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AI Office Agent: a new battleground

Competition shifting from product features to enterprise context

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China AI Office Agent: a promising market attracting the three internet platforms

We recently spoke with an industry expert involved in the enterprise sales of AI Office Agent solutions. The discussion focused on the competitive landscape, enterprise adoption and monetization trends.

China's AI Office Agent market remains highly competitive, with Tencent's (700 HK, Buy) WorkBuddy, ByteDance's (unlisted) Doubao Work/Feishu and Alibaba's (BABA US, Buy) QwenWork/DingTalk emerging as the key platforms. The expert believes the market is unlikely to become winner-takes-all and may instead extend the competitive dynamics of China's existing enterprise collaboration market.

While the leading Office Agent products currently offer broadly similar functionality, the expert believes enterprise adoption will increasingly depend on how seamlessly an agent can integrate with a company's existing workplace collaboration platform. According to the expert, DingTalk and Feishu are currently the two leading platforms in this area. This could create a meaningful entry barrier for Tencent's WorkBuddy, as enterprises already using Feishu or DingTalk may prefer an Office Agent from the same vendor to ensure better integration and compatibility.

Switching costs could also be meaningful. Migrating corporate documents, organizational structures, permissions, enterprise context and workflows from one platform to another can require substantial effort, potentially limiting enterprises' willingness to switch vendors once an AI Agent has been embedded into their existing workplace infrastructure.

Enterprise willingness to pay appears healthy, according to the expert, given the more visible productivity and economic benefits of Office Agents. The expert, therefore, expects enterprise customers, which tend to have higher willingness to pay and greater customer stickiness than consumer users, to become the key battleground for Office Agent vendors.

The expert views Tencent's WorkBuddy as an early leader in the consumer market, supported by its first-mover advantage. However, she believes the more important competitive test lies ahead as ByteDance and Alibaba step up their push into enterprise customers, where their existing workplace collaboration platforms could provide an advantage.

Tencent does have an enterprise collaboration platform in WeCom. However, according to the expert, WeCom is used primarily for communications and customer relationship management rather than as a comprehensive productivity and collaboration workspace. By comparison, Feishu and DingTalk are more deeply integrated into enterprises' internal IT infrastructure, organizational structures and business workflows. As a result, WorkBuddy may derive less distribution and integration benefit from WeCom than competing Office Agents derive from Feishu and DingTalk.

That said, the expert believes Tencent could leverage its broader enterprise product portfolio — including WeCom, Tencent Docs and Tencent Meeting — to accelerate WorkBuddy's enterprise penetration. However, she has observed that the integration of WorkBuddy with Tencent's other enterprise products has so far progressed more slowly than at its two major competitors. Both Alibaba and ByteDance have recently consolidated previously-fragmented enterprise product teams into larger business units centered increasingly around their respective Office Agent strategies, according to the expert.

Overall, we believe competition in AI Office Agents is evolving into a battle for the enterprise operating layer, where the ownership of enterprise context, workflows and



collaboration infrastructure could ultimately matter more than marginal differences in standalone model or product capabilities.

While it remains too early to identify a clear winner in Office Agents, we are more positive on Tencent's positioning in another potentially important field: personal AI Agents. Tencent's Xiaowei, a WeChat-based personal AI Agent currently under testing, could benefit from WeChat's extensive user and service ecosystem. In our view, this ecosystem could provide Tencent with a differentiated foundation for personal-agent use cases relative to prospective competitors.

Alibaba and Tencent remain our two preferred names in the China internet sector.

Key takeaways

Enterprise context, rather than model capability, is emerging as the key moat for Office Agents

The expert sees relatively limited differentiation across leading products for individual users, as most already support similar capabilities such as document processing and skills. The competitive landscape is very different in enterprise use cases, where the key assets are accumulated corporate context, including documents, knowledge bases, workflow data, organizational structures, identity and permission systems. This favors vendors that already own the enterprise collaboration layer.

The B2B Office Agent market may largely extend the existing Feishu–DingTalk–WeCom competitive landscape

According to the expert, Feishu appears relatively stronger among internet, new consumer, advanced manufacturing and other larger enterprises, while DingTalk has a broader presence in traditional industries, government, education and SMEs. Tencent's differentiated advantage lies in its WeChat/WeCom ecosystem and its ability to connect enterprises with consumers. The expert, therefore, expects a multi-player market rather than a winner-takes-all outcome.

Existing collaboration platforms materially raise enterprise switching costs

Large enterprises typically accumulate years of documents, permissions, workflows and integrations with ERP and other internal systems. Moving these assets across platforms can require substantial data migration, redevelopment and manual work, while also creating data-security risks. As a result, enterprises using Feishu are generally more likely to adopt Doubao Work, while DingTalk customers are more likely to adopt QwenWork, according to the expert.

AI Agent budgets are a mix of incremental spending and reallocation of existing IT budgets

Companies in faster-growing industries or with stronger financial performance are more likely to create standalone AI budgets. More cost-conscious enterprises may fund Agent adoption by reallocating existing software and hardware budgets. Enterprises are generally willing to pay incremental fees when vendors can demonstrate measurable time savings or labor-efficiency gains. The expert highlighted three relatively mature categories of use cases for office agents:

- **Knowledge and employee services:** customer service, sales support, R&D knowledge bases, training and internal HR/finance/IT support;
- **Operational workflows:** retail store inspection, manufacturing quality control and warehouse management;
- **External information collection and analysis:** customer feedback, social-media monitoring and market intelligence.