

## Original Research Article

**Research on the influence path of digital transformation on the retail business model innovation***Zuolong Ye**Lyceum of the Philippines University, ManilaPubei, Qinzhou, Guangxi, 535300, China*

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**Abstract:** In this paper discusses the digital transformation of retail business model innovation and its specific path, detailed analysis of how digital transformation in the overall operation efficiency, depth optimization of customer shopping experience, promote supply chain management innovation and change and promote online seamless integration play a key role. With the help of rich case studies and solid theoretical analysis, this paper not only reveals the indispensable nature of digital transformation for retail business model innovation, but also further puts forward targeted implementation strategies, aiming to help retail enterprises better cope with the challenges and opportunities brought by digital transformation and achieve sustainable development.

**Keywords:** Digital transformation; Retail industry; Business model innovation; Supply chain management; Customer experience

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**1. Introduction**

With the rapid development of information technology and the widespread popularity of the Internet, digital transformation has become an irreversible trend worldwide. This transformation has not only profoundly changed the way people's way of life, but also had a profound impact on all walks of life. From manufacturing industry to service industry, from financial industry to education industry, the wave of digital transformation has swept through every corner, promoting the optimization and upgrading of the industrial structure and the high-quality development of the economy and society. In this context, the digital transformation of the retail industry, as a key link connecting production and consumption, is particularly important. The retail industry is not only facing the challenges of diversified consumer needs, personalization and convenient shopping methods, but also is under multiple pressures such as intensified market competition and rising costs. However, it is these challenges that provide a broad stage and unlimited opportunities for the digital transformation of the retail industry. To be specific, this paper will analyze how digital transformation helps the retail industry improve operational efficiency, realize intelligent management of supply chain through advanced technologies such as big data and cloud computing, and how to optimize customer experience through digital means to meet the growing personalized needs of consumers. At the same time, the research of this paper will also provide useful reference for the relevant government departments to formulate the digital transformation policy of retail industry, and promote the high-quality development of retail industry. To sum up, this paper will deeply explore the impact path of digital transformation on retail business model innovation from the perspective of both theoretical and practical aspects, and provide beneficial guidance and support for the digital transformation and business model innovation of retail enterprises.

## **2. The concept and connotation of digital transformation**

### **2.1. Definition of digital transformation and its application in different industries**

Digital transformation, in short, refers to the use of modern information technology, such as big data, cloud computing, artificial intelligence, etc., to make comprehensive and profound changes in traditional business models, operation processes, product services and organizational structure, aiming to improve the operational efficiency, innovation ability and market competitiveness of enterprises<sup>[1]</sup>. This process involves not only technological innovation, but also the transformation of strategic thinking, organizational culture, talent structure and other aspects. In different industries, the application of digital transformation has its own characteristics. In the manufacturing industry, digital transformation has promoted the development of intelligent factory and intelligent manufacturing, and realized the automation, intelligence and flexibility of production process; in the financial industry, digital transformation has given birth to emerging forms such as Internet finance and mobile payment, which greatly facilitated financial transactions and services; in the medical field, digital transformation has promoted innovative services such as telemedicine and intelligent diagnosis, and improved the efficiency and quality of medical services.

### **2.2. The theoretical framework of retail business model innovation**

Business model innovation is a process in which enterprises fundamentally change the original business model or create a brand new business model in order to gain a competitive advantage in the market. It involves the reconfiguration and optimization of multiple elements, such as enterprise value proposition, customer segmentation, channel and channel, customer relationship, revenue source, core resources, key business, important cooperation and cost structure. In the retail industry, the theoretical framework of business model innovation is also based on the above elements<sup>[2]</sup>. Retail companies need to clarify their own value proposition, That is, why consumers will choose their own products or services; Through customer segmentation, Identify and meet the needs of different consumer groups; Build highly efficient channels and channels, Ensure that the product can reach consumers smoothly; Establish and maintain good customer relationships, Improve customer satisfaction and loyalty; Exploring diversified sources of income, Reduce the reliance on a single profit model; Integrate and optimize the core resources, Enhance the core competitiveness of the enterprise; Identify the critical business, Ensure the efficiency and coordination of enterprise operations; Seeking important partners, Jointly explore the market and share risks; last, Through cost control and efficiency improvement, To achieve the sustainable development of enterprises.

## **3. The influence path of digital transformation on retail business model innovation**

### **3.1. Improve operational efficiency: Accurate prediction and intelligent management**

Digital transformation plays a crucial role in improving the efficiency of retail operations. Through big data analysis and artificial intelligence technology, retail enterprises can more accurately predict the market demand and realize the refinement of inventory management. This shift not only reduces the cost burden of excessive inventory, but also avoids the loss of sales opportunities. Taking Suning as an example. In the process of digital transformation, the enterprise makes full use of big data technology to conduct in-depth analysis of consumer behavior, so as to achieve accurate prediction of commodity demand. Based on these forecasts, Suning is able to dynamically adjust its inventory levels to ensure a close match between commodity supply and market demand.

In addition, through the intelligent logistics management system, Suning Tesco has further optimized the distribution process, shortened the order processing time, and improved the overall operation efficiency<sup>[3]</sup>.

### **3.2. Optimize customer experience: intelligent store and personalized service**

The digital transformation has also greatly improved the customer experience in retail. Through digital technology and intelligent equipment, retail companies can create a more attractive and interactive shopping environment. For example, the partnership between Miniso and Meituan is a typical example. Miniso takes advantage of Meituan's platform to build a 24-hour super store. These stores not only extend their business hours and meet consumers' shopping needs anytime and anywhere, but also provide consumers with personalized shopping experience through an intelligent commodity display and recommendation system. Consumers can browse the goods freely in the store, and enjoy the convenience of online shopping, such as scanning code payment, online evaluation and so on. This combination of online and offline shopping mode has greatly improved consumer satisfaction and loyalty.

### **3.3. Innovative supply chain management: collaborative optimization and efficient response**

Digital transformation has also driven innovation in retail supply chain management. Through advanced technologies such as the Internet of Things and blockchain, retail enterprises can realize collaborative optimization of supply chains and improve the flexibility and efficiency of supply chains. Internet of Things technology enables retail enterprises to monitor inventory status, logistics dynamics and other information in real time, so as to adjust supply chain strategies in time. The application of these technologies enables retail enterprises to better respond to market changes and realize the rapid response and efficient operation of the supply chain<sup>[4]</sup>. For example, some retail enterprises establish intelligent supply chain management systems to realize the comprehensive monitoring and collaborative management of suppliers, warehouses, logistics and other links. This not only improves the transparency of the supply chain, but also reduces the operating costs and improves the competitiveness of enterprises.

## **4. Challenges and strategies of digital transformation to retail business model innovation**

### **4.1. Technical challenges and strategies**

Digital transformation poses serious technical challenges to the retail industry. First of all, the digital transformation needs a strong technical strength and financial strength as the support. Retail companies must invest a lot of money in digital infrastructure, such as data centers, cloud computing platforms, Internet of Things devices, etc. By introducing advanced intelligent systems, such as big data analysis, artificial intelligence, machine learning, etc., to improve the data processing ability and decision-making efficiency of enterprises. In addition, retail enterprises should also establish close cooperation relations with technology companies, universities and other external institutions to jointly develop new technologies and new products to accelerate the process of digital transformation.

### **4.2. Market challenges and strategies**

In the digital transformation, the uncertainty of market changes is another big challenge for retail enterprises. With the diversification and personalization of consumer needs, retail enterprises must be able to quickly respond to market changes and provide products and services that meet consumer needs. However, in

the early stage of digital transformation, retail enterprises may face problems such as unclear market demand and intensified competition. To meet this challenge, retailers should introduce a variety of products and services to meet the needs of different consumers. Through precision marketing and personalized recommendation, to improve consumers' shopping experience and satisfaction. At the same time, retail enterprises should also strengthen market research and data analysis, Digital transformation requires retail enterprises to change the existing management mode in order to meet the requirements of the digital age. Through the establishment of a perfect data analysis system, the real-time monitoring and analysis of enterprise operation data, to provide strong support for decision-making. At the same time, retail enterprises should also pay attention to cultivating employees' innovative consciousness and digital skills, and promote the transformation of corporate culture to an open and innovative direction.

### **4.3. Cultural challenges and strategies**

The digital transformation also challenges the corporate culture of retail enterprises. Traditional retail enterprises often pay attention to experience and tradition, while digital transformation requires enterprises to have an open and innovative cultural atmosphere. However, the transformation of corporate culture is not achieved overnight, will need time and effort. In order to cope with the cultural challenges, retail enterprises should actively establish an open and innovative corporate culture. At the same time, retail enterprises should also pay attention to the career development and incentive mechanism of employees, and stimulate their innovative spirit and work enthusiasm. Through holding training, seminars and other activities, strengthen the communication and learning among employees, and promote the transformation and upgrading of corporate culture. By developing clear strategies and measures, retail enterprises can overcome challenges and seize opportunities to realize the innovation and upgrading of business models.

## **5. Conclusion**

This study explores the profound impact of digital transformation on retail business model innovation. Digital transformation is leading to profound changes in the retail industry by improving operational efficiency, optimizing customer experience, innovating supply chain management, and promoting the integration of online and offline. This transformation not only brings unprecedented development opportunities for the retail industry, but also puts forward higher challenges and requirements for it. research prospect. Digital transformation is a never-ending process that requires retail companies to always maintain a keen market insight and innovation spirit. Facing the future, retail enterprises need to constantly explore new digital technologies and business models to adapt to the rapid changes of the market. At the same time, retail enterprises should also strengthen their internal management and talent training to provide a solid support for the digital transformation. Only in this way, retail enterprises can remain invincible in the fierce market competition and achieve long-term sustainable development.

### **About the author**

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