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Crises favor the prepared region. Digital transformation in regions during COVID-19 pandemic

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Abstract

The COVID-19 pandemic has accelerated the digital transformation, but with substantial regional differences in the speed of this transformation. In this paper we show that the COVID-19 pandemic favors the prepared region: regions with a high quality entrepreneurial ecosystem seem to be more adaptive in the sense of revealing a more rapid digital transformation during the COVID-19 pandemic. In this paper we analyzed this spatially uneven digital transformation with data on (1) startups (new retail web shops) and (2) established firms (new entrants on the largest e-commerce platform in the Netherlands) in the 40 city regions of the Netherlands.