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New Business Strategy Based on a Combination of Sustainability and Digital Experience

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Abstract

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In the era of digital transformation and growing awareness of sustainability, companies are required to adopt business strategies that combine the principles of sustainability and digital experience. This literature review aims to identify and examine current strategic approaches that integrate sustainability and digital experience as key elements for achieving competitive advantage. By analyzing 11 scholarly articles, the study finds that the collaboration between these two dimensions drives business model innovation, enhances customer loyalty, and creates long-term value for stakeholders. The application of immersive digital experience enables greater personalization and operational efficiency, while sustainability addresses market pressures and regulatory demands related to environmental and social responsibility. This study offers both conceptual and practical foundations for designing future business strategies that are adaptive, ethical, and sustainable. The integration of these dimensions is no longer optional but a strategic necessity in modern business to remain relevant and resilient in dynamic global markets.

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1. Introduction

The global transformation triggered by the advancement of digital technology and the increasing urgency of environmental issues has forced the business world to undergo a comprehensive shift in strategic paradigms. In facing these global pressures, organizations can no longer rely on traditional approaches. The post-industrial era is marked by increasing consumer awareness, stricter regulations, and rapidly changing market expectations. In this context, the pressure to act more ecologically and socially sustainably is growing, while companies are also required to remain economically competitive and financially sustainable. On the other hand, the rapid development of information and communication technology has given rise to new consumer expectations that emphasize the importance of service speed, personalization in product or information delivery, and an immersive and responsive digital experience to user needs. Thus, there is a pressing need for organizations to develop business strategies that are not only adaptive to the changing times but also proactively integrate sustainability and digital experience into a single structured, integrated, and cohesive framework.

The concept of sustainability in the current business context is no longer limited to symbolic or supplementary corporate social responsibility (CSR) practices. Instead, sustainability has now evolved into a key strategic element with an important role in influencing various aspects of a company's operations, from production processes to supply chains. Sustainability also plays a significant role in the formation of new, more adaptive and ethical business models, and has a direct impact on long-term customer loyalty (Brenner & Drdla, 2023). Consequently, companies that can integrate sustainability into their core strategy have great potential to increase competitiveness and maintain market relevance.

Meanwhile, digital experience refers to a series of interactions that occur between customers and a brand through various digital channels. These interactions include aspects such as the ease of use of digital platforms, the speed and responsiveness of systems, the aesthetics of the user interface, and the relevance of the content delivered. A well-designed digital experience can increase user satisfaction, strengthen customers' emotional attachment to the brand, and ultimately create a competitive advantage. The combination of sustainability and digital experience can form a unique and differentiated value proposition for a company, which is not easily imitated by competitors.

Many organizations across various sectors are now leveraging advanced digital technologies such as artificial intelligence (AI), the Internet of Things (IoT), and blockchain (Khan et al., 2023). These technologies are used not only to increase operational efficiency but also to help companies implement sustainability strategies that are more accountable, transparent, and traceable in real-time. This sustainability-oriented digital transformation has driven a redefinition of the relationship between business and customers, where value is no longer created unilaterally by the producer, but is co-created through a digital experience that is not only intuitive but also reflects the ethical and environmental values cherished by modern customers.

However, efforts to integrate sustainability and digital experience are not free from challenges. It requires a profound organizational cultural transformation, investment in relevant technology infrastructure, and the development of a comprehensive strategic framework. This is important so that sustainability initiatives do not stop at the symbolic level or marketing campaigns, but are truly embedded in the process of creating sustainable business value. Therefore, it is very important to understand how current organizations can align and combine these two elements in their actual business strategy practices. The main objective of this literature study is to analyze various strategic approaches that have been identified by international scientific literature in combining sustainability and digital experience. By tracing and reviewing recent articles published between last five years, this research examines how the combination of sustainability and digital experience can impact business model innovation, the creation of long-term sustainable value, and the improvement of a company's competitive position in a dynamic market.

2. Literature Review

2.1. Sustainability in the Business Strategy Framework

Sustainability has grown significantly to become one of the key factors in the formulation of modern business strategy. No longer considered a supplementary or complementary aspect of a company's operations, sustainability is now a central focus in the formulation of long-term policies oriented towards creating value not only for shareholders but also for all stakeholders. A study by Kulova and Nikolova-Alexieva (2023) emphasizes that the comprehensive integration of ESG (environmental, social, governance) principles into a company's strategy has a very significant impact on increasing shareholder value and strengthening overall brand reputation. ESG principles, when applied consistently, can build trust in the eyes of investors, business partners, customers, and the wider community.

In many cases analyzed by researchers, companies that place sustainability at the core of their business strategy prove to be more resilient to economic and social crises, and more adaptive in responding to rapidly changing market dynamics (Zollo et al., 2020). This is because the sustainability approach helps companies build a more resilient internal structure, while also creating flexibility in facing external challenges. Thus, integrating sustainability not only reflects a company's social responsibility but also becomes an important element in creating a sustainable competitive advantage in today's global business era. Competitive advantage is no longer determined solely by cost efficiency or product quality, but also by a company's ability to integrate sustainability values and digital innovation into their entire value chain. Companies that can demonstrate a commitment to ethical, environmentally friendly, and cutting-edge technology-based business practices will more easily build consumer trust and strengthen market loyalty.

2.2. The Evolution of Digital Experience and Customer Value

Digital experience encompasses all customer touchpoints with a company in the digital space, from the first interaction through an online search to the post-purchase experience through digital customer service. Each of these interactions contributes to overall customer perception and satisfaction. Becker and Jaakkola (2020) outline that an effective and impactful digital experience must be able to meet not only the customer's functional needs, such as ease of navigation and speed of access, but also the emotional aspects of the customer journey, such as feeling valued, understood, and personally connected.

A well-designed digital experience can create a strong emotional bond between the customer and the brand, which ultimately has a positive impact on long-term loyalty. The integration of various advanced technologies such as AI-based chatbots, Augmented Reality/Virtual Reality (AR/VR), and AI-based recommendation systems provides great new opportunities for building deep and continuous customer engagement. These technologies enable companies to deliver a responsive, relevant, and personal digital experience. Moreover, a digital experience that is aligned and consistent with sustainability values is considered more authentic and meaningful by modern consumers who are increasingly aware of environmental and social issues. Consumers tend to give preference to brands that not only offer digital convenience

2.3. The Combination of Sustainability and Digital Experience: A New Strategic Approach

A study by Pandey et al. (2020) identifies a new strategic trend that is developing rapidly in the global business world, namely the merger of the digitalization process and sustainability principles as the main catalyst for driving comprehensive business transformation. The integration of these two approaches is not just optional but has become a crucial strategic necessity in creating long-term competitive advantage amid continuously changing market dynamics. One concrete example of the implementation of this strategy is the use of blockchain technology by various companies, which aims to create a high level of transparency in their supply chains. This transparency not only increases efficiency and accountability but also supports the creation of an environmentally friendly and socially responsible supply chain.

In addition, there is another approach that is increasingly relevant in the context of modern sustainability, namely the circular economy model. This approach becomes more effective when strengthened by the use of digital platforms that enable efficiency in resource use. The circular economy encourages the reuse, repair, and recycling of products. Through digitalization, innovative business models such as the sharing economy and product-as-a-service can grow exponentially, providing more efficient and sustainable consumption alternatives. Ranta et al. (2021) emphasize that the combination of circular economy principles and digital solutions provides new opportunities to create shared value that has a positive impact economically, socially, and environmentally simultaneously and measurably.

3. Method

This study uses a qualitative approach with a Systematic Literature Review (SLR) method which aims to examine and synthesize various findings from international scientific sources related to business strategies that combine sustainability and digital experience. This study was carried out based on systematic stages designed to ensure traceability, transparency, and credibility in the process of collecting and analyzing secondary data. The search for scientific articles was carried out through the Google Scholar platform, which was chosen because it provides broad access to reputable international academic journals. The search keywords used included combinations of terms such as "sustainable business strategy," "digital customer experience," "ESG and digital transformation," "sustainability in digital economy," and "business model innovation." The publication time frame for the articles reviewed was set to keep the focus relevant to the latest developments. Only articles that have gone through a peer-review process, were published by a reputable academic publisher, and had a direct connection to the integration of sustainability and the digital experience in business strategy were considered in this study.

Inclusion criteria included articles that explicitly discuss business strategies related to sustainability and/or digital experience, have a main focus on the strategic practices of organizations, and are written in English. Meanwhile, articles that only discuss technical digital aspects without linking them to sustainability or comprehensive business strategy, as well as non-academic articles such as opinions or editorials, were excluded from the study. After going through the initial selection process, a total of 11 articles that met the criteria were included in the data analysis and synthesis process. Each article was read carefully and coded using a thematic approach to identify its contribution to the study topic. The analysis was carried out by grouping the findings based on three main dimensions: sustainability as the core of business strategy, digital experience as a value creator, and the integration of both in the development of new business models. To ensure validity and reliability, a cross-study between articles was carried out to find patterns, similarities, differences in views, and research gaps. Triangulation was carried out by comparing findings with established theories of strategic management and business model innovation. The final results of this process were used to compile a conceptual mapping of new business strategies based on a deep combination of sustainability and digital experience.

4. Results

The results of this literature study reveal three main interconnected findings that are an important foundation for formulating modern business strategies based on a combination of sustainability and digital experience. The three findings are: first, the integration of sustainability values into the design of the digital experience offered by companies to their consumers; second, the transformation of traditional business models towards a digital-sustainable model that utilizes sustainable digital technology strategically and in a structured manner; and third, an increase in a company's long-term value through strengthening consumer engagement and increasing efficiency in supply chains based on technology and sustainability principles.

The first finding shows that most of the scientific literature agrees that the success of the digital experience is highly dependent on a deep understanding of the sustainability values upheld by today's consumers. This understanding is not only normative but has become a factor shaping customer preferences. Consumer literacy and awareness of environmental, social, and governance (ESG) issues are increasing, so they place high expectations on companies to demonstrate a real commitment to sustainability in all aspects of operations, including in the digital realm. The importance of building a strong sustainability narrative in the design of the digital interface, from the visual display, word choices in digital communication, to the overall user experience. This kind of strategy is able to build sustainable customer trust and encourage deeper emotional loyalty. Consumers will feel more involved and become part of the company's values when they see that the company not only cares about profits but also has a moral responsibility towards social and environmental goals. Therefore, every digital touchpoint from applications, websites, chatbots, to social media content must be designed in such a way as to reflect sustainability values authentically and consistently.

The second finding highlights that the transformation of business models towards a digital-sustainable model has become a strong trend in various industrial sectors. This transformation process is shown through the increased use and integration of advanced technologies such as blockchain, cloud computing, artificial intelligence (AI), and the Internet of Things (IoT) in supporting various sustainability initiatives. These technologies do not only function as tools for efficiency but also enable companies to create and manage value more broadly through reducing carbon emissions, better waste management, and transparency in every stage of the supply chain. Kulova and Nikolova-Alexieva (2023) state that blockchain, for example, can be used to ensure an accurate and traceable product trail from source to consumer, thereby increasing accountability and trust.

Cloud computing helps reduce energy consumption due to economies of scale, while AI is used to automate decision-making based on environmental data and customer behavior. IoT, on the other hand, enables real-time data collection for monitoring energy consumption, logistics, and other operational conditions. Pandey et al. (2020) state that companies that are able to integrate technology and sustainability principles into a single strategic framework in a directed manner have a higher ability to innovate sustainably, especially in offering digital-based services that are inclusive, relevant, and ethical. This innovation not only contributes to efficiency but also creates new value propositions that are in line with the demands of the modern market which is increasingly value-conscious.

The third finding shows that the combination of digital experience and sustainability is able to significantly strengthen customer engagement strategies and create deeper and more lasting value-based loyalty. Digital platforms designed strategically can be used by companies to personalize the customer experience, not only based on product preferences but also based on the ethical values they hold. For example, companies can provide features that allow customers to choose low-emission shipping options, donate to sustainability projects, or see the carbon footprint of the products they buy. Wang and Wang (2021) reveal that practices such as the use of biodegradable packaging, the implementation of green logistics systems, and application-based emission rating systems have significantly increased customer engagement and brand image. In addition, mobile applications and websites that are transparent in explaining the origin of products, the composition of materials, and the social impact of company activities have proven to be an effective means of building long-term relationships with consumers. Digital platforms also serve as a strategic educational tool, allowing customers to become part of the process of change towards more responsible consumption.

The literature also highlights the importance of internal transformation within the organization as the foundation for the success of digital-sustainable strategies.

Companies cannot only focus on external aspects without building a supporting internal culture and system. Organizational culture needs to be formed and developed based on a digital sustainability mindset that encourages cross-functional collaboration, data-based decision-making, and the empowerment of human resources who have both technological competence and social and environmental awareness. Ranta et al. (2021) state that the successful integration of sustainability in digital strategy requires transformational leadership that is able to articulate a long-term vision clearly, and ensure that all parts of the organization move within the ESG value framework. Strong and strategic leadership is needed to align the digitalization process with the company's sustainability goals in a holistic and measurable manner.

Furthermore, the results of the literature also reflect that not only large companies have the capacity to adopt sustainable digital strategies, but also the small and medium-sized enterprise (SME) sector is starting to get involved in this transformation. Although SMEs generally face obstacles such as limitations in terms of technology, infrastructure, human resources, and strategic literacy, there are positive indications that more and more SMEs are trying to adapt to this value-based approach. Brenner and Drdla (2023) note that SMEs that successfully adopt a digital-sustainable business model show faster and more consistent growth, especially through the use of value-based e-commerce platforms and innovation in the sharing economy model. In an increasingly digitalized business environment, SMEs can leverage cloud technology, social platforms, and digital collaboration to achieve scale and efficiency without losing focus on sustainability principles.

At the macro level, the literature study shows an urgent need for a regulatory framework and systemic support from the business ecosystem to strengthen and expand the implementation of digital-sustainable strategies. Companies need fiscal policies, tax incentives, and government support in the form of training, mentoring, and access to green technology so that the adoption of this strategy can be carried out widely and equitably. Digital sustainability literacy also needs to be strengthened among business players, academics, and policymakers to create an environment that supports innovation and sustainability simultaneously. All findings from this literature review lead to one important conclusion that the integration of sustainability and digital experience in business strategy is no longer a choice or a differentiator, but has become a fundamental and unavoidable need in creating sustainable and relevant competitiveness in the modern market. The combination of these two elements creates a new value proposition that is able to answer global challenges while meeting the expectations of today's consumers, making it a solid foundation for long-term and sustainable growth.

5. Discussion

This discussion critically reflects on the findings of the literature study that has been carried out and specifically highlights the various challenges and opportunities that arise in implementing a business strategy based on a combination of sustainability and digital experience. The integration of these two strategic elements is not just a matter of technical or operational aspects but is greatly influenced by broad strategic dimensions, organizational cultural factors, and a supporting internal governance structure. The success of this integration is highly dependent on the organization's ability to align a long-term sustainability vision with the optimal and directed use of digital technology. One of the main challenges that often arises in the implementation process is how companies build alignment between digital technology initiatives and the sustainability values they carry in their business strategies. Many organizations, especially those still in the early stages of digital or sustainability transformation, have separate digital initiatives and sustainability programs that are not interconnected.

This results in the formation of silos within the organization which makes the strategy not holistically integrated. A study by Casciani et al. (2022) reveals that the separation between digital strategy and sustainability strategy can significantly reduce the effectiveness of a company's overall strategic efforts. In addition, this separation can also lead to duplication of effort, waste of resources, and failure to create a real long-term impact. On the other hand, the biggest opportunity in this context lies precisely in creating a strong synergy between digital technology and Environmental, Social, and Governance (ESG) principles (Saxena et al., 2022). Digital technology has extraordinary potential as an enabler for sustainability in various aspects, from energy use efficiency, optimal waste management, automation of resource-efficient processes, to transparency in the supply chain.

As consumers become more aware and concerned about the ethical aspects and social impact of the products and services they consume, the value of an environmentally friendly digital experience becomes increasingly strategic and relevant. In this case, a digital experience designed based on sustainability principles provides space for companies to build a deeper, more emotional, and more meaningful relationship with their customers. A sustainability narrative delivered consistently through various digital platforms applications, social media, websites, and others will create a positive perception in the minds of consumers, especially if it is done with an authentic approach and based on actual data. Customer trust and loyalty also increase because consumers feel they are part of the positive change carried by the brand they support (Azizan & Yusr, 2019).

However, the implementation of this strategy requires significant investment, both in the development and procurement of technology and in increasing the capacity of human resources. Digital literacy and sustainability awareness at all organizational levels are important prerequisites for encouraging behavioral change, adoption of appropriate technology, and more ethical and impactful strategic decision-making. This discussion also emphasizes the importance of regulatory support and public policy frameworks that are pro-sustainability. This support is very important, especially in helping small and medium-sized enterprises (SMEs) to be able to integrate sustainability and digitalization principles into their business strategies in a comprehensive and structured manner (Philbin et al., 2022). Providing fiscal incentives, integrated training programs, technical assistance, and access to green technology are important steps that need to be prioritized by policymakers. With a strong supporting ecosystem, companies of various scales will have greater motivation and capacity to transform towards effective and inclusive digital-sustainable strategies.

6. Conclusion

The integration of sustainability and digital experience in business strategy is not just a trend but has become a strategic necessity amid environmental pressures and changing consumer behavior. This study confirms that companies that combine these two elements have a competitive advantage in terms of innovation, customer loyalty, operational efficiency, and brand reputation. A digital experience designed strategically with sustainability principles increases the value of the interaction between the company and consumers, and strengthens the business position in the long term. The role of technology is central in driving this transformation, ranging from green information systems, blockchain for transparency, to artificial intelligence for process efficiency and service personalization. However, the success of implementation depends on the readiness of organizational culture, infrastructure investment, and visionary leadership. A synergy between the business, academic, and government sectors is needed to create an ecosystem that encourages the widespread adoption of sustainable digital business strategies. Therefore, this study recommends the need for companies to develop a strategic framework that explicitly integrates sustainability and digital experience in all aspects of business. This approach will ensure the creation of value that is not only economic but also social and ecological simultaneously and sustainably.

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