

UNIVERSITI TEKNOLOGI MARA



**FUNDAMENTALS OF ENTREPRENEURSHIP
(ENT300)**

**CASE STUDY
WATSON KOTA BHARU**

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Executive Summary:

In this case study I'll be doing on Watson Personal Care stores (Malaysia) Sdn. Bhd located at Jalan Sultan Yahya Petra, Kota Indah, 15200 Kota Bharu, Kelantan. Watson is an integrated global specialty pharmaceuticals company and is one of best known trading names in Malaysia. Originally the company began as a small dispensary in Guangzhou, China in 1828, opened in Hong Kong in 1841, and it proceeded to become one of the first companies in the world that produces the carbonated soft drinks. In 1994, Watsons expanded to Malaysia. Watson has continue to expanded into many branches in Malaysia. There are about 90 stores outlets in Malaysia and Singapore which will be expected to be increases steadily per year. Watson's regularly carry more than 25,000 items that is sourced from over 20 centuries, also including its own label that is GIANETTO. Some of the items that contributed the most profits to the Watson's are Personal Care, Lifestyle, Beauty Products and Health and Fitness. The store ranges in size from the 2,000 to 12,000 square feet with the ideal size being a 5,000 square ft.

Entrepreneur Profile:

Dr. Thomas Boswell Watson (1815–1860), from Scotland, was the first member of the Watson family to arrive in the Far East, where in 1845 he set up a private practice in Macau. After selling his practice to a fellow doctor, he moved to Hong Kong in 1856 where he became part owner of the Hong Kong Dispensary, an offshoot of the Canton Dispensary which operated from 1828 to 1858.

Known as the "Big Medicine Shop" (Chinese: 大藥房; Cantonese: *Dai Yeuk Fong*), the dispensary's main customers were soldiers and sailors. The dispensary was not known as A.S. Watson until 1870, although Alexander Skirving Watson took over in 1858 following management changes. T. B. Watson sent his family back to Scotland in 1857, and he himself followed two years later.

Following the death of Dr T. B. Watson in 1860, the Hong Kong Dispensary was leased to A. S. Watson and two other doctors, and onwards from 1862, the name A.S. Watson featured prominently at the Hong Kong Dispensary. In 1871, the Watson family leased the company to Dr John David Humphreys and Dr Arthur Hunt, and thereafter trading was executed under the name A.S. Watson & Company.

The company entered China and the Philippines in 1883, but withdrew from both countries in 1910.

Retail outlets were known as "Watsons the Chemist". The current owners, Hutchison Group, acquired a controlling interest in A.S. Watson & Co., Ltd in 1963. In 1981, it became a wholly owned subsidiary of Hutchison Whampoa Ltd.^[4] At this time, the group had 75 retail outlets.

In the late 1980s, the chain expanded to other parts of Asia. The first modern Watsons store outside Hong Kong opened in the Portuguese territory of Macau in late May 1987. The first Watsons in Taiwan opened in September 1987, and by May 1991 the number of Taiwanese locations numbered 25. The first Watsons store in Singapore opened on 29 April 1988, with the chain expanding to operate 27 outlets across the city-state by 1993.

The first Watsons store in China opened in April 1989. Located in Beijing's newly opened Palace Hotel, the shop's products were all shipped from Hong Kong, and were therefore for sale in foreign exchange certificates only. Watson's management thus expected the shop's customers to mainly comprise foreign tourists. The Palace Hotel was partly owned by the People's Liberation Army, which required all shop staff to complete a month-long boot camp.

Watsons personal care stores were subsequently opened in Malaysia (1994) and Thailand (1996).¹ The first Watsons store in Indonesia opened on 13 January 2006 in Jakarta.

In 2019, Watsons reached 7,800 stores and expanded to Vietnam, the 13th operating market of Watsons.

In 2020, Al-Futtaim and A.S. Watson Group have signed a franchise agreement to open stores of healthcare and beauty chain Watsons in the Gulf. Watsons opened its first flagship store at the Dubai Mall in October 2020.

Entrepreneurial Competencies:

- Opportunity Seeking and initiative : Nowadays people are concerned on their appearance and looks which leads them wanting to buy more beauty care product. With new beauty products which Watson's Personal Care Stores Sdn. Bhd. has in stored, it will attract consumers to purchase more beauty product at the nearest Watson Personal Care store.
- Persuasion and Networking : A lot of efforts are taken to develop and maintain good relationship with the public to ensure good favorable public image of the business. Like frequently appeared on social media, electronic media, as well as on printed media.
- Commitment : Watsons is committed to providing a positive, safe, healthy and supportive diverse workforce and fosters individual growth and achievement of business goals.
- Goals : Watsons continually sets the standards in the health, wellness and beauty market, providing personalized advice and counseling in health, beauty and personal care on top of its market-leading product range, making customers look good, feel great every day.