


Chapter 2

An Analytical Study on Digital Transformation in the Poland Hospitality Industry

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ABSTRACT

COVID-19 has exerted a huge impact on the hospitality; the digital transformation was one of the most prompt and the most solutions that guarantee businesses' survival in the light of lockdowns and mobility restrictions imposed in a bid to limit the epidemic spread. Hence, this chapter sought to explore the impact of COVID-19 on the hospitality industry and hospitality industry's digital transformation in Poland, as well as to identify the obstacles that may stymie the shift towards digitalization in this industry. To this end, a literature review methodology was employed. The results revealed that COVID-19 induced a negative impact on the hospitality industry in Poland in 2020, but with the beginning of 2021 this industry began to recover gradually. Also, COVID-19 quickened digital transformation adoption. The results also indicated that a sound and effective digital transformation reduces costs and improves business' performance; however, digital transformation may encounter several hurdles such as lack of knowledge, poor digital infrastructures, and lack of digital experience.

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INTRODUCTION

COVID-19 pandemic has affected the majority sectors in almost all countries (Bouarar et al., 2020). However, the level of influence was different by sector and country (Mouloudj et al., 2020). Accordingly, the negative impact differed in the stages of the COVID-19 crisis, place, and from one industry to another. From the first moments of the COVID-19 spread, researchers were quick to study its impacts on the hospitality industry (Davahli et al., 2020; Gursay & Chi, 2020; Temelkov, 2022; Thams et al., 2020) and the tourism industry (Bouarar et al., 2020; Korinth & Ranasinghe, 2020; Madani et al., 2020; Manczak & Gruszka, 2021; Stojczew, 2021; Vărzaru et al., 2021). In contrast, many companies have also accelerated the digitization of their services (Mouloudj et al., 2023), including hospitality services. Hence, “scientific research has intensified around strategizing the digitization of relations and the use of digital technologies” (Bovsh et al., 2023, p.134).

The term hospitality refers to “a segment of the service industry that includes hotels, restaurants, entertainment, sporting events, cruises, and other tourism-related services” (Terdpaopong, 2020, p.224). Globally, travel and tourism are the major job creation sectors, and global socio-economic and cultural development (McCabe & Qiao, 2020). However, the hospitality industry currently and due to the widespread COVID-19 is experiencing one of its most acute operational, commercial, and financial crises (Deri et al., 2023; Temelkov, 2022; Thams et al., 2020). In many destinations, cultural venues such as theatres and museums were closed, sporting events were postponed, the banning of access to beaches and national parks, and the closure of non-essential retail and hospitality outlets (Baum & Hai, 2020 ; Kilu et al., 2023). Therefore, companies were quick to find solutions in order to reduce losses. The COVID-19 crisis has compelled a new telecommuting reality incorporations and government organizations (Kilu et al., 2023). Several virtual markets have also emerged thanks to digital platforms, which led to the emergence of a wide gap between the digital and the real economy (Schilirò, 2021).

The characterization of the digital transformation phenomenon during the COVID-19 crisis should begin with an explanation of the meanings of the terms “transformation” and “digitization”. Transformation is defined as a change or evolution and applies to elements both on the micro and macro scale (Mazurek, 2019). Digitization, on the other hand, is a concept defined as “a broadcasting digital form of various types of data or the conversion of ordinary, written and spoken language into digital” (Żabińska, 2016). Vial (2019, p.118) defines digital transformation as “a process that aims to improve an entity by triggering significant changes to its properties through combinations of information, computing, communication, and connectivity technologies”. It refers to the use of new digital technologies in order to gain major business improvements (Liere-Netheler et al., 2018). The phenomenon of digital transformation is, therefore, a process of transformation and digitization of current solutions, markets and entities, and stuff. It is possible thanks to the development of information and communication technologies and the internet (Parviainen, 2017).

In terms of digitization, the greatest developed areas of the Polish economy include financial service, media, retail business, specialized and business service, along with the chemical and pharmaceutical industries (Ziółkowska, 2020). In 2020, 98.6% of Polish enterprises have access to the Internet and using a broadband Internet connection (fixed or mobile); 85.3% of enterprises using fixed broadband connection - DSL or other fixed (e.g. fiber optics technology (FTTP), cable technology); 71.3% enterprises having a website and more than 75% enterprises using a mobile broadband connection via portable devices (e.g. laptop, smartphone) (Statistics Poland, 2021a). According to Ziółkowska (2020), several Polish firms are until now in the phase of “automating single workstations” instead of creating “ecosys-

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