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Vavdiiuk N. S. [1; ORCID ID: 0000- 0001-9100-3722}.

Doctor of Economics, Professor,

Konstankevych I. V. [1; ORCID ID: 0000-0002-8836-4401]

Post-graduate Student,

Horodniuk M. S. [1; ORCID ID: 0009-0009-0115-3248]

Master

<sup>1</sup>Lutsk National Technical University

## EVALUATION OF DIGITAL TRANSFORMATION PROCESSES IN THE ORGANIZATION OF BEAUTY SALON ACTIVITIES

The theoretical foundations of the digital transformation of management in the organization were studied, and the performance evaluation indicators were characterized.

The conducted data analysis confirms the hypothesis of an increase in the profitability of the organization from the digital transformation of management. It was established that the profit of the organization in the field of beauty increased by 9,300 USD during 2022–2023, and the average growth rate is 13.3%, while spending on digital transformation of management increased by 7.1%. This suggests that spending on digital tools grew at a slower rate compared to revenue growth of 1.9 times. It was found that with the increase in the volume of services, variable costs increase proportionally, and fixed costs for digital management transformation remain relatively unchanged, therefore, the increase in profit with a change in the volume of provided beauty services increased.

Recommendations for improving the implementation of the strategy of digitized solutions have been formulated.

**Keywords:** digital transformation; digital transformation strategies; digital management transformation.

Digital business uses network technologies for the digital transformation of the organization's management. Unlike traditional models, digital business is not limited by physical or geographical boundaries, which opens opportunities to reach new target audiences. In addition, the Internet connection gives customers access to information anytime, wherever they are.

High competitiveness requires constant development, and to provide faster and better services in the field of beauty, organizations are starting to use digital services. As a result, both customers and employees are involved in the process of digital transformation, which



changes standardized management. Digital tools have a significant impact on the processes of digital transformation in an organization, which affects business efficiency.

Studies of digitization processes and their management were carried out by: Purvanto A. [1], Sasmoko S., Stewart G. and others. Scientists have proven that digital management is implemented through the processes of digital transformation.

Let's consider the processes of digitalization in the organization providing services in the field of beauty, namely with the use of the digital platform Booksy for online customer registration [2]. To do this, the performance indicators provided by the Booksy application, namely the attendance and non-attendance of customers of the beauty salon, were investigated. It was determined that a significant part of the visits was reserved through the Booksy application, which means that part of the profit of the salon is made up of the funds received through the cooperation with the Booksy company. To increase profits, you need to attract new customers, and for this you need a digital strategy.

Collecting analytics using digital tools allows you to track various metrics such as number of website visits, conversions, average check, etc. It helps to understand the effectiveness of advertising campaigns, identify popular services, and make appropriate adjustments in the strategy. And customer data and analytics need to be stored for future analysis. A digital platform can help store and analyze customer data such as their contact details, visits, and their preferences. This allows you to build deeper relationships with customers, use a personalized approach and provide individual services [2–3].

During the 2 years of operation, the organization providing services in the field of beauty did not change digital tools, namely, they used only the Booksy application, so we will perform an analysis of income and expenses for the digital transformation of management. In July, compared to June 2022, income increased by 2,500 USD, expenses did not change, also by 420 USD; in August, revenue decreased by 3,300 USD, or by 4.6% – this may indicate that the investigated organization for the provision of services in the field of beauty faced difficulties, which led to a decrease in profits. Already in September, the beauty salon is increasing its profits, but, unfortunately, costs have increased by 7.1% compared to August, due to the employment of one more employee, for which it was necessary to pay additional funds in the Booksy application for the newly added employee into the system.

In October, income increased again by 2,400 USD compared to September, and in November it again decreased by 1,300 USD, although

costs did not change, remaining stable at 450 USD. In December, income increased by 12%, and in January it again decreased by 22.8%. Already in February, the income increased by 11.4%, this is due to the successful new advertising, in March, the income increased by only 400 USD (0.6%), and in April, thanks to advertising, it brought in 4,800 USD more than in March. As for the last month of the analysis, in May the income increased by 10.6% compared to the previous month. Starting from September, the costs amounted to 450 USD and did not change until the end of May. This is a very positive result, showing that the beauty services organization has stabilized digital transformation costs and increased profits: there was a steady increase in profit over costs over a 12-month period, while the amount of digitalization costs did not increase and remained stable. Expenditures remained roughly flat, and revenues experienced a sharp decline from December to February 2022 and 2023, respectively, but then revenue began to rise.

The conducted data analysis confirms the hypothesis of an increase in the profitability of the organization with the implementation of digital transformation. Based on the provided data on the organization's income and expenses for digital transformation in the organization providing services in the field of beauty, it was established that the profit increased by 9,300 USD. or 13.3% during 2022–2023. Costs for digital transformation of management in organizations providing services in the field of beauty increased by only 30 USD (by 7.1%). This shows that the costs of implementing digital tools are relatively constant, while the profit of the beauty services organization was observed by 1.9 times. This is explained by the fact that when the volume of service implementation increases, variable costs increase proportionally, while fixed costs for digitization of management remain unchanged, so the relative increase in profit when the volume changes will be greater.

Let's determine the type of strategy that should be followed by the organization providing services in the field of beauty – the strategy of digitized solutions [4; 5]. A digital solutions strategy transforms what is already sold, i.e. integrates products and services into digital solutions that help solve customer problems and add value throughout the lifecycle. Over time, there will be an opportunity to transform the business model, shifting the primary revenue stream from transactional sales to complex, value propositions that generate recurring revenue. The strategy of digitized solutions will allow the beauty salon to scale not only offline, but also online [4; 5]. Next, it is necessary to automate various processes in the beauty salon, such as booking, scheduling,



inventory, and financial accounting. This helps to avoid errors, reduces time consumption, and promotes efficient use of resources. It is worth increasing the online presence and marketing, thanks to digitalization, the beauty salon has its own website and social media presence. This allows you to attract new customers, attract their attention through advertising and publication of interesting content. You can use digital channels to send schedules, special offers, and send customer feedback [5].

To improve customer interaction, digital tools have been implemented that allow convenient communication with customers via e-mail, social media, and instant messengers. You can send booking confirmations, reminders about scheduled visits and collect feedback through online surveys. This improves communication with customers, provides a more personalized approach and helps to resolve their requests and wishes faster.

Therefore, the digital transformation of the management of the organization in the field of beauty ensured the growth of profitability. This data confirms the significance and importance of investing in digital management tools, as they contribute to the growth of revenues and increased profitability of the organization. Thus, the effective use of digital technologies in business processes can become a key factor in a company's success and competitiveness.

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Вавдіюк Н. С. [1; ORCID ID: 0000-0001-9100-3722].

д.е.н., професор,

Констанкевич I. B. [1; ORCID ID: 0000-0002-8836-4401]

здобувач вищої освіти третього (освітньо-наукового) рівня, **Городнюк М. С.** [1; ORCID ID: 0009-0009-0115-3248]

здобувач вищої освіти другого (магістерського) рівня

<sup>1</sup>Луцький національний технічний університет

## ОЦІНКА ПРОЦЕСІВ ЦИФРОВОЇ ТРАНСФОРМАЦІЇ В ОРГАНІЗАЦІЇ ДІЯЛЬНОСТІ САЛОНУ КРАСИ

Вивчено теоретичні основи цифрової трансформації управління в організації, охарактеризовано показники оцінки ефективності.

Проведений аналіз даних підтверджує гіпотезу про зростання прибутковості організації від цифрової трансформації управління. Встановлено, що прибуток організації в сфері краси зріс на 9300 дол. США. протягом 2022–2023 рр., а середній темп росту становить 13,3%, при цьому витрати на цифрову трансформацію управління зросли на 7,1%. Це свідчить про те, що витрати на цифрові інструменти зростали меншими темпами порівняно зі зростанням прибутку на 1,9 рази. Встановлено, що при зростанні обсягу реалізації послуг пропорційно збільшуються змінні витрати, а постійні витрати на цифрову трансформацію управління залишаються відносно незмінними, тому збільшення прибутку при зміні обсягу наданих послуг краси зростав.

Сформовано рекомендації з удосконалення реалізації стратегії оцифрованих рішень. Стратегія оцифрованих рішень дозволяє трансформувати те, що вже продається, тобто інтегрує продукти та послуги в цифрові рішення, в результаті вони допомагають вирішувати проблеми клієнтів, а також додають цінність протягом усього життєвого циклу. Запропоновано напрями трансформації бізнес-моделі, зміщуючи основний потік доходів від трансакційних продажів до складних, ціннісних пропозицій, які приносять регулярний дохід. Стратегія оцифрованих рішень дозволить салону краси масштабуватись не тільки офлайн, а й онлайн. Далі необхідно автоматизувати різні процеси в салоні краси, такі як бронювання, розклад, інвентаризація та фінансовий облік. Це допоможе уникнути помилок, зменшує витрати часу, сприяє ефективному використанню ресурсів. Варто збільшити онлайн-присутність та маркетинг, завдяки діджиталізації, салон краси має власний вебсайт та присутність в соціальних медіа.



Щоб покращити взаємодію з клієнтами, впроваджено цифрові інструменти, які дозволяють зручно спілкуватися з клієнтами через електронну пошту, соціальні медіа та месенджери. Можна надсилати підтвердження бронювання, нагадування про заплановані візити та збирати відгуки через онлайн-анкети. Це покращує комунікацію з клієнтами, забезпечує більш персоналізований підхід і допомагає вирішувати їх запити та побажання швидше.

Цифрова трансформація управління організацією в сфері краси забезпечила зростання прибутковості. Ці дані підтверджують значущість і важливість інвестування в цифрові інструменти управління, оскільки вони сприяють зростанню доходів та підвищенню прибутковості організації. Таким чином, ефективне використання цифрових технологій у бізнес-процесах може стати ключовим фактором успіху та конкурентоспроможності компанії.

**Ключові слова:** цифрова трансформація; стратегії цифрової трансформації; цифрове управління.

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