

**Kasumov T. A.**

*Kyiv National University of Technologies and Design*

### **INNOVATIVE BUSINESS MODELS AS A DRIVER OF THE DEVELOPMENT OF THE MODERN ENTERPRISE**

**Abstract.** *The article examines the peculiarities of the application of innovative business models as a driver of the development of a modern enterprise. A critical analysis of foreign and domestic scientific literature on the research topic was carried out. As a result of the study, a periodization of the stages of development of innovative business models in the management system of a modern enterprise was created. Also, based on the research, an innovative business model of enterprise management in the conditions of the Russian-Ukrainian war was proposed. Based on the analysis, it was concluded that innovative business models contribute to the active development of profitability and efficiency of enterprises.*

**Keywords:** *innovative business models; business processes; systematic approach; innovation management; consumer behavior.*

**Касумов Т. А., аспірант**

*Київський національний університет технологій та дизайну*

### **ІННОВАЦІЙНІ БІЗНЕС-МОДЕЛІ ЯК ДРАЙВЕР РОЗВИТКУ СУЧАСНОГО ПІДПРИЄМСТВА**

**Анотація.** *В статті досліджено особливості застосування інноваційних бізнес-моделей як драйвера розвитку сучасного підприємства. Було проведено критичний аналіз зарубіжної та вітчизняної наукової літератури з теми дослідження. В результаті дослідження була створена періодизація етапів розвитку інноваційних бізнес-моделей в системі управління сучасним підприємством. Також на підставі дослідження було запропоновано інноваційну бізнес-модель управління підприємством в умовах російсько-української війни. На основі аналізу було зроблено висновок, що інноваційні бізнес-моделі сприяють активному розвитку прибутковості та ефективності діяльності підприємств.*

**Ключові слова:** *інноваційні бізнес-моделі; бізнес-процеси; системний підхід; управління інноваціями; споживацька поведінка.*

**Introduction.** The significance of innovative business models for enterprises is currently undergoing deep transformations, which primarily include technological advances, increasing complexity of consumer needs, changes in consumer psychology, environmental challenges, and regulatory changes. The functioning of business models during the Russian-Ukrainian war became a difficult and difficult task for many enterprises in Ukraine. The war and its consequences significantly changed the economic landscape of the country. In such conditions, many enterprises were forced to review their business models and adapt to new realities. Some of them focused on the domestic market and developed strategies to strengthen imports. Others began to look for new export markets and changed the vectors of their activities. Some businesses have turned to innovation and technological upgrading to increase competitiveness and reduce dependence on imports. In general, the development of business models during the war became the need of the hour and now requires a creative and flexible approach to solving complex tasks. All these factors undoubtedly affect the strategic decision-making by enterprises regarding their competitiveness.

The relevance of the topic of this study is due to the activation of a number of factors, namely:

- technological progress – modern technologies are rapidly developing and revolutionizing various industries. The introduction of new technologies becomes critical for creating innovative business models that provide a competitive advantage;

- the growing level of competition, which forces enterprises to constantly carry out strategic transformations. More and more modern enterprises recognize that competitiveness depends not only on the quality of products or services, but also on internal processes and business structure;

- changes in the behavior of consumers, who become more demanding and conscious. They look for products that match their personal values and have a positive impact on the social and environmental spheres;

- global challenges such as climate change, the gradual disappearance of resources and social inequality challenge businesses to be more environmentally responsible in solving these problems. Innovative business models can contribute to the creation of a sustainable business that promotes the development of environmental and social responsibility;

- changes in the legal environment are currently taking place in many areas, including cyber security, personal data protection and environmental standards, which have a direct impact on the business models of enterprises.

Therefore, it can be argued that innovative business models become an important tool for achieving and improving the competitive advantages of the enterprise in the market of goods and services.

Setting objectives. The theoretical-methodological basis of this study consists of the works and achievements of both domestic and foreign scientists [1–7].

Thus, it can be determined that the scientific community has four main areas of research in the field of effective business modeling. However, there are unresolved aspects of this general problem, which include the following:

First, scientific studies did not reveal the business model from the point of view of the final result, namely the successful completion of the sale of goods to consumers, which determines the success or failure of the enterprise and its business model.

Secondly, even those studies that focused on the disclosure of the sales organization and marketing activities in general were not systematic and did not provide companies with specific tools for action and were mostly superficial in nature.

Thirdly, scientific works in this field do not consider specific features of domestic business development.

The fourth drawback is the lack of an aspect of forecasting market development and relationships between consumers and suppliers in research aimed at the innovative aspect of business modeling. This consideration should help companies to act prematurely, and not to react to market challenges, especially in the conditions of the Russian war.

Therefore, the author proposes the following definition of innovative business models, which have significant potential for improving and optimizing sales processes and ensuring greater competitiveness of the enterprise. An innovative business model is a system of strategic decisions and actions aimed at improving traditional sales methods and creating new ways of selling goods or services. An innovative business model from a sales point of view may include innovative approaches to interaction with customers, optimization of sales channels, changes in pricing strategies and advertising activities.

Thus, it is worth noting exactly why innovative business models are useful for sales, from the author's point of view.

- expanding the range of products or services – innovative business models can allow the company to create new products or services that will meet the needs of customers, which will lead to increased sales;

- improving the level of customer service – innovative business models can help the company improve the quality of customer service, providing them with more convenience and personalized services;

- optimization of ordering and supply processes – innovative business models can simplify the processes of ordering, delivery and supply of goods, which facilitates interaction with customers and, above all, reduces costs;

- the increasing level of digitization in the country – digital innovations allow the implementation of effective tools for interaction with customers, sales tracking, data analysis and inventory management;

- creation of competitive advantages – innovative approaches to sales can allow the enterprise to stand out among competitors, attracting customers with unique offers and services;

- attracting new markets and audiences – innovative business models can open opportunities for entering new markets or attracting new audiences, which contributes to the growth of sales volumes;

- pricing optimization – innovative business models can include new pricing methods that allow the company to maximize profits and attract more customers

The purpose of this article is to study the effectiveness of innovative business models in the system of managing the competitiveness of a modern enterprise in the conditions of the Russian war.

**Research results.** The modern business environment requires enterprises not only to adapt to rapid changes, but also to actively implement innovative solutions to ensure competitiveness. With the continuous development of technology, growing competition and extreme turbulence of consumer preferences, businesses are forced to look for new management approaches in order to have effective and profitable activities in new realities. This is where innovative business models become a key tool for achieving competitive advantage. They allow enterprises not only to respond to changes, but also to actively shape the future, creating new opportunities and implementing them successfully [2].

Studying the development of innovative business models in the system of managing the competitiveness of domestic enterprises, the author suggested dividing it into five main periods.

The first period should be called the "seller's market" because this period, on the one hand, was characterized by the entry of Ukraine into the market economy and free market, and on the other hand, it had several characteristics that laid the foundation for the backwardness of domestic business models.

The period "seller's market" is a term used in the context of macroeconomics and marketing to describe a market situation where businesses or sellers have an advantage and control over the terms of sale of their goods or services. During this period, the demand for goods or services exceeds their supply, and therefore sellers can charge higher prices and impose terms on buyers.

Therefore, the given information about the "seller's market" allows us to conclude that certain factors led to the dominance of the supplier, the seller, in the market, without the need to apply significant methodological and organizational efforts and costs in the development of sales technologies. A "seller's market" period can be beneficial for businesses, but it is important to understand that it can be temporary and change depending on various factors such as changes in demand, market competition, regulation, and other factors.

The second period, (2001 to 2010), known as the "gullible buyer's market" began with the 1996 monetary reform and the 1998 financial crisis. However, it is important to note that during this period, the population born in the period from 1950 to 1970, who grew up in the conditions of the planned economy and got into the new environment of the open market, was in active paying age. It is this population group that has the following characteristics: trust in

advertising; trust in attractive product packaging and special clothing (for example, sales manager or consultant clothing); tendency to simple but aggressive sales methods; trust in banking institutions and loans; financial illiteracy in managing the budgets of both households and enterprises. Such a generation has become an easy target for businesses, including unscrupulous market players. Therefore, even with some reduction in economic growth compared to the previous decade, business did not feel the need to expand the boundaries of traditional advertising. At this stage, the cost of consumption was measured not by scientific or methodical indicators, but by financial ones - on mass media such as television, radio, print and outdoor advertising channels, and therefore the division of advertising budgets was constantly growing.

The main problem that arose from this era is the focus on the supplier and the seller. Lack of methodical approaches to the customer decision-making cycle. The research and training courses of that period were based overwhelmingly on the classic model of "Introduction-Presentation-Removal of objections-Sales" at the personal selling level and "Manufacturing-Wholesaler-Retailer-Consumer" at the enterprise level. The missing link in the evolution at this stage was the "Cycle of decision-making by the client".

The third period – the "confused seller's market" (2011–2020) – is a period in the market when sellers face great difficulties in conducting their business due to uncertainty, difficulty in defining strategies and an extreme level of competition. The main characteristics of the market of business models in this period are directly related to the dynamic development of the Internet.

Since the beginning of the 2010s, the active development of the Internet has led to a devastating impact on businesses that were completely unprepared for such changes, which was the result of the erroneous structure of business models of competitiveness in previous periods and the insufficient ability to predict what will happen in the future. Many entrepreneurs found themselves defenseless before the ability of customers to compare prices and refuse to overpay for goods. Many large and small enterprises that did not adapt their business models to such changes were forced to cease their activities.

Also, middlemen have lost their place in the market as the Internet has shortened supply chains, allowing customers to directly contact manufacturers and suppliers. In addition, many businesses that provided services that were now duplicated by the Internet were threatened, including print publications, presses, and photo printers.

The most essential aspect of the business model that was lost at this stage was the complexity and complexity of using all sales tools. 2010 can be seen as a reference point when sellers and suppliers lost control over the sales process and consumers took the initiative in the exchange of goods and money.

The era is the fourth period that was mentioned in the author's periodization "buyer terror market" or the era of "consumer terror", which is characterized by overcoming the dominance of business over the consumer market. In this decade, the population, which was from 0 to 20 years old at the time Ukraine gained independence, enters the active life phase. That is, after the end of 30 years of Independence, we can talk about a complete change of generations, and the coming to power in the market of a generation born in a free country, with a new mentality and nature of consumption.

Therefore, such a period of "consumer terror market" is quite extreme and in this context is used to describe the situation in the domestic market when consumers have absolute control over sellers and demand from them the maximum terms of purchase and services. In this case, consumers are an absolute authoritative force in the market, and their demands are fulfilled unconditionally.

The characteristic features of this period are:

1. A feedback culture where consumers freely and actively share their thoughts and impressions.
2. Transparency of reviews about business and employers, which allows consumers to receive objective information.
3. Openness to information about the economic state of the business, which helps consumers make informed choices.
4. Openness of information regarding the legal status of the business, which promotes greater consumer confidence.
5. The culture of so-called "investigations" on YouTube and other platforms.

At this point, business continues to suffer from underestimation of the importance of service quality and poor reputation management. Now consumers can not only study and compare prices of suppliers, but can also influence the business, causing losses to large enterprises, which allows to reduce advertising and marketing costs. Quality and reputation management becomes an important aspect of an effective business model at this stage.

The fifth period, which was highlighted by the author, is the era of the "market of the selfish buyer".

**Conclusions.** The general conclusion of this study is that innovative business modeling and its scientific study are an important aspect of modern entrepreneurship and competitiveness management. Today, many aspects need to be considered to establish competitiveness management. Business model research should focus more on the result, namely successful sales of goods to consumers, as this is what determines the success or failure of an enterprise and its business model.

### References

1. Boichenko, K. S., Mitiolkin, V. V. (2023). Innovatsiyni rozvytok biznes-modelei vitchyznianykh kompanii v umovakh likvidatsii naslidkiv viiny [Innovative Development of Business Models of Domestic Companies in the Context of War Consequences Elimination]. *Svit naukovykh doslidzhen = The world of scientific research*, No. 17, P. 26–28. URL: <https://www.economyconfer.com.ua/full-article/4423/> [in Ukrainian].
2. Vatchenko, B. S., Sharanov, R. S. (2022). Antykrizove upravlinnia pidpriemstvom v umovakh viiny [Anti-crisis management of the enterprise in the conditions of war]. *Ekonomichniy prostir = Economic space*, No. 182, P. 38–43 [in Ukrainian].
3. Havrish, O. A., Karpenko, I. O. (2023). Innovatsii yak imperatyv konkurentospromozhnosti transnatsionalnykh korporatsii na hlobalnykh rynkakh [Innovation as an imperative for the competitiveness of multinational corporations in global markets]. *Economic Synergy*, No. 1, P. 136–150. URL: <https://doi.org/10.53920/ES-2023-1-11> [in Ukrainian].
4. Huk, O. V., Fomiuk, O. V. (2023). Osoblyvosti innovatsiinoho rozvytku pidpriemstv v umovakh didzhytalizatsii [Features of innovative development of enterprises in the context of digitalization]. *Informatsiine suspilstvo: tekhnologichni, ekonomichni ta tekhnichni aspekty stanovlennia = Information society: technological, economic and technical aspects of formation*, No. 79, P. 38–39. URL: <http://www.konferenciaonline.org.ua/ua/article/id1226/> [in Ukrainian].
5. Dashchenko, N. M. (2020). Vprovadzhennia modeli vidkrytykh innovatsii dlia pidvyschennia konkurentospromozhnosti pidpriemstv [Implementation of the open innovation model to increase the competitiveness of enterprises]. *Problemy systemnoho pidkhodu v ekonomitsi = Problems of the systemic approach in the economy*, No. 3 (77)-1, P. 105–110 [in Ukrainian].
6. Kraievska, A., Shvarts, I., Kraievskyi, A., Kondratenko, B. (2023). Tendentsii ta chynnyky upravlinnia konkurentospromozhnistiu biznesu v suchasnykh umovakh [Trends and factors of business competitiveness management in modern conditions]. *Modeling the Development of the Economic Systems*, No. 2, P. 173–178. URL: <https://doi.org/10.31891/mdes/2023-8-23> [in Ukrainian].
7. Kraus, K. M., Kraus, N. M., Manzhura, O. V. (2022). Blockchain yak novitnii finansovyi instytut: protsesy, stratehii, tekhnologii ta praktyka zastosuvannia v umovakh tsyfrovizatsii ekonomiky [Blockchain as the newest financial institution: processes, strategies, technologies and application practices in the context of digitalization of the economy]. *Efektivna ekonomika = Efficient economy*, No. 1. URL: <http://www.economy.nayka.com.ua/?op=1&z=9883> [in Ukrainian].