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**FEATURES OF DIGITAL TRANSFORMATION OF ECONOMIC PROCESSES**

Digital technologies have rapidly integrated into people's everyday lives and have changed and continue to change them. Innovations that are considered cutting-edge today become standard in a few years. As scientists note: "Today, one of the key aspects of the digital economy is its impact on production processes. Through the introduction of digital technologies, companies can optimize their production chains, reducing costs and increasing productivity [1].

Thus, digital technologies are being introduced into business processes and are changing the organizational and marketing environment of enterprises, contributing to their innovative development. The use of digital technologies in business opens up new opportunities but also creates significant challenges for small and medium-sized enterprises. The effectiveness of this process is determined by how these organizations approach the use of digital technologies: chaotically or strategically. In this context, it is important to develop a holistic understanding of digital transformation: the development of the digital economy changes in definitions in the digital sphere in accordance with European standards (digitalization, digital business transformation, digital market, digital infrastructure, digital skills, etc.) The 21st century reflects a significant transformation of the traditional model of the market economy into a "digital economy".

The digital economy includes a number of characteristics not found in other types of economies. Free goods and services such as Wikipedia, electronic mail services such as G-mail, and digital maps such as Google Maps form the components of the modern digital economy with great economic value [2]. In the digital economy, data and the ability to create value with data become factors of production. This may include algorithms or the ability to analyze large amounts of data to derive value in different contexts. Despite the importance of these intangible assets, accurate valuation of their value is a challenge due to the uncertainty of their existence.

However, all public market valuation studies show that intangible assets are becoming an increasingly important component of valuation. The researchers note that the importance of physical capital for the value of companies has declined in recent decades, which is another distinctive feature of the digital economy.

Another distinctive feature of the digital economy is universal access to information. The data factor is becoming a key variable in making investment decisions in financial markets, playing an important role in reducing information anxiety. Recent advances in computing enable technology companies to collect detailed, real-time data on fundamental indicators for investment professionals. The introduction of this data increases the information content of prices by reducing the cost of obtaining information and thus has two effects on investors [3, p.30].

From an economic perspective, changes in the way information is collected, presented, and evaluated in the big data era have brought about significant changes. The cost of searching for credit information has fallen dramatically, and credit data collection has moved from passive to active searches. These trends are enabling financial institutions to provide services such as credit to previously underserved populations, emphasizing the importance of digital technologies in making markets more inclusive.

The digital economy has created a new external effect. Information about individuals can be useful to others. For example, if a consumer is planning to buy a product, he or she will want to get feedback from other consumers who have had similar experiences. Such externalities generate useful public information and improve social welfare for all.

Today, there are many examples of how digital technologies can increase inclusiveness in many aspects of economic well-being, such as participation in the economy, healthcare, education, etc. For example, in the primary healthcare sector, artificial intelligence is widely used in the form of image recognition systems used to diagnose diseases among geographically remote populations.

It is also worth noting that the data production factor has significantly improved public welfare by helping in the decision-making process in the social sphere. Big data analysis provides an opportunity for the government to continuously evaluate policy outcomes in real-time, using a policy cycle model. In this context, governments can implement changes or discontinue ineffective policies at each stage to improve the efficiency of policy development. As more and more data is transformed into accessible information and guides decision-making through predictive analysis technology, the social sector will also be able to maximize the positive impact of social spending on the well-being of society [5, p.3].

The digital technologies that underpin today's mega-platforms are proving so powerful, in part, because of their ability to fill information gaps. This allows buyers and sellers to find each other quickly, and transactions become fast and reliable.

The digital economy is still in its infancy, but its development poses a number of challenges. In addition to tensions between individual rights and collective interests, there is also the issue of international cooperation. Companies have to resolve potential conflicts between national security and the significant benefits of the free flow of data, information, and technology around the world.

In the digital economy, it is also important to adapt both the structure of the economy and the workforce to ensure that productive employment is rewarded in an economy that is increasingly built on digital constructs.

Some researchers have expressed concern that digital technologies such as artificial intelligence and digital robots will lead to automation and, consequently, to a shortage of jobs [6, p.7]. Artificial intelligence and machine learning technologies based on data analysis are constantly improving the automation and intelligence of production and decision-making. Computers and artificial intelligence can compete with human abilities by performing some tasks with a higher level of efficiency and lower marginal costs. This will certainly lead to most traditional occupations being automated, reducing the share of labor in national income.

Thus, as society enters the digital age, revolutionary innovations in the digital economy are significantly changing production methods and lifestyles. As a type of capital, digital intangibles can significantly increase the efficiency of production and the market value of companies. Big data analytics technology helps reduce information loss and improves the accuracy of forecasts in financial markets, which in turn contributes to the efficiency of investments. Two-sided digital mega-platforms can use their integrated user data to improve the efficiency of matching supply and demand.

Nevertheless, the digital economy simultaneously raises a number of challenges. The benefits of big data analytics sometimes come at the expense of user privacy, while the free flow of data, information, and technology raises national security concerns. In addition, the dominant process of automation in the digital economy leads to a substitution effect of human labor, which significantly affects the labor market.

Thus, at the current stage, it is important to internationally co-regulate the market power of mega-platforms, to support innovation globally, to develop an effective institutional and legal framework at the national level, and to implement a system of taxes and incentives aimed at helping the digital economy.

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