



Indonesian Consumer Behavior and Online Loan (*Pinjaman Online*): The Case Study of Jakarta, Manila and Bangkok

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Abstract. On May 19, 2023, The Financial Services Authority (*OJK*) advised people against borrowing money from online loans for purchasing tickets to the Coldplay music concert in Jakarta on November 15, 2023. Online loans are believed to make debt systems more effective, effective and easier. Because the consequences make people change their lifestyle patterns that are all digital especially in online loan lifestyles, especially purchase decision and post-purchase evaluation in Jakarta, Manila and Bangkok. This paper explores the relation between Consumer behaviour and Online Loan Stage such as problem recognition, information search, alternatives evaluation, purchase decision and post-purchase evaluation in Jakarta, Manila and Bangkok during one month period between Mei to June 2023. It focuses on how the people from those regionals act during purchase decision and post purchase evaluation. This paper examines events such as Consumer behaviour during Purchase decision and post-purchase evaluation with discourse analysis context from Indonesia, Philiphine and Thailand 's social media and social networking groups. The last literature examined the Consumers Buying Behaviors' Loans and Credits: A Situationer. Through last paper explanation, Consumers Buying Behaviors' Loans and Credits: A Situationer, this research focuses on the importance of micro-financing business or lending institutions and private individuals are credit service providers of the respondents.

Keywords: Consumer Behaviour, Online Loans, Consumer Behaviour Model.

1 Introduction

The purpose of peer-to-peer (P2P) online lending is to help individuals and small businesses get the money they need. It is an adjunct to the existing monetary order. Online Loans (*pinjaman online*) is one form of online lending. Post pandemic creates dozens of financial technology companies that have started lending online in Indonesia, far exceeding many people's expectations. Nevertheless, a significant number of consumers fail to take into account the legal aspects of online lending organizations when seeking credit. The majority of illicit online lending activities in

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Indonesia are frequently characterized as unlawful because to the lack of authorization from the *OJK*, the regulatory body responsible for overseeing such operations. The Financial Services Authority (*OJK*) advised people against borrowing money from online loans especially for purchasing not primary need, such as tickets to the Coldplay music concert in Jakarta on November 15, 2023. The increasing appeal of digital payment among consumers can be attributed to advancements in technology. This type of payment provides an easy way for consumers to meet their needs. *Pinjol* has a similarity to the pay later system. The concept of deferred payment, commonly known as "Pay later," has emerged as a highly sought-after digital payment method in Indonesia. This system, akin to credit cards, enables users to make purchases of goods or services with the option to defer payment until a later time. But in *pinjol* they have sarcasm debt collector that can share consumer private data. The COVID-19 pandemic has accelerated the digital transformation process as governments and businesses strive to provide connectivity and everyday essentials to vulnerable communities. It has removed barriers for small businesses and consumers to flourish, enable and got facilitated the delivery of basic services in Jakarta, Manila and Bangkok.

2 Method

Purpose and Importance In the research, post consumer behaviour differences of the Jakarta, Manila, Bangkok people according to the regions will be explained. The scope and limitations of this study were constrained by the restricted length of the investigation. In order to determine viral fact, On May 19, 2023, The Financial Services Authority (*OJK*) advised people against borrowing money from online loans for purchasing tickets to the Coldplay music concert in Jakarta on November 15, 2023. Due to the aforementioned rationale, the research was constrained to a one-month timeframe spanning from May to June 2023. This temporal restriction was established while considering many factors, including feasibility and constraints.

Based on data provided by *We Are Social*, the social networks that exhibit the highest levels of user engagement are *WhatsApp*, *Instagram*, *YouTube*, *Facebook*, and *Twitter*, in descending order of popularity (*We Are Social*, 2016). The intensity of social media usage varies depending on the specific purpose pursued. During certain time periods, there was a provision for intense post sharing, whereas during other periods, no sharing occurred. During the research planning phase, the objective was to align the timeframe of the study with the most recent time periods during which the selected social media groups, serving as the sample, exchanged several posts.

The research study focused on selecting the population and sample that represented the top-performing newspapers in the regions of Indonesia, the Philippines, and Thailand. The sample is obtained by the purposive or judgmental sampling approach, which falls under the category of non-random sampling techniques. The improbable/non-random sampling method deviates from the principle of equal probability of selection among individuals or things chosen as sampling units, hence allowing the researcher's opinions and convictions to influence the validity of the results. The purposive/judicial sampling method involves the deliberate selection of sample units

by the researcher, based on the expectation that they will yield the most relevant and suitable data for the research objectives.

Context analysis refers to a method of analyzing data. The data utilized for the research were obtained through the process of scanning various sources, including books, papers, and online resources, pertaining to the topic matter. The data utilized in the analytical component of the study, where content analysis was conducted, was collected from the Twitter accounts of the chosen political party leaders, serving as a representative sample. The act of maintaining a comprehensive record of data on the Twitter platform enables subsequent retrospective analysis. The data collected throughout the research were analyzed using the categorical analysis technique, which is a form of content analysis. In this analytical methodology, the data is allocated into several groups and subsequently subjected to analysis. The data was captured by two researchers according to the predetermined categories established within the boundaries of the study's scope and restrictions.

3 Findings and Interpretations

Thailand and the Philippines have better financial literacy than Indonesia so they have legal fintech *pinjol* more than Indonesia and it has a good impact on consumer payment behavior. People who have already borrowed money from illegal online lenders must pay off the loan immediately to avoid an increase in the interest burden. Illicit peer-to-peer online lending (*PINJOL*) frequently imposes charges on all contacts stored in the user's mobile device by means of transmitting abusive messages or unpleasant visual content. The collection agent lacks a billing accreditation provided by the Indonesian Joint Funding Fintech Association (AFPI). In the context of Indonesia, it is observed that there exists a significant presence of illicit debt collectors and online lending platforms (often referred to as "*pinjol*"). Consequently, individuals in Indonesia tend to have a tendency to evade making payments.

It is imperative for the National Finance Departments in respective countries to undertake the responsibility of educating and raising awareness among the general public regarding the presence of illicit online lending enterprises. This is particularly crucial due to the prevailing prevalence of unlawful online loan activities, facilitated by the ease of website and application creation, coupled with the limited financial literacy among individuals facing financial hardships. There exists a pressing requirement for the implementation of more precise regulatory measures pertaining to the resolution of disputes and the management of illicit internet lending entities.

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