A Preliminary Literature Review of Digital Transformation Case Studies

Vesna Bosilj Vukšić, Lucija Ivančić, Dalia Suša Vugec

Abstract—While struggling to succeed in today’s complex market environment and provide better customer experience and services, enterprises encompass digital transformation as a means for reaching competitiveness and foster value creation. A digital transformation process consists of information technology implementation projects, as well as organizational factors such as top management support, digital transformation strategy, and organizational changes. However, to the best of our knowledge, there is little evidence about digital transformation endeavors in organizations and how they perceive it – is it only about digital technologies adoption or a true organizational shift is needed? In order to address this issue and as the first step in our research project, a literature review is conducted. The analysis included case study papers from Scopus and Web of Science databases. The following attributes are considered for classification and analysis of papers: time component; country of case origin; case industry and; digital transformation concept comprehension, i.e. focus. Research showed that organizations – public, as well as private ones, are aware of change necessity and employ digital transformation projects. Also, the changes concerning digital transformation affect both manufacturing and service-based industries. Furthermore, we discovered that organizations understand that besides technologies implementation, organizational changes must also be adopted. However, with only 29 relevant papers identified, research positioned digital transformation as an unexplored and emerging phenomenon in information systems research. The scarcity of evidence-based papers calls for further examination of this topic on cases from practice.

Keywords—Digital strategy, digital technologies, digital transformation, literature review.

I. INTRODUCTION

During the last decade, there has been an increase in the number of companies that have been introducing the concept of digital transformation. Digital transformation comprises not only the use of new technologies (e.g. advanced analytics, machine learning, artificial intelligence applications, the Internet of Things), but also the changes of the key business elements, including strategy, business model, business processes, organizational structures and organizational culture [1]. If managed successfully, it can lead to business process optimization and an overall better organizational performance. It also triggers industry disruption by the introduction of new business models and the development of digitized products and services [2].

According to Sebastian et al. [3], the role of information technology (IT) in digital transformation is two-fold: (1) IT serves as an operational backbone that supports the key business activities/operations and (2) IT is used to develop a digital services platform that facilitates rapid development and implementation of digital innovations. Besides, digital transformation frequently involves transformations of organizational structures, management concepts and business strategies. Companies need to formulate a digital transformation strategy “that cut across other business strategies and enables the coordination, prioritization, implementation and governance of transformations owing to new technologies” [4].

In recent years, an increase of interest in finding a solution to implement digital transformation successfully is evidenced among both researchers and business experts. However, there is a lack of frameworks and guidelines for companies on how to navigate such radical changes [4], [5]. The goal of this paper is to give an overview of the literature regarding digital transformation and to analyze how it is used in practice in regard to: time component; country of case origin; case industry and; digital transformation focus.

The structure of the paper is as follows: after the introduction, the methodology used for the literature review is presented. Next, the obtained results are described in detail, followed by the paper analysis and discussion. Finally, a short conclusion with research limitations and suggestions for a future research is given.

II. METHODOLOGY AND IDENTIFICATION OF RELEVANT LITERATURE

In order to fulfill the objectives of this paper, a literature review approach is adopted. The first step of a literature review concerns collection of relevant literature. For this purpose, we scanned Web of Science (WoS) and Scopus databases. To be sure that the search does not exclude possible useful findings from various fields, we did not limit the search to a specific field or index. In addition, besides journal articles, we also included conference papers as recommended source for literature reviews in Information Systems (IS) field [6]. As we seek to collect insights into past findings regarding digital transformation in organizations that can provide useful practical insights, we opted for combination of keywords “digital transformation” and “case stud**” and aimed papers published in the last decade. The search strategy was therefore employed as follows:

The last three years.

enhancement of research on with the results of Reis et al. [7] who similarly reported appealing topic for IS researchers. This finding is in line which affirms that the digital transformation is a recent and studies research in the body of literature is visible in Fig. 1. Therefore, growing trend of digital transformation case papers (relative increase of 88% in comparison to the previous year). This positive trend continues onto 2017. The situation changes in 2016 with significant increase of only isolated research endeavors exploring digital transformation on case studies can be identified until 2015. This was for instance business transformation prompted by digital technologies is restricted to a certain economic activity, as visible from digital transformation matters only in: service industries, due to their close customer orientation; or in industries that are able to completely digitize its products, our research points out that digital transformation is not reserved for a special sector (Table I).

III. RESEARCH RESULTS

Since the objective of this paper is to examine the current state of research on digital transformation in cases from practice and explore how organizations perceive digital transformation, several attributes are chosen for analysis. These attributes are utilized for classification of papers. Attributes include: time component (Year); country of case origin (Country); case industry (Industry) and; digital transformation concept comprehension i.e. focus (Focus) and are discussed further in the text.

Prevalence of relevant papers with respect to Year and with time span from 2010 to 2018 is depicted on Fig. 1. From 2010 to 2015, only one paper appears annually (with a difference of 2013 in which two papers are found). Thus, only isolated research endeavors exploring digital transformation on case studies can be identified until 2015. The situation changes in 2016 with significant increase of papers (relative increase of 88% in comparison to the previous year). This positive trend continues onto 2017. Therefore, growing trend of digital transformation case studies research in the body of literature is visible in Fig. 1 which affirms that the digital transformation is a recent and appealing topic for IS researchers. This finding is in line with the results of Reis et al. [7] who similarly reported enhancement of research on “digital transformation” over the last three years.

Although a reasonable mistake could be to infer that digital transformation matters only in: service industries, due to their close customer orientation; or in industries that are able to completely digitize its products, our research points out that digital transformation is not reserved for a special sector (Table I).

When discussing industries trends, academics agree that business transformation prompted by digital technologies is visible across diverse industries. This was for instance previously noticed by Westerman et al. [8] and Henriette et al. [9]. Our paper corroborates that digital transformation occurs in public, as well as private sector, and that it is not restricted to a certain economic activity, as visible from Table I. Still, it can be observed that industries leading in case study evidence in the body of literature by the results of our research are: manufacturing; information and communication activities and; financial and insurance activities; followed by trade and transportation activities.

In Table II, results regarding country attribute are displayed. Some of the analyzed papers used the

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**TABLE I**

<table>
<thead>
<tr>
<th>Industry Type by NACE Rev. 2 Classification</th>
<th>Number of papers</th>
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<tbody>
<tr>
<td>C Manufacturing</td>
<td>7</td>
</tr>
<tr>
<td>J Information and Communication</td>
<td>6</td>
</tr>
<tr>
<td>K Financial and Insurance Activities</td>
<td>5</td>
</tr>
<tr>
<td>G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles</td>
<td>4</td>
</tr>
<tr>
<td>H Transportation and Storage</td>
<td>4</td>
</tr>
<tr>
<td>M Professional, Scientific and Technical Activities</td>
<td>4</td>
</tr>
<tr>
<td>O Public Administration and Defense; Compulsory Social Security</td>
<td>3</td>
</tr>
<tr>
<td>P Education</td>
<td>3</td>
</tr>
<tr>
<td>R Arts, Entertainment and Recreation</td>
<td>3</td>
</tr>
<tr>
<td>I Accommodation and Food Service Activities</td>
<td>2</td>
</tr>
<tr>
<td>Q Human Health and Social Work Activities</td>
<td>2</td>
</tr>
<tr>
<td>D Electricity, Gas, Steam and Air Conditioning Supply</td>
<td>1</td>
</tr>
<tr>
<td>E Water Supply; Sewerage, Waste Management and Remediation Activities</td>
<td>1</td>
</tr>
<tr>
<td>N Administrative and Support Service Activities</td>
<td>1</td>
</tr>
<tr>
<td>S Other Service Activities</td>
<td>1</td>
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methodology of multiple case studies, and consequently, there are papers appearing along with the multiple country names. As depicted in Table II, digital transformation is mostly acknowledged by organizations having its headquarters in Europe. U.S. and Canada take a second and a third place, followed by China and Japan. As far as Europe is concerned, we discovered precedence of evidence from Germany and Baltic countries. As also visible from Table II, we could not determine the country of case origin in 11 papers. Therefore, country results do not represent the whole sample of identified case studies. Even this is the case, our results could be valid and are understandable if we observe other available metrics related to the digital transformation and development indexes. For instance, findings regarding Country are consistent with the 2017 world digital competitiveness ranking [10]. Hence, we could say that developed countries and countries leading in ICT development, for which we could assume to have evolved in digital competence and comprehension of importance of digital assets, could also be the ones having digital initiatives in place.

<table>
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<th>Table II: Case Studies Country Classification</th>
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<tbody>
<tr>
<td>Country</td>
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<tr>
<td>European countries</td>
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<tr>
<td>U.S. and Canada</td>
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<tr>
<td>China</td>
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<tr>
<td>Japan</td>
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<td>Taiwan</td>
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<tr>
<td>South Africa</td>
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<tr>
<td>India</td>
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<tr>
<td>N/A</td>
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Our reasoning based on the Focus attribute is presented in Table III. Firstly, we highlighted main focal points of each papers’ digital transformation narrative. After that, we were able to identify three main categories in which focal points can be placed. Therefore, organizations’ comprehension of digital transformation can be distinguished by focus on: I Technology; II Strategy and; III Technology and Strategy. Organizations belonging to the third Focus category understand the importance of integration of different aspect of digital transformation, respectively new technology implementation; and organizational changes implemented through strategy. In some organizations, a separate digital strategy is endorsed, while others report incorporating digital transformation into overall organizational strategy. As for the focus on technology adoption, we discover that some papers reporting on digital transformation, are actually dealing with business process optimization initiated by Enterprise Resource Planning (ERP) system introduction, and other topics well studied in IS research in the last 30 years. These were placed in the I.ii subcategory. On the other hand, several organizations applied new technologies that can be described as digital technologies (Ii subcategory). These are expected, if well integrated into the organization, to generate value creation and new ways of doing business in the long run. These findings are in good agreement with Sebastian et al. [3] who recommend that all the three categories, respectively: digital strategy; operational processes backbone and; digital service platform, need to be addressed for a successful digital transformation.

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<th>Table III: Case Studies Focus</th>
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<tr>
<td>Case study focus</td>
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<tr>
<td>I Technology</td>
</tr>
<tr>
<td>I.ii Business process computerization and reengineering, ERP system implementation</td>
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<tr>
<td>II Strategy</td>
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<tr>
<td>III Technology and Strategy</td>
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IV. PAPER ANALYSIS AND DISCUSSION

Although the research on digital transformation has appeared occasionally throughout the past, we discovered the emerging trend of digital transformation case studies and noticed increased interest of scholars in the last three years for this topic. Reis and coauthors [7] reported the same trend, albeit with some differences regarding case study research. They found preponderance of case study research among methodologies for approaching digital transformation and argue that this represents the lack of theory development of the topic. Since theoretical papers are not covered by the scope of this paper, we do not feel legitimate to discuss this argument. However, we support the case study as a methodology for investigation of digital transformation, since it is an emerging topic. Researchers can have benefit from organizational examples in defining their theoretical framings (as noticed by Kruger et al. [11]), and vice versa, it still needs to be seen how academic findings about digital transformation will be utilized by practitioners. Also, the literature review conducted by Reis et al. [7] discovered somewhat higher number of case studies in the WoS database, however, this could be explained by differences in search strategy and interpretation of “case study” term.

By our findings, scholars tend to classify their papers into categories and using keywords that are not appropriate. Therefore, we consider our research to have strong validity since all the papers have been carefully inquired to match the setup research construct described in the methodology section. Besides, to the best of our knowledge, this literature review analyzed more papers than others that can be found on this topic, such as the reviews of Reis et al. [7], and Henriette and coauthors [9]; and it is the only one investigating case study papers.

Our results regarding industry diversification of digital transformation efforts corroborate previous findings [8], [9]. Despite the fact that digital transformation is extensively studied in finance industry along with the “FinTech” phenomenon [12]-[16], and in other service-based industries [17], [18], [11], we discovered the plethora of sectors under the effect of digital transformation. Moreover, the leading industry in our research has turned out to be the (heavy) manufacturing. Indeed, manufacturing industries are also facing disruption and digital innovation adoption, as was previously noticed by Liere-Netheler et al. [19] and Hanelt.
transformation since according to Sebastian et al. [3], organizations do not fully understand how to conduct digital transformation among IS researches since the 90s. This indicates that often replace it solely with business process optimization. Organizations misuse digital transformation concept. They discover that when focusing on technology implementation, approaches combining both of the previous. Also, we digital strategy; focus on technology implementation and; that can be classified in three major categories transformation. Comprehension of digital transformation that organizations differ in interpretation of digital transformation maturity.

Possible that organizations vary extensively in digital maturity of digital transformation across countries and academic case study papers in our research. Nevertheless, a digital competitiveness are also the ones having lead among comparison to this report, countries having the biggest digital competitiveness report specifically the sort of tourism activity were placed in "Accommodation and Food Service Activities" category. Therefore, other papers could report different findings if using another method for industry classification.

To the best of our knowledge, there are no similar scientific papers discussing cross-country state of digital transformation. However, our findings regarding country of case study origin are consistent with previous similar findings from the digital competitiveness report [10]. In comparison to this report, countries having the biggest digital competitiveness are also the ones having lead among academic case study papers in our research. Nevertheless, a maturity of digital transformation across countries and industries is not completely clear. Consequently, it is quite possible that organizations vary extensively in digital transformation maturity.

Related to that, our inspection of Focus attribute reveals that organizations differ in interpretation of digital transformation. Comprehension of digital transformation process in identified papers covers a wide range of topics that can be classified in three major categories – focus on digital strategy; focus on technology implementation and; approaches combining both of the previous. Also, we discover that when focusing on technology implementation, organizations misuse digital transformation concept. They often replace it solely with business process optimization and computerization, which has been one of the major topics among IS researches since the 90s. This indicates that organizations do not fully understand how to conduct digital transformation since according to Sebastian et al. [3], an ensemble of identified focus categories and subcategories is essential for efficient digital transformation.

In addition to this finding, another one regarding academic community can be identified. Investigated papers did not determine the digital readiness prior to the digital project launch; nor digital transformation maturity after the project implementation. Also, scholars do not follow common theoretical framings for describing organizations’ digital transformation. Having all these considerations in mind, comparison of case study findings can be difficult. Furthermore, this indicates that there is a plenty of space for academic advancements of the field.

Hence, based on this review and presented paper analysis, we summarize and propose directions for future research achievements on digital transformation. Particularly, we encourage following scientific contributions: (a) case study investigation, resulting in, or based on validated frameworks; (b) theory development and theoretical framings; (c) common definition of digital transformation, and differentiation from similar terms from related topics; and; (d) empirical research that would complement case study researches, and discuss cross-country and cross-industry differences.

V. Conclusion and Future Recommendations

The results of this study show that there is still a limited number of papers exploring the implementation of digital transformation in practice. Therefore, the literature review analysis has enabled us to shed light on the comprehension of digital transformation in organizations; advise practitioners to address all of the identified transformation concepts; and identify useful research guidelines for future academic endeavors.

Still, there are limitations of this research that have to be taken into consideration. The main limitations could be the one related to the methodology. Although we searched papers in two databases common for IS research dissemination, we could not examine all of the body of literature.

In the end, we encourage future research endeavors on digital maturity, as they could provide valuable insights for practitioners and encourage new academic investigations and findings.

APPENDIX

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ACKNOWLEDGMENT

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