



# Online Credit Culture of University Students at XYZ Credit Apps

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**Abstract.** University students study with the aim of seeking knowledge, but they also prepare learning tools to support the learning process. Unfortunately, not all students have enough money to fulfill these needs, so they do online credit at XYZ Credit Apps. The research method used is a qualitative research method using descriptive writing to see the phenomenon of students' installments and the research objectives as a form of contribution to the development of ethnography, especially in the field of online credit. The results of this study indicate that online credit conducted by students has a positive impact; students can get goods to support their studies at affordable prices. Flat transactions (no interest) are considered to provide security for student finances. Students can join as brand ambassadors to earn extra money, financial literacy and new friendships.

**Keywords:** Online credit, University students, credit Apps.

## 1 Introduction

In the learning process, University students have many learning tools. The living expenses incurred by each student are different from those of other students. Several factors influence this difference, one of which is lifestyle. As part of millennial people, students have shown special behavior as the demands of today. The results of this study indicate that students have diverse lifestyles, differing from one another, in terms of appearance, language accent, student activities outside campus, and self-control. Their shopping is not controlled by the amount of money they have and the needs of life in a month but tends to be a very complex momentary decision [1]. There are various ways that students can fulfill all these life needs, including through parents' fees, public and private scholarships, working part-time and making educational loans to institutions that provide. XYZ Credit Apps from XYZ Credit Apps is a non-bank institution that also serves education loans. The uniqueness of XYZ Credit Apps is that students can directly buy the items needed online, and then XYZ Credit Apps will provide payment first. After that, students can pay directly to XYZ Credit Apps, not the store that sells. XYZ Credit Apps can be accessed through the XYZ Credit Apps application and can also be accessed through the XYZ Credit Apps.co.id web page. The online credit phenomenon carried out by University students is deliberately carried out through XYZ Credit Apps (XYZ Credit Apps). Students who do not yet have a fixed income to meet

their needs independently choose to pay in installments for goods that are more expensive than buying cash.

Fintech is the use of technology to provide new and better financial services. The areas covered by fintech can be broadly described as: (a) credit, deposit, and capital raising services; (b) payment, clearing and settlement services, including digital currencies; (c) investment management services (including trading); and (d) insurance [6]. To ensure the security of both the company and the public who become consumers, the government participates in the supervision and evaluation of financial transaction processes that have been supported by information technology. Of course as the economic and social impact of fintech grows, it becomes increasingly difficult for legislators to clearly communicate their expectations to them, leading to confusion and potentially opening dangerous loopholes in the financial system. According to CNBC, fintech products that are currently popular in Indonesia include payment, clearing, settlement, e-aggregator, risk management, investment and peer to peer lending. Based on OJK 2018 statistics in Indonesia, the most rapidly growing types of fintech are fintech lending and payment. Payment is one of Indonesia's largest fintech types, with 34% of all existing fintech.

The main legal basis used in lending and borrowing activities in PTP fintech activities is POJK 77/2016. The legal basis that can be used shows evidence of the validity of credit activities through online media. Based on POJK No. 77 of 2016 Article 1 point 3 states: Information Technology-Based Money Lending and Borrowing Services is the implementation of financial services to bring together lenders and loan recipients in order to conduct lending and borrowing agreements in rupiah currency directly through an electronic system using the internet network.

Credit culture is the behavior of taking the necessities of life first and paying for them in the future. Credit can occur anywhere, both in traditional communities in villages and modern communities in cities. The research stated that the women of the Bone-bone community take credit because they have small and uncertain opinions while the high selling price of goods cannot be reached. In addition, traders always promote to mothers continuously so that they have a close relationship and continue to subscribe to the trader [5]. Research on Angirang stated that the debt behavior of the Kodingareng Keke Community, Makassar is a community habit and a bond between traders and buyers. Every buyer who has owed the trader must continue to owe there forever. It can be said to be a subscription place for debt [3]. The research describes that customers of the Syari'ah Financial Services Cooperative Baitul Maal wattamwi (KJKS BMT) Batuang Taba Nan XX Village from the Minangkabau, Javanese and Batak tribes have different ways of repayment. Culture significantly influences the formation of paradigms and community behaviour in interpreting social phenomena and realities. This study concluded that different cultures have other influences on customer behaviour in responding to business assistance funds at KJKS Batuang Taba village [2].

Research stated that debts made by fishermen in Jember, East Java, to *pangambe* in order to fulfil the operational needs of fishermen, such as purchasing boats, fishing gear and marketing fish. The pattern of cooperative relationships with 'pangambe' developed after the motorization of boats. Fishermen need 'pangambe' to supplement the lack of

capital to buy boats and fishing gear. The pattern of cooperation between fishermen and 'pengambe' drives fisheries business in the Jember regency [4].

Credit, which has become a culture in the community, certainly has positive and negative impacts. The negative implications revealed are the creation of a generation of debtors. They continuously fulfill their needs by getting into debt, and their lives are only used to pay debts. It is not much different from what was revealed that debt that becomes a habit will make a headache if it has accumulated while money is not yet available to be used to pay overdue installments. Not only consumers who feel the negative impact of debt, but community traders who do not want to pay off their debts will have an impact on their sales. This is very undesirable for traders. Moreover, they cannot take legal action to force them to pay the debt. Only social sanctions are given to mothers who do not want to pay their debts [3],[5].

On the other hand, the research describes the benefits of credit, the existence of credit carried out by the women of the Bone-bone community they can meet their needs by paying in installments at traders who provide installment services. This is also supported by the statement that the *Angirang* culture makes it easy for them to fulfill their needs even though they do not have money, they will pay their debts when they get money from fishing. For addition that the existence of *Pangembe* ' which provides capital to fishermen as operational costs. It is constructive for the fishermen, without this assistance, they cannot go fishing. Not only do fishermen benefit from the agreement to sell fish catches to *Pangembe* ', *Pangembe* ' also benefits from the sale of fish without fear of running out of fish stocks [3][4][5].

Seeing the impact of debt or credit that provides benefits to the community at large. Credit that has become a culture in fulfilling the needs of life is seen through anthropological review as cultural patterns that have been integrated with the times. Discoveries in the field of financial technology further accelerate and facilitate the process of accessing credit at all levels of society.

## 2 Research Methods

The research method used in this research is qualitative, and the type of approach used is holistic. This research is located on the University campus, and this location was chosen because, based on information, there is online credit behavior by University students at XYZ Credit Apps. Researchers contacted the XYZ Credit Apps team, and then the XYZ Credit Apps team, through the supervisor, helped researchers to get expert informants who could provide information related to this research. Through expert informants, researchers asked for informant recommendations.

**Table 1.** List of research informants (pseudonyms)

No.	Pseudo-nyms	Faculty	Age	Description
1	Rahman	-	27	XYZ Credit Apps Supervisor
2	Agung	Mipa	27	Brand Ambassador

3	Mika	Mipa	19	Brand Ambassador
4	Lisa	Fisip	22	Brand Ambassador
5	Abi	FEB	22	User
6	Rara	FKM	22	User
7	Lily	Agriculture	23	User
8	Budi	Agriculture	23	User
9	Arum	Nursing	25	User
10	Sony	Fisip	22	User

Source: Processed data 2023

The selected informants were University students who volunteered for the interview. Interviews were conducted online via Google Meet, WhatsApp, and text messages. To maintain the confidentiality of information and the identity of informants, all names are disguised using pseudonyms.

The data collection techniques were carried out using interactive and non-interactive methods. Noninteractive methods were carried out by analyzing documents, articles, and various other sources related to the research. Meanwhile, interactive methods employing in-depth interviews. The data collection technique will be carried out using snowball sampling.

Data analysis is carried out through several steps, namely, interview recordings were first transcribed. Transcripts were read and searched for "keywords" related to the Credit category, the perception of female students related to online credit, the reasons for female students to do online credit and the influence felt by female students after doing online credit.

### 3 Result and Discussion

Based on the initial research findings, researchers found facts about students' ideas related to online credit. Students need goods that must be fulfilled immediately and choose to fulfill these needs through online credit. Uniquely, students who do credit with the approval of their parents, which means that their parents provide the money to pay off the credit. So far, students really appreciate the existence of online credit at XYZ Credit Apps.

#### 3.1 Students do online credit at XYZ Credit Apps

Generally, university students do not work and have little money, but at the same time, they need gadgets to support the learning process, cash to pay UKT, or credit for online lectures. They get information about XYZ Credit Apps from close people, so they trust and decide to take an installment. Students also compare XYZ Credit Apps with online credit applications, and they find that XYZ Credit Apps is cheaper. There is no interest,

but there are additional transaction fees, lender margin fees, and platform fees. These fees are considered more affordable than interest from other online loan applications.

**Table 2.** List of University student (pseudonyms) online credits

No	Pseudo-nyms	Online credit	Term (month)	Price (Rp)
1	Mika	Smartphone	6	1.200.000
		Smartphone	6	1.200.000
		Laptop	12	5.000.000
2	Lisa	smartphone	6	1.500.000
		printer	4	600.000
		Mobile credit	1	100.000
3	Budi	Tuition fee	6	2.000.000
5	Rara	Mobile credit	1	100.000
6	Abi	smartphone	6	1.300.000
7	Lily	smartphone	4	1.200.000
8	Sony	smartphone	6	1.300.000

Source: processed data 2023

Mika (19), a (pseudonyms) student at the Faculty of Mathematics and Natural Sciences, initially needed a smartphone but didn't have much money to buy one. Her cousin suggested buying it through XYZ Credit Apps, so she conveyed her wish to her parents (mother), and her mother agreed. For example, a student takes an online loan in the form of a smartphone XIAOMI 12C RAM 6/128GB 5000Mah one-year warranty with a price of Rp 1,159,000 and installments for six months. Then, the student must pay a lender margin of IDR 66,526, a platform fee of IDR 141,842 and a transaction fee of IDR 24,000. So, the accumulated cost is IDR 232,368, and the down payment is IDR 115,900. Every month, students pay an installment of Rp 212,578.

Unlike Budi (pseudonyms), during the Covid-19 pandemic and the economic situation getting harder, Budi has to pay UKT. His cousin suggested Budi take a tuition loan in instalments. After discussing it with his mother, Budi took a tuition loan of Rp 1,200,000 just that once. During the Covid-19 pandemic, there is also a rule that students must study online. Arum needed more mobile credit than usual and started taking mobile credit installments of Rp 100,000; the payment was made the next month. A student applies for a tuition loan with a nominal value of Rp 2,000,000 in six-month installments. Then the student has to pay a Lender margin of Rp 94,819, a platform fee of Rp 69,863, a transaction fee of Rp 24,000, and a Protection Premium fee (Axa) of Rp 19,040, so the accumulated cost is Rp 207,722. Students also need to provide a down payment of Rp.400,000 for monthly installments of Rp301,287.

Unlike the others, this is very unique. Rara only takes mobile credit every month. She will take Rp. 100,000 worth of credit and will pay the next month at the same price. She did it during the pandemic. The credit was used for online learning. For her, this is very cheap and easy.

The requirements for applying for XYZ Credit Apps by students are to have a KTM (student identification card) as proof that the student is active on either S1, S2, or S3 and a KTP as proof that the student is an Indonesian citizen. If your application has been approved, you will get a notification in the XYZ CREDIT APPS app and email to do the last step: sign the agreement and pay the down payment so that we can deliver your tuition bill as soon as possible.

### **3.2 Online credit pattern at XYZ Credit Apps**

Before taking online credit, students generally discuss with their parents regarding the planning to accept credit and measuring the ability to pay credit. Because of the installments, students will be careful in shopping and do not want to be fined for delinquent payments. If you wish to, students can join as brand ambassadors to get a salary experience. Process in student online credit retrieval. Initially, students need goods used to support the learning process at University. These needs must be met; otherwise, the learning process will be hampered, which can result in not graduating from college on time. Students who do not work and have all needs met by parents, so before deciding to take goods, students will discuss with parents regarding the decision to take the item. Parental consent means that parents are ready to pay the installment. After getting parental approval, students immediately register at XYZ Credit Apps via the XYZ Credit Apps Application, fill out the registration form, and agree to the terms and conditions. It only takes three days, and the goods students need are in hand. Installment payments are made monthly, and the amount is in accordance with the student's ability, which was agreed upon at the beginning. Students who are late paying will be fined Rp 1,000. Students who cannot complete the payment according to the agreement will be banned and not allowed to take another installment.

Being a brand ambassador is an additional job for students to earn extra money, gain experience, and build a network of friends. The duties of a brand ambassador are marketing XYZ Credit Apps, facilitating applications and developing strategies and communities.

This online credit is beneficial for students who are experiencing financial problems. So it needs good management from the community so that many students are helped in fulfilling their needs.

### **3.3 Utilization of online credit at XYZ Credit Apps**

With the existence of XYZ Credit Apps, students feel many benefits, including getting mobile credit faster and cheaper, getting goods quickly, and getting the opportunity to work while studying. In addition, students must think about the installments that must be paid every month and must not be late. Because they have installments, of course, students choose to work by joining XYZ Credit Apps to become part of the brand ambassadors. This, of course, can interfere with college. The most important thing about the existence of XYZ Credit Apps as an online credit is that students can feel the use of PT XYZ Credit Apps solution technology partners. Students use the XYZ Credit Apps service repeatedly, even after graduating, students admit that they still want to take

some items but they cannot because the XYZ Credit Apps service is only used specifically for students. Students are more careful in using products purchased on credit because students feel how difficult it is to get these items.

## 4 Conclusion

From this research, it can be concluded that online credit conducted by students at XYZ Credit Apps is very safe and reliable. For students, this is evidenced by students feeling the benefits they get by joining XYZ Credit Apps.

Researchers suggest that students be wiser in utilizing digital technology. Able to measure ability and purchasing power so there are no obstacles in paying installments.

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