

DIGITAL STRATEGY AND COMPETITIVE ADVANTAGE IN THE GLOBAL MARKET

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Abstract: In today's technology-driven global economy, organizations must leverage digital strategies to achieve competitive advantage and sustain performance. This study investigates the role of digital strategy adoption and implementation in enhancing organizational competitiveness and sustainable competitive advantage in the global market. A cross-sectional survey research design was adopted, and data were collected from 252 managers, business owners, and marketing professionals in South-East Nigeria using a structured questionnaire titled Digital Strategy and Competitive Advantage Questionnaire (DSCAQ). Data were analyzed using descriptive statistics and the Spearman Rank Order Correlation Coefficient. Findings reveal that adopting digital strategies, including artificial intelligence, big data analytics, and digital platforms, significantly improves organizational competitiveness in global markets. Additionally, effective implementation of digital strategies enhances firms' ability to achieve sustainable competitive advantage through improved operational efficiency, innovation, and market responsiveness. The study concludes that digital strategy is a critical driver of both immediate competitive gains and long-term sustainability for organizations operating globally. It is recommended that organizations prioritize comprehensive digital strategy adoption and invest in building strong digital capabilities to maximize performance and maintain competitive advantage in global markets.

Keywords: Digital Strategy, Competitive Advantage, Global Market, Digital Transformation, Organizational Competitiveness.

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INTRODUCTION

In today's highly interconnected and technology-driven global economy, digital strategy has become a critical driver of organizational success and long-term competitiveness. Organizations increasingly rely on digital technologies such as artificial intelligence, big data analytics, cloud computing, and digital platforms to enhance performance, improve customer experience, and expand into global markets (Kane, Palmer, Phillips, Kiron, and Buckley, 2019; Verhoef et al., 2021). Digital strategy refers to the deliberate integration of these technologies into core business processes to create value, improve efficiency, and support strategic decision-making.

The nature of competitive advantage has significantly evolved in the digital era. Traditional sources such as cost leadership and product differentiation are no longer sufficient on their own. Instead, firms must develop digital capabilities, organizational agility, and innovation-driven strategies to remain competitive in rapidly changing global markets (Warner & Wäger, 2019; Kraus et al., 2021). Digital transformation enables firms to redesign business models, foster value co-creation, and respond quickly to dynamic market conditions. Studies have shown that digital leadership and innovation significantly enhance firms' ability to achieve competitive advantage through improved value creation and strategic flexibility (Vial, 2019; Li et al., 2022).

Furthermore, the growing importance of digital ecosystems and platform-based strategies has redefined how organizations compete globally. Digital platforms enable firms to scale rapidly, leverage network effects, and access international markets more efficiently (Gawer, 2021; Nambisan et al., 2019). In addition, strategic innovation and the effective use of digital technologies have been identified as key enablers of sustainable competitive advantage in the modern business environment (Bresciani et al., 2021).

Despite these advancements, many organizations, particularly in developing economies face challenges in fully leveraging digital strategy due to inadequate infrastructure, limited digital skills, and resistance to organizational change. Research indicates that digital transformation efforts are often slow and fragmented, reducing their potential impact on firm's performance (Kraus et al., 2021; Verhoef et al., 2021). This limits the ability of such firms to compete effectively in the global marketplace.

Therefore, understanding how digital strategy contributes to competitive advantage is essential for organizations seeking sustainable growth in the global economy. By aligning digital initiatives with business strategy and fostering innovation, firms can enhance their competitiveness and achieve superior performance.

Statement of the Problem

Despite the increasing importance of digital strategy in achieving competitive advantage, many organizations have not fully integrated digital technologies into their strategic frameworks. In many cases, digital initiatives are implemented in isolation rather than as part of a comprehensive strategy, limiting their effectiveness in driving innovation and global competitiveness (Kane et al., 2019; Vial, 2019). Additionally, organizations in developing economies continue to face significant barriers such as poor digital infrastructure, lack of technical expertise, and insufficient investment in digital transformation. These challenges hinder their ability to leverage digital tools for innovation, global market penetration, and value creation. Studies further reveal that organizational agility, digital capabilities, and intellectual resources are essential for successful digital transformation and sustained competitive advantage, yet many firms lack these capabilities (Warner & Wäger, 2019; Li et al., 2022).

This situation raises serious concerns about the ability of such organizations to compete effectively with digitally advanced firms in the global market. Consequently, there is a need to critically examine how digital strategy can be effectively utilized to enhance competitive advantage and improve organizational performance in a global context.

Objectives of the Study

The general aim of this study is to examine the role of digital strategy in achieving competitive advantage in the global market. The specific objectives are to:

1. Assess the extent to which organizations adopt digital strategies in their operations.
2. Examine the influence of digital strategy on competitive advantage in the global market.

Research Questions

1. To what extent do organizations adopt digital strategies in their operations?
2. How does digital strategy influence competitive advantage in the global market?

Hypotheses

The following null hypotheses will be tested:

- **Ho1:** Digital strategy adoption does not significantly influence organizational competitiveness in the global market.
- **Ho2:** The implementation of digital strategy does not significantly enhance firms' ability to achieve sustainable competitive advantage.

Review of Related Literature

Conceptual Review

Concept of Digital Strategy

Digital strategy refers to the integration of digital technologies into an organization's core business processes, operations, and decision-making systems to create value and achieve strategic objectives. It encompasses the use of technologies such as artificial intelligence, big data analytics, cloud computing, mobile platforms, and social media to enhance organizational

performance and competitiveness. According to Verhoef et al. (2021), digital strategy involves leveraging digital resources and capabilities to transform business models, improve customer experiences, and optimize operational efficiency. Similarly, Kane, Palmer, Phillips, Kiron, and Buckley (2019) define digital strategy as a coordinated approach that aligns digital initiatives with organizational goals to drive innovation and growth.

In addition, Bharadwaj, El Sawy, Pavlou, and Venkatraman (2017) emphasize that digital strategy goes beyond the mere adoption of technology; it involves the transformation of business processes and the creation of new value propositions. Kraus et al. (2021) further note that organizations with well-developed digital strategies are better positioned to respond to environmental changes, enhance decision-making, and maintain competitive relevance in global markets.

Digital strategy also incorporates the concept of digital transformation, which involves the comprehensive adoption of digital technologies across all aspects of an organization. Vial (2019) argues that digital transformation enables firms to innovate continuously, improve customer engagement, and create new business opportunities. In the context of the global market, digital strategy provides organizations with the tools and capabilities needed to operate efficiently across borders, access global customers, and compete with technologically advanced firms.

Concept of Competitive Advantage

Competitive advantage refers to the ability of an organization to outperform its competitors by delivering greater value to customers or achieving superior operational efficiency. Traditionally, competitive advantage has been associated with cost leadership, differentiation, and focus strategies. However, in the digital era, the sources of competitive advantage have expanded to include digital capabilities, innovation, and organizational agility (Warner & Wäger, 2019).

According to Porter (2018), competitive advantage arises when firms create value that exceeds the cost of delivering it, either through lower prices or superior product offerings. In line with this, Li et al. (2022) highlight that digital technologies enable firms to enhance value creation by improving customer experiences, streamlining operations, and enabling data-driven decision-making. Furthermore, Bresciani et al. (2021) assert that innovation and digital transformation are critical drivers of sustainable competitive advantage in contemporary business environments.

In the global market, competitive advantage is increasingly influenced by the ability of firms to leverage digital tools to access new markets, respond to customer needs, and adapt to technological changes. Nambisan et al. (2019) emphasize that digital platforms and ecosystems enable firms to scale rapidly, reduce transaction costs, and exploit network effects, thereby enhancing their competitive position. Consequently, organizations that effectively integrate digital strategy into their operations are more likely to achieve and sustain competitive advantage.

Concept of Global Market

The global market refers to the interconnected system of international trade and business activities in which organizations operate beyond their domestic boundaries. It involves the exchange of goods, services, information, and capital across countries, facilitated by advancements in technology, communication, and transportation. According to Cavusgil, Knight, and Riesenberger

(2020), the global market provides opportunities for firms to expand their operations, access new customer segments, and achieve economies of scale. In the digital age, the global market has become more accessible due to the proliferation of digital technologies. Chaffey and Ellis-Chadwick (2022) note that digital platforms, e-commerce, and online marketing tools enable firms to reach global audiences with minimal physical presence. This has significantly reduced barriers to internationalization and increased competition among firms.

However, operating in the global market also presents challenges such as cultural differences, regulatory complexities, and technological disparities. Kraus et al. (2021) argue that firms must develop digital capabilities and strategic flexibility to navigate these challenges effectively. Therefore, digital strategy plays a crucial role in enabling organizations to compete and succeed in the global marketplace.

Relationship between Digital Strategy and Competitive Advantage

The relationship between digital strategy and competitive advantage lies in the ability of digital technologies to enhance organizational capabilities, innovation, and market responsiveness. Digital strategy enables firms to collect and analyze large volumes of data, improve decision-making, and develop personalized customer experiences, which contribute to competitive differentiation (Verhoef et al., 2021).

Furthermore, digital technologies facilitate process automation, cost reduction, and efficiency improvement, thereby supporting cost leadership strategies. Vial (2019) explains that digital transformation enhances operational performance and enables firms to achieve both efficiency and differentiation simultaneously. Similarly, Warner and Wäger (2019) emphasize that digital strategy promotes organizational agility, allowing firms to respond quickly to market changes and maintain a competitive edge.

In addition, digital strategy fosters innovation by enabling firms to develop new products, services, and business models. Nambisan et al. (2019) highlight that digital innovation allows firms to create value through platform-based ecosystems and collaborative networks. This not only enhances competitiveness but also supports long-term sustainability in the global market.

The integration of digital strategy into business operations provides organizations with the tools and capabilities needed to achieve and sustain competitive advantage in an increasingly digital and globalized economy.

Theoretical Review

Dynamic Capabilities Theory

This study is anchored on the Dynamic Capabilities Theory, developed by Teece, Pisano, and Shuen (1997) and further expanded in recent studies. The theory posits that an organization's ability to integrate, build, and reconfigure internal and external competencies is essential for adapting to rapidly changing environments and achieving competitive advantage.

The relevance of this theory to the present study lies in its emphasis on adaptability and strategic renewal. In the context of digital strategy, organizations must continuously update their technological capabilities, processes, and business models to remain competitive in the global market. Teece (2018) argues that

firms with strong dynamic capabilities are better able to sense opportunities, seize them, and transform their operations accordingly. Digital strategy aligns closely with this theory, as it involves the continuous adoption and integration of digital technologies to enhance organizational performance. Firms that develop dynamic capabilities can effectively leverage digital tools to innovate, respond to market changes, and sustain competitive advantage. Therefore, this theory provides a strong foundation for understanding how digital strategy contributes to organizational success in a dynamic global environment.

Resource-Based View (RBV)

The study is also anchored on the Resource-Based View (RBV), propounded by Barney (1991). The theory asserts that organizations achieve competitive advantage by possessing valuable, rare, inimitable, and non-substitutable (VRIN) resources. These resources include tangible assets, intangible assets, and organizational capabilities.

In the digital era, digital technologies and capabilities have become critical strategic resources. According to Bharadwaj et al. (2017), digital assets such as data, analytics capabilities, and technological infrastructure play a significant role in enhancing organizational competitiveness. Similarly, Li et al. (2022) emphasize that firms that effectively utilize digital resources are better positioned to create value and achieve superior performance.

The relevance of RBV to this study lies in its focus on leveraging internal resources to achieve competitive advantage. Digital strategy enables organizations to develop and utilize digital resources effectively, thereby enhancing their ability to compete in the global market. Firms that invest in digital capabilities, innovation, and technological infrastructure are more likely to achieve sustainable competitive advantage.

Empirical Studies

Adewale, Olatunji, and Adebayo (2024) examined the effect of digital capabilities on global market performance of Nigerian firms. The study employed a survey research design with a sample of 210 export-oriented firms. Data were analyzed using regression analysis. The findings revealed that digital capabilities significantly enhance firms' access to international markets, improve export performance, and strengthen global competitiveness. The study recommended that firms should develop strong digital capabilities and invest in emerging technologies to remain competitive in the global market.

Eze, Okafor, and Obi (2023) investigated the influence of digital marketing strategies on business growth in Nigeria. The study adopted a descriptive survey design involving 275 business owners and marketing managers. Data were analyzed using mean, standard deviation, and regression analysis. The results showed that digital marketing strategies such as social media marketing, search engine optimization, and online advertising significantly contribute to business growth and competitive advantage. The study recommended that organizations should integrate digital marketing strategies into their overall business strategy.

Afolayan, Ogunnaike, and Kehinde (2023) examined the impact of digital transformation on firm performance in selected Nigerian manufacturing firms. The study adopted a survey research design involving 280 managers and senior staff across manufacturing companies in Lagos State. Data were analyzed using multiple regression analysis. The findings revealed that

digital transformation significantly improves operational efficiency, customer satisfaction, and overall firm performance. The study recommended that firms should invest in digital infrastructure and staff training to enhance competitiveness in both local and global markets.

Martinez, López, and Hernández (2023) examined the relationship between digital transformation and competitive advantage in Spanish retail organizations. Using a descriptive survey design, the study sampled 275 managers and digital marketing professionals across retail chains in Spain. Regression and correlation analyses were conducted to test the hypotheses. The results indicated that digital transformation significantly enhances firms’ operational efficiency, customer engagement, and global market expansion. The study recommended that firms should invest in digital tools, e-commerce platforms, and staff training to maintain competitiveness in increasingly digital and globalized markets.

Kim, Park, and Choi (2022) investigated the impact of digital strategy on competitive advantage in South Korean manufacturing firms. The study employed a survey research design involving 310 managers from large and medium-sized firms. Data were analyzed using structural equation modeling (SEM). The findings revealed that firms with comprehensive digital strategies including the use of AI, big data analytics, and digital platforms experienced significantly higher innovation performance, market responsiveness, and international competitiveness. The study recommended that organizations should align digital initiatives with overall business strategy to maximize their competitive potential in global markets.

Results

- **Ho1:** Digital strategy adoption does not significantly influence organizational competitiveness in the global market.

Table 1: Correlation between Digital Strategy Adoption and Organizational Competitiveness

Variables	N	Correlation Coefficient (r)	Sig. (2-tailed)
Digital Strategy Adoption	252	1.000	–
Organizational Competitiveness	252	0.721**	0.000

Correlation is significant at 0.05 level (2-tailed).

Source: Researchers’ Data, 2026.

Table 1 shows a correlation coefficient (r) of 0.721 with a significance value of 0.000, which is less than the 0.05 alpha level. Since the significance value (0.000) is below 0.05, the null hypothesis (Ho1), which states that digital strategy adoption does not significantly influence organizational competitiveness in the global market, is rejected. Therefore, the alternative hypothesis is

Methods

The study adopted a cross-sectional survey research design. The target population consisted of managers, business owners, and marketing professionals from selected organizations operating in South-East Nigeria, including both small and medium enterprises (SMEs) and large firms engaged in digital business activities. These organizations were selected because of their exposure to digital technologies and participation in competitive markets. A purposive sampling technique was employed to select respondents who possess relevant knowledge of digital strategy and organizational performance. A total of 260 respondents were selected for the study. Data were collected using a structured questionnaire titled Digital Strategy and Competitive Advantage Questionnaire (DSCAQ). The instrument was designed using a modified four-point Likert scale with the following response options: Strongly Agreed (SA) = 4, Agreed (A) = 3, Disagreed (D) = 2, and Strongly Disagreed (SD) = 1. The instrument was subjected to face and content validation by two experts in business management and digital marketing to ensure its adequacy and relevance. The reliability of the instrument was determined using Cronbach Alpha, which yielded a coefficient of 0.86, indicating a high level of internal consistency. Out of the 260 questionnaires administered, 252 were successfully retrieved, representing a response rate of 96.9%. Data collected were analyzed using descriptive statistics such as mean and standard deviation to answer the research questions, while the hypotheses were tested using the Spearman Rank Order Correlation Coefficient (r) with the aid of SPSS Version 23 at a 0.05 level of significance.

accepted. This indicates that adopting digital strategies significantly enhances organizational competitiveness in the global market.

- **Ho2:** The implementation of digital strategy does not significantly enhance firms’ ability to achieve sustainable competitive advantage.

Table 2: Correlation between Digital Strategy Implementation and Sustainable Competitive Advantage

Variables	N	Correlation Coefficient (r)	Sig. (2-tailed)
Digital Strategy Implementation	252	1.000	–
Sustainable Competitive Advantage	252	0.738**	0.000

Correlation is significant at 0.05 level (2-tailed).

Source: Researchers’ Data, 2026.

Table 2 shows a correlation coefficient (r) of 0.738 with a significance value of 0.000, which is less than the 0.05 alpha level. Since the significance value (0.000) is below 0.05, the null hypothesis (H_0), which states that the implementation of digital strategy does not significantly enhance firms' ability to achieve sustainable competitive advantage, is rejected. Therefore, the alternative hypothesis is accepted. This implies that effective implementation of digital strategy significantly improves firms' ability to achieve sustainable competitive advantage in the global market.

Discussion

The findings of this study reveal a significant positive relationship between digital strategy and organizational competitiveness, as well as sustainable competitive advantage in the global market. Specifically, the correlation analysis shows that digital strategy adoption is strongly associated with enhanced organizational competitiveness ($r = 0.721$, $p < 0.05$). This suggests that firms that actively integrate digital technologies such as AI, big data analytics, and digital platforms into their operations are better positioned to compete effectively in global markets. These results align with the findings of Kim, Park, and Choi (2022), who reported that South Korean manufacturing firms with comprehensive digital strategies experienced higher innovation performance, improved market responsiveness, and greater international competitiveness. Similarly, the studies by Martínez, López, and Hernández (2023) in Spain and Afolayan, Ogunnaike, and Kehinde (2023) in Nigeria confirm that digital transformation enhances operational efficiency, customer engagement, and firm performance, which are critical elements of organizational competitiveness.

Furthermore, the study indicates that effective implementation of digital strategy significantly improves firms' ability to achieve sustainable competitive advantage ($r = 0.738$, $p < 0.05$). This finding supports the Resource-Based View (RBV) theory, which emphasizes the strategic importance of leveraging valuable and inimitable resources—such as digital capabilities—for competitive gain. Firms that develop strong digital capabilities, as observed in the study by Adewale, Olatunji, and Adebayo (2024), are better equipped to access international markets, strengthen export performance, and maintain global competitiveness. In addition, Eze, Okafor, and Obi (2023) highlighted that the adoption of digital marketing strategies, including social media marketing and e-commerce, significantly contributes to business growth and competitive advantage. Collectively, these empirical studies corroborate the current study's findings, demonstrating that digital strategy is a critical enabler of both competitiveness and sustainable advantage in the global market.

Overall, the findings underscore that digital strategy is not merely a technological initiative but a strategic imperative for organizations seeking to thrive in the digital age. By enhancing operational efficiency, fostering innovation, and improving market responsiveness, digital strategy enables firms to navigate the complexities of global competition successfully.

Conclusion

This study examined the role of digital strategy in achieving competitive advantage in the global market. The results show that digital strategy adoption significantly enhances

organizational competitiveness, while effective implementation of digital strategy contributes to sustainable competitive advantage. These findings indicate that organizations that strategically integrate digital technologies into their operations are better equipped to create value, improve efficiency, and respond to dynamic global market conditions. The study concludes that digital strategy is a crucial driver of both immediate competitive gains and long-term sustainability in the global marketplace. Firms that fail to adopt or effectively implement digital strategies risk falling behind more digitally advanced competitors.

Recommendations

Based on the objectives of the study, the following recommendations were proposed:

1. Organizations should prioritize the adoption of comprehensive digital strategies across all core business processes. This includes leveraging AI, big data analytics, cloud computing, and digital platforms to enhance competitiveness in global markets. Firms should align digital initiatives with overall business strategy to maximize performance and market responsiveness.
2. Organizations should invest in building strong digital capabilities and ensure the effective implementation of digital tools and platforms. This includes staff training, development of technological infrastructure, and strategic use of digital marketing. Such measures will enhance firms' ability to sustain competitive advantage in the global market.

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