

SBMT4000 SBM Undergraduate Honors Research Project

Code	Supervisor Name	Email
ISOM01	Lijian LU	lijianlu@ust.hk
Project Summary		
Topic: AI, Customer Data, Channel Design, and Privacy Regulation		
Description:		
The rapid adoption of artificial intelligence (AI) has transformed customer data into a strategic asset. Firms increasingly collect detailed usage information through leasing, subscription, and service-based business models, using these data to improve operational efficiency, personalize services, and develop new revenue streams. At the same time, concerns regarding privacy, transparency, and data monetization have prompted significant regulatory interventions worldwide. Understanding how firms balance the economic value of data against privacy concerns has emerged as a central challenge in modern digital markets.		
This research project investigates the economic role of customer data in shaping firms' channel strategies and pricing decisions. In particular, it examines how data generated through leasing or subscription arrangements can influence firms' incentives to sell, lease, or adopt hybrid business models. The project will explore fundamental questions such as: How does data-driven service improvement affect optimal channel design? When does data monetization benefit or harm consumers? How do transparency requirements and privacy regulations alter market outcomes, consumer welfare, and firm profitability?		
The project emphasizes analytical modeling and economic reasoning. Students will review relevant literature in operations management, economics, information systems, and marketing, and develop formal frameworks to analyze the strategic interactions among firms, consumers, and regulators. Potential extensions include investigating heterogeneous consumer privacy preferences, competitive market structures, platform ecosystems, or alternative regulatory mechanisms.		
This topic is both academically significant and practically relevant. It lies at the intersection of AI, digital platforms, privacy economics, and business strategy, and addresses questions that are increasingly important for technology firms, policymakers, and society. The project will provide students with valuable experience in analytical research, economic modeling, and theory development while contributing to ongoing debates about the governance and value of data in the digital economy.		
Remarks		