

## Shopping for digital data in Singapore

By Della Bradshaw



*Singapore is seen as a test-bed for consumer research*

Imagine walking past a shirt shop with two friends and glancing at the garments in the window. Suddenly your mobile phone pings with a message. Buy two shirts from the shop, runs the text, and you will receive a 20 per cent discount; buy three and the discount will be 30 per cent.

This kind of personalised promotion is the bread and butter of a consumer initiative called LiveLab, now hitting the streets in Singapore and the brainchild of professors at Singapore Management University. The country's consumers are invited to opt into the service using their mobile phones in three locations – Orchard Road, Singapore's most famous shopping street, Changi airport and Sentosa island, home to visitor attractions such as Universal Studios.

Meanwhile, a few miles across town, Columbia Business School marketing professor Bernd Schmitt is working with another Singapore business school, at Nanyang Technological University. He has set up the Institute of Asian Consumer Insight, which is spearheading both academic and corporate consumer research.

One of the latest pieces of research from the institute is trying to understand how people shop. "It's about how values are changing in Asia and how that affects behaviour," says Prof Schmitt.

His decision temporarily to swap New York for Singapore has been spurred by a real corporate thirst for information on Asian consumers. Academic research has traditionally compared behaviour across continents, between North America, Europe and Asia, he says.

Case study

“That is just not enough any more. Companies are interested in specific markets. We need comparative studies. There is almost nothing [in this field].”

These days, he stresses, there is a real sense that Asia is where the action is. “The engine of the world economy for the next few decades will be Asia,” he says. “It will not be America. It will not be Europe.”

It is no coincidence that both these consumer initiatives have been established in Singapore, which is exercising a real pull for business researchers. It is a discrete multicultural urban centre with high-quality infrastructure and as such it can act as a test bed for consumer research, says Prof Schmitt. “It is great for preliminary findings that you can go out and test in other markets.”

It is also located between India and China, with strong links to both, as well as strong relationships with Japan, Malaysia, Indonesia and the Philippines. But perhaps the biggest draw is the cash. “I could not do this in the US any more,” says Prof Schmitt. “They just don’t have the money.”

Key to the establishment of both the NTU and SMU experiments has been the financial support of the Singapore government. Nanyang’s Institute on Asian Consumer Insight is jointly funded to the tune of S\$77m (US\$62m) over five years by the Singapore Economic Development Board and NTU. Meanwhile, Singapore’s National Research Foundation, through its Interactive Digital Media Programme, has invested S\$9.94m over five years in SMU’s LiveLabs, subject to further funds being raised from industry.

The Singapore government is also investing a further S\$26m in a separate research project at SMU, the Living Analytics Research Centre (Larc) which is run jointly with Carnegie Mellon University. It has been set up to develop Singapore as one of the world’s leaders in “live” data. This will enable researchers to observe how large numbers of users behave by observing their digital traces – from mobile phones, for example. They will be able to see how behaviour evolves over time or how people react in certain situations.

Following huge investments in communications and education by the Singapore government – business schools Insead, Essec and Chicago Booth have campuses there, for example – information is the next stage of the government’s long-term strategic plan, says Prof Schmitt.

“I think it is a smart way to invest in intellectual services.”

For Prof Miller, the two projects at SMU put the fledgling university in the big league. “We’re not aware of anyone in the world that is doing things on this scale,” he says. “We’re building a larger ecosystem than anyone else.” And he dismisses any concerns about data privacy. The data protection laws on the use of personal information are as strong in Singapore as they are in the US, he says.

At the heart of the ACI’s research will be the development of traditional analytical tools but also those relating to ethnography to help companies better differentiate between consumers.



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This will use big data sets using data from large corporations, such as telecoms companies and banks, as well as data collected by researchers.

“Big data sets will allow us to find out how specific markets behave,” says Prof Schmitt. He is not stopping there. The next subject for research at ACI will be the Asian home – how Asians live, from what their home decorations are like to what kitchen utensils they buy, for example.

“The future Asian home will look like a western home [from the outside],” he believes.

“But will there be Asian elements? Will there be fusion? Or will there be a distinct Chinese or Indian style?”