THE SUBSTANTIAL VECTORS OF THE DIGITAL BUSINESS DEVELOPMENT

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The digital transformation plays an important role in the dynamic development of the country in the context of integration and globalization processes, and the massification of digital technologies creates new opportunities for the digital business development, increasing its competitive and innovative potentials by due to fast scaling and digitalizing their activities. Harmonization of markets, significant investments in the business infrastructure updating, as well as innovation, influence the development of digital business. Given the above, an urgent and important today’s issue is the formation of a theoretical basis for the digital business development in the context of digital transformation.

Therefore, the purpose of the study is to justify the substantial vectors of the digital business development in a digital transformation in order to rapidly scale and expand new markets.

The enterprises’ experiences of [1-4] are represented that the rapid integration of digital platforms helped to reduce the costs necessary to boost the business in global markets, including an advantage for small and medium-sized enterprises due to the emergence of new opportunities and prospects for implementation activities outside the country. The widespread use of digital platforms for entrepreneurial activity is also explained by the low marginal cost of digital communications, the reduction in the cost of cross-border communications and transactions, and allows enterprises to contact potential buyers, customers and suppliers who can be anywhere in the world within the Internet.

The above indicates that the timely transformation of the digital business in the conditions of unstable globalization processes is the key to their successful functioning. Separately, it should be noted that despite these advantages for business, the digital transformation provoked the emergence of new competitors at the international and national levels, and thereby necessitated the immediate adaptation of enterprises to changes in the external environment in order to increase their competitiveness and ensure stable market functioning, in particular, when entering new markets where enterprises may feel some price pressure from priority competitors with digital business models.

According to the above it is justified the substantial vectors of the digital business development in order to rapidly scale and expand new markets.
1. Reactive scaling with low cost. While digital products and services have different economic characteristics, the main digital elements – software, data and standards are constant. Fixed costs contrast with low, near-zero marginal costs, which, combined with the global value of the Internet, allows enterprises to scale very quickly and, in many cases, with a small number of employees, tangible assets or geographic coverage.

2. Widespread target audience coverage. The initial stages of the digital transformation involve certain difficulties for the digital business development, especially when interacting with consumers in the Internet. Despite this, the integration of digital resources at the global level provides advantages associated with internal and external economies of scale, which is explained by the widespread reach of the target audience in the Internet.

3. Dynamism. Digital technologies accelerate the exchange of information, help increase innovation, optimize business processes, namely, digital technologies and radically change obsolete business processes, thereby stimulating the corresponding transformations in the economic and social environments.

4. Mobility and economic value. In the digital transformation context, the significance of intangible sources, especially data software, is monitored. So, online services are the hybrid enterprises’ source of information due to the ability to generate the data they need about the behavior and preferences of consumers who constantly using different digital platforms.

5. The environment of interaction. The massive use of components and gadgets to satisfy heterogeneous requests, needs and preferences of consumers confirms the comprehensive Internet penetration into all spheres of society, significantly affects the business, because most of the traditional strategic imperatives are not effective in modern conditions. Digital technologies contributed to the interactive interaction of consumers and businesses. The impact on their behavior, stimulated the emergence of digital platforms characterized by varying degrees of integration, functional features, data sharing, openness, and also accompanied by omnichannel.

Thus, it can be concluded that the justified substantial vectors of the digital business are triggers of the fast and successful business development in the context of digital transformation. In addition, these vectors provide the fast business scaling and the successful expansion into new markets.

References: