

DRIVING IN-STORE TRAFFIC FROM ONLINE STORES

CONTEXT

This challenge is organised by Stellar Lifestyle, a business arm of SMRT Corporation Limited, with their partner Japan East Railway Company (JR East) to address challenges faced by retail and transit operators in Singapore and Japan.

- Stellar Lifestyle is the largest managing agent of retail and advertising spaces in Singapore’s rail network, and its growing portfolio includes mall management and outdoor media & digital engagement platforms. They have invested in new businesses, such as co-working spaces, unmanned concepts and dark stores, with a vision to grow them into a new core.
- JR East is the operator for trains including Shinkansen (high speed bullet train) in eastern Japan. It is the largest passenger railway company in Japan, serving about 13 million passengers daily. JR East Group also operates a variety of lifestyle businesses such as shopping malls, retail shops, restaurants, hotels, as well as office building management. Outside Japan, JR East has a presence for its lifestyle business unit with the establishment of Japan Rail Cafe in Singapore and Taiwan.

Through this joint innovation programme, Stellar Lifestyle and JR East are seeking solutions to support online transformation, online-to-offline customer engagement, develop a vibrant environment inside train stations to improve commuter experiences, and introduce new last-mile robotics delivery platforms for retailers and F&B merchants, within SMRT and JR East-operated train stations.

The growth of e-commerce stores and the increasing acceptance of online purchases have significantly impacted traditional retailers. The convenience and ease of online shopping, coupled with the busy and fast-paced lifestyles of commuters, have led to declining footfall and sales at physical retail stores located at MRT stations. These retailers face the dual challenge of combating the increasing popularity of online shopping and attracting customers to visit their physical stores. The challenge lies in finding innovative ways to integrate the benefits of both online and offline shopping, and creating compelling reasons for customers to transit from online browsing to in-store purchasing for a more “personal touch”, which many retailers still rely on.

This sector-wide challenge is supported by the Singapore Retail Association (SRA). SRA is the umbrella body for the retail industry in Singapore, acting as the collective voice to represent and advance the interests of its members through insights, education and strategic collaborations.

PROBLEM STATEMENT

How might we encourage online shoppers to visit physical stores, engage with the products, and make in-store purchases, thereby creating a seamless omnichannel shopping experience?

WHAT ARE WE LOOKING FOR?

Stellar Lifestyle and JR East are looking for a solution that encourages a seamless online-to-offline shopping experience that meets the needs and preferences of customers. The goal is to provide a compelling reason for customers to transit from online browsing to in-store purchasing, while also preserving the personal touch and engagement that physical stores offer. It should also link the retailers within the train stations, with the aim of enabling cross-selling among the different retailers and enhancing commuters’ interaction with Stellar Lifestyle’s offerings.

The Problem Solver may propose their solutions that offer these possibilities, but not limited to:

- Omnichannel integration. Integrate the online and offline shopping experience, providing customers with a seamless and convenient shopping experience across all channels.
- Real-time digital marketplace. Provide real-time inventory information to customers, enabling them to check product availability in-store, reserve items for pickup, and purchase products online for in-store pickup.
- Rewards function. Incentivise customers to shop both online and in-store through a reward mechanism. The rewards mechanism can be integrated with existing or other loyalty programmes (e.g. [WINK+](#)).
- Drive in-store purchase behavior. Able to promote retailers' exclusive deals and promotions for in-store purchases, enticing customers to visit physical stores and make purchases.
- Personalisation. Designed to provide personalised recommendations and promotions to customers based on their browsing and purchase history.
- Integration of mobile payments. The solution should enable customers to make in-store purchases conveniently through their mobiles, ensuring a seamless experience.
- Sustainability considerations. The development of the solution should consider sustainability elements such as supply chain optimisation to reduce inventory waste and overstocking, green energy, energy efficiency, environment conservation, carbon management etc.

There are no restrictions on the geographical location of the problem solvers who may choose to apply to this challenge. However, the prototype must be demonstrated in Singapore.

POSSIBLE USE CASES

1. Seamless click-and-collect experience. Leon, a tech-savvy millennial, is intrigued by a gadget he saw in a physical store and decided to purchase from an online shopping platform. To his delight, he was able to select a convenient pick-up location at the train station he commutes to daily, eliminating the need to take leave or wait at home for the parcel. Upon arrival at the store, he was greeted by name and offered a personalised promotion for the gadget's accessories based on his purchase history. He decides to take advantage of the promotion and made an additional purchase while picking up his gadget.
2. Rewards for retention. Ryan, a 30-year-old insurance agent who values convenience, made an online gadget purchase and learned about a loyalty programme that rewards in-store purchases. During lunch, he visited the retailer's store at the MRT station, where a sales associate helped him find a complementary gadget for his upcoming trip and offered double points for in-store purchases. Impressed by the personalised service from the sales associate and extra rewards, Ryan plans to make more in-store purchases. The loyalty programme and in-store experience allow him to combine his love for convenient online shopping with his desire for rewards and new experiences, including using the rewards for the co-working space he visits and the Japanese restaurant he frequents.

WHAT'S IN IT FOR YOU

- SGD50,000 of prize money for each winner of this challenge (see Award Model)
- Additional prize money of up to \$20,000 may be awarded to the winner (as determined) by Singapore University of Technology and Design (SUTD) and/or JR East
- Access to IMDA's PIXEL corporate innovation hub and complimentary innovation consultancies (e.g. Design Thinking, Digital Storytelling) for the prototype development, where applicable
- Aside from grants, shortlisted innovators will be provided with the Innovation Support and Resource Package comprising of mentors, consultants, workshops, labs, co-working offices, incubation platforms and more provided by SMRT, SUTD, and JR East detailed below

Figure 1: SMRT – HIVE by Stellar Lifestyle @ Esplanade & Staytion Co-working Spaces

 <p>Incubation Hub to help innovators validate, commercialize and scale</p> <ul style="list-style-type: none"> • Corporate Mentors • Subsidized Rent • HIVE Studio & Kitchen • Free & Extensive PR / Marketing 	 <p>Co-working Space as Office Solutions</p> <p>2023 Locations: Marsiling, Paya Lebar, Dhoby Ghaut, Woodlands, Jurong East</p> <p>Includes POC validation and commercialization opportunities</p> 
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Figure 2: SUTD Innovation & Entrepreneurship Programmes

Shortlisted innovators will be invited to participate in the SUTD ARISE Program and SUTD ESG Impact Lab. The ARISE Program consists of a series of workshops that facilitate innovators to bring their technology to venture creation. During the workshops, participants will develop business strategies, operation plans, financial projections, and pitching strategies. The SUTD ESG Impact Lab is a series of masterclasses to develop the awareness of innovators on developments and opportunities in ESG and how they can achieve their corporate social responsibility goals.



Figure 3: JR East – Opportunities and Support to expand into the Japan Market



Language Barrier Support



Mentorship for integration into the Japan Market



POC Validation Platforms in the Japan Rail Club ecosystem



Access free Co-working Spaces in SG

EVALUATION CRITERIA

The evaluation process shall take place over two stages. Proposals shall be evaluated based on the evaluation criteria set out for the first stage. Thereafter, shortlisted proposals shall be subjected to a second stage evaluation in the form of an interview/pitch. The scoring shall be based on a re-defined assessment criteria for selecting the challenge finalist(s).

Solution Fit (30%)	<u>Relevance</u> : To what extent does the proposed solution address the problem statement effectively?
Solution Readiness (30%)	<u>Maturity</u> : How ready is the proposed solution to go to the market? <u>Scalability</u> : Is there any evidence to suggest the capacity to scale?
Solution Advantage (20%)	<u>Quality of Innovation</u> : Is the solution cost-effective and truly innovative? Does it use new technologies in the market, and can it generate new IP?
Company Profile (20%)	<u>Business Traction</u> : Does the product have user and revenue traction? <u>Team Experience</u> : Do the team members possess strong scientific/technical backgrounds?

AWARD MODEL

30% of the prize money will be awarded to each selected finalist at the start of the POC/prototype development process. The remaining 70% will be awarded after the POC/prototype solution is completed, based on milestones agreed upon between Problem Owner(s) and the solver. Prize money will be inclusive of any applicable taxes and duties that any of the parties may incur.

Note that a finalist who is selected to undertake the prototype development process will be required to:

- Enter into an agreement with Problem Owner(s) that will include more detailed conditions about the prototype development;
- Complete grant application form(s) with Stellar Lifestyle, IMDA and/or its partners that will require more financial and other related documents for potential co-funding support.

Teams with public research performers must seek an endorsement from their respective Innovation and Enterprise Office (IEO) and submit the IEO form with the proposal.

DEADLINE

All submissions must be made by **10 November 2023, 1600 hours (SGT/GMT +8)**. Problem Owner(s) and IMDA may extend the submission deadline at their discretion. Late submissions on the OIP, or submissions via GeBIZ will not be considered.