The Role of Digitalization in the Growth of Digital Startups in the Context of FinTech : A Case Study of the United States

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Abstract:

This study aims to highlight the role of digitalization in supporting the growth and continuity of digital startups in the Context of FinTech, by adopting a methodology of analyzing the literature that dealt with the concepts related to digitalization and the concept of digital startups, with reference to the experience of the United States of America, which formed an incubator environment for the success of these companies globally.

The findings demonstrated that digital technologies significantly contribute to the growth and sustainability of these companies, providing valuable insights for entrepreneurs, policymakers, and researchers to develop a more conducive environment for digital startups. Despite the numerous benefits of digitalization, these companies still face significant challenges, such as cybersecurity and the need to adapt rapidly to ongoing technological changes.

Keywords: Digitalization, Digital Startups, FinTech, USA.

JEL Classification Codes : L26, M13, O14.

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Introduction:

Digitalization is one of the key pillars contributing to the transformation of the economic and social landscape in the United States, playing a vital role in enhancing digital startups. By adopting digital solutions, these institutions can improve their operational efficiency thru process automation, reducing costs and the time required to complete tasks. Digitalization also enables access to broader global markets, allowing startups to expand and increase their customer base.

Moreover, digitalization contributes to the analysis of big data, enabling institutions to better understand customer behavior and anticipate their needs. This analysis enhances the ability to improve products and services, leading to the innovation of new solutions that meet the rapid changes in the market. Digital technologies also help provide a personalized and convenient experience for customers, contributing to enhancing their loyalty and increasing their satisfaction.

Problematic: The issue addressed in this article can be formulated as follows :How does digitalization contribute to the growth of digital startups in the context of financial technology from the United States ?

Hypothesis: To address this issue, the following hypothesis can be formulated: Digitalization contributes significantly to the growth of digital startups in the FinTech sector by fostering innovation and scalability in the United States.

Importance of the study :

The importance of this study lies in highlighting the pivotal role that digitalization plays in enabling startups to achieve a sustainable competitive advantage, especially in the contemporary business environment characterized by rapid technological changes and continuous market shifts. Digital transformation is crucial for these institutions to enhance operational efficiency, access broader markets, and analyze data for better decision-making. Despite challenges related to limited resources and inadequate infrastructure, the digital approach significantly boosts the competitiveness of these institutions and contributes to economic growth and labor market stability.

Study Objectives: This research paper aims to:

- Identifying digital startups and the key characteristics that distinguish them;
- Analyzing the structure of the digital ecosystem and the components that make

- Silicon Valley in America an attractive environment for innovation;
- Analyzing the role of digitalization in enhancing digital startups;
- Highlighting the future challenges and opportunities for digital startups.

Previous studies on the subject: To highlight the importance and depth of this topic, we can refer to several previous studies, including:

- **(Mahdi Akkad, Ahmed Yahiaoui :2024, Digitization and Startups, The University's Challenge for Economic Takeoff - University of Bouira and Boumerdes, Journal of Research and Studies, Vol 11, no 1) :**This study aims to highlight the role of startups and digitization in achieving development and economic takeoff thru innovation and linking the university as a center for creativity and investment.The study concluded that despite their shortcomings, Algerian universities are capable of achieving digitization in record time thanks to their human resources and structures ;

- **(Sreenivasan,Aswathy et M.Suresh:2023, Digital transformation in start-ups: a bibliometric analysis. Digital Transformation and Society, vol. 2, no 3) :**This study aims to provide an overview of digital transformation in startups. Its originality is characterized by providing a structured and in-depth literature review that describes the current state of digital transformation in startups. A comprehensive analysis of the data collected on digital transformation in startups is presented to prove its sustainability;

- **(Bigliardi, Barbara, Dolci, et al: 2025, The role of digitalization in startups: a keyword-based literature review. Procedia Computer Science, vol. 253**): the study investigates the role of digitalization in the growth and success of startups. Using a keyword-based literature analysis methodology, this research identifies and classifies concepts through the use of the dimensions of persistence and frequency. The main concepts located in the first quadrant include Industry 4.0 technologies such as artificial intelligence, big data.

This study differs from previous studies as it focuses on the United States of America as a case study, while previous studies either focused on the Algerian context or on descriptive or bibliometric analysis. This study adds a new dimension by highlighting digitization as a strategic lever for the sustainable growth of digital startups, with an emphasis on modern technologies such as blockchain, cloud computing, and cybersecurity.

Research plan: To achieve the objectives of this study, it has been divided into two main parts: the first part addresses the literature on the subject, where theoretical concepts and previous studies related to digitization and its role in the FinTech sector, particularly in startups, are reviewed. The second part focuses on the practical aspect, thru a case study of digitization in enhancing the growth of digital startups in the United States.

Firstly. The Theoretical Framework for the Digitalization of Startups

This digitalization is based on theoretical pillars that go beyond the adoption of tools, encompassing process reengineering and the development of dynamic capabilities that enable these institutions to withstand environments characterized by uncertainty. Thru this framework, it will be indicated how digitalization transforms from an organizational challenge into a strategic opportunity that enables emerging institutions to break traditional market barriers and gain a competitive advantage.

1. Basic Concepts of Digialtization

The emergence of digital technologies has led to a new era that has forced institutions to undergo a radical transformation in how they operate, interact with customers, and stay connected in a digitally driven world. With traditional models giving way to digitalization, institutions face unprecedented opportunities and significant challenges, so digitalization is not just an option, but a strategic necessity for survival and sucess. (Edwin Juma Omol, 2024, p241).

1.1. An overview of the emergence and development of digitalization

In 1937, the German engineer Konrad Zuse invented the computer (Z1), which is a machine that performs calculations based on binary numbers (zeros and ones). This revolutionary invention laid the foundation for almost all the computerized technologies we know and use in our daily lives. Zuse's invention did not only impact the world of technology; all major digital computer systems that followed the Z1 computer were based on the principle of Zuse's binary system, and it also served as the origin of a phenomenon called digitalization. (Adeline Frenzel et al, 2021, p1).

With the emergence of computers and the digitalization of processes in the early stages, which primarily required the conversion of analog information into digital formats, this facilitated the easy storage,

retrieval, and processing of data. This nascent phase paved the way for the digitalization of operational functions and the automation of essential tasks (Edwin Juma Omol, 2024, p241).

The development of the digital revolution began in 1947 when the first transistor was introduced, which influenced the development of advanced digital computers. By the 1980s, computers became familiar, impacting the concept of digitalization worldwide. The invention of the World Wide Web (www) also played a significant role in the development of the digital revolution. The prevailing internet technology became available to the public in 1991, leading to changes in manufacturing methods. Additionally, the increasing rate of internet users contributed to the digital revolution and affected the modern world in various ways.

The growing base of internet users affects digitalization alongside global developments, as the digital revolution has gone thru four essential stages: data processing, personal computing, network computing, and cloud computing. These stages have contributed to the improvementof businesses and other activities around the world (Ajay Kumar Sharma, P S Shanmugaboopathi, 2022,p27).

1.2. Definition of digitalization

Digitalization is defined as the use of digital technologies to transform the business model and create new revenue-generating and value-adding opportunities. In other words, it is the process of transitioning from traditional operations to digital work systems (Xavier Oliveira, Pedro Silva, 2023,p38).

Digitalization means transforming various aspects of business, including interactions, communications, work functions, and business models into digital forms. Digitalization often involves a mix of digital and physical processes, as seen in multichannel customer service, integrated marketing, or smart manufacturing, with a combination of independent, semi-independent, and manual processes. (Pierpaolo Magliocca, 2021,p50) Digitalization is the ability of digital technology to collect data, identify trends, and make better business decisions. This means using new digital technologies (social media, mobile phones, analytical tools, or connected devices) to make substantial improvements in business (Milena Ratajczak-Mrozek, Paweł Marszałek, 2022, p3).

Based on the previous definitions, digitalization can be defined as the process of transforming business models from their traditional form to a

digital form using modern technologies, with the aim of making substantial improvements in various aspects of the business.

1.3. The difference between digitization, Digitalization and digital transformation

It is common to notice that many people are confused between the terms digitization, digitalization and digital transformation, and for this reason, some differences between them and their practical applications will be clarified: (Katuu, Shadrack., 2022, p2)

A- Digitization: It is the process of changing from analog form to digital form, also known as digital enablement, which means converting information from its traditional form into a digital format that can be stored and processed using computers and the internet ;

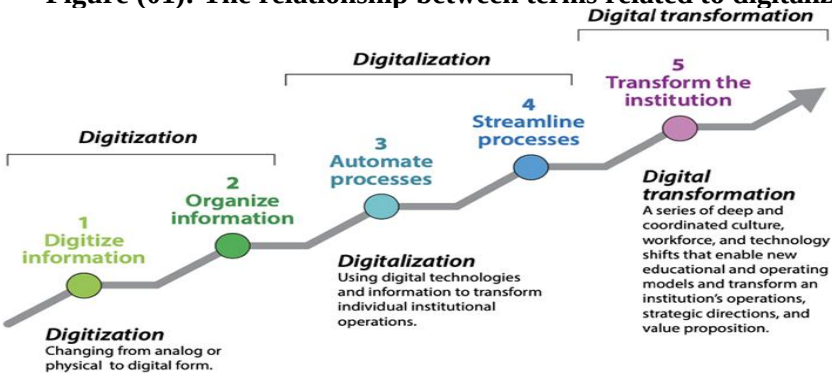
B- Digitalization: It is the use of digital technologies to change the business model and provide new revenue streams and opportunities for value creation; it is the process of transitioning to digital business and also works to improve operations by leveraging digital technologies and digital data;

The difference lies in the fact that digitizing information is a technical process, while digitalizing operations is a socio-technical process for applying digitization technologies in a broader institutional or societal context.

C-Digital Transformation: Digital transformation encompasses the transformative impact of new digital technologies such as social and mobile technologies, data analytics, cloud computing, and the Internet of Things.

The following figure illustrates how the three terms are related:

Figure (01): The relationship between terms related to digitalization



Source : Katuu, Shadrack, Management of public sector records in the digital age, Workshop hosted by Mpumalanga Records Management Forum, Vol. 2022. p5

This figure illustrates the connection between terms related to digitalization, starting from the digitalization of information from its analog or physical form to the digital form, and then the digitalization of processes using digital technologies and information to change and automate manual processes to improve their efficiency in an individual organizational context, leading to digital transformation, which represents a series of profound and coordinated changes in culture, workforce, and technology that enable new educational and operational models and transform organizational processes, strategic directions, and value propositions.

2. Digital startups:

The rapid growth and spread of startups are crucial factors in driving innovation, creating job opportunities, and boosting economic growth in many countries thru technological advancements. A startup is usually a newly established project that begins with limited capital, challenges prevailing norms, and revolutionizes the business world thanks to its flexibility, revolutionary nature, and complete acceptance of technological innovations (Sudaryana, Sonny Hendra, and all, 2025,p2).

2.1. Concept of digital startups: The concept of digital startups

Due to the recent emergence of the term "startups," it still lacks a unified definition from the scientific community. The most accepted definition describes a startup as a project in its early stages, created and developed to launch innovative products and/or services in the market (Noronha, Matheus Eurico Soares and all, 2022,p3).

A startup is defined as a temporary organization designed to search for a repeatable and scalable business model. In order for a new organization to be considered a startup, it must meet four basic criteria: it must be temporary, it must seek a business model, this model must be applicable and scalable on a large scale; and startups are human organizations designed to deliver a new product or service under conditions of extreme uncertainty (Bigliardi, Barbara, Dolci, Virginia, Filippelli, Serena, et al., 2025,p2666).

The digital startup is a form of entrepreneurship that focuses on exploiting opportunities derived from scientific or technological advancements, primarily thru the development of digital products or solutions. By using the latest technologies, such as artificial intelligence, cloud computing, and big data analytics, startups can offer innovative products, services, and business models, contributing to their scalability and flexibility. (Sudaryana, Sonny Hendra, and all, 2025, p2) In this regard, startups enter markets taking advantage of the ease provided by technology, making them competitive with established institutions. Unlike the latter, startups adopt distinctive business models and strategies, fully leveraging digital technologies (Noronha, Matheus Eurico Soares and all, 2022, p5)

2.2. Motivations for adopting digitalization in startups Motivations for adopting digitalization in startups

Digitalization is no longer a technical option; it has become an inevitable necessity imposed by the demands of competition and the speed of innovation. Accordingly, the main drivers behind this radical transformation can be summarized in the following key points:

A-Achieving scalability and rapid growth : Digitalization is the main driver of the "scalability" feature; by using cloud computing and data analytics, startups can serve thousands or millions of users without a corresponding increase in physical assets, allowing them to grow rapidly and transcend geographical boundaries to reach global markets (Sudaryana, Sonny Hendra, and all, 2025,p2).

B- Reducing establishment and operating costs : Digital tools have contributed to reducing financial barriers to market entry. Instead of a massive investment in physical servers or traditional offices, technologies like web applications and cloud computing allow founders to start with limited capital, reducing financial risks in the early stages (the establishment phase). (Bigliardi, Barbara, Dolci, Virginia, Filippelli, Serena, et al, 2025, p2666)

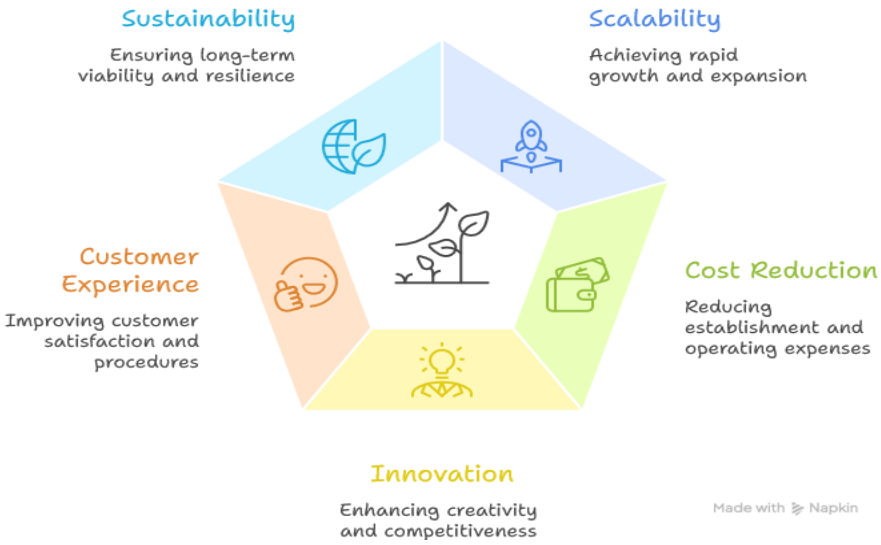
C-Enhancing innovation and competitiveness : The pursuit of continuous innovation is a fundamental driver of digitalization; advanced IT resources enable the development of superior digital marketing capabilities. Startups that adopt a strong digital orientation can leverage technological fluctuations to their advantage, making them more capable of delivering revolutionary products that outpace their competitors and respond adeptly to changing market needs (Hokmabadi, Hamed, and all., 2024, p2).

D-Improving customer experience and developing procedures : Digitalization allows startups to gain a deeper understanding of consumer behavior and customize the services offered to them, leading to a continuous improvement in customer experience. It also contributes to the automation of internal procedures, which enhances operational efficiency and makes the organization more flexible in dealing with the uncertainty that characterizes the startup environment (Sreenivasan, Aswathy et Suresh, M, 2023, p279).

E-Sustainability and Organizational Resilience : Digitalization provides the startup with the ability to pivot quickly based on real-time data, which is vital for a "temporary" organization that is constantly seeking a successful and repeatable business model. Digitalization is a "shield" that enables organizations to anticipate disruptions and recover from unexpected shocks. The ability to rapidly digitalize provides the organization with strategic flexibility, allowing it to change its business models and adapt its services to crises, ensuring its continuity in conditions of uncertainty and high risk (Hokmabadi, Hamed, and all., 2024,p2).

The following key points represent the motivations for adopting digitization in startups.

Figure No. (02): the motivations for adopting digitization in startups



Source / Prepared by the researchers

2.3. Stages of digital startups

In the startup environment, the journey of a company from idea to maturity is divided into four main stages: (Sudaryana, Sonny Hendra, and all, 2025, p6-8)

A-Establishment Stage: From Idea to Validation : The journey begins with the establishment phase, where the entire focus is on proving the feasibility of the idea and developing a Minimum Viable Product (MVP) to test the market. At this stage, government policies play a crucial role as an incubator for innovation; startups need flexible regulatory frameworks that balance data protection with the simplicity of intellectual property procedures. Success here depends on understanding "system dynamics" and identifying weaknesses early to ensure a solid foundation for future growth.

B-Early Stage: Expansion and Identity Building : Once the product is validated, the company moves to the early stage, which is typically associated with Series A funding. Here, the focus shifts to building a specialized team and expanding the user base. At this stage, the importance of collaboration between academia and industry becomes evident, as pioneering universities play a role in bridging the gap between scientific research and commercial application. This stage also requires policies that support "open innovation" and facilitate access to

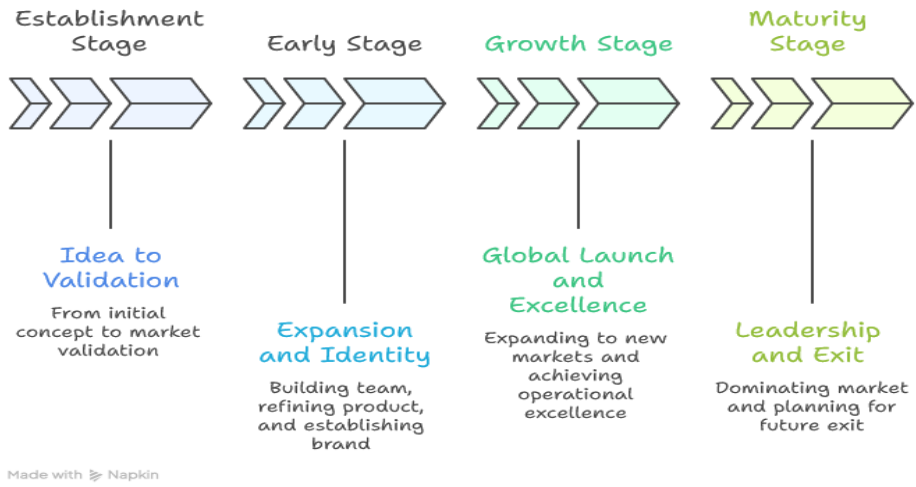
venture capital to ensure strategic positioning in sectors such as fintech or health tech.

C-Stage of Growth- Global Launch and Excellence : The growth stage (which includes Series B and C funding rounds) is a pivotal turning point, where companies experience rapid growth, expansion into new markets, and diversification of product lines. At this stage, the geographical location becomes strategic (such as being in tech hubs like Tech City in London) to benefit from advanced infrastructure. Strategic partnerships and mergers and acquisitions play a pivotal role in enhancing the company's competitiveness and expanding its geographical reach.

D- Maturity Stage- Leadership and Exit Strategies : The company reaches the maturity stage when it becomes a dominant entity in the market, and this is where the consideration of exit strategies such as an Initial Public Offering (IPO) or full acquisition begins. This stage requires a stable digital environment that supports international trade, access to massive funding, and credit facilities. Companies that reach this stage, especially "unicorns" valued at over a billion dollars like (SpaceX and UiPath), become models in using emerging technologies and artificial intelligence to bring about radical and comprehensive changes in the global economy.

The following represent the Stages of digital startups :

Figure No. (03): the Stages of digital startups



Source : Prepared by the researchers

Secondly. Case Study of the United States of America

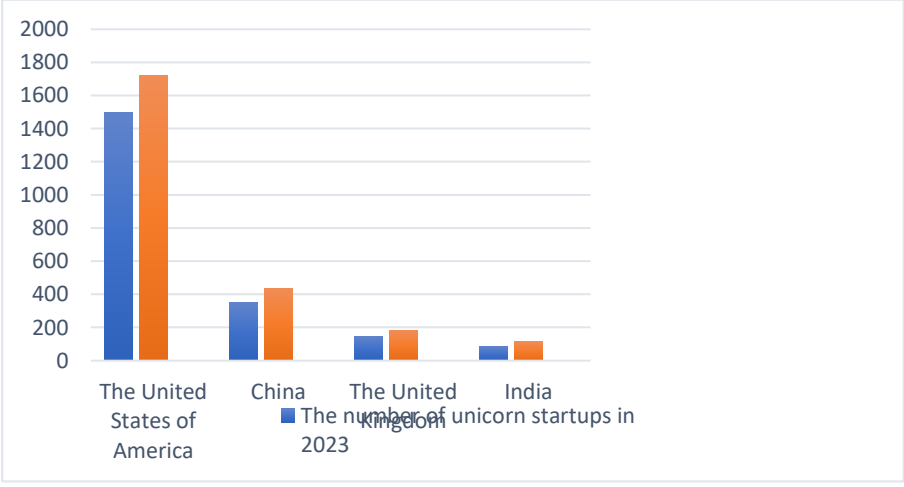
The United States of America is one of the most prominent countries that has witnessed a massive digital transformation in the past two decades, contributing to the growth of startups and technological innovation. The spread of the internet and advancements in information technology have changed the way companies operate and interact with customers, making digitalization an integral part of business strategies. The country enjoys a fertile environment for innovation, hosting many leading universities and research centers, in addition to having investors ready to support new ideas.

Startups in fields such as artificial intelligence, fintech, and healthcare have witnessed remarkable growth, reflecting their ability to adapt to rapid market changes. While digitalization offers tremendous growth opportunities, startups face challenges such as increasing competition and compliance with regulatory requirements. These dynamics are indicators of a bright future for digitalization and startups in the United States, making it a major hub for innovation in the world.

1. Startups in the United States

Startups are a driving force in the global economy, with over 150 million startups worldwide. The United States leads with approximately 1,148,296 startups, most of which emerge from Silicon Valley, making the United States the country with the highest number of startups in the world.The following table includes details about the number of startups in the United States and some countries:

Figure No. (04): Number of startups in the United States and some countries for the year 2024



Source / Prepared by the researchers based on:
https://tracxn.com/d/geographie

From the previous table, we find that the United States of America leads in the number of startups, most of which are unicorns. A unicorn is a startup valued at one billion dollars or more before its shares are publicly offered. This term is considered an indication of the company's success and its ability to attract significant investments in its early stages.

The following table presents the number of startups in the United States and the countries with the largest number of unicorn startups.

Table No. (01): "Unicorn" startups in America and some countries for the years (2023-2025)

Country	Number of startups
The United States	1148296
India	493582
The United Kingdom	368665
China	102231

Source/prepared by the researchers relying on:
https://dealroom.co/guides/unicorns

Based on the above, the number of unicorn startups in the United States in 2023 is estimated to be around 1,500, and this number is expected to rise to 1,720 by 2025. The United States has more unicorn startups than China, the United Kingdom, and India, making these countries the largest holders of unicorn startups in the world.

2. Digital technologies supporting startups in the United States

Digital technologies have become the cornerstone of the growth and development of startups, as they are no longer just auxiliary tools but have transformed into key drivers of innovation and competitiveness. In the modern business environment, startups rely on these technologies to reduce costs, accelerate market access, and achieve flexibility in the face of rapid changes. Among these digital tools are the following : (https://www.nist.gov , consulted on 23/04/2026.)

2.1. Artificial Intelligence (AI):

It is used in developing smart products, automating processes, and analyzing big data to predict market trends. Cloud Computing: Provides startups with access to digital infrastructure without the need for massive investments in hardware, with services like AWS and Microsoft Azur ;

2.2. Big Data & Analytics:

Help startups understand customer behavior, improve marketing strategies, and make decisions based on accurate data;

2.3. XaaS (Anything-as-a-Service): A flexible service model that allows startups to use software, platforms, and even infrastructure as a pay-per-use service;

2.4. Cybersecurity: With the increasing digital threats, investing in data protection and privacy has become a fundamental requirement for investors and customers;

The characteristics of the ecosystem that supports startups in the United States, which have helped them emerge, grow, and sustain themselves, making this country a global incubator for startups, can be clarified as follows:

Table No. (02): The Startup Ecosystem in the United States

Characteristics	Explanation
The essence of the ecosystem	Silicon Valley: the global technology capital and the primary engine of innovation
Funding size	Very large: There is enormous liquidity available from venture capital (VC) funds in billion-dollar amounts.
Risk culture	Very high: Failure is viewed as a "badge of experience" and a necessary learning experience for future success.
Market Size	A large and unified domestic market: Easy expansion from one state to another to reach 330 million consumers.
Dominant sectors	consumer software, cloud computing, and artificial intelligence hardware
Legislation and Regulation	Liberal and Competitive: Flexible laws that encourage rapid growth (Blitzscaling) with subsequent oversight.
Human talent	Attracting minds from all over the world with the presence of universities like Stanford and MIT
The final goal	an initial public offering (IPO) or a billion-dollar acquisition.

Source: Prepared by the researchers based on:
https://www.demandsage.com/startup-statistics/

From the previous table, it is clear that the American environment that supported the emergence and growth of startups is characterized by a unique mix of venture capital, advanced digital infrastructure, leading

universities, and government policies that stimulate innovation, contributing to making it a global hub for startups.

3. The digital startup in the United States of America

Digital startups in the United States are among the most prominent manifestations of economic and social transformation in the modern era, as these institutions have become a major driver of innovation and growth. They are not limited to being newly established small companies, but rather represent a dynamic environment that interacts with technological developments and responds quickly to the needs of the global market. The American environment, with its advanced digital infrastructure, extensive venture capital, and deeply rooted entrepreneurial culture, has contributed to making it the largest and most influential incubator for startups worldwide. These institutions vary across several key digital fields, as shown in the following figure:

Figure No. (05): Types of digital startups



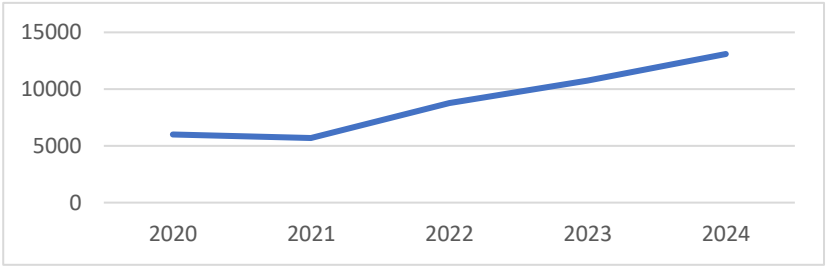
Source/ Prepared by the researchers based on:
https://www.mordorintelligence.com/industry-reports/united-states-digital-transformation-market

Thru the previous figure, it is clear that studying these types of digital startups in the United States is not limited to understanding the nature of technological innovation, but extends to analyzing their economic and social impact, and their role in shaping the future of the global economy. They represent a model to be emulated in many countries seeking to enhance their entrepreneurial environments and develop their digital

systems in line with the requirements of sustainable development and comprehensive digital transformation.

There are approximately 30,000 fintech startups worldwide, and this number has been steadily increasing since 2019, when there were around 12,000 fintech startups. The United States produces the largest number of fintech startups, as illustrated in the following figur

Figure No. (06): Number of fintech startups in the United States (2020-2024)



Source: Prepared by the researchers based on:
https://www.demandsage.com/startup-statistics

From the previous figure, it is clear that there are more than 13,100 startups in the technology sector in the United States in 2024, and this number has doubled since 2020, when there were only 5,686 startups in the fintech sector. The value of the fintech market in the United States is $4 trillion as of 2024, which confirms the rapid increase in the number of startups in the fintech sector.

The number of digital health companies in the United States reached 41,550, and this number has rapidly grown over the past three years. Moreover, experts expect the number of startups in the health tech sector to reach 50,000 companies by 2025.

Startups in the healthcare sector have the potential to significantly impact global health disparities. Factors such as poverty and socio-economic conditions drive these disparities.

There are also 13,980,000 startups in e-commerce, which represents 53% of e-commerce sites worldwide.

We can distinguish the most prominent digital startups in the United States as follows:

Table No. (03): Prominent Digital Startups in the United States

Company	Description	Location	Established
OpenAI	Developer of AI model tools and research-based platforms	San Francisco (United States)	**2015**
DoorDash	Platform facilitating same-day rapid delivery of food, groceries, and retail essentials from local stores and restaurants to consumers	San Francisco (USA)	**2013**
Slack	Provider of the cloud-based team communication and collaboration platform	San Francisco (United States)	**2009**
Draftkings	Provider of the online fantasy sports platform	Boston (United States) Rating:	**2012**
SarlesForce	Cloud-based CRM and social collaboration solutions for enterprises	San Francisco (United States)	**1999**

Source: Prepared by the researchers based on:
https://tracxn.com/d/geographies/united-states

From observing the previous table, it becomes clear that most major digital startups are concentrated in San Francisco, which is a natural result of the convergence of talent, capital, and infrastructure in one environment. But it also poses social and economic challenges that require innovative solutions to ensure the sustainability of this growth. It can be said that San Francisco today is not just an American city, but a global laboratory for the digital revolution. San Francisco is today

considered the beating heart of digital startups in the United States, especially in the field of artificial intelligence, where talent and capital converge in a highly competitive environment, making it a global center for innovation. This concentration reflects a mix of the city's technological history, its proximity to Silicon Valley, and the significant support from global investors.

The reasons for the concentration of digital startups in San Francisco can be detailed as follows: (tracxn.com/d/geographies/united-states, consulted on 12/04/2026)

A- Human talent: The city attracts the best minds in artificial intelligence and programming thanks to its global reputation as a technology hub;

B- Venture capital: Its proximity to Silicon Valley makes it a meeting point for entrepreneurs and venture investors;

C-Digital infrastructure: It provides an advanced environment in terms of communication networks, universities, and research centers;

D-Innovation culture: A long history of entrepreneurial experiments in technology fosters a spirit of adventure and the search for new solutions;

E-Talent attraction strategies: Some startups offer unconventional perks such as luxurious housing near work premises to ensure employe loyalty.

Conclusion

Startup companies in the technology sector in the United States are leading radical transformations across various sectors by 2025, thru artificial intelligence, blockchain technology, the Internet of Things, and other emerging technologies. From financial technology and healthcare to retail and real estate, these companies are shaping the future of business. As sectors adapt to these innovations, digital startups must embrace change, invest in technology, and foster a culture of continuous learning to maintain their competitive edge.

Results

The study reached the following conclusions:

- Digitalization represents a vital factor in enhancing the success of digital startups in America, as it helps them achieve sustainability and growth in an increasingly competitive environment;

- Despite the rapid growth of digital startups, only about 10% of them maintain their success in the long term. What makes the journey of entrepreneurs difficult;
- Investing in digital technology is not an option but a necessity to keep up with the challenges and opportunities in the modern market.
- Cybersecurity is the field that suffers from the greatest skills shortage, and here lies the ongoing challenge of meeting the increasing demand for expertise in cybersecurity in an ever-expanding digital world;
- Controlling cloud computing costs and addressing data privacy and security challenges are among the most prominent challenges faced by emerging digital enterprises;
- The biggest obstacle faced by the United States in addressing cybersecurity threats was the outdated infrastructure and the solutions needed to support emerging threats**.**

Recommendations

The study recommends the following:

- Digital startups must protect sensitive information from increasing attacks and threats; their biggest challenge is cybersecurity.
- These digital startups need to quickly adapt to technological and market changes to ensure their continuity and success.
- The necessity of benefiting from incubators and accelerators, as they provide initial funding, training, and networking opportunities.

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