

Digital Transformation, Trust, and Sustainability in Business and Economy

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Abstract

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Digital transformation has become a key driver of change in modern business and economic systems. The advancement of digital technologies has reshaped business models, improved operational efficiency, and expanded market reach. However, the rapid pace of digitalization also introduces new challenges, particularly related to trust, transparency, and governance in the digital economy. This article aims to examine the role of digital technologies in supporting business and economic transformation, with a particular focus on trust and sustainability. This study employs a literature review method by analyzing relevant scholarly publications from the last five years. The findings indicate that effective digital transformation requires the integration of technology, business strategy, and accountable governance. Furthermore, digital technologies have the potential to enhance business sustainability when implemented strategically and with a long-term orientation. This article is expected to provide conceptual insights for future research in the field of digital business and economic studies.

1. Introduction

Digital transformation has been a central phenomenon that has reshaped the global business and economic landscape since the early 2020s. The development of digital technology is driving fundamental changes in the way organizations create value, manage resources, and interact with consumers and business partners. Digitalization is no longer understood as limited to the adoption of information technology, but rather as a strategic process that affects organizational structures, business models, and market dynamics as a whole (Rejeb et al., 2021).

In the context of the modern economy, digital transformation plays an important role in improving the competitiveness of companies through operational efficiency, acceleration of innovation, and expansion of market reach. Digital technology allows organizations to integrate data into decision-making processes, thereby increasing responsiveness to changing business environments. As the complexity of the global market increases, companies are required to adopt digital technologies as part of a long-term strategy to maintain sustainability and economic growth (Leão & da Silva, 2021).

However, the acceleration of digitalization also poses new challenges in the digital economy. The high reliance on digital systems and centralized platforms increases risks related to data security, consumer privacy, and business process transparency. In many cases, weak data management and digital governance mechanisms have the potential to lower the level of market trust, which can ultimately hinder the sustainable growth of digital businesses (Gao et al., 2023).

Trust is a fundamental element in digital-based business interactions. Consumers and business actors increasingly demand transparency, accountability, and adequate data protection in every digital transaction. Studies show that the success of digital transformation is highly dependent on the organization's ability to build and maintain stakeholder trust through reliable and transparent digital systems (El Khatib et al., 2024).

In response to these challenges, various digital technologies are being developed to improve integrity and efficiency in business and economic activities. Technologies such as big data, artificial intelligence, and blockchain offer new approaches to data management as well as recording digital transactions. Blockchain, in particular, is known as a distributed ledger technology that allows for transparent, secure, and immutable recording of transactions, thus potentially reducing dependence on intermediaries and increasing trust between economic actors (Conway & Garimella, 2020).

A number of studies show that the application of digital technology can improve organizational quality and internal transparency if it is strategically integrated into business processes. Effective digital transformation does not only focus on technological aspects, but also involves changing organizational culture and governance that supports accountability and ethical use of data (Che et al., 2023).

Although the literature on digital transformation and business technology continues to grow, most research still focuses on technical and operational aspects. Studies that comprehensively integrate business and economic perspectives, especially in the context of trust and transparency, are still relatively limited.

Therefore, a literature review is needed that is able to synthesize previous research findings to provide a more holistic understanding of the role of digital technology in supporting sustainable business and economic transformation (Jain & Sharma, 2024).

2. Methods

This study uses the literature study method as the main approach to examine the role of digital technology in the context of business and economy. This method was chosen because it is able to provide a comprehensive conceptual understanding through analysis of various relevant and credible scientific sources. Literature studies allow researchers to trace the development of theories, concepts, and empirical findings that have been published, so that they can build a strong academic foundation without directly collecting primary data.

The research process begins with determining the focus of the study related to digital transformation, digital technology, trust, transparency, and its implications for business and the economy. Furthermore, scientific literature is searched through reputable academic databases, paying attention to the suitability of the topic, the quality of the publication, and the relevance to the research objectives. The collected literature includes scientific journal articles, academic books, as well as conference proceedings that discuss related topics conceptually as well as analytically.

The next stage is the literature selection and screening process to ensure that the sources used are truly relevant and support the discussion framework. Literature that is duplicative, irrelevant, or lacks substantive contribution is eliminated from the

analysis. After that, an in-depth reading of the selected literature was carried out to identify the main concepts, thought patterns, and relationships between variables related to digital transformation and business.

The data analysis in this literature study was carried out qualitatively with a thematic approach. Findings from the literature are grouped into key themes that align with the research objectives, then critically analyzed to produce a conceptual synthesis. Through this approach, the research is expected to be able to provide a comprehensive picture of the role of digital technology in supporting business and economic transformation, as well as become the basis for the development of further studies and research.

3. Results

3.1. Digital Transformation in Business and Economy

Digital transformation has brought significant changes in the way businesses and economic systems operate. The results of the literature review show that digitalization not only functions as a means of process automation, but also as the main driver of changes in business models and organizational structures. The integration of digital technology enables companies to create value through the continuous use of data, platform connectivity, and technology-based innovation (Rejeb et al., 2021). From an economic perspective, digital transformation contributes to increased efficiency and productivity through reducing transaction costs and accelerating information flow. Digital-based business models are driving companies to move from a linear approach to a more collaborative and adaptive

ecosystem. The literature shows that organizations that are able to utilize digital technology strategically have a higher competitive advantage in the face of global market dynamics (Leão & da Silva, 2021).

In addition to increasing efficiency, digital transformation also affects the internal quality of the organization. The use of digital technology in business process management allows for increased internal transparency as well as the quality of decision-making. Integrated and real-time accessible data provides a stronger foundation for management to formulate responsive and evidence-based business strategies (Che et al., 2023). However, the literature also highlights that digital transformation brings new risks if it is not accompanied by adequate governance. Reliance on digital systems and centralized platforms increases potential vulnerability to data misuse and unclear information flows. These challenges require organizations to focus not only on technology adoption, but also on strengthening digital governance and ethical frameworks in business operations (D'Hauwers et al., 2023).

Digital transformation also has an impact on the relationship between companies and consumers. Digital platform-based interactions create opportunities to build more personal and sustainable relationships, while increasing consumer expectations for transparency and data protection. In this context, trust is a determining factor for the success of digital technology adoption in business activities (Geng, 2024). The results of the study show that digital transformation in business and economy is a multidimensional process that involves technological, organizational, and market aspects. The success of digital transformation relies heavily on the company's ability to integrate technology into its business strategy

holistically and manage the risks that come with it. A strategic and long-term oriented approach is needed so that digital transformation can have a sustainable and inclusive economic impact (Shenkoya, 2023).

3.2. Trust and Transparency in the Digital Economy

Trust and transparency are key elements in the sustainability of the increasingly complex and connected digital economy. The results of a literature review show that the increasing interaction of business interactions based on digital platforms has changed consumer expectations of the way companies manage data, execute transactions, and convey information. In the digital environment, trust is no longer built through physical interaction, but through systems, technology, and governance that ensure the integrity and openness of business processes (Gao et al., 2023). Transparency is a decisive factor in creating a long-term relationship between companies and consumers. Consumers' increasing digital literacy is driving the demand for clear, accurate, and verifiable access to information. When transparency is not realized, the risk of declining market confidence increases and has the potential to weaken digital business performance. Therefore, transparency is seen as an important prerequisite for the stability and sustainability of the digital economy (Geng, 2024).

The development of digital technology offers various solutions to strengthen trust and transparency in economic activities. Data-based technology allows for more accurate and real-time tracking of business processes, thereby reducing information asymmetry between business actors and consumers. However, the effectiveness of such technology is highly dependent on the governance framework

implemented by the organization. Without clear and accountable policies, technology can actually increase the risk of data misuse (El Khatib et al., 2024). Blockchain is emerging as one of the technologies that is widely discussed in the literature as a solution to increase transparency and trust in the digital economy. The decentralized and immutable characteristics of blockchain allow for more secure and transparent recording of transactions. With this system, each party involved can independently verify the data, thereby reducing reliance on intermediaries and minimizing the potential for information manipulation (Conway & Garimella, 2020).

A number of studies show that the application of blockchain has the potential to increase public trust in the digital economy system, especially in the context of data and transaction management. The transparency generated by this technology contributes to increasing the efficiency and legitimacy of digital business activities (Rijal & Saranani, 2023). However, blockchain adoption also faces challenges in the form of technological complexity and significant investment needs. Based on the whole, the literature confirms that trust and transparency cannot be separated from digital transformation strategies. Digital technology can be a key enabler in building market trust, but its success is largely determined by the organization's readiness to integrate technology with effective governance and stakeholders-oriented governance (Rejeb et al., 2021).

3.3. Implications of Digital Technology on Business and Economic Sustainability

The results of the literature review show that the application of digital technology has long-term implications for the sustainability of businesses and

economic systems. Sustainability in the digital context is not only understood as a company's ability to survive financially, but also as the ability to adapt to changing business environments, market demands, and evolving technological dynamics. Digital transformation allows companies to develop more flexible and data-driven strategies to deal with economic uncertainty (Leão & da Silva, 2021). Digital technology plays an important role in supporting resource efficiency and business process optimization. Through the integration of digital systems, companies can minimize waste, improve decision-making accuracy, and accelerate responses to changing market demands. This efficiency contributes to improving economic performance and strengthening the company's competitive position in the long run (Che et al., 2023).

In addition to efficiency, business sustainability is also greatly influenced by the level of stakeholder trust in the digital systems used. The literature confirms that digital technology that is not transparent has the potential to cause resistance from consumers and business partners. Therefore, transparency and accountability are important factors in ensuring that digital transformation has a positive impact on economic sustainability (Gao et al., 2023). Blockchain and distributed digital technology are seen as potential solutions in supporting the sustainability of trust-based businesses. By providing an immutable and verifiable record-keeping system for all stakeholders, blockchain enables greater transparency in economic transactions. This contributes to the reduction of the risk of fraud and the increase in the legitimacy of digital business activities (Conway & Garimella, 2020).

Nevertheless, the literature also highlights that the adoption of digital technology for business sustainability requires mature organizational readiness. Challenges such as technological complexity, initial investment needs, and limited human resources are obstacles that must be anticipated. Without a clear implementation strategy, digital technology has the potential to not provide optimal benefits for economic sustainability (Jain & Sharma, 2024). Based on the whole, the implications of digital technology on business and economic sustainability are highly dependent on the strategic approach implemented by the organization. Long-term value-oriented digital transformation, supported by transparent and ethical governance, has the potential to create business and economic systems that are more sustainable, inclusive, and adaptive to global changes (Rejeb et al., 2021).

4. Conclusion

This study confirms that digital transformation has become a fundamental element in the development of modern business and economy. Digital technology no longer plays a role as a mere supporting tool, but as the main driver of changes in business models, organizational structures, and interaction patterns between economic actors. Through the use of digital technology, companies have the opportunity to improve operational efficiency, strengthen competitiveness, and create sustainable economic value. The results of the discussion show that the success of digital transformation is greatly influenced by the organization's ability to manage the challenges that come with it, especially related to trust and transparency.

The high dependence on digital systems demands clear, accountable, and protection-oriented governance for the interests of stakeholders. Without an integrated strategic approach, the adoption of digital technology has the potential to pose risks that can hamper business performance and economic stability. In addition, digital technologies such as data-driven systems and distributed technologies offer great opportunities in supporting business and economic sustainability. However, these benefits can only be achieved if the organization has the readiness of resources, a mature implementation strategy, and a commitment to ethical business practices. Therefore, digital transformation needs to be seen as a long-term process that demands synergy between technology, business strategy, and sustainable governance.

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