



Customers, Not Technology, Top Forrester's Asia Pacific Technology Predictions in 2014

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Forrester predicts that Customer Experience will surge as a CIO priority, Internet of Things get personal, and Smartphones become Life Hubs

BEIJING--(BUSINESS WIRE)--Nov. 19, 2013-- The most critical overarching trend for the Asia Pacific technology market in 2014 will be the strengthening of the "age of the customer", according to a new Asia Pacific technology predictions 2014 report by [Forrester Research, Inc.](#) (Nasdaq: FORR).

"Keeping up with disruptive technology innovation powered by social, mobile, analytics, and cloud enablement is critical, but success in the age of the customer is about more than technology," writes Dane Anderson, Vice President, Research Director, Region Manager for Asia Pacific, Forrester Research. "It hinges on organizations shifting their cultures, organizational structures, and mindsets to win in this new era."

The "age of the customer" is defined as:

A 20-year business cycle in which the most successful enterprises will reinvent themselves to systematically understand and serve increasingly powerful customers.

Forrester predicts that the age of the customer will manifest itself in Asia Pacific through **10 major trends** that will fundamentally alter or disrupt regional tech markets in 2014:

1. The Number Of Online Buyers In China Will Surpass The Total US Population

As the age of the customer develops in Asia Pacific, global businesses will have new opportunities to bypass traditional physical channels — which are underdeveloped in most of Asia's emerging markets — and reach massive new markets digitally. To understand the scale of the online markets opening up in Asia Pacific, consider that the number of online buyers in China alone will reach 356 million in 2014 — surpassing the entire US population.

2. Technology spending growth will remain flat

Economic challenges will remain in 2014 as the global economy continues its unsteady rebound, but the regional tech market will demonstrate some resilience. Forrester expects IT spending growth in Asia Pacific to be flat in 2014 compared to the prior year, with region-wide growth of 4%; the regional growth rate reaches 6% if we exclude Japan.

Forrester estimates China's IT purchases will grow by 6% in 2013 and 8% in 2014. The growth in 2014 will mostly benefit local vendors as they have strengthened capabilities in the hardware space, while foreign vendors are challenged by security concerns issued by government agencies.

3. CIOs' IT Spending Will Decline As The Clout Of The Business Grows

In dollar terms, Forrester predicts that IT purchases made by the CIO will decrease through 2016. As business leaders increasingly flex their technology management muscles, Forrester expects that business-controlled IT budget growth will accelerate in 2014.

4. Organizations Will Look To Source Business Capabilities, Not Technology

As business decision-makers look to build capabilities that will help improve business outcomes, Forrester believes that they will move away from procuring technology to sourcing a new breed of managed services that complement their strategic capabilities. This new breed of services will combine strong business process expertise and automation, monitoring analytics, and flexible engagement models that align with business value.

5. Lack Of Objectives Will Hinder Data Center Transformation And Hybrid Cloud Adoption

The perception of cloud computing among mainstream organizations will continue to shift in 2014, from a focus on increased IT efficiency and responsiveness via private clouds to a drive toward a more fundamental disruption of existing processes and a full embrace of hybrid cloud scenarios, including a far greater reliance on public cloud-based services for core transactions.

6. Customer Experience Will Surge As A CIO Priority

In 2013, we have seen the topic of customer experience come out of nowhere. At first, it wasn't even on CIOs' agendas; now it's one of their top priorities. In 2014, we expect CIO focus on customer experience to drive very rapid spending growth in this area, driven by firms seeking to differentiate themselves from their competitors by offering a superior customer experience.

7. Few IT Organizations Will Meet Business Demands For Improved Analytics

Business intelligence (BI) continues to expand beyond traditional reporting as real-time analytics and business-led, self-service access to visualization tools grows. But big data remains a problematic term; it's technology-centric and doesn't appeal to or excite business decision-makers. The take-up of big data systems, solutions, and consulting services will therefore remain sporadic across the region in 2014.

8. The Internet of Things will get Personal

In 2014, the IoT will get personal. Sensors will help people get fitter, control their car, find their keys, unlock their house, monitor the ambient temperature, turn lights on and off, control a toy, among many others. Smart fitness monitoring and motivation devices such as the Fitbit, Jawbone, and Nike Fuelband and associated smart body scales, blood pressure monitors, and heart rate meters are beginning to appear on wrists and in houses across Asia Pacific.

9. Smartphones Will Become Life Hubs

A few years ago, the smartphone was a “third screen;” as the device became more capable, organizations promoted it to the preferred screen. In 2014, for many consumers in Asia, the smartphone will begin to resemble a “life hub” — not just a device for consuming content, but a tool for managing their life.

10. Mobile Payments Mature, But Not Mainstream Yet

The mobile payment landscape in Asia Pacific is entering an exciting phase of development, but will remain riddled by fragmentation in 2014. Companies betting on mainstream adoption of mobile payments that leverage a consistent, stable standard will be disappointed.

For more information on Forrester Research's Asia Pacific Technology Predictions 2014 report, please visit <http://solutions.forrester.com/AsiaPacificPredicts2014>.

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