



Impact of Digital Technology on Consumer Behaviour

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Abstract:

New technology has empowered consumers in numerous ways. They not only have unlimited access to information but also demand various products and services whenever and wherever they want. Social Media has also given bigger opportunities and new channels to communicate with brands and share their viewpoints with peers. The companies have to unfold rapidly as the speed of technology and trends in consumer behavior is accelerating. The brands which are delivering faster as per the consumer demands can only thrive in the market now compared to those who are slow to react. Consumers are more connected to business than before as they are able to research products, ask sales questions and purchase products through smartphones irrespective of the time, place and situation. With consumers becoming hyper-connected, there is an increasing number of chances to capture new as well as old customers. However, companies need to understand how they can cut through the noise and meet consumer demand. This research paper studies the meaning of Digital Technology and Consumer Behavior and concludes with the positive and negative impacts of Digital Technology on the behavior of consumers.

Keywords: Digital Technology, Consumer Behavior, Social Media, Companies.

Introduction:

Digital technology means electronic devices, systems, tools and resources which utilizes, processes and store data to complete many other functions that increase employee productivity and efficiency. For example, digital cameras, personal computers, smartphones etc.

Types of Digital Technology:

1. Information Technology: Information Technology comprises both hardware and software in addition to telecommunications so that the businesses can store, send and retrieve information effortlessly.

2. Communications Technology: This technology facilitates communication over distances. It includes everything from traditional telegraphs to telephones, mobile phones, communication satellites and the

internet which is one of the most significant communications technologies breakthroughs of the last 50 years.

3. Superintelligence Technology:

Superintelligence Technology uses Artificial Intelligence and computer systems to expand and upgrade human life. Examples include chatbots, virtual reality and self-driving cars.

4. Educational Technology: It has brought transformation to students by offering breakthroughs like computer-based learning, interactive learning tools, audio-visual systems and online resources.

5. Blockchain Technology: It offers a secure, web-based financial system with encrypted data which is designed to manage digital assets, online stock exchanges and social media platforms. This tech is

becoming an essential tool for businesses nowadays.

What is Consumer Behavior?

Consumer Behavior is the action and decision of the people which is done while choosing, buying, using or disposing of a product or service. It is also a multi-stage process which involves problem identification, data collection, exploration of options that helps them to make decisions for buying and evaluating the experience later on.

Types of Consumer Behavior:

a) Habitual Buying Behavior: This takes place when consumers make purchases with minimum decision-making and marketing efforts through information search. They have brand and customer loyalty based on their prior experiences.

b) Variety Seeking Behavior: This happens when consumers are not deeply associated with purchase decisions but seek varieties or uniqueness in their shopping experience. They tend to change their brands or products often to satisfy their curiosity or need for variety.

c) Complex Buying Behavior: This takes place when consumers are actively involved in the purchase decision process and are well informed about the significant differences between various brands or products. Consumers conduct extensive research, collect information and evaluate alternatives before making purchase decisions.

d) Dissonance-reducing buying behavior: This happens when people make costly or risky purchases and feel uncomfortable or confused about it later on. Consumers seek information, reassurance or feedback from other consumers to reduce confusion.

How Technology Influences Consumer Behavior positively?

a) Increased connectivity: Technology permits consumers to connect more

effectively with the companies which provide their products and services. With devices like smartphones or computers with internet connection, people can easily conduct research on any product.

b) Online opinions: It gives access to discussion forums like Quora, WikiAnswers, Facebook Questions, Twitter, Instagram or LinkedIn Answers which are oriented around professionals to argue with the audience's views.

c) Mobile devices and payments: Technology helps in online presence on mobile-friendly websites and app stores which is also an excellent service or product provider. Increased mobile payment security has also boosted online buying activities.

d) Integration of Big Data and Cloud Technology- From Alexa to multiple wearable devices to everything through the Cloud, things are just getting easily connected for betterment. The cloud allows companies to monitor consumer behavior and with the help of Big data, more personalized services can be rendered to consumers.

e) Augmented Reality: Many brands have taken more steps towards Augmented and Mixed Reality across industries. They have influence in domains like real estate, e-commerce, fashion, food etc. The top examples are IKEA, H&M etc.

How Technology influences Consumer Behavior negatively?

a) Digital Addiction and Mental Health: Excessive use of Technology can lead to compulsive behavior that impacts mental health and social relationships.

b) Privacy concerns: While sharing the personal data through Technology, it raises concerns about privacy and security that can lead to distrust and negative consumer experiences.

c) Distraction and reduced focus: Frequent interruptions from Phone

notifications and Social Media platforms can negatively impact concentration, productivity and overall performance.

d) Sensory overload: The constant flow of information and stimuli from various digital devices can lead to sensory overload that affects cognitive function and emotional responses.

e) Social Isolation: Technology can not only facilitate connection but also lead to social isolation and a decline in real-life relationships through excessive screen time.

Conclusion:

Technologies like Social Media and Digital Communication systems have deeply integrated into our modern society which influences how we connect, see ourselves and interact with the world around us. Companies must adapt to the digital changes that influence consumer behavior to create meaningful and personalized experiences. By doing so, companies or businesses can always stay ahead of the competition and meet the needs and expectations of the consumers. While Digital Technologies offer numerous benefits by strengthening connectivity and facilitating platforms for self-expression and activism, they also pose significant challenges by affecting our physical and mental health. To navigate this landscape, we need the understanding of both the opportunities and threats that are presented by digital technologies.

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