



Technology-fueled, Customer-led Disruptions Will Grow in China: Forrester

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Alibaba, Tencent and Xiaomi lead 'customer obsession' in the Age of the Customer

BEIJING--(BUSINESS WIRE)--Apr. 7, 2014-- Technology-fueled, customer-led disruptions are set to grow in China as the market enters the Age of the Customer¹, according to a new report from [Forrester Research, Inc.](#) (Nasdaq: FORR). The study highlights three homegrown companies Alibaba, Tencent and Xiaomi, as standing out in their shift towards a 'customer obsessed' strategy.

eCommerce giant Alibaba now plays banker with Yuebao, an online investment platform it launched in 2013. Offering relatively low-risk investment opportunities at higher interest rates than traditional banks, Alibaba enticed existing Alipay users to invest in the platform. Within six months, more than 49 million Yuebao users had invested RMB 185 billion (\$29 billion) using the platform.

"As multinational and domestic companies increasingly see the potential of China as the next go-to global market, competition has increased in areas where there are no government restrictions," says Bryan Wang, VP, Principal Analyst and Country Manager for China, Forrester Research. "As such, becoming a 'customer-obsessed' organization is critical for businesses to compete and be successful."

Other findings from the report:

- **Ecosystems have shifted – Disrupt or be disrupted**

Founded as an Internet-based software company, Baidu — like Google — now competes with companies such as Apple for full digital ecosystems populated by hardware, devices, and cloud-based services. Baidu's hardware offerings — smartphones and smart wearable devices — disrupt its own software-only business model to drive the use of its services.

- **Companies must invest in Customer engagement**

Companies leading in customer engagement are investing in real-time actionable data mining, contextualized customer experiences, sales methods tied to buyers' processes, and content-led marketing. Wanqiang Li, co-founder and vice president of Xiaomi, said that by engaging fans across different social media platforms such as Weibo and Miliiao, the brand is empowered to realize and respond to customer demands instantly.

- **Customer-Obsessed metrics will matter most**

Investments in marketing, business technology, and customer experience will focus on success metrics like customer retention and satisfaction. Multinationals operating in China need to be aware of the different expectations that Chinese consumers have for customer experience — expectations that go far beyond site design.

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¹ Forrester's definition of the Age of the Customer: A 20-year business cycle in which the most successful enterprises will reinvent themselves to systematically understand and serve increasingly powerful customers

Source: Forrester Research, Inc.

For a copy of the full report, please contact:

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