

DIGITAL MEDIA AND CONSUMER BEHAVIOR IN ASEAN-6 THROUGH AKERLOF'S THEORY OF INFORMATION ASYMMETRY

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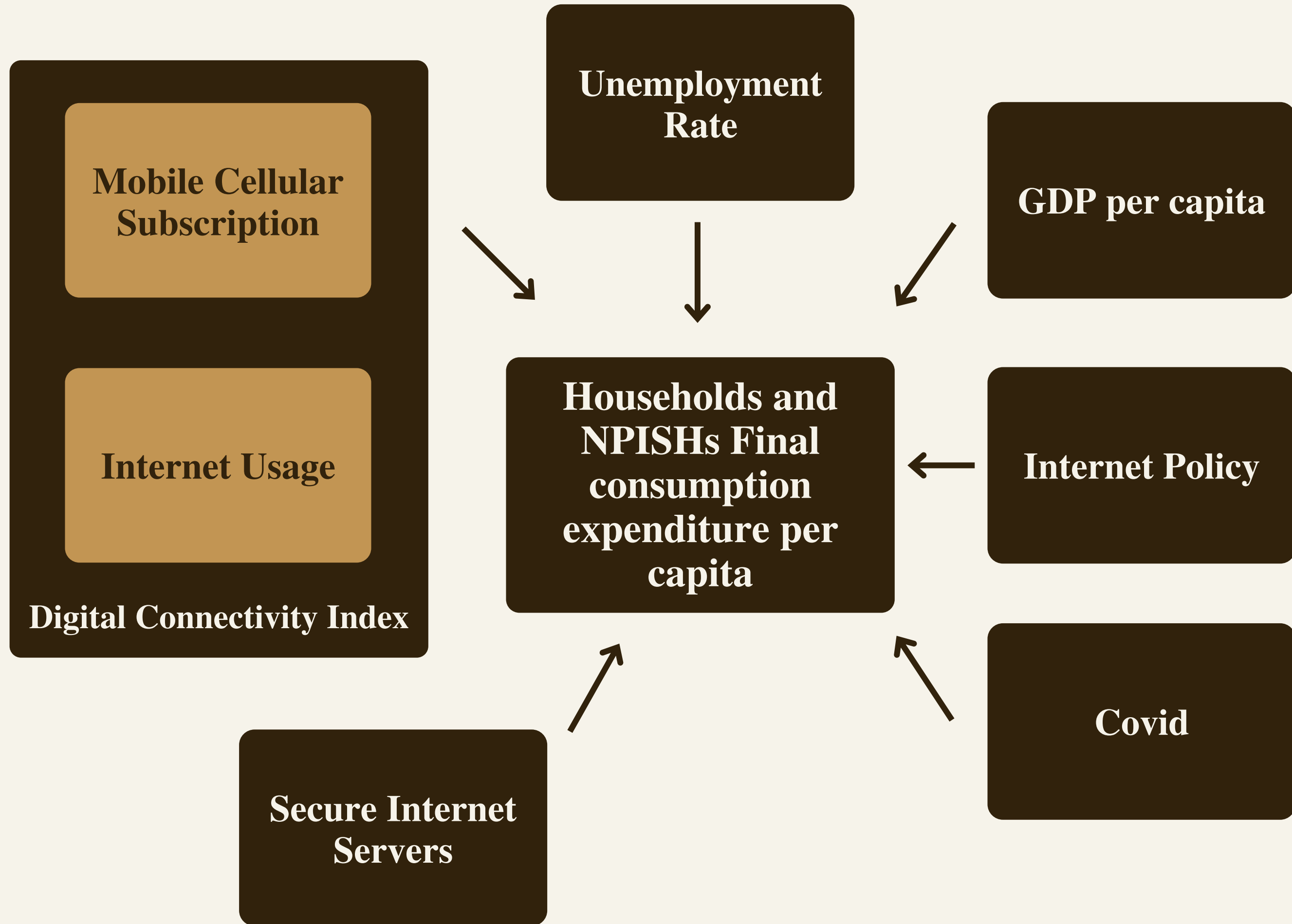
Background

Digital technologies have transformed information access and consumer behavior, contributing to ASEAN's growing digital economy (Khatri, 2021; Le, 2025). While digital media offer convenience, speed, and the reach of information, they also increase the risk of spreading biased, misleading, or low-quality content (Zhang, 2024). These digital platforms expose consumers to misleading information, fake reviews, and biased promotions, reflecting the information asymmetry described by Akerlof, which states that markets become inefficient when sellers have more information than buyers (Akerlof, 1970).

Despite growing digital adoption, limited research examines how digital, economic, and institutional factors relate to consumer spending across ASEAN. Thus, this study examines their relationship with household final consumption expenditure growth in the Philippines, Indonesia, Vietnam, Malaysia, Thailand, and Singapore, guided by Akerlof's Theory of Information Asymmetry.

Statement of the Problem

1. Do the following variables have a relationship with Households and NPISHs Final consumption expenditure per capita (HFNCE)?
 - a. Digital Connectivity Index (PC1), combining Internet Usage and Mobile Cellular Subscriptions
 - b. Secure Internet Servers
 - c. Unemployment rate
 - d. GDP per Capita
 - e. Internet Policy
 - f. Covid
1. What is the direction of the relationship between these variables and HFNCE growth in the ASEAN-6 region?
1. How can the observed relationships between digital connectivity, Internet Policy, and consumer spending be interpreted through Akerlof's Theory of Information Asymmetry?



Theoretical Framework

George Akerlof's Theory of Information Asymmetry (1970) explains that in many transactions, sellers tend to know more about the true quality of a product or service than buyers do. This information asymmetry can lead to problems in the market, especially adverse selection and moral hazard. In ASEAN countries, George Akerlof's theory helps explain how the digital information environment can influence the information available to consumers.

The digital environment may also contain incomplete or misleading information, which can create uncertainty for consumers. Consequently, this framework establishes that aggregate consumer behavior is not merely constrained by baseline income indicators, such as GDP per capita, but may also be associated with the reliability and quality of the information environment (Stiglitz, 2002). The study, therefore, uses variables for digital connectivity, digital security, and regulatory frameworks as contextual indicators of the information environment surrounding consumers, rather than as variables that directly measure information asymmetry.

Methodology: Data & Variables

- **Research design:** Quantitative panel data analysis
- **Countries:** Philippines, Thailand, Indonesia, Vietnam, Malaysia, and Singapore
- **Period:** 2010–2023
- **Initial observations:** 84 country-year observations
- **Data sources:** World Bank Open Data, government policy documents, and related literature
- **Key Variables:**

	Dependent Variable	Independent Variables
	HFNCE per capita	GDP per capita
		Digital Connectivity Index (PC1)
		Secure Internet Servers (SIS)
		Unemployment
		Internet Policy and COVID-19

Results and Interpretations

The dependent variable is HFNCE per capita. GDP per capita, Unemployment, and the Digital Connectivity Index are significant at the 1 percent level, while COVID-19 and Internet Policy are significant at the 5 percent level. The Secure Internet Servers variable is not statistically significant. The model explains approximately 91.36% of the variation in HFNCE growth, while the adjusted measure indicates approximately 90.57%. The overall model is statistically significant at the 1% level.

1. Economic Conditions

- **GDP per capita (+):** Higher GDP growth is associated with higher household consumption growth.
- **Unemployment (-):** Higher unemployment is associated with lower household consumption growth.

Related literature: Prawoto (2025); Gupta and Kishore (2022).

Results and Interpretations

2. Digital Connectivity and Internet Policy

- **Digital Connectivity (PC1) (+):** Greater digital connectivity is associated with higher household consumption growth.
- **Internet Policy (+):** The post-policy periods are associated with higher consumption growth, holding other variables constant.

Related literature: Chunfang (2023); Wei et al. (2026).

3. COVID-19 and Digital Security

- **COVID-19 (–):** The pandemic period is associated with lower household consumption growth.
- **Secure Internet Servers:** No statistically significant relationship was found.

Related literature: Kim et al. (2022); Abdullah et al. (2021).

Conclusion

In relation to Akerlof's Theory of Information Asymmetry, the findings suggest that household consumption growth across ASEAN-6 is statistically associated with both digital and institutional information environment surrounding consumers. The positive relationship between digital connectivity and HFNCE growth is consistent with the view that access to information can be relevant to consumer activity in markets where information is not equally available.

Similarly, the significant relationship between Internet Policy and HFNCE growth highlights the relevance of the institutional environment surrounding digital activities. However, because information asymmetry was not directly measured, these findings should not be interpreted as direct evidence that information asymmetry causes changes in consumer spending.

Thank you.