

FUNCTIONING OF MODERN MARKETS IN THE CONDITIONS OF DIGITAL TRANSFORMATION

Dolina K. A.

Scientific supervisor – Doctor of Economic Sciences, professor Polozova T.V.
Kharkiv National University of Radio Electronics,
Department of Economic Cybernetics and Management of Economic Security,
Kharkiv, Ukraine
e-mail: karyna.apiekisheva@nure.ua

This work defines the impact of digital technologies on modern markets and business models, the examples of digital transformation in various industries, such as fintech, transportation, and hospitality, the necessity for companies to adapt to digital changes to remain competitive and the opportunities presented by digital transformation and a focus on innovation to ensure business success.

Digital technologies are transforming the modern world in various ways, impacting all spheres of societal life, including business practices and interactions with markets. Digital transformation has become a key concept defining the change in approaches and strategies in business aimed at utilizing digital technologies to create new or modify existing business processes, culture, and customer experiences, fostering such changes in both business and market contexts.

The issue of the impact of digital technologies on modern markets and business models has been studied by numerous researchers, including Yu. Romanenkov, V. Pasichnyk, N. Veretennikova, M. Nazaruk, A. Leheza [1], I. Kolupaieva, I. Sheiko, T. Polozova [2] and others.

Digital transformation is a set of strategies and practices aimed at utilizing digital technologies to achieve competitive advantages and improve the efficiency of business processes. It involves integrating digital technologies into all aspects of organizational activities, from interacting with customers to optimizing internal processes.

The digital impact on markets manifests itself in various aspects of the modern economy. One of the obvious transformations is the change in consumer behavior. The internet and mobile technologies enable consumers to make purchases online, check reviews, compare prices, and receive personalized recommendations. This forces companies to adapt to new customer expectations and provide a convenient online experience for consumers.

The digital economy significantly transforms traditional business processes. Achieving the most advanced levels of digitization in the economy leads to a fundamental transformation of the production relations of participants, resulting in the integration of production and services into a single digital (cyber-physical) system, where:

- all elements of the economic system are present simultaneously in the form of physical objects, products, and processes, as well as their digital copies (mathematical models);
- all physical objects, products, and processes become part of an integrated IT system due to the presence of digital copies and the element of «connectivity»;
- through the existence of digital copies, all elements of the economic system continuously interact with each other in a near-real-time mode, simulate real processes and forecasted states, ensuring continuous optimization of the entire system.

Digitization also affects companies' business models. For example, many enterprises are transitioning to a subscription model, where customers pay for continuous access to services or products. This ensures stable revenue and increases customer loyalty. Examples of such an approach include video and audio streaming platforms, cloud services for data storage, and other services.

In particular, companies utilizing digital technologies may rethink their business processes and strategies. Examples of this include companies like Uber and Airbnb, which use digital technologies to create platforms that connect people and resources in new ways. This leads to changes in traditional industries such as transportation and hospitality and creates new opportunities for entrepreneurs.

The digital impact continues to grow, so companies need to be aware of associated changes to remain competitive. To succeed in today's business environment, enterprises must be prepared for constant change and learning. They should actively explore and adopt new digital solutions and prioritize personalization and meeting consumer needs.

Therefore, digital transformation opens up boundless opportunities for business development, but it requires flexibility, openness to change, and a constant drive for innovation from enterprises. Those who embrace these new possibilities can become leaders in the digital market and ensure a successful future for their business.

References

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