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MARKETING AT THE EDGE

Autumn 2018

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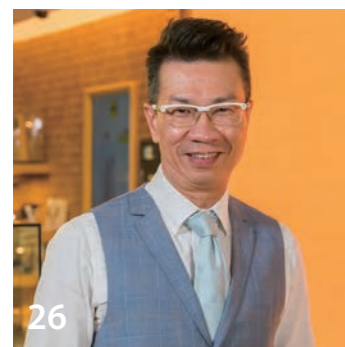
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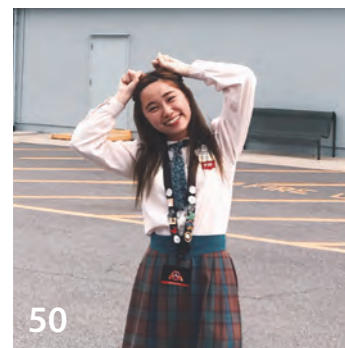
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From the Dean



As bestselling American journalist and author Thomas Friedman puts it, we are living in an era of accelerations, and nowhere has this been more keenly felt than in the field of marketing. Something of the urgency of this ongoing transformation is captured in Professor Julie Li's imaginative opener *The future of marketing is now*. Starting from a real-life wedding event, we are taken on a hair-raising exploration of the near future, where frontiers are pushed beyond familiar horizons!

Our follow up article, *Blockchain - A revolution in e-commerce*, by Professor Wenyu Dou, takes us on a kaleidoscopic tour back through marketing innovations in world history, before succinctly assessing the potential of the coming technology - blockchain.

Have you ever had the suspicion that as a loyal customer you are being cheated? In *Special customer, special price* Dr Xi Li examines this unsettling prospect and the inequities of behaviour-based pricing. Dr Huazhong Zhao then assesses the remaining hurdles to the emergence of a full digital marketing ecosystem in *Digital marketing: Transcending physical barriers*. The tech revolution is of course impacting the way we run business, and in *The dying art of leadership?* Dr Chak-fu Lam surveys the state-of-play and the future of human leadership itself.

As change accelerates in the business world and complexity increases, there is a need to transcend conventional knowledge silos, and in Spring 2019, we launch Asia's first *EMBA + MPA programmes* in partnership with the School of Public Policy and Management of Tsinghua University. These innovative programmes highlight leading-edge knowledge and practice across the Belt-and-Road Initiative. Applications from potential learning partners are being accepted now.

Transformations in the job market are of crucial importance for our graduating BBA students. Bruce Lam, CMO of CSL Mobile Limited, is a member of CB's recently established Career Development Advisory Committee, and in *The loyalty factor* he explores opportunities in the current job market and his take on how to manage a career in the current corporate world.

The impact of digital technology in the corporate arena is a hot topic in the MBA SHARP Forum "Cashier-less Stores Initiative – The Arrival of New Era of Shopping?" In *Clicks into bricks*, Dean Samuels of Amazon Web Services, Ricky Wong of Hong Kong Television Network Limited, and Derek Ng of CRMG Holding Limited debate the future landscape of Hong Kong retail.

Meanwhile our BBA programme is offering ever greater choice with a double major option, a dual degree programme with Columbia U, and two flagship College-based programmes - the BSc in Computational Finance and Financial Technology, and BBA in Global Business. In *The BBA of choice* Dr Raymond Wong, Associate Dean (Undergraduate Programmes) explains how the programme is opening doors to great experiences and opportunities.

A big thank you to all of you who entered our photo competition, and congratulations to our winner Kenneth Kwong Kan-lap, whose photo on the centre pages demonstrates that smart phones have their attractions for all age groups! I do hope you enjoy this issue.

Houmin Yan

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ON THE COVER
A graphic from the *Mars Explorers Wanted* series created by NASA. These posters were originally commissioned for an exhibit at the Kennedy Space Center Visitor's Complex in 2009.

The future of marketing is now

By Professor Julie Li

In this fictional account of weddings, robots and space travel, Professor Julie Li, Department of Marketing, points to the ongoing revolution in marketing, and the proactive role that all of us can play.

2030

As she looked out of her office window facing the canyons and volcanoes, Willa remembered that beautiful evening back on Earth just twelve years ago. Her family, classmates and favourite professors had gathered together to celebrate the love which she and Jason had for each other. What a stunning wedding – and all made possible by that first-generation AI wedding planner.

Willa had always been creative and forward-looking. Marketing taught her that. Her mom still wondered how she had managed to plan such a fantastic wedding in such a short time. Before AI came along, planning a wedding was a year-long task. Doing it in six months or less was harder. One week was mission impossible.

Like most girls, Willa had many ideas for her dream wedding. But she also needed to be practical – to determine how many people she could entertain with the budget and space she had available, to decide on vendors – florists, photographers, wedding dresses, decorations, etc. All these tasks were assisted by a Watson-enabled AI, MEEKA, which helped her make that dream wedding come true. As Willa said to her mom, “We are now living in an AI age. AI and emerging technology are powering marketing and event marketing.”



2020

From wedding to robots

It is a hazy Hong Kong evening when I meet Willa. After graduation back in 2012, she had started working with an artificial intelligence marketing company as a management trainee and seven years later became Chief Marketing Officer. Her first few months as CMO were quite unconventional and exciting.

“That wedding actually aroused my interest in event marketing. Now I spend most of my time working with robots. AI and machine learning have truly changed the landscape of marketing and the role of the marketer,” she told me.

“We don’t even recruit a copywriter for the event page anymore. AI does it all for us. I just feed in the keywords and the text is generated automatically, fully aligned with our event’s goals and intentions.”

“We utilise face recognition based on AI and biometrics for attendee identification. AI authenticates attendees and grants access to the event venue. We have developed chatbots for our events, which communicate efficiently with our customers and provide all the information they need.”

The latest developments of the event marketing industry remind me of discussions in the 1968 science fiction film *2001: A Space Odyssey* about intelligence, evolution and the future. The future is now. There are still arguments about the threats and opportunities AI brings to mankind between the likes of Mark Zuckerberg and Elon Musk. But in the marketing world AI is ubiquitous. It informs marketing research, advertising, buying and customer relationship management.

Already in 2017, more than 51% of marketing leaders were using AI¹ and most marketers believed AI was creating more operational efficiency, allowing them to obtain big data and personalise marketing activities.

Just three years later, AI has substantially transformed the marketing industry, in particular in the areas of lead

scoring, campaign analytics, hyper-personalisation of content, sentiment analysis, programmatic advertising and media buying, hyper-personalised product recommendations and customer segmentation.

Unique shopping experience

Willa now focuses on brand management. “Marketers need to be more creative than ever to design the brand. We now make the brand human-like, give it a face and enrich it with stories which reflects how consumers perceive themselves. The brand has human aspects which customers can associate with and feel that they can communicate with.”

“We use chatbots to provide brands with human-like characteristics and engage with customers. Siri and Alexa were the first generation of chatbots in brand anthropomorphism working round-the-clock and providing instant replies. With chatbots, vast amount of personal data is generated which facilitates targeted advertising. As AI becomes the face of brands and a tool for brands to engage customers, we are developing advanced chatbots to gather insights from customers’ feedback. Programmes are improving responses through deep learning. In essence, chatbots facilitate the personalising of media and responses, and marketers can achieve one-to-one marketing at scale. Of course, here we encounter ethical concerns, as always...”

“At the same time, we are creating unique and engaging customer experience to rejuvenate time-honoured brands. By integrating retail and customer experience, we creatively design experience shops to infuse energy into the brand and provide customers with unique shopping experiences.”

“You know, the millennial generation, Generation Y, is our target. They have a strong desire for freshness and unique shopping environments. We are helping brands use virtual reality and in particular augmented reality to increase awareness, promote engagement and enhance the customer experience. AI-driven AR and visual discovery allow brands to create platforms and communities that far exceed the limitations posed by old fashioned media channels. With Apple

creating Animojis Plus, customers can share content in interactive and creative ways. Yes, we are taking branding engagement to another level!”

I am very happy with Willa’s strategic moves. AI, mobile AR from Apple (ARKit), Google (ARCore) and Facebook (Camera Effects) and computer vision/machine learning (CV/ML) are providing marketing with new platforms. A report from CISCO has predicted that 37 billion new things will be connected by 2020². Brand anthropomorphism and interactive customer experience are at the centre of brand management and immersive marketing.

2024 The beginning of Fairytale

Time flies. Six years after their wedding, I see Willa and Jason again on November 30, 2024 at the CityU 40th anniversary alumni dinner. When she tells me that she is now an entrepreneur, I am not surprised at all. I’ve seen a lot of things change in the past four years: About one third of jobs have been replaced by robots. The same for automated examinations replacing doctor visits. And about one third of restaurants use a 3D food printer in their meal preparations. Driverless-vehicles are commonly seen on the roads...Chance favours the prepared mind. Willa and her husband have kept themselves on top of breaking technology trends, exploring new applications in marketing.

Willa and Jason’s company is called Fairytale and its core business is programmatic advertising, which is related to data-driven and technology-enabled media planning and buying. Jason is an engineer and an expert in a computer technology based on the principles of quantum theory: quantum computing.

“While many jobs are automated, key marketing jobs are deeply artistic, creative and scientific. Our business integrates marketing analytics and design thinking. To manage more sites, diversified channels and touchpoints in this fragmented and complex market, we use quantum computing and machine learning to analyse past campaigns and recommend the optimal inventory and targeting based on customers’ unique goals.”



“Programmatic advertising helps make choices more objectively and efficiently and reach customers at the right moment with the right message.

Marketing is cross-disciplinary in nature. Design connects creativity and innovation. Our company has a blend of mindsets, using design thinking in working and applying creativity in the pursuit of marketing innovation.”

“Now AI technologies and computer technologies for data analytics are mature. We see advanced capabilities for capture and analysis and we can collect data based on a specific user action segment and then respond in real-time, which enables us to give consumers/firms more personalised/customised recommendations. This is need-based advertising.”

Several years ago, a report from Market Research Future expected the global quantum computing market to grow to US\$2,464 million by 2022³. The pace is even faster than had been predicted. In 2017, GoGoVan became the first Hong Kong start-up valued at more than US\$1 billion, making it the first “unicorn” in Hong Kong. In 2024, there are a number of “unicorns” in Hong Kong – admirable start-ups, private companies valued at US\$1 billion or more. Fairytale is one of them.

2030 From Earth to Mars

In the next six years, I witness the expansion of Fairytale to become a market leader in Hong Kong. I see the redrawn global economic power map in 2030: Asia-Pacific, Latin America and Africa have become the fastest growing markets. In 2029, Fairytale’s strategic partner, a Chinese company, became the first to enter the space tourism industry and established regular flights to their space hotel on Mars. On January 5, 2030, I am invited by Willa and Jason to join a special trip, a trip to Mars.

Fairytale has been helping its clients to determine market characteristics, measure market potentials, and study tourism business trends and consumers’ space travel decision-making. Over time, the traditional

consumer segmentation by age or generation has become less significant. 85% of the world's productive population now comprises Generation Y and Generation Z. "Travel companies must understand the change of travel ecosystem as well as the drivers behind consumers' behaviors and emotions. Now we are using neuromarketing to help companies determine how to personalise offerings in ways that exactly meet or exceed consumers' needs and expectations and help minimise product and campaign failures."

"In essence, we focus on understanding how customers' brains actually work and what effects human emotion will have on a consumer's purchasing behaviour and decision-making. Neuromarketing is the integration of marketing, psychology and neuroscience. Way back in the 2010s, neuro-technologies such as electroencephalography (EEG), magnetoencephalography (MEG) and functional magnetic resonance imaging (fMRI) were used to learn how consumers respond and feel when presented with products or services. Now, using quantum computing and time reversal technologies, we provide models and theorisation of the emotional aspects of consumer behavior, consumer experience and decision-making on space travel. We are planning to set up a neuromarketing lab on Mars, a special project for our 12th anniversary!"

On the day we land on Mars, the wind is strong, blowing the red dust up into a raging storm. The Romans named this bright planet after their god of war, but I see peace on Mars. Peaceful minds are gathered here to create a beautiful future for mankind. Marketers are actively contributing to that mission. As the marketing industry evolves, the focus has moved from brand management to growth management. Marketing does not simply promote innovation. It has become innovation.

Tech as tool

In Willa's office on Mars, quantum light is casting a silver veil over the room, shimmering and dancing. Outside the window, robots are busy with new



constructions and greenhouses grow plants for food. In 1969 Armstrong landed on the moon as commander of the Apollo 11 mission. In 2018, SpaceX rocket lifted off on its deep space mission, and in 2022 Elon Musk achieved his goal and landed a spaceship on Mars. Time and tide wait for no one. The future of marketing is now and the future depends on what we do in the present. The organisations who own the big data and leverage on AI, deep learning and quantum computing have a competitive advantage. Although some fear that AI, machine learning and deep learning concerns remove humans from the decision-making equation, I believe technology is and should be a tool.

This is an ever-changing world, but the fundamentals of marketing are always going to be the same. The ultimate goal of marketing is to create value for customers. What matters most now is how one activates the fundamentals by identifying current trends, settling an actionable marketing strategy, and leveraging on technologies to achieve better productivity, higher efficiency and higher customer value.

Smart marketers know that they need to prepare for these trends and challenges now. They will create their own success stories in the years to come.

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Professor Julie Li
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Blockchain

A revolution in e-commerce

By Professor Wenyu Dou

Professor Wenyu Dou of Marketing discusses how decentralised e-commerce trading platforms promise to lower transaction costs, increase reliability, and promote frictionless trade. After a kaleidoscopic tour through marketing innovation in world history, he asks how profound a change blockchain is likely to make?

Business trends change fast. In 2017 artificial intelligence arguably won out, but 2018 has unquestionably been the year of blockchain. Along with the various cryptocurrencies – it has been a hands-down winner. Blockchain is now being spoken of as the most revolutionary technology since the advent of the internet itself. From smart contracts to cryptocurrencies it has, supporters claim, the potential to transform multiple business processes. But this is far from the

world's first disruptive technology. Over five thousand years ago, cuneiform script invented in Mesopotamia was one of the first recording mediums in ancient trade. In the mid-18th century industrial revolution, the rise of steam engine technology increased the possibility of mass-scale industrial production. So what kinds of opportunities and challenges will blockchain technology bring to industries? Is it really the Disruptor-in-Chief that some authorities are making out?



▲ Early writing tablet recording the allocation of beer, probably from southern Iraq, Late Prehistoric period, 3100-3000 BC

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Features of blockchain technology

A few basics: Blockchain is a decentralised technique for data storage, verification, delivery, and communication. In a blockchain network system fraudulent behavior is rejected and suppressed by distributed blockchain nodes through the constraints of cryptographic algorithms. Blockchain technology allows participants to create a unified and transparent information record system, without the prior need to establish a trust relationship or endorsement through centralised institutions. Each new block is generated strictly in chronological order in the chain. Because of the irreversibility of time, data fraud can be easily traced and rejected by subsequent nodes. Immutability is therefore one of the main advantages of blockchain.

In the context of e-commerce, blockchain technology has the potential to eliminate the dependence on intermediaries. It enables barrier-free circulation of information and facilitates transactions between buyer and seller. In terms of economics, blockchain technology promises to reduce transaction costs.

Transaction costs

The issue of transaction costs had been recognised for centuries, but was first elaborated by Chicago-based British economist, Ronald Coase in "The Nature of the Firm" in 1937. From the perspective of consumers, transaction costs refer to the total cost that the buyer pays for a transaction in addition to the price. This may include time, energy, as well as other subjective factors such as psychological stress.

Generally, transaction costs may be categorised into three factors: Search and identification costs – the cost of identifying the appropriate seller and product; negotiation costs – the cost of communication and negotiation for the transaction detail, including delivery date, payment method, etc. and enforcement costs – the cost of safeguarding buyers' own rights and interests. Should a product not match specifications as laid out in the contract, this is the cost needed to protect the consumer's rights.

Take an everyday household product such as soap as an example. Fast-moving brands such as LUX or Dove may occupy a prominent position in the supermarket, and loyal customers typically find them without difficulty. Search and identification costs are at a minimum. But e-commerce platforms present a different scenario. On Etsy, an e-commerce platform dedicated to merchandising handmade, vintage, and unique goods, a search for "handmade soap" produces 46,000 results. Identifying the personalised soap of your choice may take time. It comes at a price.

Marketing and transaction costs

Things have come a long way since the Paleolithic Age more than 100,000 years ago when early humans first got together and lived in tribes. Commerce developed from the exchange of spare food/produce, and transaction costs were almost zero.



▲ Garum, a fermented fish sauce used in the cuisines of ancient Rome

© Claus Ableiter / Wikimedia Commons / CC-BY-SA-3.0

But by the Neolithic Age, some 10,000 years ago, people had started to migrate long distances and agriculture civilisation developed in fertile areas. In Mesopotamia, one of the earliest civilisations, city-states were established. With this more complex organisation, the transaction costs of “international” trade doubled compared to those of the simple tribal barter. Some historians suggest that the appearance of cuneiform script was an attempt to recode complex transactions and contracts and reduce those transaction costs.



▲ Trajan's Forum, the earliest known example of permanent retail shopfronts

© Alessio Nastro Siniscalchi / Wikimedia Commons / CC-BY-SA-2.5-IT

According to cultural anthropologist Alan D. Eames, the world's first beer advertisement was discovered in Mesopotamia: “Drink Elba, the beer with the heart of a lion”. This advertisement successfully established the first brand image of beer, reducing the search and identification costs to buyers, as well as the negotiation and enforcement costs.

Brand awareness was also established in Roman times in the era of Pompeii. Umbricius Scaurus, the largest mackerel sauce merchant in ancient Rome, won more than 60% of the market with his brand slogan sealed on the bottle: “Best Fish Sauce. The flower of garum, made from mackerel, a product of the manufactory of Scaurus”. The fish sauce proved popular beyond Rome and was sold as far afield as France.

The early establishment of brands helped reduce transaction costs, but the subsequent development of a fully-fledged retail industry was to create yet greater efficiencies.



▲ The world's first department store Harding Howell & Co opened in the Pall Mall district of London in 1796

© Mary Evans Picture Library

Markets, trade shows and fairs had existed for more than a thousand years, but the unsettled nature of early marketplaces implied high consumer transaction costs. In ancient Rome, trade took place in the forum. Trajan's Forum was a vast expanse, comprising multiple buildings with shops on four levels, and arguably the earliest example of a permanent retail shop-front. Specialised trading areas were an innovation and helped create more competitive pricing. In 13th century England, an arcaded walk in the town of Winchester was established by several cloth stores. “Drapery Row” provided protection against the weather and helped create a more pleasant shopping experience. By the 17th century, permanent stores had expanded from a factory outlet to a multi-category retail store. The world's first department store Harding Howell & Co opened in the Pall Mall district of London in 1796 offering a convenient shopping experience for the new middle class of the industrial revolution. Meanwhile, search, negotiation, and enforcement transaction costs were all reduced.

In the second half of the 20th century, new types of retail formats evolved. Supermarkets, category killers such as IKEA, warehouse stores, and discount stores such as TK Maxx emerged. By this stage, sellers' perception of brand awareness had become prominent, and in practice they applied several proficient approaches to decrease transaction costs, such as brand equity and endorsement strategies.

Nowadays, e-commerce is bringing a massive shake-up to the retail industry, witness boarded up shops in



▲ E-commerce contributes to the destruction of town centres. Boarded up shops in Rotherham, the UK

© Simon Dack / alamy stock photo

town centres all over the western world. Online sales platforms such as Amazon, Taobao and Airbnb are penetrating all markets, providing stiff competition to high-street and department stores. The main feature of e-commerce platforms is to attract traffic and popularity by encouraging “long-tail”, small and medium-sized sellers from all over the world. Many sellers on the platform are start-ups or individuals, so search costs are higher for buyers.

In the contemporary business environment, traditional strategies such as the combination of brand and third-party endorsement which used to reduce transaction costs have encountered challenges on e-commerce platforms. So, what kinds of advanced technology can be applied to improve platform performance?

The future of blockchain and e-commerce trading platforms

The main advantages of blockchain technology are its transparency and immutability which can be used to protect data authenticity as well as to create trust. The main challenge of reducing transaction costs for buyers on e-commerce trading platforms involves identification (search) for the seller, negotiation – reaching an executable, non-objectionable agreement, and the resolution of any after-sales dispute. At present, some start-ups, such as Soma and CanYa, are developing e-commerce trading platforms based on blockchain technology which promise to solve these challenges.



▲ Discount stores such as TK Maxx are important players in the out-of-town retail parks

© David Holt / CC-BY-SA-2.0

Identification

Blockchain technology can provide a unique digital ID to verify the background and identity of the merchant (as well as the seller) on an e-commerce platform. Take Provenance, an e-commerce platform based on blockchain technology as an example. Assuming that an organic cherry seller has the certificate issued by an official association, Provenance will confirm the seller's identification and place it on the blockchain network using algorithmic instructions. The information is transparent to buyers from all over the world and cannot be altered. So, if the certification expires on 31 December, 2018, the seller cannot change it to 31 December, 2019.

Negotiation

The decentralisation of a blockchain e-commerce platform eliminates the role of third-party endorsement, making communication between authorised buyers and sellers more efficient. But there's more. Smart contracts can automate the process of generating contracts. For example, if a buyer wants to purchase 5 kg of organic cherries at HKD300/kg from a seller, then they can set up a smart contract. If the buyer receives the cherries in 3 days, HKD1,500 will be transferred to the seller's account. The entire transaction process requires

no supervision or management of an intermediary organisation, and the contract is automatically executed. After the transaction, the buyer can also provide comments on the seller, and the information is publicly displayed on the blockchain. Those reviews can reduce transaction costs for future buyers.

Disputation Resolution

Currently, blockchain e-commerce platform offers two approaches to solve transaction disputation. The first one is an escrow service. Say, there is a pre-set escrow account in the smart contract, and the buyer pre-deposits HKD1,500 there. When the deal is confirmed, the buyer will give the order to transfer HKD1,500 from the escrow account into the seller's account. But if the quality of the cherries does not meet the buyer's standards, the HKD1,500 will be returned to his account. Although the operation of an escrow service seems similar to Taobao's, it does not require the intervention of a third party.

Another solution is that buyer and seller set up a different type of smart contract involving a disputation mediator from the blockchain e-commerce platform. Should a dispute about the quality of the cherries arise,

Amara's Law

Roy Charles Amara was an American researcher, scientist, futurist and president of the Institute for the Future best known for coining Amara's law on the effect of technology. His adage states:

"We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run."

This law has been described as encouraging people to think about the long-term effects of technology and has been described as best illustrated by the hype cycle, characterised by the "peak of inflated expectations", followed by the "trough of disillusionment". The law has been used in explaining cyber-attacks and nanotechnology. *Wikipedia*

the mediator has the right to review the details of the contract and to make an arbitration. In turn, after the mediation, buyer and seller can review the mediator's ability on the blockchain. Such an evaluation will help to establish the mediator's reputation on the platform. The organiser of the blockchain e-commerce platform can provide certain incentives and compensation for the mediation job. Again, there is no involvement of a centralised platform.

Decentralised architecture – low costs

The role of the organiser on a blockchain e-commerce platform is limited to technical structure and planning. The organiser does not participate in the transaction directly, and the platform essentially operates by itself. This decentralised architecture means management costs are kept to a minimum, and the organiser only needs to charge the seller a low maintenance fee.

The blockchain e-commerce platform described above is only one possible scenario and the technology is developing rapidly. Amara's Law suggests that the uptake of innovative technologies is likely to be slower than people's expectations and comes with tremendous challenges, not least usage inertia and loyalty to traditional e-commerce platforms.

From a technological perspective, the ability to handle massive transactions may still be questionable. Tmall's "Double 11" 24-hour shopping event, for example, attracted more than 140,000 brands and hundreds of millions of consumers in November 2017. Suspicion from government and regulators, as well as competition from traditional platforms may also represent a continuing challenge. But in the long-term Amara's Law warns us not to underestimate the impact of innovative technologies.

A version of this article was first published in the Financial Times, China edition on 7 August 2018.



▲ A record 168.3 billion yuan was spent during China's annual "Double11" retail event

© South China Morning Post

Professor Wenyu Dou
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Special customer special price

The inequities of behaviour-based pricing

By Dr Xi Li



Dr Xi Li, Assistant Professor in the Department of Marketing, is Principal Investigator for "Signaling Quality through Behavior Based Price Discrimination", Start-up Grant – City University of Hong Kong, (2017-2019). Here he reveals that technology may not be working in our favour. Some firms are actively discriminating against their most loyal consumers, and regulatory solutions are potentially problematic.

Advances in information technology are encouraging firms to leverage consumer data in guiding their daily business activities. When a consumer visits a site, "cookies" are typically put onto the user's computer, tracking interactions such as the number of visits to a particular product, the amount of money spent, etc. Offline retailers, such as Costco, the largest membership-only warehouse club in the United States, also take advantage of their rich consumer data.

While firms claim that they gather consumer data to improve their product and better serve their consumers, they are in fact doing far more than that. Companies can learn consumers' preferences and habits through past interactions, and use that information to "tailor" the price offered. That is, if a firm believes that you are a wealthy or brand-loyal customer, it may charge you a higher price for a product compared to a customer judged to be less wealthy or less brand-loyal.

Behaviour-based pricing

Economists call this practice "behaviour-based pricing". This is not something new – and a large number of firms are doing it. For example, cash registers print out customised coupons based on the content of customers' grocery carts, and the value of the coupon is based on your "behaviour", i.e. the content of your grocery carts. When consumers revisit the store, their out-of-pocket prices are different due to the customised coupons. Airlines want passengers to identify themselves before they see fares so that they can be charged based on their booking history. Amazon, the largest e-commerce vendor, sells identical DVD movies for different prices based on customers' purchase history. Credit card companies offer zero interest rates for new customers to transfer balance from a competing company, whereas brand-loyal customers do not always qualify to receive these favourable offers. Product prices are effectively different for new and past customers depending on purchase history. The internet has made behaviour-based pricing much easier than it used to be – there is no privacy on the internet, and whatever you do is readily available to the sellers.

Criticism of the inequity

Clearly, no one likes paying a higher price for a product or service. Such practices have drawn particular attention from the general public and the government. For example, the Council of Economic Advisers of the White House has been working on this issue and has released several reports since 2014. There is general speculation that behaviour-based pricing "transfers value from consumers to shareholders, which leads to an increase in inequality and can therefore be inefficient from a utilitarian standpoint"¹. Moreover, this is "particularly true in settings where there is no competition, and few consumers would exit the market, even if a firm raised prices dramatically".

Both consumers and policy makers are critical of the practice, because they worry it could benefit firms at the expense of consumers. However, a number of economists and marketers have questioned this view, arguing that behaviour-based pricing in fact benefits consumers and hurts firms². While this result is surprising, it has been confirmed in a number of follow-up studies³. The argument is as follows: When firms adopt behaviour-based pricing, consumers are reluctant to buy early at a high price because it guarantees that they will face a high price in the future when they make a new purchase. In the face of this reluctance, a firm has to lower its price to induce initial purchases. As a result, consumers benefit from the price cut whereas firms are worse off.

Clearly, the above findings are somewhat disconcerting because sellers are making massive investments into building information infrastructures that allow them to collect, store and analyse consumer data. So, why would firms engage in behaviour-based pricing even though it may hurt their profit?

A commitment to data

Firstly, most companies are committed to collecting data, and haven't factored in any downside as described above. Secondly, the various regulatory frameworks currently in place around the world, are only just beginning to have an effect. In 2016, the European Union passed the General Data Protection

Regulation (GDPR), which went into effect on 25 May 2018. The GDPR sets a higher bar for obtaining personal data than we have ever seen on the internet before. By default, any time a company collects personal data on an EU citizen, it will need explicit and informed consent from that person. Recently, the Facebook scandal has also led people to think about the need for greater transparency and ethics in data.

If a firm is required to give consumers privacy notices whenever it collects consumer data, it may lead to a rethink of that firm's consumer information collection practice. Such regulations may indeed encourage a firm to stop price-discriminating against its consumers. But this may prove to be a false victory. With one revenue stream cut off, firms may choose to raise prices anyway and consumers will suffer. Any data protection policy must therefore be carefully evaluated and adopted with caution.

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Digital marketing Transcending barriers

By Dr Huazhong Zhao



Dr Huazhong Zhao is Assistant Professor in the Department of Marketing. Here he looks at the remaining barriers to the emergence of a full digital marketing ecosystem and what this means for the teaching of marketing in business schools.

Corner store vs back-alley store

It is a truth universally acknowledged, that a business man in possession of a good fortune must be in want of a perfect store location.

Location! Location! Location!

The importance of location can never be over-emphasised in any line of business, especially when success depends on large numbers of consumers flowing through the door.

Corner stores attract more consumers than stores buried deep in the alley. Once you can hold on to a perfect location, the benefits are enormous. However, securing a high-traffic location has never been easy. Occupants defend their business locations to the hilt. The back-alley store has faced an inescapable barrier. That is until now.

Click and Buy. It's almost a natural reflex. We do it every day. Thanks to the exponential development of information technology, we already live in a world with far fewer barriers than a decade ago. And they are falling rapidly. Let's look at the current state-of-play.

Connectivity Wearable smart devices are already with us. Next up may be implanted chips. When connectivity and bandwidth are no longer restricting

communications, the landscape of marketing and advertising will be vastly re-shaped. Upgraded connectivity means uninterrupted communications, between merchants and consumers – a dream of marketers whose ultimate goals are to reach, persuade and convince. Marketing communications can then shift from bulky “tell-all” type to personalised “butler style” reminders. Then, micro-communications are able to constantly address consumer needs in real time. Feedback mechanisms are also enhanced with better connectivity and increased amount of data that can be collected to help analyse consumer behaviour.

Information asymmetry Maybe this barrier will never be totally demolished due to privacy and strategic considerations. But price comparison websites are a good start to equipping both stores and consumers with better information. Technology re-shapes the competitive landscape and merchants are less likely to charge unreasonable prices. Information asymmetry is becoming a thing of the past. Furthermore, with information barriers partially brought down, stores are

forced to re-consider their long-term strategies and cannot compete only on price. Their strategy would eventually turn to the competition for added-value or brand loyalty.

Personalisation Hundreds of years ago, wealthy kings and lords would make themselves more comfortable by hiring butlers and maids to attend to their personal needs. But the barrier of understanding each and every person at any time was impossible to overcome without information technology advancements. When the personalisation barrier is brought down, and needs can be more precisely recorded (PillPack.com) and predicted (Amazon.com), the landscape of the whole supply chain is re-shaped.

Sensational experience Digital technology has helped us into the multimedia era where we can see and hear through smart devices to experience things that we do not physically apprehend. But, it is still more hearsay than true experience at the current stage. The barrier of physical restriction which prevents us from actually experiencing something that is not present is hard to demolish. Of the five senses, VR technology has already leapt forward in the sight and hearing departments, but other senses still have the potential to be truly enhanced. When the physical sensation barrier is brought down, a whole new world will be open to us, with unlimited possibilities.

The marketing toolkit

When we go back to the very fundamentals of marketing, the essential job is to find, cultivate and satisfy consumers' needs. From this angle, no matter what tools we use and what routes we take, the focus of marketing strategy will always be how to match the consumers' needs with the stores' offerings. In the foreseeable future, there may be jaw-dropping new technologies that will equip us with even more amazing abilities.

We have both the constant and variables in the marketing toolkit. The unchanging constant is the marketing logic, e.g. segmentation, targeting, needs analysis, etc. which will always stay focused on the goal

of analysing consumer needs. The variables are the vastly changing environment which marketers needs to adapt to whenever technology brings about new revolutions and removes barriers. As marketers, the key is to keep consumer needs at the centrepiece of our marketing strategy.

What does this mean for business schools?

Both marketing logic and marketing tools are important to business education. In business schools, we still need to focus on the constant and teach the logic of consumer behaviour, and then use the updated tools to persuade. Before getting into the planning stage of any marketing strategy we need to know the objective of the campaign. Then the duration, target audience, message, etc. These questions are campaign-independent and need to be answered in every strategic planning process. The logical structure of how to identify and organise the key elements of setting up an effective marketing strategy should be emphasised as the fundamental marketing theory training that will develop the basic instinct of a sophisticated marketer.

In the meantime, business schools should also be able to provide the most up-to-date toolkits to address contemporary marketing issues. For example, supply chain management courses are to be revamped or even overhauled with technological advancements such as barcodes, ERP systems, future unmanned automated delivery, etc. Advertising courses need to shift the focus from paper media to online platforms and to embrace social elements mirroring the prevalence of social media. Only with these updated tools, can our students be properly equipped to face the marketing challenges when they leave school.

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The dying art of leadership?

How the tech revolution is changing the way we run business

By Dr Chak-fu Lam



From the humble text to real time video-conferencing, remote communication is becoming the norm. If we look at the value of tech companies worldwide, it looks like the revolution is here to stay. But as the likes of Facebook subvert the meaning of both “face” and “book”, what about good old-fashioned face-time? Is it a thing of the past? Not according to one young tech leader.

Remember how Mark Zuckerberg vowed to spend 2017?

“After a tumultuous last year, my hope for this challenge is to get out and talk to more people about how they’re living, working and thinking about the future,” Zuckerberg said in his New Year’s Facebook post.



His resolution was to “get out” and talk to people in all 50 US states. Face-to-face, that is.

So, what about leadership in the tech revolution? And what should universities be teaching? If we are to believe some tech leaders there are storm clouds on the horizon for traditional leadership.

“We are in a leadership crisis. We are not in a technology crisis; we are in a technology revolution,” said Marc Benioff, founder and CEO of Salesforce, an enterprise cloud computing company at the 2016 World Economic Forum.

Closer to home, incumbent leaders sense the problem and vow to beef up facilities.

After touring an academy in Singapore in August 2017, Hong Kong leader Carrie Lam promised to set up a dedicated civil service academy in order to provide leadership training to Hong Kong civil servants.

Some educationalists on the other hand see a niche for moral leadership, an area where machines have questionable value.

“Leaders must possess a decent character, be able to lead by example, and adapt to rapid changes in society,” says CityU President Professor Way Kuo. And the CityU strategic plan 2015-2020 makes an explicit commitment to develop its graduates for professional leadership in a fast-changing global world.

But is the tech revolution changing the way we lead? How can leaders take advantage of technological revolution? And how do incumbent (generally older) leaders best communicate with millennials?

Technology for change

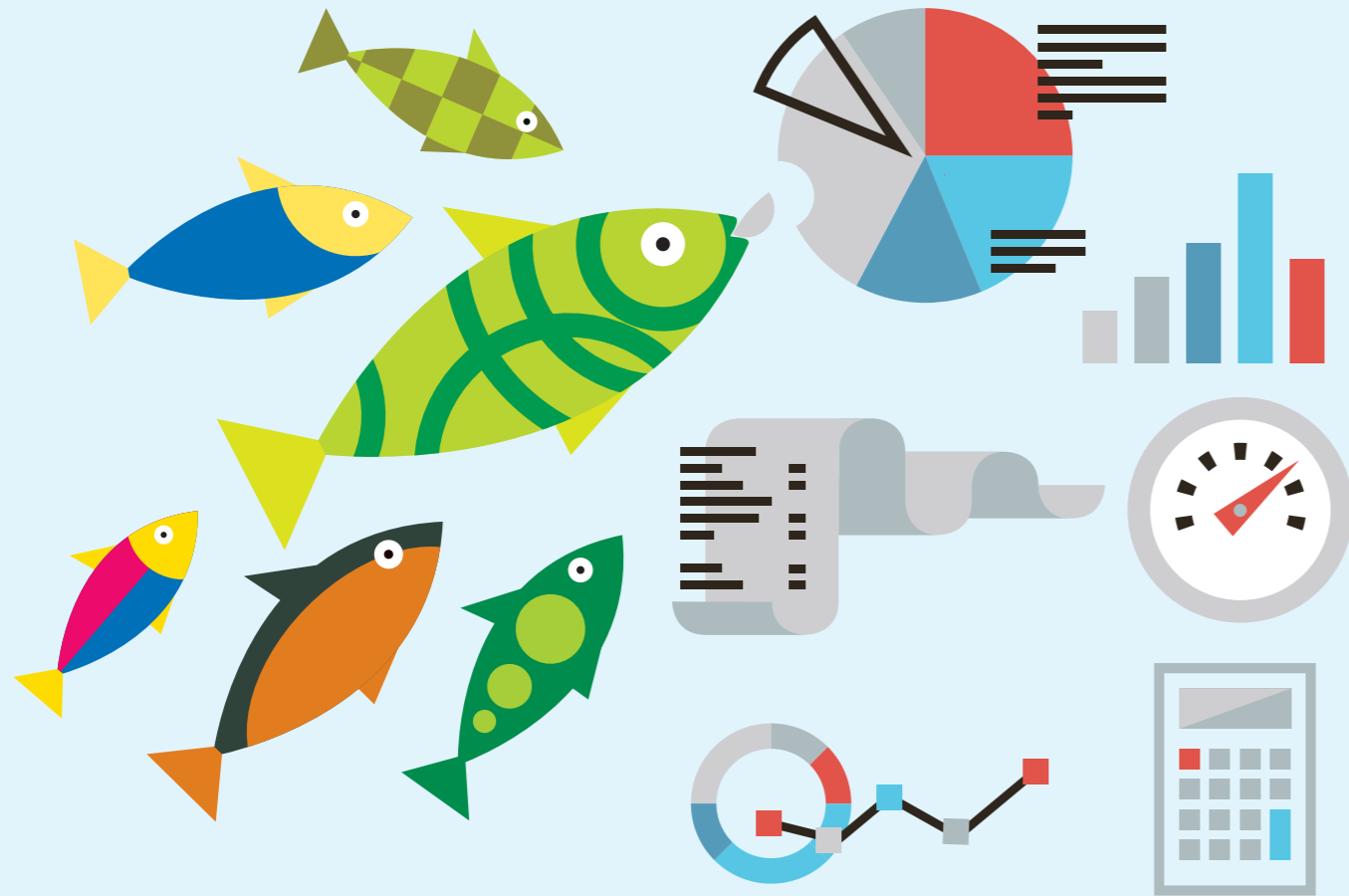
In theory, the benefits are obvious. With technology, there are simply more opportunities to increase employee engagement and communication.

“I remember when we started the company, mobile apps and browsers were challenging to use. The preference was accessing through a computer. Now they feel like equals, mobile and computers, as mobile design has caught up,” says Andrew Fayad, CEO of ELM Learning, a corporate e-learning company which focuses on custom e-learning design and e-learning development with Fortune 500 companies like Google and Tesla.

“The development of communication technologies, and especially mobile devices, has enabled remote work and geographically dispersed teams to collaborate much better.”

One such management programme is *Slack* (Searchable Log of All Conversation and Knowledge), a cloud-based, instant messaging and collaboration system. The core function of *Slack* is the concept of channels, which allows employees to separate messages, discussions, and notifications by purpose, department, or topic. It also includes other functionalities such as a privacy channel, direct messaging, search and file sharing, and it integrates with other collaboration systems such as Google, Twitter, and Zoom.

Another often-neglected but powerful technological tool is video-conferencing. “Nobody needs to feel as though they’re missing out on meetings. Getting the



ethos or message of the company across is also easier via a multitude of social media platforms,” says Fayad.

Real-time decision-making

An important benefit of incorporating technology is the improvement of the decision-making process. In the old days leaders needed to gather information from peers and subordinates to make decisions. With the introduction of artificial intelligence, decision-making is significantly enhanced, removing the stress associated with uncertainty, complexity, and rapid change for leaders. This makes the job of the leader a lot less difficult. AI provides objective, creative solutions that a typical leader would not have in mind.

Consider a CEO of a UK manufacturing company, who was struggling with developing his key product more efficiently to compete with rivals from emerging markets. A typical leadership model would suggest the CEO gather everyone’s ideas, thoughts, and then make a collective decision. Often, despite people’s opinions, the solution is to reduce staff and put money in automation.

With the introduction of AI, none of this is necessary. Instead, the CEO assembles a team of data analytics to uncover hidden patterns in the development process to improve efficiencies, such as project life-cycle management, suppliers and contractors, and communications data. Using aggregated data without identifying individual names, the data analytic team identified a surprise cause for the inefficiency: lack of collaboration between the design and engineering team. They uncover this factor by noticing a significant lack of group chats, short length of emails, and poor response rates to calendar invites. With this information, the CEO worked hard to increase the trust between the teams, encourage communication, and increase transparency. With the help of data scientists, cost was reduced by 11%, time to market for new-product development by 10%.

Making better decisions can also extend to corporate social responsibility. At Facebook, posts with suicidal expressions are flagged automatically, reviewed, and reported to respondents to attempt to prevent suicides. Likewise, the use of artificial intelligence has improved

Microsoft’s cloud services to be 93% more energy efficient and 98% more carbon efficient than traditional data centers. This is made possible because AI helps decide which virtual server to complete a task, reducing the amount of power needed to get a task done.

Gamification

Technology enhances corporate learning and allows companies to engage employees through technology advancement. Companies like IBM and AT&T conduct learning programmes online – from health and safety information to management styles. By embracing technology, employees can work at training at their desk for an hour or two, rather than having to leave the office for days at a time.

Walmart has incorporated technology in its corporate training to a new level. In 2017, it partnered with STRIVR Lab to introduce virtual reality to train employees. Specifically, VR technology helps Walmart create holiday shopping scenarios to better prepare its associates on how to manage the holiday rush. VR is especially powerful because it provides employees with an opportunity to encounter real-life scenarios, improving their preparedness and performance during the actual holiday season. Similarly, it has incorporated the concept of gamification – learning through gaming – to make learning fun, exciting, and most importantly, stick.

Omnicom Media Group (OMG) uses the concept of gamification – creating online games – to teach serious topics like diversity and unconscious bias. They utilise robots to simulate diversity and the issues that may arise when engaging with coworkers and clients from different backgrounds. The robots added a gamification element to the training: robot battery life will be reduced if learners demonstrate unconscious and conscious bias, or when they answer questions incorrectly within the module.

App-titude

Even in the classroom, technology is an opportunity to enhance students’ learning experience. I actively use apps like *Socrative*, a classroom management app for fun, real-time classroom engagement. I pose

simple questions on PowerPoint like “what predicts happiness at work?” and ask students to indicate their answers through yes/no or multiple choice responses. Interestingly, more than 50% of first year students at CityU think that more money predicts happiness, which we know is only partially true. If responses are counterintuitive, I would ask them to explain their choices on *Socrative*. Using apps like *Socrative* not only relates to the students but also gives them an opportunity to respond anonymously, improving their participation even if many are shy to speak up in class.

Tech challenges

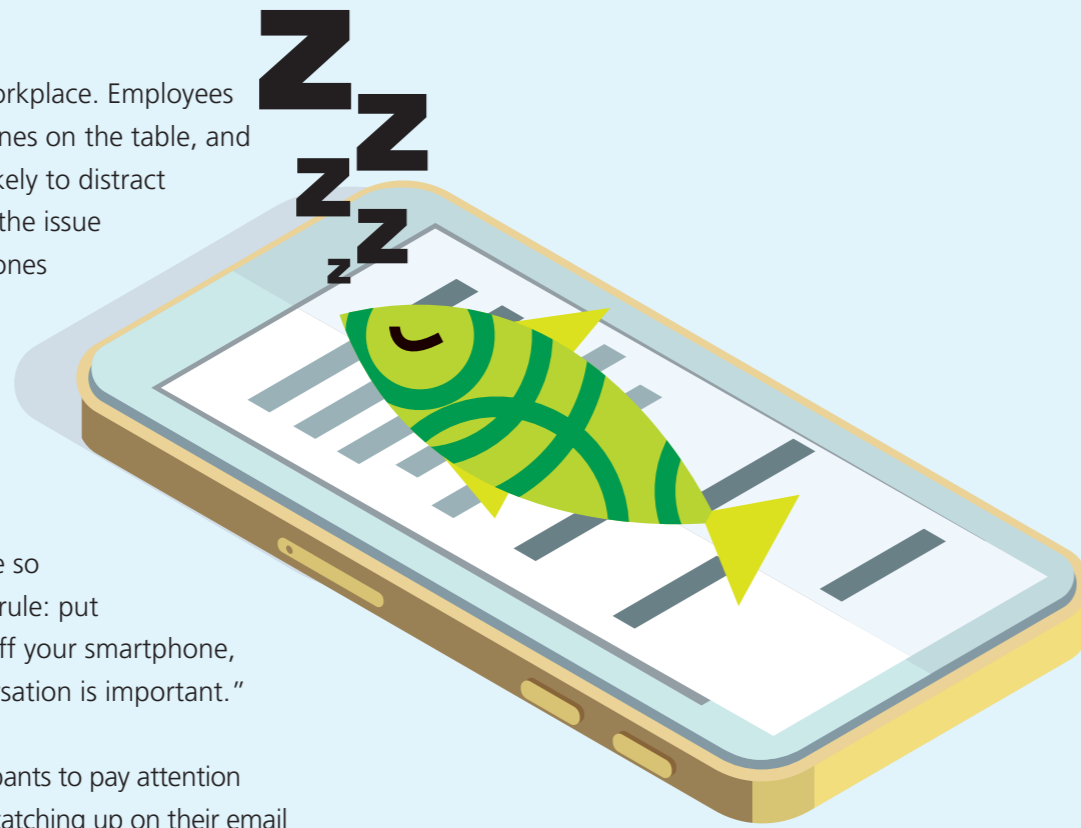
The very technology that enables flexibility, improved communication, and better decision-making, also brings challenges that require a new form of leadership. Consider a case involving an employee with a high-risk pregnancy. She was invited to attend a meeting with the Board of Directors in which she had to climb the steep stairs to the second floor where the meeting would take place. Not wanting to hurt herself through climbing the stairs, she sent a text message to the Vice-President of the Board: “Btw, I am absolutely not climbing those deadly stairs,” to which the VP responded, “You don’t have to come upstairs, given what you said. The Board will get back to you.” The employee interpreted the VP’s response that she was excused from the meeting, but when she failed to attend the meeting, she was considered absent and subsequently the Board of Directors suspended her. The results was a lawsuit of discrimination and a penalty of \$30,000 against the company.

So, what are some of the challenges leader face when incorporating technology?

Sleeping with your smartphone

While technology increases choices, it also makes our attention span shorter than ever. Ask any professor, and they will tell you that smartphones and laptops in the classroom mostly disrupt, rather than facilitate learning. Students are checking emails, finishing assignments for another class, or chatting on WeChat or WhatsApp.

Similar trends occur in the workplace. Employees habitually put their smartphones on the table, and any message notification is likely to distract employees from focusing on the issue at hand. “Checking smartphones during meetings is one of the greatest challenges in leading a meeting,” says Jenny Chiu, Country Manager of Hong Kong and Macau at Education First. “At one point it became so serious that I implemented a rule: put down your laptop and turn off your smartphone, because the following conversation is important.”



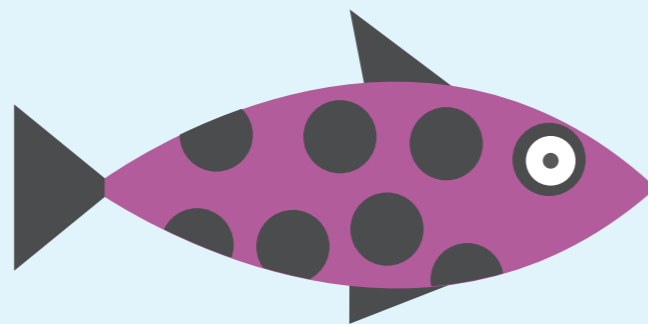
Even at Google, asking participants to pay attention during a meeting rather than catching up on their email is difficult. This is indeed the hardest rule to follow. Some senior executives have decided to go back to an old-school strategy: a notebook and a pen. Research at Boston Consulting Group (BCG) by Leslie Perlow, Konosuke Matsushita Professor of Leadership in the Organizational Behavior, shows that associates at BCG are literally sleeping with their smartphones. When employees sleep with their smartphones, sleep quality tends to reduce, and performance on the job suffers.

A negative message? Meet in person

Although the use of laptops and video conference meetings offers employees greater flexibility to work from home, “collateral damage” is the decrease in facetime. “We have to make sure our managers value one-on-one in person communication,” says Ian So, CEO of Chicken and Rice Guys, a Boston-based food truck and catering company.

“We found that employees, and especially millennials, over-rely on texting. Sometimes if there is an emergency they will text instead of call. Or sometimes if they have an argument they will do it via text or group chat.” To ensure that people know when to communicate in management programmes such as *Slack*, Ian has introduced what he called slack communication etiquette.

A clear guide for communication is written and shared across the entire company. Who is this message intended for? Should this be private or group message? Does everyone in the intended channel need to know the contents of this message? Is the message positive or negative? If it is negative, employees are strongly encouraged to pick up the phone or meet up in person, rather than doing it via text that increases miscommunication. “Ultimately, we have to coach them in conflict resolution and we have to ask: did you talk to the individual in person?”



Job security

Leaders who manage millennials may encounter challenges, but baby boomers are not spared. St. Galler Kantonalbank (SGKB), a Swiss bank, has replaced seven individuals with five software robots to avoid expensive and costly software interfaces, and are planning to introduce more. Amazon acquired a robotic company in 2012, automating the picking and packing process at warehouses to help efficiency. Since then robot numbers have expanded from 15,000 in 2014 to 45,000 in 2017. Indeed, a report by McKinsey & Company suggests that between 400 and 800 million workers will be replaced by AI by 2030, most notably restaurant workers, machine workers, and those doing predictable routine physical work.

AI may improve efficiency, but it has also made employees nervous and fearful. Feeling insecure about your job ultimately leads to lower productivity and poorer job satisfaction. This means that a mounting task for some leaders is to maintain a sense of job security in the face of AI.

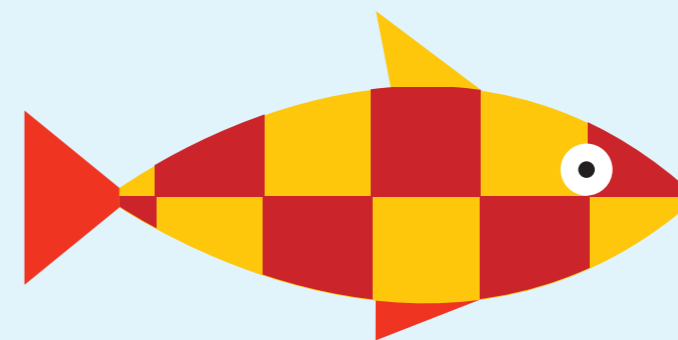
“Employers are asking for graduates with skills beyond one specialty,” says Dr Cynthia Lee, Chair Professor of Management at Northeastern University. “Providing continuous learning of the skills employees need to improve is critical, because when some tasks are replaced by AI, workers may need to perform new tasks.”

Obsolete leadership?

In the College’s CEO Forum on “Leadership in the Digital Age” this March, Jasper Tsang Yok-sing, former Legislative Council President was asked whether artificial intelligence poses a threat to human leadership. His view was that technology will help reduce bias and accuracy in decision making, but there are certain leadership qualities that are irreplaceable by machines. “As a leader, our ability to engage with people and build relationships, and the flexibility to interact with the surrounding environment cannot be easily replaced,” Tsang said.

We cannot change the fact that the technology revolution is here to stay. What we can change is how we as leaders think: adopting a gain rather than a loss mindset. Rather than viewing technology as a threat, we should ask ourselves: “How can I make the most of technology to improve my business and the wider society? What do I need to do as a leader to keep an eye on the pitfalls of bringing too much technology to work?” Advancements in technology do not mean that leadership has become obsolete. Instead, our role as a leader has changed: we need to use technology to facilitate and improve all aspects of businesses, while keeping an eye on its potential pitfalls.

“We should not be worried about how much the internet is impacting traditional business,” says Jack Ma. “Rather, we have to use the internet and AI to our advantage ... We must make machines our best partner, rather than letting them replace us.”



Dr Chak-fu Lam
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Asia's first

EMBA + MPA Launch

By Eric Collins

The College of Business is collaborating with the School of Public Policy and Management of Tsinghua University to offer Asia's first **Executive MBA + Master of Public Administration** programmes in the Belt-and-Road context.

"The EMBA + MPA transcends conventional knowledge silos," says Professor Houmin Yan, Dean of the College of Business, CityU.

"We offer the exciting prospect of two master degrees from two elite universities, integrated with best-in-class learning and networking experience across public and private sectors."

Designed in response to the increasing complexity of contemporary business issues, the programmes feature state-of-the-art knowledge on Public-Private Partnerships in the United Nations Economic Commission for Europe and the Belt-and-Road initiative.

"Our EMBA + MPA is connected to an impressive range of nations through China and the Belt-and-Road countries, and offers our learning partners wide-ranging networking opportunities across Europe and Asia," says Professor Yan.

"EMBA + MPA is ideally positioned for executives operating in complex environments," says Programme Director Dr Gang Hao.

Accepting applications for 2019

EMBA + MPA is currently accepting applications from prospective learning partners for entry in Spring 2019.

"Our dynamic platform is designed to enable CEOs deliver effective leadership across the public and private sectors."

Speaking at the launch ceremony in late August, Professor Way Kuo, President of CityU, said it was a pleasure to embark on Asia's first EMBA + MPA with Tsinghua University.

"This strategic partnership offers a new and unique exchange platform for business management and public administration."

Professor Yongheng Yang, Associate Dean of the School of Public Policy and Management of Tsinghua University concluded, "This unique EMBA + MPA aims to nurture thoughtful leaders with global vision and innovation, who can eventually make valuable contributions to the sustainable development of society."

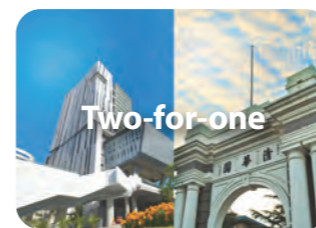
“
Business and Public Administration is an emerging trend. The Harvard MBA+MPA was a pioneering initiative. Now we are proud to offer Asia's first EMBA+MPA together with Tsinghua University

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Professor Houmin Yan

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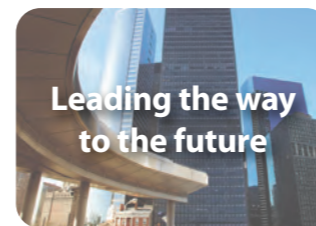
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The loyalty factor

By Eric Collins

Bruce Lam Kwok Shing is Chief Marketing Officer of CSL Mobile Limited and CEO of The Club and a member of the College of Business Career Development Advisory Committee. Prior to joining HKT, Bruce worked for Nokia as General Manager Hong Kong and Macau. Here he talks about his career development, what CSL looks for in the employment market, and what loyalty may mean for the current generation entering the job market.

How did your career start?

I graduated in Economics from the University of Windsor in Canada, just over the border from Detroit. Windsor was tiny, whereas Detroit was a big city, and we used to head over for weekends. At that time mobile phones were just starting up, and the leading brand was Motorola. That was when I first saw an advert for Nokia, and I went into a Detroit department store and got familiar with their various models. When I came back to Hong Kong and was looking for a job, I saw Nokia was hiring people. I thought the company had big potential. I went into the interview and already knew quite a lot about Nokia, what their best sellers were etc., and the manager was quite surprised. Before I got home that day, my pager buzzed with the news that I had the job!

What was life like at Nokia?

I started out as a very junior clerk, but had lots of opportunities to rotate through logistics, regional sales in China for six years. At that moment China was the biggest market in the world, but I didn't want to move long-term to China, I loved Hong Kong so much. After less than a year I was promoted to Country

Manager, Hong Kong and Macau. It felt like a miracle because this Finnish company was willing to give the opportunity to a local person.

I took up the General Manager role in 2002. I was in this country manager role for almost ten years, another miracle as the job is usually rotated. Nokia went from being unknown in Hong Kong to being the leader in those ten years. I experienced the development from analogue phone, to digital black and white, to colour display, and then through to smartphone. The last phone I launched was the Windows phone.

You stayed a long time in your jobs. Are careers still "for life"?

It all depends on your mentality. If you go to a good corporation you will have a lot of opportunities to develop. Of course, a lot of people say that if you don't move you will not get better pay. But in this I am quite a traditional Chinese, and I am very grateful to Nokia for giving me the opportunities to develop inside the group. They always emphasised job rotation, and taking on new roles.



“ I always think that if you are very committed to a company, you will get the opportunities ”

It's the same at HKT CSL. After we acquired CSL from Telstra in 2014, we went overnight from being one of the smallest mobile providers, to the biggest in Hong Kong. Then I was assigned to a new project, The Club. This is the biggest loyalty programme in Hong Kong. I always think that if you are very committed to a company, they will give you the opportunities, and then there is no need to change jobs.

I play a role in appointments, and one thing I am always looking for is "career jumpers". I avoid people who are very jumpy and changing jobs every couple of years. They don't show company loyalty.

How do you see yourself contributing to the new CB Career Development Advisory Committee?

I hope to help as I have a lot of connections. The Club is about to become the biggest ecosystem in Hong Kong with a lot of new partners coming in, so hopefully I can help with employment opportunities.

Ecosystems are still a buzz word

Yes, just looking at mobile payment systems, the Hong Kong Monetary Authority has issued 13 licences in the last year. HKT Payment Limited is the only player in the telecommunications sector, and we already have some 1.2 million subscribers.

In fixed line, mobile, broadband, payTV, we are the number one player. The Club has proved to be very valuable because it has gained members across all our business units, and it has enabled us to provide better

customer service and improve customer retention. Our loyalty programme has been able to succeed where others have failed because of our scale. And we are increasing in size as we introduce new coalition partners into our ecosystem. The latest venture is a licenced travel agency providing air ticketing.

Do startups offer a viable career proposition these days?

I go back to my own experience. 10-15 years ago, I had plenty of opportunities to go to China, to go to Europe, but I didn't. Why not? Colleagues who moved to China eventually were inevitably replaced by local people. My USP is that I am a local Hong Kong person. What does that mean? The beauty of Hong Kong is that we are small, flexible and efficient. Also, we always come out with a lot of new ideas, so this is a very good place for startups. We are high end, high tech, and well connected – worldwide information sources are readily available. But one thing that is missing is implementation and execution. In my work life I have to produce many futures for coming brands, and I see the importance of execution. This is where the next generation needs support.

Is communication an issue with millennials?

The people who are willing to communicate will always succeed. This is a key success factor. Show your energy, your passion, your willingness to take risks and to contribute. We are looking for people who are willing to share ideas. Especially, the willingness to raise issues with solutions in mind.



Is overseas experience useful?

Definitely. To take my own example, if I hadn't gone to Detroit, if I hadn't gone to that department store, if I hadn't done a little research on Nokia... that's only a very tiny example, but it is telling. Hong Kong people have got their own core strengths, but those who have travelled have got a wide range of experience to add to that. Companies need to be very diversified in how they put teams together. The question is, how do you position and promote yourself to highlight your core value, your advantage?

How digital is marketing these days?

We are still not ready to go 100% digital. Two decades ago, if you ran a TV commercial for Nokia on TVB, the next day they would sell like hotcakes. Those days are over, but for the future you are going to know your customer even better through individual target marketing.

But we still do traditional, non-digital such as billboards, adverts on print media, especially free newspapers. Going digital doesn't guarantee success. The creativity of the content is the crucial factor.

To go back to the Nokia story, why didn't they become the world's no.1 smartphone maker?

Nokia is from Finland, a Nordic company with a very open culture, and good at accepting new ideas. They have a long innovative tradition, with over 150 years of history starting with making paper, then rubber for

tyres, then submarine cables, electronic appliances, and computer monitors. In the late 1980s they decided to focus on communications technology, so they sold out of electronic appliances.

With phones, Nokia started with black and white, and then went to colour with a small screen, and they were leading in colour screen technology. Then they bought out all the manufacturing capacity for the 4,000-colour display. Unfortunately for them, other mobile phone makers were coming up, building their in-house display technology capacity at much higher levels: Samsung were building screens with 300,000 colours.

So, despite Nokia's early dominance with mobile phones, they were at a disadvantage?

Nokia had a problem. Let me use an analogy. Say, one company knows how to build bicycles. Another company builds cars very well. Then the market comes along with a new need: to build a motorbike. Which company is best positioned to move into the new market?

So, Nokia was building phones. Other companies were building computers. Of course, the computer companies were best placed to condense their offering into tablets, and then smartphones. Nokia had the supply chain advantage and they had the benefit of economy of scale – but that proved to be less important as the product changed.

“

The beauty of Hong Kong is that we are small, flexible and efficient

”

How important was the operating system?

Nokia had built a platform and here in Hong Kong we got apps with local content before Apple. We had apps for TVB, Apple Daily and so on. But the drawback was the operating system, Symbian. It proved to be less adaptable than Android. Each year Nokia launched 40 phones, with say 30 different screen sizes. If you wanted to build an app, it was necessary to build 30 different apps to fit the various screen sizes. The iPhone developers, on the other hand, only needed to design one app. So most of the content providers moved to iOS, because Apple's ecosystem was so accessible. In my last four years with Nokia, I tried everything to get local developers to write apps for Symbian, but everybody was moving to Apple and looking to build credibility on that platform. With hardware – cameras, memory, processing speed – you can always compete. But with ecosystems it is much more difficult.

How does the Nokia experience affect your work nowadays?

I think that it affects me to this day. Nokia was one of the first with mobile apps offering local content. These days, as a mobile operator I help to launch smartphones and offer a total solution in mobile experience. I still see myself as someone with smartphone expertise, and that's where I add value to the company.

If you were applying for your first job today, which sector would you look to join?

I am a firm believer in the communications sector. It's been going on for thousands of years, from pigeons, to horses and nowadays 5G. Look at the on-going interest in Apple. Each year there is something new. For both devices and network, transformation must be ongoing.

Another sector is mobile payment, and also, logistics is not going to go away. Let me tell you a short story. 15 years ago, I went to a meeting with the top management at Nokia. They said "Bruce, we have to get into online business." I said, "In Hong Kong it won't work because it is so small here. People like to go and touch and feel products for themselves."

Now I look back! The whole purchase behaviour of Hong Kong – and the world – has been transformed. And how is the online world supported? Through logistics. So, I would be looking at communications, mobile payment, and logistics.

Centre pages - Idling the time away - Smartphone Style

By Kenneth Kwong Kan-lap, BBA Global Business Systems Management '17, winner of the City Business Magazine photography competition for Autumn 2018.

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Nowadays, the older generation is killing time with their cell phones not newspapers

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Photo taken by iPhone X in Cheonggyecheon, Seoul, South Korea at noon





Clicks into bricks

Is the future of retail offline?

E-commerce giants are going offline, opening up checkout-free stores using sensor fusion, deep learning and smart shelving tools. Will new technology shift the retail business back offline?



▲ (from left) Dean Samuels, Ricky Wong, Derek Ng and moderator George Tee

CityU MBA SHARP Forum hosted a lively discussion "Cashier-less Stores Initiative – The Arrival of New Era of Shopping?" in May 2018 featuring **Dean Samuels**, Head of Solutions Architecture, Hong Kong and Taiwan, Amazon Web Services, **Ricky Wong**, Chairman Hong Kong Television Network Limited, and **Derek Ng**, CEO of CRMG Holding Limited, the parent company of Pricerite. The Forum was organised by MBA students with the support of the MBA Office.

Dean Samuels, Head of Solutions Architecture, Hong Kong and Taiwan, Amazon Web Services (AWS), leads a team of solution architects who advise customers, including retailers, on cloud computing services. Amazon opened to the public its first checkout-free store, Amazon Go, in January 2018.

Ricky Wong, Chairman of Hong Kong Television Network Limited, is a telecom and media entrepreneur. In 1999 he established Hong Kong Broadband Network Limited, building a territory-wide fibre network. In 2015

he launched online shopping platform HKTVmall, and in 2016 opened his first bricks-and-mortar HKTVmall store in North Point, Hong Kong.

Derek Ng, CEO of CRMG Holding Limited. CASH Retail Management Group was founded in 1986 and holds a diverse portfolio of home furnishing and lifestyle brands, including Pricerite, one of the largest home furnishing specialists in Hong Kong. CRMG has recently developed Omni Channel offering e-shopping channels to a variety of digital devices.

Moderator **George Tee**, CTO, Hong Kong Science and Technology Park (HKSTP), shapes the development strategy of technology clusters and application platforms, as well as oversees the laboratory services and HKSTP's IT team.

The panel discussion below is an edited transcript by City Business Magazine.

What technologies are going to change your retail space in the next couple of years?

DN: Technology that can help us capture data and do the analysis, and from there we can deliver a personalised service to our customers.

RW: If I may twist your question, it is not so much the technology as the mindset of the retailers. I use Salesforce, a technology engine, and say to my marketing people "Why don't we do targeted marketing?" They tell me, "That's not the way, Ricky." Salesforce already knows what to do. They will generate the appropriate emails automatically. You can just go home and do nothing. The question is, "Can I give up my Ricky Wong intelligence in marketing and let the black box do the job?" It's a psychological question, an ego question. Because I am useless. Big data can do everything. So, it is not whether the tech is there (it is). It's whether the boss is willing to use it.

DS: That summarises it pretty well. It's information and it's customer experience. It's not the technology that is going to drive it, that's just the enabler. It's

what the customer wants. The customer wants that seamless experience, that unique experience. They want to walk into a store and still have that customised experience, using for example image recognition to know who you are, and greet you personally, maybe make some recommendations based on your purchase history. Walking around the store using location-based services and doing promotions based on your preferences. Having the ability for that seamless purchase, where you don't have to line up for a cashier. Through image recognition for payment, you can just grab that item and walk out. It's really the collection of information and how to analyse it. We're really only at the tip of the iceberg with artificial intelligence.

How do you deal with privacy concerns?

DS: Amazon and AWS are vigilant about our customers' privacy and we have implemented very sophisticated technical and physical measures to help our customers prevent unauthorised access. AWS customers retain ownership and control of their content stored in AWS. So, it's really important that customers implement controls to restrict access to that content, and that's something that my team help with, either through encryption or logical access control or other methods. How the content is stored is also important. So, for example with image recognition your face is represented in a computational algorithm. It is not a photo, and it is not possible to work backwards from that and generate a photo.

RW: We are very concerned about privacy, so we don't keep any credit card information on our servers. We work with Paypal, with Google Pay, etc. so we rather put the burden on those companies. But this is a digital age. If you are my customer, I know everything about you. I don't want to scare all you guys. Just keep on buying from us! But we know if your family has any elderly, we know if you have a baby, we know the size of your body based on what size clothes you order, we know how many friends you have. When you ship to an address that is not the GPS location of where you slept last night, we know how many girlfriends or boyfriends you have!

DN: We outsource these kinds of security issues and datacloud to the big guys. Currently we use SAP and they teach us best practice in terms of data security.

Derek, Pricerite started from an offline model. Is there anything stopping you from going to an online model?

DN: The most difficult thing for a traditional retailer is the data construction. We are a 31-year old company. At the beginning we didn't have any mindset about the data structure. It was a painful experience for us to restructure the data, and in some cases we had to ask our customers to reinput the data. For a decade now, we have seen a lot of the older generation use multiple devices to do research online. They just don't check out online. So we need to work with this trend and get more of the younger generations to check out online.

Ricky, how do you justify investing these millions of dollars to your shareholders?

RW: I don't. It's just a dream! Just like when I built the Hong Kong Broadband Network 17 years ago, I still remember all the users saying, "Why do you need to upload?" We were just downloading all the data. We didn't even have Amazon yet! If you ask me how I am going to get even, I don't know. But I see three business opportunities. Firstly, e-wallet. Yesterday HKTVmall app had more than 210,000 customers. So just think if we put an e-wallet in our app, this would be the largest e-wallet in Hong Kong. Secondly, targeted marketing. As I said, we know everything about you. So, if you are an advertiser, we will use our customer list to help you make a higher return on your digital advertising. Thirdly, retail distribution. Right now, we have 200 trucks on the road with three temperature compartments – frozen, chilled and room temperature. We have ordered another 50, so we expect that by the end of this year we will be the largest logistics company in the residential areas. Whenever you need to do ecommerce in Hong Kong you need couriers. In the new era, distribution is the key to ecommerce.

Dean, what distribution technology is Amazon looking into?

DS: Before I go into that, I must say that Ricky is spot on. Two years from now, the way that we get revenue streams is going to be totally different. Amazon took many years to build to the company we are today – we accepted that we had a product where we were willing to be misunderstood for quite a long time. But who would have thought that an online bookseller would get into cloud services? It is really the willingness to experiment and the willingness to fail. Does anyone have an Amazon Fire Phone? No, exactly, it's something we failed on dramatically! But it was a great learning experience because that's how the Amazon Echo product line came about. How about Amazon Auctions? Another failure, but our learning from that introduced the Amazon Seller. So, it is a willingness to be agile in approach, always think about what the customer needs, and make those decisions very quickly.

How about drones?

DS: In terms of distribution there are a wide range of things we are looking at. The most publicised is Amazon Prime Air, the idea that we will use drones to enable same day delivery for certain products. The drones are autonomous, meaning no human involvement, and use artificial intelligence technologies to navigate the skies and take appropriate action based on the environment variables at the time. It's not so much the technology that is holding us back as the regulations. For example, in the US the Federal Aviation Administration has strict regulations that any autonomous flying device must remain in line-of-sight of a human. It kind of defeats the purpose of an autonomous drone. But we actually did our first private trial about 18 months ago in the UK.

Another initiative is the Amazon Key in-Car Delivery. The idea is that you as the consumer can receive delivery to the boot of your car when you are not home. This is trying to get away from the courier having to leave the package at your door when you are not at home. That follows on from something we introduced last year, which was the Amazon Key delivery to your home. In logistics we are also

developing our own delivery service, looking at the way we can use perhaps driverless trucks to guarantee same day delivery.

Is Hong Kong falling behind in technology and regulations?

DN: I think that is to do with the mentality of our people. Rental costs, staff costs are really increasing. These sorts of external factors force you to rethink your business model. We all know that if we don't change traditional retailers will be dinosaurs in five years' time. For us you will see that every year our total sales area is dropping. We will find ways to convert offline sales to online, so that we can use our traditional stores more as an experience store rather than just a place to make transactions. Most traditional retailers know they have to make a change, but they have no idea about which kind of technology they should start with. The government should play a role and bring some direction to retailers, especially SMEs.

RW: I recently went to a seminar in Singapore called Money 20/20 Asia. There were about 3,000 attendees from all over South East Asia, and hardly anybody from Hong Kong. There were regulators from Malaysia, the Philippines and Singapore, but no one from Hong Kong Monetary Authority. It opened my eyes. Two young guys from Malaysia with a virtual bank, 13 million bank accounts. All the technology is available. It is the retailer mindset, the regulator mindset. You ask me is Hong Kong behind? Hong Kong is dying. It is hard to see how we can catch up with even Vietnam and Cambodia, they are moving so quickly.

Were any of you shopping in Korea 15 years ago? I doubt it very much. Why are Korean cosmetics so hot today? It is the impression; the Korean culture gives you the impression that they are more advanced. Hong Kong is a so-called shopping paradise. Are we? Look at the image. The only cashless thing is the Octopus. We are talking about a 20-year old technology. It's a feeling. People came to Hong Kong in the past. Are we still more advanced? I doubt it very much.

Could each of you give a key message to share with us?

DS: Don't be afraid of failure, embrace and encourage a willingness to experiment. Make sure that you lower the cost of failure, bring ideas to market very quickly, and get feedback from your customers. And either pivot or iterate based on that feedback. It's something you have to do. A lot of organisations feel comfortable and like the status quo. And a lot don't exist now because they failed to innovate and failed to experiment.

RW: If you are over 45 years old, you can ignore technology because you've only got ten years left to work. But if you are below 45, you have to keep up because technology is shaping our life.

DN: We have a lot of discussions with our management, with new technologies coming up every day. Two important things: You have to know your customers' pain point. What kind of job do you want to help your customer complete? The second thing, your positioning. Which type of customer do you want to serve? Technology is not the solution itself. It's an enabler to help your customers enhance their experience.

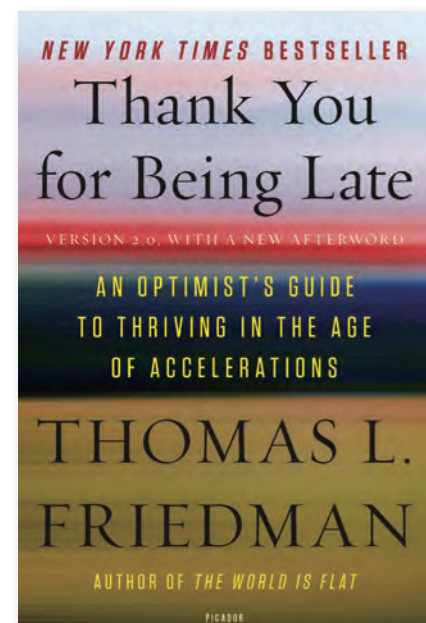


Biomedicine and ICT prospects for Hong Kong

Reflections on *Thank You for Being Late* by Thomas L. Friedman and *21 Lessons for the 21st Century* by Yuval Noah Harari

By Professor Houmin Yan

This issue of City Business Magazine discusses big data and information & communication technology and their applications in marketing. Various articles explore from their unique perspectives the threats and opportunities brought forth by information and communication technology in business education and research. Intriguingly, these articles remind me of one of my favourite recent reads, Thomas Friedman's book *Thank You for Being Late: An Optimist's Guide to Thriving in the Age of Accelerations*. Thanks to his long-time experience as a journalist and his professional insight, Friedman is able to collate and summarise first-hand information. Moreover, as an award-winning journalist and best-selling author, his reputation and network allow him to interview top talents from industry, exploring the latest developments and trends of new technologies and their impact on business operations, which provide him with extraordinary insights and unique angle.



Friedman cites Google X Director of New Products, Astro Teller, on the relationship between the rate of technology progression and mankind's learning ability and environmental adaptability. Teller asserts that in the past

few millennia, the curve of science and technology development was close to linear. It took several centuries for a technology to progress from invention to reaching its full application, as seen in the cases of printing and explosives. Over the past hundred years, the pace of science and technology advancement has grown ever faster and there have been major breakthroughs every 20 to 30 years. A new technology now only takes 5-7 years to become widely adopted, and the speed of technology pick-up is still on the rise. A millennium ago, it took one or two generations to get adapted to a new technology. Now it takes only 10-15 years. In the face of such rapid technological advancement, more than ever people need to strengthen their learning ability in adopting and renewing technology.

I would draw a loose association between this and the trend of senior mainland business executives actively participating in learning, especially in pursuing various higher degree studies. This may be one of the reasons for the rapid growth of the Chinese economy over the last 40 years.

Two Thousand and Seven

Friedman rightly points out that 2007 was a pivotal year in technological advancement and big data commercialisation. 2007 saw the launch of a series of products and platform technologies that have had a profound impact on the big data era, including the first smart phone and Hadoop, an open-source software framework based on cloud-computing. Hadoop was developed based on Google's two innovations, Google File System (first released in 2003) and its distributed

computing platform MapReduce (2004). Thanks to Google sharing its innovations with the public, Hadoop is not only a reimplement in the public domain supporting massive data storage using cheap storage devices to process massive amounts of data in clusters of cheap computers using parallel processing, but also offers a full set of database management and storage retrieval methodologies, and monitors the communications between computing nodes. Moreover, designed with the fundamental assumption that hardware failures are common occurrences, the framework handles any failure detected on an individual node by re-directing the task to another node for computing. This open-source computing platform is an enabler for big data analysis happening anywhere on the web, not just for the big corporate players.

With the continued innovation and enhancement of Hadoop and GitHub, an open-source software development platform, we have seen a string of new technology companies launched onto the market. Moreover, major players such as Facebook, Twitter, LinkedIn, Alibaba, Tencent have used Hadoop for data storage and processing. Another important contribution that Hadoop made is that it has changed how most technology companies store and use unstructured data. Before Hadoop, almost all enterprises used systems such as the Oracle relational database and search language such as Structured Query Language to store, manage and make enquiries on their databases. For an SQL command to function, it needs to be certain about the database structure which is established well before the data is stored. The early versions of SQL were much constrained by processing speed and storage issues. Programmers had to make a lot of enhancements in designing the database structure in order to store, read and compute the data at faster speeds. Hadoop was a response to these issues, being sufficiently flexible that the database structure is only established at the time that the system starts reading the data.

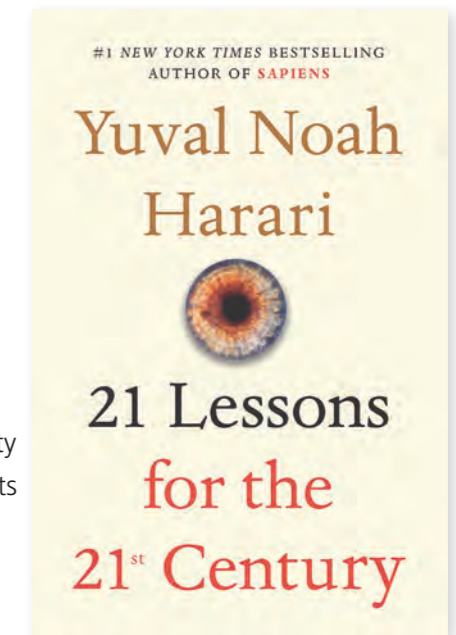
Volume, Velocity, Variety, Veracity

Big data is often characterised by its 4V features: Volume – the size of the dataset, Velocity – the speed of data volume increase, Variety – the types of

data, such as text, graphics, voice, video, clickstream, and Veracity – trustworthiness of the data. While volume and velocity are well known issues, the variety feature highlights the transition of structured data to unstructured data in the big

data era. Structured data storage and processing on traditional relational database has made substantial development up to this day. However, the emergence of unstructured databases is now the dominant trend, not only because of their flexibility, but also because the growth rate of unstructured data far outruns that of structured data. Lastly, veracity refers to the reliability, accuracy and timeliness of data, and has been the biggest challenge for big data analysis which is often hampered by the unreliability, uncertainty and inconsistency of data sources and is subject to user bias. Hadoop has been an efficient solution in handling the first 3V's of big data. To adequately overcome the challenges from the last V, there is still much to be explored and discovered by statistical researchers in this emerging research area.

It is worth noting that the use of big data is mostly employed in developed countries and regions. A recent survey by Mckinsey on *Global flows in the digital age* reveals a preview of data mobility in various countries and regions around the globe. The United States, China and Germany are the top three countries in data usage and transfer. Hong Kong lies within the second tier at a comparable level with Japan and South Korea. However, if we consider the Greater China area as a whole, we are leading an upward trajectory in data use. Small and medium enterprises are found to benefit the most from this technology innovation.



McKinsey's earlier report "Internet Matters: The Net's Sweeping Impact on Growth, Jobs Prosperity" (May 2011), pointed out that internet technology had increased the import-export turnover of small and medium enterprises two-fold, and in its recent report emphasises that ICT technology may play a vital role for SMEs in developing countries. For example, SMEs in Chile are trading with around three foreign countries through traditional channels. However, SMEs that go online trade with as many as 28 countries on average.

New Economy, New Public Financing, New Trends

As Friedman's book provides a detailed description of the rapid advances of information technology and the societal and environmental challenges that it poses,

my interest was aroused to get to know more about this important trend. We were very fortunate to have Dr Shusong Ba, Chief China Economist of the Hong Kong Exchanges, give a keynote speech on "New Economy, New Public Financing, New Trends" at the Kick-off Ceremony of the EMBA+MPA programmes in collaboration with Tsinghua University in August. In his speech, Dr Ba introduced three major initiatives to be launched by the Hong Kong Exchanges: simplify the listing eligibility guidelines for biotech issuers, permit listings of companies with weighted voting right structures, and establish a new concessionary secondary listing route for Greater China and international companies. Dr Ba stressed that the capital market is a seedbed for incubating new startups,

and further elaborated that the investment figures of European and US capital markets in ICT and biomedical companies took up as much as 73% of all capital investment in the US and close to 50% in Europe.

Biomedicine, Hong Kong and Greater Bay Area

Dr Ba also shared an interesting observation on the locations of mainland enterprises listed in Hong Kong. Dr Ba noticed that Beijing, Shanghai and Guangzhou, the mainland cities with the highest numbers of companies listed in Hong Kong, all have a strong core in biomedical research. Two other leading cities, Shenzhen and Hangzhou, are more focused on ICT. This observation may be a morale booster for Hong Kong, revealing a win-win situation. On the one hand, Hong Kong houses world-class medical schools and maintains an efficient hospital system, as well as a state-of-the-art *veterinary school* newly established at CityU. On the other hand, Shenzhen is well known for its ICT innovations, and can complement Hong Kong. Thinking out of the box, biomedicine may be a new and unique area for Hong Kong to contribute to the development of the Greater Bay Area.

machinery. However, it is foreseen that the integration of ICT and bioscience technology is going to make profound impacts on mankind in the present day and the near future. Data on people will bring great changes to the development of human beings. Take this a step further, the one who owns people's data owns resources. Harari opines that humans are good at conducting projects, but they are not fully aware of the outcomes of their projects. He uses dam building as an example. Humans started building dams several thousand years ago. We are now building bigger dams and building them at a faster pace. However, we do not know how these dams are going to affect the environment and the climate.

Opportunities and challenges

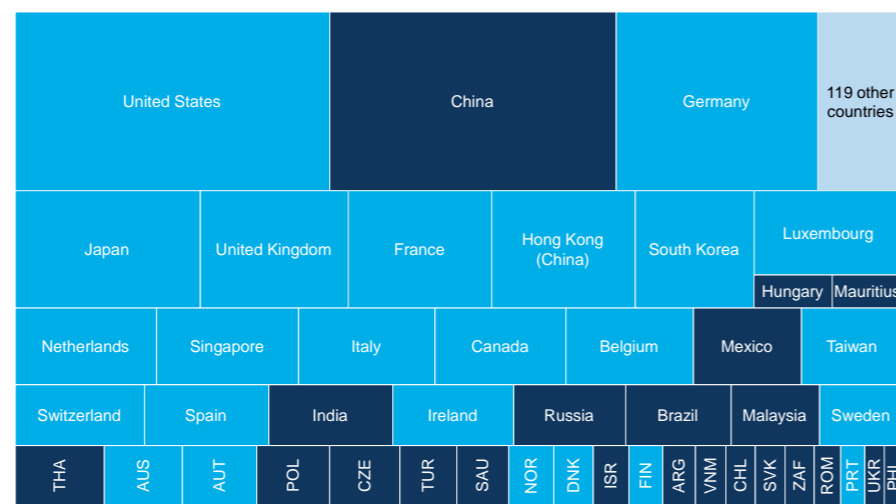
In this big data era, it is important that we know more about data. Apart from the need for high performance computer systems and artificial intelligence technology to harness data, we need to understand the rapid growth rate and duplicability of data. These have important bearings on data management. Apart from learning the latest data technology, our coming generations need to fully understand how data technology may impact on the economy, society and individuals. CityU College of Business well acknowledges the opportunities and challenges that data technology brings to business education and research. In recent years, the College has introduced two new undergraduate streams, *Computational Finance and Financial Technology*. Both curricular are highly inter-disciplinary, covering extensive training in computer science, data analytics and statistics. The College plans to introduce courses from these streams to all our undergraduate students. We intend that our students be fully prepared for the challenges and opportunities of new data technology in business and the economy.

The vast majority of knowledge-intensive inflows and outflows occur in developed economies

Total knowledge-intensive inflows and outflows, 2012¹

Relative area corresponds to the portion of global inflows/outflows

■ Developed
■ Emerging

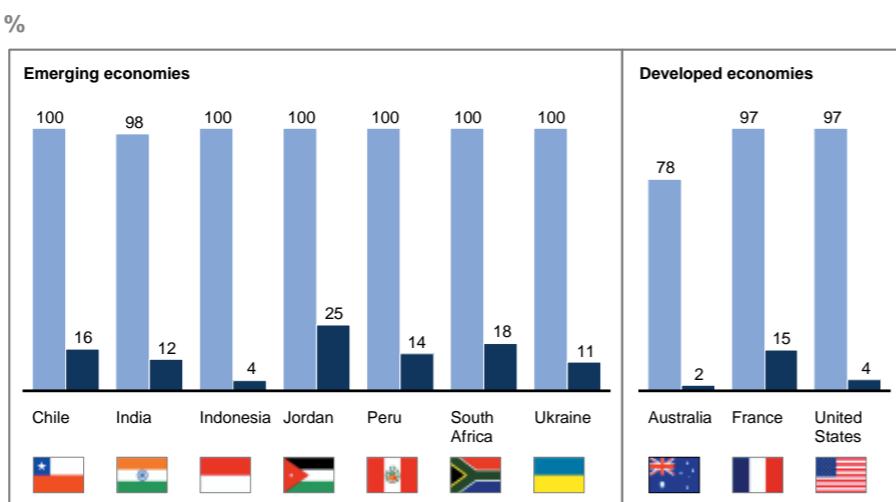


¹ A knowledge-intensive flow is a flow with embedded information, ideas, or expertise that is transferred when exchanged. Foreign direct investment is classed as a knowledge-intensive flow because it often entails the transfer of embedded ideas, management expertise, and technology.
SOURCE: Comtrade; IMF Balance of Payments; McKinsey Global Institute analysis

Online platforms enable businesses to attain global reach that comparable offline businesses have not achieved

Share of eBay commercial sellers and offline SMEs¹ that export, 2012

■ eBay sellers²
■ Traditional SMEs



¹ Small and medium-sized enterprises.
² eBay sellers are defined as a commercial seller with sales of over \$10,000.
SOURCE: Enterprise Surveys, World Bank, 2012; Australia Bureau of Statistics, 2012, 2007; eBay; McKinsey Global Institute analysis

21 Lessons for the 21st Century

I guess Dr Ba's good intention is to draw Hong Kong people's notice to the importance of the biomedical industry, and also his high expectations of Hong Kong's medical schools and hospital system. In relation to this area, Yuval Noah Harari's new book *21 Lessons for the 21st Century* may be a good supplement to Friedman's. Unlike *Thank You for Being Late*, which has a relatively limited coverage on biomedical technology and the integration of ICT with other technologies, *21 Lessons for the 21st Century* regards technology, environment and nuclear wars as the greatest challenges in the contemporary world.

Harari's book stresses the importance of integration between ICT and bioscience technology, and describes it as an interesting and interactive interplay. As an historian, Harari points out that land was the most important resource over the past few thousand years, machinery for the past 200 years, and people have learned from past practice how to manage land and

Professor Houmin Yan
Dean of College of Business



Madrid

the new go-to destination in Europe

David Gil Perez is Head of International Mobility at the Charles III University of Madrid, and teaches organization and innovation courses at the university's Business Economics Department. He visited the College of Business in August, as part of an initiative to increase exchange opportunities between CityU and UC3M, when City Business Magazine caught up with him.

By Eric Collins



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What kind of university is UC3M?

Very dynamic, and quite new – this coming year we will celebrate our thirtieth anniversary. We were the first university in Spain to introduce English as a teaching medium, so we have always been outward looking, and 20% of our students are international. We also have one of the highest level of entrants in Spain, and like CityU we are very research-orientated.

How can we expand connections between our universities?

We signed an exchange agreement with the College of Business some years ago, and we thought it was time to move forward, a chance to perhaps expand numbers and also the scope of our collaboration. The *Erasmus Plus* programme means we can now apply for funding for university exchange in countries outside Europe, and not only for the exchange of students but also for the exchange of professional and faculty members so

we can establish research collaboration, perhaps based initially on giving seminars in one another's institutions.

What special features could attract our CityU students to your university?

We have students from 57 different countries, but we limit international numbers to 25% per class so students can experience full immersion in a Spanish environment. Incoming students will have a chance to learn some Spanish. We offer medium-sized practice sessions with a maximum of 40 people, so you are going to get to know your professors.

How important is the teaching of business in the context of the humanities?

We have a strong focus on business, but offer humanities in all degrees, so yes, students need to take courses in other areas, and we do value placing business in broader contexts.



What major innovations have you seen in the Spanish business community in recent years?

We have faced a major recession over the last ten years. In the old days students would aspire to be becoming civil servants. Nowadays about 40% of people are looking to start their own business. The idea of Spain as an entrepreneurial country is new. At the same time many universities are offering innovative degrees in up-and-coming areas such as medical or space engineering, robotics or artificial intelligence.

Are you teaching new skills sets?

Yes, we teach electives in drawing up business plans, and we have an incubator for students wanting to establish start-ups. We also see many students who want to go overseas to study entrepreneurial skills or innovation.

How international is Madrid?

Madrid has changed beyond all recognition in the last ten years. It used to be the case that Barcelona was the international attraction, and Madrid was more like a big Spanish village. Now, you can hear English being spoken all over Madrid. There are new hotels and restaurants opening monthly. In that sense it is like London, one of the fastest changing cities in Europe. We have had very hard times, but now Madrid is on fire. Four years ago, we were struggling to place our Spanish students in work. Now international students are finding placement opportunities.

How important are Spain's connections with China?

There is a big market for the Spanish language in China, and I have been invited several times to give presentations to the China Scholarship Council about Spanish universities. Spain is part of the Belt and Road Initiative, and is seen as a gateway to the Latin American market, which of course is enormous.

Have attitudes towards internationalization changed in Spain since UC3M was founded in 1989?

Yes, universities perhaps used to feel that offering courses in English was somewhat problematic, perhaps not worth the extra effort. UC3M was designed from the beginning with courses offered in English. Universities are increasingly proud of attracting overseas students who are more welcome than ever.

And finally what are your impressions of Hong Kong?

It strikes me as being a very vibrant, international city. We are lucky to have direct flights from Madrid these days. It's been raining all week so not easy to get out and see places. Maybe this gives me an excuse to come back.



Germán Muñoz

Exchange student of City University of Hong Kong

I arrived in this enormous city almost two weeks ago and I can already say that I love it. At the beginning I have to say it was a great shock for me. I lived the past year in Los Angeles on the exchange programme at the University of Southern California, but this was completely different to any place that I had been before.

In Hong Kong everything happens really fast, the first impression you get of the city is its gigantic buildings that shape its harbour, but after some days here I can tell that this urban life blends with the very special nature that surrounds the city, making Hong Kong a very special place to live. Coming from Carlos III has been a big impact for me, since life in Spain is much calmer and the weather seems to be more tropical here. Apart from that, school seems to be as exigent as in Carlos III.

As a student, my first impression was that CityU was not the average university that we are used to in Europe or America. This university is actually integrated in the city, but here you can still find enough space to do some sports or just have a rest with friends.

I spent the last year at an American university, but for the moment I can say that this experience is more fruitful for me, since the cultural shock with all the differences that I have found here has taken me out of my comfort zone, challenging me, which I think in the end will make me a better person.

Rafael Hidalgo

Exchange student of City University of Hong Kong

I study in the University "Carlos III de Madrid" and around the world – thanks to the many agreements that my home university has with other international universities. Before coming to CityU, I went to the Copenhagen Business School with the European programme called ERASMUS, a total new experience to learn more widely how countries work on a global basis. But not satisfied with limiting that experience to Europe I decided to continue travelling and arrived in Asia, a new start. Hong Kong is known worldwide for its economic importance and as a door to Asia due to its western influence, so how was I going to miss the opportunity to come to the "new land of success"?

When I arrived, I was surprised by the good organisation of the public transport, a total challenge for the amount of people who live here and depend daily on it. Also, Hong Kong has a perfect economy, with people in the streets or malls at any time of the day with enough purchasing power to get the economic activity of any business working no matter its size. Contrast the West, where big enterprises are taking over the market by acquiring small businesses.

I think the biggest challenge usually tends to be the language when you go abroad. That makes Hong Kong the perfect destination for you to feel at home and enjoy a hundred percent the experience, because it gives you the security of being able to solve any problem if it arises.

Mandy Mau Hau Man

Exchange student to Charles III University of Madrid

Madrid is a modern city, an amazing mix of commercial and traditional. The weather from January to June is very comfortable, it is not very cold in winter, around 5°C. So, I was surprised when we had snow on a few days. It was so beautiful, and I didn't feel cold at all.

I usually met new friends during classes or activities of Erasmus Student Network. Since I was studying English medium classes, many of the classes were with exchange students as well as Spanish students. It was easy to meet new friends as we had a lot of group activities. Also, trips to Toledo, Aranjuez, Cuenca, Segovia etc. were organised. We would often make a group of friends and go to explore Madrid and the towns nearby.

Evening parties are very common in Spain. People will party on almost any day like Monday Blues party, Crazy Friday party, and Chill on Saturday party. They mainly drink beer and sangria, which is a special drink in Spain. Sangria is a mixed with red wine/white wine, orange and lemon juice, soda and some fresh fruit. It is suitable for girls since it tastes sweet and fresh.



For me exchange was about exploration. I not only explored the world more and broadened my horizons, but also got to know more about my strengths and weaknesses. It was more than a trip, it was a valuable, long-lasting and profound experience.

España, volveré!

▼ This photo was taken in Plaza de Espana, Sevilla deemed as the most beautiful plaza in Spain. We rode in a horse-drawn carriage there



▼ Germán (left) and Rafael (middle)



香港城市大學
City University of Hong Kong

學術樓
Academic Building

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The BBA of choice

Opening doors to great opportunities

By Eric Collins

Dr Raymond Wong is Associate Dean (Undergraduate Programmes). Here he talks about how the BBA is offering more choices, adapting to market needs, and his aspirations for our undergraduate students.

What attracts students to the College of Business BBA?

We are building something quite special for our students. New initiatives such as the double major feature, the **dual degree** programme with Columbia U, and the two College-based flagship programmes – the BSc in **Computational Finance and Financial Technology**, and BBA in **Global Business** are opening doors to a great learning journey and promising career opportunities. We combine a world of choice – 11 different specialist undergraduate programmes – with a superbly developed collegiate core.

Why has the College developed this new double major?

Greater flexibility and diversification increase our students' competitiveness to fit with market needs. The double major is a big curriculum reengineering project and all the CB departments and programmes have played a part in making it happen. The new curriculum facilitates students' choices of desirable majors, and they can graduate on time and without deferment.



▲ Dr Raymond Wong (middle) and the Undergraduate Programmes team

JS1000 BSc Computational Finance and Financial Technology

Financial Econometrics
Optimization Database

$$\frac{\partial f}{\partial t} + rS \frac{\partial f}{\partial S} + \frac{1}{2} \sigma^2 S^2 \frac{\partial^2 f}{\partial S^2} = rf$$

(Finance + Math + Stats) Computer + IT



State-of-the-art training in finance, mathematics, statistics, computer programming and information technology

Career in

- Asset Management
- Investment Banking
- Risk Management
- Blockchain
- Financial Technology (FinTech)
- Regulatory Technology (RegTech)

Opportunity for Joint Bachelor's Degree Program between City University of Hong Kong and Columbia University*

* Computational Finance stream students only.

Further advanced studies



“ We have experienced great success in open competitions ”

How can the double major help our students in the job market?

Well, say in the accounting field if you want to work in a CPA firm as an auditor, accounting is of course required as the major. But employers may also wish graduates to have knowledge about blockchain, AI, big data, etc. to facilitate the auditing job. So, an Accounting + Information Systems double major would make you very competitive in the job market.

What makes our CB undergraduate programmes special?

We are very active in creating a world beyond the university. That means above all internationalisation – 61% of our students go overseas on exchange tours, and internships – 54% graduates with work-related experience. Our students have the world at their fingertips.

How competitive are our students?

We have experienced great success in open competitions. During the last year alone, BBA students were first runner-up prize in the HSBC/HKU Hong Kong Business Cases Competition, have won the Merit Award in the ACCA Hong Kong Business Competition, and have attained the Hong Kong Undergraduate Financial Planners of the Year Award. Our students demonstrate excellence in these competitions.

Do employers like our students?

Yes! I've been chatting with numerous employers at various venues, and they tell us that we are indeed popular in the employment market. We have to pass on this positive message to our students.

How important is career development?

Student futures are our business. We put a lot of work into this. We have just organised the 3rd Business Career Fair which featured 32 leading companies including S&P 500 and multinationals. We have also established a Business Career Development Advisory Committee with a group of leading corporate executives, and we have a very active Career Development team assisting students with career planning, and job hunting. The full-time employment rate of our BBA graduates is over 94%.

What are your aspirations for our CB students?

Our CB students are doing very well. Sometimes, they do not know how good they are, and are too humble to express themselves sometimes. My aspiration is that through their learning journey with us, our students fully know their strengths and potentials, and also acknowledge their weakness and ways for improvement, and that they ultimately play to their strengths.

“ Our CB students are doing very well. Sometimes, they do not know how good they are ”

Who is there for our BBA students?

Our Undergraduate Programmes team led by Ms Chanel Leung is the face of our UG programmes and may be found on the 9th floor of Lau Ming Wai Academic Building.

And to sum up?

The College opens the doors. Our proactive students go grab the opportunities!

JS1001 BBA Global Business

Global Experience in 4 Countries

Globally-oriented curriculum

- Triple Exchange Opportunities
- Global Business Consultancy Project
- Compulsory Foreign Language Course

Consultancy and Management Positions in

- Global Consulting Firms
- International Banking/Financial Institutions
- Multinational Companies



Business innovation across cultures

By Eric Collins

Melody Zou is a BBA, MSc and PhD graduate of CityU who was appointed Assistant Professor at the University of Warwick (Warwick Business School) in July 2018. Here we talk with Melody about her varied learning experience at CityU and her expectations for Warwick.



How did you first come into contact with CB?

CityU was active with promotions in the mainland, and the university looked fantastic from a mainland high school student perspective at that time.

What were the highlights of your BBA?

The BBA (Marketing programme) offered intense training on developing a business sense and conducting business presentations in a creative way. This helped me even with the PhD where presentations can get quite formulaic. I also gained hands-on consultancy experience from my final-year projects when I worked for Pricerite, a local competitor to IKEA.

Did you feel the consultancies make a real difference?

We did focus group and survey studies for the company and then presented our findings and solutions to the CEO. At that time, Pricerite was perceived as a superstore for homeware and it was planning a repositioning for the youngster market. We proposed designing theme rooms for different types of customers (e.g., students, young couples, families). Now Pricerite has a series of display rooms in its flagship store in Megabox. It is also always in my choice options when I need to buy furniture or homeware in Hong Kong.

You then moved into industry?

Yes, I worked for a company doing B2B in Hong Kong Science Park. At that time Weibo was still popular and WeChat was just launched. People were trying to

figure out the potential of online advertising in social media. We were helping clients look at how to package information in a more targeted way to reach the right segment of the customers. We already had the concept of analytics. Since then market customer identification has become more and more precise.

You then returned to CB to do an MSc

This was an MSc in Business Information Systems. I worked in the IT industry, so I wanted to strengthen my technical background. It was a bit different from Marketing. In information systems, we understand how to write programmes and how to design systems. But since it is in the College of Business, we think from the business perspective.

After that year I was at a crossroads. The question was whether to continue in academia or go back into industry.

What made your mind up in favour of academia?

I actually got to the final round of interviewing for IBM. I still remember being interviewed by the line manager, and I caught sight of his business card which had the title "PhD". And I thought, there is always the possibility of getting back into industry. My supervisor at the time was very open-minded and laid out the opportunities. In the end I chose academia maybe because I enjoy learning, and also perhaps because of the continuity.

Were you living in the university?

Yes, the university offered on-campus accommodation. I was also a residence tutor in organising and supporting student activities, along with management duties in the student residence.

What was your PhD research focus?

In my PhD I developed a concept called extra-role behaviour. The main idea is that users do not merely use a technology - they can also make contributions to it. From the developer's point of view, if you can engage the users you can get free input from them. I reviewed literature and defined what would be the "role" in the technology context.

Have you been able to share your learning experiences with colleagues at CB?

Yes, I have contributed to several sharing sessions for PhD students. These covered issues such as how to get through the transition from an undergraduate to a PhD, what resources the university offers for the junior levels, how to get prepared for job hunting and how to define selection criteria for the senior levels.

What are your first impressions of Warwick?

Warwick is very strong and active in academic research. Its business school even has its own building and system. The research interests of my research group at CityU is similar to the ones of the Warwick group, so I perceive it to be a good match.

What does the future look like?

Compared to Hong Kong, Warwick should be at a slower pace because city living is too busy here. I plan to fit into local life, and commute by train.

How do you see the role of academics changing in the next ten years?

We academics are no longer living in our ivory tower! We are keen to partner with corporates. As academics we bring wide reading and context to particular problem areas, and we are able to propose new solutions for technology advancement as well as solve practical problems. From the research angle, the link with industry is also indispensable. Overall, we are in a good position to add value to industry.



Magic moments at Orlando Disney

By Apple Lee



Apple Lee, a Year 4 BBA Marketing student, spent her summer at Orlando Disney – together with other 26 CB students – as part of the Disney Cultural Exchange Program at Walt Disney World. Here she talks about the highlights of her internship in Florida.

“Good evening, ladies and gentlemen, boys and girls, dreamers of all ages...” Every night at 9:10pm, the announcement of “Happily Ever After” echoes around the park, touching our dreams, reminding us of the desires in our deepest hearts. I watched that wonderful show all summer, and those two magical months seem like yesterday to me. I can still remember vividly the last show I saw, and how warm the tears were.

Thanks to the support from the College of Business for offering such a precious opportunity to us, and enabling us to participate in the Disney Cultural Exchange Program at Walt Disney World. It was certainly a valuable, resume-enhancing experience for me to gain work experience and share the WDW culture and heritage with guests from around the world. Becoming part of the magic that is known worldwide, this truly unique chance allowed me to network with leaders,

take part in personal development classes, and build transferable skills such as problem solving, teamwork, guest service and effective communication.

Working in merchandising was such a fun job, providing me with enjoyment in interactions with guests of all ages, genders and nationalities. The loveliest thing for me was playing with the kids. Princesses and princes are all kind, innocent, yet familiar with all Disney stories – more than me. They were extremely excited with the characters, rides and lands. Every single thing here brings them joy.

I recall one time I was working in the Curtain Call Collectibles, the souvenir store next to the theatre meeting Tinker Bell. A little girl ran up to me with a Tinker Bell doll, forgetting her mum was right behind her and trying to check out by herself. The “happy



birthday” pin on her cute pink dress twinkled and caught my attention. The magic thing on that day was me giving her the pixy dust on behalf of Tinker Bell. I told her, “Tinker Bell is so busy flying with Peter Pan today that she unfortunately forgot your birthday gift. But she asked me to transfer it to you.”

That big, happy smile on her face is a thing that I will never forget! I gave this birthday sweetie a magic moment and in return I created an unforgettable happiness.

Other than learning the practical skills such as handling registers or stocking the shelves, what inspired me most was my co-workers. They gave all their love to Disney, not only by exploring the park but working in the happiest place in the world. Their intentions were pure and simple and the courtesy plus care shown were direct from their hearts. They were all brave and bold enough to pursue the dream that will lead them on a journey to discover who they are meant to be. Finding a job where you feel competent, smart, valued and awesome is the best thing on earth and I genuinely appreciate that and truly wish I could do the same in the future. There are always people around you to push you and inspire you and a dull moment never appears. Encouragement and collaboration are all we have.

While gaining great exposure to the on-stage work, pull back the curtain on WDW and you will see the off-stage effort cannot be neglected. The caramel apples and crispy do not come from Mickey’s magic in the Confectionery. The rubbish would not vanish by a

Fairy Godmother using her wand to wave them away. Unseen by the public, these cast members deserve our respect. I would not have appreciated their hard work unless I had been in the program. The time in the internship sparked interest and has emboldened me to pursue a future career in Disney since further understanding is acquired.

And so, the nine-week journey came to an end – but actually it continues on. There were once so many challenges at the beginning. Getting used to the strange environment, speaking a second language, immersing into exotic cultures... But they were all good and seemed to be easy after all. Just grab hold of your dream, set out for a new tomorrow, make a choice that helps you to find your own way, and seek your true happiness.

The Disney Cultural Exchange Program – Summer Internship in Florida, USA

The College of Business partners with global entertainment leader Disney Worldwide Services, Inc., to give students an opportunity to participate in the Disney Cultural Exchange Program at Walt Disney World Resort. Students intern as a cast member in the role of merchandise, quick service food & beverage, attractions, character performer, costuming, recreation and more. Students joining the overseas internship have the opportunity to enhance their communication skills, cultural knowledge, and build globalised portfolio and professional networks. The nine-week program has been running in Orlando, Florida since 2003.

Apple Lee
Year 4
BBA Marketing



Striking gold

By Eric Collins

Ho Tze-Lok is a Hong Kong professional squash player and studies on the BBA in Human Resources Management. She recently won a gold medal for Hong Kong in Women's Team Squash at the Asian Games in Jakarta, and has a career high ranking of world number 43. Eric Collins interviewed Ho in late September 2018.

Congratulations on winning gold! You got Hong Kong off to a winning start. How difficult was that match?

It was unforgettable because I lost to the same opponent from India in the pool match two days before. Then my teammates and coach gave me confidence, and so I went in with the attitude that I could do it.

What changes did you make from the previous match?

It was a very fast court, and in the first match I hit the ball hard and played too fast. In the second match I slowed the ball down, waited for the chance in the middle and then attacked.

Was the gold beyond your expectations?

Hong Kong was seeded two. Perhaps we got a bit lucky as India defeated the top seed, Malaysia, in the semi-finals so that gave us more of a chance.

Hong Kong has got a nucleus of top performers in both the men's and women's game

Yes, last week in Dalian, Hong Kong won the Bronze medal for the Women's World Team Championships.

And the men also won a Bronze medal for Hong Kong last year.

How important is team spirit?

Our number one and two women players are very experienced, this was their third Asian Games, and they helped teach me and I have learned many things from them.

What training techniques will bring the next great leap forward for yourself?

My coach always says I can make progress in fitness, because sometimes I drop my fitness standards in matches. So, it means extra training like tread mill and weights to improve endurance.

Are you planning a career as a professional squash player?

Yes, but I am also doing the BBA in Human Resources Management, so maybe after I retire from squash I can do HR.

How long does a squash career last?

Perhaps until the mid-thirties, but next week in the US Open I will play against a woman who is 40, a former world number one, and she is still a top ranked player, and very skillful.

What are your ambitions for the future?

I hope I can get to the level of the current top Hong Kong players in time for the next Asian Games in four years' time, and get into the world top ten.



NEWS

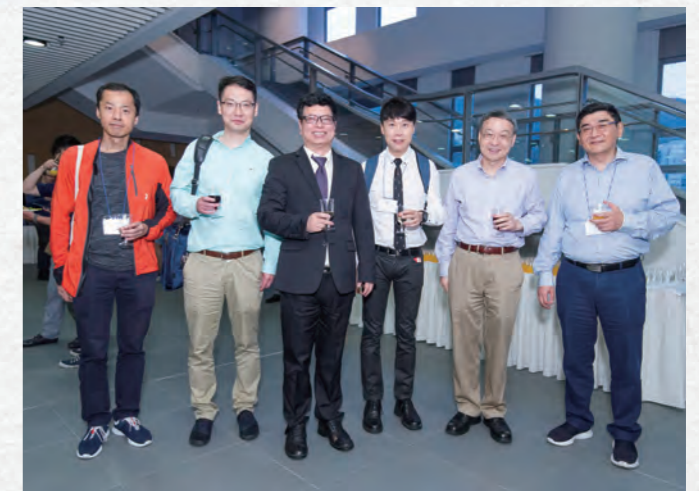
The 2nd International Conference on Econometrics and Statistics

After nearly a year's planning, the 2nd International Conference on Econometrics and Statistics, EcoSta 2018, was held at CityU in June 2018. The conference was co-organised by the working group on Computational and Methodological Statistics (CMStatistics), the network of Computational and Financial Econometrics (CFEnetwork), the Elsevier journals Computational Statistics and Data Analysis (CSDA) and Econometrics and Statistics (EcoSta), and the Department of Management Sciences of the City University of Hong Kong. **Professor Alan Wan** was the conference's CityU Chair.

EcoSta is rapidly becoming a leading venue for econometrics and statistics and their applications. Sessions covered all major areas of econometrics and statistics, including Bayesian inference, big data, biostatistics, financial econometrics, high-dimensional data, machine learning theory, nonparametric statistics, social network analysis, survival analysis and others.

The conference featured three keynote speeches, three special invitation sessions, 140 sessions, 550 presentations, and was attended by over 650 participants. The 2018 edition helped consolidate EcoSta's role in the dissemination of high-quality research in econometrics and statistics, and in facilitating networking.

EcoSta 2018 was honoured to have **Professor Houmin Yan**, Dean of the College of Business, delivered an opening address, where he emphasised the importance of data analytics in the modern age. Immediately following, **Professor Jane-Ling Wang** (University of California, Davis), gave a keynote address on "Functional mixed effects models for longitudinal functional responses". Professor Wang also gave a pre-conference tutorial on functional data analysis. Two further keynote speakers, **Professor Yongmiao Hong** (Cornell University) and **Professor Mark Steel** (University of Warwick), spoke on "Selection of an optimal rolling window in time-varying predictive regression" and "Choosing mixture components via non-local priors" respectively.



Other leading scholars attending the conference included **Professors Yingying Fan** (University of Southern California), **Richard Gerlach** (University of Sydney), **Alain Hecq** (Maastricht University), **Daniel Henderson** (University of Alabama), **Robert Kohn** (University of New South Wales), **Wai-keung Li** (University of Hong Kong), **Hua Liang** (George Washington University), **Jinchi Lv** (University of Southern California), **Geoff McLachlan** (University of Queensland), **Michael Smith** (University of Melbourne), **Refik Soyer** (George Washington University), **Huixia Judy Wang** (George Washington University) and **Lixing Zhu** (Hong Kong Baptist University).

A special issue of the journal *Econometrics and Statistics* will be dedicated to EcoSta 2018, to be edited by **Professors Jean Marie Dufour** (McGill University), **Alain Hecq** (Maastricht University) and **Alan Wan** (City University of Hong Kong).



NEWS

Professor Julie Li wins CityU Outstanding Research Award 2018

Professor Julie Li, Head and Professor of the Department of Marketing has been awarded the CityU Outstanding Research Award 2018, which recognises research excellence of full-time faculty members in CityU. Professor Li was one of the two awardees chosen after a rigorous selection exercise by a panel comprising an external member and senior researchers of the University from a mix of disciplines.

Professor Li's research interests include marketing strategies, knowledge creation, innovation and interorganizational relationships, with a focus on marketing channels in China. She has published in top-tier journals such as the Journal of Marketing, Strategic Management Journal, Journal of International Business Studies and Journal of Operations Management. Her work has also appeared in referred journals such as the Journal of Retailing, Journal of the Academy of Marketing Science and Journal of International Marketing.



Dr Gavin Feng wins AQR Insight Award

Dr Gavin Feng, Assistant Professor of the Department of Management Sciences, has won the 2018 AQR Insight Award for "Taming the Factor Zoo", a paper written with **Professor Stefano Giglio** of Yale University and **Professor Dacheng Xiu** of the University of Chicago.

"This paper deals with one of the most vexing and topical problems in empirical finance — how to judge whether results are 'real' or just the output of concerted data mining," says AQR's co-founder **Cliff Asness**. "This is a topic anyone serious about factor investing has worried about."

"Taming the Factor Zoo" proposes a new methodology based on machine learning and model selection techniques, which allows researchers to test and evaluate whether or not a new factor better explains the cross-section of asset prices when combined with existing factors. The authors

then apply the model to a variety of recently proposed factors and determine that with a few exceptions — including profitability and investment — the new factors are redundant, failing to offer greater explanatory power.

The AQR Insight Award, sponsored by AQR Capital Management, recognises exceptional academic papers that offer original, intelligent approaches to issues in the investment world. Every year, top academics from around the world are invited to submit unpublished papers for review. This year, two papers, one being "Taming the Factor Zoo", tied for first place, and the recipients shared a US\$100,000 prize.



College Excellence Awards

Teaching Excellence Award

The recipient of the 2018 College Teaching Excellence Award is **Mr Sunny Wong**, Senior Teaching Fellow of the Department of Accountancy.

The CTEA Selection Committee commended this winning entry: "Mr Sunny Wong is a very experienced teacher and dedicated programme leader, contributing to students' transformation to accounting professionals at all stages. His effective teaching approaches (including interactive and case-based teaching, assessment and feedback system) help students to lay a solid knowledge base. His coordination of

experiential learning activities, such as professional attachment and internship, complements academic learning, promotes self-discovery and fosters practical skills. Then, he provides advising and mentoring to guide students through to their professional journey. It is a well-deserved award for Sunny."



Research Excellence Award

The recipient of the 2018 College Research Excellence Award is **Dr Zhu Xindong**, Assistant Professor of the Department of Accountancy.

The Selection Panel was favourably impressed by the high quality of work presented and commended the awardee for his overall research excellence: "The research excellence awardee of this year has very strong research achievements. He truly deserves this honour because of his significant contribution to world class research with publications in UTD

and field top journals. We believe that his research will have a strong impact on his field and he will consistently generate high impact research in his career."

A special note of thanks goes to our benefactor **Jenny Chan** for her generous donation which has made the establishment of these two college excellence awards possible.



College of Business First Year Teaching Award

CB has announced the BBA First Year Lecture and Tutorial Teaching Awards 2017/18.

The winners have all demonstrated significant contributions to learning and teaching in the College of Business.



Ms Maple Wu
Graduate Teaching
Assistant, Accountancy,
for tutorials



Dr Chak-fu Lam
Assistant Professor,
Management, for lectures



Ms Disi Wu
Graduate Teaching
Assistant, Accountancy,
for tutorials

CB Business Career Fair attracts leading corporates

S&P 500 and multinational companies were among the 32 leading corporates participating in CB's Business Career Fair 2018 in early September. The companies represented a wide range of industries including banking, IT, accounting, property, retail, hospitality, logistics, etc.

In his opening remarks, **Professor Houmin Yan**, Dean of the College, expressed sincere gratitude to all the participating companies. He emphasised that the College is determined to nurture students into competent business professionals, equipping them with knowledge of the latest technology trends.

Professor Albert Ip, Convenor of the Business Career Development Advisory Committee, shared that the College offers all-rounded training, a broad-based curriculum, and a full range of career advising services to help students better plan for their future.

This third consecutive annual Business Career Fair was organised by CB's Business Career Development team, providing an excellent platform for students to get up to speed with job market information and learn about job opportunities from potential employers.



NEWS

Business Career Development Advisory Committee

The College of Business has established a Business Career Development Advisory Committee with a group of leading corporate executives. A wide range of industries are represented including hospitality, banking, HR, telecommunication, global port, global manufacturing and apparel.

The committee comprises, Chairman **Professor Albert Ip**, CEO of Langham Hospitality Investments; Convenor **Professor Houmin Yan**, Dean of the College of Business; and members **Ms Dora Cheung**, Managing Director, UBS; **Mr Edmund Ho**, Managing Director, Standard Chartered Bank (HK) Limited; **Mr William Ho**, CEO, WE Solutions Ltd; **Mr Bruce Lam**, Chief Marketing Officer, CSL; **Mr Timothy Lee**, Managing Director, BNP Paribas; **Mr Howard Lo**, Senior Vice President, Crystal International Group; **Mr Francis Tong**, Former Group Human Resources Director, Hutchison Port Holdings; **Professor Weiquan Wang**, Associate Dean of Research and Faculty; **Dr Raymond Wong**, Associate Dean of Undergraduate Programmes; and **Ms Ruby Chan**, Assistant Director of Business Career Development. Assistant Dean and Head of Business Career Development **Dr Isabel Yan** is the Ex-Officio member.

The Committee will advise on the College's strategies to strengthen employment opportunities and career planning for students and graduates. Students will also have the opportunity to learn from the committee members on how to develop effective attributes and positive attitudes in career development.



Inauguration of EMBA (Chinese) Alumni Association

The Executive Master of Business Administration (Chinese) programme recently established an alumni association with the aim to build stronger connections among alumni, CityU and the wider society. The alumni association provides a platform for alumni to share experience and foster exchange and cooperation within the EMBA (Chinese) network. An inauguration ceremony was successfully held on 13th September 2018.

In his welcoming remarks, **Mr Jiasen Pan**, Founding President of the alumni association, outlined the overall working direction of the association, saying that it was important to maintain the cohesion and influence of the EMBA (Chinese) community. The alumni association would continue to contribute to the betterment of CityU and the EMBA (Chinese) programme.

Professor Wenyu Dou, Programme Director of EMBA (Chinese), said "The programme administration team will have three key roles. The first is to promote the alumni association to current and prospective students. The second, to offer the association full support and comprehensive information from CityU and the College. Lastly, to help connect the association with our stakeholders around the world."

Also attending the Ceremony were **Ms Jun Wang**, Deputy Research Director of the Liaison Office of the Central People's Government in Hong Kong, **Hon Ben Chan Han-pan**, legislative councillor, **Mr Andrew Fan**, Council member of CityU, **Professor Way Kuo**, President of CityU, and **Professor Houmin Yan**, Dean of the College of Business.

Comings & Goings

We welcome our new faculty who joined us between March 2018 and August 2018

Professor Xufei Ma

Professor
Department of Management

Professor Ma received his PhD in Strategy from NUS Business School, National University of Singapore. His current research examines strategy, innovation, and management of multinational and entrepreneurial firms in and from emerging economies. Before he joined CityU, he taught for 11 years at Chinese University of Hong Kong, where he was Director of the Center for Entrepreneurship and the Center of International Business Studies. He is a mentor for HKX and HKSTP start-ups, and a founding member of C50 Forum.

Dr Xiaoli Hu

Assistant Professor
Department of Accountancy

Dr Hu obtained her PhD in Accounting from the National University of Singapore with a dissertation entitled "Clustered Disclosure upon Scheduled Macro News Announcements". Dr Hu's research interests include corporate disclosure, tax and bank related studies.

Dr Stephen Sun Teng

Assistant Professor
Department of Accountancy

Dr Sun received his PhD in Economics from Stanford University, and his BSc in Mathematics and Economics from the Hong Kong University of Science and Technology. Before joining CB, he worked as Assistant Professor in the Department of Applied Economics, Guanghua School of Management, Peking University from 2015-2018. His research interests are in the areas of accounting, applied microeconomics, and finance.

Dr Qin Tan

Assistant Professor
Department of Accountancy

Dr Tan received her PhD from Yale University in 2018 with a dissertation entitled "Three Essays on Capital Market Response to Accounting Information". Her research interests include the pricing of accounting information, firms' disclosure choices, and the real effects of change in disclosure regulations. Prior to her academic career, she worked as a financial / managerial accountant in Asia, Europe, the Middle East and the United States.

Dr Jingjing Xia

Assistant Professor
Department of Accountancy

Dr Xia received her PhD in Business Administration from the University of Southern California in 2018. Her research focuses on the information complementarities that result from the connectedness and inter-dependencies among firms in the financial market, accounting and the macroeconomy, and the role of media in financial markets.

Dr Jintao Du

Assistant Professor
Department of Economics and Finance

Dr Du received his PhD in Management in the field of finance from INSEAD. Prior to his PhD study, he received his Bachelor's degree in Banking and Finance from Guanghua School of Management at Peking University, with a dual degree in statistics. His research interests include both theoretical and empirical asset pricing, behavioral finance, and financial econometrics. He won the best PhD paper award at the 2018 European Financial Management Association Annual Meeting.

Dr Hanwei Huang

Assistant Professor
Department of Economics and Finance

Dr Huang received his PhD in Economics from the London School of Economics, MSc in Economics and BSc in Mathematics and Physics from Tsinghua University. Before joining CityU, he was a Fellow in Economics at the LSE and Research Assistant at the Centre for Economics Performance. His research interests include international trade, industrial organization, economic development, and economic history.

Dr Ding Luo

Assistant Professor
Department of Economics and Finance

Dr Luo received his PhD in Finance from the University of Minnesota. His research interests include empirical and theoretic asset pricing, and macro finance. His research has been presented in leading finance conferences, including the American Finance Association Annual Meeting and Northern Finance Association Annual Meeting.

Dr Zhesheng Qiu

Assistant Professor
Department of Economics and Finance

Dr Qiu received his PhD in Economics from the University of Pennsylvania, and prior to that his MA and BA in Economics as well as BS in Mathematics from Renmin University of China. His main research interests include business cycle, monetary economics, macroeconomic theory, inequality and redistribution, and the Chinese economy.

Dr Woody Wu Di

Assistant Professor
Department of Economics
and Finance



Dr Wu received his PhD degree in Finance from New York University. Before his doctoral studies, he obtained his BA and MA degrees in Economics from Tsinghua University. His main research interest is theoretical asset pricing.

Dr Alan Zhang Ran

Assistant Professor
Department of Information
Systems



Dr Zhang received his PhD in Information Systems from University of California, Irvine, and before that his Master's degree in Information Systems from Iowa State University and Bachelor's degree in Information Systems from Nanjing University of Aeronautics & Astronautics. His research studies focus on online advertising and digital markets, economics of information systems, user generated contents, and business analytics.

Dr Stylianos Despotakis

Assistant Professor
Department of Marketing



Dr Despotakis received his PhD from Carnegie Mellon University. Before that, he obtained his BSc in Mathematics from Aristotle University of Thessaloniki, his MSc in Logic, Algorithms, and Computation from the University of Athens, and his MSc in Algorithms, Combinatorics, and Optimisation from Carnegie Mellon University. His research interests lie in the areas of game theory, marketing, microeconomics, and operations research. His research focuses on topics such as competitive strategy, online markets, online advertising, auction theory, and marketing analytics.

Dr Ji Yan

Assistant Professor
Department of Economics
and Finance



Dr Yan received his DPhil degree from SAID Business School at the University of Oxford. Before that, Dr Yan obtained his MA in Mathematics of Finance from Columbia University, and BSc in Physics and Economics from Peking University. Dr Yan's research areas include asset pricing theory, financial economics, and financial stability. His current research focuses on collateral constraints, leverage, market incompleteness, and their policy implications.

Dr Shipeng Yan

Assistant Professor
Department of Management



Dr Yan received his PhD in Management from IESE Business School, and a Bachelor's degree in Business Administration from the University of Hong Kong. Prior to joining CityU, he worked as Assistant Professor of Organization Studies at Tilburg University. His current research explores the rise of novel markets and organisations, with a focus on institutional theory and the financial sector.

Dr Jane Park Jeongin

Assistant Professor
Department of Marketing



Dr Park received her PhD in Marketing from the University of Florida. Prior to her doctoral study, she obtained her MA and BA in Marketing from Yonsei University. Her research interests include judgment and decision making, social influences, and goals and motivation.

Dr Angela Lu Qinglian

Assistant Professor
Department of Information
Systems



Dr Lu received a PhD in Sociology from Stanford University in 2018. Her research interests include social networks, computational social sciences, organizations and the labour market. Her previous projects have been published in leading academic journals such as the American Sociological Review and American Journal of Sociology.

Dr Hyewon Cho

Assistant Professor
Department of Marketing



Dr Cho obtained her PhD in Business Administration from the University of Illinois at Urbana-Champaign. She is passionate about studying consumer well-being with the aim of better understanding and improving the lives of consumers. She examines how individual factors such as usage of technology and cultural context can influence consumer wellbeing.

Dr Jung-ju Yu

Assistant Professor
Department of Marketing



Dr Yu received his PhD in Marketing from Yale School of Management in 2018. He uses game-theoretic models to investigate interesting marketing phenomena. The primary focus of his research is on how firms can credibly convey information to consumers through branding and advertising, and how the information influences customer journey and, eventually, consumers' purchasing decisions.

We extend all best wishes for future happiness, professional fulfilment and prosperity to faculty who left us between March 2018 to August 2018.

Professor William Wan

Professor
Department of Management



Professor William Wan joined the Department of Management in 2012, and served as Associate Dean (Research & Faculty) from 2015 to 2018. With his extensive experience as an editorial board member of leading management journals, and track record as an award-winning reviewer, under his stewardship CB's research record was given an additional boost. As a member of the College Management team, William also worked extensively on faculty appointment, recruitment and personnel decision making. We thank William for his great contribution and wish him every success in his future career.

Prof Jeff Hong

Endowed Chair Professor
Department of Management Sciences

Professor Cheong-heon Yi

Professor
Department of Accountancy

Dr Christina Sue-Chan

Associate Professor
Department of Management

Dr Jane Yang

Associate Professor
Department of Management

Dr Ye Lu

Associate Professor
Department of Management Sciences

Dr Zhan Pang

Associate Professor
Department of Management Sciences

Dr Yanmin Gao

Associate Professor
Department of Accountancy

Professor Kelvin Yau

Professor
Department of Management Sciences



Professor Yau has had a long and distinguished career in the Department of Management Sciences, first joining CityU back in 1995. Beyond his distinguished research output, Kelvin was a mainstay of our College Management team, serving first as Associate Dean (Research & Postgraduate) and then Associate Dean (Research & Faculty) between 2011 and 2015, and contributing significantly to CB's record of research success during these years. We thank Kelvin for his long years of service, and for his multifarious contributions to collegiate life. Kelvin was also a formidable competitor on the badminton court, and we wish him a happy and active retirement on and off the court.

Dr Tanida Arayavechkit

Assistant Professor
Department of Economics and Finance

Dr Ryoonee Kim

Assistant Professor
Department of Economics and Finance

Dr King King Li

Assistant Professor
Department of Economics and Finance

Dr Ling Ge

Assistant Professor
Department of Information Systems

Dr Wonsang Ryu

Assistant Professor
Department of Management

Dr Jeff Wang Jianfeng

Assistant Professor
Department of Marketing

Dr Liyuan Wei

Assistant Professor
Department of Marketing

Share your news with classmates and CB alumni! Tell us about the highlights of your year – family, career, accomplishments, and interests. We will publish your updates in the “Class Notes” section of City Business Magazine and on the CB Alumni website.

Simply submit your information (name, major, graduation year) and your news to us on: Don't forget to attach photos with your write-up!



Wangtsun Lin MBA'04

I feel so thankful to CityU for giving me a strong foundation in management theory and practice in the MBA programme. After ten years of work, I then completed a DBA programme in 2016 and I am now working for a Fortune 500 company – Quanta Computer Inc. During my 20 years of work in Shanghai, I have followed the academic achievement of CityU in the media and I am so proud of it.



Clare Wong MSc Finance'08

Hello fellow alumni at CityU! I am glad to have studied for my Master's Degree at CityU where I gained knowledge in finance and developed a network of professionals from various backgrounds. I have over 13 years' experience in business systems analysis, and business consultancy roles in IT projects. As a scrum master in agile methodology for various mid-scale projects, most recently in a business analysis role in an investment bank, I have a strong passion to pursue higher levels in leadership roles. I am also one of the board members of IIBA HK Chapter.



Jennifer Daley BBA E-Commerce'11

I've been working for Staples for eight years now and was recently promoted to senior category merchant. I got engaged in Lombok, Indonesia in October 2016 and am getting married in February 2019!



Liu Jiahuan MSc Finance'13

My husband and I were classmates in CityU and now we both work in a private bank in Geneva. In August, we celebrated our second anniversary. We thank CityU for giving us the occasion to meet one another.



Yitong Yu MSc Professional Accounting and Corporate Governance'16

It's such good news for me that I passed ACCA Paper P2 in the June session which is one of the most difficult subjects. I exerted every effort in the past three months to prepare for the exam in the face of mountains of pressure and unexpected problems both in life and work. Finally, I made it and I'm truly grateful for the support of my family in were always there for me even in the worst of times. Especially, I thank CityU for the exemptions awarded which encouraged and facilitated my self-improvement. I will do better and again thank you!



Qin Chao MSc Operations and Supply Chain Management'14

I recently joined Sesame Credit of Ant Financial, as a senior data engineer and my job is to build credit society in China. We coordinate with external partners in renting, "try before you buy" and sharing economy and also try to explore new business models to help our clients and partners by providing our data techniques, and sharing our experiences in risk control. Most importantly, we can join together to make a new credit system for China come true.

Jia Xinying Msc Information Systems Management'18

I am now working in the industry research area of Frost & Sullivan consulting firm. I published a thesis in the 4th IEEE Conference and presented at Huazhong University of Science and Technology in August. Last September I entered CityU and I had a fruitful year enriching my knowledge and enhancing my experience. CityU has nurtured me with a rigorous attitude. My research degree study electives laid a foundation for my current career and I will strive to develop in the areas of data analytics and consultation.



Chan Sing Fan BBA Finance'09

As an undergraduate student at CityU, I was deeply interested in quantitative finance and I wished to put the theories into practice. I then received a Master's degree in Mathematics for Finance and Actuarial Science from CityU and a Doctoral degree from CUHK in 2017. I am now working in a hedge fund company, mainly responsible for investment research and transaction strategies. Although I have encountered various difficulties at work, I am grateful that I am able to apply my knowledge and gain more insights about the market.



Jackson Zhu Zaiqing BBA Accountancy'10

Hey my alma mater and fellow schoolmates! I graduated from CityU in 2010, worked in Hong Kong for a while, and pursued an MBA degree in the US. Now I'm working in the hedge fund industry in Greenwich, Connecticut. I wish all of you great success in your future endeavours.

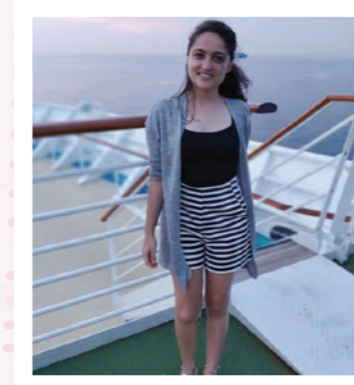


Eric Chan Tsz Chung MSc Financial Engineering'11

After graduating from CityU in 2011, it has been an exciting journey. I spent four years in the banking sector and then decided to pursue my passion in tech and startups. I am now at Facebook's Business Integrity team, working to ensure safe and trusted connections between people, businesses, and Facebook, leveraging my experience in risk and business management.

Suhani Batwara BBA Marketing Information Management'18

For me business is not just about money, it's a passion and a drive to succeed. As a recent graduate, I started my own venture, Tanzire, with a mission to create an online marketplace community. Jewelry designers from around the globe can effortlessly sell contemporary handmade jewelry, whilst buyers can conveniently buy jewelry through the use of augmented reality. I recently



represented Tanzire at the RISE Conference 2018, along with companies from more than 120 countries. Starting Tanzire is one of the most important milestones in my life and it has already brought a lot of opportunities with it.