



## Making Connections in Mobile Payments

Some of the best investment products within the growing world of mobile payment transactions are “sticky,” says T. Rowe Price’s Jackie Liu. Liu, an investment professional who focuses on the Asian Internet sector, uses the term to assess customer engagement levels with a product: Do the numbers show a high number of active app users? Are there a lot of new users who don’t abandon the app after a few tries? If so, that means the product is sticky and could signal investment potential, Liu believes. While data-driven research is critical, so is leaving the office to meet with founders, workers, managers, and users, says Liu. “I spend a lot of time trying to understand workplace culture. Some of the companies I cover have a very closed culture where the founder is pretty much a one-man show, and he’s deciding everything and the people below him are just ‘yes men.’ Those companies are normally difficult to expand and difficult to scale up.” A vibrant culture could be a key indicator for future success.

### Going beyond the numbers reveals the full story

At T. Rowe Price, our investment approach is to go beyond the numbers when evaluating which companies offer the best future investment potential. By meeting with executives and employees firsthand, we can ask the right questions to get a deeper understanding of where a company stands and where it could



Talking with  
**Jackie Liu**

Investment Professional, T. Rowe Price

go in the future. This rigorous research strategy is integral to Hong Kong-based Liu’s investment process, which focuses on the e-commerce, social network, and search engine industries.

### Field research builds insight

The mobile payments system at one company, Alibaba, wasn’t very good initially, Liu says, but has since become dominant in China. Liu says that T. Rowe Price was among the first investment firms to see potential in Alibaba. “We invested in the Alibaba IPO in September 2014.” Part of the early confidence was the result of conducting on-site meetings with Alibaba’s management and mobile products team. It was there that she noted the company’s unique culture. “They were a special case in China. They hired the best students from the second-tier universities, not the best students from the top universities. They believed in finding very driven people and letting them do different tasks to bring them to a higher level. The culture was very grassroots and very good at rolling up their sleeves to execute. I thought it

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was very impressive.” Liu also hosts a weeklong China Internet tour for T. Rowe Price investment professionals from across the globe, which includes visits to Alibaba, Tencent, and smaller companies, to generate insights. “Seeing for yourself and hearing opinions firsthand exposes ‘disconnects’ that can

occur between market perceptions and what’s really going on with the company.”

### Positioning for change

The value of mobile payment transactions in China are expected to continue to grow strongly in 2018, says Liu. The investment opportunities are

wide, but choosing the right companies with strong long-term potential is crucial. Liu keeps a watchful eye on the industry to get ahead of change for clients. Combining fundamental analysis with her on-site research allows Liu to make better informed investment decisions.

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