

@page{margin:1in}body{font-family:DejaVu Sans,Arial,sans-serif;color:#111;font-size:12pt;line-height:1.6}h1{font-size:20pt;margin:0 0 10pt}h2{font-size:14pt;margin:18pt 0 6pt}p{margin:0 0 10pt}.meta{color:#444}The Impact of AI Driven Technological Transformation on The Business Model Transformation of Chinese Strategic Consulting FirmsDOI:

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2025-12-25AbstractThis study examines how artificial intelligence (AI)-driven technological transformation influences business model transformation in Chinese strategic consulting firms through a mixed-methods approach combining panel data analysis and structured interviews. Using panel data from 128 Chinese strategic consulting firms over the period 2020-2023, alongside 38 in-depth interviews with senior executives, this research employs a difference-in-differences (DID) estimation model to assess the causal impact of AI adoption on business model transformation indicators. The findings reveal that AI-driven technological transformation significantly accelerates business model transformation in Chinese strategic consulting firms ($\beta = 0.38$, $p < 0.001$).

IntroductionThe Chinese strategic consulting industry, traditionally characterized by human expertise and relationship-based value creation, faces unprecedented transformation from artificial intelligence (AI) technologies accelerated by China's national AI strategy and digital economy initiatives [1, 2]. Recent developments in AI capabilities, particularly in China's rapidly advancing technology ecosystem, have fundamentally challenged the established business models of Chinese strategic consulting firms, forcing them to reconceptualize their value propositions, operational processes, and client engagement mechanisms within the unique institutional environment of China's socialist market economy [3]. This technological transformation represents more than a simple automation of existing processes; it constitutes a paradigmatic shift that requires comprehensive business model transformation to maintain competitive advantage in China's increasingly AI-driven business environment [4].

1.1 Research Gap and Theoretical Foundation

Despite the growing recognition of AI's transformative potential, existing literature exhibits significant gaps in understanding how AI-driven technological transformation specifically impacts the business model transformation of Chinese strategic consulting firms. Prior research has predominantly focused on AI implementation in manufacturing and technology sectors [5], with limited empirical evidence from professional services contexts. Furthermore, current theoretical frameworks, particularly the Technology-Organization-Environment (TOE) model [6] and Adaptive Structuration Theory (AST), provide insufficient explanation for the rapid and comprehensive nature of business model transformation observed in AI-driven environments [6]. The strategic consulting industry presents unique characteristics that distinguish it from