

Publication: The Business Times, p 03
Date: 22 August 2017
Headline: Use, monetising of data will fuel digital revolution

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Changes that fintech and blockchain can bring to customers and businesses also aired at seminar

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Singapore
THE use and monetisation of personal data are important drivers of the ongoing digital revolution, and fintech and blockchain are two technologies underpinning this trend, said speakers at a seminar organised by the Singapore Management University (SMU) and *The Business Times*.

But many of these new technologies are still in their infancy. The Singapore Management University vice-provost for research Steven Miller, who spoke about technological disruption at the event last Friday, said current versions of machines and artificial intelligence have limitations, which prevent them from being "truly intelligent".

"Humans have the ability to understand and infer context, purpose and intent – even if they start without any information. Machines, on the other hand, have a very limited ability to do

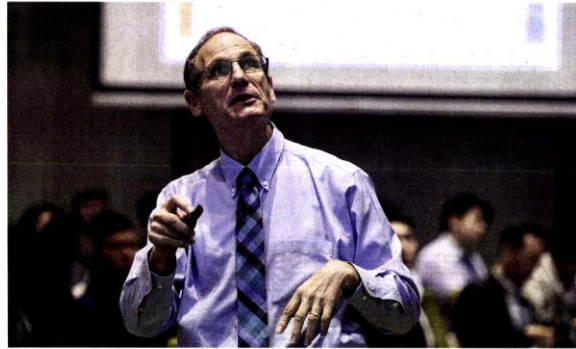
this." He added that the way forward thus lies in how humans and machines interact with one another; mobile digital learning platforms such as Knowbe, showcased during the seminar, were examples of this.

Founder and chief executive of fintech accelerator SuperCharger, Janos Barberis, pointed out that the disruptive potential of fintech does not just refer to the proliferation of banking services, but also to how online services are changing the way bank customers make transactions.

He noted that startups – not the big banks – are at the forefront of the growth and innovations in fintech.

Fintech has been led by market reform stemming from the 2008 financial crisis, and also by developing countries – especially in Asia, where two billion people do not have access to a transaction account, he said.

However, he noted that the real driver behind innovations in fintech lies in the monetisation of personal data, or "TechFin" as he calls it. Companies such as Baidu, Alibaba, and Tencent are examples of this fintech innovation, as they have added a "financial layer" which takes advantage of user data to enhance their core



SMU's vice-provost for research Steven Miller says the way forward lies in how humans interact with machines. Machines and artificial intelligence today have limitations.
PHOTO: KELVIN CHENG

business. He said: "What has seen exponential growth is the market for information around your decisions. If fintech today is all about digitising money, then TechFin tomorrow will be about monetising your data."

Many Chinese companies are using financial data to sell people non-financial products. For example, consumers typically give their credit card information to a hotel as a deposit upon booking a room, which is a

form of "friction". Alibaba's Alipay relies instead on allowing guests to bypass this friction, that is, to avoid having to leave a deposit – on condition that these guests have high credit scores.

The flipside is that if the guest vandalises the hotel room, his Alipay credit score will fall, so the incentive remains for him to keep his credit score up.

Innovations like these give reason

to Mr Barberis to conclude that China is far ahead of everyone else in utilising user data in fintech.

Jennifer Qjn, Asia-Pacific Investment management leader of Deloitte Asia-Pacific, spoke of the potential of blockchain to bring "a new world order". She said that this technology – a public ledger of online transactions – has the potential to create a network of democratised information which is censor- and hack-resistant, and which

does not need a central authority to maintain.

Due to the ability of blockchain to function without intermediaries, this technology will enable consortiums to be set up without a central agency; it also means businesses can move up the value chain and sell directly to consumers, she said.

While blockchain is often associated with cryptocurrencies, it not only "can be initiated as a store or transaction record, but also serves as a fabric for further innovation and value extraction", such as for record keeping, value transferring and contract executing purposes.

She added that blockchain would be useful for the management of one's identity, creating an auditable source of information that could replace the large amounts of paperwork needed for services requiring proof of identity, such as when accessing government services.

ET will continue to collaborate with institutes of higher learning to organise business courses as a way of supporting continuing education and training for adults.

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