

Publication: The Business Times, p 15  
Date: 09 May 2017  
Headline: Striking the right balance



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# Striking the right balance

E-businesses can strive to protect data even as they innovate to enhance customer experience

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Businesses that want to establish a presence in South-east Asia have new opportunities as well as challenges — thanks to the boom of e-commerce in the region, coupled with the growing sophistication of data collection and analytics.

Lazada, for one, is using its wealth of consumer data and insights to make a customer's online shopping experience more personalised.

Mr Maximilian Bittner, founder and chief executive officer of the Lazada Group, sees the platform as a one-stop shop for brands hoping to enter the complex South-east Asia market.



Mr Maximilian Bittner, PHOTO: LAZADA

He says: "Building marketing solutions and channels for brands is a core part of our business and we are transforming the way consumers interact with, and get to know of brands."

"We don't see ourselves as just a retailer but as an enabler as well."

## Getting to know you

Established five years ago, Lazada now offers a whopping 50 million products across 18 categories.

The Alibaba Group became its majority shareholder last year with a US\$1 billion (S\$1.4 billion) investment.

As a brand-building platform, Lazada offers advertising space, and advanced branding and marketing technology. Brands and merchants will soon be able to further customise their stores with features such as self-serve platforms.



Space is needed for innovations and disruption to occur, says Dr Puthuchery (centre). PHOTOS: SMU



L-R: Ms Chun, Dr Puthuchery, moderator Philip Jeyaretnam SC, Global Vice Chair and Regional CEO of Dentons Rodky, and Mr Leong.

Mr Bittner says the company is also moving into advanced audience reporting — an in-depth understanding of customer behaviour on the platform — Customer 360 profiling.

"The coolest part of my job is consumer education: seizing a chance to shape the region and the way 150 to 200 million rising middle-class consumers here think," he adds.

To that end, Lazada has been creating educational content and forming online communities within the platform, with branded content placed in category pages or in the brands' shop-in-shop.

## Conquering new frontiers

Mr Gilbert Leong, senior partner in Dentons Rodky's Intellectual Property & Technology

practice, emphasises the need for e-commerce platforms to understand the laws governing data transfers, and to get customers' informed consent for use of their data.

He says: "In the way we do business these days, data flows outside the country are inevitable."

"Looking behind the notion of data sovereignty, the ostensible reason is to protect a citizen's data from malfeasance outside the country, which governments may be powerless to act upon."

However, he cautions that governments need a balanced approach and should fight the impulse to regulate the "Digital Wild, Wild West".  
Dr Janil Puthuchery, Senior Minister of State for Communications and Information, and Ed-

ucation, says the Government is striking a fine balance between regulations and innovation.  
He says: "We need to give space for innovation and disruptions to occur, even as we protect regulatory boundaries."

"The starting position is an acceptance that legislation and regulatory frameworks are always going to be lagging behind the invention of technology and digital products."

"The Government is carving out 'regulatory sandboxes' to create a space for innovation, as well as to inform future legislation."

However, Dr Puthuchery cautions against "pushing so far forward and leaning so aggressively" that businesses see their interests better served by data localisation and other protectionist approaches.

## Dentons Rodky Dialogue — The Future of eCommerce

The dialogue session on April 11 was a partnership between Dentons Rodky and Singapore Management University's Centre for Cross-Border Commercial Law in Asia (CEBCLA).

CEBCLA academic director Professor Tang Hang Wu said: "We facilitate the School of Law's research ambition to explore cutting-edge legal issues and organise events which tackle complex local, regional and international issues. E-commerce is an important area and we were delighted to host this dialogue which examined the myriad of issues surrounding its development."

"The discussion demonstrated that many legal issues in relation to e-commerce will no longer be settled in a formal court of law, but likely dealt with by a privately mediated settlement between the e-commerce platform provider, the consumer and the seller."

"The forum has also left me wondering whether the rise of e-commerce platforms will mean a reduced role for shopping malls, grocery shops and also advisory work for lawyers in relation to work associated with traditional brick-and-mortar businesses. We certainly live in an interesting time in an age of disruption," Prof Tang added.

"We have to encourage people to move away from that in our positioning and sharing of best practices," he says.

Ms Gladys Chun, general counsel for the Lazada Group, explains that the company currently deploys features that adhere to international security and privacy standards.

They include anonymising databases to protect personal identifiable information; preventive and detective controls to prohibit unauthorised access and ascertain or verify who accessed what; and processes and policies to protect customers' privacy preferences.

Ms Chun predicts that data localisation will be an important issue in e-commerce in the coming years.

She says: "We are fortunate that Singapore is the forerunner in legislative framework in the region, and the Government has been proactive in involving industry players in consultative sessions. But the same cannot be said for the rest of the region, where laws are less transparent, and businesses will have to deal with unique nuances."

Says Dentons Rodky's Mr Leong: "We came together in years past to create a uniform or near uniform copyright, trademark and patents system."

"In the same way, I hope we can get a global consensus on how to protect data — in particular, data flows which accompany cross-border transactions."

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