Digital is core to the future of virtually all businesses
No industry is immune to digital disruption

"Do you think your business will be disrupted by digital technologies in the next 12 months?"
(On a scale of 1 [not disrupted] to 5 [massively disrupted])

<table>
<thead>
<tr>
<th>Industry</th>
<th>Massively disrupted</th>
<th>Moderately disrupted</th>
<th>Somewhat disrupted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media, entertainment, and leisure</td>
<td>32%</td>
<td>34%</td>
<td>16%</td>
</tr>
<tr>
<td>(excluding travel)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telecommunications</td>
<td>28%</td>
<td>36%</td>
<td>13%</td>
</tr>
<tr>
<td>Transportation and travel</td>
<td>24%</td>
<td>31%</td>
<td>19%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>22%</td>
<td>34%</td>
<td>19%</td>
</tr>
<tr>
<td>Banking and financial services</td>
<td>21%</td>
<td>44%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Base: 1,254 executives in companies with 250 or more employees
(only top 5 industries are listed; respondents may be counted in multiple industry groups)

Source: Forrester/Russell Reynolds 2014 Digital Business Online Survey
Digital disruption will have an impact on every area of your business, but marketing the most

“What level of impact will digital have on the following functions in the next 24 months?”
(Responses of 8, 9, or 10 on a scale of 1 [no impact at all] to 10 [huge impact])

- Marketing: 63%
- eBusiness or eCommerce: 63%
- IT: 63%
- Sales: 44%
- Line-of-business operations: 30%
- Research and development (R&D): 29%
- Human resources: 20%
- Finance: 16%
- Manufacturing: 14%

Base: 1,254 executives in companies with 250 or more employees

Source: Forrester/Russell Reynolds 2014 Digital Business Online Survey
Trend 1: Post-digital world is coming
Digital technology empowers customers
Empowered customers have given rise to a new era

Age of manufacturing
Mass manufacturing makes industrial powerhouses successful
- Ford
- Boeing
- GE
- RCA

Age of distribution
Global connections and transportation systems make distribution key
- Wal-Mart
- Toyota
- P&G
- UPS

Age of information
Connected PCs and supply chains mean those that control information flow dominate
- Amazon
- Google
- Comcast
- Capital One

Age of the customer
Empowered buyers demand a new level of customer obsession
- Macy’s
- Salesforce.com
- USAA
- Amazon

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Marketing habits haven’t kept pace
Pre-digital

Digital

Post-digital

1 : ∞

1 : 1

1 : Moment
Trend 2: Mobile moments will be the next battlefield
Chinese consumers who are addicted to mobile phones — “ditouzu”

Source: Forrester Research World Mobile Adoption Forecast, 2015 To 2020 (China)
They do advanced mobile activities frequently

“How often do you do the following activities on your primary mobile phone?”
(Respondents who replied “weekly or more”)

- Send or receive instant messages: 86% (Metro China), 42% (US)
- Use applications: 83% (Metro China), 58% (US)
- Access social networking sites: 74% (Metro China), 53% (US)
- Research physical goods: 62% (Metro China), 29% (US)
- Purchase physical goods: 49% (Metro China), 18% (US)

Source: Forrester Technographics® Online Benchmark Survey (Metro China, US), 2015

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Mobile Internet is at last on-the-go

“Where do you use each of the following devices to access the Internet?”

**Metro China**

<table>
<thead>
<tr>
<th>Location</th>
<th>Smartphone Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily commute</td>
<td>66%</td>
</tr>
<tr>
<td>Bedroom</td>
<td>58%</td>
</tr>
<tr>
<td>Living room</td>
<td>52%</td>
</tr>
<tr>
<td>Public transit</td>
<td>66%</td>
</tr>
<tr>
<td>Travel</td>
<td>62%</td>
</tr>
<tr>
<td>In the car</td>
<td>55%</td>
</tr>
<tr>
<td>Internet Cafe</td>
<td>19%</td>
</tr>
<tr>
<td>Other</td>
<td>30%</td>
</tr>
<tr>
<td>School</td>
<td>34%</td>
</tr>
<tr>
<td>Library</td>
<td>42%</td>
</tr>
<tr>
<td>Work</td>
<td>45%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>56%</td>
</tr>
<tr>
<td>Friends' house</td>
<td>58%</td>
</tr>
<tr>
<td>In stores</td>
<td>56%</td>
</tr>
<tr>
<td>Outdoors</td>
<td>66%</td>
</tr>
<tr>
<td>Home office</td>
<td>31%</td>
</tr>
<tr>
<td>Bathroom</td>
<td>35%</td>
</tr>
<tr>
<td>Kitchen</td>
<td>43%</td>
</tr>
</tbody>
</table>

**US**

<table>
<thead>
<tr>
<th>Location</th>
<th>Smartphone Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily commute</td>
<td>67%</td>
</tr>
<tr>
<td>Bedroom</td>
<td>62%</td>
</tr>
<tr>
<td>Living room</td>
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</tr>
<tr>
<td>Public transit</td>
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<td>Home office</td>
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<td>Bathroom</td>
<td>42%</td>
</tr>
</tbody>
</table>

Base: 1,750 metropolitan Chinese online adults (18+) who personally use a smartphone and go online on a smartphone weekly or more

*Base: 43,024 US online adults ages 18+ (online weekly or more often) who are smartphone users

Source: Forrester Technographics® Online Benchmark Survey (Metro China, US), 2015
The expectation that *I* can get what *I* want in *my* immediate context and *moments* of need.
You need to serve customers along their journey

Airline Example — Mobile Moments

-2 weeks
-2 days
-2 hours
Flight
+2 hours
+2 days
+2 weeks

Event

• Book ticket
• Change seat
• Check in
• Arrival time
• Ground transport
• Mileage status
• Mileage points earned

• Change reservation
• Request upgrade
• Check gate
• Departure time
• Movies
• Lost luggage
• Expenses
• Customer service survey

• Park & note where
• Wi-Fi
• Duty Free
• Navigation
• Upcoming reservations
Three principles of the mobile experience

- **Immediacy**
  - "On sale now!"
  - Shipping notifications
  - Product/pricing/inventory

- **Simplicity**
  - Push notifications for transparency
  - Curated content
  - Task-oriented design flow

- **Context**
  - Use of location to find nearest "x"
  - Relevancy based on past behavior
  - Time-sensitive notifications

\[ \text{Immediacy} \quad \text{Simplicity} \quad \text{Context} = \text{Convenience} \]
Trend 3: Silos are breaking down – marketing, eCommerce and CX are integrating
Marketing pros embrace CX and eCommerce as next responsibilities

"What kind of digital marketing duties does your team have?"

- Strategy: 81%
- Social marketing: 74%
- Creative/experience/content design and development: 62%
- Website design and development: 60%
- Analytics: 57%
- Mobile marketing: 55%
- Email and CRM: 49%
- Media planning and buying: 49%
- eCommerce solution: 34%
- Architecture and technology: 26%
- Other emerging media (e.g., wearables, Internet of Things): 13%

Base: 47 digital marketers in China

Source: Forrester’s Q1 2015 China Digital Marketing Online Survey

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Break organizational silos to deliver on brand and CX promise

Old siloed model is too slow and uncoordinated

New cluster approach helps streamline decision making and drive brand/CX experience

Customer segments/desires
Customer journey mapping guides transformation
Trend 4: Increasing demand for digital command center and marketing tech officers
The Digital Command Center is an in-house marketing organizational construct that integrates various marketing capabilities under the same roof to drive customer obsession and turn marketing insights into action for growth.

Digital Command Centers will become an organizational imperative for marketing.
The number of Asian digital command centers is growing
CMOs hold the keys to customer insights

- Customer insights: anchor strategy with complete customer intelligence
- Product insights: improve products and find new products
- Customer service insights: optimize service delivery and improve offerings
- Marketing insights: improve customer acquisition, engagement, and loyalty
- Sales insights: optimize sales, renewals, and lifetime value
- Risk insights: improve real-time risk response

Common processes and technology
Demand for Marketing Tech Officers will increase, but the role will be poorly defined.
Find the right digital experience service providers

Forrester Wave™: Digital Experience Service Providers, Q4 2015

Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.
Trend 5: WeChat continues to rule, and more innovations will come up
WeChat supports the mobile customer life cycle
From smart contextual services to ultimate aggregator of data and services on mobile

- Smart hardware
- Smart hotel
- Smart city
Coach brings WeChat customer service to the next level by assigning specific offline store managers to answer customers' questions based on their location.
From social CRM to omni-channel customer management and insights

Rosewood Beijing Hotel leverages WeChat CRM system to help the send different messages to different audiences: food and beverage promotions to WeChat users in Beijing and room promotions to those in other cities.
Thank you

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