



Digital Transformation for Enterprise Growth-- Take Nongfu Spring as an Example

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Abstract. In the digital age, information technology is powerfully reshaping business. Consumer demands are constantly diversifying, and competition is increasingly sharpening. This new landscape makes digital transformation an essential pathway for enterprises' growth. Take Nongfu Spring as a prime example. In its production realm, the company employs advanced automation technologies and strict digital quality control measures. This not only streamlines the production process but also stringently ensures product quality. Its supply chain makes smart use of big data and the Internet of Things. Through these, it can conduct precise demand forecasts, optimize inventory levels, and achieve highly efficient product delivery. In marketing, by astutely leveraging consumer insights and employing precision strategies, the brand's influence expands, and consumer response rates soar. For data management, a unified and robust platform is in place to safeguard data security and provide reliable support for decision-making. Nevertheless, challenges remain. Data originating from multiple sources can undermine its overall quality, and there's a significant shortage of digital talent. To tackle these issues, enterprises need to intensify efforts in data management, actively seek out and train competent digital talent, and continuously drive technological innovation. Such actions will assist Nongfu Spring and similar enterprises to more effectively undertake digital transformation, overcome hurdles, and maintain a competitive edge in the digital era.

Keywords: Digital transformation; Nongfu Spring; Production management; Supply chain optimization; Data security.

1 Introduction

Currently, the digital wave is surging and developing rapidly, and it has profoundly changed the business environment. In the past, relatively simple requirements for goods were had, but now not only the quality of the product but also the shopping experience, personalized service and the story behind the product are concerned about by consumers. This creates a huge challenge for enterprises to meet these diverse needs to gain a foothold in the market.

In this case, digital transformation has become an important way out for enterprises. Businesses can leverage a variety of digital technologies, such as big data, artificial intelligence, the Internet of Things, and more, to optimize their production processes, manage supply chains, conduct marketing campaigns, and manage data. Through these means, enterprises can better understand consumers, improve production efficiency, reduce costs, enhance competitiveness, and achieve sustainable development.

This study focuses on Nongfu Mountain Spring Enterprise, aiming to analyze its digital transformation process. Understand how it uses digital technology in production management to make production more efficient and product quality more stable; In the supply chain, how to use digital means to make goods delivery more timely and inventory management more rational; In terms of marketing, how to use digital platforms to attract consumers and enhance brand awareness; In data management, how to collect, analyze and protect data provides strong support for enterprise decision-making. What difficulties and challenges it has encountered in this process are also observed, and then some targeted improvement suggestions are given.

This study mainly uses literature analysis and case analysis. Through consulting many literature materials related to digital transformation, enterprise management, supply chain, to understand the previous research results and theoretical viewpoints, to provide a theoretical basis for the research. At the same time, taking Nongfu Spring as a case, it deeply analyzes its practice in all aspects and sums up experience and lessons.

Specifically, from the production management, supply chain, marketing and data management to discuss the problems encountered in the digital transformation of Nongfu Spring. In the production management, study the application of automatic production equipment and the digital construction of quality control system; In supply chain, focus on demand forecasting, inventory management and digital optimization of logistics distribution; In the field of marketing, analyze consumer insights and implement precision marketing; The data management section discusses data integration, analysis platform construction and data security measures. Through such a comprehensive analysis, it is hoped that some useful references will be provided for other enterprises on the road of digital transformation. Nongfu Spring enterprise profile.

2 Nongfu Spring Enterprise Profile

2.1 Enterprise Introduction

Nongfu Spring Co., Ltd. was founded in 1996, headquartered in Hangzhou, Zhejiang Province. Since its establishment, the company has always focused on the research and development, production and sales of drinking water and beverage products. After years of development, it has become a leader in the domestic beverage industry.

2.2 Product Diversification Strategy

In the process of enterprise development, the implementation of forward-looking product diversification strategy has become a key method to continuously expand market

territory and enhance competitiveness. In the early days of the company, bottled drinking water was chosen as a breakthrough to enter the market, ensuring that each bottle of water reached a high quality standard. Consumers' recognition of this high-quality bottled water has enabled the company to quickly gain a foothold in the market, improve brand awareness, and steadily accumulate market share.

With the dynamic evolution of the market environment and the increasing diversification of consumer needs, companies have demonstrated market insight to capture this changing trend. Therefore, Nongfu Spring decided to horizontally expand its product line, involving tea drinks, fruit juice drinks and other categories, and gradually built a rich and diversified and mutually complementary product chain.

2.3 Advertising Water Source Strategy

For a long time, Nongfu Spring has always unwaveringly regarded the strategic layout of water source and brand building as the top priority of enterprise development. In the process of continuous development, the company has invested various resources such as human, material and financial resources, and successfully built a number of high-quality water source networks including Qiandao Lake, Changbai Mountain, Danjiangkou and Wanlu Lake. In order to transform these water source advantages into the driving force of the brand, Nongfu Spring has launched a series of publicity and promotion activities. With the help of the production of advertising pictures, the advantages of water sources are shown to consumers in an all-round and multi-angle manner. When consumers come into contact with Nongfu Spring's products, they can emerge in their minds the excellent strategy of closely integrating the advantages of water source and brand image, which not only helps Nongfu Spring win a wide and deep consumer recognition in the market, but also makes it stand out in the extremely competitive market environment. It has successfully established a preferred brand image of high-quality drinking water and beverages in the minds of consumers [1].

2.4 Development Status and Market Position

At present, Nongfu Spring has successfully built a solid market position in the domestic beverage market, and its product sales network covers a wide range of markets at all levels across the country, and actively expand the overseas market territory. "Nongfu Spring" natural water brand in the bottled water market continues to maintain a high market share, brand loyalty and consumer reputation; "Tea PI" brand in the tea beverage market with innovative product concept and accurate market positioning, the market share steadily increased year by year. In addition, Nongfu Spring has always adhered to the concept of innovation-driven development, continued to increase investment in product research and development and innovation, to meet the growing consumer demand for health, in recent years in the low-sugar, sugar-free beverage category research and development innovation and marketing has achieved remarkable results. At the same time, enterprises actively keep up with the tide of the digital era, vigorously carry out digital transformation, make full use of digital technology to carry out brand promotion, especially in the field of social media has achieved remarkable results, and

actively expand the sales channels of e-commerce, to achieve the coordinated development of online and offline sales channels, thus achieving significant growth in sales performance and continuous improvement of market influence.

3 Nongfu Spring Digital Transformation Status

3.1 Digitalization of Production Management

Automated Production. Nongfu Spring has widely used automation equipment in the production process to achieve efficient operation of the production line. By installing sensors and automated control systems, companies can monitor equipment status in real time. In the bottled water production process, the automation equipment precisely controls the filling volume and sealing quality to ensure uniform product specifications. The sensor monitors equipment temperature, pressure and other parameters in real time. Once an anomaly occurs, the system will give an immediate warning and maintenance personnel can deal with it in time, effectively reducing the downtime and improving production efficiency [2].

Digital Quality Control System. Nongfu Spring uses digital technology to establish a strict quality control system. In the raw material testing process, the advanced testing equipment quickly analyzes the water composition, microbial content and other indicators, and records the data to the quality management system in real time. In the production process, the visual inspection system and automation equipment automatically detect the appearance, sealing and other quality characteristics of each bottle of products, and the unqualified products are screened out in time to ensure the stability and reliability of product quality.

3.2 Supply Chain Digitization

Digital Demand Forecasting and Inventory Management. In the process of digital transformation, Nongfu Spring understands the importance of accurately predicting market demand for enterprises, so it uses big data analysis and artificial intelligence algorithms to build a demand prediction system. In terms of data collection, the Internet of Things technology is used to obtain real-time product sales dynamics and consumer behavior data through the deployment of sensors and acquisition devices in sales terminals such as supermarkets and convenience stores, and the data is transmitted to the data center.

In the analysis method, time series analysis is used to excavate the rule of historical sales data, and machine learning models such as decision tree and neural network are combined. The decision tree classifies and predicts sales according to season, promotion and other conditional variables. Neural network self-learning to extract features

and capture deep rules. By combining multiple sources of data and using these techniques to build predictive models, companies can accurately predict demand for different products at different locations and times of day. Before the peak season, increase production and optimize distribution according to the forecast to ensure supply; In the off-season, reasonable production reduction to avoid overstocking. Such as the summer drinking water peak season, accurate prediction to ensure the supply of goods to promote sales growth; Winter beverage off-season, optimize inventory management to reduce costs. This strategy improves supply chain efficiency and enterprise competitiveness [3,4].

Optimization of Logistics Distribution. Digital technology has effectively promoted the optimization of Nongfu Spring logistics and distribution links, and deeply promoted supply chain collaboration [5]. Companies use geographic information systems (GIS) and vehicle management systems to accurately track the location and status of distribution vehicles in real time. ERP collaborates with WMS, WMS monitors inventory and feeds back data, ERP provides planning suggestions to production departments in combination with demand forecasting to avoid production imbalances. For example, when raw material inventory is low and product demand will rise, ERP prompts the production department to arrange production in time. In logistics distribution, TMS combines GIS and vehicle management system to optimize routes with intelligent algorithms based on orders, vehicle location, road conditions and traffic rules. Priority delivery of emergency orders. When the order volume of promotional activities increases, TMS can quickly re-plan routes and deploy vehicles, improve distribution efficiency and punctuality, ensure timely delivery of products to consumers, and enhance the overall efficiency and competitiveness of the supply chain.

3.3 Marketing Digitization

Consumer Insight and Market Response. Nongfu Spring collects consumer information through big data, including age, region, purchase frequency, consumption scenario. Using data analysis tools to study the changing trends of consumer preferences and demands, it provides a strong basis for product development and marketing strategy formulation. Among them, the launch of the "tea PI" series of products is a model. In the early stage of product development, the company in-depth market research, accurate insight into the young consumer groups for fashion, personalized pursuit. Based on this, "tea PI" series of products in the taste of bold innovation, integration of a variety of popular elements, to create a unique taste experience; In the packaging design, the use of youth style, into the pop culture elements, successfully attracted the attention of young consumers. Through a series of precise marketing strategies, such as cross-border cooperation with young people's favorite cultural activities such as music, and active use of social media platforms to carry out interactive marketing, the "tea PI" series products quickly become popular among young consumer groups, and the brand influence in this market segment has been significantly improved. It further consolidated the

diversified layout and competitive advantage of the company in the beverage market [6].

Precision Marketing and Advertising. Based on the digital marketing platform, Nongfu Spring implements precise advertising on different platforms online. Use social media platforms to accurately target consumer groups and accurately push advertising content to potential consumers. At the same time, through online interactive activities, the interaction and stickiness between the brand and consumers are increased. For example, the Nongfu Spring is a little Sweet interactive activity on the Weibo platform has attracted a large number of users, and the topic has been read more than 1 billion times, effectively improving brand awareness and reputation, and promoting product sales.

3.4 Data Management and Security Digitization

Data Integration and Analysis Platform. Nongfu Spring has built a comprehensive data management platform to integrate data of production, supply chain, marketing and other business links to achieve interconnection and sharing, and help enterprises make decisions. When collecting data, formulate strict norms, use professional equipment system to collect various data, to ensure the authenticity and integrity of multiple verification, such as sales data collection will be checked several times. In the construction of regulatory compliance system, pay attention to the dynamic adjustment policy process of domestic and foreign regulations, set up a security management team to supervise the implementation, carry out training, cooperate with regulatory inspection and audit, ensure the legal compliance of data processing, protect the security of data assets, and support digital transformation.

Data Security Measures. With the deepening of digital transformation, data security has become an important concern for enterprises. Nongfu Spring attaches great importance to data security management and has established a strict data access rights management system, setting different data access rights for employees at different levels to prevent data leakage. At the same time, strengthen the application of data encryption technology, encrypt sensitive data storage and transmission, and ensure the security of data in all aspects. In addition, companies regularly back up their data to deal with the risk of possible data loss. Through these measures, Nongfu Mountain Spring effectively guarantees the security of enterprise data assets and provides a solid foundation for digital transformation.

4 Challenges of Digital Transformation

4.1 Data Quality and Governance Problems

Although Nongfu Spring has made progress in data integration, data quality issues remain prominent. The wide range of data sources makes it difficult to ensure the accuracy, completeness and consistency of data. Some data are missing, incorrect or duplicated, which will also affect the reliability and scientificity of data analysis. In terms of data management, enterprises lack a sound data governance system and process, data standards are not unified, and data management responsibilities are not clear, resulting in low efficiency of data management.

4.2 Digital Talent Shortage Dilemma

Digital transformation requires interdisciplinary talents with knowledge and skills of information technology, data analysis, digital marketing and other aspects. However, Nongfu Spring is relatively inadequate in terms of digital talent reserve, and the proportion of digital professionals in the existing workforce is relatively low. This makes enterprises face difficult technical problems and insufficient innovation capacity when advancing digital projects, limiting the speed and depth of digital transformation. In addition, the imperfect talent training system of enterprises and the lack of training courses and development opportunities for digital skills enhancement also affect the improvement of employees' digital literacy.

4.3 Limitations of Technological Innovation Application

Despite the effectiveness of Nongfu Spring's digital transformation, technological innovation is still limited. Compared with the pioneering enterprises in science and technology, there is a gap in the application of emerging technologies. In terms of the Internet of Things, although the network monitoring of equipment can be realized, the operation status of key equipment can be grasped in real time, and data support can be provided for operational decisions, but there are problems with equipment coordination. Due to the incompatibility of equipment communication protocols from different suppliers, information interaction is blocked, and enterprises lack a unified management platform, which makes it difficult to intelligently linkage according to production needs, restricting the improvement of production efficiency [7]. In the field of artificial intelligence, it is currently used for demand forecasting and inventory management to help enterprises reduce costs and control risks. However, complex scenes such as intelligent customer service and intelligent production show shortcomings. It is difficult to develop the adaptive algorithm model, and the required business data is insufficient in the collection dimension and depth, and the model training is insufficient to cope with complex situations. At the same time, the introduction and cultivation of professional artificial intelligence talents is not enough, the internal team is difficult to overcome technical problems, and the technology is difficult to integrate into the core business,

affecting the improvement of service and production efficiency, and weakening market competitiveness.

5 Suggestions for Optimization

5.1 Strengthen Data Management and Quality Improvement

Data is the key to digital transformation, and data quality affects decisions and operations. Many enterprises due to poor data governance, data inconsistency and other problems, increase costs, delay response. Nongfu Mountain Spring needs to establish a perfect data governance system. First, the organizational structure is clarified, and a data governance committee is set up. Departmental responsibilities are defined to prevent prevarication, and the process is sorted out to ensure its smooth flow. Then, a unified standard is developed, covering formats and definitions. It is also necessary to strengthen quality management, build a monitoring mechanism, clean data with automated tools, compare the accuracy of verification, and repair problems in time. The construction of a complete system can lay the foundation for the digitization of Nongfu Spring and help sustainable development [8].

5.2 Increase the Training and Introduction of Digital Talents

In the digital wave, enterprise competition is talent competition. Due to the lack of such talents in some traditional enterprises, it is difficult to apply new technologies and expand business. Nongfu Spring is facing the challenge of digital transformation and should increase talent training and introduction. Strategies to target talent are developed according to demand. Campus recruitment and selection of college graduates related majors. Social recruitment and mining industry experienced talents. Internal training is strengthened, courses are designed according to the shortcomings of positions, and employees' digital literacy is improved. An incentive mechanism is built, special bonuses are set up, and outstanding employees are awarded. Digital talents can continuously inject innovative energy into enterprises, bring new development opportunities to enterprises, and enhance the competitiveness of enterprises in the market [9]. To build a digital talent ecology, Nongfu Spring can take the lead and turn talents into competitive advantages.

5.3 Promote Technological Innovation and Application Expansion

In the market competition, technological innovation helps enterprises break through. For example, Tesla relies on innovation to break through the automatic driving of electric vehicles, reshaping the industry and obtaining a high valuation. Many enterprises fall into homogenized competition and limited growth due to lack of innovation. To make a breakthrough, Nongfu Spring needs to increase investment in research and development of emerging technologies. In the production process, the scheduling algorithm is optimized by using artificial intelligence and the plan is adjusted according to

real-time data; the protocols are unified, platforms are built, collaborative devices are connected and data are shared by using the Internet of Things. In supply chain management, Internet of Things sensors are used to collect data and blockchain is used to ensure the authenticity of data. By promoting technological innovation and application expansion and integrating resources, Nongfu Mountain can improve its competitiveness and open up new markets [10].

6 Conclusion

To sum up, this study carried out a comprehensive and in-depth analysis of the digital transformation process of Nongfu Spring, and systematically sorted out its digital practices in several key areas such as production management, supply chain, marketing and data management. Through research, it is found that with the help of these digital means, Nongfu Mountain Spring has effectively achieved a significant improvement in operational efficiency and gradually stabilized its position in the fierce market competition. From the perspective of broader significance and impact, the results of this study have important reference value for the digital transformation practice of enterprises in the same industry. Whether it is an enterprise in the initial stage of transformation, or an enterprise committed to further deepening the degree of digitalization, enterprises can learn from the experience, clarify the key links in the process of digital transformation and possible challenges, and then reasonably plan their own transformation path to avoid demerits. However, this study also has some objective limitations, such as the lack of more in-depth research on the differentiated implementation effects of specific digital strategies in different regional markets. Looking forward to the future, the follow-up research can focus on these under-developed areas, and further analyze the accurate adaptation of enterprises' digital transformation strategies in different regions and different consumer groups, to provide enterprises with more targeted and more practical guidance and suggestions.

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