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Headline: Developing online business strategy with millennials through partnership with university

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The COVID-19 pandemic has brought about a significant shift in shopping behaviour from offline to online among Singaporean consumers. According to data from data analytics firm Nielsen, 37 per cent of Singaporean consumers have increased online shopping activities since the COVID-19 outbreak. This shift towards online shopping, food delivery and e-groceries may persist beyond the COVID-19 period.

While the increase in online shopping has benefited online stores, many businesses who do not yet have an online presence or have not been paying much attention to conducting sales online were caught off-guard during the circuit breaker period which has resulted in decreased footfall and plummeting sales in most physical stores. For example, it was reported that only 5 per cent of the heartland shops in Singapore are able to operate digitally ('Heartland Shops' Business Battered by Coronavirus Crisis,' The Straits Times, 7 May 2020). Therefore, having an online retail presence has become critical for businesses, as they can no longer continue business as usual.

To devise an online business strategy, businesses must rethink who their customers are and how they want to serve their customers. This means they might need to understand and pay more attention to engage 'millennials', who are digital natives and are expected to comprise as much as 75 per cent of global workforce by 2025. Millennial customers are known to value experiences, discoveries and excitement during online shopping. As a consequence, businesses may have to put in place a digital experience that involves more than just providing customer service online; but also use social media and technology in ways that create delightful experiences across all touchpoints — from design to content to customer support to creating a seamless offline-to-online experience. While the idea of engaging millennials seems common sense, this is no easy feat. A major obstacle for many businesses is that they lack a clear understanding of millennials' shopping behaviours online and as a result, not knowing how to establish a 'millennial-friendly' digital experience to boost their online sales.

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A Business-University Partnership Model

To better understand millennial customers, businesses may consider developing their online business strategy by partnering with universities through faculty-mentored student projects. Such student projects come with no cost to businesses. In addition, businesses may benefit from having additional manpower for value added projects; faculty guided consultancy; potential new hires who are exposed to the industry and have knowledge of the company; exchanging knowledge with faculty and students; and most importantly, co-developing innovative digital solutions with millennials who are likely their potential customers. The collaboration will also allow university students to understand the benefits and challenges of running a business. At the same time, the trend towards digital transformation of businesses has given rise to new opportunities for students who may be inspired to become future entrepreneurs by becoming disruptors in the industry themselves.

One such partnership that has worked well so far is the collaboration between businesses and Singapore Management University (SMU) through its SMU-X initiative which was launched in 2015. The SMU-X initiative offers an experiential curriculum that motivates students to apply their knowledge in solving complex real-world problems with mentorship by professors and industry partners. For example, since 2017, several businesses have taken up the opportunity to collaborate with SMU School of Accountancy in one of its courses – Accounting for Entrepreneurship. The course is open to students from any discipline during their 4 years of study at SMU. Projects completed in the Accounting for Entrepreneurship course include online business strategy, feasibility study of new product and service, developing product prototype, budget forecasting and break-even analysis, product costing, cash flow analysis, and financial/operational performance visualisation dashboard.

Case Study of a Local Company

In January 2019, VV Technology, an AI-driven technology company founded in Singapore, commissioned 72 students (i.e., 5 to 6 students per team) from the Accounting for Entrepreneurship course to complete a number of projects over two academic semesters ending in November 2019.

The company is currently developing online platforms in food delivery, e-commerce, and smart retail to help connect merchants (including those who may not have an online presence) to the significant number of millennials in Singapore and later, in ASEAN. The projects with SMU aimed to leverage technologies such as big data, blockchain, cloud and artificial intelligence to sharpen VV Technology's understanding of the target market of millennials and narrow down the types of products and services that the company is launching in Singapore and ASEAN. The student teams were mentored by several managers from VV Technology and advised by SMU Assistant Professor Yuanto Kusnadi.

One of the projects focused on food delivery. Students performed background research on companies that were offering online food delivery services in Singapore. With the research and data analyses, students brainstormed possible online business solutions and developed several useful outputs such as the profile of a delivery rider, the commissions charged by each food delivery platform, and the opportunities that VV Technology could tap on in the competitive online market environment. The value of such research proves to be very important and timely, especially with the increasing prominence of food and grocery delivery platforms during the current COVID-19 pandemic in Singapore and other parts of the world.

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In addition, students prepared budgets and forecasts, and conducted break-even analysis for a number of recommended products and services that VV Technology was planning to introduce to the Singapore and ASEAN online marketplaces. Such analyses required students to apply managerial accounting concepts that they learnt in class and come up with practical recommendations.

Through the collaboration, the students learned practical and cognitive skills on how to perform market research and obtained useful findings from the ground through surveys; as well as tested the market feasibility with prototypes while keeping business sustainability in mind. The research and presentations by the students provided beneficial insights into which areas VV Technology should explore and focus for their online business strategy.

Through the partnership with universities, businesses may gain a completely new perspective to some of their problems, and sometimes even learn of a novel and effective solution to an issue. During the current COVID-19 pandemic, developing an online business strategy may become a priority for some businesses. By working with university students to devise a 'millennial-friendly' online business model, businesses may be able to better exploit business opportunities online. Subsequently, moving beyond the COVID-19 period, businesses may consider working with university students to brainstorm and establish plausible post-crisis recovery business strategies and models. We foresee such beneficial and collegial collaboration between businesses and universities to grow in the years to come.

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