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INNOVATIVE DEVELOPMENT OF THE ECONOMY

Summary

Innovation is the process of creating new and useful products, services, and solutions. It aims to increase efficiency in commercial enterprises and meet needs. In the digital environment, it promotes economic and social development by encompassing new technology, business models, and changes within the organization. Business innovation increases the competitive advantage of companies, improves sales and operational performance by creating new products and services.

Key words: innovation, digital economy, business model, transformation, digitalization

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Intradaction

Innovation in the digital environment and economy has both internal and broader economic impacts on employees. Innovation is a powerful driver of development and positive change across multiple dimensions of society.

Innovation is the process of creating new ideas, products, proposals and methods. Business innovation is defined through innovation. Introducing new solutions to problems is considered a sign of innovation. These ideas are implemented through development. Depending on the industry, companies may try to develop new products, services and processes, as well as business models and many other internal developments. However, innovation alone is not enough for these areas. Thus, along with innovation, creative skills are also required. Innovation in companies is achieved in different ways and stages.

Innovation in the digital environment and economy has both internal staff and broader economic impacts. Innovation is a powerful impetus for development and positive change in various dimensions of society.

By involving employees in innovations, they create conditions for motivation and efficiency by increasing communication within the company and creating a dynamic work environment. Internal innovation processes simplify work and

ultimately increase efficiency and productivity. Thus, by giving importance to these goals, they have a positive impact on employees. As a result, this process creates conditions for increasing employee satisfaction and their retention in the company. Motivated employees lead to company productivity. New proposals and ideas help to stay ahead of competitors. In addition to competitiveness, innovation contributes to economic growth.

What is innovation

Innovation is defined as the process of introducing new products, methods, offerings, services or solutions that have a positive impact and value. Innovation is not limited to technological advances but also encompasses new approaches to problem solving, processes, achieving progress, organizational practices, business model innovations. Innovation leads to economic growth, social progress, improved quality of life and sustainable development in the digital environment.

The importance of innovation

The importance of innovation has been recognized by policymakers as a key driver of economic development. Innovation is considered critical for competitiveness and national progress by national governments around the world. According to the United Nations Sustainable

Development Goals 2030, private business investment is a key driver of innovation efficiency and effectiveness, economic growth and job creation.

Digital economy and innovation

In recent years, the digital economy and innovation have generated a lot of interest in both industry and academia. Although there are different opinions about the development of this field, some researchers note that the digital economy has a positive impact on the development of innovation and emphasize the importance of this relationship. However, the methodologies and measurement standards available to measure the impact of digital economy innovations still vary

and there is no unified approach. As a result, research on the depth and mechanisms of the digital economy's impact on innovation has not been widely developed.

Thus, existing research in this area has not systematically analyzed how the digital economy is related to innovation and how strong this relationship is. Even the extent of the digital economy's impact on innovation and specifically how deep and comprehensive this impact is has not yet been fully determined. These issues can lead to underestimation or overestimation of the development status of the digital economy. Such a situation can even hinder proper understanding, which can lead to a decrease in interest and investment in innovation.

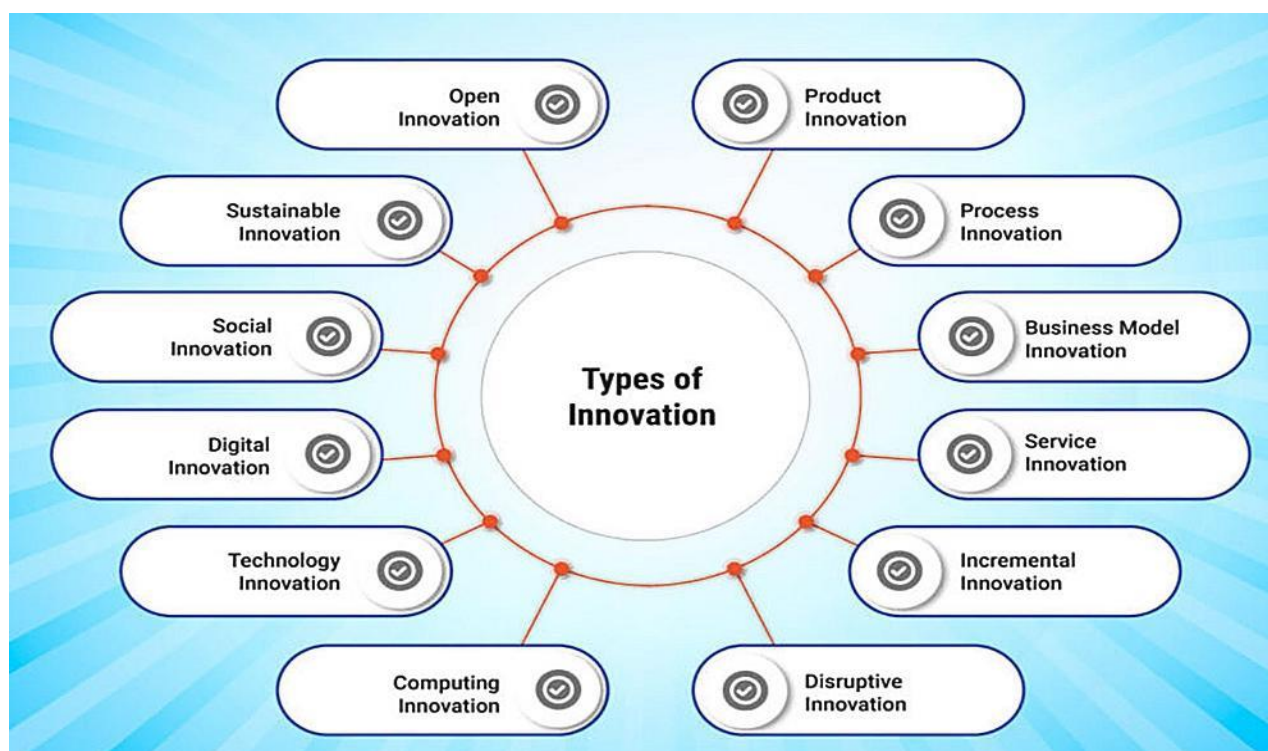


Table 1. Types of innovation

Each type of innovation creates the conditions for effective innovation in today's dynamic market conditions. Examples of innovations from various industries include Airbnb, Electric Vehicles, SpaceX's Reusable Rockets, 3D Printing, CRISPR Gene Editing, Netflix's Streaming Service, Mobile Payment Solutions, Amazon's Alexa Voice Assistant, Electric Scooters and Bike-Sharing Services, Solar Energy Technologies.

Digitalization is playing a leading role in today's global economy, improving production operations, creating communication between business employees, and reducing operational costs. It allows companies to use real-time information to make effective decisions, automate repetitive processes, and increase efficiency. At the same time, the implementation of new technologies is a guarantee of success, but to fully exploit the



potential offered by digital transformation, companies must comprehensively rethink their business models [1]. The shift to innovation-driven business models is ushering in significant changes in the way companies deliver value to their customers [2]. In an increasingly digital world, the ability to identify innovations and adapt to technological changes is becoming a key factor for long-term success [3]. Digital transformation has legitimately redefined the way companies approach innovation. Digital technologies facilitate global collaboration and democratize access to knowledge and resources. These technologies also create new opportunities for innovation by providing powerful tools for analysis and experimentation. Companies that effectively integrate these technologies into their innovation processes will have the potential to reshape industries and create value in new, unconventional ways, thereby maintaining their competitive edge. In the digital age, the ability to innovate effectively and efficiently is increasingly equated with the ability to embrace and adapt to digital transformation [4]. Within the innovation framework, digital transformation is associated with the application of new technologies and changes in organizational culture. Successful companies support continuous practices, tolerance for failure, and rapid learning, enhanced by digital tools. Recently, social innovation has been increasingly recognized as a powerful tool for driving social progress. This process, in which organizations across sectors work to overcome the social and environmental challenges of our time, has become a key component of corporate strategy and public policy. The basis of social innovation is the reshaping of existing social structures and relationships. Innovation enables communities and organizations to respond more effectively to social needs [5]. In recent times, digital technologies have led to radical changes in the way companies manage their operations and innovate in their products and services [6]. Although the digital transformation of an organization is the most complex area, digital transformation is extremely important for ensuring the sustainability of long-term innovation [7]. Companies that invest in digital technologies and embrace this change are better prepared to face the challenges they will

face in the future. They are also better able to take advantage of new opportunities that arise in a rapidly digitizing economy. This approach helps companies to have a stronger and more sustainable position [8]. Using digital transformation only to support existing products can lead to a standstill in innovation as the company struggles to adapt to new market demands and rapid technological innovations [9].

What is Innovation Management

Innovation management is defined as a systematic and strategic approach to the creation, development and implementation of new ideas, products, proposals and processes that result in organizational value. Competitive advantage is the main theoretical point in enterprises in terms of innovation management. The main components of innovation management include:

Innovation Strategy – defines the innovation goals and priorities of the organization.

Idea Generation – involves the study of information from both internal and external sources.

Idea Evaluation and Selection – involves the evaluation and selection of the most relevant and promising ideas.

Development and Prototyping – this stage involves conducting research, testing and creating a suitable solution.

Go to Market – involves bringing an innovative product, service or process to the market.

Implementation and Adoption – involves the successful implementation of the innovation within the organization.

Effective innovation management requires a supportive organizational culture that fosters collaboration and process creativity. This includes engaging employees, encouraging teamwork, and providing the necessary resources to support innovation initiatives. Innovation is one of the key issues for maintaining competitive advantage in an organization. Effective innovation can respond to organizational development, market changes, and customer expectations.

What is Business Innovation

Business innovation is defined as the process of creating and implementing new methods or offerings within an organization to improve competitiveness and sales performance. This method involves introducing and improving

products, functions, and services to the market. The key elements of business innovation include

business creativity, market and customer understanding, risk and compliance, technology and digitalization, strategic vision and improvement.

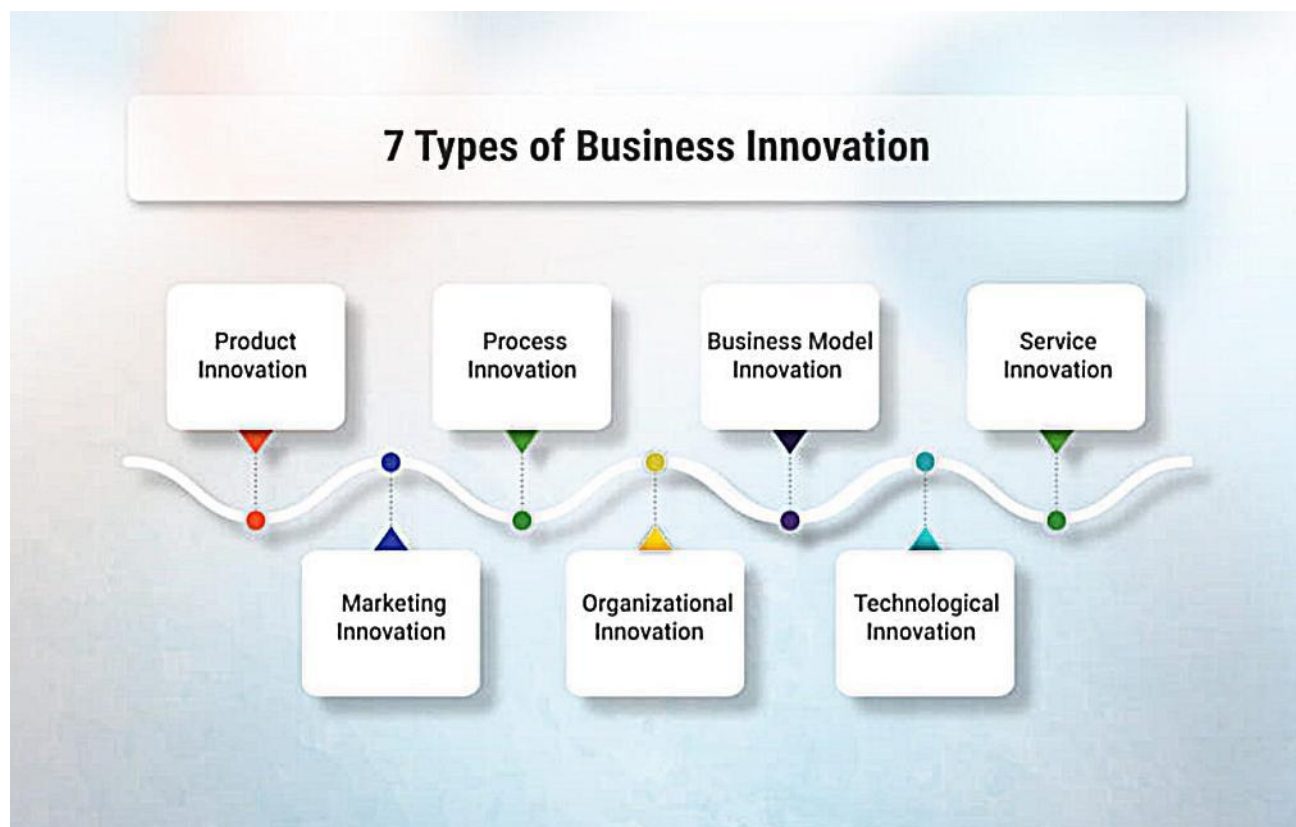


Table 2. 7Types of business innovation

10 business innovation strategy practices in commercial enterprises for 2023

In 2023, business innovation continues to be a critical factor for success and staying competitive in an evolving marketplace. Experiences include:

1. Embrace emerging technologies

You need to stay up to date with the latest technological developments to understand how these technologies impact your business innovation. Technologies such as artificial intelligence (AI), blockchain, the Internet of Things (IoT), and augmented reality (AR) offer great opportunities for innovation in various fields.

2. Improve the culture of innovation

You need to create an environment that motivates employees to think creatively by testing new ideas. There should be specific resources for creative ideas, innovative solutions, and diverse perspectives, and maximum collaboration should be provided.

3. Focus on customer needs

You can use data analytics and customer data to identify innovation opportunities by conducting various customer surveys and collecting feedback.

4. Agile development

You need to adapt quickly to market changes and customer needs by using agile methodologies, breaking projects into small tasks, and making continuous improvements based on customer feedback.

5. Collaboration with external partners

Partner with startups, research institutes, universities, or other industry players to gain access to new ideas, technologies, and talent for collaboration opportunities.

6. Risk and failure

In order to create a safe environment for employees, certain tests are conducted within the organization and they face various challenges during these tests. These challenges arise during

tests cause employees to learn from their mistakes.

7. Invest in talent and continuous learning

Various training programs and resources should be offered to employees to develop their innovative skills and keep them up to date with the latest technologies.

8. Sustainability and socialization

By exploring social and environmental solutions, it is possible to address how products or services contribute to the future. Thus, the social problems that arise through these solutions can also be eliminated.

9. Market trends and competitors

By regularly evaluating and improving your innovation strategy, you can study market trends and gain information about new opportunities and technologies from competitors.

10. Celebrating success

To monitor the effectiveness of your innovation efforts, you need to define key performance indicators (KPIs). During this process, you need to evaluate and measure the impact of your innovations on business development, customer satisfaction, and other indicators.

Business innovation has the potential to both sustain and transform commercial enterprises. When all processes and stages are implemented correctly, they can strengthen their position through organizational innovations and developments. As a result, the market can be radically changed and create conditions for competitiveness. The emergence of new ideas is considered the main catalyst for commercial enterprises.

To create successful innovation, it is necessary to follow effective communication, motivation and the regularity of the innovation process at all given stages. The use of effective and in-

novative ideas and problem solutions in commercial enterprises allows for productivity and efficiency.

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İQTİSADİYYATIN İNNOVASIYALI İNKİŞAFI

Xülasə

İnnovasiya, yeni və faydalı məhsulun, xidmətin, həllərin yaradılması prosesidir. Kommersiya müəssisələrində effektivliyi artırmaq, ehtiyacları qarşılamaq məqsədi daşıyır. Rəqəmsal mühitdə yeni texnologiya, biznes modeli və təşkilat daxilində dəyişiklikləri əhatə edərək, iqtisadi və sosial inkişafı təşviq edir. Biznes innovasiyası, şirkətlərin rəqabət üstünlüyünü artırır, yeni məhsul və xidmətlər yaradaraq satış və əməliyyat performansını yaxşılaşdırır.

Açar sözlər : innovasiya, rəqəmsal iqtisadiyyat, biznes model, transformasiya, rəqəmsallaşma

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ИННОВАЦИОННОЕ РАЗВИТИЕ ЭКОНОМИКИ

Резюме

Инновации это процесс создания новых и полезных продуктов, услуг и решений. Его цель повышение эффективности и удовлетворение потребностей коммерческих предприятий. Он способствует экономическому и социальному развитию путем внедрения новых технологий, бизнес-моделей и изменений в организациях в цифровой среде. Бизнес-инновации повышают конкурентное преимущество компаний, улучшают продажи и операционную эффективность за счет создания новых продуктов и услуг.

Ключевые слова: инновации, цифровая экономика, бизнес-модель, трансформация, цифровизация