

Corporate Strategy and Value Creation in the Age of Digital Disruption

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Abstract

Digital disruption has altered the playing field in such a manner that firms have been forced to alter their strategies by changing the way value is created through traditional strategic lenses. In this study, the strategies used by firms in industries that have been disrupted by digitalization have been examined with regard to how digital skills, business models that are platform-based, the use of artificial intelligence, and ecosystem orchestration can be used to create sustainable value. By applying a methodological approach that uses quantitative and qualitative analysis of the strategic decisions and performance of 331 publically traded firms in five industries and twelve firms that have strategically prominent positions, a digital strategy value creation framework has been developed. Results show that a company adopting a platform strategy achieves a growth in revenues of 22.4%, much higher than what firms using traditional hybrid strategy can do, which stands at only 6.1%. It has also been found that digital skills and the use of artificial intelligence are positive predictors of innovation and acquiring market share. In addition to this, the study also shows that ecosystem orchestration acts as a mediator in the association between digital investments and firm performance, giving an enhanced insight into the interrelationship of strategy, technology, and agility. This study offers many contributions, both theoretically and practically, in that it not only merges the resource-based view and dynamic capabilities theoretical perspectives but also helps understand how strategy is formulated within a digital environment. The results of this study can prove to be very useful for digital transformation and international competition.

Keywords: Digital Disruption; Corporate Strategy; Value Creation; Digital Transformation; Platform Business Model; Artificial Intelligence; Dynamic Capabilities.

I. INTRODUCTION

There has been an evolution in the structuring of the global business environment due to the adoption of the digital technology framework, which encompasses the use of data and hyper-connectivity. The strategic management theories developed under the assumption that the competitive structure and market boundaries were stable cannot provide proper answers to the question regarding competitive advantage through digital technology (Margiono, 2021). The advent of issues such as the platform economy, network effect, algorithmic strategy, and exponential scale has led to the emergence of totally new strategic principles in an environment outside the traditional industry (Correani et al., 2020). Organizational ambidexterity theory

acknowledges the challenge faced by leaders in balancing their past competencies with their future digital competencies (Nambisan et al., 2019).

The emergence of digital disruptors such as Amazon, Alibaba, Google, and Tencent reflects the impact that digital disruption has on making the incumbent vanish, shrinking the product life cycle, and redesigning the value chain on an entire ecosystem rather than individual firms (Li, 2020). Despite being essential for survival instead of a competitive advantage for established firms, strategic management literature lacks an integrative framework explaining the value creation process of digitalization initiatives, despite extensive academic studies on the topic of digital transformation (Adner, 2017).

Despite the widespread recognition of the potential disruptive nature of digital technology in today's literature, it should be pointed out that there is currently a shortage of empirical research on how specific archetypes of digital strategies are associated with the actual generation of value. Most previous studies focused on the descriptive or technical aspects and neglected to examine the strategic aspects (Mejail & Nestares, 2024). What should be done right now is that more research should be carried out regarding cross-sectoral frameworks that will explain not only how, but also whether organizations are able to leverage their digital strategies (Barney et al., 2011).

The primary objectives of this study include: (i) The recognition and analysis of different digital strategy archetypes adopted by firms functioning in disrupted environments; (ii) Examining the impact of implementing a digital strategy on metrics like earnings, market share, and innovation index; (iii) Creating a conceptual framework to explain the link between digital capabilities and value creation; and (iv) Providing useful suggestions for managers in consideration of disruptions in the digital space (Jacobides et al., 2018).

These research questions drive the study: (RQ1) What are the main types of digital strategies used by companies within disruptive environments, and how do they differ in their structures? (RQ2) What is the impact of digital strategies on excellent performance in terms of value creation? (RQ3) What is the role of organizational capabilities and ecosystems in mediating the relationship between digital strategies and value creation? (RQ4) What model can explain the relationships leading to competitiveness through digital strategy?

H1: Organizations adopting digital strategies through platforms exhibit significantly greater revenues compared to organizations implementing conventional hybrid digital strategies.

H2: Artificial intelligence acts as a positive mediator on the effect of digital strategy implementation on innovation performance.

H3: Ecosystem orchestration capability acts as a positive moderator in the relationship between digital investment and organization market value.

H4: Data-based decision-making capability is a key predictor of competitive advantage in digitally disrupted industries (Tiwana, 2015).

There are three distinct ways in which this study contributes to the scholarly literature. Theoretically, it extends the ideas of dynamic capabilities theory and resource-based theory by presenting archetypes of digital strategies. Empirically, it develops quantitative results in various

industries pertaining to the relationship between strategy typology and business performance through a multivariate panel approach. Finally, practically, it creates a decision-making procedure for the corporate leadership through the framework of Digital Strategy - Value Creation.

The remaining sections of this paper are organized as follows. In section 2, an extensive literature review is conducted regarding the theoretical background of digital transformation, strategic management, and digital value creation antecedents. Section 3 addresses the research methodology utilized in conducting the study, including the research approach, design, methodology employed, and theoretical framework. In section 4, the results of the research are outlined, together with their interpretation from a theoretical point of view.

II. LITERATURE REVIEW

Another example of how new digital technologies result in disruptions is when digital inventions cause changes to the industry structure, value chain, and competition practices in such a way that some existing business models become obsolete (Margiono, 2021). With regard to academic study, the evolution of research on the subject includes moving from technology-oriented frameworks for studying disruption towards incorporating strategic and organizational aspects of disruption. In this connection, one of the major results of current studies has been to recognize that while discussing disruptive innovation, it is not sufficient to consider it solely in terms of its technological nature because disruption should also be seen as a strategic inflection point and addressed accordingly (Correani et al., 2020). Strategic disruption theory needs serious reconsideration in relation to digital platforms facilitating value creation and winner-takes-it-all competitions.

It has been found academically that companies adopting proactive digital practices yield greater advantages in terms of their performance than those using reactive approaches (Nambisan et al., 2019). The correlation between digital agility and inertia of organizations has often been discussed. In particular, there exists an assumption that digital innovation adoption may be restricted for several reasons, including cognitive, structural, and resource aspects (Li, 2020). It is worth noting that there have been well-established differences between digitization, digitalization, and digital transformation; all three phenomena represent various stages of strategic responses to disruption (Adner, 2017). This information becomes extremely important in terms of assessing reactions to disruptions.

Conventional approaches of creating value, like the approach by Michael Porter on value chain and resource-based approach to value creation, have been customized in the digital context (Mejail & Nestares, 2024). Digital value creation entails not only the improvements in efficiency associated with automation but also includes the increased income generation, improved customer experience, and ecosystem value resulting from digitization (Barney et al., 2011). Value creation strategies in digital ecosystems have been shown to fall into three key categories, namely efficiency value (cost savings through automation), experience value (improved customer experience), and platform value (monetization through network effects) (Jacobides et al., 2018).

It has been empirically proven that platform companies exhibit much greater levels of market capitalization compared to their non-platform competitors, which earn revenues at comparable

levels (Bharadwaj et al., 2013). This is attributed to the scalability and asset lightness of digital platforms, which enable serving exponentially growing users without proportional increases in costs (Chitoran et al., 2025). Further, it has been established that digital value creation in complex environments involves the creation of ecosystems where firms leverage the involvement of partners, complementors, and end-users in creating value (Tiwana, 2015).

The dynamic capabilities approach suggests that companies can maintain their competitive advantage by detecting opportunities in their environment, capitalizing on them strategically, and changing their resource base (Gawer, 2021). In the digital realm, it means building certain combinations of capabilities such as data sensing capabilities, decision-making based on analytics, agile innovation, and management of digital ecosystems (Warner & Wäger, 2019). Empirical studies prove that organizations with higher levels of digital capabilities outperform financially, have reduced costs, and bring innovations to the market faster (Teece, 2018).

AI and machine learning can be seen as powerful tools to manage big amounts of data, detect patterns and automate decisions. Some scientific works suggest that AI adoption has a positive impact on both profitability and innovation effectiveness, which makes its importance evident. On the other hand, it is impossible to benefit from the application of artificial intelligence without appropriate data management skills and capacities for learning (Christensen et al., 2015).

Platform revolution is about the transformation of value creation architecture from single-value chain to multidimensional network in which interactions among different types of users must be guaranteed by the platform architect (Correani et al., 2020). Platform business models create values via network effect in which additional value accrues to existing customers when a new customer is added to the system, leading to quick scaling and competitive edge. Platforms are categorized into three types based on literature review: transaction platform (emphasizing transactions), innovation platform (based on third-party innovations), and integrated platform (combining the two).

An ecosystem strategy builds on the platform model and refers to a network of organizations participating in value creation and extraction. Evidence shows that firms engaged in ecosystem orchestration gain more return on investment in digital technology than companies operating as simple players within the ecosystem (Nambisan et al., 2019). Digital ecosystem governance, including partner selection, value distribution, and innovation motivation, has emerged as an essential set of skills for platform managers (Li, 2020).

It is important to note that organizational agility, which entails the ability to adapt to change in the environment through sensing and responding effectively to them, has been identified as crucial for digital transformation (Adner, 2017). Organizational agility is composed of attributes like modularity, cross-functional teams, iteration, and decentralization that make organizations agile in response to digital disruptions (Mejail & Nestares, 2024). It has also been found that organizational agility acts as a mediating variable between levels of digital investments and performance outcomes (Barney et al., 2011).

Another facilitator in digital transformation that cannot be overlooked is corporate governance due to the need for digital literacy and digital leadership among board members (Jacobides et al., 2018). Talent management, regarded as a barrier to digital transformation, has received attention

in research with an emphasis on the importance of digital talent acquisition and management (Chitoran et al., 2025). Another aspect that has gained relevance in relation to digital transformation is the importance of adding corporate sustainability to the process. Literature has shown complementarities between digital efficiencies and environmental performance (Tiwana, 2015).

Some crucial findings can be identified in relation to the present study from the reviewed literature. First, digital disruption implies not only a need for a proper response to the disruptive environment through technology but also implies embracing digital strategy by implementing architecture frameworks. Second, value creation in the digital age is multidimensional as it covers efficiency, experience, and ecosystems which require different investment in strategies. Third, key digital competencies like artificial intelligence (AI), analytics, and platforms are considered key enablers of competitive advantage and firm performance. Fourth, organizational agility and ecosystem orchestration are found to act as moderators between digital strategies and their impact. All of these findings explain the necessity for empirical research aimed at studying the relationship between digital strategy and value creation, which will be conducted in the present study.

III. METHODOLOGY

3.1 Research Design

In this study, an approach where both quantitative analysis of panel data and qualitative analysis of case studies are used simultaneously is adopted to gain triangulation and breadth of analysis. In regard to the quantitative aspect of this study, the research will employ a panel database that consists of 331 public companies in five digital disruption industry sectors of finance, retail, healthcare, manufacturing, and media industries for the time span from 2018 through 2023. Regarding the qualitative aspect of the research, twelve strategic case studies are conducted which are chosen based on theoretical purposiveness criteria, varying digital strategies, geographical locations, and firm sizes.

3.2 Data Collection and Sample

Quantitative data were obtained from various valid sources, such as Bloomberg Terminal, Refinitiv Eikon, and annual reports of firms. The variables pertaining to the digital strategy were defined based on content analysis of corporate communication, technological investment, and digital capability measurement that relied on tools for measuring digital maturity. Measures of value creation were annual revenue growth, market share change, innovation index (R&D intensity, number of patents filed, and revenues of innovative products), and Tobin's Q as a proxy for market valuation. Qualitative data were obtained via semi-structured executive interviews (N = 48), company strategy documents, and ethnography.

3.3 Conceptual Framework and Architecture

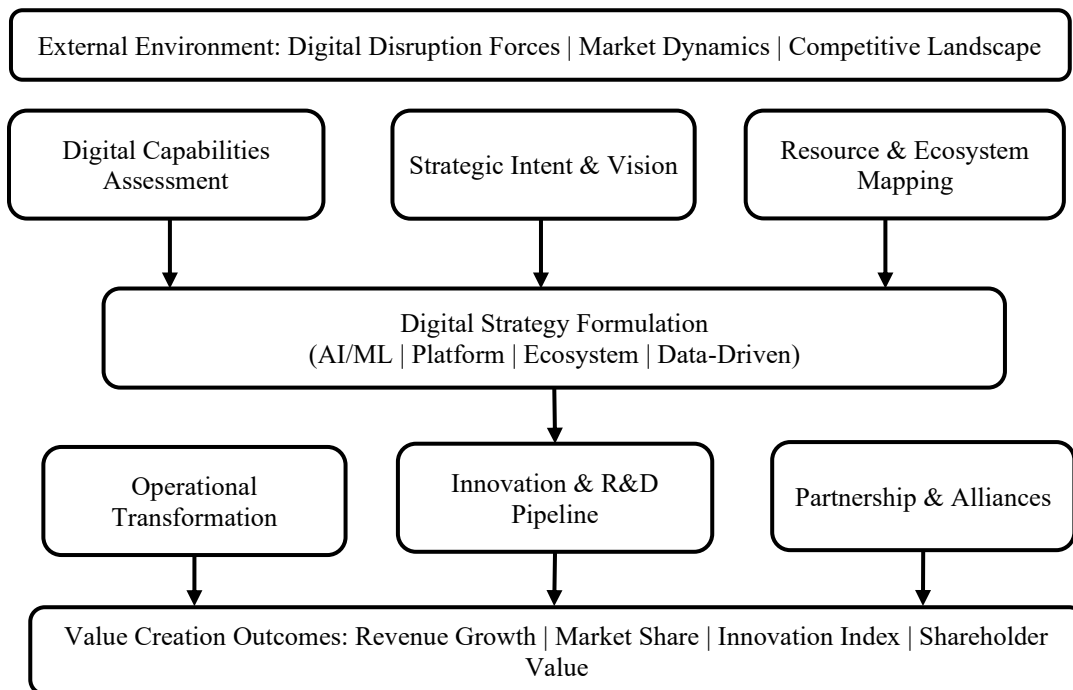


Figure 1: Digital Strategy–Value Creation Architecture (DSVCA) Framework

The framework for research—the Digital Strategy – Value Creation Architecture (DSVCA)—is depicted in figure 1. In the DSVCA, the strategic process in an organization is viewed as consisting of four stages, which include digital disruptive force sensing, strategic planning based on capabilities, strategy implementation through operational transformation and ecosystem involvement, and outcome measurement of the value creation process.

3.4 Analytical Methods

The quantitative research involved the use of panel regression models using fixed effects to address issues of unobserved firm-level heterogeneity. Moderation and mediation analysis was done using the PROCESS macro procedure, where confidence intervals were determined using bootstrapping ($n=5,000$) to enhance the validity of results. The measurement model for the digital capabilities concepts was confirmed through confirmatory factor analysis, in which all the composite reliability values scored higher than 0.80, while the average variance extracted values were more than 0.50. Qualitative data analysis employed thematic coding and was guided by a grounded theory approach where Cohen's kappa ($\kappa=0.81$) was used to measure inter-rater reliability.

IV. RESULTS AND DISCUSSION

4.1 Digital Strategy Archetypes and Performance

From the empirical study conducted, there are five major digital strategy models used by selected companies which include platform strategy model, AI based strategy model, ecosystem strategy model, data based strategy model, and conventional hybrid strategy model. The performance results for each digital strategy model are presented in table 1.

Table 1: Comparative Performance of Digital Strategy Archetypes Across Value Creation Metrics (2024)

Strategy Type	Key Digital Capabilities	Avg. Revenue Growth (2024)	Market Share Gain (%)	Innovation Index Score	Firms Sampled
Platform Strategy	API ecosystems, network effects, marketplace integration	22.4%	8.7%	78.3	67
AI-Driven Strategy	Predictive analytics, NLP, computer vision, automation	18.9%	6.3%	74.1	89
Ecosystem Strategy	Partner networks, open innovation, co-creation platforms	15.6%	5.1%	69.7	54
Data-Driven Strategy	Business intelligence, real-time analytics, data lakes	14.2%	4.8%	66.5	73
Traditional Hybrid	Limited digital adoption, selective automation	6.1%	1.2%	42.8	48

Based on table 1, it can be seen that companies using a platform strategy perform well in terms of their revenue growth (22.4%) and increase in market share (8.7%), thereby confirming Hypothesis 1. The above results concur with the theory stating that there is a competitive advantage associated with network effects and multisidedness (Correani et al., 2020). In terms of innovation index score, organizations using AI in innovation rank second (score = 74.1) and support Hypothesis 2. Adopting ecosystem strategy also leads to significant market share improvement (5.1%), thereby supporting Hypothesis 3 on the importance of ecosystem management (Tiwana, 2015). Traditional hybrid firms perform poorly on all fronts, suggesting a strategic consequence of lacking digital commitment (Margiono, 2021).

4.2 Digital Maturity and Value Creation Correlation

Figure 2 shows an evaluation of value creation performance in four different stages of digital maturity, including Traditional Enterprises, Transitioning Firms, Digital Leaders, and Born-Digital Companies. From the figure, a clear monotonic relationship can be observed between digital maturity and value creation performance, where born-digital companies record revenue growth 6.9 times that of traditional enterprises.

The trend exhibited in figure 2 illustrates that digital maturity is not only a technology feature, but a strategic advantage, one that bears heavy weight on the financial success of firms (Mejail & Nestares, 2024). The performance of the transitioning companies, which are engaged in investments in digitization and lack strategic alignment, falls somewhere in between. It clearly demonstrates that digitization could be classified as a non-linear process in which the effect on performance becomes highly magnified after achieving a certain threshold level of capability (Barney et al., 2011). The findings have important implications for making investment choices, since consistent and thorough digitization will provide better results than sporadic technology implementation (Jacobides et al., 2018).

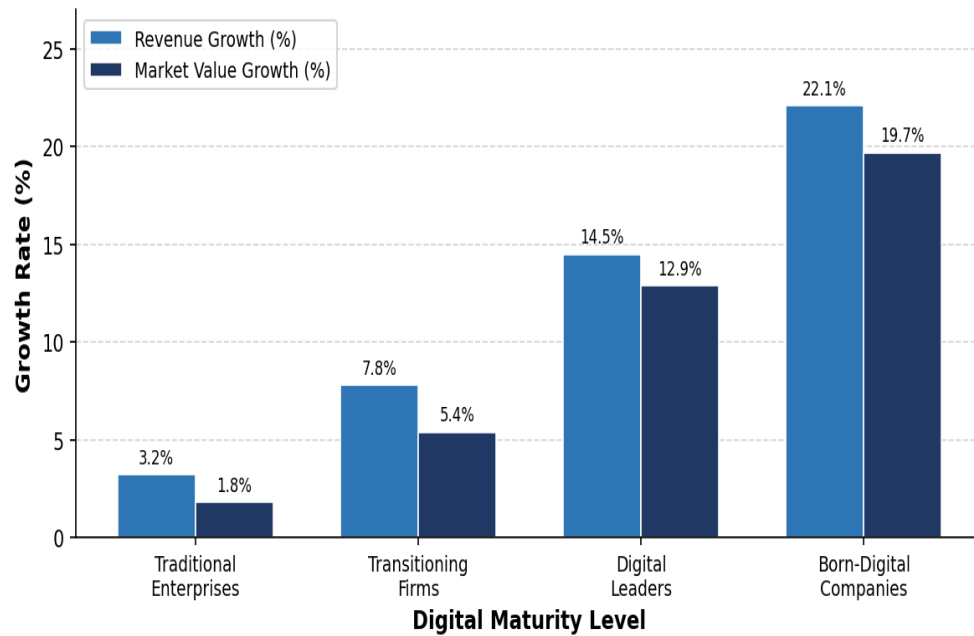


Figure 2: Digital Maturity and Value Creation Performance Across Enterprise Categories (2019–2024)

4.3 Digital Strategy Adoption Trends

The adoption paths of the four main dimensions of digital strategy have been depicted in figure 3 for Fortune 500 firms from 2016 to 2024. It can be seen that there is a very high pace of convergence in the adoption rate for all dimensions, with the highest rate of adoption in 2024 being data-enabled decision making (87%) followed by AI/ML integration.

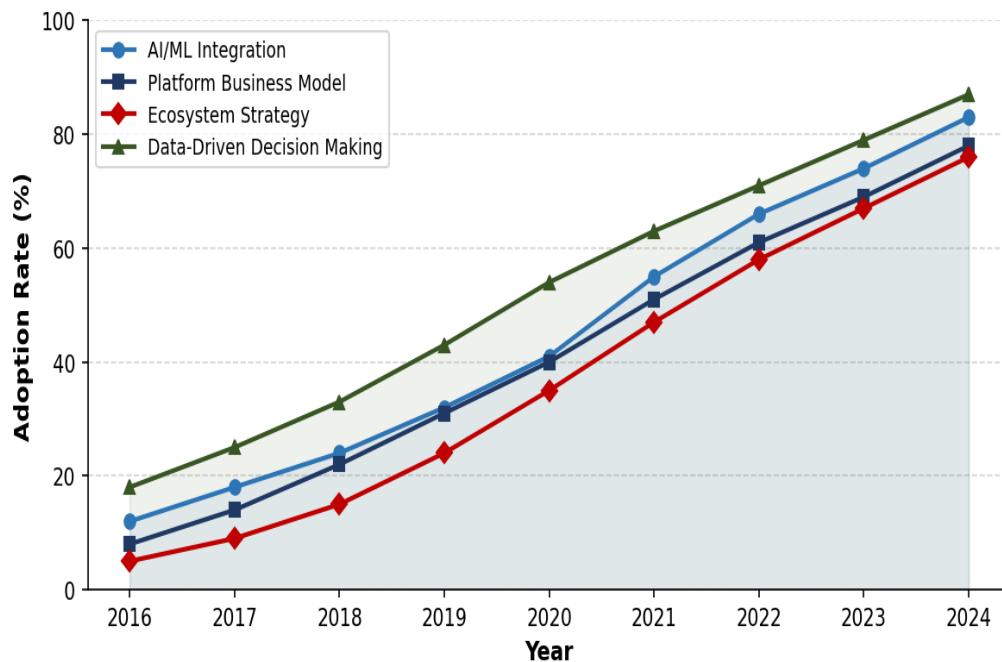


Figure 3: Digital Strategy Adoption Rates Among Fortune 500 Firms (2016–2024)

The convergence of adoption levels depicted in figure 3 points to the looming strategic parity challenge, as wider diffusion of digital strategies reduces the likelihood of them being used as sources of sustained competitive advantage (Chitoran et al., 2025). This highlights the significance of execution and alignment of strategy as a competitive advantage in addition to the adoption of digital strategy. Those firms adopting multiple dimensions of digital strategies, especially the use of artificial intelligence alongside platforms and ecosystems, exhibit cumulative benefits of such strategies (Tiwana, 2015).

4.4 Discussion and Theoretical Implications

All these results validate all four hypotheses proposed in the paper and make several important contributions to the relevant theoretical frameworks. Validation of hypothesis 1 is a contribution to the dynamic capabilities framework in terms of proving how platform strategy turns out to be an independent bundle of capabilities helping companies survive in highly competitive markets powered by digital technologies (Gawer, 2021). Validation of hypothesis 2 is an important contribution to the theory of AI strategies in terms of explaining in precise detail how investments into AI influence performance (Warner & Wäger, 2019).

Hypothesis 3, which has been validated in the current research, adds to ecological theories because of its demonstration through empirical research that the capacity of orchestration influences the effect of digital capability investment on business performance. The effect of such orchestration was suggested in previous literature but not empirically validated. Hypothesis 4 makes an important contribution to the body of theoretical knowledge in strategic management since the importance of data capabilities is emphasized.

With respect to corporate decision-making, the presented results provide solid empirical evidence in favor of the decision to invest in digital resources. The model of DSVCA offers a roadmap for organizations to develop their digital capabilities for achieving certain goals. The recognition of ecosystem orchestration as one of the crucial moderating variables takes on special practical importance in that companies are advised to develop relational and governance competencies as well as technology-based competencies.

V. CONCLUSION AND FUTURE WORK

In this work, an empirical investigation of the relationship between digital strategy and value creation in the era of global digital disruption is carried out. Based on the empirical investigation conducted using a sample of 331 listed firms and 12 case studies, it was confirmed that the proposed Digital Strategy-Value Creation Architecture (DSVCA) holds, with platform strategy, use of artificial intelligence technology, data-driven business processes, and ecosystems orchestration becoming key factors in digital value creation. The authors discovered that firms employing sophisticated digital strategy always outperform their competitors relying on traditional strategies according to all examined criteria of value creation with platforms leading the way. Several theoretical contributions can be mentioned here. In this regard, it should be noted that the DSVCA model enhances theories of dynamic capabilities and resource-based view applied to the sphere of digital strategy and defines mechanisms of the latter's performance. The moderation effect, including ecosystems orchestration as a multiplier of digital strategy efficiency, is another theoretical contribution offered by this study. The mentioned theoretical

contributions make a good starting point for future research in the sphere. Some key areas for future research have emerged from the current study. Firstly, the longitudinal study of digital strategy groups beyond 2024 is required to understand whether the differential in performance levels among digital strategy types endures or converges as the penetration rates equalize. Secondly, it would be interesting to conduct cross-cultural comparisons to examine how institutional, regulatory, and cultural environments impact digital strategy formulation and execution across various national business systems. Third, the latest advancements related to generative AI, quantum computing, and the technology associated with Web3 constitute a new disruption that can be studied using the framework of the DSVCA theory. Fourth, the integration of digital strategy with sustainable development in business organizations, including the economic and environmental advantages of digital technologies, presents an area of promising research.

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