

Sample research paper on digital economy

[Technology](#), [Development](#)



The Concept of a Digital Economy

Concept of the digital economy regards to markets that focus on digital technologies. This essentially entails the trade of information goods or services via electronic platforms. The digital economy is characterized with markets based on digital technologies that aid the trade of goods and services via e-commerce. This model of business functions on layered basis that have separate fragments for data transportation and application. This is in contrast with conventional model of business in which data transportation assumed a natural monopoly while applications were considered a very competitive segment (Setia, Viswanath and Supreet 566). With the digital economy, this dichotomy is assuming a new dimension where transportation segment is liberalized while various applications markets are becoming more concentrated. Development in the digital sector has enhanced economic growth in the recent years and focus on digital world is transforming various aspects of the economy.

The digital economy is a strategic sector, which is prompting substantial growth in the modern society. The impact of the digital economy stretches beyond information of goods and services to other sectors of economy and lifestyles entirely. In particular, increased usage of technologies such as mobile devices has expanded the accessibility of internet in the society, which has fostered the application of the digital economy in various sectors (Peitz and Joel 146). Rivalry in the digital markets assumes a dimension that differs with the ones of customary markets. It is characterized with network effects, fast paced innovation, two-sided markets and high rates of investment. The cyclical nature of the competitive platforms in the digital

markets means that booming digital platforms tend to assume a significant, but transient market power. Presently, the corporate world is leveraging technology and particularly the internet to connect, create and transform operation models in the world. Recent statistics indicate that about 30% of the world population use Internet. These driving forces which are basically prompted by the Internet and consumer trends present a high potential of transforming businesses and government processes (Setia, Viswanath and Supreet 566). It is worthwhile noting that the trend is in favor of the digital economy modern generation has a taste of technology. In this context, individuals embrace modern business operation models such as online and E-banking in preference of traditional models.

The Forces That Have Led to the Existence of Digital Economy

Firstly, development in technologies especially the one providing efficient and reliable models for transferring information and services has presented driving forces that have resulted to digital economy. Presence of new digital infrastructures such as wireless network and positioning technology presents the current and future shift of digital technology as it is adopted in public spaces, architectures and personal fabric of people's daily lives. In essence, the increased adoption of computers, satellite navigation, mobile phones, embedded sensors and digital cameras has created an interconnected platform that presents a shift towards a world of omnipresent computing that has led to adoption of the concept of the digital economy (Peitz and Joel 39). Secondly, accessibly and widespread utilization of the Internet has provided an ideal environment for the establishment of a digital economy. Internet

has enhanced production, transmission and sharing of information. With the development of the Internet technology, information can be produced instantaneously, distributed immediately, shared collaboratively and worked on spontaneously. According to Peitz and Joel (59), the extensive adoption of consumer, information technologies like mobile telephony and social media accompanied with increased embrace of online activities such as e-banking, online shopping and content sharing have prompted the emergence of a digital economy.

Other forces that have led to the existence of digital economy include globalization forces, competition and forces presented by the scarcity in resources. Initially, globalization of both trade and social activities has created a force that has prompted the establishment of the digital economy. This is because with the globalization of events, the customary model of business appears to be highly ineffective and expensive. In contrast, the concept of digital economy is relevant due to its effectiveness, which affirms its existence.

Furthermore, competition forces have challenged organizations to search for more sustainable and efficient operation strategies in order to remain competitive. This has created a force that has resulted to existence of digital economy, which is presenting as a strategic approach. Industries have embraced the idea of digital economy to capitalize on various opportunities that the technology presents.

Lastly, scarcity of the available resources has also created a force that has led to the existence of a digital economy as businesses search for alternative strategies for executing their activities. The idea of digital economy is

characterized with aspects such as limited usage of space and elimination of tedious operational procedures. In this context, the idea has provided organizations with an effective approach for reducing the cost of obtaining resources and doing business.

How the digital economy is likely to progress in the near and longer term future

Concept of the digital economy presents a thriving progress which means that the model is likely to assume a strategic position in the near and longer term future. The concept of digital economy is likely to progress in the near and longer future in various ways. The widespread computing marks a critical engine of innovation for the future digital economy. In essence, the concept already provides the basis for the modern visions of the future of transportation and applications of trade goods and services. Furthermore, idea of digital technology has the potential of transforming other sectors including the financial and creative industries. Adoption of computing technologies will have a substantial effect on the manner in which people work, interact, learn and socialize.

Firstly, there will be focus and increased investment on high-speed infrastructure. The technology will result to collaboration and competition, which will motivate industries to invest in high-speed tools. Being a strategic platform for competition in the near and longer future, investing in digital economy is a rational decision. However, focus on high-speed infrastructure will prompt the concern of digital content and green ICTs. This will include concerns regarding the security and safety of digital content with the intention of instituting effective measures and policies for addressing the

detrimental effects of this technology.

Secondly, this technology will also focus on the improvement of smarter applications in the future. The concept will enhance pervasive computing and development of intelligence environments. Being the modern model of doing businesses, organizations will value the need of embracing this technology thus investing in it, which will result to establishment of advanced environments.

Furthermore, the idea of digital technology will be characterized with the emergence of open internet economy and worldwide participation for the development. In consideration to the strategic potential of this technology, most states will encourage the idea of open Internet while collaborating with others in transforming their system into digital economy. According to Setia, Viswanath and Supreet (565), most strategist and policy makers are identifying the idea of the digital economy as a strategic approach of developing global economies in the contemporary society. Oncioiu and Global IGI (34) support this position by arguing that researching and building knowledge of digital technology is vital in ensuring that it offers both societal and economic benefits to the global community. The idea of digital economy is likely to prompt situations such as universal connectivity and access of trade goods and the benefits of diversity.

Works Cited

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