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INVESTMENT DEALS IN THE INTERNATIONAL IT SERVICES MARKET AS A MECHANISM FOR THE REDISTRIBUTION OF TECHNOLOGICAL COMPETENCIES

ІНВЕСТИЦІЙНІ УГОДИ НА МІЖНАРОДНОМУ РИНКУ ІТ-ПОСЛУГ ЯК МЕХАНІЗМ ПЕРЕРОЗПОДІЛУ ТЕХНОЛОГІЧНИХ КОМПЕТЕНЦІЙ

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Abstract. *The article proposes a conceptual interpretation of investment deals in the international IT services market as a mechanism for the redistribution of technological competencies, rather than merely a form of cross-border capital movement. The IT services market is conceptualized as the intellectual-service core of the global ICT space, distinguished by the dominance of intangible assets, the decisive role of human capital, high mobility of technological competencies and platform-based business models. It is substantiated that classical theories of foreign direct investment and mergers and acquisitions, developed for material-oriented sectors, have limited explanatory capacity when applied to a market where the object of a transaction is not a physical asset but a team, an algorithm, a client base or a position within a digital value chain. A typology of investors in IT services is proposed, distinguishing strategic technological acquirers, private equity funds and venture capital, each characterized by distinct investment logics and effects on market structure. The wave theory of consolidation is applied to demonstrate that M&A activity in IT services follows cyclical patterns linked to technological adoption curves, creating preconditions for strategic forecasting. Particular attention is given to the position of Ukraine as a territorial cluster of the global IT services market, whose investment attractiveness is shaped by the combination of human capital concentration, cost competitiveness and the geopolitical context of armed conflict.*

The scientific novelty of the research lies in the integration of the resource-based view, the knowledge-based theory and the concept of profiting from innovation into a unified analytical framework for interpreting investment deals in the sector of intangible assets. A cascading model of the investment cycle is developed, describing the sequential interaction of three investor types - venture capital, private equity funds and strategic acquirers - where activity at each level serves as a predictor of activity at the next. Technological shock is identified as a sector-specific generator of consolidation waves, distinguishing IT services from material-oriented industries where merger waves are typically driven by deregulation or macroeconomic shifts. The position of the Ukrainian IT sector is substantiated through the categories of VRIN (valuable, rare, inimitable, non-substitutable resources) resources and complementary assets, demonstrating that knowledge-

intensive assets exhibit structural resilience to geopolitical disruption and that the post-conflict context creates preconditions for the accelerated integration of Ukrainian IT companies into European digital value chains.

Key words: *IT services market, investment deals, mergers and acquisitions, technological competencies, intangible assets, human capital, ICT space, strategic forecasting, consolidation waves, private equity, venture capital, digital value chains, Ukraine*

Анотація. *У статті запропоновано концептуальну інтерпретацію інвестиційних угод на міжнародному ринку IT-послуг як механізму перерозподілу технологічних компетенцій, а не лише форми транскордонного руху капіталу. Ринок IT-послуг концептуалізовано як інтелектуально-сервісне ядро глобального ІКТ-простору, що вирізняється домінуванням нематеріальних активів, вирішальною роллю людського капіталу, високою мобільністю технологічних компетенцій і платформною організацією бізнес-моделей. Обґрунтовано, що класичні теорії прямих іноземних інвестицій та злиттів і поглинань, розроблені для матеріально орієнтованих секторів, мають обмежену пояснювальну здатність щодо ринку, де об'єктом угоди є не фізичний актив, а команда, алгоритм, клієнтська база або позиція у цифровому ланцюгу вартості. Запропоновано типологію інвесторів у сфері IT-послуг, що розрізняє стратегічних технологічних покупців, фонди прямого інвестування та венчурний капітал, кожен з яких характеризується власною інвестиційною логікою та впливом на структуру ринку. Застосовано хвильову теорію консолідації для демонстрації того, що M&A-активність у сфері IT-послуг підпорядковується циклічним закономірностям, пов'язаним з кривими технологічної адаптації, що створює передумови для стратегічного прогнозування. Особливу увагу приділено позиції України як територіального кластера глобального ринку IT-послуг, інвестиційна привабливість якого формується поєднанням концентрації людського капіталу, цінової конкурентоспроможності та геополітичного контексту збройного конфлікту.*

Наукова новизна дослідження полягає в інтеграції ресурсної теорії фірми, знанневої теорії фірми та концепції отримання прибутку від інновацій (англ. «profiting from innovation») у єдину аналітичну рамку інтерпретації міжнародних інвестиційних угод у секторі нематеріальних активів. Розроблено каскадну модель інвестиційного циклу, що описує послідовну взаємодію трьох типів інвесторів - венчурного капіталу, фондів прямого інвестування (англ. «private equity») і стратегічних покупців, де активність на кожному рівні формує передумови активізації наступного. Ідентифіковано технологічний шок як специфічний для сектору IT-послуг генератор хвиль консолідації, що відрізняє його від матеріально орієнтованих галузей, у яких хвилі злиттів і поглинань зумовлюються передусім дерегуляцією або макроекономічними зрушеннями. Позицію українського IT-сектору обґрунтовано через категорії ресурсів, що мають цінність, рідкісність, складність імітації та незамінність, а також через концепцію комплементарних активів, що дозволило продемонструвати структурну стійкість знанневих активів до геополітичних потрясінь і визначити повоєнний контекст як передумову прискореної інтеграції українських IT-компаній у європейські цифрові ланцюги вартості.

Ключові слова: *ринок IT-послуг, інвестиційні угоди, злиття і поглинання, технологічні компетенції, нематеріальні активи, людський капітал, ІКТ-простір, стратегічне прогнозування, хвилі консолідації, прями інвестиції, венчурний капітал, цифрові ланцюги вартості, Україна*

Introduction. Over the past two decades, the international IT services market has evolved from an auxiliary service segment into the structural core of the global ICT space, where the bulk of digital solutions underpinning the functioning of modern economies are created, integrated, and scaled. The information and communications technology market is structured as a multi-level system comprising four basic segments: hardware, which provides the material foundation of digital infrastructure; telecommunications, which ensure data transmission and connectivity; software, which encompasses the development of operating systems, platform solutions and digital products; and IT services, which integrate the service-oriented component of ICT and ensure the implementation, adaptation and

operation of digital technologies in business and the public sector. The intersection between the ICT and IT services markets is functional in nature and centres on commercialization: the IT services market draws on the outputs of software producers and telecommunications infrastructure while ensuring their practical implementation and scaling across various sectors of the economy (*Reznikova, Ptashchenko & Ptashchenko, 2025*). Within the structure of the IT services market, six key areas of activity can be identified: software development services (custom and platform-based development), IT outsourcing (delegation of development, support and testing functions to external providers), IT consulting services (digital transformation of business processes), system integration (combining software and hardware components into unified information systems), cloud services (access to computing resources and software platforms), and cybersecurity services (protection of data and digital infrastructures) (*Reznikova, Vovk & Ptashchenko, 2025b*). Each of these areas generates its own logic of investment attractiveness and deal typology, which necessitates a differentiated analytical approach.

Unlike other components of the ICT market, IT services are characterized by several structural features that shape investment behaviour. The dominance of intangible assets means that the bulk of company value resides not in physical infrastructure but in intellectual property, algorithms, technology stacks and client bases (*Haskel & Westlake, 2018*). The decisive role of human capital manifests in the fact that developers' and engineers' competencies constitute the industry's principal resource, yet, by definition, this resource does not belong to the company in the same sense as a patent or a production line (*Pryiatelchuk & Naida, 2025*). The high cross-border mobility of competencies precludes a classical national market residency: a company may be legally registered in one jurisdiction, its team may work in another, its clients may be located in a third, and the acquirer in a fourth (*Vergun, 2020*). The platform-based organization of business models generates network effects whereby the value of a product increases with the number of users, fundamentally altering the logic of company valuation and investor motivation (*Kenney & Zysman, 2016*).

It is precisely these features that cause investment deals in the IT services sector to acquire the character not merely of capital movement but of a mechanism for the redistribution of technological competencies, teams, and access to digital ecosystems. The acquirer obtains not a factory or a licence but a development team, a technology stack, access to a client base, and a position within a global digital value chain. This shift in the nature of investment activity calls into question the sufficiency of classical analytical frameworks developed for material-oriented sectors and necessitates the formation of supplementary theoretical approaches.

The study's relevance is determined by several factors. First, mergers and acquisitions are becoming the dominant mechanism of structural transformation in the IT services market, and their volumes demonstrate sustained growth with pronounced wave-like characteristics (*UNCTAD, 2024*). Second, the theoretical understanding of investment deals in the intangible asset sector remains fragmented: classical FDI and M&A theories only partially explain the observed patterns, while newer concepts have yet to be integrated into a coherent analytical framework. Third, for countries with significant human capital in IT, particularly Ukraine, understanding the logic of investment deals becomes strategically important, as it determines the possibilities for integration into global value chains and for attracting capital to scale (*Reznikova & Panchenko, 2023*). What is at stake is the formation of a new normal in the global economy, where technological competition determines development trajectories and the structure of international investment flows (*Reznikova & Ivashchenko, 2017*). This study conceptualizes investment deals in the international IT services market as a mechanism for the redistribution of technological competencies and advances an integrated analytical framework that combines the resource-based view, knowledge-based theory and the concept of profiting from innovation.

The purpose of the article is to substantiate a conceptual interpretation of investment deals in the international IT services market as a mechanism for the redistribution of technological competencies. Achieving this objective involves: systematizing classical and contemporary theoretical approaches to the analysis of cross-border investment deals with a determination of the boundaries of their applicability to the intangible asset sector; conceptualizing the IT services market as a specific object of investment analysis within the structure of the global ICT space; developing a typology of investors and substantiating a cascading model of the investment cycle; analysing the

wave logic of consolidation as a basis for strategic forecasting; and determining the position of the Ukrainian IT sector within the global architecture of investment flows. The methodological foundation of the study comprises a combination of structural-functional analysis of the ICT market, comparative analysis of investment logics in material-oriented and knowledge-oriented sectors, the resource-based approach, and elements of institutional analysis.

Literature review. The theoretical understanding of investment deals in the IT services sector lies at the intersection of several research traditions, each offering a partial but insufficient explanation of this market's specifics. The first tradition is associated with classical theories of foreign direct investment. Dunning's eclectic paradigm (the OLI model) explains cross-border investment through ownership, location and internalization advantages (*Dunning, 2000*). However, this model was developed for sectors where ownership advantages are embodied in tangible assets, patents, or brands, and location advantages are linked to access to natural resources or domestic markets. In the IT services sector, ownership advantages are concentrated in human capital and technological competencies, which are by definition mobile, while location advantages are determined by the availability of qualified teams rather than the geography of resources. The internalization theory (*Buckley & Casson, 1976*) explains why firms prefer internal organization of cross-border operations over market transactions, but in the IT services sector, where the critical resource is knowledge and competencies rather than transaction-specific assets in the classical sense, its explanatory capacity is limited.

The second tradition concerns the theory of the market for corporate control, which interprets mergers and acquisitions as a mechanism for disciplining management and improving asset utilization efficiency (*Manne, 1965*). In the IT services sector, this logic applies only partially: many M&A deals are motivated not by the inefficiency of the target company's management but by the acquirer's desire to rapidly gain access to competencies that cannot be created organically within an acceptable timeframe. The phenomenon of «acqui-hire» - *acquiring a company primarily for its team* - is characteristic of the IT sector and does not fit within the classical logic of corporate control.

The third research line concerns the analysis of digital markets and their specific features. Studies of data and information technology markets as a space of strategic competition for digital leadership emphasize that technological competencies and access to intellectual resources are becoming the defining factors in the positioning of countries and companies in the global economy (*Reznikova, Ptashchenko & Ptashchenko, 2025*). The formation of international competitiveness in the IT sector is determined by strategic factors, among which the ability to attract investment and form partnerships occupies a central place. Competition in the digital era takes on the character of a contest over strategic determinants of competitiveness, where investment deals serve as a mechanism for rapidly acquiring the necessary competencies (*Reznikova, Vovk & Ptashchenko, 2025b*).

The fourth line is formed by studies of the competitive positions of national IT sectors in the global market, which provide an empirical basis for analysing the investment attractiveness of individual territorial clusters. An analysis of the Ukrainian IT sector's positions in the global market demonstrates that, even under conditions of full-scale armed conflict, the sector retained a significant share of its export revenues and client relationships, attesting to the specific resilience of intangible-oriented markets (*Melnyk & Zavhorodnia, 2022*). This resilience is explained by a set of competitive advantages, among which high specialist qualifications, cost competitiveness, integration into global value creation chains and the flexibility of business models adapted to remote work are prominent (*Melnyk & Zavhorodnia, 2023a*). At the same time, the competitiveness of the IT sector is not a static characteristic; it requires theoretical understanding through the lens of contemporary competition concepts that account for the specifics of intangible assets and network effects (*Zavhorodnia & Melnyk, 2023*). The methodology for assessing the international competitiveness of the IT sector reveals the limitations of traditional approaches developed for material-oriented industries and the necessity of forming an adapted toolkit that accounts for the role of human capital, technology stacks and positioning within global digital value chains (*Melnyk & Zavhorodnia, 2023b*). It is precisely these characteristics that determine the investment attractiveness of IT companies and shape demand for deals from strategic acquirers and financial investors.

In the context of broader transformations of the world economy, investment deals in IT services take place under a new normal characterized by intensified systemic risks, changing consumption

patterns, and growing geoeconomic turbulence. These conditions create a specific context for investment behaviour, in which uncertainty and the pace of technological change heighten the importance of strategic forecasting. The geoeconomic dimension of investment processes is analysed in the context of civilizational shifts, where technological competition becomes the key arena of international rivalry.

Human capital, as a fundamental intangible asset in international business, acquires particular significance in the IT services sector, as it determines company valuations and their attractiveness as targets for investment deals (*Pryiatelchuk & Naida, 2025*). Processes of socialization in state and corporate governance affect the institutional environment in which investment decisions are made (*Pryiatelchuk, 2017*). Digital trade in global markets creates new channels of value creation that directly influence the structure of demand for IT services and, correspondingly, investment dynamics (*Pryiatelchuk, 2023*). The conceptualization of the digital media market reveals the formation of new types of digital assets that become objects of investment deals (*Pryiatelchuk & Bekh, 2020*).

Despite the significant body of research, substantial gaps remain in the literature. First, there is no systematic conceptualization of investment deals in the IT services sector as a distinct type of cross-border capital movement, distinct from investment in material-oriented sectors. Second, the wave dynamics of M&A activity in IT services have not been integrated into a theoretical framework for strategic forecasting. Third, the typology of investors and their strategies is insufficiently developed with respect to the specifics of the intangible asset market. Fourth, the position of individual territorial clusters, particularly the Ukrainian one, requires analysis not as isolated national markets but as nodes in a global network of competency redistribution - and although empirical studies of the Ukrainian IT sector's competitiveness provide the necessary foundation for this, they have not yet been integrated into a theoretical framework for the analysis of investment deals.

Main results of the research. Classical theories of foreign direct investment and mergers and acquisitions were formed in the context of an industrial economy where the object of an investment deal is a tangible asset - a factory, a deposit, a logistics network, a distribution channel. In the eclectic paradigm, ownership advantages are described through patents, brands and production technologies, location advantages through access to resources and markets, and internalization advantages through the reduction of transaction costs compared with market exchange (*Dunning, 2000*). Internalization theory holds that a firm expands abroad when its internal organization of cross-border operations is more efficient than market alternatives (*Buckley & Casson, 1976*). Both concepts successfully explain investment behaviour in extractive, manufacturing, and infrastructure sectors.

In the IT services sector, these explanatory frameworks reveal systemic limitations. Ownership advantages are concentrated primarily in human capital, which does not belong to the company in the same way as a patent or a production line and may be lost after a deal is completed (*Coff, 1999*). Location advantages are determined by the availability of qualified teams and embeddedness in knowledge networks rather than by the geography of resources or sales markets. Company value is shaped by the scalability of solutions, network effects, and positioning within the digital value chain - characteristics that are poorly described by the categories of classical models (*Haskel & Westlake, 2018*). The theory of the market for corporate control (*Manne, 1965*) explains M&A as a mechanism for replacing inefficient management, but in the IT services sector, acquirers frequently acquire successful, well-managed, and rapidly growing companies precisely because their competencies are unique and cannot be created organically.

The resource-based and knowledge-based theories offer a more productive explanatory framework. Within the logic of the resource-based view (*Barney, 1991*), an investment deal in IT services is directed at acquiring resources and capabilities that are valuable (providing competitive advantage), rare (available to a limited number of firms), difficult to imitate (cannot be copied or created from scratch) and non-substitutable (having no functional equivalents). A technological team that has developed a unique product and possesses experience in scaling it constitutes precisely such a resource. The knowledge-based theory (*Kogut & Zander, 1993*) holds that a multinational corporation is an institution that specializes in the transfer of tacit knowledge across borders, and that acquiring an IT company is the most effective means of internalizing knowledge that cannot be transferred through market mechanisms.

The concept of profiting from innovation (*Teece, 1986*) adds a further dimension: an innovative

IT company may create a unique technological solution, but without access to complementary assets - a client base, a brand, distribution channels - it is unable to realize its full market potential. The strategic acquirer possesses precisely these complementary assets, which creates a fundamental motivation for M&A: the deal generates synergies unattainable for either party individually. Technological compatibility and synergy potential are empirically confirmed predictors of specific acquirer-target pairs (*Bena & Li, 2014*). Thus, for the IT services sector, it is appropriate to supplement classical FDI and M&A theories with an analytical framework built on resource-based and knowledge-based theories, in which an investment deal functions as an instrument of rapid access to competencies that cannot be created organically (the resource motive), effective transfer of tacit knowledge across borders (the knowledge motive) and acquisition of control over complementary assets for the commercialization of innovations (the innovation motive).

The competitive environment in the IT services market is shaped by the interaction of several types of investors, each characterized by its own investment logic, time horizon, and impact on market structure. Strategic technological acquirers are transnational technology corporations that make acquisitions to expand their product line, acquire technological competencies or eliminate competitors. Their logic is determined by the aspiration to integrate acquired competencies into their own ecosystem and is explained in terms of the category of complementary assets (*Teece, 1986*): the strategic acquirer possesses scale, brand, and distribution, while the target company possesses an innovative solution. Strategic acquirers are characterized by controlling acquisitions with full integration or «acqui-hire» - acquisition for the sake of the team. This type dominates in cloud services, cybersecurity, and platform solutions, where network effects and winner-takes-all dynamics create incentives for rapid consolidation (*Kenney & Zysman, 2016*). Firms with high R&D intensity are more likely to become targets of such acquisitions, as their innovation potential constitutes the principal value for the acquirer (*Phillips & Zhdanov, 2013*).

Private equity funds focus on financial scaling. Their strategy consists of acquiring controlling stakes in mid-sized IT companies, operational optimization, and consolidating several companies into a single platform (the buy-and-build strategy), followed by an exit through a sale to a strategic acquirer or an IPO. This type of investor is particularly active in the IT outsourcing segment, where there exists a significant number of mid-sized companies with predictable cash flows and consolidation potential. The choice of M&A as a mode of entry is explained by the fact that intangible asset intensity renders greenfield investment inefficient: the organic creation of comparable teams and client relationships takes disproportionately long (*Nocke & Yeaple, 2007*).

Venture capital invests in early- and mid-stage IT companies, creating a pool of potential targets for subsequent M&A deals. Venture capital performs the function of a mechanism for the selection, cultivation and legitimation of technological competencies: companies that have passed through several rounds of venture financing have formalized processes, a validated business model and transparent financial reporting, which makes them attractive targets for strategic acquirers and PE funds.

The interaction of these three investor types forms a cascading model of the investment cycle: venture capital cultivates competencies and forms companies with validated potential; private equity funds consolidate them into larger platforms, achieving economies of scale and operational efficiency; strategic acquirers integrate the acquired platforms into global ecosystems, providing access to complementary assets and completing the cycle of competency redistribution. This cascading logic means that activity at each level is a predictor of activity at the next: growth in venture financing in a particular technological segment signals future growth in PE consolidation, which in turn signals subsequent strategic acquisitions.

M&A activity in the IT services market is not linear. Classical research demonstrated that merger waves emerge as a result of economic disturbances - technological, regulatory, or macroeconomic - that generate divergence in asset valuations across different categories of investors (*Gort, 1969*). Subsequent studies established that aggregate M&A activity is driven primarily by industry-specific shocks under conditions of sufficient capital liquidity (*Harford, 2005*), while the intensity of merger waves is further amplified by information asymmetry regarding the true value of assets (*Rhodes-Kropf & Viswanathan, 2004*). In the IT services sector, wave logic takes on a specific meaning through its association with technological adoption curves.

Each technological wave - from the diffusion of ERP systems to cloud computing and generative artificial intelligence - unfolds through three interrelated phases. During the accumulation phase associated with the emergence of new technologies, numerous firms enter the market to develop solutions within the new technological niche, venture capital actively finances start-ups, and the market remains highly fragmented. The subsequent consolidation phase is marked by intensified acquisition activity by strategic buyers and private equity funds, which seek to secure leading firms, integrate competencies, and strengthen market positions, resulting in a growing number and average size of transactions. The stabilization and integration phase follows: as acquired firms are incorporated into the organizational structures of acquirers, the market reaches a new configuration characterized by fewer, larger players, and overall M&A activity gradually declines until the next technological shift. Such cyclicity confirms the theoretical proposition that M&A waves arise in response to industry disturbances (*Gort, 1969; Harford, 2005*), while also revealing a mechanism specific to the IT sector. In this context, the primary disturbance is not deregulation or a change in the trade regime but a technological shift that transforms the structure of demand for competencies and reconfigures the competitive landscape.

The cyclicity of M&A activity and its factor-driven nature create preconditions for strategic forecasting. Factors determining the probability and parameters of deals can be systematized into several groups: characteristics of target companies (scale, technology stack, growth rate, R&D intensity, position in the value chain), investor strategies (expansion vs. consolidation, investment horizon), industry context (phase of the technological cycle, demand structure) and the macro-environment (geopolitics, regulatory conditions, cost and availability of capital). Empirical confirmation of the link between technological compatibility and the probability of specific acquirer-target pairs (*Bena & Li, 2014*), as well as between R&D intensity and the probability of acquisition (*Phillips & Zhdanov, 2013*), indicates that the forecasting of specific deals is methodologically feasible.

Forecasting investment deals in the IT services sector cannot be reduced to econometric models built exclusively on financial indicators, since the value of IT companies is determined by intangible factors that are poorly reflected in financial reporting (*Haskel & Westlake, 2018*). It requires a strategic-analytical framework that combines quantitative analysis with qualitative assessment of technological trends and investor strategies. The construction of such a framework involves developing several interrelated models: a target prediction model, a buyer prediction model and an acquirer-target matchmaking model. Each of these models requires adaptation for different market segments and contextual conditions.

The IT services market lacks classical national residency. National segments - American, European, Indian, Israeli, Ukrainian - should be interpreted not as isolated markets but as territorial clusters of the global market, interconnected by flows of capital, competencies and contractual relations. Each cluster is characterized by a specific combination of location advantages: the availability of qualified human capital, cost competitiveness, the institutional environment and the geopolitical context.

Ukraine occupies a specific position within this architecture. Significant human capital in IT makes it one of the largest reservoirs of technological competencies in Eastern Europe. Human capital as a fundamental intangible asset determines the value of Ukrainian IT companies and their attractiveness as targets for investment deals (*Pryiatelchuk & Naida, 2025*). The Ukrainian IT sector demonstrated resilience even amid full-scale armed conflict, retaining the bulk of its export revenues and client relationships (*Reznikova & Panchenko, 2023*). This fact constitutes empirical confirmation of the thesis that the IT services market is structurally distinct from material-oriented sectors: knowledge assets are geographically more mobile and less vulnerable to physical destruction than production infrastructure.

At the same time, the geopolitical context significantly affects investment attractiveness. Under conditions of armed conflict, the risk discount increases, the structure of acquirers changes (the role of strategic acquirers diminishes while specialized funds' role grows), and requirements for the legal structuring of deals intensify. These processes unfold within the context of broader geoeconomic transformations. The post-conflict context creates preconditions for the intensification of investment activity: M&A may serve as an instrument for integrating Ukrainian IT companies into European

value chains. Processes of socialization in corporate governance and the formation of transparent institutional mechanisms are prerequisites for attracting foreign investors (*Pryiatelchuk, 2017*).

The strategic dilemma for the Ukrainian IT sector is choosing between positioning as an acquisition target (inbound strategy) and pursuing its own outward expansion (outbound strategy). Within the resource-based view (*Barney, 1991*), Ukrainian IT companies possess valuable and rare competencies, making them attractive targets. Within the logic of profiting from innovation (*Teece, 1986*), they require access to the complementary assets of global players to fully commercialize their solutions. The optimal strategy combines both directions based on the company's scale and the market cycle phase. Digital trade and financial technologies create additional channels for integrating Ukrainian IT companies into global value chains (*Pryiatelchuk, 2023*).

Conclusions. In the course of addressing the research task, which consisted of substantiating a conceptual interpretation of investment deals in the international IT services market as a mechanism for the redistribution of technological competencies and involved the use of structural-functional analysis of the ICT market, comparative analysis of investment logics in material-oriented and knowledge-oriented sectors, the resource-based approach and elements of institutional analysis, a number of scientific results were obtained that permit the formulation of the following conclusions.

First, the international IT services market serves as the intellectual-service core of the global ICT space, in which investment deals take on the character of a mechanism for the redistribution of technological competencies. Unlike material-oriented sectors, where investment is directed at acquiring physical assets or access to resources and markets, in the IT services sector, the object of a deal is a specific combination of knowledge assets - a team, an algorithm, a client base, and a position within a digital value chain. This combination meets the criteria of the resource-based view - it is valuable, rare, difficult to imitate and non-substitutable - which creates the fundamental motivation for M&A as a form of access to it.

Second, classical theories of foreign direct investment and mergers and acquisitions retain partial relevance but require supplementation with an analytical framework built on the resource-based and knowledge-based theories of the firm. The eclectic paradigm and internalization theory successfully explain the general logic of cross-border investment, but do not account for the specifics of intangible assets - their scalability, mobility, and the risk of loss following deal completion. The resource-based view explains why the object of investment is a unique combination of competencies. The knowledge-based theory explains why M&A is a more effective means of knowledge transfer than market alternatives. The concept of profiting from innovation explains the mutual benefit for the acquirer and the target through the category of complementary assets.

Third, the typology of investors in the IT services sector encompasses strategic technological acquirers, private equity funds, and venture capital, which form a cascading model of the investment cycle: venture capital cultivates competencies, private equity funds consolidate them into platforms, and strategic acquirers integrate them into global ecosystems. Cascading logic means that activity at each level predicts activity at the next level, with direct implications for strategic forecasting.

Fourth, M&A activity in the IT services sector is subject to the wave logic of consolidation, generated by technological shocks that redefine the structure of demand for competencies. The recurrence of structural deal configurations, the stable factor-driven nature of their parameters, and the empirically confirmed link between company characteristics and the probability of M&A participation create grounds for building strategic forecasting models.

Fifth, Ukraine occupies a specific position as a territorial cluster of the global IT services market, characterized by a significant concentration of knowledge assets, demonstrated resilience of the IT sector under conditions of armed conflict, and the prospect of post-conflict integration into European value chains. Within the logic of the resource-based and knowledge-based theories, this forms a unique combination of investment opportunities: Ukrainian IT companies possess competencies that meet the criteria of VRIN resources and require access to the complementary assets of global players.

The scientific novelty of the research consists in: the conceptualization of investment deals in the IT services sector as a mechanism for the redistribution of technological competencies based on the integration of the resource-based, knowledge-based and innovation theories of the firm; the substantiation of the systematic limitations of classical FDI and M&A theories for explaining

investment dynamics in the intangible asset sector; the development of a cascading model of the investment cycle describing the interaction of three investor types and providing grounds for forecasting; the identification of technological shock as a sector-specific generator of consolidation waves; and the substantiation of the Ukrainian IT sector's position through the categories of the resource-based view and the theory of complementary assets. Prospects for further research include the construction of predictive models for investment deals (target prediction, buyer prediction, matchmaking) with empirical verification on data from specific market segments; the quantitative assessment of factors determining deal probability at different phases of the technological cycle; a comparative analysis of the cascading model's effectiveness across different territorial clusters; and the adaptation of predictive models to contextual variables, including geopolitical shocks and regulatory transformations.

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