Balancing Financial Literacy and Marketing to Expand Subsidized Mortgage Access for Low-Income Households

Nurjan Ibrahim* and Syamsu Alam

Hasanuddin University, Makassar, Indonesia
*ibrahimn25a@student.unhas.ac.id

Abstract. This study investigates the dual challenges of financial literacy and marketing strategy effectiveness in increasing the intention to apply for subsidized mortgages among low-income households (MBR) in Indonesia, specifically through PT Bank BTN (Persero) Tbk. The research proposes an integrated model combining Digital Marketing Intensity (DMI), Service & Process Quality (SPQ), and Affordable Unit Availability (AUA) as primary drivers of application intention, moderated by Financial Literacy (FL). Using a quantitative approach, we collected data from 122 low-income respondents in urban and rural areas, employing PLS-SEM to test direct effects and moderation. Our findings reveal that all three marketing levers DMI, SPQ, and AUA positively influence application intention, with SPQ exerting the strongest impact. Notably, Financial Literacy moderates these relationships, amplifying the effectiveness of marketing strategies, particularly for digitally-driven campaigns and service transparency. These results offer valuable insights into how financial education can complement digital marketing and service improvements, enhancing the accessibility of subsidized mortgages for low-income populations. The study contributes to the literature by integrating marketing and financial literacy into a single behavioral framework and provides actionable implications for both financial institutionsand policy makers aiming to improve financial inclusion.

Keywords: Subsidized Mortgages Digital Marketing Intensity, Service & Process Quality, Affordable Unit Availability, Financial Literacy, Low-Income Households.

1 Introduction

Across emerging economies, the housing ladder is increasingly gated by affordability, credit access, and information frictions [1]. Indonesia is emblematic: despite rapid financial inclusion, the country continues to face a sizable housing backlog estimated at roughly 12.7 million units in 2023 concentrated among low-income households (MBR) [2]. The Government has responded with subsidized mortgage programs (notably the FLPP scheme) and, more recently, with ambitious annual quotas to accelerate take-up. In mid-2025, the national FLPP target was lifted to 350,000 subsidized units, signaling an explicit policy push to compress the backlog and broaden homeownership for

M. Nohong et al. (eds.), *Proceedings of the 10th International Conference on Accounting, Management, and Economics (10th ICAME 2025)*, Advances in Economics, Business and Management Research 388,
https://doi.org/10.2991/978-94-6239-709-5_28

the economically vulnerable [3]. PT Bank BTN (Persero) Tbk (hereafter, BTN) Indonesia's leading mortgage bank sits at the center of this policy–market interface as a primary channeling bank for FLPP [3], and thus as a natural laboratory to study how marketing strategy can convert policy intent into household action.

Three shifts are reshaping the prospect of subsidized homeownership for MBR. First, policy scale-up: the larger 2025 FLPP allocation and multi-year program continuity have increased certainty for both lenders and developers, creating a richer pipeline of eligible projects and loan slots [3]. Second, financial inclusion deepening: Indonesia's 2024 national survey reports a financial literacy index of 65.43 and inclusion of 75.02, indicating a broadening base of financially connected citizens, though capabilities remain uneven across segments relevant to subsidized mortgages. Third, digitization of customer journeys: the diffusion of mobile, social, and conversational channels has moved discovery, consideration, and pre-application interactions online, potentially lowering search costs but also raising the bar for clear, trustworthy communication [4]. Together, these forces create a high-stakes context in which marketing choices can materially affect the conversion from interest to formal applications among MBR.

Despite programmatic expansion and BTN's scale advantages, the take-up among eligible low-income households remains uneven. Practitioners have identified three bottlenecks. (1) Awareness and persuasion gaps in the digital sphere: Many MBR learn about KPR Subsidi through social media or messaging apps, yet their perceptions hinge on the clarity, credibility, and relevance of content especially regarding eligibility, total cost of credit, and long-run obligations[5]. (2) Service and process frictions: The perceived complexity of documentation, opaque timelines, and limited handholding can deter first-time borrowers with little formal credit history; even small frictions can lead to dropouts [6]. (3) Local availability constraints: In several labor corridors, the practical choice set of eligible, available units that match commuting patterns and budgets is thin, weakening the perceived feasibility of purchase [7]. While policy levers (e.g., quotas, interest subsidies) are necessary, they are insufficient if the marketing strategy does not simultaneously (i) reach and educate, (ii) simplify and de-risk the process, and (iii) make supply visibility salient at the neighborhood level. BTN's leadership position in FLPP allocation underscores both the opportunity and the responsibility to optimize these levers.

Scholarly literature on mortgage demand, service marketing, and financial inclusion has typically advanced along parallel tracks. Studies in emerging markets often document how service quality and process transparency shape perceived behavioral control and trust in formal finance[8,9]; others examine how digital marketing intensity (content exposure, responsiveness, and interactivity) shifts attitudes and norms in high-consideration products[10]. A third strand interrogates supply-side availability i.e., whether feasible options exist within a household's spatial and budget constraints and its influence on search effort and purchase intention[11,12]. Yet, there are at least three gaps salient to the Indonesian subsidized mortgage context. First, prior work rarely integrates these levers into a single behavioral model of intention to apply for a subsidized mortgage a product with distinctive eligibility rules, cost structures, and non-price

attributes. Second, the literature seldom tests financial literacy as a moderator that conditions the effectiveness of marketing levers: does better literacy amplify the payoff of digital campaigns, or does it matter more for navigating complex procedures? Third, evidence grounded in BTN's ecosystem where government quotas, developer partnerships, and digitized onboarding co-exist is limited, despite the bank's outsized role in FLPP distribution.

This study proposes and empirically tests an integrated model that (i) positions three marketing strategy pillars Digital Marketing Intensity (exposure and perceived usefulness of BTN's online content and interactions), Service & Process Quality (clarity, responsiveness, transparency, and guided paperwork), and Affordable Unit Availability (perceived local stock, fit to budget, and location feasibility) as simultaneous drivers of intention to applyfor KPR Subsidi at BTN; and (ii) introduces Financial Literacy as a moderator that may strengthen or weaken each linkage. The model is anchored in Stimulus–Organism–Response (S-O-R) and Theory of Planned Behavior (TPB)logics: digital and service stimuli shape attitudes, norms, and perceived control; availability sharpens perceived feasibility; literacy, as a cognitive resource, modulates information processing and self-efficacy. Methodologically, we design a measurement strategy suited to low-income, first-time borrowers (short, plain-language Likert scales with a light-touch literacy quiz) and a PLS-SEM estimation that accommodates interaction terms and prediction-oriented diagnostics. By focusing on the subsidized segment within a large state-owned mortgage bank, the study extends mainstream models into a policy-embedded, inclusion-critical setting rarely examined as an integrated whole.

The study advances theory, method, and practice. Theoretical contributions. First, we synthesize demand-side marketing and supply visibility by modeling perceived availability of eligible units as a proximal marketing lever, rather than a distant market condition. This reframing recognizes that, for MBR, the salience of an actual nearby, eligible unit can be as persuasive as price. Second, we establish the moderating role of financial literacy in high-stakes, subsidized borrowing contexts. If literacy amplifies the effect of digital content (e.g., households with stronger literacy convert more after exposure), then content strategyshould tilt toward micro-education for lower-literacy segments; if literacy instead amplifies the service-quality pathway, investments in guided onboarding and process visualization may yield larger returns. Third, we contribute a behavioral intention model specific to subsidized mortgages, clarifying how program rules and eligibility interact with marketing design.

Method contributions. We specify concise, context-tailored scales for the three levers and intention, combine perceivedand objective elements in the literacy construct, and employ interaction modeling (standardized product terms) with bootstrapped inferences and predictive validity checks practices that are still uncommon in inclusion-oriented mortgage studies.

Managerial contributions for BTN. The findings can inform a segmented playbook: when Digital Marketing Intensity × Literacy is strong, BTN can prioritize personalized, calculator-embedded campaigns for higher-literacy prospects while running edutainment micro-content ("how to read a KPR price tag") for lower-literacy audiences.

If Service & Process Quality dominates, resources should flow to document coaching, timeline transparency, and progress notifications to reduce abandonment. If Affordable Unit Availability emerges as decisive, BTN can strengthen developer partnerships and inventory visibility (maps, commuting time, eligibility flags) in its digital channels. At the policy interface, granular evidence on which lever moves the needle can help align FLPP quota releases, project siting, and consumer education to maximize social impact per rupiah of subsidy.

Public policy contributions. For regulators and program managers, the results can calibrate demand-activation strategiesalongside fiscal allocations. If literacy materially moderates conversion, national financial education efforts (e.g., modules on effective interest, installment-to-income ratios, and long-term obligations) could be sequenced with FLPP disbursement cycles to smooth monthly flows rather than produce end-of-year surges. This complements the government's multi-year commitment to expand subsidized housing and the stated ambition to compress the national backlog.

2 Literature Review and Hypotheses Development

2.1 Theory of Planned Behavior (TPB) and Stimulus–Organism–Response (S–O–R)

TPB posits that intention is shaped by attitudes, subjective norms, and perceived behavioral control (PBC); in high-stakes financial decisions, marketing levers can shift each component by clarifying benefits, signaling social proof, and lowering perceived difficulty[13]. S–O–R explains how stimuli in the communication and service environment shape internal states (cognition, affect, self-efficacy) that translate into approach responses such as application intention[14]. In subsidized mortgages where eligibility rules and long-horizon obligations heighten uncertainty TPB and S–O–R jointly motivate a model in which digital communications, service/process design, and supply visibility function as proximal stimuli that affect intention through beliefs and control [14].

2.2 Digital marketing intensity (DMI) → intention to apply (IA)

Digital touchpoints paid/owned social content, search ads, bank websites, and conversational interfaces now dominate early-stage mortgage discovery [10]. S–O–R research in online contexts shows that site and content atmospherics (clarity, informativeness, interactivity) shape cognitive/affective states and downstream approach behaviors. Meta-analytic evidence in digital finance further indicates that persuasive, informative digital encounters are associated with higher adoption and usage intentions for financial services [14]. In subsidized mortgage contexts, high DMI should: (i) improve attitudinal beliefs (benefit comprehension, lower perceived risk), (ii) strengthen normative cues (testimonials, community narratives), and (iii) reduce search costs, thereby nudging MBR from interest to formal consideration.

- **H1:** Digital marketing intensity positively influences intention to apply for a subsidized mortgage at BTN.

2.3 Service & process quality (SPQ) → intention to apply

Services marketing links perceived service quality to satisfaction and behavioral intentions; the classic SERVQUAL dimensions (reliability, responsiveness, assurance, empathy, tangibles) map naturally onto the mortgage journey's pain points: document guidance, timeline transparency, and responsive problem-solving [8,9]. In TPB terms, SPQ enhances PBC by reducing perceived difficulty and procedural ambiguity, while also elevating attitudes via lower hassle and higher trust [13]. Evidence from banking and mortgage settings consistently ties transparent procedures and responsive support to stronger application and adoption intentions[15]. Subsidized KPR intensifies this logic because first-time, low-income borrowers may lack prior formal credit experience and thus rely heavily on guided onboarding to cross the "activation threshold.

- **H2:** Service and process quality positively influence intention to apply for a subsidized mortgage at BTN.

2.4 Affordable unit availability (AUA) → intention to apply

Economic and marketing research highlights how search frictions and choice set visibility govern housing decisions [12]. When the feasible set (eligibility-compliant, budget-fitting units in commutable locations) is salient, households update beliefs about purchase feasibility, which raises PBC and translates into concrete actions (property visits, file preparation) [11]. Field and model-based studies show that reducing search frictions or increasing visibility of suitable options raises inquiry and matching rates in housing markets[16]. In subsidized programs, visibility of nearby eligible stock also mitigates skepticism about "paper availability" versus actual, bookable units.

- **H3:** Perceived availability of eligible, affordable units positively influences intention to apply for a subsidized mortgage at BTN.

2.5 Financial literacy (FL) as a moderator

A large economics and marketing literature documents that financial literacy knowledge of interest compounding, installment-to-income budgeting, and contract features predicts higher-quality financial behaviors[17]. Meta-analytic evidence also suggests that literacy conditions how consumers process information and translate it into action [17]. In our setting, FL should shape the sensitivity to each marketing lever: For DMI, higher-FL respondents are better equipped to evaluate APR illustrations, subsidy mechanics, and tenure trade-offs embedded in digital content; they also discount misinformation more effectively, amplifying DMI's impact on attitudes and norms.

For SPQ, literacy interacts with procedural clarity: literate borrowers may extract more value from timelines, document checklists, and simulation tools, thereby converting service quality gains into stronger PBC and intention.

For AUA, literacy improves the ability to integrate supply cues (price, location, commuting cost, eligibility flags) into a coherent feasibility judgment, strengthening the availability–intention link.

Empirically, moderation by literacy is consistent with dual-process views: literacy functions as a cognitive resource that increases the diagnostic use of high-quality signals while reducing noise. Accordingly, we posit positive interaction effects.

- **H4a:** Financial literacy strengthens the positive effect of digital marketing intensity on intention to apply.
- **H4b:** Financial literacy strengthens the positive effect of service & process quality on intention to apply.
- **H4c:** Financial literacy strengthens the positive effect of affordable unit availability on intention to apply.

3 Methodology

This study adopts a quantitative, explanatory design to test how three marketing levers Digital Marketing Intensity (DMI), Service & Process Quality (SPQ), and Affordable Unit Availability (AUA) shape the Intention to Apply for a subsidized mortgage at BTN (IA), conditional on Financial Literacy (FL) as a moderator. All latent variables are specified reflectively and measured with concise seven-point Likert items written in plain language for low-income, first-time borrowers. The BTN ecosystem where policy quotas, developer partnerships, and digitized onboarding intersect provides the empirical setting. Given the model's interaction terms and prediction focus, estimation uses Partial Least Squares Structural Equation Modeling (PLS-SEM), which is robust to non-normal data and suited to maximizing explained variance in behavioral intentions. The design is cross-sectional, with a respondent burden of roughly eight to ten minutes per questionnaire.

The target population comprises low-income households (MBR) in BTN service areas who do not currently own a home and express purchase interest within the next 12–18 months, consistent with subsidized-mortgage eligibility. The sampling frame aggregates: (i) prospects captured at BTN housing expos, roadshows, and developer open houses; (ii) visitors to BTN mortgage booths; and (iii) verified online leads generated via BTN's official digital channels (used with permission). Sampling proceeds in multiple stages: purposive selection of cities/corridors with active subsidized projects, clustering at acquisition points (offline events and online lists), and systematic intercept or screened online enrollment based on eligibility criteria. Soft quotas preserve heterogeneity by region (Java vs. non-Java), employment type (formal vs. informal), and gender. With three main predictors and three interaction terms feeding IA (six predictors), the 10-times rule yields a minimum of sixty cases; to ensure adequate power for small-to-moderate effects and subgroup checks, the study targets about four hundred valid responses, exceeding an α=.05, 1–β=.80 requirement from conventional power analysis.

Measures operationalize DMI (exposure to and perceived usefulness/clarity of BTN's digital content and interactive channels), SPQ (simplicity of requirements, re-

sponsiveness, transparency of fees/timelines, and guided documentation), AUA (perceived local stock of eligible units, price–budget fit, commuting feasibility, and visibility of developer options), FL (a composite of perceived literacy plus a brief two–three item objective quiz on effective interest, installment-to-income budgeting, and fee components), and IA (willingness to apply within twelve months, prepare documents, visit projects, and preference for BTN). Controls include age, gender, education, employment type, income band, dependents, city/region, and prior formal credit history. Items are refined through expert review (academics and BTN practitioners), a pretest of roughly 30–50 respondents for clarity, and a pilot of about 80–120 respondents for initial reliability. Data collection blends offline intercept surveys at events (with trained enumerators providing neutral definitions) and online surveys delivered via unique links to verified leads. Procedural remedies for common method bias include section separation (marketing perceptions → literacy quiz → intention), randomized item order, reverse-coded items, varied anchors, and time-on-task logging to flag careless responses and duplicates.

Data preparation removes ineligible cases, patterned responses (long-string), unrealistically fast completions, and extreme multivariate outliers (assessed via robust Mahalanobis distance on composite scores). The PLS-SEM analysis follows a two-stage sequence. First, the measurement model is assessed for indicator reliability (outer loadings ≥ 0.708, with theoretically essential items between 0.40–0.70 retained if AVE and CR remain acceptable), internal consistency (Cronbach's alpha and Composite Reliability ≥ 0.70), convergent validity (AVE ≥ 0.50), discriminant validity (HTMT < 0.85–0.90 and Fornell–Larcker), and collinearity (VIF < 3–5). Second, the structural model tests H1–H3 (main effects) and H4a–H4c (moderation) using 5,000-sample bootstrapping, reports path coefficients, p-values, and effect sizes (f^2), and evaluates explanatory and predictive power via R^2(IA), Q^2 (blindfolding), SRMR (< 0.08) as a descriptive fit index, and PLSpredict for out-of-sample relevance. Interaction terms are estimated with the two-stage approach (latent scores multiplied), and conditional effects are interpreted with simple-slope plots at ±1 SD of FL. Robustness checks include multi-group analyses (formal vs. informal employment; Java vs. non-Java) and an alternative behavioral proxy of application readiness (e.g., "already visited a project"). All participants provide informed consent; no personally identifying financial data are collected; records are stored on encrypted drives with restricted access; and institutional ethical approval is secured prior to fieldwork.

4 Results

4.1 Sample and Preliminary Checks

As seen in table 1, It clearly show the total of 122 responses were collected; after screening (eligibility, careless responses, duplicates, extreme outliers), 122 valid cases remained. Common-method variance was mitigated procedurally and evaluated statistically: Harman's single-factor explained 31.4% of variance (<50%); a measured-marker adjustment did not materially alter path estimates. Missingness was <2% per

item and handled with pairwise deletion. Distributions showed acceptable skew/kurtosis for PLS-SEM.

Table 1. Respondent profile

Attribute	Category	%
Gender	Male / Female	55 / 45
Age (years)	Mean (SD)	31.8 (7.2)
Employment type	Formal / Informal	58 / 42
Region	Java / Non-Java	62 / 38
Monthly income (IDR)	<4m / 4–6m / 6–8m / >8m	22 / 37 / 26 / 15
Prior formal credit history	Yes / No	36 / 64

Source: Primary Data (2025)

4.2 Measurement Model

From table 2, it can be seen, all reflective indicators loaded above the 0.708 threshold (range 0.71–0.89). Reliability and validity criteria were satisfied.

Table 2. Construct reliability and convergent validity

Construct	Items	α	CR	AVE
Digital Marketing Intensity (DMI)	4	0.86	0.90	0.69
Service & Process Quality (SPQ)	5	0.89	0.92	0.70
Affordable Unit Availability (AUA)	4	0.82	0.88	0.65
Financial Literacy (FL)	4	0.78	0.85	0.58
Intention to Apply (IA)	4	0.88	0.91	0.72

Source: Primary Data (2025)

Table 3. Discriminant validity

	DMI	SPQ	AUA	FL	IA
DMI	**0.831**				
SPQ	0.49	**0.837**			
AUA	0.35	0.42	**0.806**		
FL	0.31	0.28	0.26	**0.761**	
IA	0.46	0.53	0.41	0.38	**0.849**

In the table 3, the diagonal entries (√AVE) for each construct DMI (.831), SPQ (.837), AUA (.806), FL (.761), and IA (.849) are all greater than their correlations with other constructs (off-diagonals). This satisfies the Fornell–Larcker criterion, indicating

each latent variable captures more variance from its indicators than it shares with other constructs. The largest inter-construct correlation (SPQ–IA = .53) remains below both constructs' √AVE, confirming discriminant validity.

Table 4. Discriminant validity

	DMI	SPQ	AUA	FL	IA
DMI	—	0.64	0.52	0.41	0.67
SPQ	0.64	—	0.60	0.37	0.74
AUA	0.52	0.60	—	0.35	0.62
FL	0.41	0.37	0.35	—	0.52
IA	0.67	0.74	0.62	0.52	—

Source: Primary Data (2025)

Table 4 explain all HTMT ratios are below .85 (most journals accept < .85 or < .90), with the strongest relationship being SPQ–IA = .74. These values show that the constructs are empirically distinct and not redundant. In combination with Table 3, the HTMT results provide a convergent conclusion that discriminant validity holds across the measurement model.

Table 5. Collinearity diagnostics

Predictor	VIF
DMI	1.87
SPQ	2.06
AUA	1.62
DMI×FL	1.95
SPQ×FL	1.73
AUA×FL	1.58

Source: Primary Data (2025)

Table 5 depict that variance Inflation Factors for predictors of IA range from 1.58 to 2.06, well under conservative thresholds (VIF < 3; liberal < 5). This means multicollinearity is not a concern, even with the interaction terms included (e.g., DMI×FL = 1.95). Consequently, path coefficients in the structural model are stable and interpretable without risk of inflated standard errors.

4.3 Structural Model

Table 6. Path coefficients, significance, and effect sizes

Hypothesis	Path	β	t	p	f^2
H1	DMI → IA	0.24	3.87	<.001	0.06
H2	SPQ → IA	0.34	5.76	<.001	0.14
H3	AUA → IA	0.18	3.02	.003	0.04
H4a	DMI×FL → IA	0.10	2.83	.005	0.02
H4b	SPQ×FL → IA	0.08	2.21	.027	0.01
H4c	AUA×FL → IA	0.09	2.37	.018	0.02

Source: Primary Data (2025)

Table 6 presents the path coefficients, significance levels, and effect sizes for the hypotheses. All hypotheses (H1–H4c) are supported with significant p-values (< 0.05). Digital Marketing Intensity (DMI) positively affects Intention to Apply (IA) ($\beta = 0.24$, $p < 0.001$), followed by Service & Process Quality (SPQ) ($\beta = 0.34$, $p < 0.001$), and Affordable Unit Availability (AUA) ($\beta = 0.18$, $p = 0.003$). Additionally, the moderating effect of Financial Literacy (FL) is significant for DMI ($\beta = 0.10$, $p = 0.005$), SPQ ($\beta = 0.08$, $p = 0.027$), and AUA ($\beta = 0.09$, $p = 0.018$), indicating that FL strengthens the impact of these factors on IA.

4.4 Moderation Interpretation

Table 7. Conditional (simple) slopes at ±1 SD of Financial Literacy

Predictor → IA	Low FL (–1 SD)	High FL (+1 SD)	ΔSlope
DMI → IA	0.14	0.34	+0.20
SPQ → IA	0.26	0.42	+0.16
AUA → IA	0.09	0.27	+0.18

Source: Primary Data (2025)

Table 7 presents the conditional effects of Financial Literacy (FL) on the path coefficients. The simple slopes analysis shows that the effect of DMI, SPQ, and AUA on IA is significantly stronger for respondents with higher financial literacy. Specifically, the slope for DMI increases from 0.14 (low FL) to 0.34 (high FL), SPQ from 0.26 to 0.42, and AUA from 0.09 to 0.27. This confirms that higher financial literacy amplifies the impact of digital marketing, service quality, and availability perceptions on the intention to apply for a subsidized mortgage.

5 Discussion

The primary aim of this study was to examine how marketing strategies, including Digital Marketing Intensity (DMI), Service & Process Quality (SPQ), and Affordable Unit Availability (AUA), influence low-income households' intention to apply for subsidized mortgages at PT Bank BTN, while exploring the moderating role of Financial Literacy (FL). The results reveal that all three independent variables DMI, SPQ, and AUA significantly affect Intention to Apply (IA), with SPQ showing the strongest influence. Additionally, the study highlights that Financial Literacy plays a key moderating role, amplifying the effects of DMI, SPQ, and AUA on IA. These findings underscore the critical role of both targeted marketing strategies and financial education in increasing mortgage applications among low-income groups.

The significance of these findings lies in the realization that marketing strategies alone cannot drive mortgage applications among low-income households. What sets this study apart is the identification of financial literacy as a moderator that enhances the effects of digital marketing, service quality, and housing availability. This insight reveals that financial education programs, when integrated with marketing efforts, can significantly enhance their effectiveness, particularly in markets where financial literacy is low. By understanding how DMI, SPQ, and AUA interact with FL, we gain deeper insights into the factors influencing applicants' behavior, enabling us to better tailor marketing and educational initiatives to overcome barriers faced by disadvantaged populations.

When compared with prior research, several key similarities and differences emerge. Previous studies, emphasize the importance of digital marketing and service quality in financial services, particularly for low-income consumers, which aligns with the findings of this study [8,9]. However, where past research often overlooks the role of financial literacy [17], this study introduces it as a significant moderating factor. This contribution adds a new dimension to the literature, suggesting that financial literacy should be a core component of marketing strategies, especially when targeting populations with limited financial knowledge. In doing so, this study expands on existing theories by showing that literacy can significantly amplify the effectiveness of traditional marketing efforts.

The findings suggest a clear cause-and-effect relationship between the marketing strategies employed by BTN specifically DMI, SPQ, and AUA and the intention to apply for a subsidized mortgage. The key mechanism driving this relationship is that these marketing efforts reduce barriers to information and simplify the mortgage process, making it more accessible to low-income households. Financial literacy acts as a critical moderator, enabling individuals to better process and act on the information presented through these marketing strategies. This connection helps us understand how improved service delivery, coupled with financial education, can increase engagement and trust among low-income consumers. By identifying these mechanisms, we not only contribute to the theoretical framework on financial behavior but also offer practical insights for improving marketing practices in similar contexts.

The applicability of these findings is particularly relevant to contexts where subsidized mortgage programs are active and where both digital and service-oriented marketing strategies are feasible. While these results hold true for Indonesia's low-income mortgage market, they may not be applicable in regions where such programs are not available, or where digital access and financial literacy are significantly lower. The study assumes that participants have a basic level of financial knowledge, which may not be the case in other contexts. As such, these conclusions should be interpreted with consideration of these boundary conditions. Future research should explore whether similar findings apply to other regions or in markets with different economic structures or technological access.

6 Conclusion

6.1 Implications

The findings of this study provide valuable insights for both theory and practice in the field of financial services marketing, especially within the context of subsidized mortgage programs. From a practical standpoint, PT Bank BTN can leverage these results to refine its marketing strategies, particularly by integrating financial literacy initiatives with digital campaigns, improving service quality, and ensuring the availability of affordable housing options. By targeting financially literate households with personalized, transparent, and accessible mortgage information, BTN can effectively increase engagement and conversion rates. Furthermore, policymakers can use these findings to design more effective financial inclusion programs, combining educational efforts with policy measures to improve access to subsidized housing, especially for low-income households. The study underscores the importance of cross-sector collaboration between financial institutions, governments, and educational bodies to enhance the financial empowerment of the target population.

6.2 Limitations

While the study provides significant insights into the marketing strategies influencing subsidized mortgage applications, there are several limitations that must be considered. Firstly, the study focuses on a single country (Indonesia) and a specific financial product (subsidized mortgages through PT Bank BTN), limiting the generalizability of the findings to other markets with different financial systems, economic conditions, or cultural contexts. Secondly, the study relies on self-reported data, which may be subject to biases such as social desirability or recall bias, especially when respondents are asked to assess their own financial literacy and intentions. Lastly, the model assumes a linear relationship between the variables, whereas more complex interactions or feedback loops may exist, which were not captured in this analysis. These limitations suggest the need for caution when applying these results in other settings.

6.3 Future Research Suggestions

Future research could build on this study by examining the longitudinal effects of marketing strategies and financial literacy on actual mortgage applications and loan uptake. A future study could explore cross-country comparisons to determine whether the relationships identified here hold in other emerging markets with similar financial inclusion goals. Additionally, investigating the role of trust in financial institutions as a mediator between marketing strategies and application intentions would provide further insights into how institutional reputation influences consumer behavior. Finally, future research could extend the model by exploring how alternative communication channels (e.g., mobile apps, video tutorials, peer-to-peer recommendations) impact low-income households' understanding and engagement with subsidized mortgage products. Expanding the scope of research to include these factors would provide a more comprehensive understanding of the factors influencing financial behavior in underserved populations.

References

1. Balyuk T. FinTech Lending and Bank Credit Access for Consumers. Management Science. 2022;69:555–575.
2. Aribowo D, Hadinata F, Fitriani H. Analysis Of The Fulfillment Of The Housing Backlog Low-Income Community (MBR) And The Amount Of Land Used In The City Of Palembang. Eduvest. 2024;4:1833–1850.
3. Lastiur CB, Septanaya IDMF. Assessing Resident Satisfaction in Subsidized Housing in Indonesia: A case study of FLPP subsidized housing in Bekasi Regency. IOP Conf Ser: Earth Environ Sci. 2024;1353:012033.
4. Costa BC, Didonet SR. Innovation strategy and network capability as marketing innovation enablers. IJBIR. 2020;23:370.
5. Kusuma IY, Kusuma IY, Muddather HF, Kurnianto AA, Bahar MA, Bahar MA.: Navigating Knowledge, Perception, and Readiness Among 6,000 Pharmacists and Related Sociodemographic Determinants. Telemedicine and e-Health. 2024;30:2483–2494.
6. Vihriälä E. Intra-Household Frictions, Anchoring, and the Credit Card Debt Puzzle. Review of Economics and Statistics. 2025;107:510–522.
7. Jacob N, Munford L, Rice N, Roberts J. The disutility of commuting? The effect of gender and local labor markets. Regional Science and Urban Economics. 2019;77:264–275.
8. Mehrolia S, S J, Alagarsamy S, Moorthy V. Will Users Continue Using Banking Chatbots? The Moderating Role of Perceived Risk. FIIB Business Review. 2023;231971452311699.
9. Hajduk S, John Paul MTV, Divya P, Venkateswaran PS. A Study on The Influence of Perceived Quality on Brand Trust and Loyalty Towards FMCG Products. FTSTPL. 2024;2:42–52.
10. Durmuş Şenyapar HN. A Comprehensive Analysis of Influencer Types in Digital Marketing. International Journal of Management and Administration. 2024;8:75–100.
11. Dewi CK, Mohaidin Z, Murshid MA. Determinants of online purchase intention: a PLS-SEM approach: evidence from Indonesia. JABS. 2020;14:281–306.
12. Debora Indriani IA, Rahayu M, Hadiwidjojo D. The Influence of Environmental Knowledge on Green Purchase Intention the Role of Attitude as Mediating Variable. IJMMU. 2019;6:627.

13. Irimia-Diéguez A, Velicia-Martín F, Aguayo-Camacho M. Predicting Fintech Innovation Adoption: the Mediator Role of Social Norms and Attitudes. Financ Innov. 2023;9.
14. Baltaci DÇ, Durmaz Y, Baltaci F. The relationships between the multidimensional planned behavior model, green brand awareness, green marketing activities, and purchase intention. Brain and Behavior. 2024;14.
15. Van Zandt S, Rohe WM. The sustainability of low-income homeownership: The incidence of unexpected costs and needed repairs among low-income homebuyers. Routledge; 2022. p. 146–161.
16. Kroft K, Pope DG. Does Online Search Crowd Out Traditional Search and Improve Matching Efficiency? Evidence from Craigslist. Journal of Labor Economics. 2014;32:259–303.
17. Huston SJ. Financial literacy and the cost of borrowing. Int J Consumer Studies. 2012;36:566–572.