

Can Digital Transformation Facilitate More Sustainable Business Models?

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Abstract

Purpose of the article There can be seen growing demand for new business models reflecting high pressure on business sustainability in the sense of decreasing physical product consumption and waste elimination. Digital transformation seems to be one of the factors that can streamline business processes in companies and increase overall business efficiency. One of the major trends is turning physical product offer into services. This paper is mapping actual situations and trends in the selected companies in the form of qualitative research.

Methodology/methods Qualitative research in the form of research case studies are used. There are five companies selected representing a variety of industries, company sizes, and actual business models. Data collection has been made in the form of in-depth interviews with company managers and also by observations. There are also secondary data collected out of the companies' financial reports. The research is focused on the following research questions: 1. Is digital transformation supporting the transition from producer to service provider business model? 2. Is digital transformation an essential pillar for circular business models to apply? 3. How to keep general sustainability of the business models? Research results and respective limitations are discussed based on the findings.

Scientific aim Scientific aim is in observing and describing the actual situation and trends in the business practice within the international business environment in various industries. Important is also a multidisciplinary approach of this paper covering marketing as well as technical issues related to the digital transformation.

Findings Research results show the increasing importance of focus on offering product individualization to customers as a key factor influencing their sustainable competitiveness. Companies also see the increased importance of related process optimization, as well as customer communication, streamline. Due to the higher demand for business model sustainability, this trends also lead to the turning of physical product offers to services where companies see the opportunity to decrease the level of consumption without a major impact on their revenues and profits.

Conclusions Based on the presented case studies, there can be seen the trend of increased demand of both the companies and their customers for sustainable business models. Companies see the opportunity in a higher level of digital tools use – they primarily intend to prolong the lifecycle of their products using advanced PLM systems, remote product diagnostics, and maintenance by IoT technologies and generally increase the offer of the services instead of physical products. Major limitations of the research are related to the limited number of companies involved – this will be followed by additional researches soon.

Keywords: Relationship marketing, Circular business model, Digital transformation, Physical product to service transformation, Product life cycle

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