

# DIGITAL TECHNOLOGY AND CHANGES IN CONSUMER BEHAVIOR : CASE STUDY OF THE MILLENNIAL GENERATION

Dewi Indriani Jusuf

International Women University

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## ABSTRACT

This research aims to investigate the impact of digital technology on consumer behavior, with a focus on the millennial generation. With rapid changes in digital technology, the millennial generation has become the group most affected by these changes in the context of consumer behavior. This research uses a qualitative approach involving in-depth interviews and content analysis to describe how digital technology has influenced consumer shopping habits, brand preferences and interactions. The research results show that the millennial generation has experienced significant changes in consumer behavior in response to advances in digital technology. They tend to prefer shopping online, respond positively to attractive digital marketing strategies, and are actively involved in brand-consumer interactions via social media. Additionally, changes in their consumption patterns are also reflected in a tendency to make impulse purchases and increased brand awareness, with a strong preference for products and services that offer an easy and engaging digital shopping experience.

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E-mail:  
[dewijusuf@iwu.ac.id](mailto:dewijusuf@iwu.ac.id)

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## 1. INTRODUCTION

In this increasingly advanced modern era, technological developments continue to accelerate rapidly, affecting various aspects of life (Audina et al, 2022). Advanced technology has penetrated various facilities and infrastructure, making various activities that previously felt complicated easier. From smart home systems to sophisticated mobile devices, easy access to information and interaction is an everyday occurrence (Maharsi, 2000). The peak of this convenience was achieved with the internet, which has revolutionized the way humans interact, work and communicate. The history of the internet itself can be traced back to World War II, when computers were first invented by the American military for strategic purposes. This development then continued with the discovery of the internet, which significantly expanded the functionality of computers and opened the door to vast digital transformation (Nasution et al, 2020).

The internet, which was originally the result of modifications to computer communication and information systems, has fundamentally changed human thought patterns and ways of life. With its ability to connect people from all over the world in seconds, the internet has expanded possibilities in various aspects of life, including business, education, health and entertainment (Helianny, 2019). Now, everything seems to be done quickly and easily, as the speed and reliability of internet networks increases. Society is no longer limited by geographical distance, so collaboration and interaction between individuals and companies can occur smoothly, without being hindered by physical boundaries (Mildawati, 2000).

The use of technology and the internet by the millennial generation has had a significant positive impact in various aspects of daily life (. As a generation that grew up in line with technological developments, the millennial generation naturally has strong digital skills and the ability to adapt to the latest technological innovations (Lukiyana, 2020). They are accustomed to using digital devices, such as personal computers, laptops, netbooks, cell phones and smartphones, which form an important part of their daily lives. The presence of the internet for the millennial generation is no longer just a source of additional information, but has become an integral part of their daily routine. Starting from checking the latest news, communicating with colleagues, to accessing various online services, the internet has become an inseparable part of the millennial generation's lifestyle (Hidayatullah et al, 2018).

The millennial generation's dependence on the internet and digital devices reflects the importance of technology in facilitating their daily activities (Nahak & Nurwulandari, 2022). With easy access to information, the millennial generation can continue to follow the latest developments in various fields, increase social connectivity, and expand the reach of careers or business opportunities (Wasiat & Bertuah,

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20220. Apart from that, the internet has also become an important platform for the millennial generation to express themselves, share ideas and develop creativity through social media, blogs and other online platforms. The adoption of this technology has also encouraged the emergence of various new innovations that offer various possibilities and opportunities for the millennial generation to develop their potential and achieve success in various fields (Putri, 2019).

This research aims to analyze the relationship between digital technology and changes in consumer behavior in the millennial generation. By focusing attention on trends in internet and technology use, this research aims to explore in depth how the millennial generation utilizes digital technology in their daily activities, especially in terms of consumption and shopping habits. Through a deeper understanding of how the millennial generation interacts with digital technology, it is hoped that this research can provide valuable insights for companies and marketing practitioners in developing appropriate strategies to reach and meet the needs of the millennial generation more effectively. Apart from that, this research will also highlight the importance of adjusting marketing strategies and product development to accommodate changes in consumer behavior triggered by digital technology in the current era.

## **Literature Review**

### **Digital Technology**

Digital technology is a tool whose operation no longer requires human power and tends to be a system that can automatically connect to all computers (Krisnawati, 2018). Digital technology literacy also brings various conditions regarding awareness of digital use, one of which is about social change, because digital technology can provide a virtual public, as well as fast information transmission. Almost every day, humans are always in contact with various kinds of digital technology, from the internet to smartphones (Mustika, 2019). The development of digital technology makes it easy for people to get various information related to online payments (Brahmanta & Wardhani, 2021). The following are the functions and roles of digital technology, including:

- a. Digital technology as a marketing tool Increasingly sophisticated digital technology makes it easier for companies to market their products effectively. Digital technology will become a more attractive prospect in marketing products through various applications and marketing research that is suitable for the product to be marketed. The use of digital technology will reach all areas connected to the internet and can be useful for increasing the number of muzaki and fundraising.
- b. To make work easier. With digital technology, it will be easy for people to carry out work wherever they are and at any time. Several uses of digital technology to make work easier. First, sending messages (email). Second, to transfer data. Third, for browsing or searching. Fourth, to send, store and present information.

### **Consumer behavior**

Consumer behavior is the behavior shown by consumers in the process of searching for, exchanging, using, assessing and managing a product that satisfies their needs (Wibowo & Supriadi, 2013). Every marketing activity aims to satisfy the wants and needs of consumers. Therefore, in companies, consumers have an important position for the continuity of company activities (Swastha & Handoko, 2002). Understanding consumer behavior is not easy, because every consumer who buys a product has a different income background, age, education and tastes. Companies will be able to identify consumer desires through understanding consumer behavior (Ningsih, 2010).

Consumer behavior is the study of exchange and purchasing processes involving the consumption and disposal of products, experiences, and ideas (Mowen & Minor, 2002). According to Kotler & Keller (2009) consumer behavior is the study of how a person, group, or organization buys, chooses, consumes, and how products, ideas, and experiences satisfy their wants and needs. Consumer behavior cannot be separated from consumer purchasing behavior. Several factors that influence consumer purchasing behavior include cultural, social, personal and psychological factors (Kotler & Keller, 2009).

### **Millennial Generation**

The Langgas Generation (Millennials) or usually also called generation Y, Netters, and Nexters is a developing generation where there are many innovations in information technology science. According to Hasanudin (2023), generation Y or what is known as the millennial generation is a group of young people born in the early 1980s to the early 2000s. This generation is also comfortable with diversity, technology and online communication to stay connected with their friends. According to Choi et al (in Onibala & Manurun, 2017) this generation is more flexible towards new things and all the possibilities that might occur, so it is often described as a generation that is very comfortable with change.

According to Kapoor & Solomon (2011), the millennial generation always wants to contact their superiors, including via email and messages. This generation also tends to be spontaneous, interactive and also wants to be heard, therefore an effective leadership style is collaborative, non-hierarchical and transparent. Transparency is very important to build and maintain relationships between management and current employees. The definition above shows that the millennial generation is a group of individuals born between 1980 and the early 2000s, where the millennial generation grew up in the era of technology and online communication. This generation is more flexible towards new things and all possibilities that will happen, in terms of work the millennial generation has high hopes and looks for meaning in their work

## 2. METHOD

In accordance with the research objectives, the appropriate type of research is descriptive qualitative research (Moloeng 2014). This is because this research describes how IC is implemented in higher education in an effort to create higher education that has global competitiveness. The goal of qualitative research is to gain a deeper understanding of human perception of reality. Qualitative research can take many forms, but most of them are flexible and aim to preserve the full context of the data when analyzing it. Descriptive analysis according to Moleong (2014) is a research technique used to draw meaningful conclusions from data using observation, documentation and technical interviews. By using data reduction and technical triangulation, researchers collect data then analyze and verify it.

## 3. RESULTS AND DISCUSSION

The influence of digital technology on changes in consumer behavior in the millennial generation can be seen in several forms, including:

### a) Online Shopping Habits.

The first influence of digital technology on millennial consumer behavior is related to changes in shopping habits. Consistently, the millennial generation tends to prefer to make purchases online via e-commerce platforms compared to making direct visits to physical stores. The ease of access and convenience offered by online shopping, such as a wide selection of products, fast transaction processes, and the ability to easily compare prices, have been the main factors influencing this preference. In addition, with the existence of various safe and practical payment options, as well as the adoption of user-friendly return policies, millennials increasingly feel that their shopping needs are met through online shopping experiences.

The ease of accessibility offered by online shopping has also changed the way millennials interact with brands and products. They can easily explore products, read reviews from other users, and get customized recommendations based on their preferences. Thus, millennials' purchasing preferences are increasingly influenced by the convenience and convenience offered by e-commerce platforms, allowing them to shop more efficiently without having to experience geographic or time constraints.

### b) Response to Digital Marketing Strategy.

The millennial generation shows a tendency to be very responsive to interesting and relevant digital marketing strategies. They tend to pay more attention to online advertising tailored to their interests and preferences, as well as digital content that provides valuable and useful information for everyday life. Additionally, they are more open to marketing via social media that offers interactive engagement, such as contests, polls and other participatory campaigns. This positive response is driven by the millennial generation's desire to engage in more personalized experiences and interact with brands directly, rather than simply being passive targets of marketing messages.

Furthermore, the millennial generation also shows a preference for digital content that has high interactive engagement. They respond well to content that encourages active participation, such as interactive videos, quizzes, and content that invites discussion or comments. Through this direct engagement, millennials feel cared for and appreciated by the brand, which in turn influences their perception of the brand. Therefore, companies tend to direct their marketing efforts towards creating engaging, high-engagement content to attract attention and build closer relationships with the millennial generation.

### c) Preference for Digitally Connected Brands.

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d) Participation in Brand-Consumer Interactions via Social Media.

Millennials show high levels of engagement in brand-consumer interactions across various social media platforms. They not only use social media as a tool to connect with friends and family, but also as a space to participate in brand discussions, provide feedback, and provide product reviews and recommendations to others. With their ability to quickly share both positive and negative experiences with a particular product or service, millennials have a significant influence in shaping the perceptions and purchasing decisions of other consumers.

The active involvement of millennials in providing feedback, reviews and recommendations on social media has created a responsive and transparent environment for brands. This has forced companies to consider a more open and responsive approach to consumer needs and desires. They use feedback from the millennial generation as a valuable source of information to improve the quality of their products, services and overall customer experience. Apart from that, companies also take advantage of this interaction to build closer relationships with consumers, by responding directly to comments, questions and input provided by the millennial generation.

e) Changes in Consumption Patterns.

The development of digital technology has had a significant impact on the consumption patterns of the millennial generation. One obvious change is the increasing tendency to make impulse purchases. With easy access via e-commerce platforms and various online shopping applications, the millennial generation tends to be tempted to make spontaneous purchases, especially when exposed to various attractive discount offers or promotions presented digitally. Apart from that, increasing brand awareness is also one of the results of the influence of digital technology. The millennial generation tends to be more sensitive to brand image, brand values, and brand sustainability, so they tend to choose products and services from brands that have a good reputation and promote values that are in line with their views.

In addition, the millennial generation also shows a strong preference for products and services that offer easy access and an engaging digital shopping experience. They tend to be more interested in platforms that provide an easy, transparent and secure purchasing process. This ease of access can take the form of a simple payment process, complete and easy to access product information, and responsive customer support through various digital communication channels. In addition, an attractive digital shopping experience, such as personalization features, tailored recommendations, and attractive loyalty programs, is also an important factor in attracting the interest of the millennial generation in choosing products and services from a brand.

Overall, changes in millennial consumer behavior influenced by advances in digital technology have created a significant transformation in the way they interact with products, brands and services. Active engagement in online shopping, responsive responses to digital marketing strategies, participation in brand-consumer interactions via social media, as well as changes in overall consumption patterns show how important the role of technology is in shaping consumer preferences and habits. The millennial generation has become agents of change in the modern consumer world, pushing companies to continue to adapt and innovate to meet the demands of consumers who are increasingly connected digitally. By understanding these changes in consumer behavior, companies can develop more effective marketing strategies and ensure that the products and services they offer can meet the expectations and needs of the increasingly digital-savvy millennial generation. By keeping up with trends and integrating technological innovations in their marketing strategies, companies can position themselves well in an increasingly competitive and changing market.



#### 4. CONCLUSION

By looking at the impact of digital technology on millennial generation consumer behavior, it can be concluded that this generation has experienced a significant transformation in the way they shop, interact with brands, and consume overall. Active involvement in online shopping, responsive response to digital marketing strategies, as well as high participation in brand-consumer interactions via social media show that digital technology has changed the way the millennial generation behaves as consumers. Their propensity to shop online, respond to engaging digital content, and provide feedback that impacts brand perception are all influenced by the ever-evolving advances in digital technology. In this context, a deep understanding of the preferences and habits of millennial generation consumers is very important for companies in developing targeted marketing strategies. By recognizing the important role digital technology plays in shaping consumer behavior, companies can optimize the use of technology in their efforts to reach the millennial generation more effectively. By staying abreast of trends and paying attention to changes in consumption patterns and preferences of the millennial generation, companies can better position themselves to face increasingly fierce competition in this digital era. Thus, adopting strategies that suit millennial consumer trends and preferences will be the key to success for companies in winning the hearts and minds of an increasingly digitally connected generation of consumers.

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