

The Effect of Digital Transactional Competency on Consumption Life Satisfaction Among Older Consumers

Mina Yu, Korea University¹

Soo Hyun Cho, California State University Long Beach²

The acceleration of digital transformation across businesses and society is making older consumers vulnerable in the consumer market. In fact, the digital divide which was predicted to disappear when the use of digital technology becomes common due to the spread of digital technology, is deepening across generations (Sung, 2014). According to the OECD's International Adult Competency Survey (2013), the ability of older consumers to use digital technology is generally insufficient compared to other generations (Oh & Lee, 2022).

Existing studies on the older and digital competency have mainly discussed the technological digital competency of older consumers as to whether they can handle digital devices as in the aspects of digital literacy and digital divides. This study examined the effect of digital transactional competency of older consumers on consumer life satisfaction beyond simple technical competence. This study aims to find out the influence of digital transactional competency of the older consumer generation on consumer life satisfaction, including two groups, "60s" and "70s or older," and to examine the moderating effect of "digital transaction efficacy," which means subjective confidence in digital transactions.

This study utilized the 2022 Consumer Empowerment Index in Korea data collected by the Korea Consumer Agency. The data was collected from June 13 to July 19, 2022, from 4,000 adult male and female consumers aged 20 or older living in 17 cities and provinces nationwide and was conducted in a 1:1 interview survey using a questionnaire. The square root proportional allocation method according to demographic characteristics (gender, age, region) was used for the sampling technique. In this study, consumers in their 60s and 70s or older were used. A total of 1,256 respondents, including 688 respondents in their 60s and 568 respondents in their 70s or older, were included in the analyses.

The dependent variable was satisfaction with consumer life, measured with three-item on a 10-point Likert Scale. The Independent variables included 11-item digital transactional competency, which had two separate domains: 'knowledge' and 'practice'. Digital transaction efficacy was used as a moderator. For control variables, gender, subjective income class (high, middle, and low), education level (middle school and less, high school diploma, and college or higher) were included.

The main findings are as follows. First, it was revealed that digital transactional knowledge competency, digital transactional practice competency, and digital transaction efficacy are all major variables that affect consumption life satisfaction among Korean adults over 60 years of age. Of note is that this study examined the influence and efficacy of the competencies for digital transactions, not merely using digital technology itself, on consumption life satisfaction levels.

Second, two domains of digital transaction competency operated differently. Digital transactional 'practice' competency showed a moderating effect on the relationship between digital transaction efficacy and consumption life satisfaction, but digital transactional 'knowledge' competency did not. In other words, older consumers with practical competencies, not knowledge competencies, for digital transactions increased their satisfaction with consumption life when their efficacy increased.

These results align with Bandura (1982)'s concept of self-efficacy that consumers' task achievement experiences expand openness to new technologies. Digital transactions are based on the ability to use digital devices themselves, such as PCs and mobiles, as well as multidimensional functional capabilities to utilize various applications such as finance, delivery service, and shopping. Older consumers with various experiences in digital transactions are likely to have an open attitude and confidence in new technologies compared to those who do not, and these factors can lead to higher consumer life satisfaction among older consumers. Therefore, experiential education programs using digital devices in real transactions can be helpful rather than education that simply informs them of knowledge about how to use digital devices. Through these experiences, older consumers may

¹ Mina Yu, M.S. (ymn0324@naver.com), Interdisciplinary Program in Sustainable Living System

² Soo Hyun Cho, Ph.D. (Soohyun.Cho@csulb.edu), Associate Professor, Department of Family and Consumer Sciences

increasingly develop a sense of self-efficacy in digital transactions, and self-efficacy will again interact with digital transactional practice competencies to help increase satisfaction with overall consumption life.

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