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RESEARCH ARTICLE

Digital Transformation and its Influence on Modern Business Strategies

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ABSTRACT

Digital transformation has become a critical imperative for modern businesses, driven by the rapid advancement of technologies such as Industry 4.0, Internet of Things, Big Data, and social networking. This study investigates the impact of digitalization on business strategies in Kosovo, employing a mixed-methods approach that combines qualitative and quantitative techniques. An electronic survey questionnaire was administered to owners, directors, and senior managers of companies and enterprises in Kosovo to gather insights into their adoption of digital technologies and strategic initiatives. The findings reveal that a majority of surveyed businesses (74%) have implemented technological advancements within the past decade, with 57% investing in process automation and 64% planning digital transformation initiatives over the next five years. Correlation analysis strongly supports the hypothesis that digitalization has a significant impact on business strategy ($r=0.962$, $p<0.05$). Successful digital transformation can lead to increased market share, improved employee morale, and higher revenue. However, businesses face challenges such as information security risks, insufficient digital competencies, and financial constraints. The study concludes that the integration of digital strategies into overall business strategies is imperative for companies to remain competitive in the evolving market landscape. Recommendations include prioritizing digital transformation in areas such as process automation, social media engagement, and the development of innovative business models and services. Future research could explore industry-specific impacts of digitalization and strategies for overcoming implementation challenges.

1. INTRODUCTION

Digital transformation has become a critical imperative for businesses in the contemporary era, driven by the rapid advancement of technologies such as Industry 4.0, Internet of Things (IoT), Big Data, and social networking. This shift represents the fourth industrial revolution, following the mechanical, electrical, and computerized revolutions of previous eras. The current transformation is characterized by the integration of artificial intelligence, information technology, and robotics into various aspects of business operations and society at large. As Klaus Schwab (2016) noted, this revolution is unprecedented in its scale and impact, presenting both opportunities and risks for companies depending on their ability to adapt. The digital transformation journey is reshaping entire industries and sectors, fundamentally altering the way businesses operate, compete, and deliver value to customers. Connie Moore (2017) stated, "The purpose of digital transformation is to help empower enterprises to compete at the highest level in any market." This transformation extends beyond mere technological adoption, requiring significant organizational changes and a shift in mindset. Companies that successfully navigate this transformation can gain a competitive edge in the

globalized market, while those that fail to adapt risk obsolescence. The impact of digitalization is far-reaching, affecting production, consumption, transportation, and distribution systems, and ultimately changing the way we live, work, and interact with one another. As we stand at the precipice of this revolutionary change, it is evident that the ability to embrace and leverage digital technologies will be a key determinant of success in the evolving business landscape. All this leads to technological innovation, which has changed the way people, businesses and also the way the market works. Nowadays businesses need to adapt to technological changes in order to be ready to compete in the globalized market. Digitalization has reached all industries and all sectors of society. "The purpose of digital transformation is to help empower enterprises to compete at the highest level in any market." (Connie Moore, 2017)). We are experiencing radical changes across all areas, made by the emergence of new business models, reshaping production, consumption, transportation and distribution systems. We are at the beginning of a revolution that is radically changing the way we live, work and relate to each other. Digital transformation has become a critical imperative for businesses in the modern era, driven by the rapid advancement of technologies such as Industry 4.0, IoT, Big Data, and social networking. This shift represents the fourth industrial revolution, following the mechanical, electrical, and computerized revolutions of the past. The current transformation is characterized by the integration of artificial intelligence, information technology, and robotics into various aspects of business operations and society at large. As Klaus Schwab (2016) noted, this revolution is unprecedented in its scale and impact, presenting both opportunities and risks for companies depending on their ability to adapt. The digital transformation journey is reshaping entire industries and sectors, fundamentally altering the way businesses operate, compete, and deliver value to customers. As Connie Moore (2017) stated, "The purpose of digital transformation is to help empower enterprises to compete at the highest level in any market." This transformation extends beyond mere technological adoption, requiring significant organizational changes and a shift in mindset. Companies that successfully navigate this transformation can gain a competitive edge in the globalized market, while those that fail to adapt risk obsolescence. The impact of digitalization is far-reaching, affecting production, consumption, transportation, and distribution systems, and ultimately changing the way we live, work, and interact with one another. As we stand at the precipice of this revolutionary change, it is clear that the ability to embrace and leverage digital technologies will be a key determinant of success in the evolving business landscape. Digital transformation has become a critical imperative for businesses in the modern era, driven by the rapid advancement of technologies such as Industry 4.0, IoT, Big Data, and social networking. This shift represents the fourth industrial revolution, following the mechanical, electrical, and computerized revolutions of the past. The current transformation is characterized by the integration of artificial intelligence, information technology, and robotics into various aspects of business operations and society at large. As Klaus Schwab (2016) noted, this revolution is unprecedented in its scale and impact, presenting both opportunities and risks for companies depending on their ability to adapt. The digital transformation journey is reshaping entire industries and sectors, fundamentally altering the way businesses operate, compete, and deliver value to customers. As Connie Moore (2017) stated, "The purpose of digital transformation is to help empower enterprises to compete at the highest level in any market." This transformation extends beyond mere technological adoption, requiring significant organizational changes and a shift in mindset. Companies that successfully navigate this transformation can gain a competitive edge in the globalized market, while those that fail to adapt risk obsolescence. The impact of digitalization is far-reaching, affecting production, consumption, transportation, and distribution systems, and ultimately changing the way we live, work, and interact with one another. As we stand at the precipice of this revolutionary change, it is clear that the ability to embrace and leverage digital technologies will be a key determinant of success in the evolving business landscape.

LITERATURE REVIEW

Digital transformation has become a central trend in modern business development, significantly impacting business processes and models across various industries (Končar et al., 2020; Sabirovna & G'Olibo'G'Li, 2023). This transformation is driven by changes in consumer interests, technological advancements, and the potential for positive economic effects (Sabirovna & G'Olibo'G'Li, 2023). The COVID-19 pandemic has further accelerated the adoption of digital tools in business activities,

contributing to a progressive digital transformation (Sabirovna & G'Olibo'G'Li, 2023; Vatutina et al., 2021). Digital transformation affects businesses of all scales and structures, necessitating companies to reevaluate their existing capabilities, structures, and culture (Saarikko et al., 2020; Ulrich & Fibitz, 2020). It involves not only technological adoption but also a comprehensive shift in organizational thinking and operational management (Končar et al., 2020). While digital transformation offers numerous benefits, it also presents challenges such as information security risks, insufficient digital competencies among personnel, difficulties in transitioning to new business models, and financial constraints (Benga & Elhamma, 2024; Vatutina et al., 2021). Digitalization has become a crucial factor in shaping modern business strategies. As noted by Andersson and Movin, digitization offers numerous new opportunities for companies to reposition their operations and business models (Andersson & Movin, 2018). This technological revolution is transforming various aspects of business, including production, consumption, transportation, and distribution systems. The concept of digitalization extends beyond the mere adoption of digital technologies. According to the Oxford Dictionary, it represents "the increasing use of digital or computer technology by an organization, industry, state, etc." (Salihah, 2022). This definition highlights the pervasive nature of digitalization across different sectors and its potential to revolutionize business practices. Shemwell , Bhide and Prabawani, (2014) emphasize the importance of both digital skills and leadership capabilities in successful digital transformation. They argue that some companies excel in digital skills but lack leadership skills, while others face the opposite challenge. This observation underscores the need for a balanced approach in implementing digitalization strategies. The impact of digitalization on business strategy is multifaceted. Traditional product development is being supplanted by a focus on new business models and services (Bouza, 2018). This shift requires companies to adapt their strategies to leverage digital technologies effectively. As Klaus Schwab (2016) points out, we are experiencing a fourth industrial revolution, characterized by the integration of artificial intelligence, information technology, and robotics. McKinsey & Company (2018) highlights that successful digital transformation can lead to increased market share, improved employee morale, and higher revenue. However, the process is not without challenges. Many companies face difficulties in developing and implementing a comprehensive digitalization strategy. In conclusion, digital transformation has become a defining trait of corporate business strategy and a top management priority (Saarikko et al., 2020). Successful implementation of digital strategies is crucial for businesses to remain competitive in the new market landscape (Končar et al., 2020). Companies that effectively leverage digital technologies can develop new business models, enhance customer engagement, improve operational efficiency, and generate new revenue streams (Adama & Okeke, 2024). However, addressing the challenges and limitations associated with digitalization is essential to harness the full potential of digital technologies for positive business impact (Benga & Elhamma, 2024).

The purpose of using the literature in this paper is applied to give us an answer to the question that can also be considered as the main objective of the research, which is:

What is the impact of digitalization on business strategy?

Traditional product development is oriented and adapted to produce an idea of a product, while in business digitalization it is all about finding new business models and services. (Bloomberg, 2018).A business strategy is a set of principles that when communicated and adopted in companies, create a desired model of decision making (Domniku & Kacamakovic, 2022). A good strategy provides a clear picture, which consists of a set of guiding rules that define the actions that people should (and should not) take and the things that should be prioritized (and not prioritized) in order to achieve the desired goals (O. C. Ferrell, Geoffrey Hirt , 2000).Firms are sensitive to adverse and unpredictable changes in demand and increased competition for their individual products. The more products and services developed by a business, the lower this sensitivity (John Lipczynski, 2004). When all the assumptions made are accurately verified and tested, and the decisions made can be presented with clear facts and evidence, then we can say that the strategy is right. It is important to ensure that the strategy is in line with the company's objectives, the type of business it does and the environment in which it plans to operate.

PROBLEM STATEMENT

The reviewed literature has paid much attention to investigating the effects of innovation on business models, the digitalization process and value creation through digital platforms. Companies that are going through a digital transformation are more likely to have increased market share, increased employee morale, and increased revenue. However, almost all of these companies face challenges and problems during the transformation processes.

The main problems and challenges that we have identified and addressed in the topic are:

Lack of overall digitalization strategy, and

The impact of digitalization on business strategy.

By addressing this problem throughout the research, we will analyse the correlation of the lack of digitalization strategy with the impact it has on business strategy.

Finally, through this analysis we will be able to answer the main research question:

What is the impact of digitalization on business strategy?

Companies that manage to create digital value to the customer, do not get there by chance. They develop a clear strategy for how they will meet the digital needs of their customers and set goals that are often executed over periods of several years.

RESEARCH METHODOLOGY

The analysis of the research part to collect and analyse the data was done by combining qualitative and quantitative methods. as a quantitative method to test the hypothesis, an electronic survey questionnaire was compiled that contained several different elements to measure and had a clearer picture of the work we have elaborated. The target was the owners, directors and senior managers of companies and enterprises in Kosovo, to anonymously provide answers regarding these processes. The research methodology employed a mixed-methods approach, integrating both qualitative and quantitative techniques to gather and analyze data comprehensively. The primary quantitative instrument was an electronic survey questionnaire, carefully designed to test the proposed hypotheses and measure various elements pertinent to the study. This survey was structured to provide a multifaceted view of the elaborated work, ensuring a thorough examination of the research questions.The study targeted a specific demographic within the Kosovo business landscape, focusing on owners, directors, and senior managers of companies and enterprises. This strategic selection of participants aimed to capture insights from individuals with decision-making authority and extensive knowledge of their organizations' processes. To encourage candid responses and maintain data integrity, the survey was conducted anonymously, allowing respondents to provide honest feedback without concerns of identification or potential repercussions. This approach not only enhanced the reliability of the data collected but also facilitated a more accurate representation of the current business practices and challenges within the Kosovo corporate sector.

ANALYSIS AND RESULTS

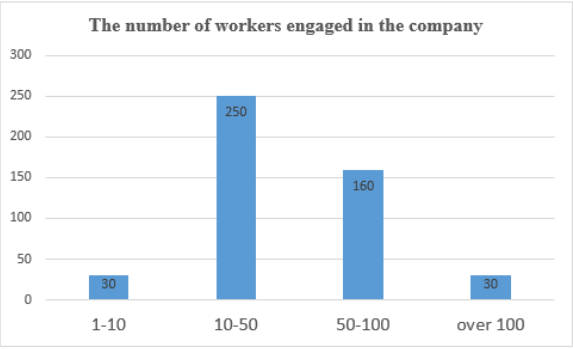

Figure 1 Number of employees represented in the Survey Sample (N=470)

Most respondents answered that they have between 10 and 50 employees - 53.2% 250 (figure 1).

The survey results indicate that the majority of businesses surveyed fall into the small to medium-sized enterprise (SME) category. With 53.2% of respondents reporting a workforce between 10 and 50 employees, this suggests a significant concentration of companies operating at a scale that allows for specialized roles and departments while maintaining a relatively lean organizational structure. This size range is often associated with businesses that have moved beyond the initial startup phase and have established a stable market presence, yet remain agile enough to adapt to changing market conditions. The prevalence of companies in this employee range could have several implications for the broader business landscape. These firms may be well-positioned to drive innovation and economic growth, as they are large enough to have resources for research and development but small enough to be flexible in their operations. Additionally, businesses of this size often play a crucial role in local economies, providing employment opportunities and contributing to the community's economic fabric. Further analysis of the data could reveal insights into industry trends, growth patterns, and the challenges and opportunities specific to companies operating at this scale.

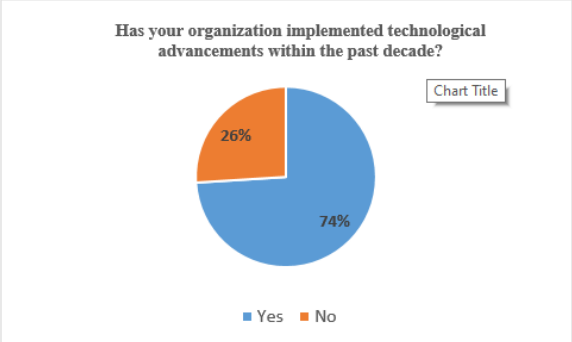

Figure 2 Technological investments in companies in the last 10 years

Has your organization implemented technological advancements within the past decade (figure 2)? To the question posed - Have you made technological investments in your company in the last 10 years? 74% of respondents answered (Yes) and 26% answered (No). The survey results indicate a significant trend towards technological adoption and investment among organizations over the past decade. A substantial majority, 74% of respondents, confirmed that they had implemented technological advancements within their companies during this period. This high percentage suggests a widespread recognition of the importance of technology in maintaining competitiveness, improving efficiency, and driving innovation across various sectors. However, it is noteworthy that just over a quarter of the surveyed organizations (26%) reported not making technological investments in the last ten years. This could be due to various factors, such as budget constraints, resistance to change, lack of perceived need, or satisfaction with existing systems. The disparity between the two groups raises questions about the potential long-term implications for those organizations that have not kept pace with technological advancements, particularly in an increasingly digital-driven business landscape. It also highlights the opportunity for further research into the reasons behind this lack of investment and the potential consequences for organizational performance and competitiveness.

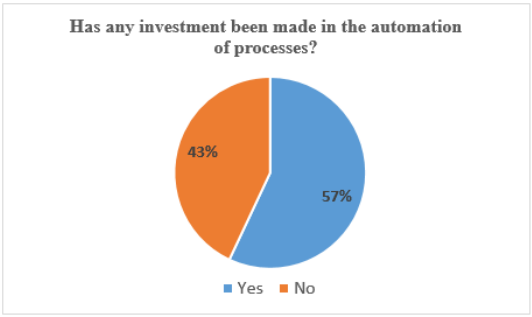

Figure 3. Investments in automation process

To the question posed - Have you ever invested in process automation (figure 3) ? 57% or 270 respondents answered (Yes) and 43% or 200 answered (No)The survey results reveal a significant

divide in process automation adoption among respondents. With 57% (270 respondents) indicating they have invested in process automation; it is clear that a majority of organizations recognize the potential benefits of automating their workflows and operations. This majority suggests a growing trend towards digital transformation and efficiency improvements across various industries. However, the fact that 43% (200 respondents) have not yet invested in process automation highlights a substantial portion of businesses that may be missing out on potential productivity gains and cost savings. This group could face challenges in remaining competitive in an increasingly digitized business landscape. The reasons for their lack of investment could range from budget constraints and lack of technical expertise to concerns about implementation complexities or uncertainty about the return on investment. Further investigation into the barriers preventing these organizations from adopting process automation could provide valuable insights for both businesses and automation solution providers.

Figure 4. Plan designed for digitalization in the next 5 years

To the question posed - Are there any strategic initiatives for digital transformation within your organization over the next quinquennial period (figure 4) ? 64% or 300 respondents answered (Yes) and 36% or 170 answered (No).

The survey results indicate a significant majority of respondents (64%, or 300 individuals) affirm the existence of strategic initiatives for digital transformation within their organizations over the next five-year period. This suggests a widespread recognition of the importance of digital transformation in shaping future business strategies and operations. The high percentage of positive responses reflects a proactive approach by many organizations to adapt to the rapidly evolving digital landscape and leverage technological advancements to enhance their competitive edge. Conversely, 36% of respondents (170 individuals) indicated that their organizations do not have strategic initiatives for digital transformation planned for the next quinquennial period. This minority, while substantial, raises questions about the readiness of these organizations to compete in an increasingly digitalized business environment. It may suggest a lack of resources, awareness, or prioritization of digital transformation among these entities. Further investigation into the reasons behind this lack of strategic planning for digital initiatives could provide valuable insights into the challenges and barriers faced by organizations in implementing digital transformation strategies.

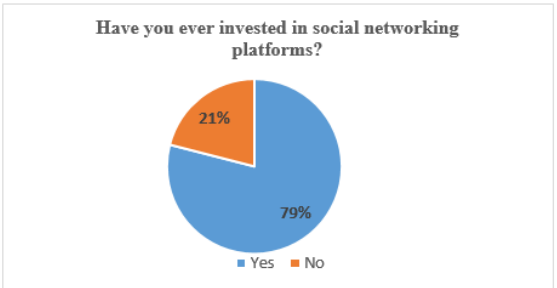

Figure 5. Investments in social networking platforms

Regarding the inquiry: Have you ever invested in social networking platforms (figure 5) ?79% or 37 respondents answered (Yes) and 21% or 10 answered (No)The survey results indicate a significant majority of respondents have invested in social networking platforms, with 79% (37 individuals) answering affirmatively. This high percentage suggests a strong interest and confidence in the potential of social media investments among the surveyed group. The prevalence of such investments could be attributed to the growing influence and ubiquity of social networking in both personal and

professional spheres, as well as the perceived financial opportunities these platforms present. Conversely, 21% of respondents (10 individuals) reported not having invested in social networking platforms. This minority group may have various reasons for abstaining, such as skepticism about the long-term viability of social media companies, concerns about privacy and data security issues associated with these platforms, or simply a preference for more traditional investment options. The relatively small proportion of non-investors could also indicate a general trend towards embracing technology-driven investment opportunities in the current market landscape.

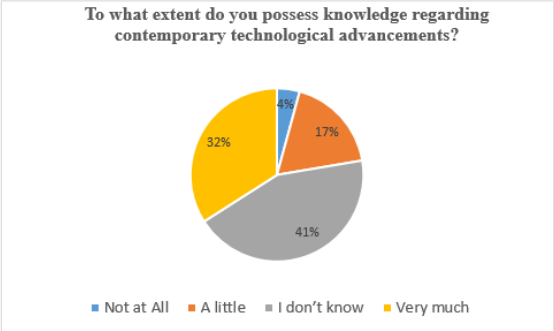

Figure 6. Knowledge of new technological trends

To the question posed - To what extent do you possess knowledge regarding contemporary technological advancements(figure 6) ? Not at all with 4%, A little with 17%, I do not know with 41% and very much 32%. The survey results indicate a diverse range of self-reported knowledge levels regarding contemporary technological advancements among respondents. A significant portion of the surveyed population, 41%, expressed uncertainty about their knowledge level by selecting "I do not know." This could suggest a lack of confidence in assessing their own understanding of current technological trends or possibly a recognition of the rapidly evolving nature of technology, making it challenging to gauge one's knowledge accurately. On the other end of the spectrum, nearly a third of respondents (32%) claimed to be very knowledgeable about contemporary technological advancements. This group likely consists of individuals who actively engage with technology, either professionally or as enthusiasts, and stay informed about the latest developments. In contrast, a small minority (4%) reported having no knowledge at all, while 17% acknowledged having a little knowledge. These findings highlight the varying degrees of technological awareness and engagement within the surveyed population, potentially reflecting differences in education, professional backgrounds, personal interests, or access to information about technological advancements.

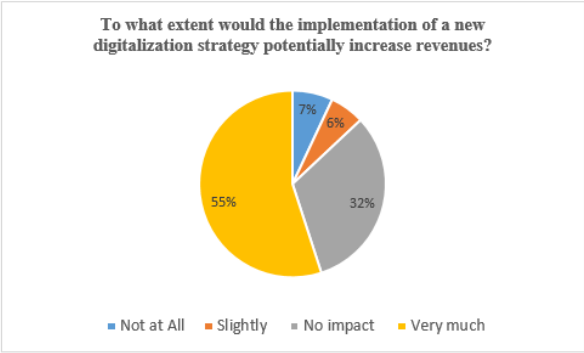

Figure 7. Revenue with increasing implementation of a new digitalization strategy

To the question posed-To what extent would the implementation of a new digitalization strategy potentially increase revenues (figure 7) ? Not at all with 7%, Slightly at 6%, No impact at 32% and very much at 55%The survey results indicate a mixed but generally positive outlook on the potential impact of implementing a new digitalization strategy on revenue growth. A significant majority of respondents, 55%, believe that such a strategy would have a substantial positive effect on revenues, suggesting a strong confidence in the transformative power of digital technologies. This group likely recognizes the potential for digitalization to streamline operations, enhance customer experiences, and open up new market opportunities, all of which can contribute to increased revenue streams.

However, the results also reveal a notable level of uncertainty or skepticism among some respondents. A considerable portion (32%) anticipates no impact from a new digitalization strategy, which could stem from various factors such as perceived inadequacies in current digital infrastructure, concerns about implementation challenges, or doubts about the relevance of digital solutions in their specific industry contexts. The small percentages of respondents who expect slight (6%) or no (7%) revenue increases further underscore the existence of reservations about the effectiveness of digitalization strategies. These findings highlight the importance of carefully tailored and well-communicated digitalization initiatives that address specific business needs and demonstrate clear pathways to revenue growth.

HYPOTHESIS TESTING

H1 hypothesis testing was conducted through correlation analysis utilizing the SPSS statistical program. Correlation is a statistical technique that quantifies the degree of relationship between two variables. The primary outcome of a correlation analysis is the correlation coefficient (denoted as "r"). The correlation coefficient ranges from -1 to 1. The closer the value is to +1 or -1, the stronger the relationship between the variables. A value of r approaching 0 indicates a lack of relationship between the variables.The p-value is utilized to determine the statistical significance of the results. A p-value less than 0.05 indicates a statistically significant relationship.

N represents the survey sample size.

Variables: Digitalization and Business Strategy (table 1).

From the tested sample (N=470), the statistical presentation of the results is as follows:

Additional statistical data extracted through questions based on the Likert scale are presented in the following tables: The H1 hypothesis testing was conducted through correlation analysis using the SPSS statistical program to examine the relationship between digitalization and business strategy. Correlation analysis is a powerful statistical technique that quantifies the strength and direction of the association between two variables. The primary outcome of this analysis is the correlation coefficient (r), which ranges from -1 to 1. A correlation coefficient closer to +1 or -1 indicates a stronger relationship between the variables, while a value approaching 0 suggests a weak or non-existent relationship. In this study, the sample size (N) was 470, providing a moderate dataset for analysis. To determine the statistical significance of the results, the p-value was utilized. A p-value less than 0.05 is generally considered statistically significant, indicating that the observed relationship between digitalization and business strategy is unlikely to have occurred by chance. The analysis also incorporated additional statistical data extracted through questions based on the Likert scale, which likely provided more nuanced insights into the participants' perceptions and attitudes towards digitalization and its impact on business strategy. This comprehensive approach allows for a more thorough understanding of the relationship between these variables and their potential implications for organizational decision-making and performance.

Table 1. Statistical presentation of hypothesis testing

Descriptive statistics			
	Mean	Std.Deviation	N
Digitization	1.3525	0.41977	470
Business Strategy	1.3901	0.46919	470

Table 2. Correlation between H1 variables

Correlation between H1 variables			
Digitalization		Business strategy	
Digitalization	Pearson Correlation	1	.962**
Sig. (2-tailed)		.000	
N	470	470	
Business Strategy	Pearson Correlation	.962**	1
Sig. (2-tailed)		.000	

N	470	470
**. Correlation is significant at the 0.01 level (2-tailed).		

From table 2 we see that the relation r = 0.962, ie r> 0.5, which means that we are dealing with a strong relation between the variables. The **p value**, or significance is also 0.00, which is lower than 0.05. based on these conditions the H1 hypothesis is supported. The strong positive correlation (r = 0.962) between the variables indicates a robust and significant relationship. This high r-value suggests that as one variable increases, the other tends to increase proportionally, demonstrating a nearly linear association. The strength of this relationship is further emphasized by the fact that r is not only greater than 0.5 but is very close to 1, indicating an almost perfect positive correlation. The p-value of 0.00 provides additional support for the significance of this relationship. A p-value less than the conventional threshold of 0.05 suggests that the observed correlation is highly unlikely to have occurred by chance. This statistical significance, combined with the strong correlation coefficient, provides compelling evidence to support the H1 hypothesis. These results imply that the relationship between the variables is not only strong but also statistically meaningful, allowing for confident inferences about the nature of their association in the population from which the sample was drawn.

Table 3. Correlation between variables, through Kendall and Spearman coefficient

Correlation between H1 variables				
Digitalization			Business Strategy	
Kendall's tau_b	Digitalisation	Correlation Coefficient	1.000	.922**
Sig. (2-tailed)		.	.000	
N		470	470	
Business Strategy		Correlation Coefficient	.922**	1.000
Sig. (2-tailed)		.000	.	
N		470	470	
Spearman's rho	Digitalisation	Correlation Coefficient	1.000	.962**
Sig. (2-tailed)		.	.000	
N		470	470	
Business Strategy		Correlation Coefficient	.962**	1.000
Sig. (2-tailed)		.000	.	
N		470	470	
**. Correlation is significant at the 0.01 level (2-tailed).				

Analysing the results of Kendall's Tau coefficients (table 3), the relation r = 0.922 and also according to the Spearman coefficient r = 0.962, show that r> 0.5 and this means that the relation between the variables of Hypothesis - H1 is very strong. The value p, or significance is 0.00, ie lower than the value 0.05. in both coefficients enabling us to assert the hypothesis. It can be interpreted that digitalization has a great impact on business strategy. The strong positive correlation between digitalization and business strategy, as evidenced by the Kendall's Tau (r = 0.922) and Spearman (r = 0.962) coefficients, underscores the significant influence of digital technologies on modern business practices. These high correlation values, both exceeding 0.5, indicate a robust relationship between the variables examined in Hypothesis H1. The statistical significance of these results, with p-values of 0.00 for both coefficients, further reinforces the validity of the hypothesis, as it falls well below the conventional threshold of 0.05. This statistical evidence supports the assertion that digitalization plays a crucial role in shaping business strategies across various industries. As companies increasingly adopt digital technologies, they are likely to experience substantial changes in their operational processes, customer engagement methods, and overall strategic planning. The strong correlation suggests that businesses that effectively integrate digital tools and platforms into their operations are more likely to develop innovative strategies, enhance their competitive advantage, and adapt more readily to the rapidly evolving market landscape. Consequently, this finding

emphasizes the importance for organizations to prioritize digital transformation initiatives and align their strategic objectives with the opportunities and challenges presented by the digital age.

CONCLUSIONS AND RECOMMENDATIONS

Research was essential in determining the impact of digitalization on business strategy. Through analysis and testing we came to the conclusion that the digitalization process has a great impact on business strategy. Today, every company, regardless of its size and industry, must integrate a digital strategy into its business strategy. This strategy is more than just social networks, websites, etc. It must combine information, technology and physical resources to enhance collaborative capabilities. Moreover, a digital strategy alone will not yield enough results, but it must be included in the business strategy to have a chance at giving competitive advantage. It seems that the academic literature related to the digitization process can be developed more than it is now, however in practice the definition of the concept of digitization has only become present in most companies, as evidenced through sample testing. It would be helpful for companies to compare themselves to other companies that have reached the highest level of digital maturity, and judge for themselves whether it would be more beneficial for them to transform further. Although all industries are affected by digitalization, different industries would be affected to varying degrees. If leadership decides that their business is lagging behind the desired level of digital maturity, they can thus use comparison to see which areas are lagging behind and which organizational processes need to be improved first. Based on the case studies elaborated in the research, it was proved that business digitalization can lead to a significant increase in productivity and a reduction in costs. This proves that digitalization has a positive impact on the overall business strategy. Based on the provided input text, here is a draft conclusion section:

The research findings underscore the significant impact of digitalization on modern business strategies. The study reveals that a majority of surveyed companies (74%) have implemented technological advancements within the past decade, with 57% investing in process automation. Furthermore, 64% of respondents indicated plans for digital transformation initiatives over the next five years, highlighting the growing recognition of digitalization's importance in business strategy.The correlation analysis strongly supports the hypothesis that digitalization has a substantial impact on business strategy, with a correlation coefficient of 0.962 ($p < 0.05$). This robust relationship emphasizes the critical role of digital transformation in shaping contemporary business models and operational approaches. To maximize the benefits of digitalization, organizations should benchmark against digitally mature competitors and tailor their approaches to industry-specific needs. As the field of digital strategy continues to evolve, further research into industry-specific impacts and strategies for overcoming implementation challenges will be crucial for businesses aiming to maintain a competitive edge in the digital era.

The research also highlights that successful digital transformation can lead to increased market share, improved employee morale, and higher revenue. However, companies face challenges in developing and implementing comprehensive digitalization strategies, including information security risks, insufficient digital competencies, and financial constraints. In conclusion, the integration of digital strategies into overall business strategies has become imperative for companies seeking to remain competitive in the evolving market landscape.

The findings suggest that businesses should prioritize digital transformation, focusing on areas such as process automation, social media engagement, and the development of new business models and services.

Future research could explore industry-specific impacts of digitalization and strategies for overcoming implementation challenges.

In conclusion, this study underscores the pivotal role of digitalization in shaping modern business strategies. The findings reveal a strong correlation between digital transformation and strategic impact, with a majority of surveyed companies in Kosovo embracing technological advancements. While digitalization offers significant benefits, including increased market share and revenue, businesses must navigate challenges such as security risks and skill gaps. To remain competitive in the digital age, companies must prioritize the integration of digital strategies into their overall business plans, focusing on key areas like process automation, social media engagement, and

innovative business models. As the business landscape continues to evolve, embracing digital transformation will be crucial for long-term success and sustainability.

HIGHLIGHTS

Digitalization is transforming the global landscape, driven by data collection, network expansion, AI, and robotics.

Digital transformation is a critical imperative for modern businesses, requiring technological adoption and organizational changes.

The study surveyed owners, directors, and senior managers of companies in Kosovo using mixed methods.

Most surveyed businesses (53.2%) have 10-50 employees, and 74% have implemented technological advancements in the past decade.

64% of respondents have strategic initiatives for digital transformation planned for the next five years.

Correlation analysis strongly supports the hypothesis that digitalization significantly impacts business strategy ($r=0.962$, $p<0.05$).

Successful digital transformation can lead to increased market share, improved employee morale, and higher revenue.

Businesses should prioritize digital transformation, focusing on process automation, social media engagement, and new business models.

SUMMARY

The research investigates the impact of digitalization on modern business strategies. A survey of owners, directors, and senior managers of companies in Kosovo revealed that 74% have implemented technological advancements in the past decade, with 64% planning digital transformation initiatives in the next five years. Correlation analysis strongly supports the hypothesis that digitalization significantly impacts business strategy ($r=0.962$, $p<0.05$). Successful digital transformation can lead to increased market share, improved employee morale, and higher revenue, but businesses face challenges such as information security risks, insufficient digital competencies, and financial constraints. The study concludes that integrating digital strategies into overall business strategies is imperative for companies to remain competitive, and recommends prioritizing digital transformation in areas like process automation, social media engagement, and new business models.

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