,000 A S Watson group employees and their families took part in the Community Chest New Territories Walk for Millions for the third consecutive year, raising HKD 432,328 (USD 55,426) to support the "Family and Child Welfare Services".



Happy Birthday!

TALLY 3 Italy celebrated its 10th anniversary by broadcasting a TV commercial with actor and actress Raoul Bova and Teresa Mannino in March. The commercial tells how 3 has been providing



innovative and high-quality services at affordable prices in the Italian mobile market for the past decade.



NEW ACQUISITION

HONG KONG Hutchison Port Holdings Trust acquired a 100 per cent stake in its neighbouring Asia Container Terminals at Kwai Chung for HKD3.917 billion, which will not only increase the handling capacity of its existing terminals but also enhance their overall operational flexibility and efficiency.





CELEBRATING ACHIEVEMENT

GEINIA On 8 January, Yantian International Container Terminals in China handled its 100 millionth twenty-foot equivalent unit, a remarkable record achieved in a mere 18.5 years. The warm celebration held to mark the achievement was attended by approximately 200 guests.

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Overseas Investment

HONG KONG The Cheung Kong Group has invested over HKD 100 billion in Australia in the areas of power distribution, power transmission, gas distribution, telecommunications, ports, water supply, pharmaceuticals and nutraceuticals, vineyards, salt field and agriculture-related businesses. The country's Deputy Prime Minister and Treasurer, the Hon Wayne Swan, was greeted by Mr Victor Li in Hong Kong when he paid a visit in January 2013.

→ WELL DONE!

HWL has been awarded "Best Performance Award - Hong Kong Region" and "Largest Comprehensive Corporation Award" by Yazhou Zhoukan's "Global Top 1000 Chinese Merchants" judging panel.





TOP SPEED IN IRELAND

IRELAND 3 Ireland appointed Samsung Electronics UK as its sole provider of 4G infrastructure, marking a milestone in offering faster speeds to its customers using mobile broadband on smartphones, tablets and laptops. **1**



Record High in Commercial Property Transaction

CHINA A contract signing ceremony of Shenzhen Century Tower was held at Futian Shangri-La Hotel, Shenzhen earlier this year to celebrate the purchase of 27-Storey of Shenzhen Century Place Tower (gross floor area over 50,000 square metres) by the Bank of Communications - Shenzhen Branch. The transaction was a record high in commercial property deals over the past 32 years.

Laughter as cure

NETHERLANDS Kruidvat kicked off the Nine Months Fair in Amsterdam for parents-to-be with a laugh workshop for 40 fathers and their babies. The participating dads pulled out all the stops to make their kids laugh, which helped to build a more intimate bond between father and child.



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CINEMA R A CAUSE

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HONG KONG Hongkong Electric launched its Smart Power Campaign 2013 in joint efforts with the Hong Kong Federation of Youth Groups Jockey Club Media 21 (M21) to encourage the younger generations to pursue a low carbon lifestyle through producing short movies.



A CORNERSTONE IN GROWTH

CHINA Located in the South China Sea approximately 300km southeast of Hong Kong, the Liwan Deepwater Project, a cornerstone in Husky Energy's Asia Pacific growth, is the largest-ever natural gas discovery in offshore China waters. The Liwan Central Platform topsides will be making the 2,200-km journey to the Liwan site and will secure the jacket platform during the second quarter of 2013. 🕒

LI KA SHING CEN HEALTH INFORM AND DISCOVERY



According to research by McKinsey Global Institute and McKinsey's Business Technology Office, the amount of data in the modern world has been exploding, and analysis on large data sets – so-called big data – will become a key basis of competition, underpinning new waves of productivity growth, innovation, and consumer surplus. Leaders in every sector will have to grapple with the implications of big data, not just a few data-oriented managers. The increasing volume and detail of information captured by enterprises, the rise of multimedia, social media, and the Internet will fuel exponential growth in data for the foreseeable future.

Community

ITRE FOR



"What will happen here is more than the promise of harnessing the power of a **data-intensive revolution** to improve **healthcare**. It will free up resources for much needed investments in **educational opportunities** and will lead to **new and deeper competencies** that are pragmatic, precise solutions to sustain hope and stability today and lead to even **greater discoveries tomorrow."**

- Li Ka-shing

UK Prime Minister, David Cameron, speaks at the launch stressing that breakthroughs are needed in medicine, explaining "it is vital for the UK to compete and thrive in global science".

CAPTURING THE FULL POTENTIAL OF BIG DATA in the complex field of medical sciences sets the background for the Li Ka Shing Foundation's GBP20 million (about USD30.5 million) donation to create the Li Ka Shing Centre for Health Information and Discovery at Oxford University in the UK, with its first phase officially launched in early May 2013, as part of a GBP90 million initiative. The Centre will create a focus for the emerging field of analysing big data to medical science research in the UK, helping to transform understanding about disease, treatment of patients, monitoring disease prevalence and management of healthcare systems. It will also provide commercial and academic opportunities to drive research in the UK and globally.

In modern society, very large sets of medical data are often collected anonymously through patient records, DNA sequencing, clinical trials and other national registries. The Centre will pioneer new analytical techniques – also called supercomputing – that will provide powerful new insights into who develops illnesses and why, opening all sorts of possibilities for medical treatment.

"Big data will transform the way we treat patients and understand disease in the coming decades," said Andrew Hamilton, Vice-Chancellor at Oxford, at the launch ceremony for the Centre. "We have collected much of this data already. We owe it to ourselves to make full use of it and deliver more effective treatments for all of us as patients. The Li Ka Shing Centre, and this enormously generous gift which underpins it, along with continued public investment, will be instrumental in driving this research forward."

Building a World-Class Research Facility

The Centre is being developed in two phases and will house up to 600 scientists when complete. The UK's National Health Service will provide a rich pool of data for the scientists to analyse.



(Above) UK Prime Minister, David Cameron, sharing his passion and vision for the Foundation's development. *(Bottom Right)* All smiles as discussions continue with this GBP 20 million project.



The first phase of the Centre is the Target Discovery Institute, which will house research-generating comprehensive data about disease using genomic and chemical screens, which is important for the early stages of drug discovery. It aims to make use of genomic and genetic medicine to more accurately identify good drug targets for industry to pursue. Poor target selection is one of the most important reasons for setbacks in the pharmaceutical industry. The Institute will use novel technology for target identification within the university environment and hence provide the necessary academic backing to the industry.

According to the Head of the Structural Genomics Consortium at Oxford, Professor Chas Bountra, who is a drug discovery expert himself, the time and money spent developing drugs for impractical targets currently is "a tragic waste of resources and a tragedy for patients who need medicines that work."

He also stressed the importance of the contribution of several international pharmaceutical companies to the Target Discovery Institute and their collaboration on the project.

"By collaborating with Oxford University on the project, the drug makers are seeking to eliminate development of drugs targeting the wrong biological pathways, thereby cutting out billions of dollars of research spending," said Professor Bountra. "Once a target has been successfully identified and validated, and pharmaceutical companies can compete to develop medicines that manipulate those targets." Another hope for this partnership is to drastically reduce the 90 per cent failure rate of drugs in mid-stage clinical trials in humans.

The second phase of the Centre will be the Big Data Institute, which will focus on analysing large data sets, bringing together leading researchers from across genetics, epidemiology and public health, clinical medicine, computer science, IT, statistics, and bioinformatics, who will analyse the data in order to improve disease detection, treatment and prevention.

Better, safer and more personalised treatments

The Centre was launched by Mr Li Ka-shing and British Prime Minister, Mr David Cameron. At the launch ceremony, Mr Li said, "What will happen here is more than the promise of harnessing the power of a data-intensive revolution to improve health care. The work of this Centre will identify innovative ways to increase access to health care while lessening the burden of cost. It will free up resources for much needed investments in educational opportunities and will lead to new and deeper competencies that are pragmatic, precise solutions to sustain hope and stability today and lead to even greater discoveries tomorrow."

Mr David Cameron shares his vision, and spoke about how he felt when he discovered his late son had a rare form of epilepsy. As he visited the laboratory of the Centre, he met a researcher who was running genetic data – DNA tests – against a very unknown disease, a syndrome called Ohtahara Syndrome, which his son Ivan suffered from and eventually died of in 2009.

"I will never forget when we were first told of the diagnosis of a desperately ill and disabled child. Then when you want to know more about it, there's very little that we know. It's one of the many parts of medical science where we have huge breakthroughs still to make," said Mr Cameron. "It will be good to say there is, right here in Oxford, a vital piece of scientific work going on to try and link DNA information with this under-researched syndrome."

Mr Cameron added, "I think what happens today (at the ceremony) really matters. It is an enormous investment that Mr Li is making to this Centre, which has the potential to revolutionise medical research and healthcare in this country and beyond. This will help to further develop a strong and competitive science and research base in this country which is vital for the UK to compete and thrive in the global race." (#



Some facts

Target Discovery Institute and Big Data Institute together form the Li Ka Shing Centre for Health Information and Discovery, which has been boosted by the GBP20m gift from the Li Ka Shing Foundation, in particular through funding new research positions. The GBP10m announced from Higher Education Funding Council for England through the second round of its Research Partnership Investment Fund (RPIF) is for the new Big Data Institute building. The Target Discovery Institute received GBP10m in the first RPIF round.

These two related areas of activity harness novel 21st-century opportunities in healthcare and represent the first examples of these types of research endeavours in academia anywhere in the world.

Research in the Li Ka Shing Centre for Health Information and Discovery will cover a number of strands. These will include:

- Mining data from electronic patient records as they become increasingly available;
- Research in genomic medicine, now that the cost and speed of sequencing patients' entire DNA have come down so far to make this realistic in the clinic;
- The use of genomics and other approaches in disease surveillance, such as mapping the emergence of drug resistance in malaria parasites or tracking the spread of infections in hospitals; and
- High-throughput and automated approaches that can speed the early stages of drug discovery, by identifying and verifying better targets for drug development in important diseases such as cancer, diabetes, psychiatric conditions and inflammatory diseases where society needs new and better treatments.





Innovations in Internet and network communications technology have changed the business landscape on a global scale, thrusting companies forth into a new age of digital media. Consumers are now spending more time online searching, surfing, socialising and comparing services and products through electronic platforms such as Apps and social media networks. This trend will only accelerate as more people continue to acquire "smart" mobile devices. Therefore, to both better serve customers and stay ahead of competitors in brandbuilding, it is essential that companies incorporate digital media in their business models and increase investment in digital media technologies.

PARKINSHOP

24Reader

Internet

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THE HUTCHISON WHAMPOA GROUP is renowned for its commitment to development, innovation and technology in many different sectors. As a brand leader in most of the business categories it operates in, the Group recognises the importance of digital media technology and the ever increasing role digital media plays in brand promotion. The approach over 300 shops, Wonderful Worlds of Whampoa is located in a popular commercial and residential district. The App is powered by GPS tracking, which records parking locations to provide convenience and instant access to motorists trying to locate their cars. The App incorporates a Vehicle Intelligent Search System which can guide customers from their current

applied to the development of its digital media technology is aimed at knowing, understanding, and serving customers. By gaining a deeper understanding of customers and by empathising with them, the Group believes it can more directly address customer needs and deliver the right products to them. By empowering creative talents both within and outside its organisation, Hutchison is continuously innovating cutting-edge digital media solutions and harnessing the technology to serve and support customers globally, thereby driving growth and enhancing profits.

"By empowering creative talents both within and outside its organisation, Hutchison is continuously **innovating cutting**edge digital media solutions and harnessing the technology to serve and support customers globally, thereby driving growth and enhancing profits." location along the most direct route to their vehicles. Immediate updating of the number of parking spaces available and information on the latest store promotions are some other added features. It is this kind of customer-centred digital media innovation that has secured Wonderful Worlds of Whampoa as a premier shopping destination.

A key member of the Hutchison group of companies, A S Watson, is the world's largest health, beauty and lifestyle retailer. With over 11,000 retail stores worldwide, A S Watson serves over

Hutchison group companies' ability to harness creative talent from its business units and external partners has been a key strategic driver for the application of digital technology to its businesses worldwide. Enthusiastic and professional individuals dedicate themselves to developing the best digital media technology, specifically aimed at serving their customers, enhancing their experience and directly engaging them. Strategic collaboration between the Group's information services department and external partners has led to the development of countless innovations in digital media technology for numerous businesses. For example, 3 Hong Kong provides a mobile security and protection service called "3 Super Safe", developed to defend against the loss of devices, data and privacy by providing data backup, lock and alert triggering, and device tracking. Likewise, Power Assets Holdings, the Group's electric utility company also in Hong Kong, launched a Hongkong Electric Low Carbon App which features low carbon recipes, information on eco-friendly home products, energy saving tips, and with a carbon footprint estimator function.

Another innovative digital media solution produced by another subsidiary is evident in its property arm. The Hutchison Whampoa Property Group's IT Department recently developed a Car Park Assistant App at one of the largest shopping, dining and entertainment centres in Kowloon, Hong Kong. Stretching over 1.4 million square feet and boasting





27 million customers a week across 20 retail brands in 33 markets. One of the main drivers of A S Watson's success has been its extensive digital media platform, which operates a total of 92 social media touch points and 16 smartphone Apps all aimed at enhancing the customer's experience.

A S Watson's popular health and beauty store, Watsons China, launched the Watsons App with specific versions available country-to-country. The App updates customers on promotional offers and introduces newly launched or exclusively-branded products, and includes the popular "share" feature to allow interaction with popular social media platforms such as Sina Weibo and RenRen in China. A Members' Zone for checking point balances and transaction records also allows customers to register for lucky draws; the App also makes shopping at Watsons a pleasure by providing a store locator to select the nearest shop to customers. The company has pushed the capacity of its App even further towards mobile-commerce, which allows customers to shop on-the-go while providing exclusive offers to those who buy via the App.

Realising the changing behaviour of customers, the Watsons brand in Ukraine has expanded its digital media platform by integrating its existing Customer Relationship Management (CRM) loyalty programme with its social media presence. This strategy rewards extra member points to existing Watsons' customers who interact with its Facebook fan page. The resulting increase in traffic by "sharing" and "liking" ultimately enhances the customer experience by involving them in a direct dialogue with Watsons, thereby setting the retailer apart from its competitors and fuelling a boost in sales performance. Creating a link between CRM and Facebook also allows access to data regarding customers' preferences, which, additively, leads to more customised and more popular promotions. According to one estimate this innovation has been three times more effective than the initial CRM loyalty programme. For creating the first social CRM initiative in Ukraine, Watsons was awarded "The PROpeller Digital Internet Award", Silver Mercury's "The best strategic solution of direct-marketing or CRM programme" Gold Award, and Direct Hit's "Silver Awards - Digital Direct Interactive Marketing: CRM".

Fortress, an electronics and electrical retailer in Hong Kong, is another A S Watson brand that has utilised digital technology to improve convenience to customers. With the launch of its Fortress App, users have access to a store locator, promotions, exclusive offers and product information at their fingertips. Members can also check loyalty points, register for members' lucky draws and explore the latest loyalty point redemption prizes. Fortress also has a social media presence which it uses to broadcast promotional offers and helpful tips on using digital gadgets. PARKnSHOP, A S Watson's popular supermarket brand in Hong Kong, is beginning to utilise digital solutions to popularise and promote its wine segment's commitment to source selections of wines from around the globe. To proactively improve the experience for wine enthusiasts, the PARKnSHOP Wine App was designed to keep users informed of exclusive offers, latest promotions, wine industry news, and promotional event schedules. The App also features information on over 400 wines from around the world and includes a Wine Search function whereby customers need simply to enter keywords or select a combination of search criteria (price range, wine type, grape type, region, food pairing or occasion)

to locate what they want in an instant. Ratings, tasting notes and suggestions can also be shared by other users of the App and through integrated social media platforms. A built-in feature allows customers to capture the barcode of any wine with a smartphone camera to either make a purchase or simply access product information. To add to customers' convenience, App users can create and save wine shopping lists or order

their favourite labels for direct home delivery, whilst the App also allows users to add their favourite wine labels into a virtual wine cellar where their own ratings and tasting notes can be stored and later "shared" across social media networks.

The Group believes that a good digital strategy should be able to bring customers closer to our brands. The Perfume Shop, acquired by A S Watson in 2005, is a UK perfume retailer that had launched a CRM club quarterly magazine called "Scents" dedicated to perfume. The Scents App comprises an interactive e-version of the magazine aimed at informing users of the hottest new launches, exclusive celebrity interviews, and information on perfumes. The App also offers customers an additional touch point besides online or physical stores. With just two issues in circulation, so far, there have already been over 10,000 App downloads. In Hong Kong, the new mobile

"The Group believes that a good **digital strategy** should be able to **bring customers closer to our brands.**"

App of Compass Visa, a joint-venture of Hutchison and DBS Bank (Hong Kong), will enhance the function from being just a tool to enter lucky draws to enabling customers to check their Compass Dollar balance, redeem Asiamiles and over thousands of gadgets with home delivery, mobile coupon (QR code) for redemption and register personalised campaign with result tracking function.

The Group aims to continue to harness technology and innovation to drive its businesses forward into the digital age by continuing to develop its digital media technology and expand on its social media presence. Watsons China has been able to achieve over 1.7 million fans on Weibo, making it the

> only health and beauty brand in the "Top 100 Annual Weibo Influence Power" chart. Such a dominant social media presence, when used to communicate with customers, allows for extremely efficient conversion of "fans" into customers with the simple broadcasting of the latest product and promotional information. In fact, Watsons China has discovered that approximately eight to 10 per cent of customers become aware

of promotions via Weibo, further demonstrating the positive impact that digital and social media have had on the Group's businesses.

Furthermore, the combination of interactive advertising and social media has also proven to be a particularly effective means of promotion in the digital era. As part of its innovative 2012 "Life Bottled" advertising campaign, The Perfume Shop asked Facebook fans and Twitter followers to upload video clips of their most memorable moments. The success of the "Life Bottled" campaign captures the importance that social media are playing in the business world today. Hutchison's continued emphasis on the exploration and development of innovative digital media technologies will continue creating opportunities to truly connect customers to its brands.



What's in China? Digitally-Inspired Retail Strategy

To maintain its position as a market leader in each of its businesses, the Hutchison group of companies have developed a keen awareness of each local market it serves, in order to stay in touch with customers. Its ability and flexibility to incorporate innovative digital media technologies into its business model includes extensive use of e-commerce platforms for trade.

As part of this organisational strategy and in view of the ever-changing retail environment, Watsons China has implemented a digitally-inspired retail strategy that improves service to customers by encouraging online purchases. To this end, Watsons China has launched various online digital touch points that also serve to increase customer contact and involvement. They include a dedicated e-commerce website, Apps on mobile devices, and third-party online trading platforms such as Tmall, a Chinese-language "virtual mall".

Watsons China's business to consumer (B-to-C) platform is built around the integration between the brand's social media presence and these newly established digital touch points, allowing for a much wider coverage of customers, and moving past the traditional approach to retail sales. Though physical retail stores still operate in 216 cities in Mainland China, this innovative, high-tech B-to-C approach provides Watsons China access to additional markets, such as regions without access to physical stores like Tibet and Xinjiang.

A major aspect to e-commerce convenience comprises the carry-over to mobile devices. Since the Watsons China App was launched in October 2012, over 400,000 downloads to Apple iOS mobile devices have been logged. The App is designed to provide customers with the convenience of online purchasing and allows members to check accumulated loyalty points for future redemptions of additional products. To broaden its reach, Watsons China also launched an Android version of the App in February 2013. While Watsons-brand products and selected health and beauty brands have sold particularly well online in Mainland China, the Group as a whole now offers over 1,000 different products on numerous e-commerce platforms. For example, ESDlife, a Hong Kong commercial website initially launched in 2001 as an Hutchison-HP joint venture, boasts over one million visitors and seven million page views monthly and over 600,000 members. While it is the number one wedding media in Hong Kong, the site also offers advertising and marketing services, web and Internet solutions, and a popular e-commerce platform carrying a diverse range of products including health checks, wedding products, computer and digital equipment and home electrical appliances.

Hutchison-Priceline, an online travel service subsidiary operating in Hong Kong, Singapore and Taiwan, has likewise become a leader in the region due to its e-commerce strategy. The site collaborates with more than 400 airlines and 74,000 hotels globally and aims to provide travellers with convenience, value for money, and a secure environment for online transactions. Hutchison-Priceline now sees over a million travel-related searches each week and hundreds of thousands of electronic purchases made by each month by visitors, reflecting a 50 per cent growth rate in traffic in the last year.

Recognising that consumers are now adopting new technologies more quickly than ever before, Hutchison believes the market for e-commerce still has great potential for growth. Crucially, e-commerce is no longer merely a tool to target new markets and boost sales. Today it is a sophisticated mechanism to directly engage customers, proactively meet and exceed their needs, and foster customer loyalty. Austria at a glance Size: 83,855 square kilometres Population: 8.4 million Official language: German Currency: Euro GDP in 2012: €309,901 million GDP per capita in 2012: €36,600

> Even though Austria is not the largest country in Europe, most of us are familiar with the symphonies of Haydn, Mahler, Mozart and Schoenberg, the mountain scenery, catchy songs from the *Sound of Music* and the name of Sigmund Freud. Austria is a tranquil yet modern country with GDP per capita ranked 15th in the world according to the United Nations. Innsbruck, the internationally famous winter sport centre, has held Winter Olympics twice in 1964 and 1976. Its capital, Vienna, is one of the top destinations along the middle Europe travel route, due to its rich culture and efficient connections with other major European cities. Visitors can also enjoy the beautiful scenery of the Alps and snow and skiing in winter - at a relatively lower cost compared with Switzerland – at small towns like Schladming or Kitzbühel.



(Above) The Skyline of Vienna. *(Bottom Left and Right)* Winter and summer alpine scenery.

History

In spite of its small size, Austria has a rich and noble history and used to have strong influence around the world. Once the centre of power in Europe during the time of Austro-Hungarian Empire from 1867 to 1918, this great empire included the entire territories of modern day Austria, Hungary, the Czech Republic, Slovakia, Slovenia, Croatia, Bosnia and parts of Serbia, Romania, Ukraine, Poland and Italy. This German-speaking country was also the centre of the World War I, which was triggered by the assassination of Austrian Prince Archduke Franz Ferdinand in 1914. Today, the nation is a parliamentary representative democracy, and has been a member of the United Nations since 1955.

Culture

Austria is renowned for its rich culture. The city of Vienna, a UNESCO world heritage site, is often described as an "open museum" itself, while the Vienna State Opera is a showcase of the finest opera, art and architecture.

Vienna is also the capital of classical music and a centre of musical innovation. Famous Austrian composers Mozart, Bruckner and Schubert all brought breakthroughs to music in their times and produced timeless pieces. Today, the Vienna State Opera and Vienna Boys' Choir continue to bring the finest classical music experiences to the world. Under its elegant façade, present-day Vienna also has a surprisingly vibrant local rock, techno and pop music scene.

Austrians have also made great contributions to furthering the knowledge of mankind. The University of Vienna itself has produced 15 Nobel Laureates in the areas of chemistry, economics, literature, physiology and medicine. Another famous Austrian you probably have heard of is Sigmund Freund, one of the most influential psychoanalysts in the world.

Austrian culture can also be experienced in a more down-toearth way through sipping a cup of the Viennese specialty of an Austrian "cappuccino" called Melange, or a pint of Märzen-style lager. The Wiener Schnitzel, a dish comprising a thin breaded and deep-fried cutlet of veal, can also offer comfort to your stomach in a cold winter. And last but not least, the famous local deserts: a vast variety of Strudel, dumplings and tasty cakes.

Economy and Development

The Austrian economy is a highly globalised and resilient one. Other than developed industries like construction, machinery, vehicles and parts, lumber and wood processing, international tourism is a most important part of the national economy. Having a relatively efficient entrepreneurial framework, openness to global trade and investment is institutionalised and supported. Together with a strong tradition of reliable property rights protection, and the transparent and evenly applied legal system, the country's economy is ranked the 25th in the 2013 Index of Economic Freedom.

Austria has been part of the European Union since 1995 and adopted the Euro in 1999, allowing it to build better ties with other European countries. Its capital Vienna also has an international dimension, as it is the seat of various international institutions including the International Atomic Energy Agency (IAEA), the Organisation of Petroleum Exporting Countries (OPEC), the United Nations Industrial Development Organisation and the United Nations Office on Drugs and Crime.



Rich in culture, Vienna is a capital of classical music with the Vienna Boys' Choir bringing the finest choral music to the world.

Hutchison in Austria

Austria may not be the largest and most eye-catching market in the world, but HWL recognises the country's potential and has taken proactive steps in expanding its telecom and retail businesses for over a decade.

3 Austria

Austria is a very mature telecommunication market with a mobile penetration of 150 per cent in 2012; which is 1.5 mobile phones for every Austrian citizen. It was amongst the first countries to launch a wide national UMTS/3G coverage.



The telecommunication sector is also highly competitive, allowing customers to enjoy one of the cheapest tariffs in Europe. Hutchison 3G Austria was launched in 2003 to challenge the established mobile market. In 2012, **3** Austria was the fourth-biggest mobile phone services provider with a market share of 10 per cent and 1.3 million customers. In January 2013, **3** acquired the Austrian operator Orange. Together both companies hold a market share of 22 per cent and have more than three million customers. At present, **3** has 94 per cent coverage for both UMTS/3G POP and HSPA+ services over the whole country.

Since entering the market in 2003, **3** has been expanding and taking the lead in introducing the latest telecommunications technology and services to the country. Data service in Österreich is presently experiencing a great boom due to the widespread popularity of smart phones and tablet devices. In response to this change in demand of telecommunication services, **3** has taken proactive steps in upgrading and expanding its data services. 80 per cent of **3** customers now enjoy data speeds of more than 7.2MBit per second, while about 30 per cent achieve a data rate of 21 MBit per second. In 2010, **3** already transported more data over its network than the other two biggest players combined. **3** also commits to delivering the latest technology. In November 2011, **3** had the commercial launch of LTE/4G network, and is endeavouring to introduce one of the best LTE networks





(Above) The Group's beauty chain, Marionnaud, now has more than 100 Austrian stores. *(Bottom)* The launch of 3 Austria is reshaping the Austrian telecommunications market.

in the world to Austria in the next two years. Currently **3** customers are using 4.5 Petabyte of mobile data per month.

Marionnaud

European beauty and personal care giant, Marionnaud, is HWL's retail arm in Austria. Marionnaud entered the market in 2002 and celebrated its 10th anniversary in 2012. The chain now has more than 100 stores in Austria and over one million members, which ranked No 1 in the country's perfumery business in 2012. Austrian customers value the personal advice on choice of products that Marionnaud's more than 600 beauty advisors provide.

Effective marketing is the key of its success in this central European country. For instance, being aware that the male beauty product market is growing, the retailer has implemented the new Marionnaud Men (pour homme) card last year with the aim of increasing number of male customers by 15 per cent. It has also carried out marketing collaborations both inside and outside the HWL group. Strategic marketing support to the brands consigning in the stores have also been provided via varied communication channels, including billboards and creative promotional campaigns. Successful marketing collaborations between Marionnaud and 3 to synergise business within the HWL group have also been launched. TV commercials from suppliers have been broadcasted through 3's network in 100 screens in Marionnaud stores, and both companies have launched co-branded newsletters to customers. These collaborations allow highly efficient use of the HWL Group's resources and generate synergised and impactful marketing. 🕮

A Gigantic Step Forward -Acquisition of Orange by 3 Austria

To consolidate business in Austria, 3 recently took a major step that has impressed both the European and international telecommunication industry - to acquire Orange Austria. With the mobile data traffic experiencing tremendous growth, all prices are facing strong downward pressure, which has posed great challenges for Austrian mobile service providers. 3 is, however, well-placed to see these challenges as opportunities, and the EUR 1.3 billion acquisition of Orange allows 3 to have a stronger position by making the third-biggest mobile phone service company stronger still.

Launched in 1998, Orange Austria

had a slightly higher market share than **3**. However, it was facing a decreasing market share and financial pressure from the necessity of investment. **3** seized this opportunity to combine the strengths of both operators. The acquisition was announced in February 2012 and approved by relevant European authorities in December 2012. **3** will gradually replace all Orange outlets.

The merger of **3** and Orange will be pro-competitive for both the group's business and customers. **3** will enjoy lower investment costs in placing additional frequencies and base stations and higher efficiencies brought by the cost synergies. With a stronger market position and larger customer base, 3 can rollout LTE across Austria more quickly, thus providing the access to the fastest network to the customers. Additionally, more attractive offers, in terms of both price and services, can be offered to old and new customers. This recent 3 acquisition reinforces HWL's commitment to this Jewel of Europe, and to Europe itself. With its new company name Hutchison Drei Austria, 3 is ready to start a new era in Austria's telecommunication industry. 🕮







HWL Group's hotels are the preferred choice of visitors, from national government leaders, celebrities, international business travellers to holiday tourists and their families around the world. The Group's hotels are both "a home away from home", and also famed city hot spots for fine dining, entertainment and relaxation. The secret of HWL Group's hotels is simple to provide the best personal service to every visitor. Yet, such success does not happen by chance, rather it is purposefully cultivated through years of training, management and experience.







































The "can do" attitude provides a home from home experience that excels "beyond the call of duty".





A Place Like Home

We understand that when visitors are travelling, whether they are on business trips, sightseeing or on a longer stay away, they wish to stay in a hassle-free environment, and also feel the vibe of the city. The Group's hotels' special combinations of locations matched with excellent personal care and attention converts many visitors into regular customers, who return to their favourite hotels again and again.

The home away from home experience is achieved through seamless orchestration of expertise of many different hotel staff. Mr Lee M Gopadze, CEO and President of a USbased multi-national wireless communications company, has stayed at the Harbour Grand Hong Kong Hotel up to 16 times in a year, since his first stay in 2011. He appreciates the "can-do" attitude of the Harbour Grand Hong Kong's staff and their care for guests. Common visitor needs, such as restaurant reservations, tourist recommendations and information perfectly attended to by the staff at the concierge and front desk, to cater for busy businessmen's, and every travellers' needs. Mr Gopadze generously shares, "Hotels are the homes of travellers. Warmth and restfulness are anticipated in a real home. Harbour Grand Hong Kong has the unique tranquillity and spiritual relaxation that no other hotel can surpass."

Mr Chevalier Truman Kwok has been a loyal guest of The Kowloon Hotel, in Hong Kong, for over 20 years, since his first stay in 1989. He visits the hotel regularly about three times a year, and truly appreciates the staff, relating, "They provide service from the heart and I can feel the warmth every time I stay here. It feels just like home." The warmness and "beyond the call of duty" service from the staff in Kowloon Hotel are what Mr Kwok appreciates most and are his reasons for returning time and time again. Specifically, he expressed gratitude to the enthusiastic and caring concierge staff who always stepped up to offer him the best service, including helping him to buy exotic, local fruit in the market, to helping him find the right medicines when he was feeling unwell, to hailing him a taxi in the midst of a Hong Kong typhoon.

Actor Ngok Wah is a celebrity of Hong Kong's TV industry. Even though he emigrated to Canada more than 10 years ago, he now regularly stays in Hong Kong for long periods during current TV drama filming. The evergreen Hong Kong actor, who starred in over 100 movies and TV dramas since the 1960s, is a regular of HWL group's hotels and a "resident" of the Harbour Plaza 8 Degrees Hotel, as he always stays in the Serviced Suite of Harbour Plaza 8 Degrees for six to nine months every time he returns to Hong Kong. Both he and his wife prefer to stay at Harbour Plaza 8 Degrees as they are impressed by the hotel facilities, customer service and particularly the housekeeping staff. He explains, "Compared to other hotels, we find that we are really being taken care of at Harbour Plaza 8 Degrees. Everything at the hotel makes it feel like home." His favourite staff, Madam Han, from housekeeping, is now like a family housekeeper to him and his wife, Tien Lie, as they have known each other for so long, and "Madam Han knows exactly our individual preferences, and warmly welcomes us back each year."

Our Unique Touches

Excellence in service is not the only ingredient in HWL Group's hotels' winning formula. Every HWL Group's hotel also has its own unique touches that charm the regular guests, or specifically attract particular customers.

Mr Walter Tarca has been living in the serviced suite in the Harbour Plaza North Point for almost four years since 2009. Even when his nearby office relocated from the nearby Taikoo Place to as far as Tsim Sha Tsui across the harbour in 2010, he confesses, "I looked around the serviced suites and residential apartments in other areas, but could not find anywhere like Harbour Plaza North Point." He is especially impressed by the live band at the hotel and frequently visits the Point Lobby Lounge after work to relax, and compliments the live band as "probably the best hotel band" he has ever seen, anywhere in the world. This view is also shared by many local celebrities, actors and politicians who have become regular visitors.

In addition, many famous singers having concerts in the Hong Kong Coliseum have made a habit of staying in nearby luxury at the Harbour Plaza Metropolis. Geographical convenience is not, however, the only reason why famous singers choose to stay there. Harbour Plaza Metropolis has also developed and nurtured enviable relationships with many of the most famous Hong Kong, Taiwan and overseas' music and entertainment companies. Harbour Plaza Metropolis also thoroughly understands the needs of the performing artistes, and is especially sophisticated in crowd and fan control. This celebrity hotel also provides facilities well-suited to the needs of the famous. The private rooms at Senzuru Japanese restaurant offer artistes a cosy private environment for media interviews and for a quiet getaway from their adoring fans and the regular crowds. It has now almost become a tradition that entertainment companies would use the Harbour Plaza Metropolis' Promenade restaurant as their favourite post-concert venue for dinner buffet celebrations.

The strong tie between performance artistes and the Harbour Plaza Metropolis is also clearly demonstrated by the fruitful collaboration project for the hotel's 10th anniversary last year. Hong Kong singing diva, Kelly Chen, led 10 other talented Hong Kong celebrity artistes to design 10 unique rooms for the "Home Sweet Home" promotion. As a result, guests and fans can stay in the room, personally designed by their favourite local artistes and experience the celebrity's taste and personal flair at first hand.

Heroes Behind the Scenes

However seamless, effortless and discrete HWL Group's hotels' services appear, the beyond the call of duty services provided by the hotel's staff are carefully cultivated and based on meticulous, bespoke training programmes, ceaseless refinements and daily enhancements.

Assistant Manager of Café 8 Degrees at the Harbour Plaza 8 Degrees Hotel, Lee Kai Wah (Ah Wah) has a specialism of recognising guests and remembering every guest's name and particular preferences. Other than his sincere attitude and hard work, he also acquired his professionalism through training programmes from the Corporate office, where he refined skills on giving instructions, communicating and coaching with his colleagues. Ah Wah understands that to offer world class, premier service, true teamwork is essential. He smiles as he says, "A human touch is the most important element in establishing genuine customer relationships and maintaining guest loyalty."

Rainbow Tam, Team Leader of the Nagomi restaurant of Harbour Grand Hong Kong remarkably attained over 250 guest compliments in 2012, and was the proud receiver of Annual Outstanding Service Star 2012. Her secret of success is similar to Ah Wah - to serve from the heart. Her confident warm smile is backed by continuous effort and preparation, by taking careful notes of guests' information such as names, habits, preferred tables, dietary preferences and number of visits to the hotel. In-house specific training also enhances the quality of the services she can deliver. Further, training courses have helped her to communicate with guests more effectively and provide professional advice on dish choices to guests from around the world.





"A human touch is the most important element in establishing genuine customer relationships and maintaining guest loyalty."





Paul Yip, the smart concierge, shares local advice to every guest.

Meticulous Training

Another team of hotel heroes from human resources management always backs up the hotels' front-line staff. HWL Group's hotels recognise the importance of human resources' investment and training in the service industry. Thus, the group has developed strategic and tailor-made training and development programmes for individual associates, managers and the management team, and for different levels and types of staff. For newcomers in Harbour Grand Hong Kong, there is the "1-7-30 Programme" that allows the frontline staff to learn basic courtesy, English, service standards, and the hotel's mission and philosophy. Staff are then assessed at Day 7 and Day 30 intervals to monitor progress. For supervisory group of associates, there is the popular Train-the-Trainer Workshop available at the group level, designed to transfer communication, presentation, mentoring and on-the-job training facilitation skills. Qualified supervisory level staff are required to attend these courses before they could conduct any training to their subordinates. Besides sharing experience in an open and free discussion during these courses to continually improving hotel services, these supervisors can also provide mentoring support to develop new trainees: courses also provide trainees with the opportunity to seek guidance, learn how to solve issues as they arise, receive feedback, and make constant on-the-job improvements. Additionally, management staff looking to widen their management insights and skills can attend a two-part series of the corporate's Competency Enhancement Programme.

To ensure effective communication excellence and consistency of service quality, individual hotels like Harbour Grand Hong Kong also implement two quality assurance systems, the Quality Assurance Audit (QAA) and the Quality Assurance Programme (QAP). QAA comprises a crossdepartmental audit to ensure standard and quality, and is also a system that provides opportunities for department heads to learn the standards and practices of other departments. Under the QAP, the hotel's general manger and key operational department heads will routinely tour the hotel to inspect the quality of service, maintenance and the essential cleanliness of the hotel; all part of the winning formula.

The Moments

With different people from all over the world, everyday is different under the roof of the HWL Group's hotels. Our staff shared some of their exceptional moments at work - they can be both touching and heart-warming!

> "A guest once wrote me two poems to thank me for my help. This guest only stayed in the hotel twice for a very brief period. During his first day, it was raining very hard. I noticed he needed an umbrella and arranged one to be ready for him at the concierge desk. I recognised him on his second stay and already had his luggage arranged at his room before he finished checking-in. He was very impressed by my service. This is the only time that a guest wrote me poems in my 18 years of service. I still cherish today." - **Paul Yip,** Chief Concierge, Harbour Grand Kowloon



"A guest who had already left the hotel once called and asked if we could help him to find a card he had left in the room. It was a card with his handwritten marriage proposal to his girlfriend. I helped him search for it and luckily the card was found. He was so relieved and grateful when I found the card. It was so

very satisfying to help this romantic guy. I was touched by his sweetness." - **Mille Chan**, Guest Service Manager, Harbour Grand Kowloon

"There is something about the elegance of the hotel, the views from every room, the friendliness of the staff, and the convenience that continues to bring me back. Further, the hotel has also impressed our visiting colleagues from the US and the UK. It is ideally located in Hong Kong for both business and pleasure. These days I travel here mainly for hiking and still find the hotel a convenient place to stay." - Catherin Emerson, Project Manager of Synexis, is a 34-time guest at Harbour Grand Hong Kong

HARBOUR GRAND KOWLOON Home away from Home

At fourteen I learned that a special place is more than a location. It's a feeling. I recall standing on the lava cliffs of Maui, watching a Pacific sunset as surf pounded the rocks below. Music from the open-air bar was Chicago's "Colour My World" played by the house band. That was 40 years ago, but I have held on to that feeling ever since.

It is the same sense of place I experience each time I arrive at the Harbour Grand Kowloon.

Inevitably my flight from Washington, DC, lands an hour or two before midnight. After 18 hours in the air I anticipate my arrival at the elegant waterfront landmark with almost as much affection as I do returning home. Over the years, the staff have become more than friends -- Jonathan, Queenie, William, Paul, James, the doormen and housekeeping staff -- their sincere attention not only attends to my needs and comfort but can even inspire me to feel better about myself.

On one occasion a mistake was made by my office. I was placed in another luxury Hong Kong hotel, a majestic marble monument that was

as beautiful as hotels come. The room was spacious, modern and comfortable. I was bone tired and the bed was wonderful. Still, I did not last the night. Shortly after midnight, I called my staff in Washington where it was noon and asked them to correct the mistake. I repacked my suitcase and called a car.

As we pulled into the circular drive of the Harbour Grand Kowloon, warm lights welcoming me well past two o'clock in the morning, Queenie and her staff were waiting at the door, their smiles infectious. Order had been restored to the universe.

Why is it that I feel this way? Certainly some of it has to do with familiarity, a hotel that is as beautiful as it is comfortable, and the sincere relationships that have been formed with the staff. But it also has to do with the level of professional and personal service, the world-class views of the Hong Kong skyline, and the attention to detail in the immaculate rooms and among the always gracious housekeeping personnel.

Then, there is the remarkable food. At some of the most odd times when I am back in the United States I find myself craving the fugu and grilled asparagus of the Robatayaki, the opulence of the grand buffet, and the steamed fish of the Hoi Yat Heen. Even as I write this those cravings are returning in force, as is my desire to visit the Harbour Grand Kowloon again... real soon!

William Nixon, Chairman and CEO of Policy Impact Communications in Washington, DC, has been a loyal customer of the Harbour Grand Kowloon for more than a decade.





Fun in the world of Hutchison Whampoa

Every day, a quarter of a million employees of HWL, in an almost infinite variety of positions around the world, bring innovation and high quality service to our customers, making a difference in their respective communities.

DO YOU HAVE INTERESTING PHOTOS of you at work, or relaxing, or enjoying a favourite hobby or pastime outside work to share? Do you have any unique observations on your country, city, town, village or your community, and want to show us the best part of it? Are you involved in any volunteering work and have pictures which show your call and compassion for the community?

We are now inviting our HWL personnel to submit photos which share your fun world with colleagues around the globe. The 12 winning entries may be used in an e-calendar for 2014 and made available in the HWL Employee Information Portal. The contest results and overall winner will be announced in *Sphere*.

Submission Format

- Each employee can submit a maximum of TWO photos.
- The photos must be taken within TWO years before the date of entry.

- The image must be a colour photo in JPEG/JPG with a size between 1MB and 5MB and dimension of at least 1600 x 1600 pixels.
- Please also provide your name, company name, telephone number and email address.
- Please also provide a short 30-word (English) description to accompany any photo submitted.
- Submit to SphereE@hwl.com.hk by 31 August 2013.

Judging Criteria and Committee

- Photographic quality.
- Creativity.
- Relevance to the theme.
- Overall impression.
- The judging committee will comprise of members of HWL management and the *Sphere* editorial team.

Join now to share your point of view with your colleagues around the HWL world! $\textcircled{\sc mathbb{m}}$

