

Ministry of Education and Science of Ukraine
Ukrainian-American Concordia University
*Department of International Economic Relations, Business &
Management*

Bachelor's Qualification Work

Multinational companies in international business
(on the basis of Wix.com Ltd)

Bachelor's student of

Field of Study 29 – International Relations

Specialty 292 – International Economic Relations

Educational program – International Business

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Abstract:

Many multinational corporations have invested in foreign countries to get access to new markets as a result of the world economy's strong internationalization. Foreign direct investments play a vital role in worldwide international trade as a result of this expansive market approach. Multinational corporations have their headquarters in one country and subsidiaries, buildings, factories, industries, and other assets in other countries. These businesses are referred to as global enterprises since they operate on a global scale. The parent business oversees and manages the activities on a global scale. Those companies' products and services are sold in a variety of nations, necessitating global management. This work analyses the multinational companies in international business perspective, how they benefit from it, risks they take and how they are managed in global terms.

Keywords: multinational companies, business, international business, globalization, acquisitions, business development, business growth.

Багато мультинаціональних корпорацій інвестували в іноземні країни, щоб отримати доступ до нових ринків у результаті сильної інтернаціоналізації світової економіки. Завдяки такому експансивному ринковому підходу прямі іноземні інвестиції відіграють життєво важливу роль у світовій міжнародній торгівлі. Багатонаціональні корпорації мають штаб-квартири в одній країні, а дочірні компанії, будівлі, фабрики, виробництва та інші активи в інших країнах. Ці підприємства називаються глобальними підприємствами, оскільки вони працюють у глобальному масштабі. Материнська компанія контролює та керує діяльністю в глобальному масштабі. Продукти та послуги цих компаній продаються в різних країнах, що вимагає глобального управління. У цій роботі аналізуються мультинаціональні компанії з точки зору міжнародного бізнесу, які вигоди від цього, ризики, які вони беруть на себе, і як ними керують у глобальному плані.

Ключові слова: мультинаціональні компанії, бізнес, міжнародний бізнес, глобалізація, придбання, розвиток бізнесу, зростання бізнесу.

PHEE-institute «Ukrainian-American Concordia University»

Faculty of management and business

Department of international economic relations, business and management

Educational level: **bachelor degree**

Specialty: 292 “International Economic Relations”

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APPROVED

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**TASK
FOR BACHELOR’S QUALIFICATION WORK**

Veronika Yarmonenko

(Name, Surname)

1. Topic of the work

Multinational companies in international business

Supervisor of the work *Bielova Olena, PhD in Economics, Associate professor*

(surname, name, degree, academic rank)

Which approved by Order of University from “22” **December 2022 №22-12/2022- 1c**

2. Deadline for bachelor’s qualification work submission “19” **May 2022**




3. Data-out to the bachelor’s qualification work *materials from the official reporting of financial and economic activities of the enterprise, including the international aspect, were taken from open access on the Internet*

4. Contents of the explanatory note (list of issues to be developed) *There are three main aspects, that need to be developed by a student. First - theoretical aspects of multinational companies in international business. Second - practical aspects of multinational companies in international business on the example of the real enterprise. Third - recommendations for improvement at the multinational companies in international business of the real enterprise*

5. List of graphic material (with exact indication of any mandatory drawings)

Graphs and figures for analysis of economical and statistical information on the company and its development, characteristic of organizational structure of the company, visualization of mechanism of development etc.

6. Consultants for parts of the work

Part of the project	Surname, name, position	Signature, date	
		Given	Accepted
1	<i>Bielova Olena</i>		
2	<i>Bielova Olena</i>		
3	<i>Bielova Olena</i>		

7. Date of issue of the assignment


Time Schedule

No	The title of the parts of the bachelor's qualification work	Deadlines	Notes
1.	I chapter	14.02-13.03.2022	<i>in time</i>
2.	II chapter	14.03-10.04.2022	<i>in time</i>
3.	III chapter	11.04-24.04.2022	<i>in time</i>
4.	Introduction, conclusions, summary	25.04 – 01.05.2022	<i>in time</i>
5.	Pre-defense	07.06.2022	<i>in time</i>

Student _____
(signature)

Supervisor  _____
(signature)

Conclusions: Bachelor graduate work is designed in accordance with the requirements. The paper contains theoretical aspects of the research topic, practical aspects and recommendations for improvement, including the international aspect. In terms of content and design, the work complies with the rules and is recommended for defense

Supervisor  _____
(signature)

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INTRODUCTION

Actuality of theme. International business naturally and historically develops as a result of the growth and expansion of the global division of labor as well as the creation of the global market.

A company engaging in international business is one whose primary goal is to profit from the advantages and disadvantages of conducting business internationally. These companies may be owned in different ways or have distinct divisions.

International business is a line of work that involves using capital in a variety of ways and reaping the rewards of increased company activity. It is done for profit and encompasses the global economic realm. Any commerce that is conducted between two or more countries is considered international. The process and phenomenon of international economic relations should be used to define the economic essence of international commerce. International business, as a phenomenon of international economic relations, is a way for the subjects of international economic activity to interact with one another in order to gain from cross-border cooperation. International business is a process that represents a particular type of interaction between entities. This type of interaction is distinguished by a particular structure, technique, conditions, and rules of conduct, as well as the outcomes and results that can only be attained through this type of interaction.

The subjects of international business are real participants in it as a process of interaction (individuals, contact groups or complex social structures), which are characterized by internal motives, interests, goals and ability to implement them in a particular area of international economic activity.

The main features of an international business entity are its internal motives, determination, will and ability to act to achieve its own strategic goals. Companies that develop software, hardware, or semiconductor equipment, as well as companies that provide internet or related services, make up the information technology (IT) sector. Software and services, technology hardware and equipment, and semiconductors and semiconductor equipment are the three key industry areas in the IT sector. Over the last 15 years, the sector has risen over 40 times, from \$110 million in 2003 to around \$4.5 billion in 2018. Cloud computing, IoT and robots, big data and AI, 3D printing, and blockchain are examples of new trends that are evolving and regarded to be dynamic, fast-growing industry categories.

The purpose of the study is to determine the features of multinational companies and assess the scale of their business operations in global and regional markets.

Tasks

- explore the theoretical aspects of multinational companies in international business;
- determine the nature and characteristics of international management;
- explore the globalization and internationalization of international business;
- conduct a general acquaintance with Wix.com Ltd;
- carry out the analysis of a condition and results in spheres;
- describe the activities of Wix.com Ltd;
- define marketing and logistics management;
- analyze strategic management;
- explore increased risks in international business.

The object of the research is the scale of Wix.com Ltd's activity in the market.

The subject of research is the directions of international activity of a modern company in the context of globalization.

Research methods. The following methods were used in the study: systematization method - for grouping species and traits of multinational companies; comparative analysis - to compare key performance indicators of leading multinational companies; structural analysis - to study the activities of Wix.com Ltd in the product market.

SECTION 1. THEORETICAL ASPECTS OF MULTINATIONAL COMPANIES IN INTERNATIONAL BUSINESS

1.1 The essence and characteristics of international management

International business is a set of business operations related to the crossing of national borders and the movement of goods, services, capital, workers; technology, information and data transfer, as well as executives' guidance.

International business is based on the ability to benefit from the benefits of interstate (interstate) business transactions, ie the fact that the sale of goods in another country or the establishment of a firm of one country of production in another country, or the provision of services jointly by two third countries. e. provide more benefits to the parties involved in business than they would have if they had done business in their home countries. This is a key point not only in understanding the nature and specifics of international business itself, but also in explaining the emergence and development of international management as such.

Taking into account the following aspects, the particular advantages of doing business internationally are linked to increased profitability:

- access to foreign labor markets (price, qualifications);
- access to mineral deposits and sources of raw materials;
- the desire for new markets;
- increase production and reduce costs;
- reduced currency risks;
- goods (scale effect and experience curve).

The main features of international business:

1. Entrepreneurs look to take advantage of new business prospects brought forth by:

- specifics of interstate political and economic ties guided by suitable forms of interstate interaction;
- resource Features of Foreign Markets;
- capacity of Foreign Markets;
- legal Features of foreign Countries.

2. International business varies significantly depending on the level of internationalization. The axis of development "exclusively national (domestic) business - multinational business" provides stages of growth of this level: from one-time deliveries to the foreign market to the developed structure of MNC for which R&D, production and distribution is an area that covers the entire globe and covers dozens of countries and hundreds of markets.

3. Internationalization makes any company the most approachable global business service, i.e., totally independent of nationality and focused only on economic efficiency package of different services: from scientific to financial and from transport to selection of international teams, which today allows to maximize business opportunities.

4. Considering the cultural aspect of business, or the constraints and limitations that the country's culture places on people who conduct business there (or with it). This issue is serious since there are cultural differences between the country of the company's origin and the country where it is located.

5. The most significant aspect of international business is its worldwide nature, which includes the global financial market, the global information exchange system, the global structure of technical advancement, etc. The significance of how this feature presents itself in this business, i.e. how the effectiveness of this firm is decided by the process of globalization, increases as we go through the levels of internationalization.

6. International business is a system of continuously evolving, intricately intertwined technical competence that is fundamentally superior to that offered by any domestic (national) business.

7. The best national models and global best practices are absorbed by international business.

8. The primary strategic resource is information, and the primary strategic weapon is adaptation.

9. An international firm can examine unfavorable trends in the economy (or a particular industry) in a different way since these developments may create new economic opportunities. This is the fundamental distinction between domestic and international business.

10. International business, in contrast to domestic competition, can sense the assistance of its state in the struggle against rivals in numerous implicit ways.

The software and services sector group is paid by businesses that offer internet services as well as by businesses that offer software and IT services. Internet services are offered by businesses that operate interactive or online databases, including social networks and search engines. IT services are offered by corporations to other companies as data processing or consulting services.

Additionally, software includes corporate and systems software as well as all other forms of software used in business and by consumers.. See table Table 1 below:

Industry	Sub-Industry	Description
Internet Software & Services	Software & Online Services	Companies that manufacture and sell internet software or provide internet services like interactive services or online databases. This also applies to companies whose main revenue stream is online advertising.
IT Services	Other Services & IT Consulting	Information management and IT consulting companies that offer system integration services.
	Outsourced Services & Data Processing	Organizations that deliver data processing and outsourcing services, as well as back-office automation.
Software	Application Software	Enterprise applications and technical software are developed and produced by companies for commercial and consumer use. This does not include software for home entertainment or education.
	Software for Computer Systems	Database management software and systems development and production companies.
	Home Entertainment Software	Companies that create consumer-facing entertainment and instructional software, such as video games.

Table 1.1

Furthermore, because of its underlying scientific base, widespread broadband access, highly educated personnel, and traditionally good technical education, the Ukrainian IT sector has grown fast in the global IT arena over the last decade.

1.2 Globalization and internationalization of international business

The essence of globalization is to develop relationships and strengthen the interdependence between individual countries and geographical regions of the world. There are many definitions of this phenomenon. The most acceptable definition of Ukrainian realities is:

The increasing connectivity and interdependence of national economies, national political and social systems, national cultures, and national environments constitute the content of the objective social phenomenon known as globalization.

International corporations are joining local businesses and other international competitors to form a triangle as a result of globalization. Each company must compete in three different ways.:

- 1) with a local competitor of the country;
- 2) with a foreign competitor in the country;
- 3) with foreign competitors in foreign markets.

To succeed in the context of globalization, international corporations have to offer, and local firms have to accept not individual actions of companies, but a whole set of proposals - the so-called development packages, which contain all major aspects of business: from research and personnel to advertising and capital. A comprehensive "development package," which comprises resources such as capital, technology, information, staff members who are qualified and

competent, advertising and consulting support, a sales network, etc., is needed to truly promote a corporation to the efficient production of goods and services. Of course, you can get the components of the package in installments separately from different companies and cheaper. However, eventually achieving world-class production processes is slowing down. In this regard, it is worth noting the effectiveness of the implementation of "development packages" in Ukraine of international corporations "McDonald's", "Coca-Cola", "Lukoil" and others. The combination of efforts made by national and international businesses from various nations to conduct various business operations is known as internationalization of business and management.

With the development of internationalization, forms of international business change from simple (international trade) to complex (international corporations with foreign direct investment).

The main forms of international business include:

- exports (imports);
- joint ventures;
- management contracts;
- licensing;
- multinational businesses.

The sale of goods (or services) to other nations should be highlighted as being the most basic form of international trade. This was traditionally the original and most typical type of global commerce. More than 80% of worldwide commerce today is conducted through foreign trade activities. Exports are also the least dangerous but least lucrative aspect of doing company internationally.

These characteristics compel actors in global commerce to modernize exports. Local warehousing and sales, together with local warehousing and sales, are the most prevalent examples of this modernization.

Local warehousing and sale refers to the transfer of substantial consignments of merchandise to designated warehouses in the host nation for subsequent selling of merchandise from this warehouse-shop.

This type of business allows for pre-sale and after-sale service of goods and lowers transportation costs when transporting large consignments of items per product (scaling impact).

Local assembly and sale means exporting from the home country or from third countries to the host country of components or assemblies with subsequent assembly on site at its own or leased plant of finished products with subsequent sales in both the host country and third countries.

The advantages of this form of business are the reduction of several times the amount of customs duties on the import of components compared to finished products. In addition, this form helps to increase employment in the country of assembly. Sometimes the cost of assembly is lower than in the country of the parent company due to lower costs of factors of production (labor, land, electricity, water, etc.). Both forms are quite common in the automotive business.

It should be underlined that licensing refers to the transfer of intellectual property rights to a partner from another country in exchange for receiving a specific amount of money while discussing the different types of international company. Here, intellectual property includes things like trademarks, know-how, and inventions. This form is often combined with franchise agreements. The experience of using licensing agreements in the fast food industry is well-

known, including McDonald's Corporation, which owns a network of 23,500 restaurants in 113 countries, including 40 restaurants in Ukraine. Another example is the well-known Privileged Institute of Marketing (UK), whose programs are used in more than 40 countries, including the International Institute of Business (Kyiv) in Ukraine.

Franchising is a special form of leasing agreement under which the franchisor not only sells intellectual property (mostly trademarks), but also requires strict compliance with the rules of doing business.

A company can use management contracts to move some of its management professionals to another nation to assist a foreign company there or to carry out specific management tasks there for a predetermined amount of time in exchange for payment.

The amount of the fee covers both the managers' pay and the expense of any hazards brought on by mistakes made by managers in other nations.

It is also worth noting that management contracts apply in the following situations:

- when the former owner is offered to continue managing the business and educate local managers, the receiving nation expropriates foreign investment;
- launching a new business venture where the recipient nation lacks management expertise but has the required resources and need top management with extensive experience;
- by recruiting managerial professionals from reputed overseas companies, the organization can become more effective.

Contracts for the building of businesses are a type of this business (turnkey projects). In this instance, the consumer pays for the enterprise (object) in stages

while the contractor constructs it at its own expense. Manufacturers of pertinent machinery, design, building, or consulting firms are examples of general contractors. Customers include governmental entities or huge multinational enterprises, as in the case of the oil, gas, and other mineral industries. Three steps are taken in the calculation:

1. priority (advance) payment - 10-25%;
2. current payments in the process of work - 50-65%;
3. final payment after work on the site and putting it into operation - 10-40%.

Joint ventures are international companies that have two or more founders - legal entities from different countries. This form of international business was widely used by the newly independent countries to enter foreign markets.

Bilateral joint ventures (JVs) with equal shares of 50/50 were distributed. The foreign participant often contributed capital, technology and know-how. Local founders contributed mainly to premises, equipment and other tangible assets.

1.3 Main aspects of multinational companies in international business

International corporations are businesses that receive foreign direct investment when the company owns international subsidiaries.

The most common types of international business include: exports, licensing, franchising, management contracts, turnkey projects, foreign direct investment.

Exports are the easiest way to enter international markets. The firm can set up an export department, an independent trading company, and an intermediary service to coordinate exports, which should deal with foreign buyers.

Giving other businesses the right to utilize things like patents, copyrights, software, processes, trademarks, and know-how is known as licensing. This is a method of setting up manufacturing abroad that lowers the firm's costs, generates income in exchange for the license of assets owned by other businesses, or generates income from some markets that aren't open to export.

Franchising is a method of activity in which the franchisor transfers to the franchisee (buyer) the right to use his trademark, which is the most important asset for the buyer's business and through which the seller provides ongoing assistance to the buyer in his business.

Turnkey projects are a type of international business that involves the conclusion of a contract for the construction of enterprises, which are transferred for a fixed fee to the owner, when their full readiness to begin operation is achieved.

Firms that implement turnkey projects are often manufacturers of industrial equipment.

A joint venture is an activity in which joint capital is formed, formed from the share contributions of partners of two or more countries that jointly carry out economic activities, managing the joint venture and distributing profits in proportion to the invested capital.

To understand the stages of internationalization, it is useful to use the well-known EPRG model (ethnocentrism - polycentrism - regiocentrism - geocentrism), developed by Howard Perlmutter.

Ethnocentrism (E) means the subordination of foreign operations to domestic operations.

Polycentrism (P) - taking into account the specifics of the business environment of each host country.

Regiocentrism (R) is the concentration of authority and communication at the regional level, which includes a group of host countries.

Geocentrism (globalism) (G) - means the company's activities around the world by developing cooperation between headquarters and branches to develop standards and procedures that meet both the general and local objectives of the firm.

Awareness of the essence of international management, which is a kind of general management, is of key importance in the independent study of the topic. There are many interpretations of management as a managerial activity. According to the authors of the world's most common textbook, G. Kuntz and G. Weirich, "Fundamentals of Management", translated into 13 foreign languages, management is a process of designing and maintaining an environment in which individuals working together in groups productively achieve selected goals. This definition should be supplemented by the following provisions [Koontz, Weirich, 1990, p. 4]:

Managers perform managerial functions of planning, organization, staffing, leadership, control. Management exists in any organization. Management is applied at all organizational levels. The goal of all managers is similar: to create additional value. Managers are concerned about productivity: achieving goals be economically rational. All these aspects of management are inherent in management activities of international corporations, taking into account their characteristics as objects of management.

International Management (MM) is the process of applying management concepts and tools in a multicultural environment and gaining additional benefits and time savings.

MM - a special type of management, the main objectives of which are the formation, development and use of competitive advantages of the firm due to business opportunities in different countries and the appropriate use of economic, social, demographic, cultural and other features of these countries and interstate cooperation.

The nature of international management has two main components: functions and concepts of general management - the basic component;

national management models of the mother countries in which certain international corporations were founded - a cultural component.

If the basic component is subject to scientific analysis and systematization, the culturological component is more diverse and tends to empirical observation and behavioral generalization.

**SECTION 2. PRACTICAL ASPECTS OF MULTINATIONAL
COMPANIES IN INTERNATIONAL BUSINESS AT THE FIELD
“WIX.COM LTD” ENTERPRISE**

2.1 General familiarization with Wix.com Ltd

The Israeli software company Wix.com Ltd. specializes in cloud-based web development. Users can create HTML5 websites and mobile sites using online drag and drop tools. Wix has offices in Brazil, Canada, Germany, India, Ireland, Lithuania, the United States, and Ukraine in addition to its headquarters and other locations in Israel.

A range of Wix-developed and third-party programs can be used by users to add social plug-ins, e-commerce, online marketing, contact forms, e-mail marketing, and community forums to their websites. The Wix website builder operates on a freemium model, with paid upgrades providing revenue.

Avishai Abrahami, Nadav Abrahami, and Giora Kaplan, three Israeli developers, officially launched Wix in 2006. Wix, a Tel Aviv-based company, was financed by Insight Venture Partners, Mangrove Capital Partners, Bessemer Venture Partners, DAG Ventures, and Benchmark Capital. The business launched an open beta phase with an Adobe Flash-based platform in 2007.

By the end of April 2010, Wix had amassed 3.5 million users and had secured \$10 million in Series C funding from Benchmark Capital, Bessemer

Venture Partners, and Mangrove Capital Partners. In March 2011, Wix had 8.5 million users and had secured a US\$40 million Series D round of funding, bringing its total funding to US\$61 million.

Wix has more than 180 million registered users from 190 countries around the world as of June 2020, thanks to ongoing improvements to its features upgrades and releases.

As a result of Adobe's decision to discontinue support for the Flash Player at the end of 2020, Wix stopped allowing customers to create websites in the Flash Editor, as well as receiving support for the Flash sites and deleting all of the Flash sites, therefore ending the existence of Wix's initial product.

Through affiliate programs, targeted and generic banner advertisements on other websites, social network influencers that promote the platform, and pay-per-click advertisements on search engines, social networking sites, and other websites, Wix gains new registered users. Company also gets new users through free traffic sources that lead to our platform, such as internet searches for our "Wix" name or organic search results for other key phrases related to business, user referrals, and word-of-mouth.

To connect their websites to their own domains, remove Wix adverts, use the form builder, enable e-commerce, or receive greater data storage and bandwidth, users must pay premium packages.

Wix offers customized website designs as well as a drag-and-drop HTML5 web site builder with features such as apps, graphics, image galleries, fonts, vectors, animations, and more. Users can also build their own websites from the ground up. Wix developed a mobile editor in October 2013 to allow users to adapt their webpages for mobile viewing.

Wix App Market offers both free and subscription-based apps, with the developer getting 70% of the revenue and Wix getting 30%. Customers can integrate third-party programs into their own websites, including photo feeds, blogging, music playlists, online forums, email marketing, and file management.

Acquisitions:

- Appixia: Developer of an "eCommerce" app development platform (acquired March 2014);
- OpenRest: Provider of restaurant internet ordering and mobile solutions (acquired October 2014);
- Moment.me: Mobile website builder for events, as well as marketing tools for generating social leads (acquired April 2015);
- Flok: Tools for client loyalty programs are provided by this company (acquired January 2017);
- DeviantArt: Online community for creators and fans of art and design (acquired February 2017);
- InkFrog: A web design firm that offers eBay merchants customized business management tools (acquired June 2020).

2.2 Analysis of the state and results in spheres of Wix.com Ltd. activities

Wix is a popular cloud-based web building platform with millions of users and developers throughout the world. The company was formed on the concept that the Internet should be available to everyone and that businesses and organizations should be able to take their businesses, brands, and workflow online in order to create and maintain a fully integrated and dynamic digital presence. Wix has around 197 million registered users globally as of December 31, 2020, who started the website construction process with us. Wix is a web development and management platform that offers a comprehensive and sophisticated cloud-based platform of products and services.

Businesses, organizations, and professionals now require not only a website but also a dynamic digital presence with tools to manage relationships with customers, suppliers, partners, and workers online and in real time as virtually all forms of commerce have moved online and onto mobile devices. These interactions involve both front-end and back-end activities, including communication, online marketing, booking and scheduling, social media integration, and back-end activities like billing, customer relationship management, and payment processing.

Dynamic web content and services are increasingly being used for high-level customer engagement. However, due to expenses, time constraints, a lack of expertise, and language hurdles, establishing this presence is becoming increasingly difficult for enterprises, organizations, professionals, and individuals. Professionals who develop web content, such as Wix's partners, have problems due to the intricacies of web creation and an emphasis on design requirements. The company believes there is a great opportunity to develop an

elegant, cost-effective solution that meets the growing needs of everyone who needs to create a dynamic, professional digital presence or application.

Additionally, Wix thinks there is a huge market for providing vertical Enterprise Resource Planning (ERP), marketing, mobile, customer management, and communication tools and products to help businesses manage their operations and expand online.

Company overview as of June 30, 2021, quarterly average over the last four quarters Q2'21 revenue by geography based on constant FX rates from Q2'20, on Figure 2.1 below:

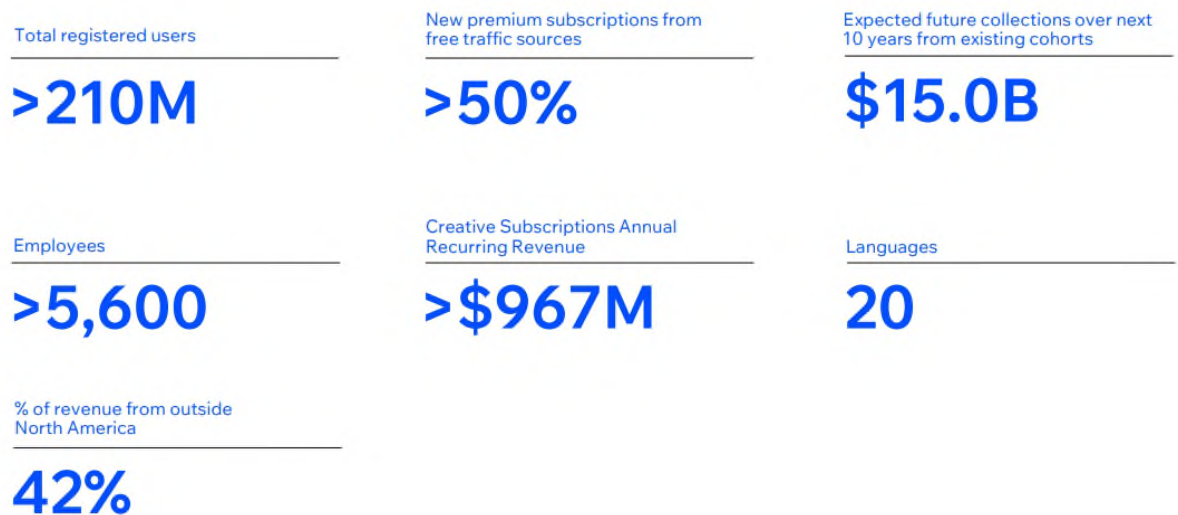


Figure 2.1

Note: Monthly Recurring Revenue (MRR) multiplied by 12 yields Annualized Recurring Revenue (ARR). MRR is calculated by adding up all of the active creative subscriptions that were in force on the last day of the period and multiplying that number by the average monthly revenue from creative subscriptions (excluding domain registrations), the average monthly revenue

from partnership agreements, and the monthly revenue from creative subscriptions.

I have worked in Wix Customer Care department, which has an innovative workflow and workforce management. Through the use of Wix Answers program, Wix Customer Care experts provide support to all of the users. Customer Care team, which is based in San Francisco, Miami, Austin, Denver, and Cedar Rapids in the United States, Kyiv, Ukraine, Tel Aviv, Israel, and Dublin, Ireland, as well as other offshore locations where Wix works with a third party, is responsible for providing both indirect and direct support to all of the registered users, including free registered users. Monitoring and updating forums for user inquiries and knowledge databases, such as our online automated ask-and-answer database, are examples of indirect help.

Customer Care representatives give web-based technical support via email and remote access software. Wix increased the breadth of Customer Care department in 2019 to provide users with a more proactive level of support as well as a more personalized experience. The purpose of this proactive and personalized support is to assist our users in finishing their websites as well as identifying other goods or services we offer that may improve their websites and the way they conduct business on our platform. We offer telephonic service in English 24 hours a day, seven days a week, around the world.

Customer Care also offer online chat help for particular locations and restricted hours. Furthermore, Wix provides users with the possibility to receive instant automated responses to support issues and leave contact information for follow-up questions, which are then answered via support tickets or a call-back service. French, Spanish, Portuguese, Italian, Russian, German, Japanese, Korean, and Hebrew are all available as well. The COVID-19 epidemic has had an impact on Customer Care team's operations, but the ability of a substantial

section of Customer Care professionals to work remotely allows Wix to maintain and develop Customer Care operations.

The development of Wix's product and service offerings, as well as the increase of addressable market, continues to benefit Wix in 2020. Overall sales in 2020 were \$988.8 million, up 30% from the previous year. The revenue from Creative Subscriptions was \$783.5 million, up 22% from the previous year. In 2020, Business Solutions revenues were \$205.3 million, up 76 percent from the previous year.

In 2020, Creative Subscriptions Revenue accounted for 79.2% of total revenue, while Business Solutions Revenue accounted for 20.8% of total revenue. Wix's ability to generate new premium subscribers and retain existing premium subscriptions, expand the adoption of business solutions, and raise revenue from existing and new premium subscriptions will all play a role in future growth. It will also be contingent on ability to successfully manage the expansion of infrastructure and respond to changes in the technologies utilized in business solutions.

Moreover, by investing in research and development efforts to expand product and improve the user experience, Wix aims to continue generating long-term growth in 2021. In addition, Wix wants to continue expanding marketing efforts both domestically and globally. Another aim is to make significant investments to extend Customer Care operations and enhance technology and network infrastructure to enable the launching of new offerings and applications, as well as to scale for future development. Wix anticipates to increase staff to support these efforts, which will result in an increase in headcount-related expenses, including share-based pay.

The following charts (Figure 2.2 and Figure 2.3) set forth the geographic breakdown of percentage of revenues for the periods indicated:

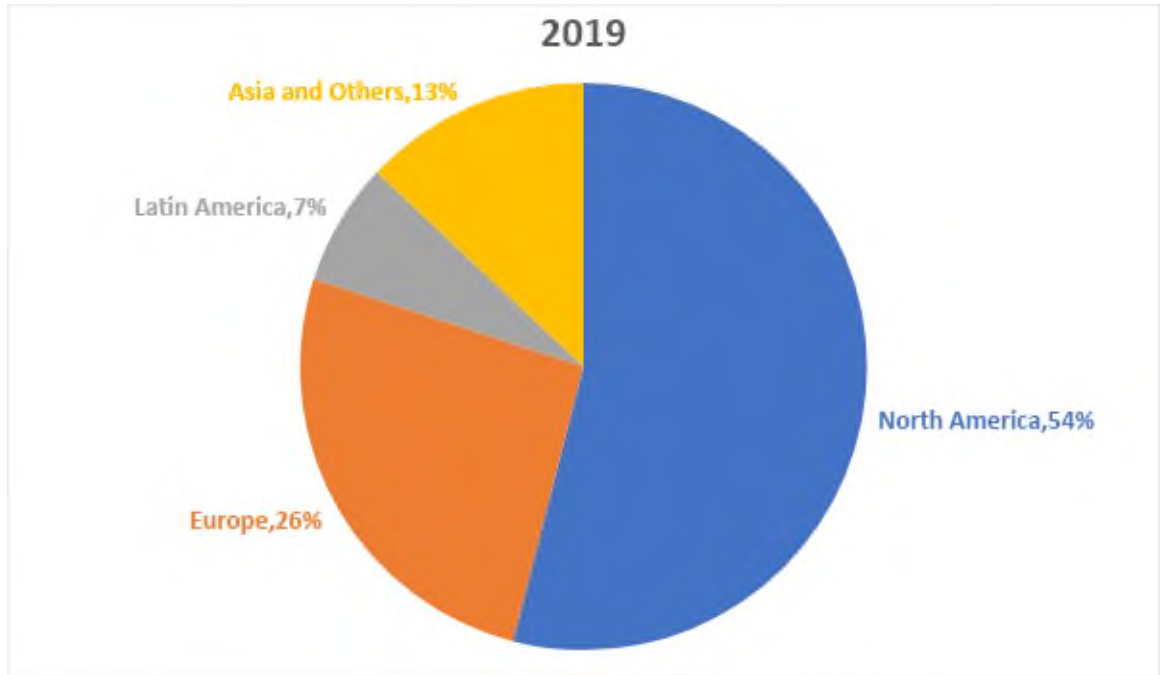


Figure 2.2

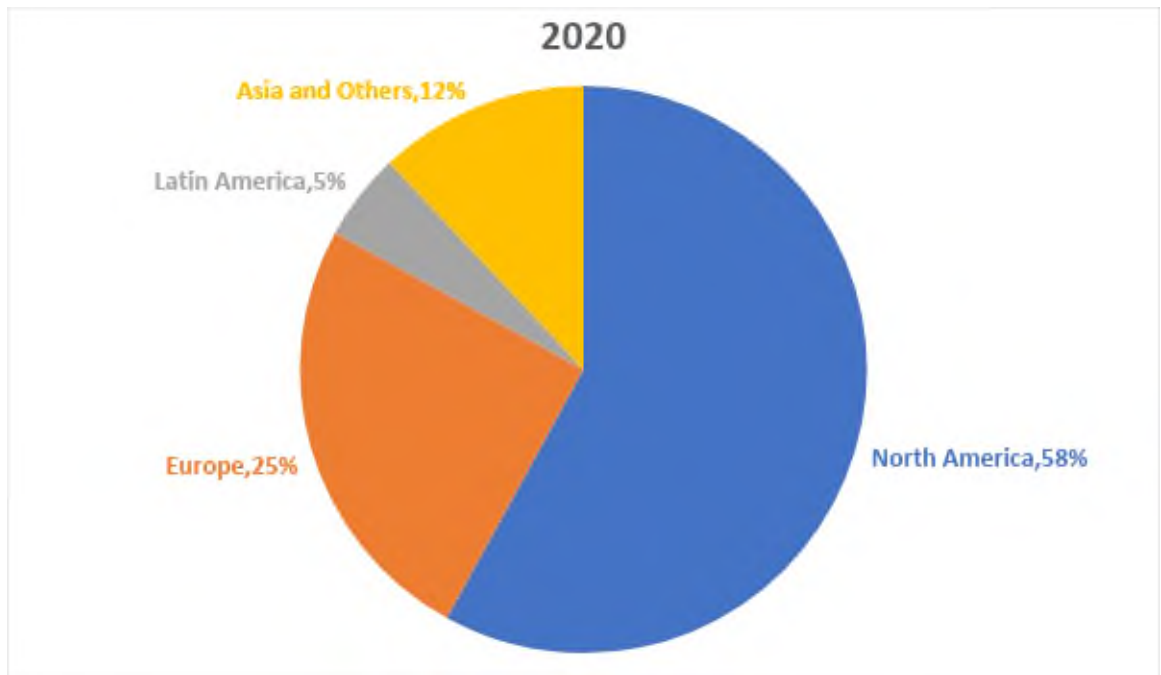


Figure 2.3

Cost of Creative Subscriptions revenues are generally made up of the distribution of expenses linked to the construction and delivery of websites and related services, such as bandwidth and hosting fees for our platform, associated call center and customer service fees, and domain name registration fees.

Cost of Business Solutions Revenue consists mostly of the funding of the hosting, support, and bandwidth costs connected with the delivery of the elements that make up the Business Solutions Revenue stream.

Research and development expenses consist mostly of employees and overhead expenditures, such as share-based pay, associated with our solutions and service development operations, such as new initiatives, quality assurance, and other relevant development activities.

Other selling and marketing expenses include share-based remuneration for employees engaged in sales, marketing, advertising, and promotional activities, as well as personnel and the associated overhead costs. Our marketing costs also include of billing fees associated with our collections' processing fees.

General and administrative expenses include share-based remuneration for executive, financial, human resources, and administrative staff, as well as personnel-related overhead expenditures. Legal, accounting, and other professional service fees as well as other corporate costs are included in general and administrative expenses.

Financial income (expenses), net consists primarily of appreciation of valuation related to holdings in a privately held company.

Taxes on income primarily are made up of deferred tax liabilities connected to investment in privately held companies that have appreciated in value. Taxes on income also include any we accrue or pay as a result of our foreign business.

The following consolidated balance sheet table (Table 2.1) sets forth results of operations in dollars of revenues for the periods indicated. Please, refer to the table in annexes.

Operating activities generated \$148.0 million in cash for the fiscal year that ended on December 31, 2020, primarily as a result of increases of \$113.3 million in short- and long-term deferred revenue balances brought on by an increase in premium subscription collections and \$194.4 million as a result of an adjustment of non-cash charges primarily related to share-based compensation expenses, depreciation, and amortization. A net loss of \$165.2 million and a rise of \$5.5 million in accrued, prepaid, and other current liabilities substantially offset these.

Operating activities generated \$149.6 million in cash for the fiscal year that ended on December 31, 2019, primarily as a result of increases of \$71.4 million in short- and long-term deferred revenue balances brought on by an increase in premium subscription collections and \$147.0 million as an adjustment of non-cash charges primarily related to share-based compensation expenses, depreciation, and amortization. These were substantially offset by an increase in accrued expenses, prepaid charges, and other current liabilities of \$17.6 million and a \$86.4 million net loss.

Wix had 3,934 workers as of December 31, 2020, with 2,378 based in Israel, 952 based in the United States, 201 based in Lithuania, 8 based in Brazil, 10 based in Canada, 7 based in Japan, 5 based in the United Kingdom, 2 based

in India, 360 based in Ireland, and 11 based in Germany. There are 3,803 full-time employees and 131 part-time employees among workforce. Wix also used the services of 694 contractors in Ukraine as of December 31, 2020, either directly or through a third-party service company.

The following table (Table 2.2) shows the breakdown of global workforce of employees and contractors by category of activity as of the dates indicated:

Department	2019	2020
General and administration	311	430
Marketing	608	907
Research and development	1,552	1,923
Support and call center	600	1,368
Total	3,071	4,628

Table 2.2

Israeli labor laws regulate a wide range of employment-related terms and conditions, including the length of the workday, employee minimum wages, hiring and firing procedures, severance pay calculations, annual leave, sick days, advance notice of termination, equal opportunity and anti-discrimination laws, and other employment-related terms and conditions. Subject to certain restrictions, Israeli law compels Wix and its employees to provide severance pay to employees who retire, pass away, or are terminated and mandates that payments be made to the National Insurance Institute, which is comparable to the Social Security Administration in the United States.

No one in Wix team is covered by a collective bargaining agreement. The Israeli Ministry of Economy has issued extension orders that apply to company and affect things like salary cost of living adjustments, working hours and weeks, recuperation pay, travel expenditures, and pension entitlements.

Wix has never had any work stoppages or strikes due to labor disputes, and believes working relationships with employees are satisfactory.

The workplace at Wix.com is inclusive and diverse. This means that Wix.com recruits, hires, trains, promotes, pays, and manages all personnel decisions without taking into account factors such as race, color, religion, sex, sex stereotyping, gender, gender identity, or gender expression. Other exclusions include age, national origin, mental or physical disability, ancestry, medical condition, marital status, status as a member of the military or a veteran, citizenship status, sexual orientation, or a variety of other factors.

From the very beginning Wix's culture always thought that when great individuals get together to collaborate on great projects, great things happen. To do so, personnel are all aware that they must be exceptional in their fields of expertise or make special efforts to become such. Wix believes that you should strive to be the best you can be, and that you should constantly strive to improve.

Because Wix wants all their great employees to do great things, they (employees) need to know what's going on, what the plans are for the future, what's worked, what hasn't, and why. Wix believes that transparency should extend from management to employees and vice versa, and that everyone should be able to obtain all the information they require or desire.

Wix's executive officers, directors, and all other workers are bound by a code of ethics and ethical corporate behavior. Every employee of Wix.com Ltd. and its subsidiaries get a copy of the code, which is also available to investors and others on the website at <http://investors.wix.com> or by contacting investor

relations department. Any revisions or waivers to this code for executive officers or directors shall be posted on the website within five business days of their effective date. Wix has also implemented a code of ethics and good business behavior training program for new and existing personnel.

2.3 Marketing and logistics management

In the Summer of 2021 Wix has launched a very controversial and tremendous marketing campaign with comparison of Wix with WordPress. The corporation takes direct aim at the massively popular content management system (CMS) WordPress in its new cryptic marketing campaign dubbed "You Deserve Better."

Wix started their promotion by sending out Bose noise-canceling headphones to prominent WordPress users and influencers. Following the publication of the first video, which was emailed to WordPress influencers, Wix has produced six more videos that all address common WordPress issues.

Hackers, the update button, competing WordPress plugins, continuous updates, the White Screen of Death, and having to rely on self-help tutorials for support are all discussed in these movies. The rest of the videos, unlike the first, include both a WordPress developer and the man who personifies the CMS. The two appear to be in treatment, and the developer appears to be having difficulty coping with WordPress concerns. The developer even makes a reference to Apple's classic PC versus. Mac commercials in one video, explaining that WordPress vs. Wix is nothing like it.

Wix's campaign aims to alleviate those issues with a sense of self-awareness and humor, but it risks alienating those who are already turned off by the company. The low-budget method, in which the commercials were shot in-house with real employees, reflects a pandemic-driven production tendency that may yet relate with audiences.

Friendly competition is something Wix's CEO Avishai believes in. By competing, competitors push each other. "When users mentioned difficulties with Wix, such as SEO and performance, we didn't complain; instead, we took ownership of the problem and worked hard to resolve it. Thank you, WordPress, for pushing us to be better. We now have amazing SEO and performance is almost where it should be" – Avishai said.

In order to improve and diversify its internet marketing operations, Wix uses search engine optimization and A/B testing. An advertising strategy called A/B testing seeks to determine which adjustments to our website would maximize or boost user interest, premium membership purchases, and continued adoption of our company solutions. Wix further assumes that it is possible to forecast future user behavior by extrapolating from past behavior. As a result, we design our marketing campaigns to encourage user actions that will result in the desired results in the future, such as the adoption of business solutions to enable such premium subscription purchases and the acquisition of premium subscriptions.

To maintain and grow revenues, Wix must continually optimize and diversify marketing campaigns and strategies with the goal of acquiring new registered users, particularly those who are more likely to purchase premium subscriptions, increasing the revenue per premium subscription acquired, and increasing sales efforts with the goal of acquiring new partners. Advertising expenses were \$282.8 million, \$187.3 million, and \$165.3 million, respectively, for the years ended December 31, 2020, 2019 and 2018, representing 26 percent, 25 percent, and 27 percent of our sales, respectively.

Globalization and cross-border activities is the process of increasing people's, organizations', and governments' political, social, and economic interaction and integration. Globalization has accelerated as a result of advancements in transportation and communication technology, which have made it easier to communicate and travel across boundaries. It has resulted in a major growth in internal trade, idea exchange, and cultural diversification. Several well-known corporations have taken advantage of globalization to expand their operations into other countries. Wix, for example, has grown its business activities abroad as a result of globalization and globally recognized brands.

For the Wix.com, the concept of cross-border has been extremely important because it has allowed them to expand their business in numerous countries throughout the world. As a result of internationalization, the company now serves millions of customers in over 190 countries throughout the world. A stakeholder is a person, a group, or an organization that has a direct or indirect interest in a firm and can be influenced by its choices or policies. Wix's stakeholders include customers, employees, suppliers, and the community, all of whom are affected by globalization in both positive and negative ways.

Wix must continue to develop new solutions, apps, and additions to the existing platform in order to remain competitive, which means a company must compete with many other organizations for software developers with extensive experience designing, building, and managing cloud-based software. Wix's main research and development operations are based in Tel Aviv, Israel, and company face stiff competition for qualified developers in this region, especially given the growing number of local companies expanding their development operations and the growing number of multinational corporations establishing a presence in Israel.

Wix also works with developers in Ukraine, Lithuania, and Germany to take advantage of the larger pool of talent available in each of those regions. Many larger organizations invest far more in employee recruitment and may be able to provide more attractive compensation and incentive packages than we can. Wix's business, prospects, and operating performance might be severely harmed if the company is unable to attract or keep sufficient qualified research and development, marketing, operations, and Customer Care professionals in existing or new locations.

A business could suffer if they lose any of our key staff and fail to manage a smooth transition to new personnel. Other team members may be persuaded to leave alongside key employees, resulting in a further loss of talent for the company. None of the executive officers or other important people are covered by key person insurance. Wix has non-compete restrictions in the employment and services agreements with the executive officers and key staff. Wix may not be able to keep these officials and employees despite these agreements.

Furthermore, as a result of rapid expansion, which has elevated the company's image, all workers may be increasingly sought for recruitment by competitors and other technological businesses, making it more difficult for Wix to keep employees and/or increasing retention expenses.

On their taxable income, Israeli enterprises are normally liable to corporate tax. Since 2018, the basic corporate tax rate in Israel has been 23%.

An Industrial Company, however, may have to pay a reduced effective tax rate if it obtains income from an Approved Enterprise, a Beneficiary Enterprise, a Preferred Enterprise, a Special Preferred Enterprise, a Preferred Technology

Enterprise, or a Special Preferred Technology Enterprise. The corporation tax rate in place at the time is applied to capital gains made by an Israeli company.

The management of Wix is in charge of establishing and maintaining adequate internal controls over financial reporting. Internal control over financial reporting is a procedure developed by, or under the supervision of, the chief executive and chief financial officers, or individuals performing similar functions, in order to provide the board of directors, management, and other staff with reasonable assurance about the accuracy of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles:

- concern the keeping of records that fairly and honestly reflect the exchanges of assets and their dispositions;
- provide a reasonable level of assurance that transactions are properly documented to support the production of financial statements in line with generally accepted accounting principles and that only management and director authorizations are used to fund receipts and expenditures;
- provide a reasonable level of assurance for the prevention or early identification of any illegal asset acquisition, usage, or disposition that could have a major adverse effect on financial statements.

The board of directors approved an extension to repurchase plan on November 10, 2020, under which up to \$300 million is available to purchase ordinary shares and/or Convertible Notes, and the plan was approved by an Israeli court on December 30, 2020. Repurchases are permitted under the plan, as granted by the Israeli court, until June 30, 2021, and Wix aims to file extension requests as needed.

Share repurchases may be made in open market or privately negotiated transactions, and they may be done at any time, based on market circumstances, share price, trading volume, and other variables deemed acceptable by the board of directors. The board of directors has the authority to stop and/or terminate the program at any time. All share repurchases shall follow all applicable securities rules and regulations. In 2020, Wix did not buyback any shares. To have a closer look at changes in shareholder's equity, see the Table 7.1 on page 24.

Management must make estimates, decisions, and assumptions that impact the amounts shown in the consolidated financial statements and associated notes when preparing consolidated financial statements in accordance with US GAAP. Examples of accounting estimates requiring management's subjective judgments include revenue recognition, income taxes, share-based compensation, purchase price allocation on acquisitions, including determination of useful lives, incremental borrowing rate ("IBR"), convertible note borrowing rate, and contingent consideration. The Company reviews its projections and conclusions on a regular basis and makes any necessary revisions.

The novel coronavirus ("COVID-19") pandemic has produced, and is likely to continue to create, enormous macroeconomic uncertainty. The Company assessed the impact of COVID-19 on its estimates and assumptions and concluded that the consolidated financial statements for the year ended December 31, 2020 would be unaffected. The Company's estimates and assumptions may change considerably in future periods as events unfold and new information becomes available. Statement of changes in shareholder's equity can be found in annexes as Table 2.3.

The functional currency of the Company's subsidiaries is the currency of the principal economic environment in which the subsidiary operates; typically,

this is the currency in which a subsidiary generates and expends cash. The Company examines cash flow data, local market indicators, financing indicators, and the subsidiary's relationship with both the parent company and other subsidiaries when determining the suitable functional currency for the subsidiaries. The U.S. dollar is the functional currency for subsidiaries that are largely a direct and integral component or extension of the parent entity's business. The Company generates a significant amount of its financing activities in U.S. dollars, including equity transactions, cash investments, costs, and revenues. The management of the Company thinks that the US dollar is the currency of the key economic environment in which it works. As a result, the Company's functional and reporting currency is the US dollar.

The company distributes its products to clients directly as well as through a reseller network. In some situations, the Company operates as a reseller of third-party items. The decision to recognize gross or net revenue is made on a product-by-product basis and is based on the Company's evaluation of whether it acts as principal or agent in the transaction.

Revenue from the Company's network of resellers, certain domain sales, third-party offerings such as Google's G-Suite application, and fees related to Payments by Wix are recorded on a gross basis because the Company has determined that it controls the product before transferring it to the end customers, is responsible for fulfilling the promise to provide the service, and is the primary obligor. Revenues from third-party software applications are recognized on a net basis since the Company does not control the product or service before it is transferred to the customers.

**SECTION 3. IMPROVEMENT AT THE MULTINATIONAL
COMPANIES IN INTERNATIONAL BUSINESS AT THE FIELD
“WIX.COM LTD” ENTERPRISE**

3.1 Strategic management

Wix uses a competitive strategic management strategy. Although the functional strategy is not overlooked, Wix is largely concerned with competitive strategy. Competitive strategy is described as a company's long-term strategy for gaining a competitive advantage over its industry competitors. Its objective is to forge a defensive position in a specific sector while also delivering a greater return on investment (Return on Investment). Such strategies are essential when consumers are presented with essentially identical products in a highly competitive industry.

Wix reviews prospective strategic acquisition or investment options from time to time to support strategic business ambitions. Any transactions company makes could have a significant impact on the financial condition and results of operations. Wix also purchased InkFrog, Inc., based in the United States, in February 2020, and SpeedETab, Inc., based in the United States, in February 2021. The process of integrating an acquired firm, business, or technology may result in unexpected operational challenges and costs.

Furthermore, acquired goodwill and other intangible assets could make up a sizeable portion of the company's purchase price, which needs to be assessed

for impairment at least once a year. If acquisitions do not produce the anticipated returns or if the valuations underpinning business acquisitions or investments change, Wix might be required to take charges to our operating results based on this impairment assessment process in the future. This could have a detrimental effect on the company's financial performance.

Diversification is another form of strategic management planning. Many businesses fail because they only have one product or rely on a small number of major clients. The company may need to allocate resources and spend a sizable sum of money in the future to build, buy, and lease data centers and equipment, as well as to upgrade the technology and network infrastructure in order to handle increased customer traffic and transactions or to comply with data protection laws in the jurisdictions where Wix provides its services. Additionally, the company will need to invest more resources in enhancing our infrastructure and advancing its scalability in order to keep our platform and solutions operating effectively as the user base expands and users depend on the Wix platform for more complicated activities, such as Editor X and Velo by Wix.

The competitive strategy of Wix tries to achieve a competitive advantage over competitors in the marketplace and be innovative with their services. Moreover, methods that lead to some distinctiveness in the marketplace and high perceived value in the eyes of customers provide a competitive edge.

In general, Wix's operational results and future revenue prospects will suffer if it is unable to attract new premium subscribers, keep existing premium subscribers, increase the adoption of business solutions by new or existing users, or increase revenue from each existing and new premium subscription, including through the adoption of business solutions. well.

The selling of premium subscriptions and other business solutions is how Wix makes the majority of their income. The rate at which the registered users upgrade the free web development, design, and management software the platform offers them to premium subscriptions with their own branding and purchase additional business solutions tailored for more specific business needs drives the growth of the premium subscriptions base. Furthermore, direct sales of premium subscriptions to partners who sell Wix's solutions on a bigger scale to their clients have an impact on the quantity of premium subscribers.

The rate at which premium subscriptions are renewed has a big impact on the total number of premium subscriptions and, as a result, our revenue. One of the most important factors influencing renewal rates is whether premium subscriptions are for a year or less. Premium memberships that renew on a yearly or multi-year basis have fewer chances of not renewing than monthly subscriptions, whether intentionally or due to a failure to update payment details prior to expiration. Yearly and multi-year premium membership packages accounted for about 85 percent of all active premium subscriptions as of December 31, 2020.

The marketplaces in which Wix competes are defined by ongoing change and innovation and anticipate that this trend will continue. Wix's success has been built on the ability to recognize and anticipate users' needs, and to design products that give them the tools they need to run their businesses. Wix's ability to improve the look, functionality, performance, security, design, and reliability of solutions and services, including integrated third-party business solutions, will determine the future success in attracting new users, including new demographics of users, and increasing premium subscriptions and the revenue Wix generates from each subscription.

In order to better serve users, Wix invests a lot of time and money in the research and development of new and improved solutions and service offerings. This includes developing vertical solutions for particular business segments, different design elements like custom colors, fonts, and content, as well as other features like Editor X, a new responsive editor targeted at design professionals. To update, build, test, and integrate new and better services and solutions into the platform, the design team and engineers may take several months. Additionally, a considerable sum of money must be allocated to marketing in order to introduce these new and improved design solutions, services, and components.

Furthermore, due to language difficulties, an unfamiliar regulatory landscape, and cultural variations, the foreign branding initiatives may be unsuccessful, and Wix may thus be unable to create significant brand acceptance in new markets and geographic areas. Furthermore, if customers have a terrible experience with Wix-integrated third-party applications and websites, that experience may negatively impact the brand. Independent site designers can use the Wix Marketplace to sell their services to users who contact them directly. We make no assessment of these designers' qualifications.

In comparison to older and more established industries, Wix operates in a relatively fresh developing market whose development can be difficult to anticipate and may not develop as predicted. Furthermore, Wix has recently boosted their attempts to market services to partners and other client categories with which they are unfamiliar.

Wix should presume regarding their future prospects in light of the difficulties and uncertainties the company faces, including the fact that the

company has experienced rapid growth and it may be difficult to fully understand the trends that they are subject to, that the COVID-19 pandemic and its associated restrictions may obscure such trends, that the company operates in a still-evolving market, and that some of the company has been acquired.

In order to maintain operations or follow their expansion plan, Wix might need to acquire more money, but they might not be able to do so in a timely manner or under satisfactory terms. In order to finance growth, create new products and services, make acquisitions, or make other expenditures, Wix may occasionally look for additional equity or debt financing. Wix's business strategies could be altered, the market's overall economic, financial, or political climate could change, or other things could happen that would significantly affect the cash flow and anticipated cash requirements. Any of these events or circumstances could call for further investment, which would force the business to raise more money.

At this time, it is hard to forecast the timing or amount of any such capital requirements. If funding is not available on favorable terms, or at all, Wix may be unable to expand the business or generate new business at the required rate, and operating results may suffer.

On the Figure 3.1 below, we may see the history of continuous innovation and growth initiatives:



Figure 3.1

3.2 Increased risks in international business

A firm engaged in foreign economic activity is more at risk than a firm engaged in business within one country. Therefore, enterprises that start their activities abroad need an objective assessment of the international environment. To conduct such an assessment in international management identify factors that affect the activities of the enterprise abroad: economic, political, legal, socio-cultural and technological.

Economic factors. It is crucial to consider the state's type of economic system, level of economic development, per capita income, GDP dynamics, accessibility to the necessary infrastructure, and currency convertibility when examining economic aspects. Multinational firms are thought to operate mostly in industrialized nations, where around 75% of foreign investment is focused. The balance of payments, which includes the amount of products and services, loans, gold, other earnings, and government payments, is a crucial economic statistic.

The main indicator of the country's balance of payments is the trade balance, as the difference between exports and imports. The constant trade deficit indicates a weak use of the country's export opportunities. Ukraine continues to have an imbalance between exports and imports, when imports generally outweigh exports. The analysis of economic factors should also take into account the unemployment rate in the host country. This is especially

important when calculating the purchasing power of the population and in determining the possibility of involving local specialists in the work of branches.

Political and legal factors. It is known that political and legal conditions affect the ability of an international company to do business in the host country. Two factors should be taken into account here: political risk and the level of state regulation of business activity. Political risk is the possibility of making unforeseen political decisions and actions that could lead to losses for the company and its owners. Therefore, when entering the market of another country should take into account the form of government, political ideology, government stability, the influence of the opposition, the activity of terrorists. Administrative protection, which is based on various rules and regulations that create certain difficulties for foreign firms, has a cardinal impact on international business. Therefore, political and legal factors include tax legislation, legislation on foreign property, the creation of customs borders and the introduction of restrictions on imports and exports.

Socio-cultural factors are the environment, which includes approaches, behavior, values, norms that characterize this geographical area. This environment includes customs, norms, language, demography, standard of living, social institutions, lifestyle, religion, attitudes towards foreigners, literacy level.

3.3 Improvement of multinational companies in international business

Technological factors are a very important element, because the level of technology in different countries affects the nature of markets and the company's ability to operate. Technological elements are also important for competition in the world market. Technological factors include legal norms of technology exchange, availability and cost of energy, natural resources, transport network, workforce skills, patent protection, information flows.

An important factor in the effectiveness of international management is the adaptation of the firm to the environmental conditions of its activities abroad. The following factors of adaptation are distinguished in international management: legal norms, national affiliation of the company's staff, local customs, industrial relations, competition, consumers, technology, economy. Next I will give a more detailed description of each of these factors.

Legal norms are the legislation of the host country. Compliance with the laws of the host country is a necessary condition for the effectiveness of the company abroad, it is especially important to take into account the national specifics of legal norms. In Japan, for example, businessmen prefer not to refer to legislation in contracts and not to involve lawyers in negotiations, thus emphasizing their trust in the partner.

National affiliation of the company's staff. Cultural and national differences between people of different countries affect the style of management. Local staff managers have a number of advantages over employees and employees of the country where the parent company is located. First of all, the specialists hired on site are familiar with the customs and

traditions of the host country, know better the specifics of the local market, the tastes and demands of consumers. However, they may not know the technology of the parent company well enough. The staff of the parent company is often more qualified than the local staff and does not require training.

Local customs. Very often the customs, norms of business and business ethics of the host country differ sharply from the norms adopted in the country of the parent company. For example, in some developing countries, it is difficult for businesses to do business without bribing officials.

Production relations. Before starting a business, international managers should study the principles of existing industrial relations in the host country, special attention should be paid to trade union activities and labor laws.

Competition. With the entry into the world market, the company faces a higher level of competition compared to activities in the domestic market.

Consumers. Demands and tastes of consumers in different countries differ. Therefore, it is important for an international manager to study the features of consumer demand in the country where the products are sold. In practice, such a task is carried out through the selection of personnel for the sale of products and services in different countries. Such personnel must include specialists from the host country.

Technology. International companies have a high level of scientific and technological progress. Compared to companies operating in domestic markets, these companies are more likely to upgrade equipment, technology and product ranges by sharing technology with the most prosperous companies in other countries. Technology exchange is increasingly taking the form of joint ventures or strategic alliances.

Economy. The main difficulty of adapting to the environment abroad in the economic aspect is the uneven level and pace of development of the national economy of different countries

CONCLUSIONS AND PROPOSALS

The study allows us to draw the following conclusions:

1. Theoretical aspects of multinational companies' activity in international business are studied. The competitiveness of an international company is determined by its internal characteristics. To do this, it is necessary to assess the strengths and weaknesses of the company, identify resources, as well as its capabilities and innovation potential. In this way the material and financial assets, technological, production and sales capabilities of the company are analyzed. The obtained results are used in formulating and developing the company's strategy. It is necessary to take into account the benefits of the international division of labor (human resources, location of production facilities, sales channels, financing and lending units), starting from the stage of procurement and ending with the sale of products.

2. The essence and features of international management are determined. It is important to increase the competitiveness of an international company to constantly analyze the cost of production and sales, assess the ratio of costs of own production and the cost of purchasing similar products. Another important factor in the competitiveness of international companies at this time is to minimize damage to the environment. The environmental factor is becoming one of the most important components of the company's costs, so already at the stage of product development it is necessary to take into account the existing requirements of the host country in the field of environmental protection.

3. The globalization and internationalization of international business are studied. Achieving production efficiency, cost optimization, as well as efficiency in the field of market activities is associated with increasing requirements for intra-firm management system.

4. General acquaintance with Wix.com Ltd.mAnother factor in the success of an international company is the creation of an information system that ensures effective and timely decisions. This can be achieved through the use of information and communication technologies that enable the rapid receipt and exchange of information within all divisions of the company.

5. The analysis of a condition and results in spheres is carried out. With regard to personnel management, there is a gradual disappearance of clear distinctions between different categories of workers. Intellectualization of work, lifelong learning are becoming the most important means of improving the efficiency of the firm. Much attention is paid to the formation and management of the company's culture, the problems of conflict management.

6. Described Wix.com Ltd.'s operations. For millions of creators using the Software-as-a-Service (SaaS) business model, Wix is a significant, global web development platform. The Wix platform allows users from all over the world to create, manage, and expand an entirely integrated and dynamic online presence. Wix is a leader in a new approach to web development and management by offering a complete and potent cloud-based platform of products and services on which any business, organization, or brand can be established and managed online.

7. Marketing and logistics management is defined. Businesses all across the world have been affected by the COVID-19 outbreak. While we cannot predict the duration or scale of the COVID-19 pandemic, Wix business has so far been unaffected, but they are unsure of the long-term ramifications of COVID-19's effects. Wix has migrated many of staff to remote working arrangements to guarantee their health and safety. Wix's employees' productivity hasn't suffered as a result of the move, and our business hasn't suffered as a result of it. Company has to continue to assess the situation, including abiding by any government-imposed restrictions, market by market, due to the ambiguity of COVID-19.

8. Strategic management is analyzed. The forward-looking statements are based on my current opinions, assumptions, and performance expectations, as well as the information currently available to me. These are only forecasts based on the current expectations and assumptions for future events. There are numerous risks that could cause the actual results, levels of activity, performance, or accomplishments to differ substantially from the forward-looking statements' expressed or implied results, levels of activity, performance, or achievements.

9. The increased risks in international business are investigated. These forward-looking statements include statements about the business's potential or assumed future performance, financial situation, operating results, liquidity, goals, and objectives:

- attract and keep registered users while also generating new premium subscriptions;
- increase income from premium subscriptions and business solutions sold through partners;

- new products and developments, as well as third-party products Wix will offer in the future within the platform, will be well received by customers, as evidenced by the growth in market adoption of online commerce solutions;
- historical user behaviour can be extrapolated to predict future user behaviour. Historical user behaviour can be extrapolated to predict future user behaviour.
- sustain and improve the reputation and brand;
- to hire and keep competent staff and essential personnel;
- access new markets and attract new client demographics, as well as the ability to attract new partners and grow our partners' activities as planned.

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ANNEXES

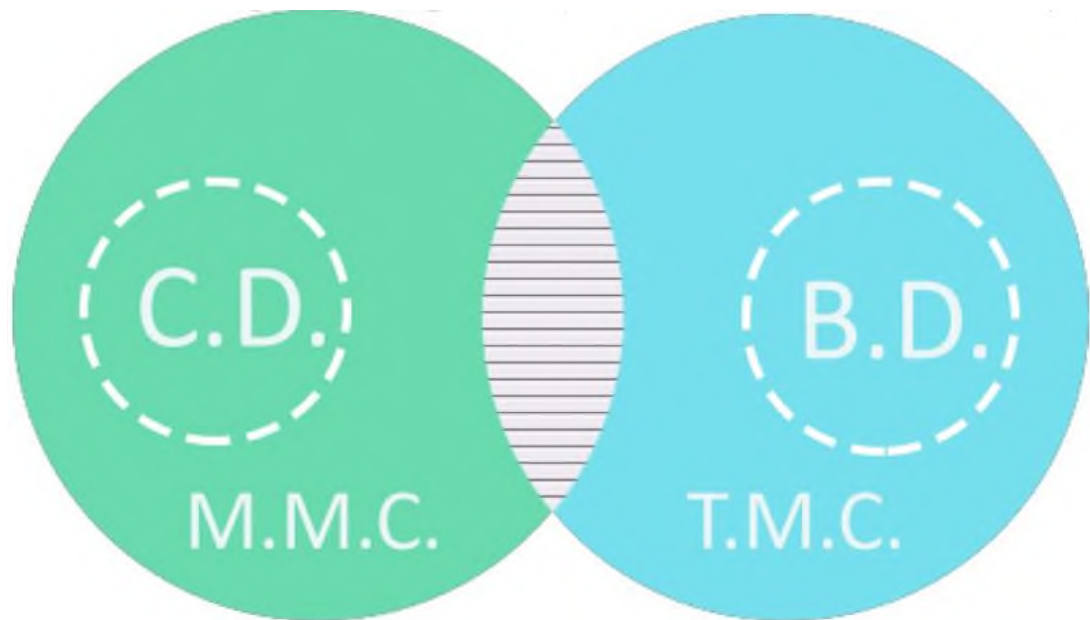


Fig. 3.1. Business and Corporate Diplomacy as multinational companies management activities

CONSOLIDATED BALANCE SHEETS - USD (\$) \$ in Thousands	D ec. 31, 2020	D ec. 31, 2019
CURRENT ASSETS:		
Cash and cash equivalents	\$ 168,858	\$ 268,103
Short-term deposits	5 77,138	2 94,096
Restricted deposits	9 25	1, 149
Marketable securities	2 89,927	1 64,301
Trade receivables	2 3,670	1 6,987
Prepaid expenses and other current assets	4	1

	0,666	9,211
Total current assets	1, 101,184	7 63,847
LONG-TERM ASSETS:		
Prepaid expenses and other long-term assets	8 7,680	9, 926
Property and equipment, net	3 5,863	3 1,706
Marketable securities	5 36,877	1 77,298
Intangible assets, net	1 9,281	1 9,841
Goodwill	2 4,235	1 7,800
Operating lease right-of-use assets	8 8,406	7 9,249
Total long-term assets	7 92,342	3 35,820
TOTAL ASSETS	1, 893,526	1, 099,667
CURRENT LIABILITIES:		
Trade payables	7 9,881	3 7,687
Employees and payroll accruals	7 0,814	4 1,938
Deferred revenues	3 73,521	2 89,148
Accrued expenses and other current liabilities	7 0,429	5 6,464
Operating lease liabilities	2 2,336	1 8,949
Total current liabilities	6 16,981	4 44,186
LONG-TERM LIABILITIES:		
Convertible notes, net	8 34,440	3 58,715
Long-term deferred revenues	5 0,867	2 1,969
Long-term deferred tax liabilities	1 5,343	1, 585
Long-term loan		1, 219
Long-term operating lease liabilities	7 4,187	6 4,244
Total long-term liabilities	9 74,837	4 47,732
TOTAL LIABILITIES	1, 591,818	8 91,918
SHAREHOLDERS' EQUITY:		
Additional paid-in capital	8 62,134	6 11,083
Accumulated other comprehensive income	9, 406	1, 357
Accumulated deficit	(5) 69,939	(4) 04,785
Total shareholders' equity	3 01,708	2 07,749

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,893,526	\$ 1,099,667
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Table 2.1

	Ordinary Shares	Additional paid-in capital	Other comprehensive loss	Accumulated deficit	Total
Balance at Dec. 31, 2018	\$ 88	4 72,239	(1,691)	(3 18,371)	1 52,265
Balance, shares at Dec. 31, 2018	49,2 69,626				
Exercise of options and ESPP shares	\$ 6	2 9,368			2 9,368
Exercise of options and ESPP shares, shares	2,25 6,293				
Share-based compensation		1 09,476			1 09,476
Other comprehensive income (loss)			3,048		3, 048
Net loss				(8 6,414)	(8 6,414)
Balance at Dec. 31, 2019	\$ 94	6 11,083	1,357	(4 04,785)	2 07,749
Balance, shares at Dec. 31, 2019	51,5 25,919				
Exercise of options and ESPP shares	\$ 13	3 6,096			3 6,109
Exercise of options and ESPP shares, shares	4,50 1,124				
Share-based compensation		1 47,439			1 47,439
Equity Component of Convertible senior notes		6 7,337			6 7,337
Conversion of		1			1

Convertible senior notes		79			79
Conversion of Convertible senior notes, shares	715				
Other comprehensive income (loss)			8,049		8,049
Net loss				(165,154)	(165,154)
Balance at Dec. 31, 2020	\$ 107	\$ 862,134	\$ 9,406	\$ (569,939)	\$ 301,708
Balance, shares at Dec. 31, 2020	56,027,758				

Table 2.3. Statement of changes in shareholder's equity U.S. dollars in thousands (except share data)