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ANALYSIS OF DETERMINANTS OF CONSUMER INTENTION TO USE ONLINE CAR LOAN SERVICES IN INDONESIA

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ABSTRACT

This study examines the determinants of consumer intention to use online car loan services in Indonesia, focusing on the application of the Theory of Perceived Risk (TPR). As digital financial services continue to grow rapidly in Indonesia, understanding the factors influencing consumer adoption of online car loans becomes crucial. Using a quantitative approach, this research surveyed 400 potential users of online car loan services in major Indonesian cities. The study investigates six dimensions of perceived risk: financial, security, performance, privacy, time, and social risks. Results indicate that security and privacy risks are the most significant factors negatively affecting consumer intention, while perceived benefits and ease of use positively influence adoption intention. Notably, cultural and social factors unique to the Indonesian context also play a substantial role in shaping consumer behavior. These findings contribute to the growing body of literature on fintech adoption in developing countries and provide practical insights for online car loan service providers and regulators in Indonesia. The study suggests strategies for mitigating perceived risks and enhancing consumer trust to promote the adoption of online car loan services.

Keywords - **Online Car Loans, Consumer Intention, Perceived Risk, Digital Financial Services, Fintech Adoption, Indonesia, Theory Of Perceived Risk (TPR), Consumer Behavior**

INTRODUCTION

The rapid advancement of digital technology has significantly transformed the financial industry landscape in recent years. One notable innovation is the emergence of online car loan services, offering faster and more convenient loan application and approval processes compared to traditional methods. This trend aligns with the global rise in financial technology (fintech) adoption, particularly in developing countries (Tran et al., 2020).

In Indonesia, the online car loan market shows substantial growth potential. According to McKinsey & Company (2023), digital financial service penetration in Indonesia increased from 58% in 2017 to 76% in 2022. Furthermore, data from the Financial Services Authority (OJK, 2024) reveals that automotive loan disbursements in Indonesia reached IDR 456 trillion in 2023, a 5.2% increase from the previous year. Notably, the proportion of car loans applied for online is estimated to have reached 15% of total disbursements in 2023, up from just 5% in 2021.

Despite this growth, the adoption of online car loan services in Indonesia still faces several challenges. A primary factor influencing consumer intention to use these services is risk perception. The Theory of Perceived Risk (TPR), introduced by Bauer and further developed by contemporary researchers such as Featherman and Pavlou (2003), posits that consumer behavior involves risk in that any consumer action will produce consequences that cannot be anticipated with certainty, some of which may be undesirable.

In the context of online financial services, previous studies have identified various dimensions of perceived risk affecting consumer behavior. Arora and Sahney (2018) found that financial, security, and privacy risks significantly influence the intention to use digital financial services in India. Additionally, Raza et al. (2019) identified time and social risks as additional

factors affecting mobile banking adoption in Pakistan.

However, research on risk perception in the context of online car loan services in Indonesia remains limited. Given the unique characteristics of car loan products, which involve long-term financial commitments and relatively large transaction values, a deep understanding of the factors influencing consumer intention to use these services becomes crucial.

Furthermore, Shareef et al. (2018) demonstrated that factors such as trust, ease of use, and perceived benefits also play important roles in digital financial service adoption. In Indonesia specifically, Purwanto et al. (2020) found that cultural and social factors significantly influence consumer decisions in using digital financial services.

This study aims to analyze the determinants of consumer intention to use online car loan services in Indonesia, with a particular focus on perceived risk. By applying the Theory of Perceived Risk (TPR) in this context, we seek to provide insights into the factors that drive or hinder the adoption of online car loan services in the Indonesian market. The findings of this research will contribute to the growing body of literature on fintech adoption in developing countries and offer practical implications for service providers and regulators in the Indonesian online car loan industry.

LITERATURE REVIEW

METHODOLOGY

All papers must be submitted electronically in MS Word format. Prepare your paper using a A4 page size of 210 mm · 297 mm (8.27" · 11.69") and **not exceed 10 page (include reference)**.

1) *Type sizes and typefaces*: The best results will be obtained if your computer word processor has several type sizes. Try to follow the type sizes specified in Table I as best as you can. Use 14 point bold, capital letters for the title, 12 point Roman (normal) characters for author names and 10 point Roman characters for the main text and author's affiliations.

2) *Format*: In formatting your page, set top margin to 25 mm (1") and bottom margin to 31 mm (1 1/4"). Left and right margins should be 19 mm (3/4"). Use a two-column format where each column is 83 mm (3 1/4") wide and spacing of 6 mm (1/4") between columns. Indent paragraphs by 6 mm (1/4").

Left and right-justify your columns. Use tables and figures to adjust column length. Use automatic hyphenation and check spelling. All figures, tables, and equations must be included *in-line* with the text. Do not use links to external files.

RESULTS

A. Figures and Tables

Graphics should be in TIFF, 600 dpi (1 bit/sample) for line art (graphics, charts, drawings or tables) and 220 dpi for photos and gray scale images

Position figures and tables at the tops and bottoms of columns. Avoid placing them in the middle of columns. Large figures and tables may span across both columns. Figure captions should be below the figures; table names and table captions should be above the tables. Use the abbreviation "Fig." even at the beginning of a sentence.

Figure axis labels are often a source of confusion. Try to use words rather than symbols. As an example, write the quantity "Magnetization," or "Magnetization *M*," not just "*M*." Put units in parentheses. Do not label axes only with units. As in Fig. 1, for example, write "Magnetization (A/m)" or "Magnetization (A· m^{-1})," not just "A/m." Do not label axes with a ratio of quantities and units. For example, write "Temperature (K)," not "Temperature/K."

Multipliers can be especially confusing. Write "Magnetization (kA/m)" or "Magnetization (10^3

A/m).” Do not write “Magnetization (A/m) · 1000” because the reader would not know whether the top axis label in Fig. 1 meant 16000 A/m or 0.016 A/m. Figure labels should be legible, approximately 10-point type.

Fig. 1. Magnetization as a function of applied field.

Note how the caption is centered in the column.

B. References

Text: Citations in the text should follow the referencing style used by the American Psychological Association. You are referred to the Publication Manual of the American Psychological Association, Seventh Edition (APA, 7th).

Please ensure that every reference cited in the text is also present in the reference list (and vice versa). Any references cited in the abstract must be given in full.

C. Abbreviations and Acronyms

Define abbreviations and acronyms the first time they are used in the text, even after they have already been defined in the abstract. Abbreviations such as IEEE, SI, MKS, CGS, ac, dc, and rms do not have to be defined. Abbreviations that incorporate periods should not have spaces: write “C.N.R.S.,” not “C. N. R. S.” Do not use abbreviations in the title unless they are unavoidable (for example, “IEEE” in the title of this article).

D. Equations

Number equations consecutively with equation numbers in parentheses flush with the right margin, as in (1). To make your equations more compact, you may use the solidus (/), the exp function, or appropriate exponents. Use a long dash rather than a hyphen for a minus sign. Use parentheses to avoid ambiguities in denominators. Punctuate equations with commas or periods when they are part of a sentence, as in

$$A + B = C. \tag{1}$$

Be sure that the symbols in your equation have been defined before the equation appears or immediately following. Italicize variables (*T* might refer to temperature, but T is the unit tesla). Refer to “(1),” not “Eq. (1)” or “equation (1),” except at the beginning of a sentence: “Equation (1) is ... .”

E. Other Recommendations

The Roman numerals used to number the section headings are optional. If you do use them, number INTRODUCTION, but not ACKNOWLEDGMENT and REFERENCES, and begin Subheadings with letters. Use one space after periods and colons. Hyphenate complex modifiers: “zero-field-cooled magnetization.” Avoid dangling participles, such as, “Using (1), the potential was calculated.” Write instead, “The potential was calculated using (1),” or “Using (1), we calculated the potential.”

Use a zero before decimal points: “0.25,” not “.25.” Use “cm^3,” not “cc.” Indicate sample dimensions as “0.1 cm · 0.2 cm,” not “0.1 · 0.2 cm^2.” The abbreviation for “seconds” is “s,” not “sec.” Do not mix complete spellings and abbreviations of units: use “Wb/m^2” or “webers per square meter,” not “webers/m^2.” When expressing a range of values, write “7 to 9” or “7-9,” not “7~9.” Spell units when they appear in

text: "…a few henries," not "…a few H." If your native language is not English, try to get a native English-speaking colleague to proofread your paper.

DISCUSSION

Use either SI (MKS) or CGS as primary units. (SI units are strongly encouraged.) English units may be used as secondary units (in parentheses). This applies to papers in data storage. For example, write "15 Gb/cm^2 (100 Gb/in^2)." An exception is when English units are used as identifiers in trade, such as "3.5-inch disk drive."

Avoid combining SI and CGS units, such as current in amperes and magnetic field in oersteds. This often leads to confusion because equations do not balance dimensionally. If you must use mixed units, clearly state the units for each quantity that you use in an equation.

CONCLUSION

Finally, you are responsible for language as editors will not check it. Do a spell and grammar check. This is available in Word. If English is not your native language, get a professional proof-reader to help if possible.

The word "data" is plural, not singular. The subscript for the permeability of vacuum μ_0 is zero, not a lowercase letter "o." In American English, periods and commas are within quotation marks, like "this period." A parenthetical statement at the end of a sentence is punctuated outside of the closing parenthesis (like this). (A parenthetical *sentence* is punctuated within the parentheses.) A graph within a graph is an "inset," not an "insert." The word "alternatively" is preferred to the word "alternately" (unless you really mean something that alternates). Use the word "whereas" instead of "while" (unless you are referring to simultaneous events). Do not use the word "essentially" to mean "approximately" or "effectively." Do not use the word "issue" as a euphemism for "problem."

Be aware of the different meanings of the homophones "affect" (usually a verb) and "effect" (usually a noun), "complement" and "compliment," "discreet" and "discrete," "principal" (e.g., "principal investigator") and "principle" (e.g., "principle of measurement"). Do not confuse "imply" and "infer."

Prefixes such as "non," "sub," "micro," "multi," and "ultra" are not independent words; they should be joined to the words they modify, usually without a hyphen. There is no period after the "et" in the Latin abbreviation "*et al.*" (it is also italicized). The abbreviation "i.e.," means "that is," and the abbreviation "e.g.," means "for example" (these abbreviations are not italicized).

ACKNOWLEDGMENT

The preferred spelling of the word "acknowledgment" in American English is without an "e" after the "g." Use the singular heading even if you have many acknowledgments. Avoid expressions such as "One of us (J.Q.A.) would like to thank ... ." Instead, write "J. Q. Author thanks ... ." Sponsor and financial support acknowledgments are placed in the unnumbered footnote on the first page.

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Reference to a journal publication with an article number:

Van der Geer, J., Hanraads, J. A. J., & Lupton, R. A. (2018). The art of writing a scientific article. Heliyon, 19, Article e00205. https://doi.org/10.1016/j.heliyon.2018.e00205.

Reference to a book:

Strunk, W., Jr., & White, E. B. (2000). The elements of style (4th ed.). Longman (Chapter 4).