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THE IMPACT OF DIGITALIZATION ON SMALL BUSINESSES IN THE PUBLIC CATERING SECTOR

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Abstract: *In an increasingly interconnected economic world, digital technology has become an indispensable element for the development of any business. While large corporations have the resources to invest heavily in digital transformation, small businesses (SMEs) face different challenges but also significant opportunities. Digital transformation represents one of the most important drivers of change in the contemporary economy. Digital technologies — such as the internet, online platforms, management applications, artificial intelligence, and data analytics — have redefined how businesses operate, interact with customers, and manage their resources.*

• Introduction

Digital transformation represents a complex and dynamic process through which organizations integrate digital technologies into all aspects of their activity — from production and management to customer relations and strategic decision-making.

It is not limited merely to the implementation of modern technological tools but also involves a profound change in organizational culture, mindset, and business model approach. In the specialized literature, digital transformation is defined as the process of adopting digital technologies to create or modify processes, products, services, and business models in order to better respond to market and consumer demands. According to the European Commission, digitalization is one of the fundamental pillars of economic competitiveness and sustainable development.

• Material and method

The study relies on theoretical and analytical methods designed to ensure a coherent and systematic approach to the topic. The main methods used are documentary analysis and comparative analysis.

These theoretical methods were chosen because the topic requires, above all, a conceptual and strategic understanding of the phenomenon.

The bibliographic analysis makes it possible to integrate multiple perspectives — economic, managerial, technological, and social — and to formulate relevant conclusions without the need for empirical research.

• Results and discussions

Economic, operational, managerial, social, and strategic motives Digital transformation becomes a strategic process of collective learning, strengthening the competitiveness, flexibility, and resilience of small enterprises in the food service sector. The main reasons that determine the adoption of digital transformation can be grouped into five categories

Positive and negative effects of digitalization

Positive effects	Negative effects
Increased efficiency and cost reduction	High implementation and maintenance costs
Improved customer experience	Employee resistance to change
Greater online visibility and more effective digital marketing	Increased dependence on technology
Data-driven decision-making based on real performance indicators	Cybersecurity risks
Sustainability and reduction of waste	Possible loss of authenticity in customer relationships

• Conclusions

Digital transformation currently represents one of the most important directions of development for the public food service sector. In an economic and social context characterized by constant change, the adoption of digital technologies is no longer a luxury but a strategic necessity for the survival and competitiveness of small and medium-sized enterprises. The theoretical analysis conducted has highlighted that digitalization has become a catalyst for modernization, bringing significant changes to all components of activity in the food service industry — from stock management and personnel administration to customer relations and decision-making processes.