

Business Transformation and the Digital Economy the Reasons for Development

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Abstract

Technology is the key to capture the next big world business as digital economy is taking faster place in the world which is connecting all the segment it has got huge potential in all the sectors and also related with customer satisfaction in B2C, B2B, B2G, it requires skilled personnel and theft and fraud protection it will be leading the future world, it is cost effectively profit making business with high financial flow which will affect the real world business and employment, the digital business will require more technology efficient personnel. As with the rise of technology and internet connectivity, the digital economy has become the reason for the growth of businesses. It makes the business more efficient and profitable if it is executed accurately. Also, technology has led to new ways to reach customers and makes it easier to adapt to market changes. Moreover, many companies spent \$1.3 trillion on digital transformation in 2019. Also, nearly 70% of it was wasted, according to research followed by a published article in Harvard Business Review. However, if you are unaware or want an idea about how the digital economy and business transformation have led to growth and development, you are at the right article. Here is the strategic information about the impact on business, positive and negative view of digitization, tools used for business transformation and more that has become the reasons for business growth.

Keywords: - Digital Economy, Business Development, E-Commerce, Financial Services, Development

Introduction:

Digital transformation is the way by which it is harnessing business technology to change the

business prospects. Many technologies take up business transformation initiatives like-

- It has integrated digital technology into every aspect of business.
- It has embraced innovation and change to foster the culture.
- It has given more customer experience to modify or create new processes.

However, many companies are confused about modernization or digitizing with digital transformation. You can say that digitization is just introducing the tool. For instance, typewriters have switched to personal computers or word processors and email, replacing manual cash registers with point-of-sale systems. Overall, you can say that technology has changed the way people work. Now, let's see the impact of business operations and strategy for digital transformation.

Impact On Business Operation And Strategy For Digital Transformation And Economy

In today's world, efficiency and productivity are the main benefits of digital transformation. It has led businesses to unlock the potential for positive impacts on their customers, experience, operations, and employee engagements. With the help of this strategy, it has freed up the hardware and software costs while freeing up team members to work on different projects. Let's see the impact that has become a reason for development in detail-

1] Led To Strategic Planning

The rise of digital transformation and the digital economy has led to strategic planning and overall growth of business. It has given innovation to employees, encouragement, capital startup and others. Now, the company is more competent with new technology, advanced infrastructure and more.

2] Becomes New Business Model

The digital transformation has continued to adopt new technology and allowed employees to update their skills. Also, it has met a changing technological environment, which empowers them to enter the market. Also, it helps to convey a better experience for customers and improve long-term relationships.

3] Seen Greater Agility

With the help of digital transformation and economic growth, businesses can agile efficiently and effectively. Besides, while borrowing with the help of software development, businesses can increase their agility with digital transformation.

Moreover, it has led to improvement in speed to market and the adoption of continuous improvement strategies. Also, while providing a pathway to success, it allows for faster adaptation and innovation.

4] Gives Operational Efficiency

With the effect of digital transformation and the digital economy, it hoped to consolidate information and resources into a suit for business. For instance, the average number of enterprise applications is about 900 in 2020. Also, rather than dispersed software and databases, it has consolidated company resources and reduced vendor overlap. It has integrated databases, applications, and software into a central repository for business intelligence.

5] Improved Customer Experience And Satisfaction

The overall improvement in digital transformational business has increased customer experience and satisfaction in the workplace, areas of operations and more. This spans email transformation to digital products, email communications, and delays by which you reach new prospects.

Also, customers have high expectations of digital experience and are used to endless choices, low prices, and fast delivery. So, it is best to demonstrate that you value the brand's customers and privacy.

6] Helps In Real-Time Data And Information

With the evolution of digital transformation, it helps analyze team time data to give accurate information. Further, business has been given a chance to grow and develop. Moreover, As companies adopt new technologies, employees must enhance their skills to meet the changing technological environment and empower them in the market.

7] Enhanced Data Management And Analytics

Another impact of the digital and digital economy is that there is enhanced data management and analytics or real resources. As the results are real, more ideas to innovate and construct companies will be able to enact either production or manufacturing concerns.

8] There Is Improved Security And Privacy

With the rise of digital transformation, there has been massive growth in tertiary sectors and since employment. Also, enhanced technology and cyber security have given innovation to employment, industry growth, and others. So, by transforming your company into a digital business and enhancing a digital culture, you can increase agility and innovation in the company. Further, it leads to the creation of digital products and services.

9] Increased Collaboration To Encourage Digital Culture

The digital transformation encourages digital culture and provides team members with the right tools. Also, it has led to the entire organization being ahead digitally and a seamless way to collaborate with newer companies. Moreover, with the help of this digital culture, the shift is crucial for businesses to remain sustainable and grow.

10] Helps To Get Increased Profits

The best advantage of digital transformation is that it has improved efficiency and profitability. The SAP Center reports this for Business Insights and Oxford Economics. Let us study from the data given-

- It has been seen that 80% of organizations that have completed digital transformation have reported increased profits.
- Also, 85% say they have increased their market share.
- Finally, on average, leaders expect 23% higher revenue growth than competitors.

Impact of Digitalization On Indian Economy

India's digital transformation has been remarkable in recent years, with the rapid adoption of smartphones, increased internet connectivity, and the government's push towards a digital economy. It has opened up tremendous opportunities for economic growth across various sectors of the economy.

The fast-paced digitalization has significantly impacted the country's economic growth, with tremendous opportunities for continued growth in the digital economy. With the government's continued focus on digital transformation and investments in digital technologies, India is well-positioned to continue to drive economic growth.

E-commerce

One of the main ways digitalization has impacted India's economy is through e-commerce; according to a report by the Indian Brand Equity Foundation, the Indian e-commerce market is expected to reach \$200 billion by 2026, up from \$38.5 billion in 2017. Increased internet access among Indians has driven this growth, which has led to more people shopping online and more businesses selling their products online.

The growth of e-commerce in India has created new opportunities for businesses to reach

customers and made products and services more accessible to consumers. Digital platforms like Amazon and Flipkart have gained a foothold in the Indian market. For example, JioMart aims to connect small retailers with consumers through an online marketplace. Milkbasket and bigbasket.com are other players that have gained traction in the Indian market, offering online grocery shopping and home delivery services. Similarly, players like Blinkit and Dunzo provide quick delivery services.

The increasing adoption of online payments has facilitated the growth of e-commerce in India. The Indian government has been actively promoting digital payments, and these initiatives have led to a significant increase in the use of digital payments in India, which has, in turn, contributed to the growth of e-commerce.

Digitalization has profoundly impacted the financial sector in India, transforming how people transact and access banking services. With the Indian government's push towards a digital economy, there has been a significant increase in the adoption of digital payment systems such as UPI. It has made it easier and more convenient for people to transact online, reducing the reliance on cash-based transactions.

Financial Services

Digitalization has also led to the growth of digital banking, with more people using their smartphones to access banking services. It has helped to improve financial inclusion, bringing more people into the formal banking sector. A report published by the World Bank states that India has made remarkable progress in financial inclusion, with the number of adults with a bank account increasing from 35% in 2011 to 80% in 2017.

The widespread adoption of digital financial services has brought several benefits to the Indian economy. It has enabled people to save time and money by avoiding long queues at banks and ATMs and has made it easier for them to manage their finances. Moreover, digital payments have facilitated more seamless transactions, reducing the costs associated with cash handling and making it easier to track financial flows.

Digitalization has also provided new business opportunities in the financial sector, particularly in fintech. With the rise of digital payment systems and the increasing use of smartphones, fintech start-ups have emerged as a major force in the Indian economy. These companies leverage digital technology to offer customers innovative financial products and services, including peer-to-peer lending, mobile banking, and online investment platforms. As India continues on its path of digital transformation, there is great potential for further growth and development in the financial sector.

Challenges

As more Indians come online, there are significant opportunities for continued growth in India's digital economy. However, some challenges must be addressed. These include improving internet connectivity in rural areas, closing the gap between urban and rural areas, and ensuring people have the necessary digital skills to take advantage of digital opportunities.

In addition, there are concerns about the impact of digitalization on employment, particularly in traditional sectors such as agriculture and manufacturing. These concerns must be addressed by creating new jobs in the digital economy and developing skills and training programs.

How India Is Becoming Global Leader In Terms Of Digital Economy

It would be remiss not to make mention of India's success story with UPI. UPI has resulted in a digital financial revolution for the country – a revolution Meta has also been part of through WhatsApp Pay. Akin to UPI, the ONDC is another example of a unique home-grown digital product. The vast potential of the ONDC initiative is indicative of India's rising prowess in the e-commerce sector.

Digitization Promoting Connection and Accessibility

Currently, digitisation is playing an important role in improving access to public services, digital applications and knowledge resources, and this role will only grow in the future. The Government's 'Digital India' initiative is working towards this goal and has made notable strides in narrowing the digital divide between rural and urban India. Technology is the key leveller that is building a more inclusive society and empowering citizens – future-facing technologies such as 6G, open-source datasets, quantum computing, and AI powered ecosystems will undoubtedly buttress this goal.

Innovation and Adoption of Future Technologies

Moreover, the adoption of innovative technologies in different sectors like healthcare, education, and agriculture will help these markets grow, increase the quality of offerings, and help deliver more efficient and effective solutions. For instance, innovation in healthcare technology such as sensors and AI will augment early detection of disease and preventive care. Similarly, a digital overhaul of education will improve interactive lessons, and technologies like learning analytics will do the same for student outcomes and facilitate better decision making. The Government is also tackling the task of feeding India's growing population amidst climate uncertainties. Investing in agri-tech innovation will lead to an increase in productivity and sustainability, and, more importantly, improve returns for farmers.

The launch of next-gen communication technologies like 5G, and the gradual transition to

technologies like 6G and satellite networks will have positive effects such as reducing energy consumption and improved broadband connectivity. These developments will also bolster the sharing of online content and lead to a greater rise of the creator economy (which has generated both jobs and revenues in hitherto untapped areas), and which Meta is also proud to have contributed to, through its platforms.

Rethinking the Status Quo

New technologies aside, rethinking old systems like manufacturing will allow India to reap the benefit of economies of scale and integrate into the global value chain. In the initial stage, as the white paper notes, technologies like robotics and automation will help reduce errors and costs in the delivery of products, and technologies like the Metaverse and AR/VR will provide immersive and interactive experiences that can equip workers with new skills and create safer (and more efficient) working environments. As part of this, Meta has invested in the development of AR/VR products – which we believe to be the future of digital connection – and whose long-term value stands to be realised from the way developers and creators use such products.

Features Of The Organization Of Business Processes In The Context Of Digitalization

Digitalization involves transitioning business processes to a digital environment using modern information technologies. This includes the simplest business processes, such as:

- Conducting various events (meetings, conferences, seminars, personal interviews) through video communication;
- Ordering goods and services without physical presence when making a purchase;
- Consulting and customer support through Internet channels, messengers, and social networks;
- Advertising of products with the help of virtual and augmented reality, informing about the services and activities of the enterprise through a site, etc.

Tools Of Business Processes Digitization

The transition to a digital environment involves an all-encompassing and large-scale phenomenon. Moreover, it affects all aspects of the business organization's activities – digital transformation.

This phenomenon is considered a process of transition to a new level of doing business, with a change in models of functioning, management, and business processes.

Let's understand how the manifestation of business processes digitization can be expressed using the following tools:

- Information and communication technologies for unified communication and independence from the place of residence (Zoom, Viber, Telegram, Skype, WhatsApp);
- Also, software products (BAS, BAS ERP, Bitrix 24);
- Technologies of electronic data exchange (EDI – Electronic Data Interchange);
- Moreover, methods and techniques of analysis and processing of big data (so-called Big Data technologies);
- Has led to improvement in cloud and fog computing technologies;
- , intelligent technologies such as artificial intelligence;
- Finally, the implementation of hybrid activity solutions is seen with the rise of this strategy.

What Are The Areas Of Business Most Affected By Digitization?

Various areas of business are most affected due to digitalization. For instance, the first concern was seen in lead generation strategies and interaction with consumers. Here, the companies use digital channels to attract and retain customers. Similarly, in the increasingly competitive world, pioneers and their immediate successors usually win the digital economy. This has led to increased openings for marketers for consumers based on innovation. Furthermore, HR strategies are adapting to change. There is a main focus on a smart working model. It uses new technology to increase productivity and helps in employee satisfaction at work. Moreover, innovative strategies are also changing. It has led to the ultimate quality of customer service due to access to global platforms.

Negative Consequence of Business Digitization

Despite several positive aspects, the digitization process entails negative consequences. Here

are areas in which they especially concern society:

1. There is an increase in unemployment (emergence of a whole class of 'extra' people, total retraining of personnel, destruction of usual mechanisms of 'guarantees of the future' like decent pension, guaranteed social security, etc.
2. Also, there is a decrease in the general well-being of the population and, accordingly, the solvent demand. This, in turn, can lead to a slowdown in the development of certain sectors of the economy.

Key Takeaway

Digital transformation and the economy are the ten main reasons for the innovation, development and rise of upcoming companies and firms. Also, it requires certain skills that will boost the business, like data analytics skills, machine learning, and cloud computing and more.

It has given innovation to leaders to change and work efficiently. Also, leaders can focus on their employees' mindsets and include what to change in a digital environment. The only step needed is an organization's vision that drives technology and the well-being of individuals.

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