

# Exploring and Analyzing the Digital Transformation of the New Retail Industry in the Mobile Internet Era

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**Abstract:** In the era of knowledge economy, information technology is developing rapidly, and the continuous innovation and upgrading of Internet technology has brought unprecedented changes to people's consumption patterns and consumption habits. On the one hand, the accelerated pace of life pushes consumers to choose more efficient and quick purchasing methods, and the consumption patterns of traditional retail companies are obviously difficult to meet this demand of consumers. On the other hand, the increase in rent, labor and other expenses has increased the operating costs of traditional retail enterprises. Based on a clear transformation strategy, innovation in business models, channels and technologies has been realized. This article analyses and discusses the transformation of traditional retail enterprises in the Internet age based on discussing the challenges that the traditional retail industry faces in the Internet age.

**Keywords:** Digital Transformation, New Retail Industry, P Mobile Internet Era

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## 1. INTRODUCTION

The advancement of science and technology, especially the rapid development of digital technology has brought new opportunities and challenges to my country's retail enterprises. Especially for traditional brick-and-mortar retailers, offline brick-and-mortar retailers are facing huge challenges related to their own survival in the face of consumers' consumption upgrades and the impact of the Internet. Therefore, with the rapid development of digital science and technology, it has become a strategic choice for most of the traditional retail enterprises to use digital technology to get rid of the downturn and regain their lives. At the same time, as my country's population growth rate declines, the scale of Internet users tends to be saturated, and along with changes in consumer demand, the development of e-commerce platforms has entered a bottleneck period, and online transactions have gradually weakened. The disadvantages of the pure online model gradually began to emerge.

E-commerce platforms have begun to seek cooperation with physical retail companies to realize the combination of online and offline sales methods, providing conditions for the digital transformation of traditional retail companies. In recent years, many traditional retail companies in my country have completed the digital upgrade of commodity procurement, logistics distribution, product marketing, transaction payment and other links, realizing the basic transformation from traditional retail to new retail. Based on social system theory, this paper studies the influencing factors of enterprise digital transformation from the perspective of collaboration system and organizational balance and discusses how traditional retail enterprises can maximize the benefits of enterprise digital transformation and upgrading.

On the one hand, it shows that the growth rate of the overall scale of the industry has declined sharply. Taking the statistics of the China National Commercial Information Center in 2012 as an example, the retail sales of key large-scale retail enterprises in the country increased by 10.2% compared with the previous year, and the growth rate slowed down by 11.5 percentage points. The slowdown rate is the largest since 1999.

On the other hand, it is manifested in the sinking of channels and the slowdown of store expansion. Offline sales channels have shifted from first- and second-tier cities to third- and fourth-tier cities; the overall growth rate of stores has slowed down, and the growth rate of eight of the top ten retail stores is zero, and some large retail companies have even closed store.

In addition, instant messaging, online payment, online media and other changes to retail methods, payment methods, and sharing models have also given online retail a more obvious and powerful advantage in the Internet era. The extension makes online retail have great potential for development. Also in this context, if the traditional retail industry, which is facing greater challenges and impacts, cannot keep pace with the times and make transformations to adapt to the development and needs of the consumer market and consumer groups, then traditional retail enterprises will inevitably have to face the reality that the market will continue to be occupied by online retail. Therefore, in the Internet age, it is the only way for traditional retail enterprises to develop through active transformation to improve their own competitiveness. For consumers, online shopping is more convenient and quicker than traditional shopping, and they have more choices in merchant switching and product comparison.

## 2. THE PROPOSED METHODOLOGY

### 2.1 Analysis on the Necessity of the Transformation of my country's Traditional Retail Industry

The online store has much richer commodities than a single physical retail store. It has a huge advantage in categories and grades that cannot be matched by physical retail stores, and its consumption method is extremely convenient. It can switch merchants in an instant, saving a lot of time and energy. Adapted to the rhythm of modern life. Take Joyo Amazon as an example. It has more than 3 million kinds of Chinese and foreign books, while the largest bookstore in my country - Beijing International Book City has only 500,000 kinds of books. Compared with online bookstores, there is a huge gap.

Obviously, online shopping makes consumers have far more choices than traditional shopping. In addition, Barnard also proposed the balance theory, and divided the balance of the enterprise into two aspects: the internal balance of the enterprise and the external balance of the enterprise. Among them, the internal balance is divided into two parts: adjusting the whole to adapt to the external environment and creating incentives. The external balance is divided into two parts: the coordination and balance of the system in the enterprise through the external environment and the balance of the external environment of the enterprise system.

Barnard's balance theory has important guiding significance in the actual operation of enterprises. The managers of enterprises must ensure the balance of incentives and contributions of each member in the enterprise. Realizing online and offline joint operations through the Internet and mobile Internet can not only break the time and space limitations of single offline product information transmission, but also make up for the authenticity of product information, logistics consignment and payment security faced by single online operations. For consumers, they can not only purchase high-quality and low-cost commodities through rich online product information display, quality evaluation and price ranking, but also enjoy offline services and fully understand the real information of commodities. This model will not affect the development of the main business of traditional retail enterprises. It can also use Internet technology to open the online sales market for itself and attract offline traffic to increase customer stickiness.

In the context of the rapid development of Internet technology, the strategic positioning made by traditional retail companies plays a decisive role in the transformation of business models. Among them, whether a traditional retail enterprise chooses multi-channel development or chooses to further expand in the physical field, it needs to pay attention to making itself reflect the characteristics of the Internet. The characteristics of the Internet should run through the entire value chain of traditional retail enterprises, and in the process of value chain transformation, a combination of virtual and real and different emphases should be adopted. The main obstacle to the transformation of traditional retail business models in the Internet age is that companies themselves do not pay enough attention to Internet-based work, and at the same time, they do not have a very clear positioning for online marketing, which makes it difficult to integrate electronic business into the business process of enterprises. For consumers, it is more convenient and quicker to choose online sellers than traditional retailers. Due to the limitation of business hours, traditional retailers cannot provide customers with uninterrupted services, but online sellers have broken through this limitation and can do it operates 24 hours a day without interruption. Consumers only need to shop online at the time they want, and then wait for the arrival of the goods. This method is more popular among consumers, especially the working class who have less leisure time.

## 2.2 Transformation Strategy of Traditional Retail Enterprises in the Internet Era

The common purpose is one of the most important factors in enterprise transformation. Its significance is that it helps the enterprise to clarify the division of functional responsibilities and powers of various departments, determine a relatively reasonable management range and organizational level to improve management efficiency, and optimize the organization's ability to use resources, strengthening communication efficiency is an important measure to improve

the stability and competitiveness of enterprise transformation. Combined with Barnard's social system theory, it is very important to determine the common goals of enterprises in the process of digital transformation of traditional retail enterprises. Enterprises determine the common goals of the organization to create an organizational collaboration system. The collaboration system in turn affects individuals in the enterprise, satisfies individual motivations, and ensures that the enterprise can receive continuous support and contributions from employees in the process of digital transformation, ensuring future collaboration. Continuous development of the system.

Paying attention to customer service demands, providing personalized and humanized services; Suning has abundant resources, and its store expansion is very rapid. It has opened chain stores in hundreds of cities across the country, giving full play to the scale effect, thus greatly saving operating costs. Cost sunning has built nearly a hundred logistics centers all over the country, and its logistics system construction is ahead of other companies in the industry; in addition to the above advantages, Suning, as a leading company in the industry, enjoys a high voice in the industry, and accordingly negotiates prices with suppliers more advantageous. In the Internet age, the information of retail enterprises has been disseminated through the Internet, the products of enterprises have been equipped with automatic accessories, and the currency can also be transferred electronically. To adapt to these changes, traditional retail enterprises in the Internet age targeted technological transformation should also be carried out.

In the technological transformation of traditional retail enterprises, it is necessary to focus on the following two points: one is to carry out technological retail based on paying attention to big data. Compared with the B2B industry, retail companies face a larger sales group, so in the process of retail business operations, it is more necessary to understand consumer needs and meet consumer needs, and optimize their own supply chain on this basis, and in this process among them, big data can provide technical support. Each market segment is a group of consumers with similar demand tendencies. Traditional retailers should maximize their strengths and avoid weaknesses, accurately analyze the market segments impacted by online sales, accurately grasp, and meet the needs of specific market segments, and choose suitable targets centered on customers. The customer's supply of merchandise items. Taking home appliances that have been greatly impacted by online sales as an example, the operation of online home appliance sellers has the following characteristics: the proportion of major appliances is greater than that of small appliances; the product level is low, mainly concentrated in low-end home appliances; price wars are frequent, attracting customers with low prices is its main business strategy. Technology upgrade is an important part of digital transformation, and its effect is affected by both original technology and new technology.

First, the impact of the original technology. For traditional retail companies, their past business models and technology levels are effective, and they have made outstanding contributions to the company. Therefore, when an enterprise undergoes digital transformation, the elimination of the original technology will cause employees to have a certain degree of self-denial and insecurity. A certain degree of resistance. Therefore, how to set up a reasonable enterprise training system to weaken the resistance of employees is very

important for the successful digital transformation of enterprises.

### 3. CONCLUSION

To sum up, under the background of the Internet 2.0 era, the Internet of Things, big data, and cloud computing are developing strongly. Traditional retail companies are not only facing more intense market competition, but also have higher requirements for business management. In this regard, traditional retail companies should avoid the phenomenon of being out of touch with the development requirements of the times caused by complacency, insist on giving full play to the advantages of the mobile Internet and itself, and boldly try to combine with the Internet based on the original development model. Service and face-to-face communication have more obvious advantages and richer experience, but in the Internet age, traditional retail companies still need to use the Internet to make up for the lack of communication, especially marketing work needs to take advantage of the Internet to expand marketing space and time, to improve the marketing efficiency of retail enterprises.

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