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BUSINESS CHALLENGES IN A DYNAMIC GLOBAL ENVIRONMENT

COVID-19 and the War have upset the balance of supply and demand, causing a shock in the global economy. The consequences of these ongoing business problems have affected demand, commodity prices, supply chains, and investment decisions, leading to a period of inflation and an increased likelihood of recession. The work presents the essential macro-marketing factors of the threats that businesses will face in the coming years of the turbulent global environment.

1. Challenge: Lack of political, economic, and social stability and an era of uncertainty. Business threats:

- Increasing inflationary pressure (according to the OECD [1], annual inflation rose to 9.6% in May 2022, which was the sharpest price increase since 1988).

- The biggest increase in energy prices since the oil crisis of 1973, which affected the overall price of different goods.

- Increased energy costs and disruptions in supply chains.

- Approaching recession as government agencies intervene to correct inflation.

- Stagflation (when recession sets in before prices have time to fall) is also a potential problem for businesses, which can lead to low growth, high unemployment, and high prices.

2. Challenge: Society's demand for a high level of social responsibility of business. According to a study by Morgan Stanley Institute [2], the young generation of Millennials and Gen Z has a community-oriented approach to consumption, career, and investments:

- 99% of millennial investors are interested in sustainable investing.

- 54% of Millennials and Gen Z have ESG investments.

– Generation Z prefers to buy from environmentally friendly brands and spend more money on them.

This means that ESG initiatives [3] are becoming mandatory for businesses. The Environmental, Social, and Governance (ESG) framework means adopting environmental, social, and governance initiatives as part of the business model. Here, the main challenge for businesses is uncertainty about how to implement ESG principles in their operations.

3. Challenge: Digital transformation of business.

A long-term digital transformation strategy improves productivity, data analysis, decision-making, customer engagement, and revenue. As more and more companies recognize the need for digital transformation, global investment in digital transformation will double between 2020 and 2024 [4].

However, significant investments in digital tools and the large amount of data they generate can cause a number of threats, including:

– Difficulties in managing large sets of data obtained from various sources.

– Digitization and the use of cloud technologies threaten data security, as employees now use both corporate and personal devices for their work.

– Limitations of cloud computing.

– Data security is a pressing concern for businesses as cyber-attacks such as phishing, ransomware, and cloud vulnerabilities are on the rise.

Conclusions. The world has entered a long-term period of turbulence and uncertainty. Given this period of volatility, it's an opportunity to adjust your business goals and adapt to economic disruptions, such as recession-proofing your business. The directions for improving business models are: investments in technology and innovation, upgrading the skills of existing employees, ensuring the visibility of costs, automating business processes, and implementing AI in data analytics and decision-making.

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