



# Knowing the Impact of Digital Economy

Sa Hoxuan\*

*Department of Social Research, University of Helsinki, Helsinki, Finland*

## ABOUT THE STUDY

The digital economy is the worldwide network of economic activities, commercial transactions, and professional interactions that are enabled by information and communications technologies (ICT). It is compactly summed up because the economy is based on digital technologies. In its earliest days, the digital economy was generally known as the internet economy, the new economy, or the net economy due to its reliance on internet connectivity. However, economists and business leaders assert that the digital economy is more advanced and complicated than the internet economy, which, less than one definition merely means economic value derived from the internet.

The digital economy reflects the move from the third industrial revolution to the fourth industrial revolution. The third industrial revolution, sometimes known as the digital revolution, refers to the changes that happened in the late twentieth century with the transition from analog electronic and mechanical devices to digital technologies. The fourth industrial revolution builds on the digital revolution as technologies nowadays continue to bridge the physical and cyber worlds. Although some organizations and people use technologies to easily execute tasks on the computer, the digital economy is more advanced than that. Instead, the digital economy highlights the opportunity and also the need for organizations and people to use technologies to execute those tasks better, faster, and sometimes differently than before. Moreover, the term reflects the ability to leverage technologies to execute tasks and engage in activities that weren't possible in the past. Such opportunities for existing entities to do better, to do more, to do things differently, and to do new things are encompassed in the related concept of digital transformation.

The digital economy extends well beyond digitization and automation. Instead, this new paradigm harnesses multiple advanced technologies and new technology platforms. Those

technologies and platforms include but are not limited to hyperconnectivity, the internet of things (IoT), big data, advanced analytics, wireless networks, mobile devices, and social media. The digital economy uses these technologies, both individually and collectively, to rework traditional exchanges and enable new ones. Various entrepreneurs seized on the technologies that encourage the digital economy to form new companies and new business models that might not have existed or existed at the size and scale they do today, in past generations. These new companies include the ride-sharing platforms Uber and Lyft; the home rental platform Airbnb; and content-on-demand services, like Netflix and Spotify.

There are numerous examples of traditional companies remodeling to succeed in the digital economy as well. Take retailers, as an example. Most retailers at first developed websites to enable online sales because the world moves totally into the digital economy, forward-thinking retailers now leverage technologies to reach and serve customers through a variety of channels. These retailers use online sales and mobile apps to spot buyers, whether they are shopping through the internet or personally. They will collect and analyze every customer's browsing and sales information to better understand their interests and they will use that information to reach out to customers through social media, allowing for better service and ultimately higher sales and increased brand loyalty.

A cashless society describes an economic state in which transactions no longer use physical currency (such as banknotes and coins) as the medium. This has become a subject of increasing interest in today's society as digital or virtual currencies for transactions become more common. This is also a crucial part of the digital economy.

---

**Correspondence to:** Sa Hoxuan, Department of Social Research, University of Helsinki, Helsinki, Finland, E-mail: hoxuan.sa@helsinki.fi **Received:** 04-Jan-2022, Manuscript No. IPR-2022-197; **Editor assigned:** 06-Jan-2022, Pre QC No. IPR-2022-197 (PQ); **Reviewed:** 20-Jan-2022, QC No. IPR-2022-197; **Revised:** 24-Jan-2022, Manuscript No. IPR-2022-197 (R); **Published:** 31-Jan-2022, DOI: 10.35248/2375-4516.22.10.197.

**Citation:** Hoxuan S (2022) Knowing the Impact of Digital Economy. Intel Prop Rights. 10:197.

**Copyright:** © 2022 Hoxuan S. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.