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FEATURES OF COMPETITIVE STRATEGIES OF ORGANIZATIONS IN THE DIGITAL ECONOMY

An organization's competitive strategy is a set of actions and decisions aimed at ensuring a sustainable competitive advantage in the market [1]. Competitive strategies according to M. Porter are classified into cost leadership, differentiation and focusing strategies [1].

Examples from companies such as IKEA and Apple demonstrate the importance of a clear strategic focus and the ability to adapt to changing market conditions. These companies successfully employ cost leadership and differentiation strategies, allowing them to maintain leadership positions in their industries.

The digital economy has a significant impact on companies' competitive strategies. In the digital age, businesses are forced to adapt to new conditions in order to remain competitive. The main changes affected innovation, ways to expand markets and adapt organizational behavior under the influence of the digital economy.

The digital economy stimulates innovation and the introduction of new technologies. Companies that quickly adapt and integrate modern digital solutions gain significant competitive advantages. The Internet and digital platforms make it easier to enter international markets. Small and medium-sized businesses can compete on a global level, which was previously only possible for large corporations. The focus has shifted towards improving customer experience. Strategies for interaction between customers and brands through various channels (online, offline, mobile applications) have become a priority in all areas of business [2, 3].

New business models have emerged due to the penetration of digitalization. The possibility of creating platforms and ecosystems has necessitated adaptation to new conditions of competitive relations. Many companies are aiming to create digital ecosystems that connect different products and services. This allows them not only to increase customer loyalty, but also to create additional sources of income. ICT has permeated business activities even more. In 2023, the ICT sector reached new heights, growing by an average of 7.6% in the OECD [4].

Competitive strategy is not static; it requires constant monitoring and adaptation in response to changes in the external and internal environment. In the digital economy, the ability to innovate, efficiently use resources and

constantly adapt to change become key elements of competitive strategy. Systems for monitoring and evaluating results allow you to make timely adjustments and improve strategic decisions.

The emergence of the digital economy has changed market power and barriers to entry for competitors. If in the traditional economy the regulator was the effect of scale and costs, product differentiation, then in the digital economy market power is formed due to the scale and diversification of available data [5].

In connection with this, the UN and the European Commission consider competition issues in the digital economy to be a priority. They are related to digital security and preventing monopolistic behavior of large digital players. Thus, according to the European Commission and the UN Trade and Development Council, “digital platforms that control consumer data are responsible for ensuring confidentiality and respecting personal rights to data protection and privacy” [5].

At the same time, the digital economy provides huge amounts of data that can be used to improve decision-making. Data analytics allows companies to better understand their customers and offer them personalized products and services. Thus, the development of a competitive strategy is a multifaceted process that requires an integrated approach and consideration of many factors. Successful companies use a mix of strategies and approaches to create and maintain sustainable competitive advantage.

References

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