UDC 339

Shkrobot M.
Assoc. prof., PhD in Economics
ORCID: 0000-0002-2274-0179;
Ivanova D.
student
National technical university of Ukraine
«Igor Sikorsky Kyiv Polytechnic Institute»,
Kyiv, Ukraine
ORCID: 0000-0003-0839-3534

CURRENT TRENDS AND FORMS OF BUSINESS INTERNATIONALIZATION

Globalization is the process of increasing interconnectedness and interdependence among people, economies, and cultures worldwide. It is a complex and multifaceted phenomenon that has been shaped by technological advancements, economic liberalization, and cultural exchange [2].

Globalization has had significant social and cultural implications. It has facilitated the exchange of ideas, information, and culture between different regions of the world, leading to the spread of new technologies, ideas, and cultural norms. At the same time, it has also led to the erosion of traditional cultural identities and the homogenization of global culture. Here are some reasons why globalization is important for businesses:

Access to new markets: Globalization allows businesses to reach new markets, businesses can reduce their reliance on existing markets, which may be saturated or experiencing economic downturns.

Lower costs: Globalization can help businesses reduce costs by accessing cheaper labor, raw materials, and production inputs. This can be especially beneficial for businesses operating in industries with high labor costs or limited access to certain resources.

Increased competitiveness: Globalization can lead to increased competitiveness by exposing businesses to new competitors and best practices from around the world.

Access to talent: Globalization can also help businesses access a larger pool of skilled and talented workers from around the world.

Diversification: Globalization can help businesses diversify their operations and reduce their exposure to risk in any one market or region.

The success of any business in a globalized environment will depend on its ability to adapt and respond to these challenges while capitalizing on the opportunities presented by globalization. There are several current trends and forms of business internationalization, including:

Globalization: The increasing interconnectivity and interdependence of economies and societies worldwide, leading to the expansion of businesses across national borders.

Foreign Direct Investment (FDI): This involves a company investing in and managing operations in a foreign country. FDI can take various forms, such as setting up a subsidiary, acquiring an existing business, or forming a joint venture with a local partner.

International trade: This involves the exchange of goods and services across national borders. International trade can be facilitated by various means, such as importing and exporting, licensing, franchising, and contract manufacturing.

E-commerce: The rise of the internet and digital technologies has enabled businesses to sell their products and services online to customers around the world.

Outsourcing: This involves a company contracting out some of its business functions, such as manufacturing or customer service, to a third-party provider located in another country.

International franchising: This is a form of licensing in which a business grants the right to use its brand and business model to a local partner in a foreign country.

Strategic alliances: This involves two or more businesses from different countries forming a partnership to achieve a common goal, such as entering a new market or developing a new product [1].

Overall, businesses have various forms of internationalization available to them, and the choice of which approach to take will depend on factors such as their goals, resources, and capabilities, as well as the political and economic environment in the target market.

References:

1. Globalization Benefits and Challenges. website. URL: https://velocityglobal.com/blog/globalizationbenefits-and-challenges/ (date of application: 04.04.2023)
2. Mike Collins, The Pros And Cons Of Globalization website. URL: https://www.forbes.com/sites/mikecollins/2015/05/06/the-pros-and-cons-of-globalization/?sh=1ab
3. Amelia Josephson, Pros and Cons of Globalization website URL https://smartasset.com/mortgage/the-pros-and-cons-of-globalization(date of application: 01.04.2023)