



The Role of Digital Platforms in International Business

Ulichkina Lyudmila Ivanovna

Associate Professor of the Department of Economic Theory, TSUE

As globalization and digitalization become the defining factors of development in the world, the role of digital platforms in international business is becoming increasingly important. Digital platforms such as Amazon, Alibaba, Booking.com and Airbnb are fundamentally changing the landscape of global trade and international business, providing companies with unprecedented opportunities to enter new markets, reduce costs and expand their customer base. They facilitate cross-border transactions, simplify logistics and marketing, and provide access to global resources and networks. These platforms not only contribute to the growth of e-commerce, but also stimulate innovation, the development of small and medium-sized businesses, and the integration of economies of different countries.

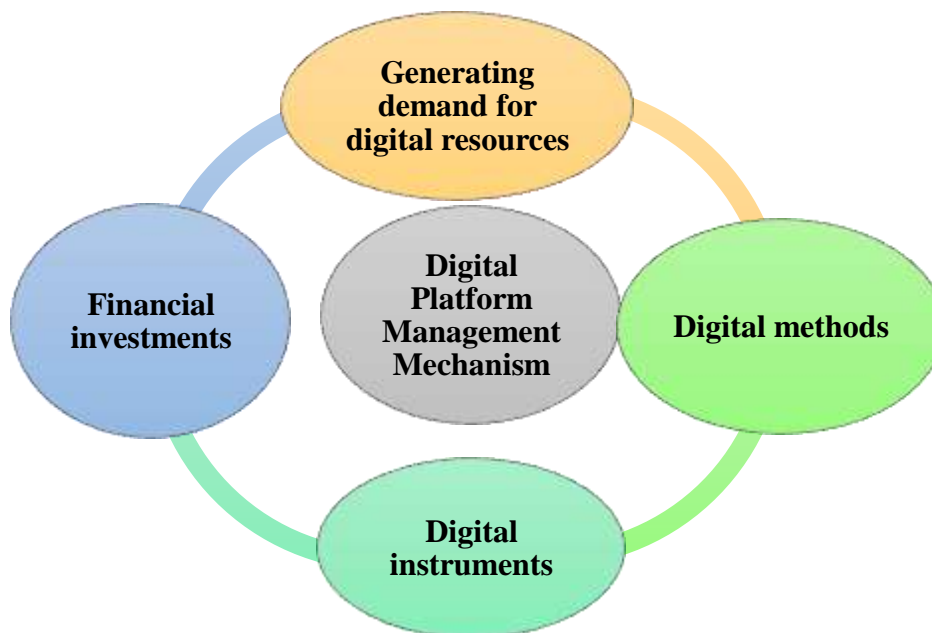


Figure 1. Digital Resource Management Mechanism

The key characteristics of digital platforms are rooted in fundamental economic concepts, and their governance is important in the development of the entire process (Fig. 1). Multi-sidedness is one such characteristic, emphasizing the dependence of the platform's value for each user on the presence of other users. As retain the participation of all user groups."¹ This interdependence creates a synergistic effect, making the platform more valuable to each participant with each new one joining. Another important aspect is network effects. The growth of the number of users leads to an increase in the value of the platform for each of them. As D.N. Rowe notes, "the more participants on the platform, the more benefits each of them receives."²

Nowadays, digital platforms have reached an unprecedented level of development and scaling. They form entire ecosystems, combining different types of services and providing users with comprehensive solutions. Many digital platforms have become global, providing their services in different countries and regions. Amazon, Alibaba, OpenAI, Facebook are examples of companies that have a global impact on the economy and society. New marketplaces have emerged that bring together sellers and buyers from different countries, facilitating the development of cross-border trade. The development of cloud technologies has led to the emergence of cloud platforms such as AWS (Amazon Web Services) and Azure (Microsoft), which provide computing power, data storage and other resources for companies. Cloud platforms have become the basis for the development of many other digital platforms, ensuring their scalability and flexibility.

¹ Krishnan, V. (2019). *Business Models for Financial Entrepreneurship*. Moscow: Alpina Publisher.

² Rowe, D.N. (2010). *Network Economy*. Moscow: Economy Publishing House.

With the development of digital technologies, not only economic models but also the social structure are changing. One of the significant consequences of global digitalization is the emergence of new forms of interaction between states, business and society. In the context of the rapid spread of technologies, there is a need for new approaches to the regulation and legislative support of the digital economy. At the same time, at the level of individual countries and regions, significant differences in approaches to the implementation and regulation of digital technologies can be observed.

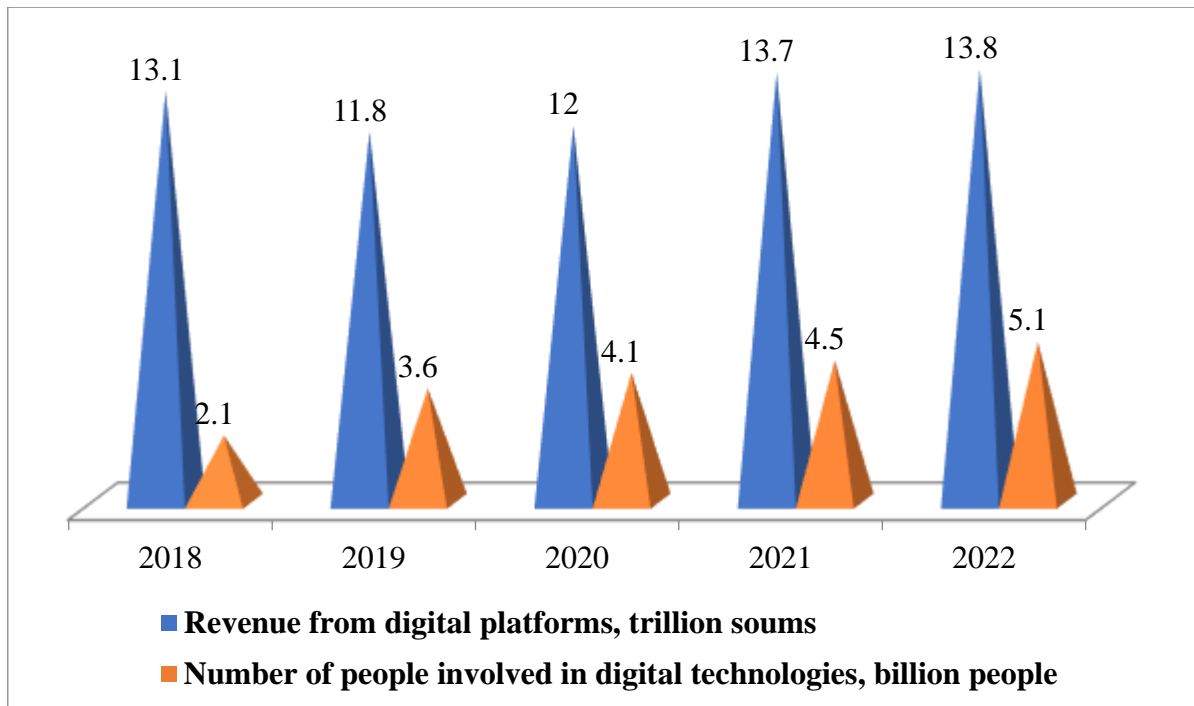


Figure 2. Increase in digital platform profitability and number of users

One of the significant examples of the application of these technologies is the German initiative "Industry 4.0" aimed at the digitalization of industry. Within the framework of this program, enterprises use the Internet of Things, intelligent robots and automated systems to improve the design, production and distribution of goods. Countries with highly developed industrial sectors, such as Germany, the United States and Japan, are actively implementing these technologies, which allows them to increase the productivity and quality of their products. According to PwC forecasts, the global market for industrial IoT solutions will grow to \$ 20 billion by 2025³.

Despite all the advantages, the use of digital platforms in international business is also associated with a number of challenges. One of the main factors limiting the optimization of business processes is the complexity of regulating such platforms at the international level. The lack of a single legal framework for digital platforms, differences in national legislation, as well as issues of intellectual property protection, tax reporting and compliance with data security standards create legal barriers for global companies. In practice, this means that when entering the international market, companies are required to take into account not only the norms of their own state, but also comply with the requirements of different jurisdictions, which can affect the speed and efficiency of international operations.

³Krishnan, V. (2019). Business Models for Financial Entrepreneurship. Moscow: Alpina Publisher.

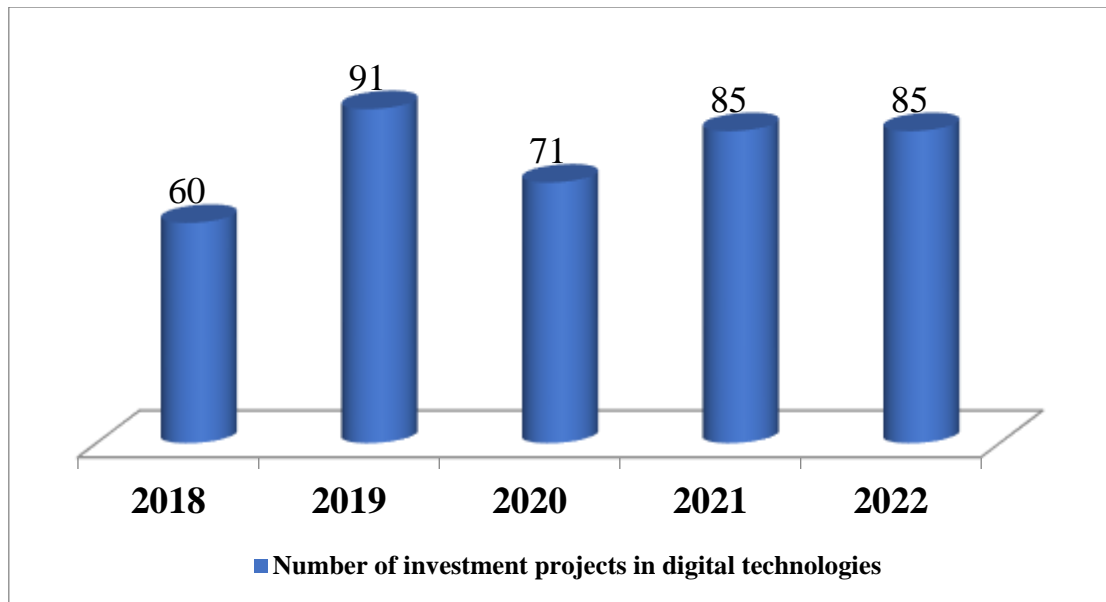


Figure 3. Number of investment projects presented in digital technologies

Digital platforms also play a key role in international finance. Payment systems such as PayPal, Stripe, and other similar services enable efficient and secure international transfers, simplifying the process of settlements between partners, clients, and suppliers. These platforms help reduce the time and cost of payment processing, and minimize the risks associated with currency exchange and international financial transactions.

According to a report by McKinsey Global Institute, global e-commerce volume was around \$26.7 trillion in 2020, the highest in history. More than 60% of this volume was generated by digital platforms such as Amazon, Alibaba, eBay and other major international players.⁴

Table 1. Dynamics of investment growth in digital technologies by country (millions of US dollars)

No.	Countries	2021 year	2022 year	Growth, in %
1.	Russian Federation	910.7	1264.9	138.9
2.	Türkiye	461.1	519.1	112.6
3.	Kyrgyz Republic	401.1	513.4	128.0
4.	People's Republic of China	636.3	274.0	43.1
5.	Iran	46.3	80.0	172.8
6.	Poland	65.6	78.3	119.4
7.	Tajikistan	21.7	71.9	330,0
8.	Kazakhstan	48.6	61.1	125.7
9,	Belarus	23.4	45.0	191.9
10	Italy	32.8	38.5	117.3
11.	Ukraine	51.6	38.1	73.8
12	Germany	12.5	28.7	230,0
13	Azerbaijan	18.7	20.3	108.4
14	Egypt	30.2	19.6	65.0
15.	Other countries	166.7	125.2	75.1

Digital platforms have a significant impact on modern business processes and the transformation of global markets. To give a more complete picture of the current state and dynamics of digital platforms, here are some statistics that highlight the importance and scale of this phenomenon.

⁴ Parker, G. G., Van Alstyne, M. W., and Chaudary, S. P. The Platform Revolution: How Networked Markets Are Transforming the Economy .

Digitalization of business and the introduction of platform technologies can significantly reduce the costs of international trade. OECD research shows that companies that actively use digital platforms for the sale and delivery of goods reduce their logistics costs by 15-20%. For small and medium-sized enterprises, the use of platforms can lead to a reduction in costs by 10-15%, which makes them more competitive in the international arena.

In the financial sector, PayPal reports that its platform registered more than 400 million active users worldwide in 2021, confirming the growing interest in international payment systems. Also, according to Statista statistics, the volume of global payments made through digital platforms and mobile apps in 2021 amounted to \$7.6 trillion, and this figure continues to grow.

Digital platforms continue to evolve and demonstrate significant potential for transforming international business. They provide companies with new opportunities to optimize processes, improve customer interactions, expand sales markets, and reduce costs. In the context of globalization, accelerated digitalization, and changing consumer preferences, the prospects for the successful use of digital platforms in international business are becoming increasingly clear. However, for these prospects to be realized in practice, several key factors must be taken into account.

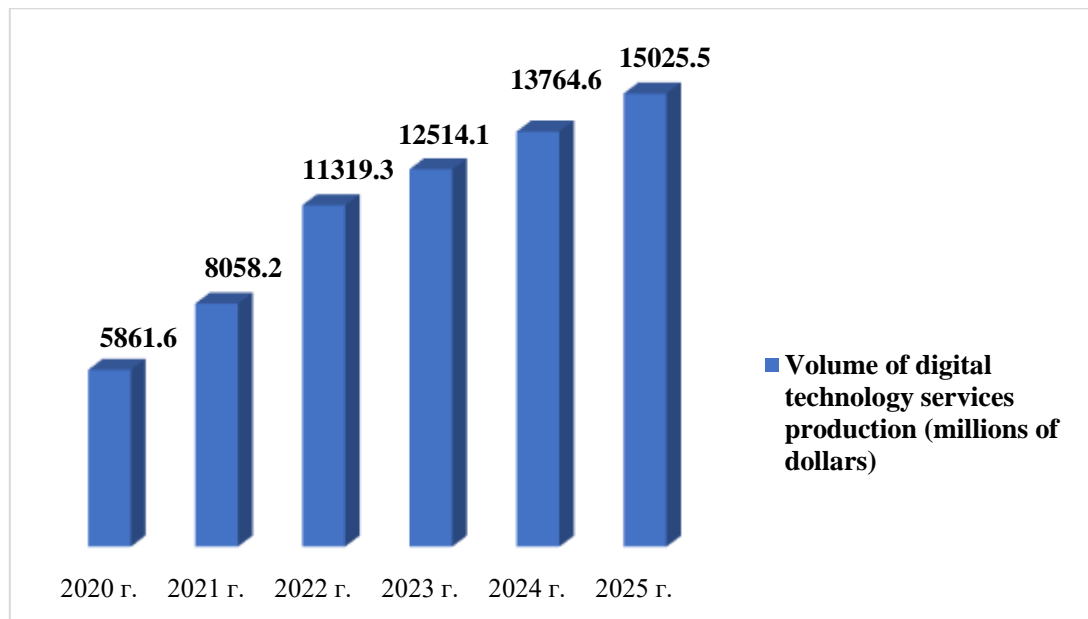


Figure 4. Increase in the volume of digital technologies (with a forecast for 2025)

One of the main prospects is the further development of digital ecosystems, which include not only platforms for the exchange of goods and services, but also tools for collaboration, information exchange and data analysis. In the coming years, the use of such ecosystems in international markets is expected to increase. Companies will be able to optimize not only interaction with end consumers, but also interaction between different businesses, improving coordination and reducing operating costs.

Digital platforms are one of the most important driving forces of modern international business. Their introduction into the global economy and application at various levels of business processes have had a significant impact on the ways in which companies interact, organize trade operations, and develop new markets. Platform business models allow for significant process optimization, improved logistics, increased production efficiency, and increased profitability, making them an integral part of a globalized and digitalized economy.

Key trends such as the use of artificial intelligence, big data, and cloud technologies have already become an integral part of digital platforms. They allow companies to effectively predict consumer needs, improve personalized offers, speed up order processing, and reduce transaction costs. In turn, technologies such as blockchain help improve transaction security, ensuring transparency and trust among partners around the world.

However, the successful use of digital platforms in international business is associated with a number of challenges. These include differences in national legislation, difficulties in regulating digital transactions, and cybersecurity issues. Many countries face the problem of digital inequality, where access to internet services and digital technologies is limited, which makes it difficult to implement platform business models in these regions.

At the same time, digital platforms open up significant prospects for small and medium-sized enterprises, providing them with access to international markets and reducing barriers to competition with large companies. It is important to note that the successful use of platform solutions requires not only technological preparation, but also the willingness of businesses to adapt their organizational structure and processes to new digital realities.

In conclusion, digital platforms have enormous potential to improve and optimize business processes in the international arena. Their future development will depend on successfully addressing existing issues and challenges, as well as the ability to adapt business practices and regulatory frameworks to the rapidly changing digital world. Only through effective interaction between governments, businesses, and technology platforms will it be possible to unlock the full potential of digital platforms and achieve sustainable development of international business in the era of digitalization.

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