

Methodology in a Nutshell

1. The IMD World Digital Competitiveness (WDC) ranking analyzes and ranks the extent to which countries adopt and explore digital technologies leading to transformation in government practices, business models and society in general.
2. As in the case of the IMD World Competitiveness ranking, we assume that digital transformation takes place primarily at enterprise level (whether private or state-owned) but it also occurs at the government and society levels.
3. Based on our research, the methodology of the WDC ranking defines digital competitiveness into three main factors:
 - Knowledge
 - Technology
 - Future readiness
4. In turn, each of these factors is divided into 3 sub-factors which highlight every facet of the areas analyzed. Altogether, the WDC features 9 such sub-factors.
5. These 9 sub-factors comprise 52 criteria, although each sub-factor does not necessarily have the same number of criteria (for example, it takes more criteria to assess Training and Education than to evaluate IT integration).
6. Each sub-factor, independently of the number of criteria it contains, has the same weight in the overall consolidation of results, that is approximately 11.1% ($100 \div 9 \sim 11.1$).
7. Criteria can be hard data, which analyze digital competitiveness as it can be measured (e.g. Internet bandwidth speed) or soft data, which analyze competitiveness as it can be perceived (e.g. Agility of companies). Hard criteria represent a weight of 2/3 in the overall ranking whereas the survey data represent a weight of 1/3.
8. The 52 criteria include 19 new indicators which are only used in the assessment of the WDC ranking. The rest of the indicators are shared with the IMD World Competitiveness Ranking.
9. In addition, two criteria are for background information only, which means that they are not used in calculating the overall competitiveness ranking (i.e., Population and GDP).
10. Finally, aggregating the results of the 9 sub-factors makes the total consolidation, which leads to the overall ranking of the WDC.