



# The Effect of The Dark Side of Digital Marketing on The Intention to Use Online Loan Facilities

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**Abstract.** The phenomenon of digital marketing has negative impacts on various sectors of life, one of which is the economic sector in the form of online loans. This negative impact phenomenon is often called the dark side of digital marketing. This study aims to examine the influence of the dark side of digital marketing on individual intentions to use online loan facilities in Indonesia. The method used is quantitative, utilizing primary data obtained from the questionnaire distribution process. The variables of this study consist of independent variables (the dark side of digital marketing) and dependent variables (intention to use online loan facilities in the online loan industry). The population of this study is all followers of online loan social media accounts in Indonesia, with 100 respondents as samples, who were selected using purposive sampling techniques on the followers of the social media accounts of the five largest online loans in Indonesia. The data analysis technique used is simple linear regression. The results showed an influence between the dark side of digital marketing variables on the intention to use online loan services. Digital marketing variables can explain the phenomenon of intention to use online loan services. The influence given is positive. This indicates that the higher the ethics upheld by marketers in marketing online loan services, the higher the public's intention to take advantage of these services.

**Keywords:** Ethics, Intention to Borrow, Loan Online, The Dark Side of Digital Marketing.

## 1 Introduction

The dark side of digital marketing refers to the unethical and manipulative practices to influence consumers and promote their products or services online. The dark side of digitalization in marketing activities has unintended consequences, such as loss of customer freedom to make purchases, manipulative marketing, algorithm discrimination, loss of privacy, metric errors, and short-term goals [1]. These illicit practices can also negatively impact society. This negative impact is indicated by a shift in people's behavior that is more materialistic and consumptive [2]. In addition, the dark side of digital marketing can also directly influence individual intentions to use online loan facilities [3]. Research [4] has also shown that digital exposure can significantly affect individuals' intentions to use online loan facilities.

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R. Hurriyati et al. (eds.), *Proceedings of the 9th Global Conference on Business, Management and Entrepreneurship (GCBME 2024)*, Advances in Economics, Business and Management Research 342,  
[https://doi.org/10.2991/978-94-6463-817-2\\_34](https://doi.org/10.2991/978-94-6463-817-2_34)

Research [5] shows that the digital market positively affects customer satisfaction and marketing performance. The entrepreneurial environment and digital transition also impact the collaboration ability and resilience of Small and Medium Enterprises (SMEs) [6]. Digital marketing creates consumptive and impulsive shopping patterns for consumers. One of the negative impacts obtained by consumers is exposure to the dark side of digital marketing, which significantly affects individual intentions to use online loan facilities [7]. Negative news and experiences related to the dark side of digital marketing can make individuals more cautious and skeptical about using online loan facilities [8].

The use of technology for communication and information creates substantially innovative capabilities in society, business, and everyday life [6]. Companies can use various digital marketing tools to reach a wider audience and promote their products more effectively [9]. Exposure to unethical and manipulative digital marketing practices can reduce trust in online lending platforms and create negative perceptions, making individuals more cautious and skeptical about using these facilities [10]. Exposure to The Dark Side of Digital Marketing significantly affects individuals' intentions to use online loan facilities, as it creates perceptions [11]. Exposure to unethical and manipulative digital marketing practices can reduce trust in online lending platforms and create negative perceptions, making individuals more cautious and skeptical of using these facilities [12].

We Are Social shows that 66.5% of Indonesians in 2024 will be the most internet users [13]. The internet is closely related to digital marketing, accompanied by many social media and applications such as Instagram, X, YouTube, and TikTok, often used as media for marketers to promote online loan applications. Reporting from [14] shows that in 2024, there will be 8.86 million, or around 5.4% of the total population in Indonesia, who use online loan services. Social media dominates internet use in Indonesia, which has led to the development of e-marketing; here, marketing practices through social media are used to promote brands and company brands [15].

This study aims to examine the influence of the dark side of digital marketing on individual intentions to use online loan facilities. This study investigates the effects of the dark side of digital marketing on individuals' intentions to use online loan facilities. The results of the study will present information on how strong the dark side of digital marketing is on people's intentions to use online loan services as a basis for overcoming and preventing massive online loans in Indonesia.

## 2 Methods

This quantitative research used primary data from respondent questionnaire dissemination activities and secondary data from collecting literature studies. The primary data refers to indicator data representing the dark side of digital marketing regarding ethics. This data is measured on several dimensions, namely consumer privacy, honesty, and transparency in data use [16, 17]. Secondary data is in the form of basic information about the variables studied. The population of this study are all followers of online loan social media accounts in Indonesia. The number of samples in this study was 100

respondents, who were selected using purposive sampling techniques on followers of the social media accounts of Indonesia's five largest online loans. Data from both variables were quantified with a Likert scale. The data analysis process used Microsoft Excel and SPSS. Data analysis began with a classical assumption test to test the data's feasibility, then continued with linear regression analysis, determination coefficient test, T-test, and F-test to analyze the influence of independent variables on dependents. The hypothesis (listed in Figure 1) of this study is:

1. H1: The dark side of digital marketing affects online lending intentions on online loan applications.
2. H0: The dark side of digital marketing does not affect online lending intentions on online loan applications.



Fig. 1. Research hypothesis chart.

### 3 Results and Discussion

#### 3.1 Respondent Characteristics

The respondents represent the segmentation of people who intend to use online loan services. Based on the findings of 100 samples in Indonesia, information on respondents' characteristics was found in Table 1.

Table 1. Respondent characteristics data.

Characteristic (Person/ %)	Gender		Working Status			Residence		
	Man	Woman	Employer/ teacher / civil servant	Student	Not working/ housewife	Provincial cities	City of Regency/ town	Out-side the city/ vil-lage
	54%	46%	54%	13%	33%	51%	19%	30%
Age (people/%)	20-26 Years = 18%		27-33 Years = 30%	34-40 Years = 32%		41-47 Years = 11%	48-55 Years = 9%	
Salary (%)			< Rp 3 Million = 64 %	Rp 3-6 Million = 21%		Rp 6-10 Million = 10 %	> Rp 10 Million = 5%	

Source: questionnaire data processing results (2024).

In Table 1, information on the composition of respondents based on age shows that the age range of 26-35 years and 36-45 years is the dominant follower because the range is included in the adult category and holds responsibility for themselves or their family and shows that the dominance of people who follow online loan accounts is those with salaries below three million. People with high incomes are generally able to meet primary and secondary needs, so they do not need loans to meet the needs of life.

### 3.2 Classical Assumption Test

#### Normality Test.

Table 2 shows that the significance value is 0.400, meaning the data is normally distributed. The normality test utilizes Smirnov-Kolmogorov because the number of data samples is 100.

**Table 2.** Normality test results.

N	Asymp Sig (2-tailed)
100	0.400

Source: questionnaire data processing results (2024).

#### Multicollinearity Test.

Table 3 shows the results of the multicollinearity test, which indicates no symptoms of multicollinearity because it has a tolerance value of 1 (greater than 0.10) and a VIF value of 1 (smaller than 10).

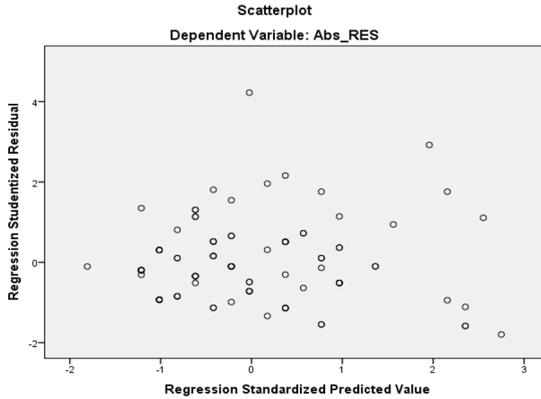
**Table 3.** Multicollinearity test results.

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant) Digital Marketing	1,000	1,000

Source: questionnaire data processing results (2024).

#### Heteroscedasticity Test.

Figure 2 shows that the data do not experience symptoms of heteroscedasticity because the points are scattered and do not form a specific pattern.



**Fig. 2.** Plot heteroscedasticity.

Source: results of questionnaire data processing (2024).

**Validity Test.**

Based on the results of the validity test analysis, it can be concluded that all variables measured in this study are included in the valid category. This is indicated by the correlation value (*r* count) of each variable that is greater than the *r* value of the table. With a sample of 100 respondents, the *r* value of the table obtained is 0.195, so all these variables meet the validity criteria. Thus, the instruments used in this study proved to have accurate validity.

**Reliability Test.**

Based on the reliability test results, the number of samples is 100, and all variables are reliable and consistent (Table 4).

**Table 4.** Reliability test results.

		N	%
Cases	Valid	100	100,0
	Excluded <sup>a</sup>	0	,0
	Total	100	100,0

a. Listwise deletion based on all variables in the procedure.

Source: questionnaire data processing results (2024).

All items also have a Cronbach's Alpha value of 0.864, which means that all data is reliable and consistent (Table 5).

**Table 5.** Cronbach's alpha value test results.

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
,864	13

Source: questionnaire data processing results (2024)

**Regression Analysis Test.**

Table 6 shows that the dark side variable of digital marketing significantly affects the variable intention to use online loan services in online loan applications. When formulated with the equation,

$$\text{The regression equation} = -4.781 + 0.339X_1 + e \tag{1}$$

A value of -4.781 indicates that if the independent variable has a value of zero, then the value of the variable intention to use online loan services decreases. The value of 0.339 is positive, indicating a positive influence between the dark of digital marketing variable and the variable intention to use online loan services. This fact represents that the higher the ethics that marketers uphold in the market, the higher the intention of consumers to use online loan services.

**Table 6.** Regression test results.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-4,781	,783		-6,104	,000
Digital Marketing	,339	,022	,846	15,691	,000

a. Dependent Variable: Online Loan Intentions

Source: questionnaire data processing results (2024).

**Determination Analysis Test.**

Table 7 shows the extent to which the variables are related. The coefficient of determination of 0.715 shows that 71.5% of the variation in the dependent variable, namely the intention of online loans, can be explained by the independent variable. Digital marketing contributed 71.5% to the observed variation in online borrowing intent variables, while other variables explained the remaining 28.5%.

**Table 7.** Determination test results.

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	,846 <sup>a</sup>	,715		,712	1,086

a. Predictors: (Constant), Digital Marketing  
 b. Dependent Variable: Online Loan Intentions

Source: questionnaire data processing results (2024).

**3.3 Hypothesis Test Results**

The results of hypothesis testing can be seen in Table 8, which presents data on the relationship between variables tested in the study.

**Table 8.** Hypothesis Test Results

	Model	T	Sig.
1	(Constant)	-6,104	,000
	Digital Marketing	15,691	,000
a. Dependent Variable: Online Loan Intentions			

Source: questionnaire data processing results (2024).

Based on the analysis results in Table 8, the significance value (p-value) is smaller than the specified significance level (0.05). The null hypothesis is rejected, the alternative hypothesis is accepted, and vice versa.

### 3.4 Discussion

Table 8 represents that h0 is rejected while h1 is accepted. This shows that the calculated t value of 15.69, greater than t in Table 1.664, implicitly indicates the influence of the dark side of digital marketing on the intention to use online loans. The existence of this influence indicates that people's intention to use online loans is created when they get a good experience from digital marketing carried out by marketers. When examined more deeply, this good experience is formed by digital marketing ethics applied by marketers. This digital marketing ethic positively affects people's intentions to borrow online loans. Several points indicate the ethics of digital marketing. The first point is that when marketers use consumer data through agreements with users of online loan services, the public's intention to use online loan services increases. This intention is reflected through two attitudes, and the first is just the "desire" to take advantage of online loans. This intention can arise because people feel that online loan service providers only utilize the necessary data to maintain other consumer data, such as privacy. The second attitude concerns always wanting to use continuity in the future.

The second point is that when consumers' data is protected from unauthorized access, people feel their data gets protected without worrying about experiencing data misuse. This will trigger the consumer's desire to use online loan applications continuously. Data protection is considered necessary because some online loan applications often leak consumer data, so consumers get terrorized by numbers from parties outside the entitled online loan application. The third point is the openness of online loan application providers in managing consumer data (from the process of collection and storage to use). The data collection process is considered essential for consumers because it is related to efficiency in the online loan application process. Consumers tend to choose online loan services whose submission process is efficient, straightforward, fast, and reliable. The fourth point refers to providing accurate and clear information about the products offered. Consumers must consider various factors before deciding to borrow money online. Some aspects are considered, such as the amount of interest, application service fees, payment period systems, and sanctions obtained if you default. The more accurate and clear the information about the services offered, the higher the

public's intention to borrow on online loans. These four points are relevant to financial literacy and impact online loan use, as shown in the research [18].

The fifth point relates to the dispersion of features, prices, or benefits offered. These aspects are taken into consideration when potential consumers use online loan services. The sixth point relates to misdirection and fraud in the practice of online loan services. The good features, prices, or benefits offered by online loan services in loan agreements must be balanced with marketing practices that are not deceptive and misleading. The seventh point refers to providing ease of accessibility for consumers to manage privacy. The data included by potential consumers when applying for an online loan is relatively diverse, ranging from personal photos, full names, places of birth, identity cards, family identities, as well as individual and family contacts. The more flexible consumers are in setting these preferences, the higher the consumer's intention to apply for a loan. This is also related to the eighth and ninth points, which refer to the clarity of information regarding the use of consumer data and the potential risks obtained by consumers. The more transparent the information about the clarity of potential risks obtained by consumers, the higher the consumer's intention to use online loan services, as research [19] shows that financial risks affect the continued intention to use financial technology.

## 4 Conclusions

The results of the hypothesis represent that  $h_0$  is rejected while  $h_1$  is accepted. This shows that the calculated  $t$  value of 15.69, greater than  $t$  in Table 1.664, implicitly indicates the influence of the dark side of digital marketing on the intention to use online loans. The existence of this influence suggests that people's intention to use online loans is created when people get a good experience from digital marketing carried out by marketers. Based on the results of the study, it can be concluded that there is an influence between the variables of the dark side of digital marketing on the intention to use online loan services. Digital marketing variables can explain the phenomenon of intention to use online loan services by 71.5%. The influence given is positive. This indicates that the higher the ethics upheld by marketers in marketing online loan services, the higher the public's intention to take advantage of these services.

## 5 Acknowledgement

I would like to express my sincere gratitude to Universitas Pendidikan Indonesia for supporting resources throughout this research. Universitas Pendidikan Indonesia provides the research facilities. So, I would like to extend my appreciation to Universitas Pendidikan Indonesia, who have significantly supported our study.

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