

A Strategic Study of Digital Transformation of Anker Innovations in the Era of "Big Data"

Shen,Bing Shen,Tiantian Zhou,Hui Jiang,Mingzhong Wang,Na Cai,Wupin

College of Foreign Languages, Hunan University of Technology and Business, Changsha, Hunan, 410205, China

Abstract: Taking Anker as an example, this study conducts a SWOT analysis of Anker's digital transformation. It then proposes strategies for Anker's digital transformation, providing a reference for similar small and medium-sized cross-border e-commerce enterprises.

Keywords: Anker Innovations; Digital transformation; Strategy

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1. Introduction

Cross-border e-commerce companies are encountering intensified competition in the global market and diverse consumer demands. To maintain competitiveness and meet the diverse needs of consumers, these enterprises have to undergo digital transformation. Taking Anker Innovations as an example, this study examines the digital transformation of the cross-border e-commerce enterprises. It analyzes the background of Anker's digital transformation by using SWOT analysis. The solutions to be adopted during the transformation process are also explored.

2. The State of Digital Transformation in Cross-border E-commerce Companies

In recent years, the scale of cross-border e-commerce transactions in China has significantly expanded. Li Xingqian, Director of the Foreign Trade Department of the Ministry of Commerce, once stated that cross-border e-commerce is in a window of innovative development. Digital transformation is the trend. Large enterprises and small and medium-sized enterprises have to face upgrading and innovation in the same industry.

Digital transformation means redefining enterprise business, providing new customer value, and being more competitive. The vast majority of cross-border e-commerce enterprises in China are at the forefront of the digital economy. However, looking at reality, the vast majority of cross-border e-commerce enterprises face problems such as a lack of a sound digital marketing system, a lack of digital management thinking, unsatisfactory supply chain synergy, and the need to improve logistics digitization for digital upgrading. Enterprises need to focus on their enterprise development vision, sort out the core business value, and finally achieve the balance of cost reduction, quality improvement, and efficiency increase with the help of platform services.

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About the Author

Shen,Bing (2002-), Female, Miao Nationality, Bi Jie, undergraduate, Business English.

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3. The SWOT Analysis of Anker's Digital Transformation

Anker Innovations' main business covers multiple fields, including charging devices, intelligent innovative products, and mid to high-end audio devices. The company explores and expands new product categories through digital transformation, such as wearable devices, smart homes, etc., further enhancing its competitiveness and brand influence in the global market.

(1) Strengths

1) Research and development capabilities

Anker Innovations has a large R&D team, with R&D personnel accounting for nearly 50% of the company. The company's focus on R&D innovation can drive Anker Innovations' continuous innovation and progress in digital transformation.

2) Excellent management

The founders of Anker Innovations worked at Google and are very focused on the application of Internet thinking. The management has rich experience in digital transformation and can better guide the digital transformation of the enterprise.

(2) Disadvantages

1) Competitive pressure & relatively low technological content

Anker Innovations operates in an extremely competitive market where all products face strong competitors. The competitive pressure on Anker Innovations will increase even further after the digital transformation.

The technology content of Anker Innovations products is relatively low, which limits the room for product R&D and innovation after digital transformation. Therefore, Anker Innovations needs to focus on technological innovation and improve the technological content of its products in the digital transformation to win a larger market share.

(3) Opportunities

1) Application of artificial intelligence

Digital transformation can realize production automation, artificial intelligence can be applied to product design, production process control, etc., to improve production efficiency and product quality, and the competitiveness of enterprises.

2) High-Efficiency, high-quality production due to digital transformation

Digital transformation will lead to efficient and high-quality production, which can better meet customer needs and improve user experience. This can bring a higher market share and a better reputation for Anker Innovations.

(4) Threats

1) Digital transformation risks

Digital transformation is a complex project that requires a lot of investment in capital and manpower, and there are many risks associated with digital transformation, such as technological risks, financial risks, market risks, etc., which may have an impact on the enterprise.

2) Uncertainty in the supply chain

Anker Innovations' products are mainly manufactured in China, and any changes in the supply chain, such as

fluctuations in raw material prices and lack of capacity, will have an impact on digital transformation.

4. Strategies for Anker's Digital Transformation

Cross-border e-commerce is the innovative form of the Internet and other digital technologies to traditional international trade, and its essence is the digital upgrading of the traditional trading industry. Anker Innovations can occupy an absolute leading advantage in the digital upgrading of similar enterprises, and its strategy is of great significance in improving the digital competitiveness of enterprises and realizing the promotion of enterprises in the industrial value chain.

(1) Adopting digital marketing

Anker Innovations leverages digital marketing strategies to maximize data value and enhance production and operation efficiency. Through digital media platforms, we swiftly disseminate products and services globally, employing targeted digital advertising and marketing campaigns to deliver personalized messages and bolster brand image and product competitiveness. During the digital transformation and upgrading phase, it is implementing a dual-driven strategy of science and technology alongside e-commerce, confidently exploring the value of data for success. It utilizes a Voice of the Customer (VOC) feedback system to collect user feedback data, which is then analyzed by the R&D design department to implement improvement suggestions, fostering a two-way communication channel between consumers and the supply side (Chen et al., 2021). This enhances user engagement, brand loyalty, and provides real-time market insights for continuous optimization of products and services.

(2) Building brand

Anker Innovations operates at the intersection of cross-border e-commerce, engineering, and consumer electronics. Leveraging the Amazon platform, it has expanded our brand through a three-step plan: channel brand, improved brand, and leading brand. It focuses on providing professional and reliable charging products to international consumers via Amazon channels has helped break the stereotype of Chinese products being of low quality and low price. Currently, three product lines are offered: charging products, intelligent innovation products, and wireless audio products, each represented by distinct brands like Anker, Soundcore, and Eufy. Employing a "shallow sea" approach, it strategically selects categories with market demand but not oversaturation, allowing for innovation (Chen et al, 2021). Through a gradient product layout and deep user segmentation, it implements a differentiated brand-building strategy. Leveraging public domain traffic and platform traffic, it extends the winner brand effect. This multi-brand strategy has led to rapid growth for emerging brands, fostering a virtuous cycle that fuels overall brand-building efforts.

(3) Strengthening communication and linkage

Anker Innovations has revamped its management structure from a hierarchical tree to a decentralized matrix, empowering capacity units and improving organizational efficiency (Zhai, 2023). Business Partner authority now resides with Business Units based on capability, streamlining operations, and decision-making. The LTC process management solution addresses internal cooperation challenges and enhances end-to-end process control, from market lead to contract delivery. Establishing 'iron triangle' teams within action units and supporting decision units ensures optimal collaboration. Standardizing the SSC shared service center and providing direct logistical support to frontline teams enhances efficiency. This configuration integrates customer relationship management, performance delivery, and technical service solutions, facilitating informed decisions and seamless LTC process completion. Improved internal communication and coordination mechanisms guarantee further development for Anker Innovations (Copu & Čarnogursky, 2017)

(4) Promoting corporate transformation and upgrading

Anker Innovations is undergoing a significant transformation from a hardware manufacturer to an intelligent ecological innovation enterprise (Mao et al, 2011). They are prioritizing independent product research and development, forming strategic partnerships, and continuously updating their product structure, management methods, and organizational strategies. However, faced with rapid technological advancements and fierce competition in the consumer electronics industry, Anker Innovations is shifting its focus to the burgeoning Chinese consumer market. With China expected to become the world's largest market during the "14th Five-Year Plan" period, Anker Innovations sees this as a prime opportunity. By adopting a localized operation strategy and deepening their research and development efforts to meet user needs, they aim to strengthen their presence in both established and emerging markets. Through these initiatives, Anker Innovations is executing a comprehensive plan for enterprise transformation and upgrading, ensuring its competitiveness in the ever-evolving global landscape.

5. Conclusion

Based on a comprehensive SWOT analysis, this study delves into Anker's digital transformation strategy. Anker Innovations successfully navigated the shift from a traditional offline model to a robust online platform, significantly enhancing supply chain management, promotional sales, and data analytic efficiency. The transformation of Anker Company from a traditional small and medium-sized foreign trade company to a cross-border e-commerce powerhouse not only reflects current trends but also ensures continuous growth for the business.

During this transformation, crucial lessons surface not only for Anker but also for similar enterprises looking to digitally enhance their operations. Key factors to consider include market conditions, regulatory frameworks, and a strong dedication to improving supply chain efficiency, strengthening brand identity, and cultivating a culture of innovative thinking. By embracing these components, organizations can smoothly navigate the digital shift and ensure long-term success in an ever-changing business environment.

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