

# A Contrastive Research on the Digital Transformation of Sino-British Traditional Enterprises

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**Abstract:** In the context of the rapid development of information technology, many domestic traditional enterprises have embarked on the road of transformation, upgrading and development to enhance their comprehensive competitiveness on the basis of excellent local culture. There are many world-renowned brands and companies in Britain, and on the basis of its cultural background, Britain is regarded as the object of this contrastive research. How to realize the development goal of enterprise digital transformation with the help of traditional culture has become one of the problems that enterprises need to solve. This article analyzes the comparison of the digital transformation of traditional enterprises in China and Britain, in order to provide a reference for the steady development of traditional enterprises in the new era.

**Keywords:** Sino-British Traditional Enterprises; Digitalization; The Contrast in Transformation

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## 1. Introduction

Traditional enterprises mainly refer to enterprises that are significantly different from modern enterprises in terms of operation mode, production form, management concept, product structure, etc., and gradually form a unique mode of operation under the premise of continuous accumulation of management experience. At the same time, some traditional enterprises have profound cultural heritage, such as Unilever (the UK), Tongrentang (China), etc.. Some traditional enterprises also have regional characteristics, such as HSBC (UK), Maotai (China) and so on. In the context of the continuous expansion of e-commerce platforms, the world market is developing in the direction of integration and connectivity, domestic and foreign companies are competing on the Internet, and the competitive disadvantages of traditional companies have emerged. There is also the problem of wasting traditional cultural resources, which is not conducive to the enterprises develop for a long time. Based on this, in order to make traditional enterprises more dynamic, it is particularly important to compare and study the digital transformation strategies of traditional Chinese and British enterprises.

## 2. Digital transformation of traditional enterprises

The steps of digital transformation in traditional enterprises mainly include the followings: first, transforming the business model, which refers to changing operation ideas, optimizing operation logic, creating a new operation structure, and helping optimize the allocation of digital technology and online resources; second, reshaping the value chains, which is aimed at achieving efficient operation, improve the original value chain on the basis of Internet thinking, eliminate information islands, clear coordination channels, reduce intermediate links, and effectively control losses, so that traditional enterprise operating elements can be efficiently distributed to meet the development needs of production, competition, innovation, etc., and then the comprehensive benefits of the value chains can be improved; third, optimizing the production process, which refers to that an information-based and intelligent production system can be created by empowering with information technology, so that the production link can improve efficiency and quality; fourth, upgrading the supply chain and strengthening synergies; fifth, innovating the management system, which improves the level of platform-based communication under the premise of the effective application of technologies such as the Internet of Things and

blockchain.

### **3. The contrast in the digital transformation of Sino-British traditional enterprises**

In recent years, Britain has intensified its foreign trade efforts and regards maintaining the "golden" relationship between China and Britain as one of its main tasks. The white paper "Export Strategy" (2018) pointed out that the proportion of British export trade rose to 35% of GDP. In 2019, the Conservative Party promised to increase exports and promote economic development during the general election, which shows that Britain has always maintained a positive attitude to foreign trade, which is beneficial to the development of traditional British enterprises. At the same time, Britain supports the digital transformation of traditional enterprises, which lowers the cost of enterprise management, production, brand promotion, etc. and gains higher returns. Since Brexit, Britain has increased its global strategic deployment, trying to tap the competitive potential of traditional trade culture and highlighting the characteristics of traditional enterprises in the international market, whose aim is to achieve the strategy of "global Britain", and, on the basis of this, a strategy document of "Made in Britain, sold around the world" will be carried out with exports expected to rise to £1 trillion by 2030. However, the exports in Britain totaled 699.25 billion pounds in 2019 and dropped to 600.973 billion pounds in 2020. To achieve the expected goal, it is necessary to improve the comprehensive quality of digital transformation of traditional enterprises to reduce the gap between actual and expected.

The rapid development of China's digital economy can enhance the competitiveness of foreign trade. It can be mainly analyzed from two aspects: First, the export rate of China's software industry has gone up, which has consolidated the industrial foundation for the development of the digital economy, and promoted the upgrading and innovation of traditional industries. Meanwhile, the industries related to new services, new products and new technologies promote the upgrading of the software industry, which makes the software information service industry one of the hotspots for investment<sup>[2]</sup>; second, the digital economy can expand the scale of exports and improve the quality of exports, and on this premise, the technological competitiveness of export products is strengthened, even if the interactive items of digital economy and trade friction are introduced, the coefficients of related interactive items are also positive. Although the export volume of enterprises has been reduced due to the influence of international economic and trade frictions in recent years, it can still promote the digital reform of traditional Chinese enterprises.

## **4. The digital transformation path of traditional Chinese enterprises**

### **4.1 Increasing innovation**

The digital economy promotes the innovation of traditional enterprises, and digital technology can not only improve the innovation performance of traditional enterprises, but also have an indirect impact on enterprise innovation based on human capital, play an intermediary effect, and make the digital innovation effect of traditional enterprises better. Taking Haier as an example, based on the vision of "the world is my R&D center", it integrates into the world of technological innovation and builds the Hope platform, which is the largest open innovation ecosystem in the world and a full-process innovation interactive community. The platform covers small batch trial production, rapid model, structural design, industrial chain innovation, innovative resource allocation and other fields, solves the problem from creative output to realize the full link of creative collaboration, enabling Haier's innovation results to lead the world.

### **4.2 Digitalization of human resource management**

Human capital is one of the supporting forces for the digital transformation of traditional enterprises, which can quickly enhance the innovation and competitiveness of traditional enterprises, achieve the purpose of improving innovation efficiency and clearing innovation channels. The digitization of human resource management mainly refers to relying on digital thinking to strengthen the awareness of data decision-making, and on this basis, human resource efficiency can be accurately measured, human resource functions can be transformed, and the cost of talent relocation and recruitment errors of traditional enterprises can be reduced through digitization of human resource management process, so as to achieve the management transformation goal of increasing efficiency and

reducing cost.

### 4.3 Deeply tapping the brand potential

There are many brands in Britain with a long history and strong brand culture, which provides strong conditions for the digital transformation of traditional enterprises. Taking TED Baker as an example, in 2021, the sales of 560 franchised stores and directly-operated stores will increase by 142% year-on-year. In China, its financial report in 2021 shows that sales in Greater China will increase by 6% after the brand's business transformation. The CEO of TED BAKER emphasized that since 2020, the business transformation plan has been continuously implemented, and the brand has made efforts in the direction of digital expansion and upgrading. While the epidemic has hit offline stores hard, online marketing strategies have been launched. The measures of new product releases and social media promotion take effect and enhance the stickiness of online users, and the brand seeks breakthroughs in adversity, which is also a powerful interpretation of the brand's humanistic spirit. The digital transformation of traditional Chinese enterprises should learn from the experience of digging the potential of British brands, release brand charm in the process of online promotion, sales, and product innovation, strengthen brand influence, and deeply tap the potential of brand culture to divide up the market share of the digital economy.

## 5. Conclusion

To sum up, the digital transformation of traditional Chinese and British enterprises is the general trend, in order to use digital technology to allocate development resources and enhance competitiveness. Based on this, traditional Chinese enterprises need to increase innovation efforts, and human resource management should make efforts in the direction of digitalization. It is necessary to dig deep into the brand potential, learn from the digital promotion experience of traditional British brands, and then implement the goals of digital transformation and development of traditional enterprises.

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