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Analysis of the Development of Online Loans and Gen Z Opinions in Makassar City in the Era of Digital Capitalism

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Abstract

In its development, online loans have become the choice of many people to meet their needs. This is due to the ease and speed of the process. However, this gives rise to new problems, namely the large number of online loan services that are not registered or illegal, so that their existence is very detrimental to people who make loans, because the loans are carried out by providing unreasonable interest charges. Carrying out a descriptive economic analysis of the development of crime which occurred due to illegal lending in Makassar City in 2023-2024, Analyzing the factors that influence GEN Z to take online loans. The method used in this research is quantitative and qualitative research or what is usually called Mix Method. The results of this research are that the growth of online loan companies is increasing every year, but for those registered with the OJK it is decreasing, the development of online loan crime is increasing rapidly, this can be seen from the number of complaints to the OJK and the news circulating, Lifestyle factors have no significant influence on loans. Online, the Need Factor has a positive and significant effect on Online Loans, Access to Financial Institutions has a positive and significant effect on Online Loans. research.

Introduction

The rapid development of digital technology at this time has an impact on changes in various lines of society. The impact of these changes includes forcing a number of fields such as economics, politics, culture and social to adapt to new conditions. The consequences of adapting to these changes are seen in a number of industries that are transferring technology by directing their businesses from analog to digital (Lang & Lang, 2021; Ghosh et al., 2022). The emergence of various e-commerce, fintech and application-based service businesses are examples of the proliferation of various forms of digital products carried out by industries in maintaining their businesses in the current digitalization era. Changes in social and cultural aspects are seen in various forms of new behavior and habits that have emerged in society (Varnum & Grossmann, 2017; Ratten, 2021; Baldwin & Twigg, 2024). These new behaviors and habits are seen in how society interacts with various digital technology platforms that are used as communication and socializing channels. Through these various digital platforms, society can not only easily obtain information, but can also process and produce information and disseminate that information. The change in role from consumer to producer is one of the influences of technology that drives society today to be in the information society era (Habibah, 2021; Ishaq & Saksono, 2023). The information society itself is a condition where society produces, processes information and distributes information as a main activity (Jordan, 2016) Various information productions produced by society as a result of the development of digital technology are not only limited to information that refers to journalistic products. However, society also produces various light information that is in accordance with their respective

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orientations. In 2023, the Ministry of Communication and Information (Kemenkominfo) of the Republic of Indonesia (RI) recorded that there were around 197.3 million internet users in Indonesia. Or 73.7% of the total population of Indonesia, this can be used as a sign that all human activities can be carried out using the internet or online network starting from starting from online markets (e-commerce), online banks (e-banking or m-banking), online learning (both formal classes, courses or tutoring), and others. cheap because fintech offers many promos including free administration fees and other transaction fees. Fintech is expected to be a good alternative, the main factor is because of its ease of use, using a cellular network. The first financial service (fintech) was Zopa which appeared in 2004, which was a loan-based fintech in the UK. Over time, globally the types of fintech have grown and there are many types, no longer just loan-based. In Indonesia itself, there are already 7 (seven) types of fintech that have been operating, including (i) payment start-ups, such as Ovo, Gopay, Dana, Linkaja, (ii) lending, such as Finmas, (iii) financial planning (personal finance) such as Ngaturduit.com, (iv) retail investment such as IPOTFund, and Amartha, (v) financing (crowdfunding) such as Provesty.com, (vi) remittances such as Bank BNI, and (vii) financial research such as Infovesta.com.

As published on the official website of the Financial Services Authority, the use of fintech in Indonesia has grown rapidly in the last 10 years, which was initially only 7% in 2006-2007, in 2017 it had reached 78% as many as 135-140 companies, with a total transaction value estimated at IDR 202.77 trillion.6 In 2016, fintech in Indonesia was still less than 100 companies, and now there are more than 200 fintech companies both from within the country and from abroad. Currently (mid-2019), there are already 127 fintech lending registered with the OJK. The emergence of the fintech industry is also due to changes in people's lifestyles. Fintech that is widely discussed in society today is about online loan services. Online loans are divided into two, namely legal and illegal online loans (Aryana, 2022; Putri & Rinaldi, 2022; Rafael & Ishak, 2022). Legal online loans are companies that provide loans that have been registered as part of the financial services authority (ojk) while illegal online loans are companies that are not registered with the ojk. With the many fintech start-ups, they are currently competing aggressively by providing many promos, both those carried out by fintech payments, e-commerce services, and online credit services (Aung, 2021; Arnaut & Bećirović, 2023). And even worse, they have also started to develop their respective paylater features, which means that even though they are e-commerce, now they can also provide credit (loans) for shopping on e-commerce (such as shopeepay paylater). Likewise with fintech payments, they also provide paylater features such as OVO paylater, DANA paylater, and GOPAY paylater (Asja et al., 2021; Febriyanthi, 2022; Herowati, 2024). Currently, they are not only a means of payment or a substitute for physical money, but they also seem to provide access to credit without a credit card. Although their goal is to add customers or increase the number of transactions used, it seems that indirectly this innovation actually ensnares the public by making it easier to provide loans to be more consumptive. Moreover, the requirement is only with a photo of your identity. Even though in this era it is difficult to find money, this makes it easier to spend money (Wronka, 2022). From the explanation above, we can see that online loan services are a business with good prospects so far, at least until the Indonesian people have sufficient income, or until the public is aware of the traps of online loans. Legal online loan companies should be registered with the Financial Services Authority, known as OJK. Many online loan companies that are not registered with the Financial Services Authority are called Illegal Pinjol. From 2018-2021, there were 3,516 Illegal Pinjol that had been stopped. This is based on the greed of the community in facing all the roles of illegal online loans. Currently, fintech still does not have detailed regulations, so the risks and security are still a problem, for

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that illegal online loans have many negative impacts. The first negative impact of illegal online loans is the reduction in potential tax revenues for the government because they are not registered and there is no reporting to the government. The second is that OJK does not have the right to follow up on violations committed by illegal fintech lending because they are not registered, so if there are violations either by the borrower or the lender, then OJK has no rights over it (Baihaqi, 2022; Sentosa, 2021). The third disadvantage is that it will reduce the level of public trust in online loans, which will have an impact on decreasing transactions in legal or registered online loans, especially now that fintech is growing rapidly. The fourth negative impact is that the government cannot know the flow and transactions of the money, where the funds come from, who the target consumers are, and so on. The fifth negative impact is the loss for borrowers and relatives of borrowers who are terrorized by debt collectors.

With various terrors and other unpleasant acts, it turns out that many still use illegal online loans. This is evidenced by the continued proliferation of illegal online loans that continue to grow every day. Even though hundreds of illegal online loans have been blocked by KOMINFO, they easily create new online loan applications with new names. Some even borrow from hundreds of fintech loans. Unrest and complaints about fintech or PM-Tekfin have recently been very popular on social media, for example on Twitter, Instagram, and Facebook. Many netizens have reported callers from various fintech companies to the contact number list. There were 19,711 complaints against illegal online loans, consisting of 9,270 declared serious violations, 10,441 complaints declared minor violations. The forms of complaints and serious violations that are often reported include: 1) Disbursement Without Applicant's Consent; 2) Threat of Dissemination of Personal Data; 3) Billing to all HP contacts with terror/Intimidation; 4) Billing with Harsh Words and Sexual Harassment.

However, this public unrest has not deterred some people from applying for online loans, based on the results of interviews with the Makassar OJK, it is known that on average people borrow credit online because of urgent needs, and the use of online loan services is dominated by students who do not think about the interest that must be paid while their financial capabilities are inadequate. Based on the phenomena that have been described, the author is interested in conducting research entitled "Analysis of the Development of Online Loans and Gen Z Opinions in Makassar City in the Era of Digital Capitalism".

Methods

Place and time of research

This research was conducted by looking at data on all illegal and legal online loans provided by the Financial Services Authority (OJK). And direct observation was carried out on generation z who were the objects of the research. The time of this research is planned for 2 months, namely December 2023 January 2024.

Data Types and Sources

The types of data used by the author are qualitative and quantitative. Qualitative data is data that cannot be measured on a numerical scale. In general, qualitative data that is ordinal data is data that is expressed in the form of categories, but the position of the data is not the same degree because it is expressed in a ranking scale. Quantitative data is a type of data that is measured on a numerical scale. In general, quantitative data that is nominal data is data that is expressed in the form of categories. The data sources for this study are primary data and secondary data. Primary data can be done by conducting direct research in the form of distributing questionnaires, direct interviews with users. Secondary data is data that has been collected by data collection institutions and published to the data user community (Kuncoro,

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2013). In this study, the researcher used a non-probability sample because there was no attempt to generalize based on samples with this kind of sample design, the problem of representation (representativeness) was not questioned.

Data Collection Techniques

The collection technique used in this study is the Non-probability sampling technique. That each member of the population has the opportunity to be used as data or samples. Primary data is obtained from: A questionnaire is a list containing a series of questions about a problem or field to be studied, which aims to obtain the information needed, relevant information, and the information needed can be needed simultaneously. In this study, the questionnaire was used as a companion tool in collecting data. The list of questions was made semi-open which gave respondents a choice of answers and gave respondents a choice of answers and provided explanations needed by the researcher. Secondary data, to see the number of online loan cases and the development of online loans.

Research Objective Analysis Techniques

Descriptive Analysis

The descriptive analysis method is a simple analysis method that can be used to describe observation conditions by presenting them in the form of tables, graphs, or narratives with the aim of making it easier for readers to interpret research results.

Factor Analysis

The data analysis technique in this study used Partial Least Square (PLS). PLS is a Structural Equation Modeling (SEM) equation model with an approach based on variance or component-based structural equation modeling. According to Ghozali & Latan (2015), the purpose of PLS-SEM is to develop theory or build theory (prediction orientation). PLS is used to explain whether or not there is a relationship between latent variables (prediction). PLS is a powerful analysis method because it does not assume current data with a certain scale of measurement, a small number of samples. This study has a complex model and a limited number of samples, so in data analysis using SmartPLS software. Smart PLS uses the bootstrapping method or random duplication. Therefore, the assumption of normality will not be a problem. In addition, by doing bootstrapping, SmartPLS does not require a minimum number of samples, so it can be applied to research with a small number of samples. PLS-SEM analysis consists of two sub-models, namely the measurement model or outer model and the structural model or inner model.

Descriptive Statistical Test Descriptive statistics are statistics that function to describe or provide an overview of the object being studied through sample data or population as it is, without conducting analysis and making conclusions that apply to the public. b. Measurement Model Test or Outer Model The measurement model or outer model shows how each indicator block relates to its latent variables. Evaluation of the measurement model through confirmatory factor analysis is by using the MTMM (Multi Trait-Multi Method) approach by testing convergent and discriminant validity. While the reliability test is carried out in two ways, namely Cronbach's Alpha and Composite Reliability (Ghozali & Latan, 2015).

Convergent validity of the measurement model with reflective indicators can be seen from the correlation between item scores/indicators and their construct scores. An individual reflective measure is said to be high if it correlates more than 0.70 with the construct to be measured. However, in research at the scale development stage, loadings of 0.50 to 0.60 are still acceptable (Ghozali & Latan, 2015).

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Discriminant validity of indicators can be seen from the cross loading between indicators and their constructs. If the correlation of a construct with its indicators is higher than the correlation of indicators with other constructs, then this indicates that the latent construct predicts indicators in their block better than indicators in other blocks. Another method for assessing discriminant validity is to compare the square root of the average variance extracted (√AVE) for each construct with the correlation between the construct and other constructs with the model. The model is said to have good discriminant validity if the AVE root for each construct is greater than the correlation between the construct and other constructs (Fornell & Larcker, 1981). In Ghozali & Latan (2015) explains another test to assess the validity of the construct by looking at the AVE value. The model is said to be good if the AVE of each construct is greater than 0.50.

Reliability, In addition to the validity test, model measurement is also carried out to test the reliability of a construct. Reliability testing is carried out to prove the accuracy, consistency and precision of the instrument in measuring the construct. In PLS-SEM using the SmartPLS 3.0 program, to measure the reliability of a construct with a reflective indicator can be done in two ways, namely Cronbach's Alpha and Composite Reliability. The construct is declared reliable if the composite reliability and Cronbach alpha values are above 0.70 (Ghozali & Latan, 2015).

Structural Model or Inner Model Test

Structural model or inner model shows the relationship or strength of estimation between latent variables or constructs based on substantive theory. R-Square in assessing the structural model first assesses the R-Square for each endogenous latent variable as the predictive strength of the structural model. Testing of the structural model is done by looking at the R-square value which is a goodness-fit test of the model. Changes in the R-Square value can be used to explain the influence of certain exogenous latent variables on endogenous latent variables whether they have a substantive influence. R-Square values of 0.75, 0.50 and 0.25 can be concluded that the model is strong, moderate and weak (Ghozali & Latan, 2015).

F-Square

b. This f-square test is carried out to determine the goodness of the model. F-square values of 0.02, 0.15 and 0.35 can be interpreted as whether the latent variable predictor has a weak, medium, or large influence at the structural level.

Estimate for Path Coefficients

The next test is to see the significance of the influence between variables by looking at the parameter coefficient values and the significance value of the T statistic, namely through the bootstrapping method (Ghozali & Latan, 2015).

Result and Discussion

Demographic Conditions of Makassar City

Administratively, Makassar City is divided into 15 sub-districts with 153 villages. Among the 15 sub-districts, there are seven sub-districts that border the coast, namely Tamalate Sub-district, Mariso Sub-district, Wajo Sub-district, Ujung Tanah Sub-district, Tallo Sub-district, Tamalanrea Sub-district, and Biringkanaya Sub-district.

North: Maros Regency

East: Maros Regency

ISSN 2721-0987 (Print), ISSN 2721-124X (Online)

South: Gowa and Takalar Regencies

West: Makassar Strait

Administrative Position of Makassar City

Makassar City (Macassar, Mangkasar, Ujung Pandang (1971-1999)) is one of the metropolitan cities in Indonesia and also the capital of South Sulawesi province. Makassar City is the fourth largest city in Indonesia and the largest in Eastern Indonesia. As a service center in Eastern Indonesia (KTI), Makassar City plays a role as a center of trade and services, a center of industrial activities, a center of government activities, a hub for goods and passenger transportation services by land, sea and air and a center for education and health services. Administratively, this city consists of 14 sub-districts and 143 villages. This city is located at an altitude of between 0-25 m above sea level. The population of Makassar City in 2000 was 1,130,384 people consisting of 557,050 men and 573,334 women with an average growth of 1.65%.

Geographical and Geological Conditions of Makassar City

Geographical Conditions

Makassar is the capital city of South Sulawesi Province, located in the southern part of Sulawesi Island, formerly known as Ujung Pandang, located between 119º24 ‟ 17 ‟ 38 ” East Longitude and 5 º 8 ‟ 6 ‟ 19 ” South Latitude, bordering Maros Regency to the north, and Maros Regency to the east.

Maros, south of Gowa Regency and to the west is the Makassar Strait. Makassar City has a topography with a land slope of 0-2° (flat) and a land slope of 3-15° (undulating). The area of Makassar City is recorded as 175.77 square kilometers. Makassar City has a moderate to tropical climate with an average air temperature ranging from 26.°C to 29°C.

Topography

The topography of the Makassar City area has the following characteristics: relatively flat, undulating, hilly land and is at an altitude of 0-25 m above sea level with a slope gradient of 0-15%. Meanwhile, seen from the slope classification, it shows that the slope is 0-2% = 85%; 2-3% = 10%; 3-15% = 5%. This allows Makassar City to have the potential for the development of settlements, trade, services, industry, recreation, seaports, and other supporting facilities.

Geological Conditions

The area of Makassar City is divided into various land form morphologies. The land form morphology units found in Makassar City are grouped into two, namely: a) Morphological units of coastal alluvial plains; and b) Morphological units of undulating hills

Social-Cultural-Economic-Infrastructure Conditions of Makassar City

Religion

The development of spiritual development can be seen from the size of the places of worship of each religion. The number of Muslim places of worship in the form of mosques and prayer rooms in 2013 were 849 and 114 respectively. Christian places of worship in the form of churches were 137 Protestant churches and 8 Catholic churches. Places of worship for Buddhism, Hinduism, and Confucianism were 4 and 2 and 5 respectively.

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Road Infrastructure

In general, the condition of road infrastructure is still in the good and moderate category, although there are several sections in poor condition, but they are still able to serve traffic in and out of the city and its circulation within the city area. The priority of developing the provision of road facilities applied in Makassar City is directed towards the construction of Primary Collector roads, Secondary Collectors, Primary Local, Secondary Local and Secondary Arterial roads including increasing road widening.

Regional Development Potential

The development of the Makassar City area has strategic areas that have been divided according to the potential of the area. Strategic areas are divided into 2 levels, namely provincial strategic areas and district strategic areas. In the division of these levels, strategic areas are divided again according to the potential of each region. Not all areas are classified as strategic areas, some areas that are classified as regional strategic areas can be seen in Figure III.VII

Development of Online Loan Business in Makassar

Financial Services Authority (OJK) noted that outstanding loans are still running in the financial technology (fintech) lending industry in South Sulawesi (Sulsel) reaching IDR 1.01 trillion with 359,430 accounts account recipient loans in April 2023. Default rate or negligence settlement obligations stated in agreement funding over 90 days from the due date as much as 2.03 percent or reached 7,296 accounts. Referring to the April 2023 edition of Fintech Lending Statistics data published by OJK recently, the outstanding loans that are still walk the increased by 22.86 percent compared to same period of the year previously only Rp. 776.91 billion with 262,756 accounts recipient. While If refer to from the data in accumulation, amount account recipient online loans in South Sulawesi until April 2023 has reached 1,472,992 accounts. From the total number account said, has distributed loan to recipient reached Rp8.8 trillion

Temporary If refer to from the data in accumulation, amount account recipient online loans in South Sulawesi until April 2023 has reached 1,472,992 accounts. From the total number account said, has distributed loan to recipient reached Rp8.8 trillion. Makassar became important containers and means for Fintech Peer-to-Peer Funding to collaborate with OJK in give literacy and improve digital finance for actors business in the city of Makassar and the Eastern Indonesian region which is currently still become work House together for OJK and also the organizers of Joint Funding Fintech. Joint Funding Fintech is present become choice addition for SMEs who want to get financing. There is a gap financing up to IDR 1,650 trillion for the sector business, which becomes challenge at a time opportunity for Fintech Peer-to-Peer Funding, where need financing the spread across various regions in Indonesia, one of which is is Makassar City Total number organizer *fintech peer-to-peer lending* (P2PL) or *Fintech lending* that is licensed and supervised by OJK is as many as 102 organizers. The presence *fintech* in Indonesia, in one side give Lots benefit for society, especially moment circles *underserved* and *unbanked* Still Lots spread across various regions, including for the perpetrators business. But on the other hand, services from the providers *fintech* often No responded to with wisely by its users.

In addition, *fintech* also has challenge alone Because Still the amount foreign Indonesian society with digital finance. AFPI together with OJK continues active to do activity socialization and education to all public about inclusion financial, especially in matter funding based on technology. Most perpetrator business confess hard to get capitalization from institution banking. Even though If studied further, the sector perpetrator business own

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opportunity big in develop business. The presence of fintech lending makes it easier access finance by lenders because digital based, the requirements easy, administration fast, and *real-time*. Fintech Peer-to-Peer Funding provides option an easier alternative for the perpetrators business to get access funding capital assistance. Currently, more than 50% of loans distributed by Joint Funding Fintech are sector productive. At the time transition Covid-19 pandemic now start leading to an endemic, MSME owners remain need funding from Fintech Joint Funding so that their business Keep going develop until at the moment.

statistical data, the industry *fintech lending* to record accumulation distribution credit reached Rp362.19 trillion until April 2022. On the side users, OJK recorded the total number of borrowers as much as 80.33 million entity, while the total provider loan as many as 874,000 entities. For the South Sulawesi region, the total disbursement of funds that has been carried out by Joint Funding Fintech amounting to Rp5.1 trillion. From the amount said, *outstanding* P2P Lending fintech loans until April 2022 recorded as much as Rp339 billion. Meanwhile, the amount giver loan funds in South Sulawesi recorded as many as 12,546, with recipient loan funds amounting to 936,248. There are a number of factors that become booster the rise *outstanding P2PL* loans, among others society and SMEs are increasingly know P2PL benefits. In addition, the activities education like Fintech Lending Days 2022 is done together by association such as AFPI, OJK, and P2P Lending organizers also participate impact positive to literacy public about P2PL. Makassar which carries draft *hybrid* with present participant in a way *offline* and also *online* (via Zoom) provides literacy finance in a way massive and closer. With a target of 150 participants *online* and more than 200 actors business and students in a way *offline*, the Fintech Lending Days event in Makassar is expected to be can become bridge between the perpetrators business micro or entrepreneur with fintech lending organizers to be able to each other give impact positive and development business together.

Gen Z Children's Perception in Makassar City About Online Loans

Results of SEM-PLS Analysis Research

Convergent Validity

Convergent validity is measurement model on indicators that are reflective. Where seen from score grain question with score the construction or through *loading factor* on each indicator construct. The parameters in determining that the *convergent validity value* is feasible/fulfilled can be done by looking at *the rule of thumb value*, where *the loading factor value* is greater than 0.60 - 0.70, but the *loading factor range is also acceptable* greater than 0.50 - 0.60 (Ghozali & Latan, 2012). Based on the results of data analysis on *convergent validity* on the indicators in each variable, it can be stated as follows:

***Convergent Validity* In Online Loans**

The construct indicators in the Online Loan variable consist of 6 construct indicators. Based on the results of data analysis, the *convergent validity value is obtained* through *the loading factor* in the table below:

Table 1. *Convergent Validity* Online Loans

Indicator	Loading Factor	Rules Of Thumbs up	Information
Y_P1	0.669	0.70	No Fulfil
Y_P2	0.705	0.70	Fulfil
Y_P3	0.785	0.70	Fulfil
Y_P4	0.851	0.70	Fulfil
Y_P5	0.710	0.70	Fulfil

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Y_P6	0.813	0.70	Fulfil

Source: Data Results Processing PLS

Based on the table above, it can be seen that in the Online Loan variable with 6 question indicators, there is only 1 question indicator that does not meet the criteria, namely the First question, namely "Online loans are online-based money lending applications" with a Loading factor value of 0.669 <from the Rule of Thumb value of 0.70.

***Convergent Validity* in Lifestyle**

Indicator The constructs in the Lifestyle variable consist of 6 indicators construct. Based on results analysis of data obtained mark *convergent validity* through loading factors in the table below*:*

Table 2. Convergent Validity of Style Life

Indicator	Loading Factor	Rules Of Thumbs up	Information
X1_P1	0.560	0.70	No Fulfil
X1_P2	0.736	0.70	Fulfil
X1_P3	0.808	0.70	Fulfil
X1_P4	0.730	0.70	Fulfil
X1_P5	0.540	0.70	No Fulfil
X1_P6	0.702	0.70	Fulfil

Source: Data Results PLS Processing

Based on the table above, it can be seen that in the online loan variable with 6 question indicators, there are only 2 question indicators that do not meet the criteria, namely the first question, namely "Lifestyle is an important thing in social relations in Indonesia" with a value of 0.560 and the fifth question with the question "The habit of living a socialite life makes the choice to use online loans" with a value of 0.540 where both values are smaller than the Rule Of Thumb value of 0.70.

***Convergent Validity* on Needs**

The construct indicators on the Needs variable consist of 6 construct indicators. Based on the results of data analysis, the *convergent validity value is obtained* through *the loading factor* in the table below:

Table 3. Convergent Validity Need

Indicator	Loading Factor	Rules Of Thumbs up	Information
X2_P1	0.575	0.70	No Fulfil
X2_P2	0.552	0.70	No Fulfil
X2_P3	0.868	0.70	Fulfil
X2_P4	0.706	0.70	Fulfil
X2_P5	0.818	0.70	Fulfil
X2_P6	0.770	0.70	Fulfil

Source: Data Results Processing PLS

Based on the table above it can be seen that in Online loan variables with 6 question indicators, there are only 2 question indicators that do not meet the criteria, namely the first question, namely "Taking out online loans to meet daily needs" with a value of 0.575 and the second

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question, namely "Taking out online loans to meet other online loan debts" with a value of 0.552 where both values are smaller than the Rule of Thumb value of 0.70.

***Convergent Validity* on Access Institution Finance**

The construct indicators in the Financial Institution Access variable consist of 6 construct indicators. Based on the results of data analysis, the *convergent validity value is obtained* through *the loading factor* in the table below:

Table 4. Convergent Validity Factor Access Institution Finance

Indicator	Loading Factor	Rules of Thumbs up	Information
X3_P1	0.737	0.70	Fulfil
X3_P2	0.263	0.70	No Fulfil
X3_P3	0.739	0.70	Fulfil
X3_P4	0.850	0.70	Fulfil
X3_P5	0.757	0.70	Fulfil
X3_P6	-0.108	0.70	No Fulfil

Source: Data Results Processing PLS

Based on table on can seen that in the variable Online loans with 6 indicators question only There are 2 indicators question that was not answered fulfil criteria namely on the question third namely " Service Online loans are more practical to get money loan ” with value 0.263 and in the question sixth namely " Easy requirements " make online loans are very popular among the public " with value -0.108 where second mark the smaller than the Rule Of Thumb value of 0.70. The results evaluation of measurement models for each indicator construct from convergent validity through loading factors can also be presented in the figure below this :

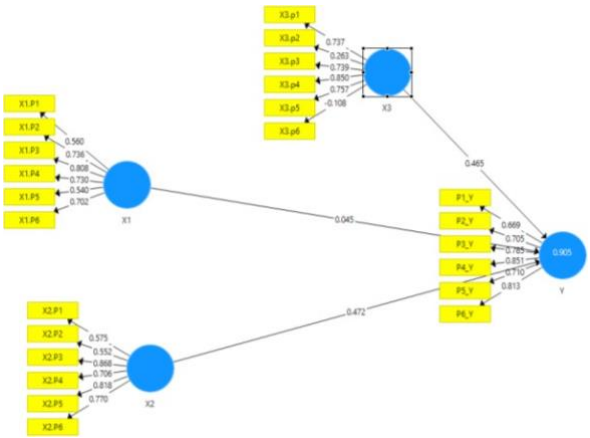

Figure 1. First Outer Loading

Based on the convergent validity table of construct indicators in each variable, it can be stated that for the construct indicators in the Online Loan variable that do not meet the loading factor value, namely the question "Online loans are online-based money lending applications". In the Lifestyle Variable, the questions that do not meet the loading factor value are the questions "Lifestyle is an important thing in social relations in Indonesia" and the question "The habit of living a socialite life makes the choice to use online loans" in addition to the Needs Variable, the questions that do not meet the loading factor value are the questions "Making online loans to meet daily needs" and the question "Making online loans to meet other online loan debts" In the Financial Institution Access Variable, there are also questions that do not meet the loading value, namely the question " Services Online loans are more practical to get money loans ” and

ISSN 2721-0987 (Print), ISSN 2721-124X (Online)

question “ Easy requirements ” make online loans are very popular with the public ”. The provisions in the convergent validity analysis, if the loading factor value is not met then the construct indicator is discarded and the convergent validity analysis is carried out again. The results of the convergent validity analysis after the construct indicators that do not meet the loading factor value are discarded can be presented in the figure below:

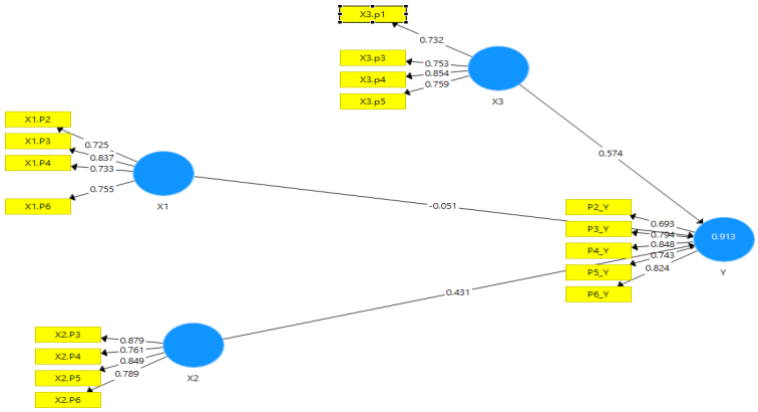

Figure 2. Second Outer Loading

The results of the measurement model using convergent validity in the second stage on the construct indicators for each variable can be presented in the table below:

***Convergent Validity* in Online Loans**

The construct indicators in the Online Loan variable consist of 5 construct indicators. Based on the results of data analysis, *the convergent validity* value is obtained *through the loading factor in the table below this :*

Table 5. Convergent Validity Online Loans

Indicator	Loading Factor	Rules of Thumbs up	Information
Y_P2	0.693	0.70	No Fulfil
Y_P3	0.794	0.70	Fulfil
Y_P4	0.848	0.70	Fulfil
Y_P5	0.743	0.70	Fulfil
Y_P6	0.824	0.70	Fulfil

Source: Data Results Processing PLS

Based on the table above, it can be seen that in the Online Loan variable with 5 question indicators that have been filtered from the first test, there is only 1 question indicator that does not meet the criteria, namely the question "Online loans have quite high interest compared to offline bank loans" with a value of 0.693 where this value is smaller than the Rule Of Thumb value of 0.70.

***Convergent Validity* in Lifestyle**

The construct indicators in the Haya Hidup variable consist of 4 construct indicators. Based on the results of data analysis, the *convergent validity value is obtained* through *the loading factor* in the table below:

Table 6. Convergent Validity of Style Life

Indicator	Loading Factor	Rules of Thumb	Information
X1_P2	0.725	0.70	Fulfil

ISSN 2721-0987 (Print), ISSN 2721-124X (Online)

X1_P3	0.837	0.70	Fulfil
X1_P4	0.733	0.70	Fulfil
X1_P6	0.755	0.70	Fulfil

Source: Data Results PLS Processing

Based on the table above, it can be seen that in the Online Loan variable with 4 question indicators that have been filtered from the first test, there are no question indicators that do not meet the criteria, meaning that all question indicators have a value greater than the Rule Of Thumb value of 0.70.

***Convergent Validity* on Needs**

The construct indicators on the Needs variable consist of 4 construct indicators. Based on the results of data analysis, the *convergent validity value is obtained* through *the loading factor* in the table below:

Table 7. Convergent Validity Need

Indicator	Loading Factor	Rules of Thumb	Information
X2_P3	0.879	0.70	Fulfil
X2_P4	0.761	0.70	Fulfil
X2_P5	0.849	0.70	Fulfil
X2_P6	0.789	0.70	Fulfil

Source: Data Results Processing PLS

Based on the table above, it can be seen that in the Loan variable online with 4 question indicators that have been filtered from the first test, there are no question indicators that do not meet the criteria, meaning that all question indicators have a value greater than the value Rule of Thumb 0.70.

***Convergent Validity* on Access Institution Finance**

The construct indicators in the Financial Institution Access variable consist of 4 construct indicators. Based on the results of data analysis, the *convergent validity value is obtained* through *the loading factor* in the table below

Table 8. *Convergent Validity* Factor Access Institution Finance

Indicator	Loading Factor	Rules of Thumb	Information
X3_P1	0.732	0.70	Fulfil
X3_P3	0.753	0.70	Fulfil
X3_P4	0.854	0.70	Fulfil
X3_P5	0.759	0.70	Fulfil

Source: Data Results Processing PLS

Based on table on can seen that in the variable Loan online with 4 question indicators that have been filtered from the first test, no there is indicator questions that are not fulfil criteria, meaning all indicator question own greater value from mark Rule of Thumb 0.70.

Discriminant Validity

In the analysis *discriminant validity* where the measurement model for each indicator construct nature reflective done with method see mark *cross loading* on each variable. In testing *discriminant validity* use *Average Variance Extracted* (AVE). as for *cross loading* parameters

ISSN 2721-0987 (Print), ISSN 2721-124X (Online)

in evaluate mark *average variance extracted* to find out level validity from each indicator constructs on each variable are recommended to be larger from 0.50 (> 0.50) (Ghozali & Latan, 2012). Results of the analysis *discriminant validity* can stated in the table below This:

Table 9. Discriminatory Validity on Average Extracted (AVE)

Variables	Mark
Loan On line	0.583
Style Life	0.673
Need	0.602
Access Institution Finance	0.612

Source: Data Results Processing PLS

Table 9 shows that mark *the average variance extracted* on each variable meets criteria in *discriminant validity*, this is assessed from greater average variance *extracted* than 0.50 (> 0.50).

Composite Reliability

In conducting reliability testing aims to prove accuracy, consistency and precision of the instrument in measure construct. Usage *Composite reliability* is done to test the reliability of a construct (Ghozali & Latan, 2012). As for assessing *composite reliability* through *the rule of thumb*, where *the composite reliability value* must be greater than 0.70 (> 0.70). Reliability testing on each construct can also be done using *Cronbach's Alpha*, the provisions of the assessment are done through *the rule of thumb, where the Cronbach's Alpha* value must be greater than 0.70 (> 0.70). The results of the data analysis show the following:

Table 10. Composite Reliability

Variables	Mark	Information
Loan On line	0.848	Reliable
Style Life	0.892	Reliable
Need	0.858	Reliable
Access Financial institutions	0.887	Reliable

Source: Data Results Processing PLS

Table 10. shows that the *composite reliability values* for the variables Pandemic, Use of Technology, Social Environment, Family, Behavioral Change are 0.848, 0.892, 0.858, 0.887, respectively. All *construct reliability values* are > 0.70. So in this case the existence of the variable meets the requirements for use in further analysis.

Structural Model Evaluation (*Inner Model*)

Testing on the structural model (*inner model*) is basically aimed at seeing the relationship between variables. The measurement is done by looking at the R- *Square value*. Where later it can be known the level of *variance* against changes in independent variables (budget planning, human resource competence and organizational commitment) to the dependent variable (absorption budget). The results of the R-Square analysis can presented in the table below This:

Table 11. R- Square

	R- *Square*
Loan On line	0.913

Source: Data Results Processing PLS

ISSN 2721-0987 (Print), ISSN 2721-124X (Online)

Table 11 shows the *R-Square value* of the budget absorption variable of 0.913. So it can be explained that *the variance* in the Pandemic, Technology Use, Social Environment, Family variables is able to explain the Behavior Change variable of 0.913 or 91.3%.

Testing Hypothesis Results Study

Based on results data analysis using SEM-PLS in test hypothesis, then the following table can be presented:

Table 12. Test Hypothesis

	Original Sample	T Statistics	P Values	Decision
X1 → Y	- 0.051	1,129	0.259	H0 accepted
X2 → Y	0.431	2,838	0.005	H0 rejected
X3 → Y	0.574	3,918	0,000	H0 rejected

Source: Data Results Processing PLS

Table 12 can be explained that the provisions in hypothesis testing in this study are carried out by looking at the original sample value as a *coefficient value* or also called a beta value. In determining acceptance or rejection of H0 in hypothesis testing, it can be seen from the value in the T Statistic column and the value in the P Values column. The provisions are if the t statistic value is greater than the t table value (t statistic > t table) at a significance level of 5% (t table is seen from the number of samples, where the sample in this study amounted to 68 people) or use mark *P Value* with provision if < 0.05, where the conclusion is to reject H0, thus it can be stated that there is a significant influence, and vice versa. Results of data analysis:

The Influence of Lifestyle Factors on Online Loans (X1 → Y)

The results of the hypothesis test of Lifestyle Factors have an influence on Online Loans based on table 4-12 show that the t statistic value is 1.129, while the t table value at a significant level of 0.05% is 1.99547 based on a sample size of 68 respondents. So it can be concluded that t statistic> t table (1.129 <1.99547), to strengthen the results of this analysis can also use *P Value* , with the provision p <0.05, based on the results of the data analysis shows a value of 0.259> 0.05. The provisions are accepted H0, it is concluded that Lifestyle Factors have no effect and are significant on Online Loans.

The Influence of Need Factors on Online Loans (X2 → Y)

The results of the hypothesis test of the Use of Needs have an influence on Online Loans based on table 4-12 show that the t statistic value is 2.838, while the t table value at a significant level of 5% is 1.99547 based on a sample size of 68 respondents. So it can be concluded that the t statistic <t table (2.838> 1.99547), to strengthen the results of this analysis can also use *P Value* , with the provision that p <0.05, based on the results of the data analysis shows a value of 0.005 <0.05.

The provision is rejected H0, so it is concluded that the Need Factor has a positive and significant effect on Online Loans.

The Influence of Financial Institution Access Factors on Behavioral Change (X3 → Y)

The results of the hypothesis test of Social Environmental Factors have an influence on Online Loans based on table 4-12 show that the t statistic value is 3.918 while the t table value at a significant level of 5% is 1.99547 based on a sample size of 68 respondents. So it can be concluded that the t statistic <t table (3.918> 1.99547), to strengthen the results of this analysis

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can also use *P Value* , with the provision that p <0.05, based on the results of the data analysis shows a value of 0.000 <0.05. The provisions reject H0, then it is concluded that Access to Financial Institutions has a positive and significant effect on Online Loans

Conclusion

Based on the research results and discussions outlined above, the following conclusions can be drawn: 1) The development of online loan companies is increasing every year, but those registered with the OJK are decreasing; 2) The development of online loan crime is increasingly rapid, this can be seen from the many complaints to the OJK and the news circulating. 3) Lifestyle factors do not have a significant influence on online loans; 4) The need factor has a positive and significant effect on online loans; 5) Access to Financial Institutions has a positive and significant impact towards Online Loans.

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