

# Market Analysis of Digital Transformation Path of China's Large Auto Manufacturing Enterprises

Zhao Wang

Sichuan Aerospace Vocational and Technical College Chengdu 610100, China.

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**Abstract:** Cars are a big part of the big technological revolution. With the continuous progress and development of science and technology, the combination of automobiles and the Internet has gradually become more intelligent. At the same time, with the rapid development of the automobile manufacturing industry, the market competition in the automobile industry has become increasingly fierce. In order to improve the core competitiveness of enterprises, most of the automobile manufacturing industries have begun to look for ways to transform. For the automobile manufacturing industry, it is necessary to grasp the needs of the development of the times in order to effectively improve the market competitiveness. Therefore, whether an automobile manufacturing enterprise can successfully transform is the key to enterprise development. For example, the exploration of my country's Changan automobile manufacturing enterprises on the road of transformation has achieved remarkable results. It has improved the competitiveness of enterprises in the market with advanced technology and excellent management. Based on this, this article will analyze the digital transformation strategies of China's large automobile manufacturing enterprises through cases.

**Keywords:** Large Automobile Manufacturing Enterprises; Digital Transformation; Market Competition; Approach

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## Introduction

As society continues to develop, traditional manufacturing is being replaced by new manufacturing models. Large-scale automobile manufacturing enterprises need to undergo digital transformation in order to integrate the digital economy with the real economy and enable them to achieve better development. If any industry wants to develop better, it needs to continuously introduce new products to meet the needs of the times and consumers. Large-scale automobile manufacturing enterprises need the support of information systems when implementing strategic decisions in the development process. Information systems can help enterprises transform from traditional manufacturing to digital development, and also help enterprises to reposition development strategies and innovate and develop organizational structures. Therefore, large-scale automobile manufacturing enterprises should actively pay attention to market development. For enterprises, realizing digital transformation and development will help to build a new integration platform, build a new intelligent information system, and enhance the competitiveness of large-scale automobile manufacturing enterprises in the market. So as to enter the international market.

### 1. The concept and significance of digital transformation

Enterprise digital transformation is related to enterprise digital innovation, both of which have the characteristics of digital technology. In the process of digital development, enterprises create new products and services by integrating digital resources of different digital entities. In addition, enterprises also need to optimize their production processes and create new business development models. Large-scale automobile manufacturing enterprises can promote the digital transformation of enterprises by using different advanced technologies such as the Internet of Vehicles and the intelligent vehicle cloud [1]. At present, most automobile manufacturing industries use traditional manufacturing methods, which are not conducive to the sustainable development of enterprises. Therefore, it is very necessary to promote the industrial upgrading of enterprises, improve the economic benefits of enterprises, and implement digital industrial upgrading. The digital transformation of enterprises is based on digital technology, and the characteristics that can be calculated, communicated and perceived in the manufacturing process of the enterprise are used as the production basis, and then the production efficiency is upgraded by

using data technology to promote the development of large-scale enterprise automobile manufacturing enterprises.

## **2. Analysis of the digital transformation path of China's large automobile manufacturing enterprises**

Changan Automobile occupies an important position in my country's automobile manufacturing industry. It belongs to one of the four major automobile groups in my China's and has high analytical value. With continuous exploration and development over the years, Changan Automobile has successfully become a large listed automobile manufacturing company. In 2020, Changan Automobile has more than 14 production bases around the world, including factories dedicated to the production of parts and components. In the process of development, Changan has been firmly in the forefront of China's car sales for many years by relying on the business model developed in cooperation with other car brands. However, with the continuous development of the economy, the original automobile market has been disrupted by new technologies. Companies that use traditional production models to manufacture cars have their position in the industry seriously threatened due to the impact of digital technology. Although Changan has been insisting on exploring ways of industrial upgrading, due to the pressure of market competition, it has incurred unavoidable financial losses in 2019. In the next year, Changan Enterprise will keep up with the pace of market development and strengthen industrial transformation. At the same time, Changan Enterprise will actively cooperate with other enterprises to accelerate the speed of digital transformation and improve the competitiveness of enterprises in the market at an extremely fast speed. The key to the success of Changan's enterprise transformation lies in the timely reform of the internal mechanism of the enterprise. As an excellent case of the digital transformation of a large-scale automobile manufacturing enterprise, Changan Automobile Co., Ltd., this paper analyzes the digital transformation path of automobile manufacturing enterprises through the development technology path of Changan Automobile Enterprises.

### **2.1 Restructure strategic positioning**

Changan Enterprise launched a new business plan in 2017. Unlike most traditional fuel vehicle brands, Changan Enterprise has always focused on product reform and innovation. On this basis, Changan has continuously accelerated the upgrade of its traditional products, realizing the intelligent transformation and upgrading of traditional products. At the same time, Changan enterprises focus on customers, creating a new production model jointly designed by customers and designers. In the past, the cooperation between Changan enterprises and customers was to provide customers with finished vehicles. However, in order to accelerate the upgrading of the digital industry, Changan Automobile began to provide customers with products, services and travel services. This complete set of comprehensive solutions is conducive to helping Changan enterprises improve their brand effect. Changan Enterprise integrates manufacturing and service, repositions the construction of the digital system of depots, introduces Internet technology into industrial manufacturing, and interconnects the root cloud platform through tree roots, giving full play to the role of information technology and realizing the digital and intelligent transformation of enterprises <sup>[2]</sup>. Other auto companies can learn and learn from the model of Changan auto company, integrate into all aspects of automobile manufacturing and production through the new information platform, and provide production equipment data for the production workshop of the enterprise after closely linking all the links, and through modeling analysis To improve the production efficiency of enterprises.

### **2.2 Pay attention to R&D investment**

Changan enterprises attach great importance to R&D investment, which is an important support for enterprise development. Changan Automobile Co., Ltd., as the top automobile manufacturing industry in my country, although it is already an enterprise with high investment in R&D among automobile manufacturing enterprises, it is still continuously increasing R&D investment in order to continuously improve the digital innovation capability of the enterprise. As shown in Figure 1, Changan's investment in R&D is significantly higher than that of other vehicle manufacturers. At the same time, in order to adapt to digital innovation, the company has extended its R&D focus to other countries, and actively cooperated with a number of top digital technology companies, such as Tencent and Huawei.

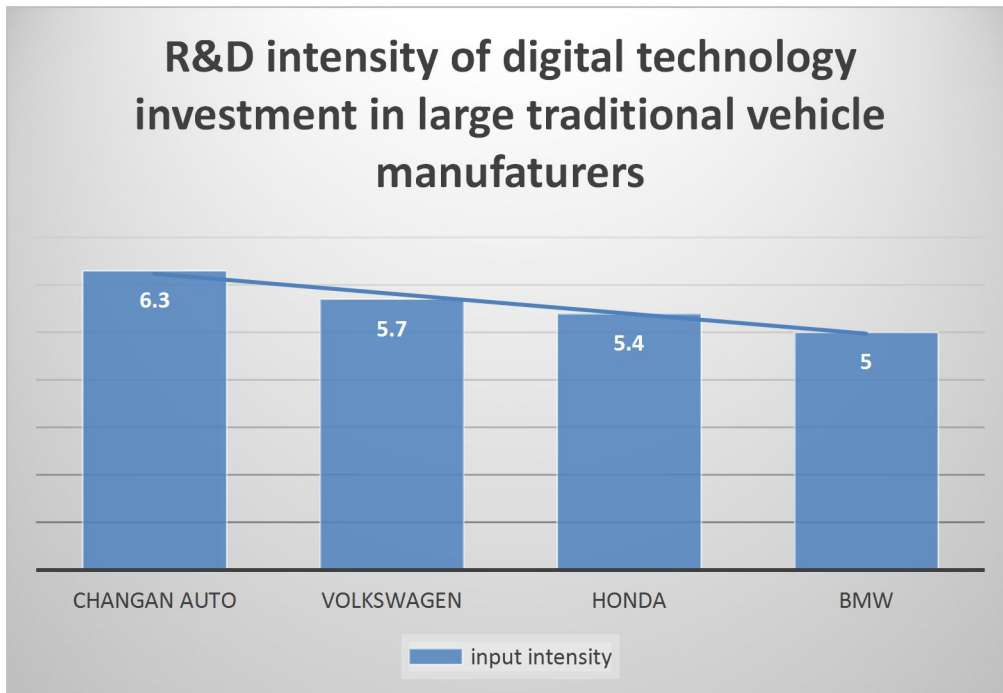


Figure 1: Comparison of digital technology investment in R&D intensity of large traditional vehicle manufacturers  
 Note: The data comes from wind information

### 3. Conclusion

In short, automobile manufacturing enterprises are an important production industry in my country's social construction, and it plays a vital role in China's economic development. In order to improve their core competitiveness, each automobile manufacturing enterprise must actively make digital transformation, conform to the development trend of the times, make the production of automobile enterprises more intelligent and life-like, and realize the intelligent construction and production of automobiles.

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About the author: Zhao Wang (1983.11), male (Han Nationality), native place: Anyue, Sichuan province, associate professor, master's degree in engineering, research direction: Automobile application.