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THE IMPACT OF DIGITALIZATION ON CHANGING PEOPLE'S ECONOMIC PATTERNS

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ABSTRACT

The development of digital technology in recent years has brought fundamental changes to people's economic activities. This research aims to analyze the impact of digitalization on changes in people's economic patterns, including consumption, transactions, financial management, business activities, and work patterns and income. The research uses a qualitative approach, employing the library research method by examining various reputable scientific literature, particularly international journals indexed in Scopus over the last five years. Research data were obtained through systematic searches of scientific articles, books, and research reports relevant to economic digitalization. The study's results show that digitalization has significantly changed people's economic behavior. In the consumption aspect, there is a shift from conventional shopping to digital shopping through e-commerce platforms. In terms of transactions, the use of digital payments, such as e-wallets and QRIS, is increasing, forming more efficient economic habits. Digitalization also affects household financial management patterns through easy access to digital financial services. On the other hand, digitalization encourages transformation in MSMEs and creates new forms of work through the gig economy. However, the impact of digitalization is not always evenly distributed, as there remains a gap in access to technology and digital literacy across society. This study concludes that digitalization plays a vital role in shaping the modern economic landscape. Still, inclusive policies are needed so that the benefits are felt more fairly and equitably.

Keywords: Digitalization, Community Economic Patterns, Digital Economy, Consumption Behavior, Digital Payments, Financial Inclusion

Introduction

Digitalization has become one of the main forces shaping the global economy over the last five years. The development of information technology, the internet, and data-based systems has changed the way people conduct economic activities across production, distribution, and consumption. Digital transformation is not only affecting the formal business sector, but also reaching households and individuals through various digital economy platforms such as e-commerce, fintech, and app-based services. This phenomenon shows that digitalization catalyzes changes in the economic patterns of modern society (Li & Chen, 2021).

The changes in economic patterns due to digitalization are most evident in the public consumption sector. Shopping behavior that was previously done conventionally has now shifted towards digital transactions through marketplaces

and online applications. Ease of access to information, price transparency, and time efficiency are the main drivers of these changes. Empirical studies show that the adoption of digital technology significantly influences consumer preferences in making daily economic decisions (Huang et al., 2022). This indicates that digitalization has created a new, more flexible and dynamic economic ecosystem.

In addition to consumption patterns, digitalization also affects changes in people's financial transaction systems. The emergence of digital payment instruments such as e-wallets, mobile banking, and QR code payments has shifted people's habits from cash to non-cash transactions. These changes not only improve transaction efficiency but also affect the financial management patterns of individuals and households. According to research by Zhang and Wang (2023), the adoption of digital payments can increase financial inclusion and accelerate economic recovery at the societal level.

Digitalization also has implications for production patterns and community business activities, especially for micro, small, and medium enterprises (MSMEs). Digital technology enables MSMEs to expand their markets, reduce operational costs, and increase competitiveness. Many business actors who previously relied solely on offline sales are now switching to a digital platform-based model. Recent research confirms that digitalization is driving significant changes in small business marketing and distribution strategies (Rahman & Putri, 2021).

However, the impact of digitalization on people's economic patterns is not always positive and even. Gaps in access to technology, limited digital literacy, and differences in economic capacity are the main obstacles to optimizing the benefits of digitalization. People who lack access to technology tend to be left behind in the process of digital economy transformation. A study by Nguyen et al. (2022) reveals that digital inequality can widen economic disparities if inclusive, supportive policies are not accompanied by it.

In terms of employment, digitalization has also changed people's work patterns and sources of income. The emergence of a platform-based economy (gig economy) has created new forms of work that are more flexible but often less stable. Many individuals now earn income through app-based jobs, such as ridesharing, digital freelancing, and online commerce. This phenomenon shows that digitalization is not only changing the way people shop and transact, but also the way they work and earn income (Kurniawan & Sari, 2023).

Given these changes, the study of the impact of digitalization on people's economic patterns is highly relevant and warrants in-depth investigation. Digital transformation has created structural changes in economic behavior, transaction systems, work patterns, and people's business strategies. However, a more comprehensive understanding of how digitalization actually affects people's economic lives across different social contexts is still needed. Therefore, the research titled "The Impact of Digitalization on Changes in People's Economic Patterns" is important for providing an empirical picture of the economic dynamics of society in the digital era (Santoso, 2024).

Literatur Review

The Concept of Digitalization in an Economic Perspective

Digitalization refers to the use of digital technology to transform social, economic, and business processes. In the economic context, digitalization not only changes the way people interact but also forms more efficient and information technology-based production, distribution, and consumption patterns (Li & Chen, 2021). Digital transformation has created a new economic ecosystem characterized by the increasing use of digital platforms, big data, and global connectivity (Huang et al., 2022). Theoretically, digitalization encourages a shift from a conventional to a network-based economic model. These changes include how people obtain information, make transactions, and make daily economic decisions (Zhang & Wang, 2023). Therefore, digitalization is seen as a strategic factor capable of changing the economic behavior of modern society.

Changes in Consumption Patterns Due to Digitalization

One of the most significant impacts of digitalization is the change in people's consumption patterns. The presence of e-commerce, marketplaces, and social media has shifted shopping habits from traditional to digital. Consumers can now more easily compare prices and product quality and make transactions anytime, anywhere (Rahman & Putri, 2021). Recent research shows that ease of access, service speed, and trust in digital platforms are the main determinants of changes in consumer behavior (Nguyen et al., 2022). Digitalization also increases people's consumptive behavior through digital promotions, online discounts, and the convenience of electronic payments (Huang et al., 2022). These changes show that digitalization plays an important role in shaping individual economic preferences.

Digitization and Transformation of Transaction Systems

Digitalization has also brought significant changes to the community's economic transaction system. The use of digital payments, such as e-wallets, mobile banking, and QR codes, is increasingly widespread across society. Digital payment systems are expected to improve the efficiency, security, and speed of economic transactions (Zhang & Wang, 2023). The adoption of digital payments is not only affecting how people pay, but also how they manage their daily finances. According to Kurniawan and Sari (2023), digital payments encourage a shift from cash-based to more structured non-cash transactions. This phenomenon indirectly shapes the economic landscape of a more modern, digitized society.

Digitalization in Business Activities and MSMEs

In addition to influencing consumer behavior, digitalization also significantly affects the economic patterns of business actors, especially MSMEs. Digital platforms enable businesses to expand their market reach beyond geographical boundaries and reduce operational costs (Rahman & Putri, 2021). Digital transformation in MSMEs also drives changes in marketing strategies, inventory management, and consumer relationships. Empirical studies show that MSMEs that adopt digital technologies perform better economically than those that still rely on conventional methods (Santoso, 2024). This confirms that digitalization has changed the economic landscape, shifting the balance between producers and consumers.

Digitalization, Financial Inclusion, and Changes in Household Financial Patterns

Digitalization is also closely related to increasing financial inclusion. Fintech services, digital loans, and financial applications make it easier for people to access financial products that were previously difficult to reach (Li & Chen, 2021). These

changes affect how people save, invest, and manage their household finances. Zhang and Wang (2023) explain that the adoption of digital financial services improves people's financial literacy and the efficiency of their fund management. Thus, digitalization has not only changed the way transactions are conducted but also shaped a more planned and rational economic pattern.

The Impact of Digitalization on Work Patterns and Income

Changes in economic patterns due to digitalization are also seen in the employment sector. The emergence of a platform-based economy (gig economy) has created a new form of work that is flexible but often unstable (Kurniawan & Sari, 2023). Many individuals now earn income through app-based jobs, such as ridesharing, digital freelancing, and online commerce. This phenomenon shows that digitalization is changing people's economic patterns, including income and employment. According to Nguyen et al. (2022), digital transformation opens up new job opportunities, but also has the potential to increase economic inequality when not balanced with literacy and equitable access.

Literature Synthesis and Research Gap

Based on various previous studies, it can be concluded that digitalization has a broad impact on changes in people's economic patterns, including:

1. changes in consumption behavior,
2. transformation of transaction systems,
3. digitization of MSMEs,
4. digital financial inclusion, and
5. Changes in work patterns and income.

Although many studies have discussed the impact of digitalization, most still focus on quantitative aspects or on specific sectors. There is still little research that studies qualitatively and holistically how digitalization really affects kehidupan ekonomi masyarakat. Literature Synthesis and Research Gap

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RESULTS AND DISCUSSION

The results of the literature review show that digitalization has brought fundamental changes to people's economic behavior, especially in consumption and transaction patterns. The development of e-commerce and digital platforms has led people to become more accustomed to conducting economic activities online than in person. A study on the adoption of e-commerce in Indonesia confirms that an individual's decision to switch to digital transactions is influenced by the ease of access, trust, and availability of digital infrastructure (Ariansyah et al., 2021). These

findings show that digitalization is the primary driver of new consumption patterns that are faster, more practical, and technology-based.

The most tangible changes due to digitalization can be seen in the transformation of the people's payment system. Digital payments via e-wallets, mobile banking, and QRIS are increasingly the leading choice for daily transactions. Recent research on the adoption of QRIS in Indonesia shows that perceptions of ease of use and the real benefits of digital payment systems significantly increase people's intention to abandon cash transactions (Muchtar et al., 2024). This impacts changing economic habits, where people are increasingly accustomed to making microtransactions more frequently, without using physical money.

In addition to consumption and transactions, digitalization also affects household financial management patterns. The existence of digital financial services makes it easier for people to access financial products, such as digital savings, online loans, and application-based investments. Ma's research (2024) shows that the use of digital financial services can improve the quality of household consumption by enabling a more efficient allocation of financial assets. This means that digitalization is not only changing the way people pay, but also the way they plan and manage finances in a more modern way.

In the micro, small, and medium-sized enterprises (MSMEs) sector, digitalization has proven to change economic patterns in production and marketing. MSME actors who adopt digital technologies can expand their markets, reduce operational costs, and increase distribution efficiency. A study by Rahman and Putri (2021) found that MSMEs that use digital platforms achieve better sales performance than those that still rely on conventional methods. This shows that digitalization not only changes consumer behavior but also alters the way business actors conduct their economic activities.

Digitalization also significantly affects people's work patterns and income through the gig economy. Platform-based jobs, such as online motorcycle taxis, digital freelancing, and online commerce, are increasingly becoming alternative sources of income for many individuals. However, these changes are ambivalent; on the one hand, they open up new economic opportunities, but on the other hand, they create greater income uncertainty and reduced job protection (Alauddin et al., 2025). Thus, digitalization creates new dynamics in the economic structure of societies that are more flexible but also more vulnerable.

Although it brings many benefits, the impact of digitalization on people's economic patterns is not always evenly distributed. Several studies show that the digital divide remains a significant obstacle to certain groups fully benefiting from the digital economy. Nguyen et al. (2022) stated that limited digital literacy and internet access can widen economic inequality between social groups. Therefore, digitalization can exacerbate inequality if it is not accompanied by inclusive policies that ensure equal access to technology.

Overall, the results of this study confirm that digitalization has changed people's economic patterns in multiple dimensions, ranging from consumption behavior and transaction systems to financial management, business strategies, and work patterns and income. This transformation creates a new, more efficient and integrated economic ecosystem, but also presents challenges in the form of a digital

divide and economic uncertainty for some groups. The findings reinforce the urgency of further contextual research to understand how digitalization affects the economic lives of people across different social strata (Zhang & Wang, 2023).

CONCLUSIONS AND SUGGESTIONS

Based on the literature review, it can be concluded that digitalization has a significant impact on changes in people's economic patterns. Digitalization has changed the way people conduct economic activities, especially in consumption, transactions, financial management, business activities, and work patterns. The development of e-commerce, digital payments, and application-based services is driving the formation of new economic habits that are faster, more practical, and technology-based.

In terms of consumption, digitalization has led to a shift from conventional shopping patterns to online shopping that is more flexible and efficient. Consumers are now more likely to obtain product information, compare prices, and complete transactions without time or space constraints. On the transaction side, the adoption of digital payments such as e-wallets and QRIS has changed people's habits from cash transactions to non-cash, thereby increasing the efficiency and intensity of daily economic activities.

In addition, digitalization also affects household financial management patterns through easy access to digital financial services. People are becoming more open to using financial applications to save, invest, and manage expenses. In the MSME sector, digitalization has proven to transform business and marketing strategies, enabling business actors to expand their markets and increase competitiveness. On the employment side, digitalization creates new job opportunities through the gig economy, but it also presents challenges in the form of income uncertainty and a lack of job protection.

However, the impact of digitalization is not felt equally by all levels of society. Gaps in access to technology, limited digital literacy, and differences in socio-economic conditions affect the adoption rate and the benefits of digitalization. Therefore, digitalization can be a double-edged sword: it can increase economic efficiency, but it can also widen inequality if not balanced with inclusive policies.

Overall, this study confirms that digitalization has changed society's economic patterns in multidimensional ways. These changes include aspects of consumption behavior, transaction systems, financial management, business activities, work patterns, and income. This transformation shows that digitalization is not just a technological phenomenon but a socio-economic process that changes how people live their economic lives.

Suggestions

Based on the above conclusions, some suggestions that can be submitted are as follows:

1. **For the Government**, it needs to strengthen policies that support equitable access to digital technology, especially in disadvantaged areas and low-income groups. Programs to increase digital literacy and digital financial inclusion must be a priority so that the benefits of digitalization can be felt more evenly.
2. **For Business Actors and MSMEs**, business actors, especially MSMEs, are advised to continue to increase the use of digital technology in their business

activities. Digital marketing training, platform management, and application-based financial management need to be expanded so that MSMEs can adapt to changing economic conditions.

3. **For the community**, they community needs to improve digital literacy and financial literacy skills so that they can utilize technology optimally and wisely. An understanding of data security risks, financial management, and control of consumptive behavior must accompany the use of digital services.
4. **For educational institutions**, they are advised to include digital literacy and digital economy materials in the curriculum so that the younger generation is better prepared to face technology-based economic transformation.
5. **For the next** researcher, this research uses a library research approach so that it is still conceptual. Researchers are then advised to conduct empirical research, both qualitative and quantitative, to delve more deeply into people's real experiences in dealing with changes in economic patterns due to digitalization, especially across certain regions and social groups.

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