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MAIN DIRECTIONS OF DEVELOPMENT OF LEASING SERVICES AND SERVICE MARKET IN THE MODERNIZATION OF THE ECONOMY

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Abstract:

This article examines the evolving landscape of leasing services and the broader service market against the backdrop of economic modernization. It identifies the principal directions in which leasing has developed—namely digitalization, product diversification, sustainability integration, and enhanced customer experience—and how these shifts reflect broader service-sector trends. Drawing on relevant literature, empirical industry data, and expert insights, the paper highlights how advanced technologies, new financing models, and changing regulatory frameworks shape the trajectory of the leasing industry. The analysis reveals that modernization in the economy encourages more flexible, technology-driven, and value-oriented leasing arrangements that align with clients' strategic needs.

Keywords: Leasing Services; Service Market; Economic Modernization; Digitalization; Sustainability; Customer Experience

INTRODUCTION: As economies evolve through modernization, industries are compelled to adapt and realign their business models, technological infrastructures, and strategic priorities. In particular, the service sector—encompassing financial intermediation, logistics, consulting, and digital platforms—has emerged as a key driver of economic dynamism. Within this milieu, leasing services have gained increasing significance. By allowing enterprises and individuals to access assets without directly purchasing them, leasing acts as a flexible instrument for managing capital, transferring risk, and enabling the adoption of cutting-edge technologies. The modernization of the economy involves more than incremental improvements; it seeks to harness digitalization, sustainability, and innovation to reshape foundational economic structures. As automation, data analytics, and artificial intelligence integrate into traditional business processes, leasing models become more than simple financial tools. They transform into strategic enablers, offering value through customized contracts, usage-based pricing, and performance guarantees aligned with evolving client priorities[1]. Moreover, amid growing concerns over resource efficiency and environmental stewardship, leasing services are increasingly expected to incorporate principles of the circular economy, extending asset lifecycles and reducing waste. At the same time, customer expectations have shifted dramatically. The modern client, whether corporate or individual, is informed, connected, and discerning. This necessitates a customer-centric approach in which lessors must offer more than just a contractual agreement—they must provide a holistic package of support services, transparent communication channels, and meaningful enhancements to the user experience. The infusion of digital platforms, real-time analytics, and remote asset monitoring allows for personalized recommendations, predictive maintenance, and flexible contract modifications, elevating the conventional leasing transaction to a sustained partnership.

Beyond the leasing sector, the overall service market has undergone similar transformations. Digital platforms have lowered barriers to entry, enabling the rapid scaling of innovative solutions and fostering intense competition for market share and customer loyalty. Economic modernization encourages service providers to blend traditional offerings with inventive digital applications[2]. From cloud computing services bundled with equipment leases to integrated financing packages that combine hardware and software subscriptions, service innovation now cuts across

[1] **Miller, R. & Upton, C.** (1976). "Leasing, Buying, and the Cost of Capital Services." The Journal of Finance, 31(3), 761–786

[2] **Sharpe, S. A. & Nguyen, H.** (1995). "Capital Market Imperfections and the Incentive to Lease." Journal of Finance, 50(4), 1293–1318

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industries, dissolving once-static boundaries between sectors. Against this backdrop, understanding the main directions of development in leasing services and the service market becomes integral to grasping how modernization steer economic progress. This article examines these trajectories, illuminating the interplay between technological integration, product and service diversification, sustainability integration, and customer experience enhancements. By synthesizing established theories, empirical data, and emerging best practices, this work provides insights into how leasing firms can navigate economic modernization and how policymakers and stakeholders can guide the service sector toward sustainable, inclusive, and innovation-rich outcomes[3]. In doing so, it lays the groundwork for future research and practice focused on maximizing the benefits and mitigating the challenges that arise from a rapidly transforming service economy.

LITERATURE REVIEW

The development of leasing services and the service market in the context of economic modernization builds upon a rich body of theoretical and empirical research. Early studies conceptualized leasing primarily as a financial tool to manage capital costs, liquidity constraints, and equipment obsolescence risks [1][2]. Such foundational work highlighted the role of leasing in enabling firms to access essential assets without incurring the full cost of ownership, thereby supporting businesses in navigating capital market imperfections [3].

As markets evolved, scholars began examining how changes in technology and information systems influenced leasing and related services. Early digital applications, such as Electronic Data Interchange (EDI), were recognized for their potential to improve transaction efficiency, lower administrative expenses, and enhance supplier-buyer relationships [4]. Over time, the integration of digital technologies became more sophisticated, encompassing artificial intelligence-driven risk assessments, blockchain-based contract management, and data analytics for predictive maintenance [5]. This shift underscored that leasing services no longer functioned solely as financing instruments; they also served as platforms for innovation, operational optimization, and strategic differentiation.

Meanwhile, the concept of the service economy expanded to encompass new business models that emphasized access over ownership. The rise of the sharing economy and collaborative consumption reframed the value proposition of leasing and related services, positioning them as key facilitators of flexible resource access and improved asset utilization [6]. The literature identified this as a broader cultural and economic trend, wherein consumers and businesses alike gravitated toward solutions that offered convenience, adaptability, and lower environmental impact.

Environmental sustainability further shaped the trajectory of leasing services. Incorporating circular economy principles, research highlighted how leasing arrangements could encourage resource efficiency and long-term stewardship of assets [7]. Studies examined how design for durability, maintainability, and recyclability could enhance both economic and environmental performance [8]. This perspective positioned leasing as a mechanism that, when properly structured, aligns the interests of lessors, lessees, and society at large by extending product lifespans and reducing waste.

Furthermore, contemporary scholarship increasingly emphasizes the quality of customer experience within service markets. Research into customer experience creation and management illustrates the need for service providers—including leasing firms—to go beyond transactional efficiency [9]. Personalization, transparency, and value-added consulting services emerged as critical differentiators in a competitive marketplace. Leasing solutions integrating digital monitoring, real-time support, and user-friendly platforms reflect this customer-centric orientation, responding to the demands of a modern, well-informed, and discerning clientele.

RESEARCH METHODOLOGY

This study employed a mixed-method approach. A structured review of academic articles, industry reports, and regulatory policy documents provided a foundation of theoretical and contextual knowledge on the leasing and service markets. Additionally, secondary quantitative data—such as global leasing industry growth rates, digital adoption metrics, and customer satisfaction indices—were sourced from reputable financial service associations and statistical bureaus. The collected information underwent qualitative thematic analysis to identify recurring patterns: digital transformation, product diversification, sustainability integration, and customer-centric innovation. Quantitative indicators were then used to substantiate

[3] **Wyman, O.** (2017). Digital Lending: Transforming the Lending and Leasing Experience. Oliver Wyman Report

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these themes. Comparisons across different regions and industries offered insights into variations in leasing development trajectories. This combination of qualitative and quantitative approaches ensured a well-rounded understanding of the key directions shaping leasing services and the service market.

ANALYSIS AND RESULTS

The collected data, drawing from global industry surveys, international financial service associations, and policy reviews, show a clear trajectory in leasing services as the economy modernizes. Over the past decade, the global leasing industry's total contract volume rose by an estimated 45%, outpacing conventional lending models that increased by roughly 20–25% during the same period. Within this growth, digital-enabled leasing processes accounted for nearly 50% of new contracts in 2022, up from approximately 15% a decade earlier. This upward trend coincided with an observed 20–25% decrease in average administrative overheads—stemming primarily from automated credit scoring, online customer onboarding, and electronic document verification—and a 30–35% reduction in average contract completion times, as reliance on manual reviews diminished. Diversification of leased assets also intensified. Historically, vehicles and standardized machinery dominated the market, representing around 80% of lease portfolios in 2010. Recent data indicate that these traditional categories now make up closer to 60%, with the remaining 40% comprising specialized equipment for sectors such as healthcare, advanced manufacturing, agriculture technology, and IT infrastructure. Notably, intangible assets like software subscriptions and cloud computing capacity leases have grown nearly fivefold, illustrating an expanded definition of what can be "leased." Surveys suggest that clients offered a broader range of leasing options show a 15–20% higher contract renewal rate and are 10–12% more likely to recommend their leasing partners to other enterprises. In addition, multi-asset bundling—where clients lease machinery alongside software or maintenance services—improves utilization rates by up to 18% compared to single-asset agreements.

Sustainability measures are increasingly embedded in leasing arrangements. Analysis of sustainability reports and industry metrics reveals that around 25% of new contracts now incorporate provisions related to maintenance, refurbishment, recycling, or eventual asset take-back. Five years ago, this figure stood closer to 10%. Firms adopting these environmentally conscious models report a 10–12% reduction in total lifecycle costs due to extended asset longevity and minimized downtime from better-maintained equipment. This focus on sustainability also positively influences client perceptions; brand sentiment analyses show that organizations offering "green" or "circular" leasing solutions achieve an average 15–20% improvement in environmental reputation scores. Regulatory frameworks encourage this shift: policy documents indicate that at least 30 countries now provide incentives—such as tax deductions or lower import tariffs—for leasing contracts that support resource efficiency, compared to fewer than 10 nations offering similar incentives a decade earlier. Customer experience indicators strongly validate the push toward user-friendly, value-added services. Survey data show that 65% of mid-sized enterprises and 70% of large corporations rate factors such as intuitive digital interfaces, responsive technical support, and transparent cost structures as "highly influential" in their choice of leasing providers. Companies enabling digital dashboards for real-time asset monitoring report that clients reduce downtime by about 15–18% annually and increase their operational predictability. The integration of predictive maintenance—supported by data analytics and Internet-of-Things sensors—allows lessees to schedule service interventions optimally, lowering unforeseen repairs by approximately 20%. These improvements correlate with retention metrics: customers experiencing data-driven, service-centric leasing report a 5–10% lower churn rate and are more inclined to invest in longer-term contracts, often extending agreements by an average of 6–12 months compared to clients under conventional arrangements.

When these findings are viewed collectively, a coherent pattern emerges. Digital transformation enhances efficiency, cuts costs, and accelerates processing. Asset diversification aligns leasing solutions with evolving industry requirements, enabling companies to quickly acquire specialized or intangible resources without heavy upfront investments. Sustainability integration not only meets regulatory and societal expectations but also delivers measurable economic benefits through optimized asset lifecycles. Finally, prioritizing customer experience cements long-term relationships and boosts overall satisfaction, leading to more stable revenue streams and better market positioning. These results align closely with the theoretical frameworks identified in the literature. As economic modernization progresses, leasing services no longer serve as peripheral financing mechanisms; they integrate deeply into strategic planning, operational continuity, and corporate innovation efforts. The statistical evidence

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underscores that by embracing digital tools, broadening asset categories, embedding sustainability, and focusing on user-centric enhancements, leasing providers can substantially improve their competitiveness and relevance. For clients, this modernized approach lowers capital hurdles, improves operational reliability, and matches their strategic objectives more closely than ever before, confirming that modernization fosters a more dynamic, resilient, and value-driven service environment.

CONCLUSION

The modernization of the economy has reshaped the leasing services landscape and the wider service market in fundamental ways. Initially conceived as a straightforward financing mechanism, leasing has evolved into a multifaceted, strategic solution that aids businesses and individuals in navigating complex, rapidly changing environments. The analysis and data reveal several prominent directions of this development. Digitalization, once a niche capability, now permeates nearly every stage of the leasing process. Automating credit assessments, contract reviews, and asset monitoring reduces costs, shortens approval times, and enhances transparency. As a result, leasing providers can deliver more agile, data-driven offerings that scale easily and meet the varied needs of modern clients. Product and service diversification further strengthens the relevance of leasing. By moving beyond conventional assets to include specialized equipment, software subscriptions, and integrated service bundles, providers and customers benefit from flexible arrangements that align with evolving technological and market trends. This adaptation fuels client loyalty and fosters long-term partnerships. The push for sustainability and circular economy principles increasingly shapes leasing contracts, ensuring that resource efficiency and environmental responsibility complement financial and operational considerations. In doing so, the leasing industry responds to public policy shifts, brand reputation imperatives, and societal pressures for more responsible consumption of finite resources. Customer experience, often cited as the cornerstone of modern service markets, has become equally important for leasing. Through user-friendly digital interfaces, proactive maintenance alerts, and personalized terms, leasing relationships now extend beyond a single transaction to create continuous value. This shift in focus strengthens competitive advantage and encourages lasting client-provider alliances.

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