Forrester: Top Five Predictions for China Tech Outlook in 2014

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CIOs need to move beyond control and focus on the end customer

BEIJING--(BUSINESS WIRE)--Jan. 5, 2014-- Since 2012, China has taken its place as the second-largest economy and third-largest IT market in the world, but IT spending per capita in China is still less than five percent of that in the US. For CIOs in China to succeed, they need to go beyond retaining "control" of technologies and focus on retaining and winning customers. Forrester Research, Inc. (Nasdaq: FORR) recently published its China Tech Market Outlook: 2014 report. Here are the top five predictions that CIOs in China should take note of:

- **Technology spending is slowing down in China and local vendors will gain share.** Forrester estimates that China's enterprise IT purchases will grow by six percent in 2013, to RMB 698 billion, and a further eight percent in 2014, to RMB 752 billion. Local vendors like Huawei, Inspur, and Lenovo will likely benefit from the NSA/Snowden issue. These companies will gain share mostly in the hardware space, including server, storage, and networking, in 2014.
- **China will become the world's largest eCommerce market.** The number of online buyers in China alone will reach 356 million in 2014 — surpassing the entire US population. The Chinese online retail market will continue to grow, to $604 billion in 2017.
- **Smartphones will become life hubs for most Chinese consumers.** For many consumers in China, the smartphone will begin to resemble a "life hub" — a connected hub for people's lives. Forrester estimates that 48% of all Chinese mobile phone subscribers will own smartphones in 2014, and this number will grow to 64% in 2017.
- **Customer experience will surge as a priority.** With technologies disrupting the way organizations serve and communicate with their customers, customer experience will become a hot topic for CIOs in the hypercompetitive Chinese market.
- **Big data and analytics will gain popularity, but few IT organizations will meet business demands.** Forrester believes that customer engagement will drive BI, big data, and analytics investments in China in 2014, especially at banking/finance and retail organizations. CIOs at many other Chinese organizations will face a broader big data agenda, including big data architecture, use case for predictive analytics, and big data-related skills and training issues.

"Success in the age of the customer is more than just technology — it hinges on organizations shifting their cultures, organizational structures, and mindsets to win in this new era," says Bryan Wang, Vice President and Country Manager for China, Forrester Resesarch. "Businesses will call upon CIOs and their teams to support these changes and broaden their scope beyond IT (infrastructure) to include business technology (BT) — technologies, systems, and processes to win, serve, and retain customers."

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