

ANALYZING THE IMPACT OF ONLINE LENDING ON THE NEEDS AND CONSUMPTIVE LIFESTYLE OF GENERATION Z

Tika Mahmudah¹, Shinta Dewi Rismawati², Muhammad.Shulthoni³, Drajat Stiawan⁴,
Minnath Mohamed⁵

^{1,2,3,4} UIN K.H. Abdurrahman Wahid Pekalongan, Indonesia

⁵ Bachelor In Islamic Theology At Istanbul University

Email: tikamahmudah@mhs.uingusdur.ac.id

ABSTRAK: Pinjaman online merupakan layanan keuangan digital yang ditawarkan oleh perusahaan atau lembaga yang menyediakan layanan keuangan pada umumnya yang disebut fintech, kini sering kali berbentuk aplikasi. Pinjaman online memberikan kemudahan kepada siapa saja, termasuk Gen Z, untuk meminjam uang secara daring tanpa persyaratan yang rumit dan tanpa perlu pertemuan tatap muka. Pelayanan ini memberikan dampak nyata terkait dengan keperluan dan gaya hidup konsumtif Gen Z. Yang mereka butuhkan hanyalah aplikasi pinjaman online untuk pencairan instan. Aplikasi ini memudahkan setiap generasi Z dalam mengajukan pinjaman uang untuk mencukupi kebutuhan konsumsi dan gaya hidup. Pelunasan utang relatif sederhana karena dapat dicicil dengan tingkat suku bunga tertentu, bergantung pada jangka waktu yang dipilih. Penelitian ini bertujuan untuk menganalisis dampak aplikasi pinjaman online yang membantu memenuhi kebutuhan dan gaya hidup konsumen Generasi Z. Penelitian ini adalah jenis penelitian kualitatif yang menggunakan metode penelitian kepustakaan, di mana objek kajiannya didasarkan pada informasi dari buku-buku sebagai sumber utama. Hasil penelitian ini menunjukkan bahwa pinjaman online memberikan dampak terhadap kebutuhan dan gaya hidup konsumen generasi Z.

Kata kunci: Pinjaman online, Kebutuhan, Gaya Hidup, Generasi Z

ABSTRACT:

Online loans are digital financial services offered by companies or institutions that provide financial services in general called fintech, now often in the form of applications. Online loans make it easy for anyone, including Gen Z, to borrow money online without complicated requirements and without the need for face-to-face meetings. This service has a real impact on Gen Z's needs and consumptive lifestyle. All they need is an online loan application for instant disbursement. This application makes it easy for every generation Z to apply for money loans to meet their consumption and lifestyle needs. Debt repayment is relatively simple because it can be paid in installments with a certain interest rate, depending on the time period chosen. This study aims to analyze the impact of online loan applications that help meet the needs and lifestyles of Generation Z consumers. This research is a type of qualitative research that uses the literature research method, where the object of study is based on information from books as the main source. The results of this study show that online loans have an impact on the needs and lifestyle of Generation Z consumers.

Keywords: Online Loans, Needs, Lifestyle, Generation Z

1. INTRODUCTION

Globalization currently has a significant influence on human life, including in the aspect of technology. Technological advances allow consumers to access their lives and activities more easily and quickly. There are various activities that can be done by

utilizing technology. Because technology makes people's work easier. Therefore, people are now highly dependent on technology especially in the financial field and cannot be separated from it. This is an example of a field that has gained experience due to globalization and the development of digital technology.

Currently, the Indonesian financial sector is slowly starting to innovate through the electronic platform system (Wahyuni & Turisno, 2019). Therefore, people utilize the convenience of services in increasingly advanced technology in all financial activities. Financial technology combines financial systems and technology and is one form of innovation that is trending in Indonesia. The emergence of financial technology or commonly referred to as fintech in Indonesia allows people in remote areas to easily access technology-based financial services (Ansori, 2019).

Online loans are in high demand due to the ease of the process, so many generation Z are active users of online loans. The importance of financial literacy for the community, especially for Gen Z, is related to social media literacy, followed by technological advances for Gen Z and Millennials. This trend makes every activity easier, including online shopping. In addition, the rapid growth of technology also encourages the rise of illegal fintech, misuse of personal data, and terrorism committed by illegal debt collectors. The worst impact of the rise of illegal lending and illegal data sharing is the decision to commit suicide or murder. For example, an elderly man killed a UI student with the motive of wanting to control his property because the perpetrator was in debt.

Nowadays, companies are working together to fulfill all the needs of the community, from housing needs, insurance, to education. This is due to the increasing sophistication of information technology, especially the Internet, as well as the increasing number of online loans that have sprung up and mushroomed in Indonesia. Online loan processing is relatively simple and fast compared to deposit bank and bank loans which have very complicated requirements.

Online loans can also be fixed for a certain period of time depending on your needs. Some types of online loans may not require collateral or guarantees, and remain the safest and least risky. Basically, the online loan process offered is very easy to apply for. Due to the rapid growth of online lending companies in Indonesia, some companies may not be registered with the Financial Services Authority (OJK) or may be illegal. If the company considers consumers as victims by offering very high interest rates. This can happen due to illegal online loans that are not supervised by OJK. Therefore, this regulation is not based on OJK regulations.

The survey conducted by OJK in 2022, it is still necessary to implement financial education to increase understanding of finance to the public, because when viewed from the financial literacy index of the Indonesian population of 49.68%, an increase compared to 2013. In 2016 and 2019 only 21.84%, 29.70% and 38.03% respectively. A sign of success in financial management is the need for discipline to maintain a frugal and smart lifestyle.

Researchers are interested in this phenomenon because it is very relevant if you look at the phenomenon of Pinjol from the point of view of Islamic law, the nature of Islamic law which is universal and dynamic to solve all problems of human life. This includes addressing current technological advances, so that we can continue to pay attention to the problems that occur in society and not make excuses for existing mistakes. Currently, Pinjol is the simplest and fastest solution to solve economic problems. If you look at what is prescribed in religion, Islam applies consumption behavior that is not excessive.

The benefits of this research can certainly educate the public, especially generation Z, about the importance of financial education. Not only is education a top priority, but mental and physical health also play an important role in our lives. Researchers also hope that financial education and literacy can increase awareness of the importance of financial literacy, reduce public stigma towards people with mental illness, and provide

knowledge on how to properly respond to friends or loved ones who experience mental illness.

2. METHOD

2.1 Type of Research

The research method used in this study is library research, where the object of study is based on information from books as the main source. The research process is carried out by reading, examining, and analyzing various relevant literature available, such as the Qur'an, hadith, books, and other research results.

2.2 Research Approach

This research applies a normative juridical approach. The normative juridical approach means using the basis of legal norms and sharia concepts, as well as existing rules in fiqh and ushul fiqh. This approach aims to find a clear link between legal regulations, legal norms, and legal principles, in order to ensure that they are all appropriate. With this approach, researchers are expected to be able to answer the issues faced in this research.

2.3 Data Source

In this study, the authors used secondary data sources, namely journals, books, news related to online loans, as well as verses in the Qur'an that discuss muamalah transactions. Secondary data is data obtained from other sources, not directly from the research subject by the researcher himself. To obtain secondary data, a literature study was conducted which included a variety of primary information, mainly from literature and scientific papers.

2.4 Data Analysis Technique

Data analysis is the process of collecting and organizing data in a structured way. This includes organizing data and classifying it into categories and dividing it into units, synthesizing information, arranging patterns, determining what is important and needs to be examined, and drawing conclusions so that it can be understood by oneself and others (Sugiyono, 2013). In this study, the authors used data analysis techniques by collecting all information related to online loans. After that, the author presents the data in the form of narrative text to make it easier to understand. After the data is organized in a narrative format, the next stage is data verification and then drawing conclusions.

3. RESULT AND DISCUSSION

3.1 Banks and Financial Institutions

In a broad definition, a financial institution is a company engaged in the financial industry that provides services that meet the daily needs of customers and the general public. Financial institutions in the industry act as institutions that provide financial services to consumers. Financial institutions usually operate in accordance with regulations set by the government (Marginingsih, 2021). In general, financial institutions are divided into two categories: banking financial institutions and non banking financial institutions, which include insurance, pawnshops, cooperatives, and fintech lending.

The financial technology (fintech) industry is an innovation in finance that is increasingly popular in this digital technology era. The idea of digitizing payments today makes fintech one of the fastest growing industries in Indonesia (Irma Muzdalifa, Inayah Aulia Rahma, 2018). The definition of financial technology by Bank Indonesia is

regulated and included in Article 1 number 1 of Bank Indonesia Regulation Number 19/12/PBI/2017. Regarding the application of financial technology, it is regulated as the use of technology in the financial industry system that creates new products, services, technology, business models, and can affect financial stability and economic stability conditions. Meanwhile, according to , financial technology (Fintech) is an innovation that is present in the field of services and finance that utilizes technology to provide convenience for the community.

Fintech has changed the way people manage their finances, trade, invest and access financial services. Innovation in the fintech sector has brought many benefits, including easier access to financial services, lower costs, increased efficiency, and higher returns on investment

3.2 Consumptive Behavior

Consumptive behavior is the action of a person who tends to buy products that are not actually needed, without really considering their main uses (Luas et al., 2023). This definition indicates that individuals with consumptive behavior usually make purchases based on personal desires, not out of necessity. According to (Astuti, 2013), consumptive behavior can also be interpreted as the behavior of using unfinished products, namely products that have not been used by someone who has bought or used similar products from other brands.

According to (Magdalena et al., 2019) that seen Data analysis shows that most students often do online shopping, with the majority of consumers being women. This is due to the ease of shopping online and the needs of women who tend to be more diverse than men. Evidence shows that 65% of online shopping consumers are women.

It can also be seen from research by (Setiawan et al., 2024) The data shows that the average student in Surabaya has consumptive behavior, and the use of online loans is an easy solution to overcome financial problems. Students in Surabaya also use online loans to finance their social activities, such as buying fashion products and branded goods. They believe that by purchasing branded goods, they can improve their social status.

3.3 Causes of Generation Z Using Online-based Money Loans

According to the Director of Digital Economy at the Center of Economic and Law Studies (Celios), Nailul Huda, the main cause of generation Z using online loans is consumptive behavior that is not accompanied by a significant increase in income, especially to meet leisure needs, such as watching concerts, traveling and buying new electronic devices, including cellphones. OJK data in 2023 alone shows that 65% of the total money channeled by the pinjol application is not used to meet primary needs. Another reason is the ease of the lending process. Prospective customers only need to provide an ID card and a digital platform account to get a loan on a particular platform, without any more valid checks on their ability to pay.

3.4 Perceived Impact of Generation Z Using Online Loans

According to Zaenuddin (2021), the impacts felt by generation Z are: (1) The interest is too high and suffocating. (2) Billing made on emergency contracts included by generation Z. (3) Forms of threats in the form of fraud and defamation in the form of slander. (4) Unauthorized dissemination of personal data. (5) Dissemination of existing contacts on generation Z cell phones. (6) All data access on cell phones can be

accessed. (7) There is no clarity about the company's identity. (8) The admin fee is not according to the agreement. (9) Interest increases, while the application changes names without information. (10) Borrowers have made payments but their loans are not erased on the grounds that they are not included in the system. But if you can understand and use it properly, then online loans can be very useful for various things.

This is in accordance with the opinion of Santi, Budiharto, & Saptono (2017) which states that there are factors that make online loan companies illegal, namely the absence of formal regulations regarding the level of interest rates applied and the absence of formal legal regulations that support these companies. With the lack of criminal law regulations, the difficulty of implementing supervision, and the low public awareness of online loans, there is high public interest and easy access to online loan applications.

4. CONCLUSION

The findings of this study show that online lending influences the needs and behavioral styles of Gen Z consumers, and behavioral styles of Gen Z consumers. Therefore, this research aims to analyze the impact of online loan applications on the behavioral needs and lifestyles of Generation Z consumers, behavioral lifestyle of Generation Z consumers. Online loans are like a sharp weapon for consumers who are unable to pay their bills due to interest rates, unable to pay off their bills as interest rates continue to rise. However, this presents a unique opportunity for consumers to turn loans into promising business opportunities and business opportunity. The main reasons why Generation Z uses online borrowing are consumptive behavior that is not accompanied by a significant increase in income, especially to meet leisure needs, such as watching concerts, traveling and buying new electronic devices, including cellphones.

5. REFERENCES

- Ansori. (2019). Perkembangan Dan Dampak Financial Technology (Fintech) Terhadap Industri Keuangan Syariah Di Jawa Tengah. *Skripsi*, 1, 105–112.
- Astuti, E. D. (2013). Perilaku Konsumtif dalam Membeli Barang Pada Ibu Rumah Tangga di Kota Samarinda. *Psikoborneo: Jurnal Ilmiah Psikologi*, 1(2), 79–83. <https://doi.org/10.30872/psikoborneo.v1i2.3285>
- Irma Muzdalifa, Inayah Aulia Rahma, B. G. N. (2018). (Pendekatan Keuangan Syariah). *Jurnal Masharif Al- Syariah:Jurnal Ekonomi Dan Perbankan Syariah*, 3(1), h. 1-24.
- Magdalena, N., Sihombing, M., Suryanto, N. E., Mahameru, M., Rafli, M., Marsella, E., Li, M., Studi, P., Informasi, S., Industri, F. T., Atma, U., & Yogyakarta, J. (2019). *DAMPAK PENGGUNAAN PINJAMAN ONLINE TERHADAP GAYA HIDUP KONSUMTIF MAHASISWA YOGYAKARTA*. 500–507.
- Marginingsih, R. (2021). Financial Technology (Fintech) Dalam Inklusi Keuangan Nasional di Masa Pandemi Covid-19. *Moneter - Jurnal Akuntansi Dan Keuangan*, 8(1), 56–64. <https://doi.org/10.31294/moneter.v8i1.9903>
- Natasha Luas, G., Irawan, S., Windrawanto, Y., & Studi Bimbingan dan Konseling - Universitas Kristen Satya Wacana Salatiga, P. (2023). Pengaruh Konsep Diri Terhadap Perilaku Konsumtif Mahasiswa The Effect Of Self-Concept On Student Consumptive Behaviour. *Jurnal Pendidikan Dan Kebudayaan*, 13(1), 1–7.
- Setiawan, F. H., Radjamin, I. P., & Ariani, M. (2024). *Online Loans : Consumptive Behavior Of Surabaya Students In Order To Support Social Status Pinjaman Online : Perilaku Konsumtif Mahasiswa Surabaya Dalam Rangka Menunjang Status Sosial*. 5(1), 413–425.
- Sugiyono. (2013). *Metode Penelitian Kuantitatif, Kualitatif dan R&D*.

The 1st International Conference on Islamic Economics (ICIE) 2024

Wahyuni, R. A. E., & Turisno, B. E. (2019). Praktik Finansial Teknologi Ilegal Dalam Bentuk Pinjaman Online Ditinjau Dari Etika Bisnis. *Jurnal Pembangunan Hukum Indonesia*, 1(3), 379–391. <https://doi.org/10.14710/jphi.v1i3.379-391>