**Business Impacts of the Digital Economy**



The digital economy has emerged as a transformative force, revolutionizing how businesses operate, interact with customers, and make strategic decisions. Rapid technological advancements, particularly in information technology and the internet, have led to a new era of business, often called the digital economy. This essay explores the profound impacts of the digital economy on businesses and how it has redesigned various aspects of their processes, plans, and customer relations.

The digital economy, characterized by the pervasive use of digital technologies and data-driven processes, has ushered in a paradigm shift in business operations. It includes various industries and sectors, from e-commerce and fintech to healthcare and manufacturing. This essay will delve into the key ways the digital economy has influenced businesses, focusing on its impact on business intelligence, data-driven decision-making, and customer appointment.

**Business Intelligence in the Digital Economy**

https://www.youtube.com/live/OfBV9RszTFQ?feature=share

Business intellect (BI) collects, analyzes, and transforms data into actionable insights that drive strategic and operational decisions. In the digital economy, BI has developed a need and a competitive advantage for businesses. The obtainability of vast data and advanced analytics tools has enabled firms to gain unprecedented insights into market trends, consumer behaviors, and operational competencies.

***Scenario 1: Deciding whether to issue a loan to a candidate based on demographic and financial data***

Method: Predictive

Clarification: In this situation, the predictive method is appropriate. By analyzing past customers' and the applicant's demographic and financial data, businesses can build predictive replicas that assess the likelihood of loan repayment. Machine learning algorithms can identify patterns and correlations within historical data to predict the likelihood of default or successful repayment, aiding in informed decision-making.

***Making recommendations to customers in an online bookstore***

Method: Descriptive

Clarification: Descriptive analytics is the best method here. By analyzing designs in prior transactions, businesses can understand customer favorites, frequently purchased items and browsing behaviors. This information helps make references for added items to buy, enhancing customer knowledge and increasing sales. Descriptive analytics focuses on brief historical data to reveal visions about past doings.

**Identifying segments of similar customers**

Method: Prescriptive

Explanation: Narrow analytics is applicable in this scenario. By identifying segments of similar customers, businesses can understand their preferences and prescribe tailored marketing strategies or product offerings for each piece. Prescriptive analytics involves utilizing historical data, predictive models, and optimization algorithms to recommend actionable strategies that exploit desired consequences.

***Approximating repair time for an aircraft based on a trouble ticket***

Method: Predictive

Explanation: The predictive method is suitable for this scenario. By examining historical data from worry tickets and repair processes, businesses can build predictive models that estimate the overhaul time required for an aircraft. Machine learning algorithms can identify patterns in past repair instances and correlate them with repair durations if accurate repair time estimates.

***Impact on Decision-Making and Strategy***

In the digital economy, data-driven decision-making has developed a cornerstone of successful business strategies. The availability of real-time data and advanced analytics tools empowers businesses to make informed choices aligned with market trends and customer favorites. Companies can quickly identify chances and tests, optimize processes, and allocate capital more efficiently.

***Equities analyst studying the pharmaceutical industry***

Method: Descriptive

Explanation: Evocative analytics is appropriate in this scenario. By analyzing the basic financial actions of the pharmaceutical industry, the equities analyst can gain insights into the industry's structure, financial health, and performance. Expressive analytics involves summarizing historical data to provide a clear overview of past doings.

***Pricing a used car based on its specification***

Method: Prescriptive

Explanation: Prescriptive analytics is suitable for this scenario. By seeing the specifications of the used car, market trends, and historical pricing data, trades can prescribe an optimal pricing strategy. Prescriptive analytics involves recommending actionable strategies that maximize desired consequences based on past data and optimization procedures.

***Analyzing relationships among purchases of cosmetic items***

Method: Descriptive

Explanation: Evocative analytics is applicable here. Businesses can understand relations among different products and customer preferences by analyzing acquisition data of beautifying items. This information can guide point-of-sale display strategies and aid sales personnel in promoting cross-sales. Evocative analytics focuses on summarizing historical data to expose insights about past activities.

Conclusion

The digital economy has unleashed transformative changes in the business landscape, profoundly impacting business intelligence, decision-making, and customer engagement. The availability of data and advanced analytics methods has enabled trades to harness visions, optimize procedures, and drive novelty. Through analytical, evocative, or prescriptive methods, businesses can leverage data-driven approaches to thrive in the dynamic and competitive digital economy. As we move forward, it is clear that the ability to harness data control will continue to be an essential factor in commerce's success or failure in the digital era.

***References***

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