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**GLOBALISATION AND DIGITAL TRANSFORMATION: NEW
STRATEGIC CHALLENGES FOR INTERNATIONAL BUSINESSES
ГЛОБАЛІЗАЦІЯ ТА ЦИФРОВА ТРАНСФОРМАЦІЯ: НОВІ
СТРАТЕГІЧНІ ВИКЛИКИ ДЛЯ МІЖНАРОДНИХ ПІДПРИЄМСТВ**

Summary. *Introduction. The accelerating pace of globalization and digital transformation is reshaping the operational and strategic frameworks of international enterprises. As businesses increasingly transcend national borders,*

they face growing pressure to integrate digital technologies across all areas of activity, re-evaluate traditional management models, and enhance their competitive advantages in a highly interconnected and rapidly changing world. The ability of companies to adapt to this digital reality largely determines their position in the global economic environment.

Purpose. The purpose of this study is to analyse the adaptation strategies of transnational corporations (TNCs) to the challenges of digital transformation, identify the key factors behind successful digitalization of business processes, and develop practical recommendations for ensuring long-term resilience and competitiveness of companies in international markets.

Materials and methods. The study is based on a comprehensive analysis of contemporary scientific literature, international reports, and case studies of leading global companies. Methods of comparative analysis, a systems approach, and generalization were applied to examine the impact of digital technologies on the transformation of international business models. Particular attention was given to regulatory adaptation (e.g., GDPR compliance), cybersecurity management, digital infrastructure development, and the implementation of innovative financial technologies, including fintech solutions, digital currencies, and decentralized finance (DeFi).

Results. The results of the research indicate that digital transformation is not merely a technological shift, but a fundamental strategic challenge requiring a deep restructuring of organizational culture, business models, and management principles. The study shows that while digitalization enables process standardization on a global scale, it simultaneously demands flexibility to accommodate cultural, economic, and legal differences in local markets. Companies that effectively integrate digital solutions into their operations demonstrate higher adaptability, faster responses to market challenges, and greater capacity to seize new growth opportunities. Successful cases of digital transformation among leading TNCs are examined, including the adoption of

digital trade agreements, utilization of advanced e-commerce platforms, and the strategic use of artificial intelligence for decision-making optimization.

Discussion. Future research should focus on the industry-specific aspects of digital transformation and the development of adaptation strategies for businesses of various scales. Promising directions also include exploring the role of leadership in digital change, fostering flexible corporate cultures that support innovation, and managing transformation processes amid ongoing turbulence. Further investigation of these areas will enhance international business strategy formation in the digital globalization era and contribute to the long-term economic sustainability of enterprises.

Key words: *globalisation, digital transformation, international entrepreneurship, strategic challenges.*

Анотація. *Вступ. Прискорення темпів глобалізації та цифрової трансформації суттєво змінює операційні та стратегічні рамки функціонування міжнародних підприємств. Сучасний бізнес, що активно виходить за межі національних кордонів, стикається зі зростаючим тиском щодо необхідності інтеграції цифрових технологій у всі сфери діяльності, перегляду традиційних моделей управління та посилення своїх конкурентних переваг у світі, що дедалі більше характеризується високим рівнем взаємопов'язаності та швидкими темпами змін. Від здатності компаній адаптуватися до цифрової реальності залежить їхнє місце у глобальному економічному середовищі.*

Мета. Метою дослідження є аналіз адаптаційних стратегій транснаціональних корпорацій (ТНК) до викликів цифрової трансформації, виявлення ключових факторів успішної цифровізації бізнес-процесів, а також розробка практичних рекомендацій щодо забезпечення довгострокової стійкості та конкурентоспроможності компаній на міжнародних ринках.

Матеріали і методи. Дослідження ґрунтується на комплексному аналізі сучасних наукових джерел, міжнародних звітів та кейсів провідних компаній. Застосовано методи порівняльного аналізу, системного підходу та узагальнення для вивчення впливу цифрових технологій на трансформацію міжнародних бізнес-моделей. Розглядалися такі аспекти, як адаптація до регуляторних вимог (зокрема GDPR), управління кібербезпекою, розвиток цифрової інфраструктури, а також впровадження інноваційних фінансових рішень, включно з використанням фінтеху, цифрових валют та децентралізованих фінансів (DeFi).

Результати. Результати дослідження демонструють, що цифрова трансформація не обмежується модернізацією технологічних процесів, а є комплексним стратегічним викликом, що вимагає глибокої трансформації організаційної культури, бізнес-моделей та принципів управління. Проаналізовано, як цифровізація сприяє стандартизації процесів на глобальному рівні, одночасно вимагаючи гнучкості для адаптації до культурних, економічних та правових особливостей локальних ринків. Встановлено, що компанії, які ефективно інтегрують цифрові рішення в свої операційні процеси, демонструють вищий рівень адаптивності до зовнішніх змін, здатність оперативно реагувати на ринкові виклики та краще використовують нові можливості для розвитку. Особлива увага приділена аналізу успішних практик цифрової трансформації в провідних транснаціональних корпораціях, таких як впровадження цифрових торгових угод, використання новітніх платформ електронної комерції та активне застосування штучного інтелекту для оптимізації процесів прийняття рішень.

Перспективи. У майбутньому актуальним є проведення більш поглиблених досліджень галузевої специфіки цифрової трансформації та розробка стратегій адаптації для компаній різного масштабу. Перспективним напрямом також є вивчення ролі лідерства у процесах

цифрових перетворень, формування гнучкої корпоративної культури, здатної підтримувати інноваційні процеси, та управління змінами в умовах постійної турбулентності. Подальше дослідження цих аспектів дозволить удосконалити підходи до формування міжнародних бізнес-стратегій в епоху цифрової глобалізації та сприятиме зміцненню економічної стабільності підприємств у довгостроковій перспективі.

Ключові слова: *глобалізація, цифрова трансформація, міжнародне підприємництво, стратегічні виклики.*

Statement of the problem. Modern trends in globalisation and the dynamic development of digital transformation have ushered in a new stage in the evolution of international enterprises. These parallel processes present not only opportunities but also significant strategic challenges for companies operating across borders.

Digital transformation offers enterprises innovative tools to enhance efficiency, optimise operations, and gain competitive advantages. At the same time, globalisation compels businesses to rethink their strategies in light of diverse cultural, economic, and regulatory environments. The interplay of these trends increases the complexity of strategic decision-making and management at the international level.

As a result, international companies face a dual imperative: to adapt their business models to the demands of digital transformation while simultaneously navigating the complexities of global markets. Key issues include the identification of effective strategic approaches, the development of digital capabilities, the selection of appropriate markets and partners, and the management of geographically dispersed teams.

Therefore, the central problem lies in identifying and analysing the main challenges that international companies encounter in the context of globalisation and digital transformation, as well as determining the strategies that enable them

to improve their efficiency, resilience, and competitiveness. This also involves reviewing practical examples of successful adaptation and transformation in the international business arena.

Analysis of recent researches and publications. The issue of digital transformation and its impact on international business strategies has been actively studied by both Ukrainian and foreign researchers. Jaime Levy [1] emphasizes the role of UX strategy as a critical component in digital business models, highlighting how user-centered design influences strategic decisions in modern companies. Domestic scholars such as Derhachova H. and Koleshnia Y. [3] explore the essence and characteristics of digital transformation, outlining key technological drivers and organizational requirements for successful digitalization.

Lytvynenko A. [2; 10] contributes significantly to the understanding of company strategy formation and international trade within the context of the digitalized global economy, underlining the importance of adaptive approaches to international business in the face of rapid technological change. Reports by PwC [4; 5] and Fortune [6] provide valuable empirical data on market capitalization and digital leadership among the world's largest corporations, offering insights into the global competitive landscape.

The UNCTAD [9] and WTO [8] documents reveal the broader international context, analysing digital economy development and e-commerce governance at the global level, while sources such as IT-Enterprise [7] provide practical overviews of Industry 4.0 and its integration into enterprise systems.

Despite this wide range of research, many aspects related to the integration of digital technologies into international business strategies remain insufficiently explored. In particular, the effective use of artificial intelligence, digital platforms, and big data analytics in forming sustainable competitive advantages still requires deeper academic reflection. This gap underlines the necessity of further research aimed at identifying innovative and adaptive models of international strategy in

the era of digital globalization.

Formulation purposes of article (problem). The purpose of this article is to analyse how globalisation and digital transformation influence the development strategies of international enterprises. The study focuses on identifying key opportunities and challenges arising from these processes and exploring effective strategic responses to enhance competitiveness.

The main material. Over the past decade, global businesses have not only undergone technological shifts that have given them flexibility and customisation in products and services but have also faced constant and dramatic changes in the technological landscape, increasing complexity, shifting consumer preferences and the legal environment.

One of the key definitions views strategy as a structured plan of action developed by a company. It represents a deliberate course of action formed through comprehensive analysis and pre-planned initiatives. At the core of this concept lies the strategic process, which is understood as a logically and hierarchically organised sequence of actions aimed at achieving long-term objectives [1].

In an expanded strategic context, the positioning of an international enterprise refers to the deliberate alignment of its cross-border operations with the structural, institutional, and cultural parameters of the global business environment. This positioning encompasses not only market presence but also the adaptation of strategic priorities, organizational capabilities, and value propositions to the dynamic conditions of diverse international markets. [2].

Digitisation is considered the simplest and most direct method of optimising operations, as the use of analogue documents is inherently limited — only humans are capable of processing, analysing, and organising them. In contrast, converting data into digital formats enables automation of these tasks. This shift significantly accelerates information processing, increases accuracy, and reduces the influence of subjective judgement.

Although the terms "digitisation" and "digital transformation" are often used interchangeably in academic literature, we believe it is important to distinguish between them. Digitisation can be viewed as an initial stage in the broader process of digital transformation. It refers primarily to the replacement of manual business processes with automated, IT-driven solutions across all areas of activity, including production, communication, management, and decision-making.

Digital transformation, however, goes far beyond technological implementation. It involves a fundamental rethinking of business operations, encompassing organisational restructuring, the adoption of new business models, the emergence of new revenue streams, and expanded engagement with customers. It often results in hybrid operational formats, such as digital platforms, that transcend traditional sectoral boundaries.

Thus, the application of information technologies should not be seen as synonymous with digital transformation, nor as its foundation. Rather, these technologies serve as tools that facilitate the transformational process. Overall, digital transformation can be described as a progression — moving from optimisation towards a radical reconfiguration of business operations.

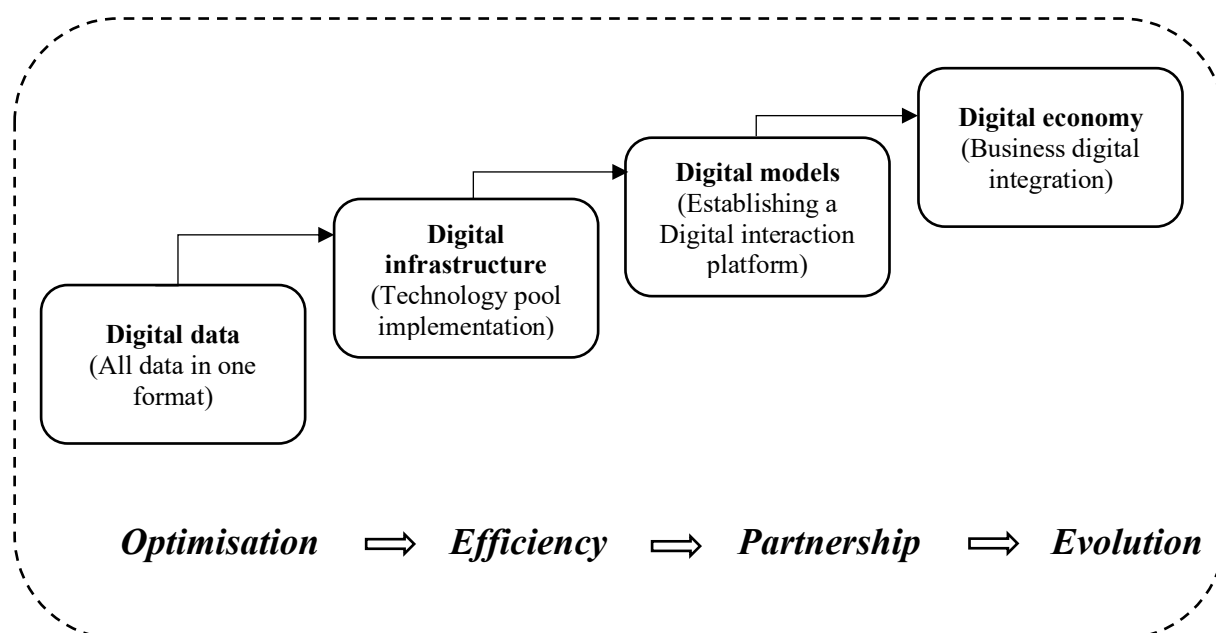


Fig. 1. Key aspects of the digital transformation process

Source: compiled by the authors

Digital transformation is creating new intelligent digital networks that are radically changing the way business processes are managed, optimised, shared and implemented. At the same time, the expanding opportunities arising from digitalisation are creating significant pressure on companies to respond to technological change in a timely and effective manner. This is reflected in the significant impact of technology on the current strategy of the enterprise, which must systematically and early identify new business opportunities. These opportunities should be adapted to the current business model or used to create a new model to replace the current one.

In this context, it can be assumed that digitalisation actually affects most businesses in many sectors of the economy, as it introduces changes to existing strategies that need to be rethought and adapted to the new realities brought by digital transformation.

In order to take advantage of new technologies and successfully adapt international enterprises to the modern digital age, it is necessary to increase business flexibility and expand the role of all forms of data and information

collection and processing.

The most important thing is the ability to develop a digital transformation strategy and build connections in several areas, such as information, data, processes, technology, human aspects, and more. A digital transformation strategy is a means of creating links between the current state and the desired long-term plan.

The transformation of business strategies involves not only changing traditional methods and approaches to performing various functions and operations that have been in place in the company, but also introducing modern technologies and innovations. The main goal of such transformation is to increase the efficiency and productivity of business processes, reduce costs, improve the quality of a product or service, and increase customer satisfaction [3].

The focus of modern companies is on the customer. They are abandoning outdated strategies in favour of modern approaches, such as the 4C (Consistency, Content, Convenience, Contextual) strategies, which focus on consistency, content, convenience and context. These companies are implementing a concept where the choice of a product or service depends on the level of customer trust and loyalty. Instead of focusing on the product, modern businesses are actively considering the needs and requirements of customers, trying to build habits, create comfort and retain customers in a favourable environment.

An effective digital strategy sets the right path and allows business leaders to implement digital initiatives, track their progress and flexibly expand the business as needed. However, at the stage of implementing a digital strategy, management must decide whether to adopt a customer acquisition strategy or a digital solutions strategy. Without a clear understanding of digital transformation, managers cannot develop a strategy that connects digital technologies to their business. This can lead to missing potential threats that may emerge before they are properly addressed.

Digital transformation can upend even the most well-established revenue

strategies, creating more value for consumers than for companies. These circumstances are critical for businesses and industries seeking to harness digital opportunities for economic gain. Instead, they are faced with a situation where digital transformation deconstructs a profitable product or service into its components, allowing consumers to purchase only what they need. Digital transformation is also making distribution schemes obsolete by providing consumers with unlimited choice and price clarity. In fact, with little cost and effort, any digital offering can be replicated. In the future, the use of digital technologies should lead to the creation of new business systems and strategies with a corresponding direction of economic growth.

Digital technologies have the potential to fundamentally alter market dynamics and redefine the roles of key industry players. This is demonstrated by the current dominance of digital firms in terms of market capitalisation, a stark contrast to the standings observed in 2024 (table 1).

Table 1

**Top 10 companies by market capitalisation (as of the end of March 2020
and the end of March 2024)**

Rank	2020		2024	
	Company	Market capitalisation (\$bn)	Company	Market capitalisation (\$bn)
1	SAUDI ARAMCO	1,602	MICROSOFT CORP*	3,126
2	MICROSOFT CORP*	1,200	APPLE INC*	2,648
3	APPLE INC*	1, 113	NVIDIA CORP*	2,224
4	AMAZON.COM INC*	971	SAUDI ARAMCO	1,991
5	ALPHABET INC-A*	799	ALPHABET INC-A*	1,884
6	ALIBABA GRP-ADR	522	AMAZON.COM INC*	1,874
7	FACEBOOK INC-A*	475	META PLATFORMS, INC*	1,238
8	TENCENT*	469	BERKSHIRE HATH-A	909
9	BERKSHIRE HATH-A	443	ELI LILLY AND COMPANY	701
10	JOHNSON&JOHNSON	346	TSMC LTD*	632

* - Information Technology

Source: compiled by the authors on the basis of [4;5]

It is important to note the growth rate of market capitalisation for companies such as Apple Inc. and Microsoft Corp. For instance, Apple Inc. was ranked 15th in 2009 [6]. In recent years, the leaders of the ranking have been representatives of the technology industry and the online retail sector, including Microsoft, Apple, Amazon, Alphabet, as well as Facebook, Alibaba, and Tencent.

However, it is important to remember that neither digital transformation nor digitisation should be pursued as ends in themselves. They must lead to positive changes and create advantages, but their implementation should be preceded by an analysis of the company's operations, business processes, identification of shortcomings that need to be addressed, threats that need to be avoided, and opportunities that should be seized.

The process of digital transformation, which involves transitioning from optimization to a fully digital economy, typically starts as a response to evolving customer needs. The aim is to improve the interaction with customers, fulfil their requirements more quickly and comprehensively, and create a database for processing customer information. Over time, these initial changes often expand, incorporating business operations, organizational structures, and other elements into the transformation process. For a successful digitization process (and even more so for transformation, which is inherently more complex and demands greater attention, effort, and resources), it is essential to first define the specific goals, set clear objectives, and conduct a thorough analysis of the current situation. This will help answer critical questions such as: "Where are the challenges?", "What risks do we face?", and "What opportunities are available, and how can we capitalize on them?" Such an analysis will narrow down the focus areas for change and guide the selection of appropriate technologies. Afterward, goals can be established (since transformation is not an end in itself), a strategy and roadmap can be developed, and suitable technologies can be chosen. An important consideration here is determining budgetary constraints, as introducing new technologies involves costs not just for the technology itself, but also for staff

training (or the hiring of new personnel) and ongoing maintenance.

The digital transformation process should be managed with clear leadership, oversight, and alignment with the key performance indicators. Leaders also play a critical role in cultivating a supportive corporate culture and engaging employees in the transformation journey. Major changes often meet resistance from staff, and the implementation of technologies that replace manual work, reorganize business processes, streamline tasks, reduce functions, or consolidate several business processes into one can trigger a complete shift in the business model. Motivating employees and convincing them of the positive impact and necessity of transformation is vital for improving performance and outcomes. Additionally, employee training becomes even more crucial as new technologies require entirely new knowledge and skills. At the same time, it is necessary to phase out outdated technologies, as maintaining them leads to duplicated costs in terms of financial, labour, and intellectual resources.

Digital transformation involves innovative technologies that enable businesses to adapt to new demands. The Internet of Things (IoT) allows devices to communicate with each other, while Big Data processes vast amounts of information for informed decision-making. Cyber-physical systems and digital twins automate processes, and augmented reality (AR) integrates digital elements into the real world, enhancing user interaction. Blockchain ensures data transparency and security, which is critical for modern businesses [7].

Successful digital transformation requires a clear strategy, goal-setting, and a thorough analysis of the current situation. Identifying opportunities and risks helps in selecting the right technologies for implementation. Leaders play a key role in fostering corporate culture and engaging employees. The introduction of new technologies often meets resistance, so motivation and training become essential components for a successful transformation.

The latest statistical data and research suggest that, in the second decade of the 21st century, digitalization has become a key driver in revitalizing the

dynamics of international trade, which had sharply declined following the global financial and economic crisis of 2008–2009 [8]. From the perspective of commercial process management, the impact of digital transformation on international trade is particularly significant. The adoption of digital platforms and technologies not only streamlines cross-border export-import operations but also reshapes the very structure of trade by introducing new digital tools and models for organizing transactions.

Despite the overall slowdown in global trade, documentary trade operations worth over 2 trillion USD were conducted through the SWIFT (Society for Worldwide Interbank Financial Telecommunication) network. Moreover, the usage frequency of the Digital Trade Channel solution increased by 72%, reflecting growing interest from international corporations in digitalizing trade-related activities [9]. This confirms the increasing role of digital transformation in ensuring transparency, speed, and efficiency in commercial operations, which in turn enhances competitiveness in global markets.

Analysts have emphasized the need for legal harmonization among countries engaged in international trade, as well as further standardization of digital document workflows and operational interoperability to ensure the smooth execution of trade operations.

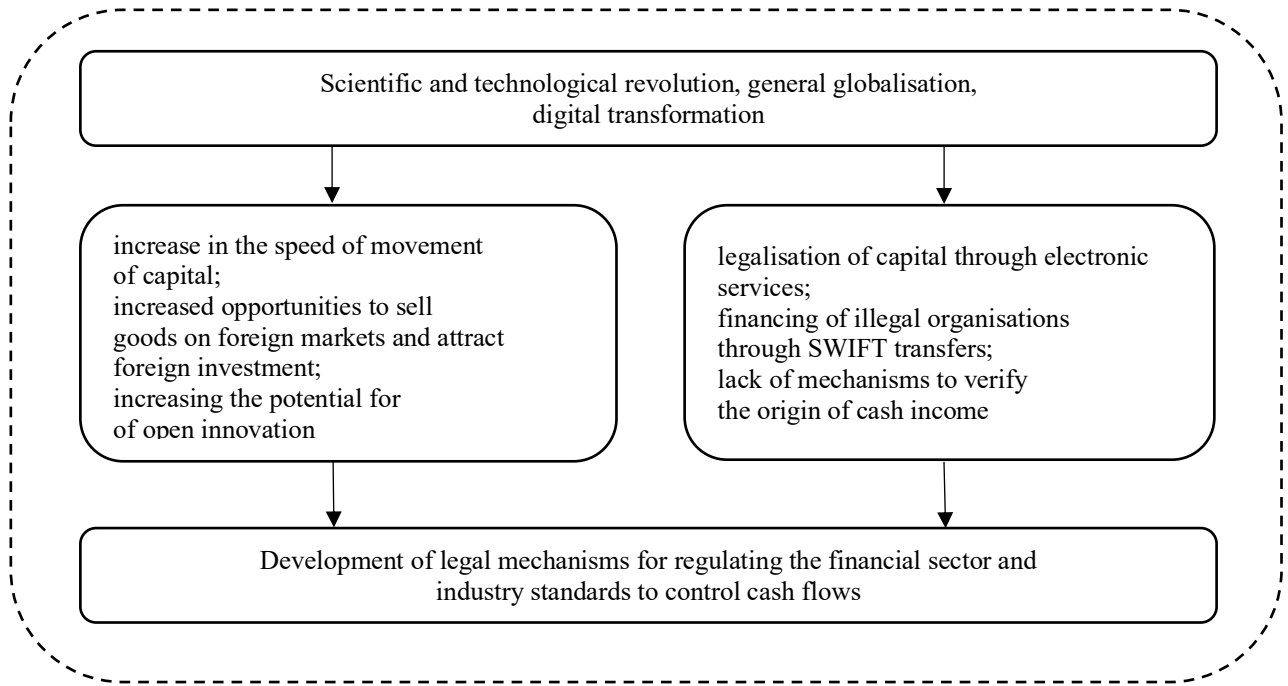


Fig. 2. Financial, legal and organisational mechanisms for ensuring digitalization of economic processes

Source: compiled on the basis of [10]

Digitizing trade processes can significantly reduce processing time, costs, and risks by simplifying operations and enhancing transparency. Improved access to enriched, well-structured trade data enables deeper insight across the supply chain and promotes more transparent and efficient trade finance operations. As a result, financial inclusion can expand, providing greater access to trade finance—especially for small and medium-sized enterprises.

Conclusions of this research and prospects for further research in this area. Modern globalisation trends and the active influence of digital transformation are driving a new stage in the development of international enterprises. These processes are giving rise to new strategic challenges that require companies to adapt and optimise their operations. The ongoing global changes are forcing international enterprises to rethink their development strategies, opening up new opportunities for efficiency and competitiveness, but at the same time requiring the development of strategies to operate successfully

in different cultural, economic and political environments.

The growing complexity of managing international enterprises in the context of globalisation and digital transformation requires new strategies, including adaptation to a changing environment, selection of optimal markets and partners, and effective management of global teams. The main issue is to identify the main challenges arising from these trends and to consider methods to improve efficiency and competitiveness.

An overview of the various strategies used by international enterprises in the context of digital transformation, together with the analysis of specific practical examples of successful adaptation to global challenges, become important elements in contributing to the understanding and implementation of strategic decisions in the new realities of international business.

All of the above aspects determine the need to develop comprehensive and flexible strategies for international business in the context of digital transformation. These strategies should take into account the unique characteristics of each market, promote global competitiveness and contribute to the creation of a sustainable and innovative business in the context of an active digital transformation process.

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