KE Holdings Inc. CEO’s Long-Term View on New Economy Development at the China Development Forum

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Beike’s Co- Founder and Chief Executive Officer Stanley Yongdong Peng delivered a keynote speech titled "New Economy, New Model, New Value" at one of the sub-forums at 2021 China Development Forum themed "China on a New Journey of Modernization" held in Beijing on March 20th.

Highlights of his speech are presented below.

New Economy: promoting industry revolution

"An industrial revolution requires that all platform participants work in tandem to adopt the long-term notion of new economy development."

Several traditional industries have achieved varying levels of digitalization and will need multiple iterations and reinventions in order to evolve into quintessential New Economy entities. He highlighted how the “living” sector is characterized by a long complex transaction process with high transaction value. This sector has historically resulted in relatively low online penetration with poor interactive experiences amongst service providers and consumers in a zero-sum game situation.

The key to revolutionizing the home transaction services industry lies in leveraging the power of the platform in a way that enables service providers to collaborate and deliver beneficial outcomes while also enhancing the consumer service experience. To this end, Beike has not only created systemic service standards allowing consumers to make more informed choices and decisions on service providers on the platform through standardization, visualization, and traceability, but has also built the Agent Cooperation Network (ACN) to revolutionize how service providers form win-win partnerships on the platform.

New Model: harnessing digitalization to accelerate industry revolution

The iterative upgrade of the industry is mainly reflected in two areas: (1) the application of digital technology to achieve online and offline integration while establishing an industry infrastructure to reshape the industrial Internet; and (2) the introduction of brand-new values and principles to promote the sustainable development of the housing industry.

As of the end of 2020, Beike’s housing dictionary has collected dynamic data on 240 million houses in China, and has accumulated VR models of more than 9 million houses. More than 73% of existing home listings on Beike’s platform were covered by VR property showings. The number of VR property showings in 2020 exceeded 66 million.

New Value: collaborating to promote fair and orderly market competition and services

“As a corporate citizen, we need to take on more responsibility and work with all parties to maintain fair and orderly market competition and services," Stanley said, drawing attention to the “houses are for living, not for speculation” national economic policy that is directly related to people’s livelihood.

Beike will have an open network to share cutting-edge capabilities, facilitate new connections, create new value, and promote a new symbiotic economic model for industry collaboration. They have built a service ecosystem with the power of data and technology.

Stanley emphasized that high-quality progress and greater inclusiveness while pursuing the new economy requires the development of the industry to not only be more long-term oriented, but also to involve the participation of multiple parties such as enterprises, platforms, participants, and government entities in order to create a wide spectrum of opportunities.

"From the perspective of the new economy, it is essential to uphold new values such as taking good care of customers, supporting service providers, forming win-win cooperation, and embracing digitalization in order to pave the way for long-term development." said Stanley.