

## Digital transformation is one of the most critical challenges and opportunities for modern businesses

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### Summary

This article explores the opportunities and challenges of digital transformation for small and medium-sized enterprises (SMEs) in Georgia, comparing them with the experiences of European countries.

The article analyzes digital development trends among Georgian SMEs, presenting research data and case studies that highlight successful digital strategy implementations.

The study employs a mixed-methods approach, incorporating a literature review as well as quantitative and qualitative research methods.

A 2024 survey of 150 SME representatives in Georgia reveals that the adoption of digital technologies remains relatively low, though a growing trend is evident.

Key barriers include limited financial resources, a lack of digital skills, and infrastructure constraints.

Examples from European countries—particularly those in the Nordic region—demonstrate that the strategic integration of digital technologies into business operations significantly enhances productivity and competitiveness.

For instance, in Denmark and Sweden, over 80% of SMEs utilize ERP and CRM systems, leading to improved operational efficiency and higher-quality customer service.

The cases examined in the Georgian context highlight successful initiatives, such as the creation of online commerce platforms and the

implementation of digital marketing strategies, which have enabled businesses to expand into international markets and increase sales.

This article emphasizes the role of internet marketing in the digital transformation process. The use of social media platforms, SEO strategies, and email marketing not only helps businesses identify customer segments but also enables continuous engagement with them.

In conclusion, the article underscores the need for government support in developing a robust digital ecosystem, including financial subsidies and the promotion of technological education. It also highlights the importance of leveraging international experience, which can help Georgian small and medium-sized enterprises (SMEs) successfully position themselves in both local and global markets.

Thus, digital transformation remains a crucial opportunity for the economic development of Georgian businesses, with its successful implementation depending on strategic decision-making and business readiness.

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