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Digitalization and Performance of Service Sector

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Abstract

The study examined the effect of digitalization and performance of the service sector. The specific objectives were to: examine the effect of internet adoption in performance of service sector in Calabar; investigate the effect of social networking websites adoption performance of service sector in Calabar; and to ascertain the effect of mobile technology performance of service sector in Calabar. The study adopted descriptive research design. Data for this study were gathered from primary sources. The study employed multiple regression statistical tools to analyze the effect of independent variables on dependent variable. The major findings of the study include: Internet has a positive effect on performance of service sector. Social networking websites have a positive effect on performance of service sector. Mobile technology has a positive effect on performance of service sector. The study recommended that organizations should focus on training networking for employees so that they will produce best result in order to make decision in future.

Keywords: digitalization, internet adoption, social networking websites, mobile technology, performance

1. Introduction

As more and more businesses across the world adopt cutting-edge IT systems, the concept of “digital transformation” has emerged as a hot button issue in the boardroom. In Nigeria, where the oil and gas industry has long dominated the economy, companies are starting to see the benefits of digital transformation. Unfortunately, the full potential of digital transformation to boost corporate expansion in Nigeria is still not well appreciated. By 2020, Nigeria will become the biggest economy in Africa, with a nominal GDP of more than $400 billion. Yet, the country’s economy has been buffeted by low oil prices, inflation, and rising unemployment rates in recent years. For these reasons, the government of Nigeria has been pushing for the expansion of the country’s digital economy. Increasing the country’s digital capabilities is a top priority for the Nigerian Communications Commission (NCC), hence the agency has set a goal of 70% broadband penetration by 2025.

To put it simply, digital transformation is the process by which a company completely overhauls its operations and the way it provides value to its consumers by adopting digital technology. Businesses may automate operations, cut costs, and enhance customers’ experiences with the help of digital technologies like cloud computing, the Internet of Things (IoT), and artificial intelligence (AI). There is still a lack of insight into how digital transformation will affect corporate expansion in Nigeria. The effect of digital transformation on international corporate expansion has been the subject of several studies. Tihinen and Kaariainen (2016) posited that the adoption of information and communication technology (ICT) has furthered the relevance of tourism and has made globalization easier. ICT is a catalyst for change in the environment and has a strong impact on tourist

movement. Musavengane et al. (2019) suggests that ICT provides considerable solutions to tourist's insatiable appetite for easy lifestyle.

Nowadays, as automation and digitization continue to proliferate, and guests become increasingly tech-savvy, touch points across the hospitality industry are embracing new digital trends and smart technology to make the customer journey as seamless and enjoyable (Musavengane et al., 2019; UNWTO 2018). Anton et al. (2017) observed that digitalization has been identified as one of the major trends changing society and business in the near and long term. The impact of digitalization will be major; and can be compared to the industrial revolution (Degryse, 2016; Tihinen et al., 2016).

Digitalization or digital transformation refers to changes associated with application of digital technology in different aspects of human society (Stolterman & Fors, 2004). In the tourism and hospitality sector, digitalization began with the introduction of commercial websites in the 1990s, which brought a new level of convenience to tourists. Today, developments in ICT offer new opportunities to design new products. However, creating such digitalized products often creates new problems and challenges to hotels that are trying to innovate (Tihinen & Kääriäinen, 2016). Past studies have examined the effects of digitalization on business performance in developed and developing countries. There is, however, paucity of research on service digitalization and performance of tourism and hospitality firms in Nigeria. Therefore, this study was designed to explore the influence of digitalization on performance of service sector in Calabar.

2. Theoretical Framework

Disruptive Innovation Theory

The phrase "disruptive innovation," was propounded by Clayton Christensen in 1997, he describes how new forms of technology or business models might displace older ones. To thrive in today's highly competitive business environment and keep up with the rapid pace of technological advancement, disruptive innovation is more crucial than ever. Because of digital transformation, companies may now offer cutting-edge goods and services, streamline internal processes, and forge deeper bonds with their clientele than ever before. This has resulted in the development of novel business models and the upheaval of established markets.

Disruptive innovation theory explains how these new entrants were able to disrupt established industries. According to Christensen (1997), disruptive innovations typically start as low-end or niche offerings that are initially dismissed by established players as inferior or irrelevant. However, as these new offerings improve and gain market share, they begin to encroach on the established players' market, eventually displacing them. Digital technology has enabled these new entrants to rapidly improve their offerings and gain market share, leading to the disruption of established players. In addition to disrupting established industries, digital transformation has also enabled businesses to create entirely new markets. For example, the rise of e-commerce has created new markets for online shopping and digital content. These markets did not exist before the advent of digital technology, and their emergence has created new opportunities for businesses to grow and thrive.

Digitalization

Transforming a company into a digital one involves using digital tools to boost productivity, delight customers, and accomplish strategic objectives. In order to stay competitive in today's highly digital economy, many companies have undergone a "digital transformation" in recent years. World Economic Forum defines digital transformation as "radical rethinking of how an organisation leverages technology, people, and processes to profoundly impact company performance." The goal of digital transformation is to innovate new business models, streamline internal operations, and improve the quality of service provided to customers. The process of digital transformation involves several steps, including assessing current business processes, identifying areas where digital technologies can be used to improve performance, selecting the appropriate technologies, and implementing them effectively. The Internet of Things (IoT), cloud computing, mobile devices, and analytics on massive amounts of data are all examples of such innovations.

Organizational culture must be reworked in tandem with the introduction of new technology in order to achieve true digital transformation. It requires a cultural shift, where the organization's mindset is focused on innovation, experimentation, and continuous improvement. It also requires a rethinking of business models, where traditional models are transformed to incorporate digital technologies and customer needs. The benefits of digital transformation are numerous. For example, it can enhance customer experience by providing personalized services, improve operational efficiency by automating manual processes, and create new revenue streams through innovative business models. It can also improve decision-making by providing real-time data and insights.

The dynamic nature of the business environment with its rapidly advancing information technology (IT) capabilities opens up for new ways for enterprises to organize themselves in terms of business models, practices, and processes, how they communicate with their customers, deliver services, and perform product development

etc. This constitutes the foundation of a digitally transformed society that brought about the massive use of different digital technologies, and serving different purposes with different strategic assets through digitalization. The concept of digitalization is the process of introducing and enhancing digital technologies, within the context of business and value creation models. DT has become inevitable in organizations and society forcing diverse transformations to remain competitive. It tends to describe the use of innovative technologies that can dramatically change a firm's performance, operational efficiency and offerings. In general, DT describes the shift from traditional (often physical) creation and delivery of customer value, including the operational procedures related to this, into the massive use of digital technologies which enhance or replace the traditional product with smart, connected product. Effective adoption and use of transformational technologies requires an organization to have a flexible IT infrastructure that causes significant effects on productivity in all ramifications, which create big potentials in the development of industries and economies.

DT generally affects the whole/part of the organizational structure, its strategies, technology, customers, people and culture that forms the enterprise. From the IT perspective: the IT solutions and application that are used at the enterprise are classified into Enterprise –IT (E-IT) and Product-IT (P-IT) [1]. The E-IT supports the functioning and operations of the enterprise, and is sometimes referred to as Enterprise Information Systems (EIS) that includes ERP components. While the P-IT refers to the use of smart and connected products that generates large amount of data via modern communication tools.

Effects of Digital Transformation to the Organization

These tools are usually IT-components built into products. Big data and analytics, cloud computing, mobile computing and social technologies are critical parts of the infrastructure in enterprise DT that provide profitability, higher revenues with expanded market valuation than competitors without a strong vision.

Digital Resources

Digital Resources represent a firm's ownership and control of assets and capabilities. The assets represent the enterprise resource from physical and intellectual view, while the capabilities usually focus in human, information, or organizational capital. Merging the resources together enables successful deployment. In pursuit of DT, the firm's re-define the way it creates and delivers value to customers by acquiring or developing new digital assets and capabilities. The most essential digital assets and capabilities needed for digital change include digital assets, digital agility, digital networking capability and big data analytics capability.

Organizational Structure

Apart from the digital resources needed to achieve DT, a key issue to consider is the organizational changes needed to adapt to digital change. It specially regards to organizational structure that is flexible, and composed of separate business units, digital functional areas with agile organizational set up. There are different digital growth strategies for digital firms. The most prominent growth strategy involves the use of digital platforms that delineate the variety of growth strategies across DT phases. This indicates that platform strategies are more common for the more persistent phases of digital change. Digital growth strategies are unfolded in market penetration, product-based market development, platform-based market penetration and product development.

Performance of Service Sector

Business performance is a measure of the outcome of business activities against stated business goals, using a specified business plan in an assumed business environment (Igwe & Ateke, 2021). Igwe and Ateke (2021) also states that business performance is the ratio of output to input, measured in terms of efficiency and effectiveness using quantitative or qualitative indices. It is a dynamic concept used to assess the extent to which an undertaking has or is attaining its financial and non-financial business goals (Lebans & Euske, 2006). Literature on business performance suggests that performance measures have moved in three different directions over the years: (i) from financial to non-financial output (ii) from output to input; and (iii) from one-dimensional to multidimensional (Clark, 1999, as cited in Ateke & Nwulu, 2018). The multidimensional view of business performance identifies financial, competitiveness, customer intermediate, direct customer and innovativeness dimensions.

3. Empirical Review

Empirical studies have extensively examined on this topic in Nigeria and other countries. Awolusi and Atiku (2019) investigated innovation and profitability in the Nigerian oil and gas industry: The mediating influence of operational performance. The aim of this study was to operationalize and test a conceptual model to measure the effect of innovation implementation on profitability in the Nigerian oil and gas industry. Based on a framework from Al-Mashari and Zairi, these objectives were achieved using the following procedures: reliability and validity analysis, factor analyses (exploratory factor analysis-EFA and confirmatory factor analysis-CFA) and Structural Equation Modelling (SEM). The model contrived therefore confirmed the positive influence of BPR

on profitability, as well as the mediating influence of operational performance in the Nigerian Oil and Gas industry. Specifically, the structural model shows the positive effect of organizational structure and IT Infrastructures on both profitability and operational performance. However, SEM failed to establish the relationship between management competence and support and profitability. The study is expected to enhance the adoption and successful implementation of BPR programmes in the oil and gas industry.

Muema (2019) conducted a study on innovation practices on organizational performance of selected commercial banks in Nairobi city County, Kenya. The main study objective was to establish influence of business process reengineering practices on organizational performance of commercial banks in Nairobi City County, Kenya. Specifically, the research sought to initiate the impact of leadership change, customer focus, information technology and innovation on organizational performance of commercial banks in Nairobi City County, Kenya. The study scope was limited to Nairobi County commercial banks. The study focused on 43 commercial banks in Nairobi city County, Kenya. A descriptive research design was utilized for the study. A population of 1020 staffs from the 43 commercial banks at Nairobi headquarters in Kenya was used, where a sample of 278 staff was selected. The study utilized primary information. The data gathered was analysed using inferential and descriptive statistics. Multiple linear regressions were used. The study revealed that leadership change maintaining all the other factors constant would positively change commercial bank performance. Customer focus had a significant influence on commercial banks performance.

Khdair (2021) investigated innovation and its effective impact on job performance in south refineries company in Iraq. With the addition of some observations that contribute to leaving a good impact for the purpose of seeking to develop the concept of engineering for workers. As the results were relied upon to conduct analyzes through SPSS statistical analysis program on the 350 employees in the company. The results indicated a set of concepts and indications, the most important of which are the application of the engineering concept was present in the company at a rate of 60 per cent and the existence of a direct relationship between the dimensions of business process innovation and the level of job performance. The purpose of the research was the relationship between HR aspects, such as teamwork, management competency, organizational structure, IT and efficient communication for achieve beneficial outcomes by reducing costs, time and increasing productivity for determining the level of business process innovation in the south refineries company, southern Iraq. From the viewpoint of its employees, such as knowing the level of guest performance for people working in the south refineries company, identify the strength of the relationship between the company's employees and the engineering management, and determining the level of business process innovation in the south refineries company.

Aregbeyen (2021) carried out a study on business innovation and organizational performance in Nigeria: A case study of First Bank Nigeria PLC (FBN). He used the paired data samples method between 1986 and 2008. The study was aimed at evaluating the impact of the reengineering of operational processes on the performance of the bank. To do this, he tested the hypothesis that business innovation has no significant effect on the FBN's operational performance. To test this hypothesis, he measured the operational performance of the bank through three major indicators namely growth, profitability and the extent of financial intermediation. Growth of the bank was measured using alternative but complementary measures. These are annual changes in gross earnings, total assets, total deposit mobilized. Profitability was assessed with profit margin, return on assets and return on equity. The extent to financial intermediation by bank was ascertained through the loans and advances to total deposit ratio. The results revealed after the necessary tests that the bank neither grew better during the pre or post innovation period. It can be inferred that the innovation project positively improved the profitability of the bank. The innovation project made no significant improvement on financial intermediation by the bank. In conclusion, the analysis of the data showed that the innovation project significantly improved the profitability performance of the bank but not for growth and the extents of its financial intermediation.

Nsien et al. (2023) carry out a study to examine the influence of business process innovation (BPR) on Courier firms' delivery speed in South-East Zone of Nigeria. The survey research design was adopted in this study. The study had a population of 239 and sample size of 149. The research instrument recorded 78 per cent response rate. Research data were analyzed with multiple regressions. Findings of this study showed that business process innovation had a significant positive influence on courier firms' delivery speed in the South-East Zone of Nigeria. Specifically, it was established that business process renovation exerted a significant positive influence on courier firms' delivery speed (Beta =0.752, t=4.099, $p<0.05$); business process automation exerted a significant positive influence on courier firms' delivery speed (Beta =0.782, t=5.179, $p<0.05$) and that business process networking exerted a significant positive influence on courier firms' delivery speed (Beta 1.039, t=4.023, $p<0.05$). Following these findings, it was recommended that the management of courier firms in the South East Zone of Nigeria should regularly renovate their service processes through replacement of old and outdated machines and equipment, prioritize the automation of aspects of its operations through increased investment in emerging ICT infrastructure and should network its work system to effectively integrate its employees, processes

and technology so as to facilitate speedy service delivery that delights clients and so commands repeat patronage.

The effects of digital transformation on business performance are studied by Admed et al (2019). The authors analyze data from a survey of Italian manufacturing firms and find that digital transformation positively affects both financial and non-financial performance measures. They also find that the impact of digital transformation is stronger for firms that engage in complementary organizational changes and for firms that operate in more dynamic environments. The paper highlights the importance of understanding the mechanisms through which digital technologies create value and the need for firms to develop a comprehensive digital strategy that takes into account both technological and organizational aspects.

Business models are discussed in relation to the impact of digitization by Arnold (2017). The authors claim that the growth of digital technology has shattered traditional business paradigms, forcing companies to adapt. They say that in order to remain competitive, firms must undergo digital transformation and adopt new models that take advantage of digital technology. Businesses that have undergone model changes as a result of digital innovation are highlighted, and a framework for analysing digital business models is provided. In today's digital environment, the authors conclude, digital transformation is essential to the continued success of businesses.

The effects of digitalization on creativity are explored by Gibbs (2020). The authors assert that the advent of new means of communication, storage, and processing is fueling innovation. They also highlight the importance of organizational agility and flexibility in fostering innovation in the digital age. The authors conclude by suggesting that firms need to embrace digital transformation as a strategic imperative to remain competitive and innovative in today's fast-paced business environment.

Ball (2015) conducted research on the relationship between digital transformation and business model innovation. In order to take advantage of the possibilities given by digital transformation and realize the potential for enabling and accelerating business model innovation, the authors advise a change in the company's thinking and approach to innovation. According to the authors, digital transformation can provide new opportunities for business model innovation through increased data availability, new customer segments, and the ability to create new value propositions. However, they also note that digital transformation requires companies to adopt a more flexible and adaptive approach to innovation, as digital technologies are constantly evolving and disrupting traditional business models. The authors suggest that companies can achieve successful business model innovation in the digital age by developing a culture of experimentation, leveraging data and analytics, and fostering collaboration and partnerships.

David (2019) analyzes how the adoption of new technologies has impacted the Nigerian economy. According to the authors, Nigeria's economy stands to benefit greatly from digital transformation, which may boost productivity, encourage innovation, and open up new avenues for commerce. However, they also note that the country faces a number of challenges in terms of digital infrastructure, human capital, and regulatory frameworks. To overcome these challenges, the authors suggest that the government should prioritize investment in digital infrastructure, promote digital skills development, and establish a supportive regulatory environment. Overall, the paper highlights the potential benefits of digital transformation for Nigeria's economy but also underscores the need for concerted efforts to address the challenges associated with this process.

The idea of digital transformation in the Nigerian public sector is examined in a 2021 study by Eason and Abrar (2021). The authors discuss the challenges facing the public sector in Nigeria, including bureaucratic red tape and outdated systems, and argue that digital transformation can help to address these issues. The paper identifies several key areas in which digital transformation can be applied, including e-governance, digital communication, and data analytics. The authors also discuss the potential benefits of digital transformation, such as increased efficiency, transparency, and citizen engagement. However, the authors also acknowledge that there are barriers to implementing digital transformation in Nigeria, such as the lack of technical expertise, inadequate infrastructure, and resistance to change. They imply that a combined effort from the public and corporate sectors as well as members of civil society is needed to overcome these obstacles.

4. Research Methodology

The study adopted descriptive research design. A descriptive design is a research method used to try and determine the characteristics of a population or particular phenomenon. Data for this study were gathered from primary sources. The study employed multiple regression statistical tools to analyze the effect of independent variables on dependent variables. Based on the objectives of the study, the model is stated below to show the effect of independent variables on dependent variables. SPSS (Statistical package for social sciences) will be used in this study.

$$y = f(x)$$

Where;

y = dependent variable

x = independent variable

ORGP = f (INT, SNW, MOB)

ORGP = Organizational performance

MOB = Mobile

INT =Internet

SNW = Social networking websites

The equation is linearized into ordinary least square (OLS) model.

$$ORGP = b_0 + b_1INT + b_2SNW + b_3MOB + e$$

bo = Regression constant

b_1- b_4 = Regression parameters to be estimated

e = Stochastic error

Test of hypotheses

Hypothesis one

The following hypotheses are formulated in null form:

$H_0$1: There is no significant effect of internet adoption on performance of service sector.

Test statistic: Simple linear regression analysis.

Decision criteria: Accept the alternative hypothesis if (P <.05) and reject the null hypothesis, if otherwise.

Table 1. Model Summary of the effect of internet adoption on performance of service sector

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.318[a]	.101	.095	1.63482	.101	16.761	1	214	.000	1.601

a. Predictors: (Constant), INT

b. Dependent Variable: PERF

Table 2. ANOVA[a] of the effect of internet adoption on performance of service sector

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.797	1	44.797	16.761	.000[b]
	Residual	398.223	214	2.673		
	Total	443.020	215			

a. Dependent Variable: PERF

b. Predictors: (Constant), INT

Table 3. Coefficients[a] of the effect of internet adoption on performance of service sector

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	12.386	1.239		9.993	.000	9.936	14.835					
INT	.255	.062	.318	4.094	.000	.132	.379	.318	.318	.318	1.000	1.000

a. Dependent Variable: PERF

Tables 1 to 3 show the regression results of the effect of internet adoption on the performance of service sector. The results revealed that the relationship between internet adoption and performance of service sector is 0.318 per cent (R = 0.318), which indicates a very weak degree of relationship. The coefficient of determination (R^2) of 0.101 indicates that up to 10 per cent of the variability in the dependent variable is accounted for by the independent variable. This implies that a unit change in conduct of the internet will improve performance of service sector by up to 10 per cent when other factors are held constant. Also, considering that F-test = 16.761; P<0.00; and t=4.094; the results show that internet adoption has a positive effect on performance of service sector. We therefore reject the null hypothesis, accept the alternative hypothesis and conclude that internet adoption has a positive effect on performance of service sector.

Hypothesis two

$H_0$2: There is no significant effect of social networking websites on the performance of service sector.

Test statistic: Simple linear regression analysis.

Decision criteria: Accept the alternative hypothesis if (P <.05) and reject the null hypothesis, if otherwise.

Table 4. Model Summary effect of social networking websites on performance of service sector

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.214[a]	.046	.039	1.68451	.046	7.127	1	149	.008	1.536

a. Predictors: (Constant), SNW

b. Dependent Variable: PERF

Table 5. ANOVA of the effect of social networking websites on performance of service sector

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.222	1	20.222	7.127	.008[b]
	Residual	422.797	214	2.838		
	Total	443.020	215			

a. Dependent Variable: PERF

b. Predictors: (Constant), SNW

Table 6. Coefficients of the effect of social networking websites on performance of service sector

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	13.138	1.614		8.142	.000	9.950	16.327					
SNW	.213	.080	.214	2.670	.008	.055	.371	.214	.214	.214	1.000	1.000

a. Dependent Variable: PERF

Tables 4 to 6 show the regression results of the social networking websites on performance of service sector. The results revealed that the relationship between social networking websites and performance of the service sector is .214 per cent (R = 0.214), which indicates very weak degree of relationship. The coefficient of determination

(R^2) of 0.046 indicates that up to 46 per cent of the variability in the dependent variable is accounted for by the independent variable. This implies that a unit change in conduct of the social networking websites will improve the performance of service sector by up to 46.per cent when other factors are held constant. Also, considering that F-test = 7.127; P<0.00; and t=2.670; the results show that social networking websites have a positive effect on performance of service sector. We therefore reject the null hypothesis, accept the alternative hypothesis and conclude that social networking websites has a positive effect on performance of service sector.

Hypothesis three

$H_0$3: There is no significant effect of mobile technology on performance of service sector.

Test statistic: Simple linear regression analysis.

Decision criteria: Accept the alternative hypothesis if (P <.05) and reject the null hypothesis, if otherwise.

Table 7. Model Summary of the effect of mobile technology on performance of service sector

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.365[a]	.133	.127	1.60555	.133	22.861	1	214	.000	1.675

a. Predictors: (Constant), MOB

b. Dependent Variable: PERF

Table 8. ANOVA of the effect of mobile technology on performance of service sector

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	58.930	1	58.930	22.861	.000[b]
	Residual	384.089	214	2.578		
	Total	443.020	215			

a. Dependent Variable: PERF

b. Predictors: (Constant), MOB

Table 9. Coefficients[a] of the effect of social networking websites on performance of service sector

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	10.317	1.493		6.908	.000	7.366	13.268					
MOB	.354	.074	.365	4.781	.000	.208	.500	.365	.365	.365	1.000	1.000

a. Dependent Variable: PERF

Tables 7 to 9 show the regression results of the mobile technology on performance of the service sector. The results revealed that the relationship between mobile technology and the performance of service sector is .365 per cent (R = 0.365), which indicates very weak degree of relationship. The coefficient of determination (R^2) of 1.333 indicates that up to 13 per cent of the variability in the dependent variable is accounted for by the independent variable. This implies that a unit change in conduct of the mobile will improve the performance of service sector by up to 13 per cent when other factors are held constant. Also, considering that F-test = 22.861; P<0.00; and t=4.781; the results show that mobile has a positive effect on performance of service sector. We therefore reject the null hypothesis, accept the alternative hypothesis and conclude that mobile technology has a positive effect on performance of service sector.

5. Summary of Findings

The major findings of the study include:

1) The Internet has a positive effect on performance of service sector.
2) Social networking websites have a positive effect on performance of service sector.
3) Mobile technology has a positive effect on performance of service sector.

6. Conclusion

The study portrays the effect of digital transformation on the performance of service sector. The study revealed that internet has a positive effect on performance of service sector; Social networking websites have a positive effect on performance of service sector; mobile technology has a positive effect on performance of service sector. Digitalization refers to changes associated with the application of digital technology in different aspects of human society. In the tourism and hospitality sector. Transforming a company into a digital one involves using digital tools to boost productivity, delight customers, and accomplish strategic objectives.

7. Recommendations

The following recommendations were proffered:

1) Organizations should focus on training networking for employees so that they will produce the best result in order to make decision in future.
2) Management of organizations implement effective measures to pinpoint the procedure or method of designing to improve technology-based training in the manufacturing sector.
3) Employee training should be effectively implemented as development programs to achieve a wide range of objectives.

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