

# Chapter 13

## The Role of Digital Economies in the Development and Growth in Asian Business Models

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### **ABSTRACT**

*This chapter discusses the development of information and communication technology across Asian economies. Digital technology is the presentation of information in bits that emphasize digital technology which covers all business, financial, social, and cultural events that are supported by the web and other digital communication technologies. Technology has minimized the cost of storage, and flow of information. In the last 15 years, digital technology has affected human lives and the chapter examines how digital technology changes economic activity. There are three principal segments: e-business, e-business framework, and e-commerce. The digital economy is known as the web economy because of its dependence on the network. Modern technologies, cloud computing, mobile app, and social media influence the business landscape, reshaping the idea of work, boundaries of enterprises, and the obligations of business pioneers. Thus, the digital economy features the opportunity for organizations and people to execute existing tasks on the PC more frequently than before.*

### **Introduction To Digital Economy (De)**

The “Digital economy” is a term for those financial procedures, exchanges, communications, and exercises that depend on online technologies. The DE is one aggregate term for every single financial exchange that happens on the web. It is otherwise called the Web Economy or Internet Economy. With

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the upcoming development of technology and the method of globalization, the digital and traditional economies are converging into one. While the DE is all the more comprehensively dependent on any of the different online devices applied in the present financial world. The term was first begotten in a book “The Digital Economy: Promise and Peril in the Age of Networked Intelligence” by author Don Tapscott in 1995. A widely recognized understanding of the DE is its activities close by the digital world. Thomas Mesenbourg (2001) has given three principal components to Digital Economy, specifically

1. E-Business framework (hardware, programming, telecoms, network, human capital, and so forth.),
2. E-Business (how business is led, any procedure that an association directs over PC – mediated systems),
3. E-Business (exchange of merchandise, for instance when a book is sold on the web).

The DE or web economy over the most recent 15 years is the enormous development of online platforms and their impact on our lives. Presently customers are influenced by things they see via web-based networking media, for example, Facebook, Twitter, Instagram, Google’s Alphabet, Amazon, and other such famous sites YouTube, and so forth are from the Internet world. So this economy is an approach to misuse this opportunity. Presently it is incorporated into each part of the client’s life – medicinal services, training, education, banking, entertainment, and so on. Online financial activities result from billions of online associations among individuals, organizations, business, data, gadget, information, and procedures. Furthermore, the establishment of the DE is as such hyper accessibility and connectivity which makes interconnectedness of individuals, organizations, and machines that rely upon Internet, mobile technology and the Internet of things. The internet of things, which is known as the infrastructure of the information society associates physical and tiny gadgets, building and numerous different things embedded with hardware, programming, sensors, and so forth to participate in the trading of information (Global System for Mobile Association, GSMA Report 2015). DE is well-known by the main place held by phenomena of growing products such as the more consumers and clients a company has, the more productive and dynamic it is and able to offer a superior service at the same price, which attracts new clients, and the process goes on (Arthur, 1996). This phenomenon is connected with network effects like the fineness of the service relies upon the scope of the network and number of users. Though network effects already happened in the traditional economies like hotels and transport system etc., they have been significantly increased by the digital economy. The rise in the number of organization and industries with network system which effects within the DE is clarified by the decrease of transaction costs.

Digital technologies made easier to authenticate the other party in a transaction and increase information of reputations; likewise, simpler correspondence and the reviewing of exchanges. Moreover, to facilitate the formation of trust among parties that don’t have any acquaintance with one another (Dyer et al., 2003). This has gone to the presence of vast platforms, on which laypersons and semi-experts can discover clients under best and safe conditions and deliver them with services whose quality is occasionally higher than that presented by traditional professions. These transitional platforms work at a phenomenal level like Uber as personal transport and as close to the home vehicle. Increasing efficiency is also an outcome of Data Science which online companies use in order to repeatedly progress their performances such as cost, viability, excellence, and so forth., recognition to the gathering and processing of enormous information streams. Clients are enlisted by organizations in order to contribute to making the good or service known, set up client support. This nature of the DE strengthens network effects.

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