Changes In People's Consumption Patterns In The Digital Era: A Study On The Millennial Generation

Teguh Lesmana

Ekonomi Syariah, Universitas Islam Bunga Bangsa Cirebon, Cirebon, Indonesia
Email: teguhlesmana@bungabangsacirebon.ac.id

ABSTRACT

The millennial generation, born between the early 1980s and early 2000s, grew up in the era of digital technology that affects their consumption patterns. This study uses a qualitative approach with case study design, collecting data through in-depth interviews, case studies, and participatory observations, which are analyzed thematically. The results show that millennials prefer online shopping through e-commerce platforms, influenced by social media and influencers, and prioritizing experience over goods ownership. They are also sensitive to social and environmental values in choosing products. The use of mobile apps for transactions and product reviews is very dominant, although challenges related to data privacy and information reliability are major concerns. This research reveals the need for content-based marketing strategies, product and service customization, and increased transparency and data security to build consumer trust. These findings provide in-depth insights into the consumption dynamics of millennials in the digital era, offering guidance for companies to develop more adaptive and innovative strategies in the face of evolving consumption trends.

Keywords: *Digital Consumption, Millennial Generation, Social Media*

INTRODUCTION

Millennials, who are generally defined as those born between the early 1980s and mid-1990s to the early 2000s, grew up in a period in which digital technologies, such as the internet and social media, began to permeate their daily lives. Compared to previous generations, millennials are more accustomed to using digital technology as the main tool to communicate, seek information, and meet their needs, including in the context of consumption.

Global economic growth and the rise of the middle class in many countries have also expanded millennials' access to a wider and more diverse range of consumer products (Anugrafianto, 2023). They are not only passive consumers but also active users in influencing market trends and preferences through their interactions in the digital space. This phenomenon creates new challenges for companies in understanding increasingly fragmented and dynamic consumer behavior. The main change in consumption patterns occurred due to the adoption of digital technology. E-commerce platforms such as Amazon, Alibaba, and local platforms are increasingly dominating the global shopping landscape, offering the convenience of shopping from anywhere and anytime (S.s & Darmawan, 2020). In addition, the use of mobile apps for the purchase of goods and services is also increasing, transforming the traditional way of shopping in physical stores into a more personalized and accessible experience (Zirzis, 2024).

Digitalization also affects the way millennials interact with brands and products. They not only rely on traditional advertising but also seek recommendations from digital influencers, user reviews, and content created by other users on social media (Prime, 2019). This creates an opportunity for brands to build closer connections with their consumers through content-based marketing strategies and unique user experiences. The millennial generation is known for its different values and consumption preferences compared to previous generations (Sunarta, 2023). They are more likely to choose experience over ownership, are more sensitive to environmental issues, and prefer brands that have social and ethical values that align with their values. In this digital age, this preference can be seen in the way they choose products, search for product information, and share their consumption experiences with others through social media platforms (Putlia & Thioanda, 2020). Although digital technology has provided unprecedented ease of access and interaction, there are still challenges that need to be faced in understanding the consumption patterns of the millennial generation more deeply. Some of the key challenges include data privacy, the reliability of information circulating on social media, and the ability to capture the dynamics of changes in consumer behavior that are often changing rapidly.

This research will not only provide a better understanding of the consumption behavior of millennials in the digital era, but also have significant practical implications for industry, government, and the general public. Industries can use these findings to develop more effective marketing strategies, adapt their products and services according to changing consumer preferences, and build closer relationships with customers through digital platforms.

On the theoretical side, this research will complement the literature on digital consumption and millennial consumer behavior with more in-depth data and analysis. This will contribute to the development of theories about consumption in the context of ever-evolving digital technology. Thus, the research on "Changes in People's Consumption Patterns in the Digital Age: A Qualitative Study on the Millennial Generation" is not only relevant in the academic context but also important in anticipating future trends in global consumer behavior. Through a comprehensive qualitative approach, this research is expected to provide in-depth insights into how the millennial generation responds and adapts to digital transformation in the scope of their consumption.

LITERATURE REVIEW

Changing consumption patterns in the digital age have changed the way consumers interact with brands and make purchasing decisions. Information technology and the internet play a central role in accelerating this transformation, allowing consumers to shop online, access product information quickly, and participate in digital communities that influence their preferences. This concept not only includes the use of technology to improve the consumer experience, but also encourages companies to optimize their marketing and operational strategies in line with increasingly digital consumer behavior.

1. The Concept of Consumption Patterns in the Digital Context

The concept of consumption patterns in a digital context describes how consumer behavior is changing in an era where information technology and the internet play a central role. Traditionally, consumption patterns include how individuals and groups choose, buy, and use products and services (Sudiro & Asandimitra, 2022). However, with the rapid adoption of digital technology, there is a profound transformation in the way consumers interact with brands, make purchasing decisions, and manage their consumption experience.

In the digital era, consumers are not only using technology to search for information about products, but also to shop online through e-commerce platforms such as Amazon, Alibaba, and other local platforms (Maulana et al., 2020). This changes the dynamics of conventional shopping where consumers can transact anytime and from anywhere, reducing reliance on traditional physical stores. In addition, digital consumption patterns include intensive use of consumer data. The company uses technology to collect and analyze consumer data, which allows them to provide offers that are more personalized and tailored to individual preferences (Halimah et al., 2022). Predictive analytics are used to predict consumer behavior, helping companies optimize their marketing and sales strategies.

Another aspect of digital consumption patterns is the increasingly digital-based interaction between consumers and brands. Consumers receive information not only from traditional advertising, but also from digital influencers, user reviews, and content created by other users on social media. This allows brands to build more intimate and engaged relationships with their consumers through personalized content marketing strategies and user experiences.

Overall, consumption patterns in the digital context reflect the adoption of information technology and the internet in every aspect of the consumption process. Not only is this changing the way consumers shop and interact with brands, but it also creates new opportunities for companies to understand and respond to consumer preferences more precisely and efficiently.

2. Theory of Changes in Consumption Patterns

The theory of change in consumption patterns refers to a conceptual framework that explains how external and internal factors influence the evolution of consumption behavior over time. In a digital context, this theory is particularly relevant because new technologies such as e-commerce, social media, and mobile apps have significantly changed the way consumers interact with brands and make purchasing decisions (Qorib, 2020). One of the main aspects of the theory of changing consumption patterns in the digital era is the adaptation of consumers to new technologies. For example, the adoption of e-commerce platforms such as Amazon or Alibaba allows consumers to make purchases more easily, quickly, and from anywhere. This affects consumer preferences towards a more efficient and personalized shopping experience. In addition, this theory also highlights the role of social media in shaping consumption behavior. Platforms like Instagram, YouTube, and TikTok are not only places to share content, but they also play an important role in influencing fashion trends, lifestyles, and product preferences (Hayu, 2019). Consumers often seek recommendations from digital influencers or user reviews before making a purchase decision, which shows how digital interactions affect brand and product perceptions.

The theory of changing consumption patterns also recognizes the role of mobile apps in changing the traditional way of shopping in physical stores. With a mobile app, consumers can compare prices, view product reviews, and even make purchases without having to visit a physical store. This creates a more flexible shopping experience and allows consumers to be more involved in the buying process.

Overall, the theory of changing consumption patterns in the digital context helps us understand how new technologies affect consumer behavior. By analyzing external factors such as technological developments and internal factors such as individual preferences, this theory provides valuable insights into the evolution of consumption

behavior and helps companies to develop marketing strategies that are more effective and responsive to changing consumer trends in the future.

3. Literature on Consumption Behavior of the Millennial Generation

Millennials, born between the early 1980s to the mid-1990s to the early 2000s, have become a major focus in the study of consumption behavior due to their significance in adopting digital technologies and influencing market trends. These studies not only identify the unique consumption preferences of this generation, but also highlight how they influence changes in the overall consumption paradigm. One striking aspect of millennials' consumption behavior is their preference for experience over ownership (Lesmana, 2023). They are more likely to spend their money on experiences such as traveling, dining at restaurants, or social events, as opposed to buying material items (Muktamar et al., 2023). Studies show that this factor is driven by the urge to accumulate valuable experiences personally and socially, rather than simply owning things.

The millennial generation is also known for their sensitivity to social and environmental values. They tend to choose products and brands that promote sustainable business practices, good work ethic, and support for social issues. This reflects the shift in consumer values from simply focusing on product quality to also considering the social and environmental impact of the brands they support.

The preference for digital interaction in shopping and choosing brands is also a characteristic of the millennial generation. They are more likely to seek product information from online sources such as user reviews, digital influencers, or social media than traditional advertising. The ability to shop online easily and to participate in online communities that share their interests and preferences makes digital interaction an important aspect of this generation of consumer decision-making.

The literature on the consumption behavior of millennials helps us understand how this generation affects the market and how companies can tailor their marketing strategies to attract and retain customers from this group. By analyzing their preferences for digital experiences, social values, and interactions, this literature provides valuable insights into understanding the dynamics of consumption in today's digital era.

It can be concluded that digitalization has brought significant challenges such as data privacy and increased global competition, but it has also opened up new opportunities in the form of product personalization, supply chain optimization, and more direct interaction between brands and consumers. Studies on changing consumption patterns and consumer behavior of millennials show that adapting to digital technology is key to understanding and responding to consumer preferences more effectively. By integrating the findings from this literature, companies can develop more adaptive and innovative strategies in facing challenges and capitalizing on opportunities in the ever-evolving era of digital consumption.

METHODS

The methodology used in this study is based on a qualitative approach designed to explore the changes in the consumption patterns of the millennial generation in the digital era. The qualitative approach was chosen because it allows for in-depth exploration of respondents' views, experiences, and perceptions related to the phenomenon being studied (Sugiyono, 2022). This study uses a case study design to

investigate in depth how millennials adapt and respond to digital technology in their daily consumption activities.

Data collection techniques include in-depth interviews with a number of millennial respondents to gain their personal insights, case studies to illustrate variations in consumption patterns in various digital contexts, and participatory observations to understand direct interactions with digital technologies. The qualitative data collected will be analyzed thematically to identify behavioral patterns, key themes, and relationships between factors that influence their consumption patterns. This approach is expected to provide an in-depth understanding of the dynamics of millennial generation consumption in the digital context, as well as a meaningful contribution to the development of marketing strategies, product innovation, and economic policies that are responsive to future consumer trends.

RESULTS AND DISCUSSION
1. Preferences for Online Shopping and the Influence of Social Media

The millennial generation shows a significant shift from shopping in physical stores to online shopping. This shift is mainly driven by the conveniences offered by e-commerce platforms, such as 24/7 access, a wider variety of products, and attractive discount offers. Platforms such as Tokopedia, Shopee, and Lazada are favorites because they simplify the purchase process and provide user review features that help consumers make more informed decisions. Ease of access and online shopping time allow consumers to shop at any time, while diverse product variants offer more options than physical stores. In addition, the offers and discounts that are often provided by e-commerce platforms add to their appeal to consumers.

Social media also plays an important role in shaping millennial consumption patterns. This generation is more likely to trust recommendations from influencers and user reviews over traditional advertising (Lesmana et al., 2024). Recommendations from influencers on social media are considered more authentic and relatable, so they are more trusted. Additionally, engaging and relevant content created by brands on social media can increase consumer engagement. Authentic content, such as product reviews from real users or tutorials on using the product, is often more effective in building consumer loyalty. Direct interaction with consumers through social media also allows brands to provide more personalized customer service, increasing consumer satisfaction and loyalty.

Social media-based marketing strategies, such as collaboration with influencers, authentic content creation, responsive interactions with consumers, and creative viral campaigns, can increase brand visibility and awareness. By leveraging these strategies effectively, brands can build stronger consumer engagement and increase brand loyalty. The millennial generation's online shopping preferences and the influence of social media create a huge opportunity for brands to thrive in this digital age.

2. Spending on Experience vs. Ownership

These findings are in line with a global trend where millennials prefer to spend their money on valuable experiences rather than material goods. This generation prefers to allocate their spending on travel, social events, and culinary experiences that provide unforgettable memories. The desire to gather meaningful experiences, both personal and social, drives them to look for unique tourist destinations, restaurants with interesting concepts, and events that offer something different. These experiences not only cater to their emotional needs, but also provide an opportunity

to share special moments with friends and family through social media, which in turn strengthens their social status.

Companies can capitalize on this trend by offering products and services that promote unique experiences (Khozin et al., 2022). For example, a travel agent may provide travel packages that not only include visits to popular tourist attractions, but also offer in-depth cultural experiences, such as local cooking classes or history tours with a private guide. Similarly, restaurants can appeal to millennials by offering exclusive culinary events that combine local and international elements, such as degustation of wine with regional specialties or themed dinners that invite guests to experience the atmosphere of another country. Additionally, brands can create engaging social events, such as music festivals or art exhibitions, that provide a valuable and memorable experience.

Brands that are able to provide valuable experiences will more easily attract the attention and loyalty of millennial consumers. By focusing on creating unique and meaningful experiences, companies can not only increase the appeal of their products, but also build stronger relationships with consumers. A positive and memorable experience will encourage consumers to come back and recommend the brand to others, creating a continuous cycle of positive feedback. Therefore, understanding and meeting the needs of the millennial generation for valuable experiences is the key to success in winning the hearts and minds of consumers in this digital era.

3. Use of Mobile Technology and Applications in Consumption

The use of mobile apps for shopping and digital payments has become an integral part of millennials' daily lives. Applications such as GoPay, OVO, and Dana make transactions easier by offering fast and secure payment processes, while providing various attractive promotions and cashback for consumers. This advantage makes consumers increasingly interested in using mobile applications in their daily activities. Additionally, review and recommendation apps like Zomato and TripAdvisor help consumers make more informed decisions by reading reviews and experiences of other users. This shows that mobile technology has changed the way consumers access information and make purchasing decisions.

This trend shows the importance of companies to develop user-friendly and functional mobile applications. An easy-to-use application with an intuitive interface will be more in demand by consumers, as it provides a pleasant and efficient experience (Kusjuniati, 2022). In addition to basic features such as shopping and payments, apps can also offer additional features such as product reviews, personalized recommendations, and loyalty programs to increase consumer satisfaction and engagement. For example, the product review feature allows consumers to get more information about the product before purchasing, while personalized recommendations help consumers find products that match their preferences. Loyalty programs, on the other hand, can increase customer retention by providing additional incentives to continue shopping through the app.

By integrating these various features, companies can create a digital ecosystem that supports and enriches the consumer experience. A good mobile app not only facilitates transactions, but also builds a closer relationship between brands and consumers through more personalized and responsive interactions. Companies that are able to develop comprehensive and engaging mobile applications will have a

competitive advantage in this increasingly digital market. As such, investing in the development of quality mobile applications is an important strategic step to respond to modern consumption trends and increase competitiveness in the digital age.

4. Challenges in Digital Consumption

Digital consumption offers many benefits for millennials, but the challenges of data privacy and information reliability remain a major concern. Data privacy concerns arise from uncertainty regarding the use and protection of personal data by digital platforms. Consumers are worried that their personal information could be misused or fall into irresponsible hands, especially amid the rise in cyberattacks and data breaches. Inadequate data security can threaten consumers' sense of security when using digital services. In addition to data privacy, the reliability of information on social media is also a challenge. Large fluctuations in the information circulating, including fake news and inaccurate reviews, are often difficult to verify. This can reduce consumers' trust in the information they receive and potentially influence their decisions. Information that is not properly verified can mislead consumers, harm brand reputation, and overall reduce trust in digital platforms.

To address these challenges, companies need to increase transparency in the management of consumer data as well as provide clear security guarantees. The implementation of a comprehensive and easy-to-understand privacy policy can help consumers understand how their data is collected, used, and protected. The use of encryption technology and other security measures is also important to protect consumer data from external threats. In addition, companies can adopt stricter mechanisms for information verification and reviews. The application of technology such as artificial intelligence algorithms to detect and remove misleading or fake content could be the solution. Providing a platform for users to report inaccurate information can also help in maintaining information integrity. With these measures, companies can build consumer trust and demonstrate their commitment to information privacy and reliability.

Brands that are able to demonstrate a commitment to privacy and reliability of information will be more appreciated by millennial consumers. Consumers tend to be more loyal to companies that are transparent and responsible in managing their data and information. Therefore, by effectively addressing these challenges, companies can not only increase consumer confidence but also strengthen their position in this increasingly competitive market.

5. Implications for Industry and Marketing

The results of this study provide valuable guidance for companies in designing marketing strategies that are more effective and responsive to changes in millennial consumption patterns. One of the key strategies is to adopt an authentic and relevant content-based approach on social media. By producing content that is not only engaging but also reflects the brand's values and identity consistently, companies can build deeper engagement with consumers. This provides an opportunity for brands to not only influence purchasing decisions, but also build a closer and more sustainable relationship with their audience.

Customizing products and services to offer unique experiences is also key in attracting and retaining millennial consumers (Thoyibah et al., 2021). Today's consumers tend to be looking for an experience that goes beyond just the product or service they purchase. Brands that are able to provide a different and memorable experience can differentiate themselves from competitors. This could be responsive customer service, personalization tailored to individual preferences, or product innovations that cater to consumers' needs and lifestyles.

The use of consumer data to personalize offers is also becoming an increasingly important strategy (Anugrafianto, 2023). By leveraging technology and data analysis, companies can identify consumer purchasing preferences and behaviors in more depth. This allows them to offer more relevant recommendations and personalize the shopping experience for each consumer. However, in implementing this personalization, companies also need to pay attention to consumer data privacy concerns and ensure that data use is carried out in an ethical manner and in accordance with applicable privacy regulations.

The challenges of data privacy and information reliability cannot be ignored. Companies need to be more proactive in addressing these issues to build solid consumer trust and loyalty. By taking these steps, companies can not only understand and respond to millennial preferences and concerns, but also create greater value for their consumers. This can strengthen their position in an increasingly competitive market and result in a long-term advantage in this ever-changing industry.

CONCLUSIONS

Based on the research that has been described, it can be concluded that the millennial generation has different preferences in consumption and interaction with the market compared to the previous generation. The significant shift towards online shopping is driven by the conveniences offered by e-commerce platforms, such as 24/7 access, a wider variety of products, and attractive discount offers. Social media plays an important role in shaping millennials' purchasing decisions, with them tending to trust recommendations from influencers and user reviews rather than traditional advertising.

This trend creates challenges and opportunities for industry and marketing. Companies need to adopt marketing strategies that focus on authentic and relevant content on social media to build deeper consumer engagement. In addition, customizing products and services to offer unique experiences and the use of consumer data for personalization are key in maintaining consumer loyalty. However, data privacy and information reliability challenges must also be seriously addressed to build solid consumer trust.

By understanding these dynamics, companies can position themselves more effectively in the face of an increasingly competitive and digital market. Investing in the development of responsive marketing strategies and policies that prioritize data security will provide long-term gains in winning the hearts and minds of millennials who are the dominant force in today's economy.

REFERENCE

Anugrafianto, T. R. (2023). Analisis Dampak Media Digital Terhadap Pola Konsumsi Berita Generasi Milenial di Indonesia. *Amerta Jurnal Ilmu Sosial Dan Humaniora*, *3*(3), Article 3. https://ejournal.amertamedia.co.id/index.php/amerta/article/view/222

Halimah, H., Sudiarti, S., & Harahap, M. I. (2022). Perilaku Impulse Buying Generasi Milenial Pada Fintech Ovo Dan Go-Pay Perspektif Maqashid Syariah. *Co-Value Jurnal Ekonomi Koperasi Dan Kewirausahaan*, *13*(2), Article 2. https://doi.org/10.36418/covalue.v13i2.1971

Hayu, R. S. (2019). Smart Digital Content Marketing, Strategi Membidik Konsumen Millennial Indonesia. *Jurnal Manajemen Dan Kewirausahaan*, *4*(1), 61–69. https://doi.org/10.32503/jmk.v4i1.362

Khozin, A. A., Pratama, F. A., Ridwan, M., Amin, N. M. F., & Lesmana, T. (2022). Inflation and the Stability of Islamic Finance. *ICOBBA_2021*, 404–409. https://doi.org/10.51773/icobba.v1i2.110

Kusjuniati, K. (2022). UMKM Indonesia Menuju Industri Halal Dan Go Digital Dalam Memasuki Pasar Global. *Widya Balina*, *7*(2), 462–468. https://doi.org/10.53958/wb.v7i2.152

Lesmana, T. (2023). Analisis Perilaku Konsumen Generasi Milenial dalam Berbelanja Online. *Jurnal EBI*, *5*(2), Article 2. https://doi.org/10.52061/ebi.v5i2.175

Lesmana, T., Rohimah, I., & Selasi, D. (2024). Fried Chicken's Small Micro-Venture Revenue Increase Strategy Through Digital Media. *Journal of International Multidisciplinary Research*, *2*(5), Article 5. https://doi.org/10.62504/jimr460

Maulana, I., Manulang, J. M. br, & Salsabila, O. (2020). Pengaruh Social Media Influencer Terhadap Perilaku Konsumtif di Era Ekonomi Digital. *Majalah Ilmiah Bijak*, *17*(1), 28–34. https://doi.org/10.31334/bijak.v17i1.823

Muktamar, A., Hertina, D., Ratnaningsih, R., Syaepudin, S., Syahputra, H., Hendriana, T. I., Masruroh, M., Sudalyo, R. A. T., & Nursanti, T. D. (2023). *MSDM ERA MILENIAL: Pengelolaan MSDM yang Efektif untuk Generasi Milenial*. PT. Sonpedia Publishing Indonesia.

Perdana, A. (2019). Generasi Milenial dan Strategi Pengelolaan SDM Era Digital. *Jurnal Studi Pemuda*, *8*(1), 75. https://doi.org/10.22146/studipemudaugm.45287

Putlia, G., & Thioanda, N. N. (2020). Munculnya Digital Influencer Merubah Perilaku Konsumen Pada Promosi Produk, Pemilihan Produk, dan Keputusan Pembelian Generasi Milenial: Studi Pada Akun YouTube Ria SW. *Jurnal Manajemen Strategi Dan Aplikasi Bisnis*, *3*(1), Article 1. https://doi.org/10.36407/jmsab.v3i1.136

Qorib, F. (2020). Pola Konsumsi Media pada Generasi Milenial Kota Malang. *Ultimacomm: Jurnal Ilmu Komunikasi*, *12*(1), 53–71. https://doi.org/10.31937/ultimacomm.v12i1.1490

S.s, W. M., & Darmawan, A. (2020). Analisis Pola Konsumsi Masyarakat Kota Batam Berdasarkan Penggunaan E-Money Berbasis Aplikasi. *Jurnal Akuntansi, Ekonomi Dan Manajemen Bisnis*, 8(2), Article 2. https://doi.org/10.30871/jaemb.v8i2.2690

Sudiro, P. I., & Asandimitra, N. (2022). Pengaruh Financial Literacy, Uang Elektronik, Demografi, Gaya Hidup dan Kontrol Diri terhadap Perilaku Konsumtif Generasi Milenial Di Kota Surabaya. *Jurnal Ilmu Manajemen*, 10(1), 160–172. https://doi.org/10.26740/jim.v10n1.p160-172

Sugiyono. (2022). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Alfabeta.

Sunarta, D. A. (2023). Kaum Milenial di Perkembangan Ekonomi Digital. *Economic and Business Management International Journal (EABMIJ)*, 5(1), Article 1. https://doi.org/10.556442/eabmij.v5i1.250

Thoyibah, M., Fasa, M. I., & Suharto, S. (2021). Pola Konsumsi Hedonisme Generasi Millenial Muslim Terhadap Teori Konsumsi Dalam Prespektif Ekonomi Islam. *Jurnal Ilmiah Pendidikan Dan Keislaman*, 1(3), Article 3. https://doi.org/10.55883/jipkis.v1i3.15

Zirzis, M. (2024). Evolusi Ekonomi Di Era Digital: Kontribusi Generasi Z Dalam Perekonomian. *Jurnal Literasi Indonesia*, 1(2), 77–82. https://jli.staiku.ac.id/index.php/st/article/view/11