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МІЖНАРОДНІ ЗЛИТТЯ ТА ПОГЛИНАННЯ ЯК КЛЮЧОВИЙ ІНСТРУМЕНТ СТРАТЕГІЧНОЇ ТРАНСФОРМАЦІЇ МІЖНАРОДНИХ КОМПАНІЙ У МІЖНАРОДНОМУ КОНКУРЕНТНОМУ БІЗНЕС-СЕРЕДОВИЩІ: ДОСВІД КОРПОРАЦІЇ МАЙКРОСОФТ

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INTERNATIONAL MERGERS AND ACQUISITIONS AS A KEY TOOL FOR THE STRATEGIC TRANSFORMATION OF INTERNATIONAL COMPANIES IN THE INTERNATIONAL COMPETITIVE BUSINESS ENVIRONMENT: MICROSOFT CORPORATION EXPERIENCE

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Анотація. Сучасне міжнародне бізнес-середовище характеризується високою динамікою технологічних змін, жорсткішими регуляторними вимогами, загостренням конкуренції та зростаючим значенням нематеріальних активів. За цих умов ефективність процесів М&А безпосередньо впливає на здатність компаній адаптуватися до змін, розширювати присутність на міжнародних ринках, формувати інтегровані екосистеми та забезпечувати довгострокову конкурентоспроможність.

Стаття присвячена дослідженню впливу міжнародних злиттів та поглинань на конкурентоспроможність міжнародних корпорацій у міжнародному бізнес-середовищі, а саме на основі аналізу діяльності зі злиттів та поглинань провідних транснаціональних корпорацій.

Метою дослідження є визначення особливостей впливу міжнародних злиттів та поглинань на формування та зміцнення конкурентоспроможності компаній за сучасних умов розвитку світової економіки.

Методологічну основу дослідження складають фундаментальні принципи теорії міжнародного бізнесу, глобальної конкурентоспроможності та стратегічного управління.

Злиття та поглинання стали ключовим інструментом стратегічної трансформації компаній, що дозволяє диверсифікувати бізнес, оптимізувати ресурсний потенціал, розширити технологічний портфель та зміцнити глобальні позиції відповідних компаній. Водночас, неефективні стратегії з і злиттів та поглинань можуть призводити до реальних фінансових втрат, втрати синергії, стратегічної дезорієнтації та ослаблення конкурентних переваг.

Вивчення впливу міжнародних злиттів та поглинань на конкурентоспроможність набуває практичного значення при аналізі діяльності провідних транснаціональних корпорацій, таких як Майкрософт Корпорейшн. Ця компанія є одним із найбільш показових прикладів ефективного використання стратегій зі злиттів та поглинань для зміцнення своїх глобальних позицій, розширення частки ринку, збільшення інноваційного потенціалу та оптимізації потоків ресурсів. Протягом останніх десятиліть Майкрософт Корпорейшн послідовно використовувала злиття та поглинання як інструмент адаптації до змін у міжнародному конкурентному середовищі.

Ключові слова: злиття та поглинання, міжнародне бізнес-середовище, міжнародна конкуренція, стратегічна трансформація, конкурентні переваги, конкурентоспроможність компанії, стратегічні цілі.

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Abstract. *The modern international business environment is characterized by high dynamics of technological change, stricter regulatory requirements, intensified competition, and the growing importance of intangible assets. Under these conditions, the effectiveness of M&A processes directly impacts companies' ability to adapt to changes, expand market presence, form integrated ecosystems, and ensure long-term competitiveness.*

The article is devoted to the study of the impact of international mergers and acquisitions on competitiveness of international corporations in international business environment, namely on the basis of analysis of the merger&acquisition activities of leading multinational corporations.

The purpose of the study is to identify the specific features of the impact of international mergers and acquisitions on the formation and strengthening of companies' competitiveness under the current conditions of the global economic development.

The methodological basis of the study consists of the fundamental principles of international business theory, global competitiveness, and strategic management.

Mergers and acquisitions have become a key tool for the strategic transformation of companies, enabling business diversification, resource optimization, technological portfolio expansion and the strengthening of global positions. At the same time, poorly implemented deals often lead to financial losses, loss of synergy, strategic disorientation, and weakening of competitive advantages.

The study of the impact of international mergers and acquisitions on competitiveness becomes practically significant when analyzing the activities of leading multinational corporations, such as Microsoft Corporation. This company is one of the most illustrative examples of the effective use of M&A strategies to strengthen its global position, expand market share, increase innovation potential, and optimize resource flows. Over the past decades, Microsoft has consistently employed mergers and acquisitions as a tool for adapting to changes in the international competitive environment.

Keywords: *merger&acquisition, international business environment, international competition, strategic transformation, competitive advantages, competitiveness of the company, strategic goals.*

Formulas: 0; **fig.:** 4; **tabl.:** 3; **references:** 11

Statement of the problem. The general trend towards the proliferation of globalization of the world economy, which significantly intensified at the end of the twentieth century, has led to fundamental changes in the structure of the international business environment. The convergence of economic systems of different countries, the intensification of international trade, the development of financial markets, and the transnationalization of business have created fundamentally new conditions for companies' operations. Competition in international markets has intensified, compelling companies to seek new ways to strengthen their positions. One of the most effective tools for achieving strategic advantages has been international mergers and acquisitions – M&A.

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Analysis of current research and publications. Academic research between 2020 and 2025 offered deeper insights into the strategic, operational, and policy implications of M&A across various sectors and geographies.

A substantial body of literature has examined how M&A impacts firms' innovation capacity. Lefouili and Madio (2025) argued that innovation outcomes depended significantly on the technological complementarity between the acquiring and target firms. Where synergy exists, R&D productivity improves; in cases of high overlap, innovation may decline due to post-merger redundancy.

Cross-border mergers have attracted increased attention for their role in enhancing global competitiveness. Yuhuilin Chen, Saileshsingh Gunessee, Xiuping Hua (2022) found that Chinese firms engaged in outbound M&A improved their innovation performance,

especially private firms. State-owned enterprises (SOEs), by contrast, showed less benefit due to constraints imposed by industrial policy. Similarly, Stiebale (2025), reporting for the European Commission, found that foreign acquisitions generally lead to increased R&D investment and patenting in high-tech European firms.

Recent studies have revisited the effects of vertical mergers, particularly in regulated sectors such as manufacturing, digital platforms, and telecoms. Evidence from Bellucci and Rungi (2024) suggests that vertical integration in the EU manufacturing sector lowered markups and increased output, indicating overall pro-competitive effects. However, the risk of input foreclosure remains a concern in some industries.

With M&A playing a pivotal role in reshaping digital and innovation-intensive industries, regulators are increasingly focusing on non-price effects, such as innovation suppression and data monopolization. The OECD (2025) highlighted the challenges antitrust authorities face in quantifying efficiency gains, especially in fast-evolving sectors. The need for modernized merger review tools is echoed across jurisdictions, particularly in cases involving platform economies and AI-based firms.

Formulation of the research goal and methods. The purpose of the research study is to identify the specific features of the impact of international mergers and acquisitions on the formation and strengthening of companies' competitiveness under the current conditions of the global economy. The methodological basis of the study consists of the fundamental principles of international business theory, global competitiveness, and strategic management. A comprehensive set of methods was applied to achieve the research objectives, including analysis and synthesis, induction and deduction, logical generalization, structural-functional approach, comparative analysis, case study method, economic-statistical research methods, and modeling techniques.

Presentation of the basic research material. The openness of markets, technological advancements, and the growth of international trade contribute to increased

international competition among companies from different countries. This necessitates that businesses continuously enhance their competitive advantages, adapt to changes in the market environment, and apply innovative management approaches. Under such conditions, international mergers and acquisitions become particularly significant as an effective tool for achieving companies' strategic goals.

Competitiveness is regarded as a key economic indicator that comprehensively reflects a company's performance and its positioning relative to market competitors. It serves as an integrated characteristic summarizing the results of various company departments and highlighting its strengths and weaknesses. Depending on the scale of analysis, competitiveness can be assessed at the regional, national, or global level.

In modern conditions, international competitiveness has become a decisive factor for a company's successful operation in the global market. This concept involves not only the ability of an enterprise to adapt to changes in the competitive environment but also the systematic formation and development of its own competitive advantages (Mayer J., 2002).

Achieving stable positions on the international stage requires a strategic approach to comparing a company's own capabilities with the potential of key market players. Through such an orientation, companies can ensure accelerated growth, enhance economic resilience, and effectively promote their products or services at a global level.

International competitiveness represents the highest level of a company's competitive advantages. A company that successfully competes in the global market not only meets the best industry practices and achieves high performance indicators but, in some cases, also shapes new trends and sets the direction for industry development (Kasych A., Vochozka M., 2018).

In this context, international competitiveness should be viewed as a company's ability to create unique advantages by continuously developing its internal strategic potential. These advantages enable the company to stand out among competitors

in the global market and maintain stable market positions.

In the context of the formation of a globalized world, we are witnessing profound transformations in the economic and technological landscape, inevitably leading to large-scale corporate reorganizations. Businesses, striving to enhance the operational efficiency of their production processes while expanding their presence in new markets, are compelled to adapt to these changes. In this sense, mergers are considered one of the most strategically justified and effective tools for ensuring successful adaptation to a dynamic global environment.

From an economic perspective, a merger and acquisition strategy serves as an essential mechanism for creating competitive

advantages for the combined company by consolidating its capital and utilizing market opportunities more efficiently and rationally (Cassiman Bruno, 2005).

The primary motivation for implementing integration processes is the companies' desire to create greater shareholder value than the sum of their individual components (Bauer, Florian; Matzler, Kurt, 2014).

Mergers and acquisitions (M&A) in global business are driven by a combination of internal and external factors that reflect companies' strategic aspirations and their response to market realities. These processes aim to strengthen market positions, optimize resources, and adapt to international challenges (see Box 1).

Box 1

Key reasons, motivations, and strategic goals of mergers and acquisitions in international business

Internal factors	External factors
Expansion of influence and competencies – access to advanced technologies, efficient processes, and skilled personnel.	Optimization of capacities – maximizing the use of production resources under market pressure.
Market entry – geographic expansion to increase revenue.	Changes in demand and competition – market contraction and the rise of foreign competitors.
Cost reduction – leveraging cheap labor and economies of scale.	Technological pressure – the need to implement innovations.
Competitive advantage – neutralizing foreign competitors and monopolizing the sector.	Economic and political instability – policy fluctuations, regulatory changes, or regional risks.
Innovative development – acquiring new products, patents, and distribution channels.	
Resource synergy – combining potential to create greater value.	

Source: created by authors based on Kravchuk V. O. (2020)

M&A processes play a crucial role in shaping companies' competitive advantages in the global market. These strategic operations aim to achieve economic objectives such as expanding market share, optimizing resources, and enhancing operational efficiency.

In today's business environment, the success of M&A depends on the proper selection of financing methods and integration models, which take into account

both internal company capabilities and external market factors.

In the current economic situation, many companies, finding themselves in a difficult position, are faced with a choice – to initiate merger and acquisition processes and invest funds in a new project, or still wait for clear signs of the so-called economic recovery (see Box 2).

Key factors in merger and acquisition decision-making

Factor	Description
Planned business strengthening	An element of future development strategy
Market share expansion	Strengthening and reinforcing market positions
Response to competitive pressure	Survival of individual enterprises under increasing competition
Consequences of macroeconomic instability	Issues related to the global economic crisis
Overcoming financial difficulties	Interest in business restructuring in conditions of insolvency
Debt burden optimization	Debt restructuring
Management efficiency improvement	Optimization of corporate structural company groups
Financial constraints	Lack of access to credit resources
Capital losses and search for protection	Rapid devaluation of assets amid financial instability

Source: created by authors based on Sabadash V. V. (2018)

In the current conditions of globalization and dynamic development, international M&A processes have become an integral part of the corporate strategy of leading transnational companies. They serve not only as a means of business expansion but also as a tool for adapting to technological changes, reallocating resources, and forming long-term competitive advantages.

The mergers and acquisitions market reached its peak in 2021, recording an all-time high of 58,308 deals with a total value of 5,235 billion USD. This surge in activity was driven by excess liquidity in financial markets, low interest rates, and companies' desire for restructuring and strengthening competitiveness amid the post-pandemic recovery of the global economy (see Figure 1).

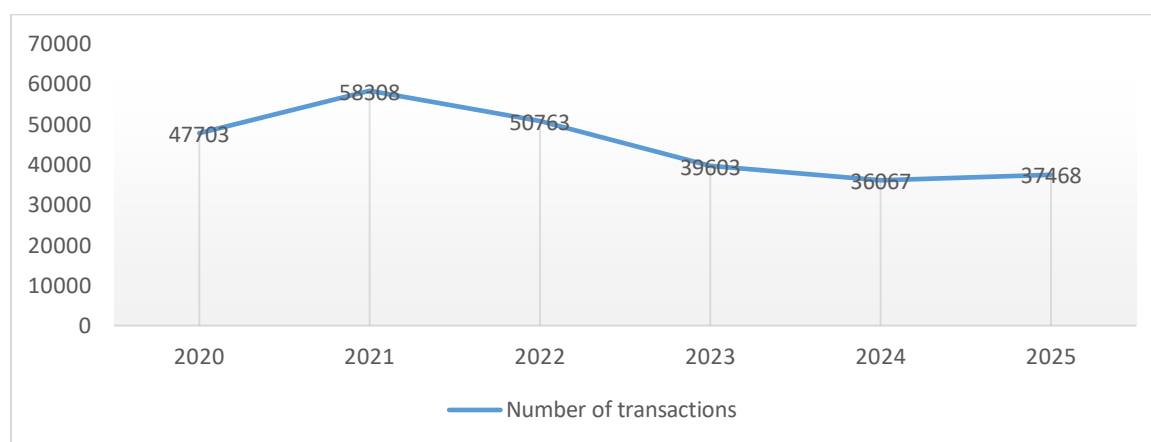


Figure 1. Number of M&A transactions in the global market for 2020–2025

Source: Institute for Mergers, Acquisitions and Alliances (IMAA) «Number & Value of M&A Worldwide» (2025)

However, in 2022 and 2023, there was a significant decline both in the number of deals and in their total value. In 2022, 39,603 deals were concluded with a total volume of 2,495 billion USD. The decrease in M&A activity was caused by the deterioration of the macroeconomic environment, the rising cost of

capital, geopolitical risks, and increased regulatory pressure in certain jurisdictions.

Despite the overall decline in quantitative indicators, the qualitative level of M&A deals remains high, reflecting the dominance of strategically motivated transactions focused on long-term synergy,

digital transformation, and ecosystem integration.

Microsoft Corporation serves as a vivid example of a company that consistently seeks to expand its market share and enhance its competitiveness through successful mergers and acquisitions. Thus, the corporation focuses

on acquiring companies that possess technologies, products, and services capable of improving its existing offerings.

Founded in 1975 throughout its history, Microsoft has completed more than 150 mergers and acquisitions, acquiring both standalone companies and individual technology products.

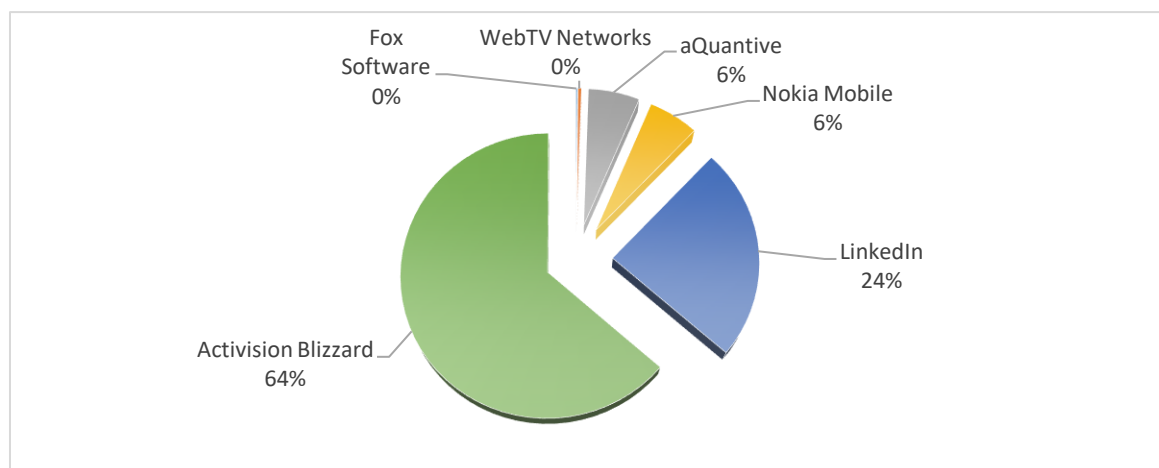


Figure 2. The largest M&A deals of Microsoft Corporation in 1992–2023 by investment size

Source: created by authors based on LB.ua «Microsoft Corporation» (2025)

The case of Microsoft Corporation illustrates a strategically balanced approach to M&A, which focuses on acquiring innovative assets that exhibit synergy with the company's existing areas of operation.

The acquisition of LinkedIn provided the corporation access to over 400 million professional users and strengthened its B2B presence, which eventually resulted in over 70 billion dollars in value growth. The integration of Activision Blizzard opened new opportunities in cloud gaming and mobile games, enabling Microsoft to become the third-largest gaming corporation in the world by revenue.

At the same time, the acquisition of aQuantive had a significant but controversial impact on Microsoft's operations. The deal did not meet expectations and resulted in a major asset write-off, negatively affecting the company's financial performance. At the same time, this experience proved valuable in terms of recognizing the risks associated with large-scale integration and contributed to a strategic reassessment of business priorities. As a result, Microsoft shifted its focus toward the more promising mobile devices segment.

The integration of Nokia's mobile division was Microsoft's attempt to strengthen its position in the smartphone market. However, the implementation proved to be challenging – the company faced low demand for devices, limited support from developers, intense competition, and difficulties in adapting Nokia's business model to Microsoft's corporate structure. As a result, Microsoft wrote off 7.6 billion dollars and laid off over 7,800 employees, effectively nullifying the investment.

Following the unsuccessful integration of Nokia's mobile business, Microsoft Corporation found itself in a situation that required a rethinking of its development strategy. The company needed to restore investor confidence, strengthen its position in high-margin segments, and minimize dependence on volatile consumer markets. The mobile device market proved to be oversaturated, and the attempt to build a closed hardware and software ecosystem did not deliver the expected outcomes.

Under these conditions, Microsoft redirected its focus toward the B2B segment, targeting digital platforms for professional interaction, analytics, and integrated business

solutions. The company aimed to enhance its ecosystem of corporate services through Microsoft 365 and Dynamics 365, complementing them with tools for personalized communication, recruitment, and training.

The effectiveness of the Microsoft M&A strategy is reflected both in the company's financial results and in the qualitative structural changes of its business

model, focused on strengthening positions in strategically important segments.

In 2023, Microsoft Corporation ranked third in the global list of the most valuable technology brands. The company's brand value was estimated at 501.86 billion US dollars, confirming its significant influence on the global market and the high level of trust from consumers, investors, and business partners.

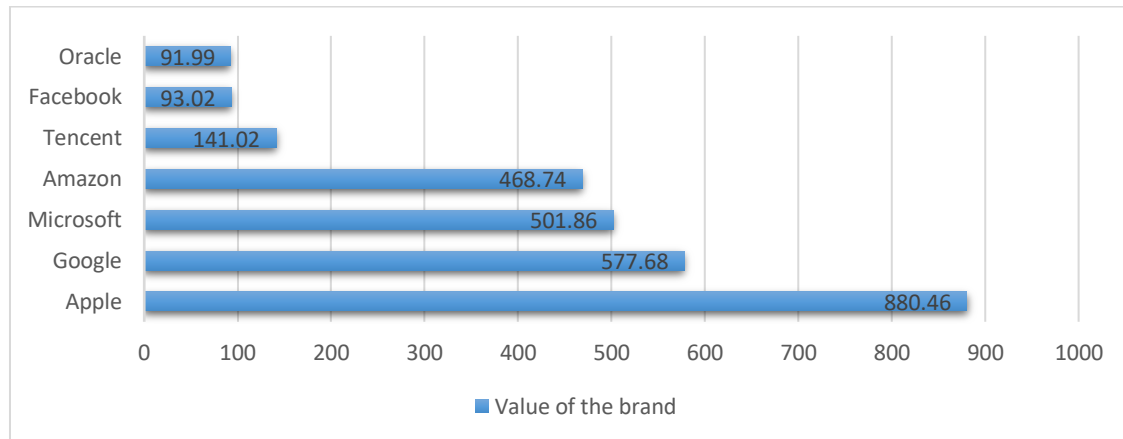


Figure 3. Most valuable technology brands worldwide in 2023

Source: Statista «Most valuable technology brands worldwide in 2023» (2023)

Throughout 2022–2024, Microsoft Corporation has demonstrated stable positive dynamics in its financial indicators. The company ensures sustainable revenue and

profitability growth, reflecting the effectiveness of its chosen business strategy and the successful diversification of income sources (see Box 3).

Box 3

Key financial indicators of Microsoft Corporation 2022–2024 (USD billion)

Indicator	2022	2023	2024
Total revenue	198.270	211.915	245.122
Gross profit	135.620	146.204	171.008
Operating income	83.383	88.675	109.433
Net income	72.738	72.361	88.136
Total assets	364.840	411.976	512.163
Current liabilities	95.082	104.149	125.286
Total equity	166.542	206.223	268.477
Cash flow from operating activities	89.035	87.582	118.548
Free cash flow	49.479	47.364	56.705
Cash from investing activities	-30.311	-22.680	-96.970
Cash from financing activities	-58.876	-43.935	-37.757

Source: created by authors based on Investing.com «Microsoft Corporation Financials» (2024)

The significant increase in gross and operating profit is accompanied by strengthened market

positions in cloud services, enterprise software, and the gaming industry (see Figure 4).

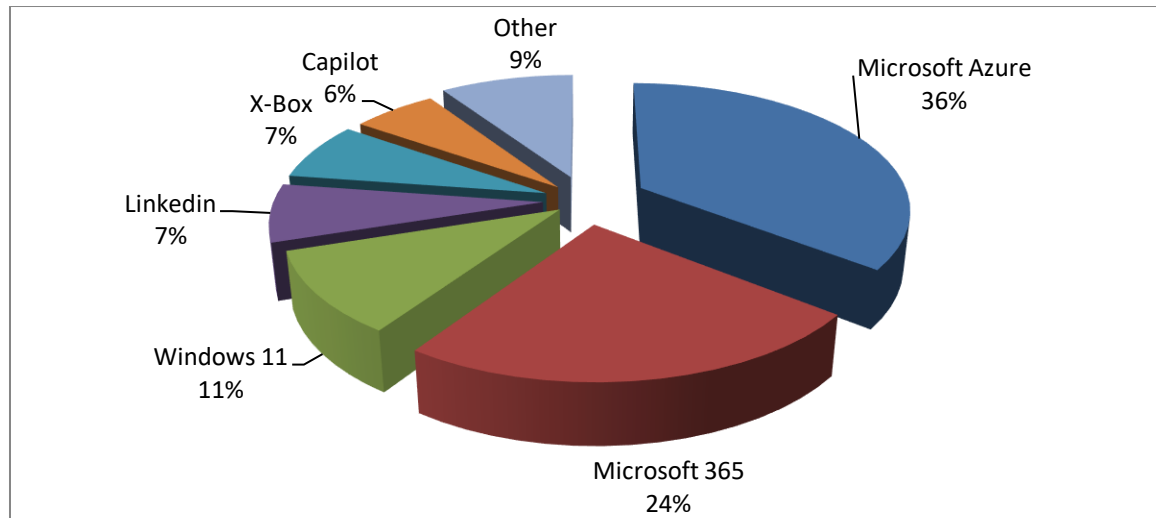


Figure 4. Microsoft's revenue by product line in 2024

Source: created by authors based on Visual Capitalist «Microsoft Corporation Revenue by Product» (2024)

Thus, Microsoft Corporation's key current competitive advantages lie in:

- a) the creation of a large-scale, integrated ecosystem of products in the fields of productivity, business, and entertainment;
- b) financial stability through the diversification of business models – subscriptions, advertising, gaming;
- c) a strategic approach to selecting target companies with long-term synergy potential;
- d) accumulated expertise in managing transnational M&A processes.

Overall, the implemented mergers and acquisitions have become a crucial factor in strengthening the international competitiveness of Microsoft Corporation. They have enabled the expansion of market presence, integration of strategically important assets, and reinforcement of positions in promising industries such as cloud technologies, digital communications, and gaming. Thanks to these efforts, Microsoft has established itself as a multi-faceted leader of the digital economy with a high level of adaptability to global changes in the international markets.

Conclusions. International mergers and acquisitions act as key mechanisms of strategic transformation for companies under modern conditions. Their economic essence lies in the pursuit of capital consolidation, resource optimization, business scaling, and the creation

of synergistic effects. M&A processes are a response to the challenges of global competition, technological renewal, and shifts in consumer demand. The main motivational factors for mergers and acquisitions are regarded as entry into new markets, cost reduction, acceleration of innovation development, strengthening of market positions, and risk minimization through diversification.

Microsoft Corporation deliberate M&A strategy enables the expansion of market presence, access to innovative assets, and the creation of synergies across core business areas. Through successfully executed deals, such as the acquisitions of LinkedIn and Activision Blizzard, the company has significantly reinforced its position in the B2B segment, cloud technologies, and digital services. At the same time, cases like aQuantive and Nokia highlight the risks associated with insufficient integration readiness. This underscores the importance of comprehensive preliminary evaluation and effective post-integration management.

Overall, the successful implementation of its chosen strategy has allowed Microsoft to build a diversified ecosystem of digital products and services, ensuring financial resilience, technological flexibility, and leadership in the context of global competition.

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