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Strategies of transnational companies in the technological sector

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Abstract

Purpose. This study examines transnational corporations in the technological sector. Transnational companies minimize costs by transferring R&D results to affiliates and maximize profits.

Design. This study lists the benefits and drawbacks of the fundamental business methods used by multinational corporations. Analysis was based on R&D data, the cutting-edge technology application, and the dissemination of new management organizational forms. A model for developing a strategy for transnational companies to promote innovative products was considered.

Findings. The ability of transnational corporations to use a flexible mechanism of investment activity and organizational methods analyzed in global economic change. Artificial intelligence, digital technology, and digital platforms were also identified. The key factors for achieving technological leadership in transnational corporations through global production systems are grounded.

Originality. The proposed decision-making model illustrates the author's approach to monitoring and assessing the effectiveness of the TNCs' selected innovation strategies. A transnational business strategy combines elements and features of innovation strategies. The use of innovative strategies stimulates technological development and increases competitiveness.

Keywords: Technological sector, innovations, transnational corporation, research and development

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Introduction

This study examines the strategies used by transnational corporations (TNCs) in the technological sector of the economy to maximize profits. TNCs focus on rapid technological advancements, continuous improvements, and high competitiveness in the market.

This study discusses the choice of an innovative TNC strategy in the high-tech industry. TNCs look for markets where they can maintain their competitiveness.

The total value of the global technological market is 5.5 – 6.0 trillion U.S. dollars. It includes IT services and software, consumer electronics, semiconductors and hardware, telecommunications, artificial intelligence (AI), cloud computing, and cybersecurity.

Factors that stimulate the global technological sector include investment and funding in R&D, venture capital, industrial demand and market size, world trade and supply chains, advancements in core technologies, government policies, and regulations.

TNCs attract foreign direct investment (FDI) to establish manufacturing and production facilities, invest in infrastructure and technology development, and establish global tech hubs. Corporations are widely using mergers and acquisitions (M&A).

Considerable research has been conducted to understand the strategies of TNCs in the technological sector in empirical studies. The comparative analysis is applied to discover the opportunities and threats that nations consider in their business relations.

The world turmoil, including the newly imposed sweeping tariffs on imports by the USA, has limited and slowed down global economic and technological cooperation between countries. Countries' export earnings are declining, and access to external sources of finance is falling. Trump's tariffs resulted in higher prices, supply chain disruptions, and created technological tensions between the USA and China. In addition to reducing their dependency on China and securing American intellectual property, they compelled businesses to reconsider their global manufacturing plans. Several of these factors still have an impact on the technological sector.

To restore confidence in the world, the economy needs predictability, stability, and favorable investment legislation. Companies allocate innovations in MNEs and follow strategies to attract greenfield investment. The TNC policy of promoting international cooperation supports technology transfer and innovations in emerging countries, which can facilitate technological progress.

This study contributes to the analysis of innovative TNC strategies in the technological sector of the economy. The model for decision-making for transnational companies to promote innovative market products is considered.

The article includes a literature review, analysis of TNCs' strategies, and a model of the decision-making process in the technological sector. It focuses on the factors that make TNCs highly competitive using the innovation approach. The model of the TNC innovation strategy decision-making process promotes the creation of innovative products.

Literature Review

The deepening and complications of international interactions in global business characterize the strategies of TNCs. TNCs develop various policy options for strategic corporate planning. The company considers both macro and microeconomic characteristics, the enterprise's capabilities, when choosing a basic strategy.

When choosing the basic plan, the company analyzes macroeconomic and microeconomic factors and the internal capabilities of the enterprise. The intensification of global competition has stimulated the search for new markets, the creation and application of new technologies, and investment in innovative projects.

The global strategies of TNCs in technological sector analysis provide data estimation of Fortune 500, the Boston Consulting Group, Eurostat Statistics, etc. Analyzing a few characteristics, including market size, growth rate, capital trends, innovation, and distribution by region, is necessary to estimate the technology market. The following are the primary factors employed to assess the global technology sector: market size and revenue, growth rate, R&D investment, M&A, political and regulatory, and environmental and sustainability.

TNCs focus their strategies on innovations in computing, telecommunications, and consumer electronics. Companies integrate global supply chains, diverse regulatory policies in the environment, and rapid technological advancement. Their daily operations have a significant impact on global market dynamics and technological progress.

A transnational strategy is an action plan for multinational companies to conduct business overseas to achieve competitive advantage, global efficiency, and worldwide innovation. They are considered a worldwide source of funds, scientific advancements, and organizations (Paul, 1979). There is a need to evaluate the potential for multinational business development, profitability, stability, and efficiency of technology applications, considering the environmental effects, threats, and challenges facing the global economy.

The basic TNC policies include limited growth, new growth, reduction, or last resort, and a combined strategy. The most recent technological advancements in information and communication drive innovation across industries, accelerate the development of knowledge tools, and systematize new methods.

TNCs coordinate the activities of their affiliates based on network structures for management and interaction. They integrate subsidiaries of factories and joint firms internationally. TNCs expand their economic impact by combining their functions with production, technology, providers, and financial networks.

Companies apply a transnational strategy to achieve global efficiency and international integration across borders in their operations. According to Diacunu (2012), the benefits of a transnational strategy are used partially. The expansion of a company’s production and market operations between subsidiaries has amplified international competition in the countries’ domestic markets. Global business strategies aim to expand the economic operations of TNC affiliates in their home countries.

Some researchers have highlighted the benefits of access to global capital sources (Kathuria, 2000). Osano and Koine (2016) argue that trade competition accelerates the transfer of new

technologies to local investors through the exchange of knowledge and application of innovations in production. Vang and Ashein (2006) emphasize the role of creative innovative strategies in regions and strategic coupling with high-tech TNCs. Radoshevich (1995) asserts that institutional capabilities of the firm, branch, or economy combine to upgrade technological and additional prospects.

Jorubova (2020) argued that affiliates stimulate R&D advances and create value-added (Jorubova, 2020). Data from international organizations assert an effect on MNC performance (Mierzejewska, 2018).

Technology transfer is a component of TNC's presence, manifested through vertical connections that allow efficiency leverage, economies of scale, and expertise.

Knowledge transfer, dissemination, and deployment are carried out in two interconnected channels: vertical links with suppliers or buyers in recipient countries, and horizontal links with workers. It offers a complex integration strategy by applying transformation by branch firms and production and supply networks. These affiliates are integrated into the global value chain or at the regional level.

A comparison of TNC's basic strategy analysis is presented in Table 1. The contents of the table highlight the basic features of the various strategies applied by TNCs (See Table 1). A comparative analysis of the advantages and disadvantages of TNCs' basic strategy aims to define and highlight the distinctive features and characteristics of the analyzed approaches.

Table 1. Comparison of TNCs' Basic Strategies

	Author	TNCs Strategy	Advantages	Disadvantages
1.	Zobov et al. (2016)	Creative innovative strategy.	Define how to help increase TNCs' productivity, strengthen and broaden their competitive roles, and find new uses for the produced goods.	Activities related to qualitative economic changes at different levels of the technology pyramid are challenging to organize.
2.	Liao & Wei (2013)	Decentralization of decision-making and technological interactions.	Favorable impact on technical exchanges between TNCs and domestic businesses.	New product improvements in the local market have limited the current technological gap between TNCs and domestic enterprises.
3.	Kryvovyazuk et al. (2019)	Strategy of implementing strategic decisions for TNCs.	Positive effects of TNC management actions on their strategic decision-making process. Efficient activity boosts investment, equity, security rates, and corporate reputation.	The choice of TNCs to implement multiple strategic decisions is contrary to domestic objectives. Management difficulties combine within TNCs, decentralized governance forms, and central aims and directions.
4.	Zorska et al. (2014).	Strategies of knowledge development.	Increased participation in knowledge development. Knowledge generation and collaboration (centered on research and development) benefited from knowledge creation.	A focus on knowledge development does not provide foreign affiliates with the independent capabilities needed to develop new products.
5.	Melnik et al. (2019).	New strategies for obtaining competitive advantages.	Improve contractual frameworks from the perspectives of economic impact and microeconomic assessment.	The persistent taxing and rapid use of host countries' natural, technical, and human resources by transnational corporations.

The authors' approach is based on Zobov et al. (2016), Liao and Wei (2013), Kryvovyazuk et al. (2019), Zorska (2014), and Melnik et al. (2019).

Zobov et al (2016) review the TNCs' innovative strategies and emphasize the protective strategy. TNCs aim to increase productivity, strengthen and broaden their competitive roles, and find new uses for the produced goods.

Analyzing TNCs' innovation strategies, scientists identified functional features and pointed out the specific impact of innovations on the national economy. They proposed a creative and innovative strategy (Zobov et al., 2016).

Liao and Wei (2013) examined the decentralization of decision-making and technology. The authors highlight the favorable impact of technical exchanges between TNCs and domestic businesses.

Kryvovyazuk et al (2019) estimate TNC efficiency. The TNC includes restructuring, stabilizing growth, sales growth, and diversification strategies. TNC is the most effective element in business activities. This is evident through auxiliary corporation behaviors.

Zorska (2014) describes knowledge generation through the establishment of linkages and the transfer of information to domestic suppliers to obtain competitive advantages. The author considers methods to maximize the outcomes of domestic suppliers' interactions with foreign enterprises. The ability of local providers to absorb new information is crucial for future development. The applied strategy defines contractual relations from the perspective of microeconomic analysis and economic effects. The disadvantage is that they do not provide foreign affiliates with the independent capabilities necessary to develop new products.

Melnik et al (2019) discovered new strategies for obtaining competitive advantages. He argued that his approach improves contractual frameworks, enhances more effective markets,

from the perspectives of economic impact and microeconomic assessments, lower transaction costs, and better resource distribution.

The comparison of different TNC strategies confirms that the choice of strategy for TNCs is related to the most intense tasks. Business strategy determines a company's behavior in the global technological market. TNC is directed to obtain competitive advantages relative to other companies.

The effect of foreign technology on labor productivity depends on the degree of compliance of these technologies with local conditions and the recipient country's basic technological level. The spread of acquired cutting-edge technologies encourages their application in knowledge sharing and the dissemination of new technological information. TNCs used a sophisticated integrated approach in which affiliates allocated production and distribution networks and distributed units (Nosova, 2021a).

Numerous scientists have highlighted the role of TNCs in technology transfers. Foreign affiliates are applying different approaches. Employees at TNCs gain new skills and access to technology through the learning process and training programs that absorb external knowledge.

The new information that employees have learned can be seen as potential for the nation's future human capital growth. Workers apply the knowledge, skills, and experience gained from TNCs and domestic companies. Local entrepreneurs imitate the production, management, and marketing of their foreign branches.

The acceleration of domestic companies' competition enhances the efficient use of resources and advanced technologies, ensuring labor efficiency through the employment of a skilled labor force. Growing competition is aggravated by the contradictions between domestic

producers and foreign affiliates (Nosova, 2021). The relationship between overseas affiliates and domestic businesses has an external influence that increases the nation's labor productivity at both the horizontal and vertical levels. Domestic companies benefit from the economy because of rising demand for intermediate products. (Ibid, 111).

A comparison of TNCs' basic strategies demonstrates the advantages of their practical application. Advantages include knowledge creation, competitiveness, and technological advancement. Disadvantages determine technology gaps, coordination problems, and inconsistencies between the R&D activities of domestic and foreign affiliates.

TNCs employ various strategies. TNCs pursue aggressive tactics to gain a market share. It provides a dominant position in market segments. International production, technological advancements, capital, and contemporary forms of marketing, management, and business sales are the areas for foreign affiliates.

The innovation strategy defines the combined effects of technological advancements. Dirk Willem te Velde (2002) confirms that governments have employed several other plans and actions to accelerate the process of improving TNC activities, including focusing on specific TNC forms and creating efficient institutions.

A comparison of TNCs' basic strategies outlines the advantages and disadvantages of their application. This approach aims to propose achieving a balance between global integration and local responsiveness. The study of concepts defines the factors of knowledge transfer. The rivalry between domestic and international affiliate businesses enhances worker productivity growth and competitiveness.

TNCs' Strategies in the Technological Sector

Global economies face challenges from global technology companies and business practices owing to their innovative products and services. The most progressive centers of digital transformation are exhibiting significant dynamism along with revolutionary changes in technology, value is created, and behavior dynamics are influenced by technology.

The impact of the 5000 largest TNCs was declining, with FDI falling from 30% to 40% in 2020-2021. The profit estimated for 2020 decreased by an average of 30%, and a maximum of 39%. A significant drop in production volumes was in the following sectors: energy, 208%, and automotive, 47% (UNCTAD, 2020a).

The consequences of the pandemic are a halt to production, supply chain disruptions, and a reduction in capital investment. It is prolonged, as these disruptions can cascade through interconnected networks, impacting production, distribution, and economic stability on both global and local scales. Construction, manufacturing facility closings, and company shutdowns all physically delayed the project's execution. At the beginning of 2020, there was a 50-70% drop in mergers and acquisitions (M&A) (UNCTAD, 2020 b).

The global value chain-intensive industries of manufacturing and essential minerals saw robust growth, whereas the infrastructure and digital economy sectors saw lesser investment. Insufficient project finance markets have a detrimental impact. This affected infrastructure

investment, and following the boom's conclusion in 2022, the digital sector industries continued to slow down (UNCTAD, 2024).

“Technology companies declared 15,055 layoffs in March 2025, up 3% from 14,554 layoffs in the same sector the previous month. A total of 37,097 cutbacks have been disclosed by tech companies so far this year. Compared to the 42,442 cuts announced during the same period last year, this is a 14% decrease.” (The Challenger Report, 2025).

Trump's massive tariffs have sent global markets tumbling. The world's 500 wealthiest businessmen lost $208 billion in a single day, with more than half experiencing an average loss of 3.3 %. Tech giants, including Apple and Nvidia, have lost $6 trillion in value over the past few days, with some companies' market values dropping below $3 trillion (Bloomberg Reports, 2025).

A business with intellectual capital, which includes intellectual property and highly skilled employees, is considered high-tech. TNCs employ a variety of innovative tactics. They try to maintain competitiveness and influence international markets. TNCs apply the following policies. Radical innovation, incremental innovation, open innovation, the “blue ocean,” social and environmental, and digital strategies are applied tactics.

“Radical innovations are such that they completely restructure and replace an existing industry or develop a brand-new one, providing long-term firm success in the competitive marketplace” (Leifer, 2001). The incremental innovation method updates technology standards, optimizes manufacturing, enhances the quality of finished products, and improves current goods or processes.

The combined creation of ideas between TNCs and external sources, such as universities, startups, and scientific institutions, is defined under the open innovation approach. It permits companies to sell their inventions using concepts and technologies from outside sources.

The 'blue ocean' strategy aims to establish new markets where they can utilize innovation to meet unmet customer demands.

Innovation in social and environmental programs: centered on creating goods and systems that support sustainable growth, mitigate adverse environmental impacts, and enhance social conditions. The following components of a digital innovation plan include automating processes, developing new digital products and services, and digitalizing the company through AI use, cloud computing, big data, and automation. These tactics can be used separately by companies or in conjunction with TNCs' strategic objectives, market dynamics, and company peculiarities.

The Most Innovative TNCs: Overview and Performance

The formation of industrial, technological, and scientific parks, the organization of global value-added chains, the development and promotion of R&D, and the building of technology linkages are all examples of TNCs' inventive policies. The increased interest of scientists in this policy, which focuses on technological aspects, allows for a significant rise in scientific potential due to the technological external effects of FDI.

Domestic firms use the results of new knowledge to create a scientific product. The coordination of policy in the field of FDI, combined with research results, innovations, and regional political instruments, is considered a promising direction for technological development. In a transition economy, FDI inflows are considered a financial source for knowledge transfer, know-how skills. Examples of successful competitive global innovation companies are Apple, Google, Samsung Group, Toyota, and BMW.

Consider the data of the top 25 most innovative companies in 2024 by industry, headquarters, and rank change in 2022. (Table 2) (The 25 Most Innovative Companies, 2024). Among the leading companies are five in technology, car manufacturers – NVIDIA Corporation, Meta Platforms, Salesforce, Alphabet, Apple, Microsoft Corporation, and Tencent Holdings. The experts at the Boston Consulting Group have identified four elements that contribute to the success of innovative businesses: the capacity to develop innovations at a high rate, increase productivity, make the technology platforms efficient, and conduct a methodical analysis of related markets.

Table 2. The most innovative companies in 2024

Rank	Corporation	Industry	Headquarter	Tech Diversity	R & D Intensity	Market Capitalization (Billion)
1	NVIDIA Corporation	Technology	USA	0.44	11.15%	3482.77
2	Meta Platforms	Technology	USA	0.59	27.37%	1398.77
3	Salesforce	Technology	USA	0.42	13.66%	310.95
4	Alphabet Inc.	Technology	USA	0.51	14.00%	2119.19
5	Apple Inc.	Technology	USA	0.58	8.18%	3401.05
6	Microsoft	Technology	USA	0.48	11.50%	3085.48
7	Tencent Holdings	Technology	China	0.51	9.83%	476.14
8	Adobe Inc.	Technology	USA	0.20	18.12%	221.58
9	Samsung Electronics	Electronics	South Korea	0.67	10.87%	301.85
10	AstraZeneca PLC	Pharmaceutical	British Swedish	0.51	21.95%	202.73
11	Cisco Systems	Technology	USA	0.40	0.15%	229.04
12	AbbVie Inc.	Pharmaceutical	USA	0.50	0.17%	291.56

13	Taiwan Semiconductor Manufacturing (TSMC)	Semiconductor Manufacturer	Taiwan	0.42	0.08%	964.66
14	Novo Nordisk A/S	Pharmaceutical	Denmark	0.47	0.23%	472.80
15	Broadcom	Technology	USA	0.60	0.19%	769.90

Source: Constructed on the data "The 25 Most Innovative Companies of 2024" (2024).

URL: https://www.rdworldonline.com/the-25-most-innovative-companies-of-2024/

The accomplishments of the top fifty or the most inventive businesses are based on scientific research and new technologies. These impact innovation development, encourage the establishment of inventories and companies and stimulate the use of inventions in manufacturing.

Most companies plan to increase their spending on M&A, innovation labs, and open innovation ecosystems. All ten top-rated companies use AI (artificial intelligence) platforms and ecosystems that search for new products, services, and ways of working. The leaders of the rating continue to stay in the top positions. Apple and Google, parent Alphabet, and Meta Platforms (formerly Facebook) ranked among the top innovative companies. The former 12 companies re-entered the ranking, and five companies have joined it through the Boston Consulting Group.

The leading companies included TNCs from the USA, Europe, Asia, China, and India. Among the leading companies are the Chinese Internet company Tencent and the American Dell Corporation. The Japanese Sony company worsened its ranking position by 22 points in 2023.

Many businesses view AI as a powerful tool for innovation and a favorable impact on corporate development. Nine out of ten respondents in the current top 50 survey believe that their companies invest in AI, and more than 30% expect an investment in AI that will influence their industry over the next three to five years.

Digital platforms are technologies and technological services that provide the basis for other business processes. Numerous industrial goods companies, including Siemens and Boeing, have created a significant business platform for predictable services to complement their traditional engineering and production facilities. Amazon, Microsoft, and IBM offer a full range of software and services from their cloud platforms (Nosova & Lypov, 2021).

Reviewing the leading companies shows growth in the total volume of global investments. Together, the top 2,000 R&D investors, with headquarters spread across 40 nations and over 900,000 subsidiaries, invested EUR 1,257 billion in R&D in 2023. More than 85% of R&D sponsored by businesses worldwide was attributed to this. The top 50 corporations alone accounted for 40% of the total expenditure, indicating that a small number of companies control a significant portion of R&D expenditures in the corporate sector (The 2024 EU Industrial R&D Investment Scoreboard, 2024).

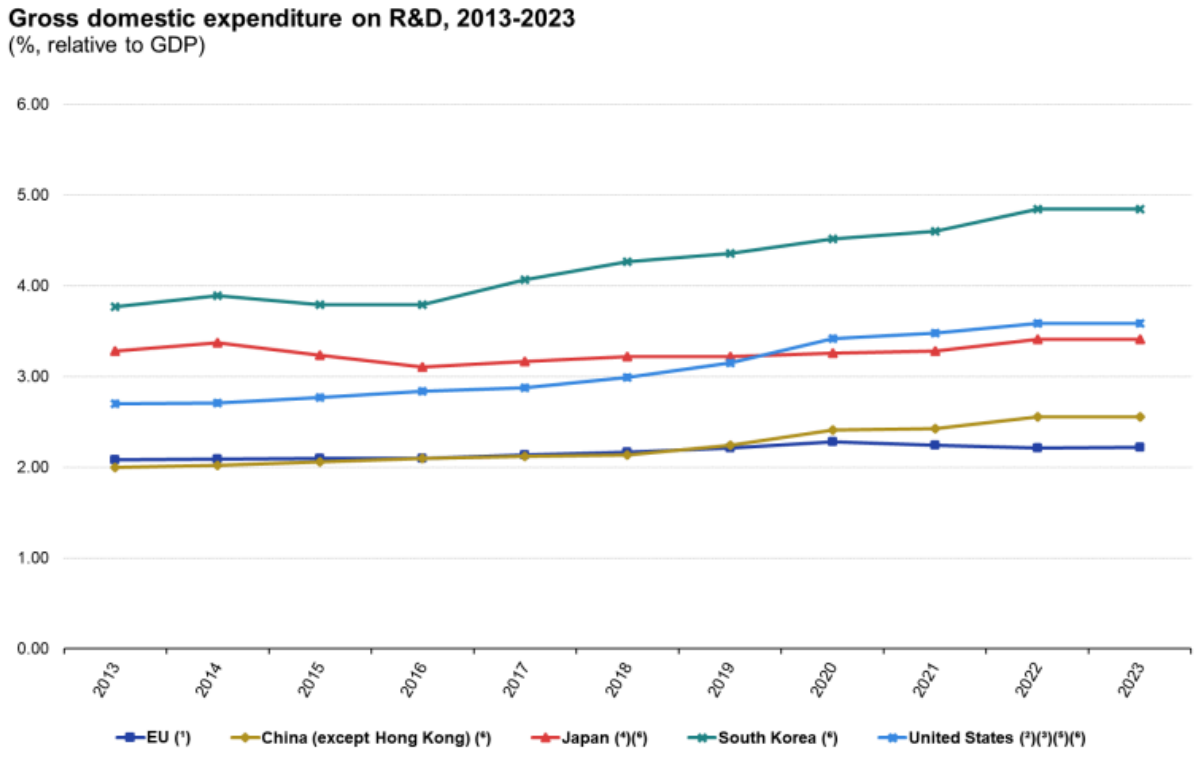
Gross domestic expenditure on research and development (GERD) in 2021 was €328 billion compared to €312 billion in 2019, and research spending per resident was a marked rise. Despite these advances, the EU's spending on science remains lower than in the USA and Japan.

However, China's R&D intensity began to resemble that of the European Union between 2011 and 2018. Chinese spending was 2.40 percent in 2020 (Eurostat Statistics, 2021).

According to an analysis by Stanley Black &Decker (2021), the top innovators were AAC Technologies, Adidas, Altria, Amadeus IT, Ammer Sports, Ametek, and Apple.

The most attractive sectors for financing the top 20 companies are automotive, computing and electronics, Software and Internet, telecommunications, chemicals and energy industries, and health care. Statistics showed that investments in healthcare R&D reached $ 61,7 billion. Their value has rapidly grown. The automotive sphere ranked second with a value of $43,7 billion. Investments in computers and electronics reached $37,9 billion. Software value was $30,5 billion (Ang, 2020). The openness of companies in science and technology, R&D transfer in multinational enterprises (ME) are the main innovation trends.

Figure 1. Gross domestic investments in research and development (percentage)



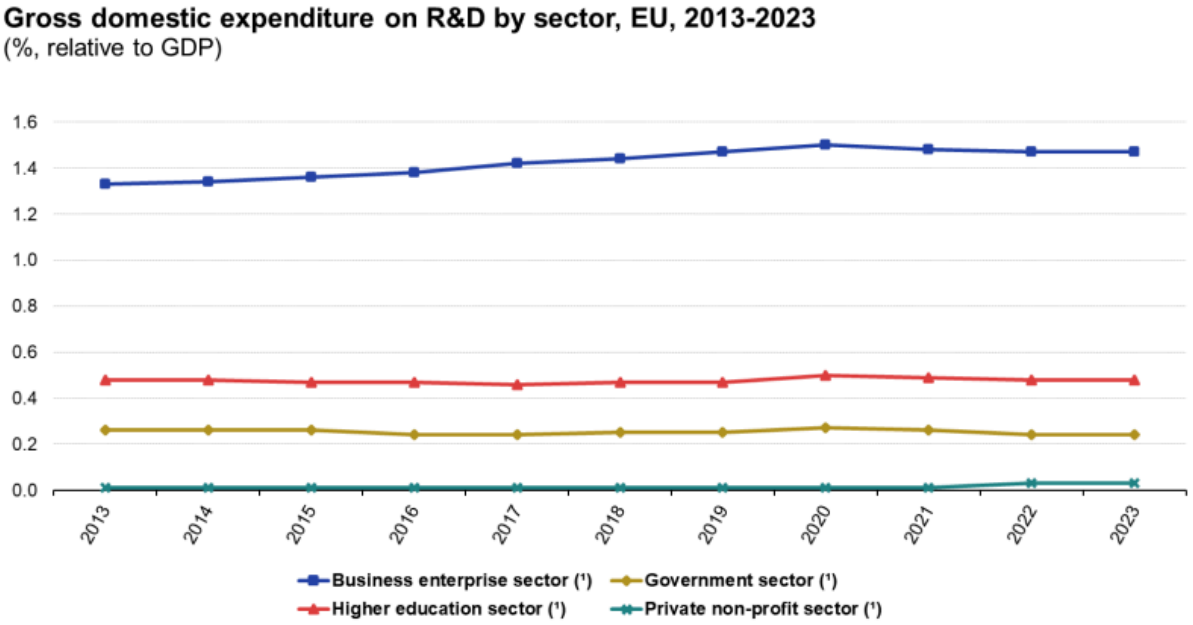
Source: Eurostat data.

In 2023, the EU's gross domestic spending on research and development (GERD) was €381 billion, or €850 per person on average (Figure 1). After declining in 2021, the EU's R&D intensity climbed slightly between 2013 and 2023, going from 2.08% in 2013 to 2.28% in 2020 and 2.22% in 2023. Following a sharp decline in GDP in 2020 due to the COVID-19 pandemic, the GDP rebound in 2021 may account for the variance in R&D intensity in 2021.

The rate of production process speed is becoming a competitive advantage of TNCs. Lower bureaucratic barriers in production and trade, establish a functional working group, reorganize and streamline production, adopt new technology, stimulate rising production, and put pressure on rivals.

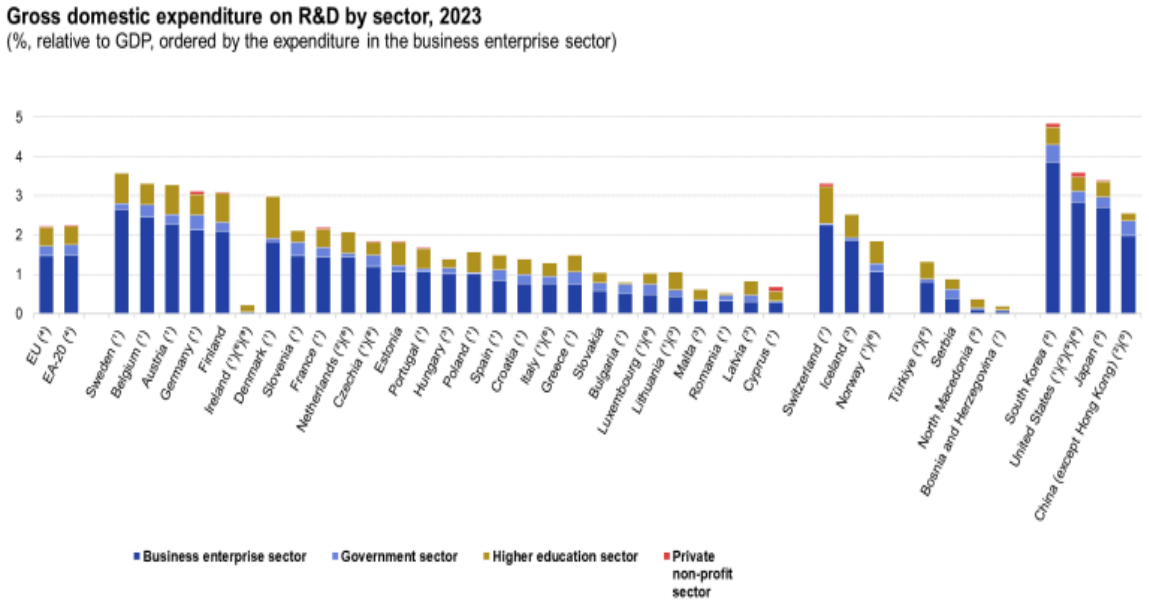
The technological advantages are the formation of long-term partnerships with suppliers. Optimization of supply chain management, efficient logistics organization, and after-sales services ensure TNC competitiveness in the production system (Nosova & Lypov, 2021). The technological sector accelerates the pace of radical innovations and their implementation. In the long run, radical innovation results in the emergence and gradual dominance of new industries with high value-added.

Figure 2. Total gross domestic research spending is broken down by sector (percentage)



Source: Eurostat data.

Figure 3. Gross domestic expenditure on R&D by sector, 2023 (%, relative to GDP, ordered by the expenditure in the business enterprise sector)



Source: Eurostat data.

As shown in Figure 2, the EU's R&D intensity changed between 2013 and 2023 in each of the four performance sectors (business, government, higher education, and private non-profit organizations). During this period, the business enterprise sector accounted for R&D expenditure, increasing from 1.33% of GDP in 2013 to 1.47% in 2023, an overall increase of 10.53%. The second sector performing R&D was the higher education sector, where R&D intensity changed between 2013 and 2023, reaching 0.48% of GDP in both 2013 and 2023 (Eurostat data, 2024).

Sweden (3.57%) had the highest R&D intensity among the EU countries in 2023, followed by Belgium (3.32%) and Austria (3.29%) (see Figure 3). The rates in Finland (3.19%) and Germany (3.11%) were the next highest.

The model of the decision-making process for the TNC's innovation strategy

Given the rapidly changing global economy, the choice of TNCs' innovation strategy is linked to the fundamental task of being and remaining competitive in the worldwide market. The chosen approach defines the economic performance, tasks, objectives, evaluation of strategic initiatives, selection, plan, and execution.

Economic growth can be achieved through the application of advanced technologies. TNCs apply open innovation, radical innovation, disruptive innovation, and incremental innovation.

Scientists use a variety of factors when determining the innovation strategies of TNCs. These include market analysis, resource allocation, competitive positioning, and technological assessment. The industry, market conditions, available resources, and long-term goals influence the decision on the TNC's innovation strategy.

We propose an approach to monitor and assess the effectiveness of TNCs based on selected innovation strategies. A transnational business strategy combines elements and features of innovation strategies. TNCs employ the "blue ocean," open innovation, incremental innovation, radical innovation, and digital strategies.

The innovation strategy of TNCs stimulates technology development and increases competitiveness. TNCs apply innovation strategies separately or in combination to access new markets. The strategy used depends on the goals and corporate culture of TNCs. Practice shows that TNCs employ a combination of innovation strategies. Combining the individual elements of these strategies can lead to an overall effect.

The potential for creative development and the choice of strategic market segments (territories) are ascertained by analyzing different marketplaces. It aims to identify segments with high growth potential, assess potential segments, and determine probable innovations. The business's attributes, the state of the market, and the strategic goals all influence the choice of innovation strategy and the use of various formats. Following a selection of strategic market segments, the range of innovative products and services of TNCs is determined. TNCs provide a policy of efficient concentration of all efforts. The company customizes the innovations based on specific customers' demands. It raises the chances of success by carefully choosing market segments and researching the innovative potential. The procedure for innovative products and service choices that TNCs can use to penetrate specific market segments requires a combination of factor analysis. They comprise the following features: market knowledge, internal resource optimization, and a proactive attitude. All these factors address customer requirements through innovative solutions.

Affiliates of the company develop offerings, modify them to meet consumer and market demands, and assess the possible hazards and value of innovations introduced to target markets. Following the identification of the variety of cutting-edge goods and services, the management monitors and evaluates the effectiveness of the chosen innovation strategy of TNCs in response to environmental changes. An analysis of how TNCs implement their various strategies reveals that investing in R&D through a comprehensive innovation strategy helps the company stay competitive and take a market share in specific production and service areas. The practice of the Boston Consulting Group highlights the innovation approach for remaining adaptive and competitive in the market. It comprises innovation platforms and innovation practices. The ability of the company to quickly recognize concepts that show promise and assess the product market is crucial to optimizing the return on innovation efforts.

Conclusions

The various modern approaches to TNC behavior allowed us to define the typical features of strategies for achieving technological advancements. TNC's comprehensive innovation strategy combines innovative tactics that optimize the capital return on innovation efforts. The key tactics of MNEs are contrasted in terms of their benefits and drawbacks. The author systematizes TNC techniques in the innovative sector industry, identifies methods and components. Corporations employ flexible policies for production, start-ups with research institutions, and services. The research proposed a model for developing a strategy for transnational companies to promote innovative products in the market. Companies use international capital movement advantages for innovative branch allocation. The effects of R&D are analyzed through the foreign affiliates, the application of advanced technologies, and new forms of management organization. AI, digital technologies, and platforms were identified. The key factors for achieving technological leadership of transnational corporations through global production systems are well-grounded. The characteristic features and roles of digital technologies applications are considered. TNCs' strategy outlines the benefits of global value-added chains. The key factors for achieving technological leadership through the application of flexible mechanisms of investment, organizational methods, and tactics for global economic change are well-grounded.

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Abbreviations

AI – Artificial Intelligence

BGC - Boston Consulting Group

FDI - Foreign Direct Investment

M&A – Mergers and Acquisitions

MNEs - Multinational Enterprises

OECD - the Organization for Economic Cooperation and Development

R&D – Research and Development

TNC –Transnational Corporation

UNCTAD – United Nations Conference on Trade and Development