

Review and Prospect of Business Model Innovation Research

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Abstract: *This paper systematically organizes, analyzes and summarizes the research literature on business model innovation in the context of digital transformation at home and abroad, and comprehensively, objectively and accurately demonstrates the various perspectives of the research on enterprise business model innovation in the context of digital transformation in terms of the theoretical basis of business model innovation, the driving elements of business model innovation, the combination of elements and the path of innovation, aiming at exploring the future research direction of enterprise business model innovation in the context of digital transformation and proposing the future research direction of business model innovation in the Chinese context and the digital context. It aims to explore the direction of future research on enterprise business model innovation under the background of digital transformation and puts forward the future research direction of business model innovation in the Chinese context and digitalization context.*

Keywords: *Business Model Innovation, Digital Transformation, Literature Review*

1. Introduction

In the era of digital economy, business model innovation has become an important means for enterprises to obtain sustainable competitive advantages, and digital technology has deeply changed the basic composition of business model. Scholars continue to pay attention to business model innovation, and the research focus is from the initial relationship between business model and technological innovation, the concept connotation and mechanism of business model innovation to the sustainable business model innovation and the service and digital trend of business model innovation[1]. Although some research results already exist, the summary and sorting out of these research results still need to be improved. The existing literature review mainly focuses on reviewing some segments of business model innovation or using bibliometry to evaluate its development trend, lacking lacks systematic review and summary of business model innovation. The influence elements and realization path of business model innovation is a very innovative and challenging frontier scientific problem, which has huge research space and research value.

Through the systematic analysis and synthesis of the influence elements of business model innovation, it can provide a more scientific innovation path and strategic decision basis for enterprises[4]. Therefore, it is of great theoretical and practical value to continue to deeply study the business model innovation and explore its internal mechanism and realization path[2]. This paper aims to systematically sort out, analyze and summarize the research literature of enterprise business model innovation under the background of digital transformation at home and abroad, so as to comprehensively, objectively and accurately show the various perspectives of enterprise business model innovation research under the background of digital transformation, and explore the direction of future research. As an emerging research field, business model innovation comes from the deepening of business model research. Business model innovation refers to the process in which enterprises gain competitive advantages and create greater value in market competition by changing or redesign the elements of their business model[3]. Business model innovation can help enterprises to gain competitive advantages in the market competition, create greater value, and adapt to the changing market environment. In the current rapidly changing and uncertain business environment, business model innovation has become one of the important strategies for enterprise development.

2. Research on business model innovation

2.1. Elements of business model innovation

The elements of business model innovation can be understood as the key factors for commercial enterprises to obtain competitive advantage through change or innovative business model in the market competition. The elements of business model innovation include the following aspects:

Value proposition innovation: Business model innovation should consider how to provide a unique value proposition to meet the different needs and expectations of customers. This can be done by providing higher quality products or services, providing lower prices, creating a better user experience, and more[4].

Channel innovation: Business model innovation should consider how to improve the efficiency of sales and distribution of products or services through innovative channels, as well as the point of contact and communication with customers. For example, you can expand the market through emerging channels such as the Internet and mobile applications, or combine online and offline channels to achieve a better user experience[5].

Income model innovation: Business model innovation should consider how to improve the profitability by innovating the revenue model. In addition to the traditional product sales and service charges, a variety of revenue sources such as subscription system, advertising revenue, licensing fee and so on can be considered to provide a more stable and sustainable profit model[6]

Supply chain innovation: Business model innovation should consider how to improve the quality, efficiency and cost control of products or services through innovative supply chain. The supply chain can be optimized through close cooperation with suppliers and adopting new supply chain technologies and management methods, so as to achieve more efficient production and logistics management[7].

Partnership innovation: Business model innovation should consider how to establish a strategic partnership with other enterprises, so as to achieve resource sharing, risk sharing and win-win cooperation. Through close cooperation with suppliers, channels and partners, the integration of resource advantages and market share expansion can be realized[8].

Customer relationship innovation: Business model innovation should consider how to establish and maintain a good relationship with customers, in order to improve customer loyalty and satisfaction. It can provide better user experience through personalized customization, value-added services, social interaction and other ways, and maintain close contact between customers and enterprises. To sum up, the elements of business model innovation include value proposition, channel, revenue model, supply chain, partnership and customer relationship, etc., where enterprises can gain a competitive advantage and achieve success in the market[9].

2.2. Theoretical Basis

2.2.1. Dynamic Ability

The theory of dynamic ability originated from the theory of enterprise ability put forward by the strategic management circle in the early 1980s. With the continuous expansion and enrichment of the theory of enterprise ability, scholars have deepened and supplemented the theory of enterprise ability. Teece D. J. On the basis of combining the enterprise ability theory and strategic view, introduced the "dynamic" view into the research of enterprise ability for the first time, put forward the concept of enterprise dynamic ability, constructed the corresponding analysis framework, and the dynamic characteristics gradually promoted the ability theory and gradually developed into the dynamic ability theory[11]. Dynamic capabilities emphasize the ability of enterprises to constantly adjust and reconstruct themselves in order to adapt to the changing external environment. Such adjustment and remodeling may include changes in organizational structure, resource allocation patterns, and competency. This ability to adjust and reconstruct plays a key role in strategic management, which needs to properly handle, integrate and reconstruct the organizational knowledge, resources and skills inside and outside the enterprise to adapt to the changes in the environment. This dynamic capability is critical to the long-term success of an enterprise. Because the market and competitive environment in which an enterprise are constantly changing, only with sufficient dynamic ability can they quickly respond to these changes, seize the market opportunities and cope with the competitive challenges. However, the construction of dynamic capability is not easy, which requires enough flexibility and adaptability, as well as enough strategic

vision and decision-making ability. Therefore, for enterprises, cultivating and improving dynamic capabilities is an important means to enhance their own competitiveness and cope with the changes in the external environment[12]. Dynamic ability refers to the ability of enterprises to maintain core competitive advantages in the complex and changeable market environment. It enables enterprises to continuously optimize their own capabilities or generate new capabilities, so as to promote the effective integration and reasonable allocation of enterprise resources, and help enterprises to identify and develop new market opportunities and cultivate competitive advantages. In contrast, enterprises with low dynamic capability or no dynamic capability cannot adapt to the continuous changes of the external environment, which may eventually lead to the loss of opportunities and resources for survival. Therefore, enterprises need to have high dynamic capabilities to adapt to the changing market environment and maintain a competitive advantage[3]. The theory of dynamic capability is closely related to enterprise business model innovation under the background of digital transformation. The rapid development of digital technology makes the environment of enterprises change day by day, and the dynamic ability has become a more suitable theoretical perspective, which can more deeply understand and explore the process of enterprise survival and development[12]. According to the dynamic capability theory, the innovation activities of enterprises will be affected by the dynamic ability of enterprises, and the specific dynamic ability can promote the innovation activities of enterprises. In the digital era, enterprises need to continuously gain competitive advantages according to the changes of the environment. Therefore, the dynamic capability theory provides a theoretical framework for exploring the enterprise business model innovation under the background of digital transformation[13]. In the context of digital transformation, enterprises need to constantly adjust and reconstruct their own organizational structure, resource allocation mode and competence to adapt to the rapidly changing digital environment. Dynamic capability theory provides a theoretical framework, by identifying and developing new market opportunities, fostering competitive advantages, and promoting the effective integration and rational allocation of enterprise resources, so as to realize the business model innovation. In the digital age, enterprises with high dynamic capabilities can better adapt to and respond to market changes, maintain competitive advantages, and achieve continuous innovation and development[14]. Therefore, the dynamic capability theory is of great significance to the exploration and research of enterprise business model innovation under the background of digital transformation[10].

2.2.2. Synergy Theory

The theory of synergistic symbiosis is a management method, which realizes the key elements of synergistic symbiosis effect, architecture, management model and value reconstruction in the process of pursuing the optimal overall value. Applications of this theory include aspects of tissue endosymbiosis, tissue exosymbiosis and intertissue symbiosis. Within the organization, the collaborative symbiosis theory emphasizes the collaboration between various departments and teams to promote the efficient operation and value creation of the entire organization. This collaboration can include information sharing, resource sharing, collaborative decision-making and so on. At the same time, the theory of synergistic symbiosis also pays attention to the synergistic symbiosis between various levels within the organization. Through good communication and collaboration, employees at different levels can support each other and work together, so as to achieve more efficient work results. In addition to its application within tissues, the synergistic symbiosis theory also emphasizes the synergistic symbiosis between the organization and the external environment. Cooperation and interaction between organizations and external stakeholders such as suppliers, partners, and customers are considered to be an important factor in achieving the synergistic symbiosis effect. Through good cooperation with external stakeholders, organizations can obtain more resources to support, expand market share and improve competitiveness [15]. Finally, the synergistic symbiosis theory also focuses on the synergistic symbiosis between tissues. Cooperation and alliance between organizations can achieve mutual benefit and win-win results through resource sharing, technological innovation and market development. This kind of collaborative symbiosis between organizations can not only be the cooperation between enterprises in the same industry, but also be cross-industry or cross-field cooperation. By integrating the advantages and resources of all parties, the goal of the optimal overall value can be achieved [16]. In short, the theory of synergistic symbiosis proposes a management method to achieve the overall optimal value through the synergistic cooperation and symbiotic relationship between the parties inside and outside the organization. This management approach emphasizes the importance of collaboration, resource sharing, innovation, and market development, and can help organizations improve efficiency, enhance competitiveness, and achieve sustainable development goals [17].

2.2.3. Resource-orchestration Theory

The resource-based perspective was first put forward by Penrose (1959) in his book *The Theory of*

Enterprise Growth, which believed that the difference of resources is an important reason for the growth of enterprises[18]. Subsequently, Wernerfelt (1984) and other scholars formally put forward the resource-based theory (Resource-Based Theory, RBT) on its basis to explore how to form a unique competitive advantage from the perspective of resources[19]. However, the traditional resource-based theory overemphasizes the heterogeneous resources owned by enterprises, but ignores the important role of how enterprises to acquire and allocate resources in shaping their competitive advantage. Sirmon et al. (2011) integrated the research results of resource management and asset arrangement from the perspective of action, constructed the resource management framework, and put forward the theory of resource arrangement, which emphasizes the effective combination, allocation and utilization of resources and capabilities, and believes that the management of resources and resources are equally important. The theory of resource arrangement covers the resource management process of constructing resource combination, bundling resource forming ability to utilizing ability to create value, and reveals the intermediate process from resource to sustainable competitive advantage[20]. At present, the theory of resource arrangement has been widely used in social responsibility[21], innovation and entrepreneurship[22], strategic change[23] and other fields, and scholars' research has also confirmed the significance of resource arrangement. The entrepreneurial ecosystem has the characteristics of symbiosis, diversity, competitiveness, self-maintenance and network (CAI Li et al., 2016). As an important component of the entrepreneurial ecosystem, the new enterprise has weak resources and capabilities, and the ability to obtain the system support and construction of resource combination is the key to its business model innovation[24]. Therefore, resource arrangement can effectively promote the acquisition and integrated utilization of resources in the entrepreneurial ecosystem and realize business model innovation.

2.3. Factors Influencing Business Model Innovation

Business model innovation is a process in which enterprises integrate and use their own resources and capabilities in the changing market demand and competitive pressure to cope with the constantly changing environment, so as to provide a unique value proposition and profit model. This process is generally influenced by and driven by multiple factors driving[25]. When studying the drivers of business model innovation, scholars focus on both internal and external aspects. Further vining and understanding these drivers will help companies seize the opportunities of change and create more competitive business models.

2.3.1. Internal Factor

One is technological innovation. Enterprises play an important role in technological innovation. Technological innovation, as the power source of enterprise business model innovation, promotes enterprise innovation in business model, products and services[26]. It has become the focus of scholars' research on business model innovation, and Internet enterprises have realized the differentiation of business models through technological innovation. The emergence of the Internet has challenged traditional business models. By utilizing new technologies, such as cloud computing and big data analysis, enterprises have improved the delivery mode of products and services, forming a distinct difference between them and traditional enterprises[27]. This differentiated business model not only meets the increasingly diversified needs of consumers, but also effectively improves the competitiveness of enterprises. Secondly, enterprises realize the innovation of their business model through technological innovation. Based on technology, a brand new business model has been built. Finally, enterprises realize the expansion of their business model through technological innovation. The continuous development of technology has provided unlimited business opportunities for enterprises. Internet enterprises have expanded the boundary of business model[28]. Through continuous innovation and optimization of technology.

Second, the resources and capabilities of the enterprise. Enterprises need to have flexible resources and the ability to transform resources to benefits to ensure the effective implementation of business models. Teece (2010) pointed out that a successful business model must first be able to accurately identify the differences and contradictions between the enterprise and the external environment [29]. Only by clarifying the challenges and problems faced by the enterprise can enterprises respond in a targeted way. In the face of external risks and uncertainties, enterprises can rely on their own existing resources or through external resources to solve problems, so as to achieve the business model update and innovation [29]. Enterprises must flexibly use all kinds of resources, including capital, personnel, technology, brand, etc., to adapt to the changes in the market and demand, so as to enhance the competitive advantage of enterprises and create greater value. At the same time, enterprises also need to have the ability to transform resources into benefits, that is, the ability to create profits and value through the rational use of resources. Only in the process of resource utilization efficiently can the sustainable development and

successful implementation of the business model can be achieved. Therefore, when building a business model, enterprises should pay attention to the flexible use and transformation of resources, in order to meet the market demand, and constantly adapt to and respond to the changing environment.

Third, the managers of enterprises. From a manager's perspective, business model innovation needs to identify potential opportunities through continuous analogical reasoning and conceptual combination analysis during the decision-making process and to break the organizational inertia[30]. At the same time, the prediction ability, integration ability and absorption ability of managers determine the design and implementation process of business model innovation. Research shows that entrepreneurs, as owners and managers can significantly promote business model innovation when enterprises are in a less competitive environment [31].

2.3.2. External Factor

From the analysis of the external factors affecting the business model innovation, the policy environment, technology environment, market environment and industry competition will all become the driving forces that trigger enterprises to carry out business model innovation. Business model innovation may come from technological and regulatory changes, or as a result of trial and error in environmental changes

One is the change of market demand. The market environment is very uncertain, so enterprises need to flexibly adjust their business model and keep up with the changes in the market to maintain their core competitiveness. The premise for enterprises to achieve their value goals is to meet the market demand. Consumers are an important part of the business model. Enterprises need to constantly adjust their business model according to the demand level and preferences of consumers. According to Deloitte's research, in promoting business model innovation, chronic but unmet or fully met consumer needs play a more significant role in driving business model innovation than factors such as technological innovation or institutional changes. The changes in consumer demand can be roughly divided into two categories: First, when enterprises expand the market and introduce new consumer groups, they need to innovate the business model according to the new needs of new consumers, so as to better realize the value goal. Some studies have shown that when enterprises in developed countries try to enter the market of developing countries, they need to consider the similarities and differences between the needs of different levels of consumers and whether they need to innovate the original business model locally. Second, the needs of the original consumer groups will continue to evolve and update, such as the business model innovation and emerging business forms spawned by the COVID-19 epidemic. In addition, through cooperation with partners, enterprises can obtain different resources such as complementary resource assets. With the rise of the concept of value-creation, the demand of partners has also become an important factor constituting the market demand of enterprises. Therefore, when the partners make technological progress or business model innovation, the central enterprise needs to adjust its own value proposition and business model to maintain the stability of the cooperation network. Therefore, many scholars study the business model innovation of enterprises from the perspective of market demand. Enterprises face two threats, one is technology threat, the other is market threat, different external threats will affect the reaction of entrepreneurs. When enterprises are faced with double threats, it is easier to stimulate high-level market-driven business model innovation, because the established business model is no longer able to adapt to the market demand, enterprises more actively use of the previous core capabilities, market-oriented, integrate the established organizational structure, and improve enterprise performance.

Second, the pressure of industry competition. When the market competition is fierce, enterprises face greater pressure and challenges, which prompts them to innovate their business model. Business model innovation can help companies remain competitive and bring greater benefits. Business model innovation can link the internal operation of an enterprise with the external market environment, so that enterprises can surpass their competitors in a highly competitive environment. The existence of competitors in the industry can bring power and pressure to the enterprise. When these pressure and power reach a certain level, the enterprise will feel urgent, thus promoting business model innovation. However, scholars have not yet explored the degree of pressure given by competitors.

2.4. Business Model Innovation Realization Path

Business model innovation can be achieved through four paths, namely, target market innovation and product / service positioning innovation, enterprise internal value chain innovation and external value network innovation, marketing subject and transmission channel innovation, as well as cost composition innovation and revenue source innovation. These innovation paths can help enterprises better meet the

needs of their target market, enhance competitiveness and achieve value acquisition.

Path 1: Target market innovation and product / service positioning innovation. The business of enterprises is to provide products or services to a specific target market to meet their needs. In the process of expanding, focusing, or changing their target market, companies first need to identify who to serve and what their needs are. Then determine what products or services the enterprise provides to better meet these needs [32].

Path 2: Enterprise internal value chain innovation and external value network innovation. Value creation refers to how an enterprise makes or provides a product or service. When making the business model innovation of value creation, it can be realized through the internal value chain innovation and the external value network innovation. Internal value chain innovation includes improving technology and business competitiveness related to products or services, adjusting resources and capabilities, and optimizing business processes, etc. External value network innovation is to seek for global partners and build a value network in order to achieve better value creation [33].

Path 3: Marketing subject and transmission channel innovation. Value transfer refers to how enterprises deliver their created products or services to their customers. The innovation of business model in value delivery needs to consider two aspects: marketing subject and distribution channel. We need to determine who will deliver the value and how to deliver the value of an enterprise to consumers in a more convenient, fast, safe and efficient way. Path four: Cost composition innovation and revenue source innovation. Value acquisition refers to how an enterprise gains profits and profits. The value acquisition of the business model depends on the cost structure and the income mode. Therefore, business model innovation can be conducted by reducing costs and changing the sources of profit to achieve better value acquisition [34].

2.5. Business Model Innovation Results

Business model innovation is an effective means for organizations to achieve specific goals. Enterprises through business model innovation can improve enterprise performance, obtain competitive advantages, obtain legitimacy and achieve sustainable development

2.5.1. Enterprise Performance

There have been a lot of studies on the association between business model innovation and enterprise performance. For example, IBM's consultants surveyed 765 corporate and public sector leaders worldwide and found that companies that emphasize business models had far better financial performance than that do not. This indicates the positive impact of business model innovation on enterprise performance. However, some studies have pointed out that the correlation between business model innovation and enterprise performance depends on multiple aspects [35]. On the one hand, the total value creation potential of business model innovation is an important influencing factor. If a business model innovation can create more value, then it has a greater positive impact on enterprise performance. On the other hand, the impact of this innovation on the ability to profit from total value is also a key factor. If an enterprise cannot effectively obtain value from innovation, then even if innovation creates a lot of value, it may have a negative impact on the performance of the enterprise. In addition, some studies have also found that when business models pursue both efficiency and novelty, they will have a negative impact on corporate performance. This may be because this dual goal of efficiency and novelty will make it difficult for enterprises to focus on the core business, thus affecting their performance. In general, business model innovation can have a positive impact on enterprise performance, but the specific impact depends on multiple factors, including the total value creation potential of innovation, the ability of enterprises to profit from the total value, and the characteristics of innovation. Future research could further explore how these factors interact and how to improve business performance through effective business model innovation.

2.5.2. Competitive Edge

There is a close connection between business model innovation and competitive advantage. Competitive advantage means that an enterprise has a unique quality different from its competitors, which can help it to gain a dominant position in the market. Business model innovation is a response to perceived opportunities and threats, and it is internally connected to strategic actions. Therefore, through business model innovation, enterprises can gain competitive advantages. However, focusing only on the business model and ignoring the strategy may lead to a poor long-term competitive advantage. Because even if the business model is successful in the short term, it could face the threat of imitation from

competitors in the long term. If companies lack a clear strategy to update or innovate business models, competitive advantage could quickly be overturned by [36]. Therefore, enterprises must combine business model innovation with organizational long-term strategy to gain long-term competitive advantage. To sum up, business model innovation is not only a concrete reflection of strategy, but also an important means for enterprises to overcome competitors. Companies must quickly and effectively redefine the business model to align the business model with the organization's long-term strategy, thus gaining a long-term competitive advantage.

2.5.3. Validity

Business model innovation plays an important role in start-ups. Due to their new disadvantages, new enterprises often lack legitimacy, and they need to improve their legitimacy through business model innovation. In the Chinese context of the "mass entrepreneurship and innovation" strategy, the innovation and efficiency contained in the market trading opportunities are important sources of organizational legitimacy, while the influence of business model innovation on the legitimacy is influenced by the policy orientation. By strategically designing the content, structure and governance model of business models, start-ups can enhance the legitimacy of customers and business partners or gain industry recognition, and limit the possibility of being imitated by competitors[37]. This is of great significance for the successful development of new enterprises and the acquisition of competitive advantages. In addition, business model innovation can also help start-ups realize their entrepreneurial vision and judgment. Because the business model reflects the management of the enterprise's cognition of customer needs, as well as the basic logic and way of how to create, deliver and acquire value in the most optimal way, for new enterprises, business model innovation is always closely linked with the vision, imagination and judgment of entrepreneurship. Therefore, new enterprises need to innovate and adjust their business models according to market changes and customer needs, so as to adapt to market changes and gain competitive advantages. In short, from the perspective of entrepreneurship, the effect of business model innovation focuses on acquiring legitimacy and improving the competitive advantage of new enterprises. By strategically designing the content, structure and governance model of the business model, start-ups can improve their legitimacy and gain industry recognition, and limit the possibility of being imitated by competitors, so as to realize their entrepreneurial vision and judgment.

2.5.4. Sustainable Development

With the further deepening of the research, the sustainable development has gradually become an important research content of the effect of business model innovation, which mainly includes the sustainable development of the organization and the sustainable development of the ecosystem. The organization's sustainability research points out that, through sustainable Business Model innovation (SBMI), enterprises actively seek business solutions that achieve both their corporate economic goals and their own sustainable development goals to cope with the crises and challenges brought about by the external environment. This sustainable business model innovation refers to the enterprise will responsibility digital technology innovation (such as big data analysis, Internet of things and block chain technology) embedded in the existing business model, in effectively reduce the business impact on the environment and society at the same time, improve the business model of social value creation, and ultimately improve enterprise financial performance[38]. The sustainable development of the ecosystem states that stakeholders within the ecosystem should act together in a more macro common interest to bring positive or significantly reduced negative impact innovations to society or the environment. This positive impact feeds back to individual individuals within the ecosystem, allowing them to achieve sustainable financial growth. Grasp the economic, social and environmental tensions from the macro perspective; from the enterprise perspective, value the relationship between value creation and value acquisition, common value and personal value, and the tension between acquired value and lost value management[39]. In the process of realizing sustainable business model innovation, stakeholders in the ecosystem need to be consistent in terms of norms, tools and strategy, and adjust their respective boundaries to realize business model innovation, so as to have a positive impact on multiple dimensions of society, environment, ecology and economy[40].

3. Conclusions

Based on the analysis and combing of the basic context of the core literature of business model innovation, this paper systematically shows the research status in this field, In-depth analysis of business model innovation, elements, theoretical basis, influencing factors, realization path and innovation results, On the one hand, the development of technology has promoted the reshaping of business operation

logic, especially the emergence of emerging technologies, such as artificial intelligence, the Internet of Things, etc., which has greatly narrowed the distance between enterprises and the market, improved the market perception ability of enterprises, and made enterprises have a deeper understanding of user needs. On the other hand, the value migration of industrial markets and the value creation opportunities contained in emerging markets are also important factors driving business model innovation. These changes encourage companies to innovate their business models to gain a competitive advantage. In general, technology and market are important forces driving business model innovation, and together they promote the change of business model and the sustainable development of enterprises. Their effective combination cannot be separated from the market environment, and the business model design according to the market is also inseparable from the support of technology. Driven by the interaction between technology and the market, the theme, degree and object of business model innovation research are continuously and deeply refined, and more closely integrated with the research situation. This combination makes the business model innovation more complex and diversified, which requires more in-depth and detailed research. The importance of business model innovation to enterprise development. It not only helps to improve enterprise performance, but also the uniqueness of innovation gives enterprises more value creation potential, giving them a competitive advantage. From the perspective of entrepreneurship, business model innovation can promote the legitimacy of entrepreneurial enterprises, and then realize the long-term development of enterprises. With further research, the results of business model innovation began to focus on the sustainable development of organizations and ecosystems from a more macro perspective. This shows that business model innovation can not only contribute to the individual development of enterprises, but also can promote the long-term and stable development of the whole organization and ecosystem.

4. Research Prospect

First, the research of business model innovation needs to further clarify its concept and definition. Since there is no generally accepted definition of the business model itself, the concept of business model innovation is not clear, which hinders the development of this field to some extent. Therefore, future research should be dedicated to clarify the concept of business model and business model innovation, and to conduct more detailed research on the characteristics of business model innovation.

Secondly, with the popularization of intelligent terminals, the reduction of connection costs and the enhancement of consumption autonomy, the upgrading of consumption and the ablation of industrial boundaries are taking place. This huge change in business form and customer behavior will stimulate the continuous emergence of new markets and new industries. Therefore, the follow-up research should combine the background of the digital age, explore the motivation and mechanisms of business model innovation at the industry and enterprise level, and further refine the types and characteristics of business model innovation, as well as the digital capabilities needed to support business model innovation. In addition, it is also necessary to study the digital transformation mode and process mechanism of individual organizations. This shows that the research on business model innovation in the digital age needs to be more thorough and meticulous to better understand and respond to new market and industrial changes.

Third, the digital age has brought new opportunities and challenges to small and medium-sized enterprises. SMEs need to reconsider their current business model to identify and develop new business opportunities. At the same time, based on the institutional theory, highly innovative new enterprises may face legitimacy obstacles, so how to achieve the growth of new enterprises through business model innovation in the institutional situation is also an important challenge. Therefore, the follow-up research should conduct a more in-depth analysis of the business model innovation cases of small and medium-sized enterprises, and compare and analyze the similarities and differences in the business model innovation path, mechanism and required dynamic capabilities of small and medium-sized enterprises and in-place enterprises in the digital situation. This comparative analysis helps to better understand the business model innovation of different types of enterprises in the context of digitalization, and provides targeted guidance for the practice of enterprises.

In short, future research needs to further clarify the concept of business model and business model innovation, discuss the motivation and mechanism of business model innovation at the industry and enterprise level combined with the digital era background, and pay attention to the business model innovation cases of small and medium-sized enterprises. Through these efforts, we can promote the development of this field, better understand and respond to the new market and industrial changes, and provide more targeted guidance for enterprises.

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