Jurnal Ilmu Keuangan dan Perbankan (JIKA)
Volume 14 Nomor 1 (December 2024)
E-ISSN: 2338-292X (Online) P-ISSN: 2086-0455 (Print)
E-mail: jika@email.unikom.ac.id
Website: https://ojs.unikom.ac.id/index.php/jika

Understanding the Drivers of Online Loan Usage in Fashion MSMEs: An Empirical Study in West Java

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Received Date : ***23.09.2024***
Revised Date : ***14.12.2024***
Accepted Date : ***15.12.2024***

ABSTRACT

Access to finance for MSMEs is an important factor in supporting economic growth in Indonesia. Although MSMEs contribute significantly to GDP and employment absorption, they often face difficulties in obtaining funding from traditional financial institutions. With the advancement of information technology, fintech lending has become a popular alternative that offers quick, easy, and inclusive financing. However, the adoption of online loans by MSMEs has not been optimal. This study aims to analyze the factors influencing the intention to use online loans among fashion MSMEs in West Java. This research uses the Technology Acceptance Model (TAM) as the theoretical framework, with independent variables such as subjective norms, perceived behavioral control, financial literacy, risk perception, social influence, perceived ease of use, and perceived usefulness. Data were collected from 40 respondents using simple random sampling and analyzed using SEM-PLS. The results indicate that subjective norms and perceived behavioral control have a positive influence, while financial literacy and risk perception have a negative influence on the intention to use online loans. Social influence, perceived ease of use, and perceived usefulness do not have a significant effect. Limitations include a small sample size and a limited scope.

Keywords : Online Loan; MSMEs; Subjective Norms; Financial Lieracy; TAM

ABSTRAK

Akses keuangan bagi UMKM merupakan faktor penting dalam mendukung pertumbuhan ekonomi di Indonesia. Meskipun UMKM memberikan kontribusi signifikan terhadap PDB dan penyerapan tenaga kerja, mereka sering mengalami kesulitan memperoleh permodalan dari lembaga keuangan tradisional. Dengan kemajuan teknologi informasi, fintech lending menjadi alternatif populer yang menawarkan pembiayaan cepat, mudah, dan inklusif. Namun, adopsi pinjaman online oleh UMKM belum optimal. Penelitian ini bertujuan menganalisis faktor-faktor yang mempengaruhi niat menggunakan pinjaman online pada UMKM fashion di Jawa Barat. Penelitian ini menggunakan model teoritis Technology Acceptance Model (TAM) dengan variabel independen seperti subjective norms, perceived behavioral control, literasi keuangan, persepsi risiko, social influence, perceived ease of use, dan perceived usefulness. Data dikumpulkan dari 40 responden menggunakan simple random sampling dan dianalisis dengan SEM-PLS. Hasil penelitian menunjukkan subjective norms dan perceived behavioral control berpengaruh positif, sedangkan literasi *keuangan dan persepsi risiko berpengaruh negatif terhadap niat menggunakan pinjaman online. Social influence, perceived ease of use, dan perceived usefulness tidak berpengaruh signifikan. Keterbatasan meliputi ukuran sampel yang kecil dan cakupan yang terbatas.*

Kata Kunci **:** ***Pinjaman Online; UMKM; Norma Subjektif; Literasi Finansial; TAM***

INTRODUCTION

Access to finance for capital has been increasingly evolving along with the rapid advancement of information technology, making funding more inclusive and accessible. In this context, financial technology (fintech) plays a crucial role in opening funding opportunities for micro, small, and medium enterprises (MSMEs), which have often faced difficulties accessing funds from traditional financial institutions. Fintech is the integration of modern technology in financial services that has transformed how people pay, transfer money, borrow, lend, and invest. Fintech not only enhances efficiency and transparency but also expands access to financial services for underserved communities.

Despite facing several challenges, fintech continues to create new opportunities and business models that combine finance with smart technology (Meena, 2023; Shengelia et al., 2022; Varma et al., 2022). In essence, access to loans through this technology is referred to as fintech lending, which means the provision of credit facilitated by technology, offering greater speed, convenience, and financial inclusion. Despite challenges such as regulatory compliance and cybersecurity risks, fintech lending continues to evolve and has the potential to fundamentally change the landscape of financial operations (Brown & Lin, 2021; Gomber et al., 2017). Legal protection for users has also been established to ensure safety and fairness in these services (Meena, 2023). Through digital platforms, fintech lending enables MSMEs to obtain financing with a faster, more efficient, and affordable process, thereby promoting more equiTable economic growth. This transformation not only expands access but also has the potential to change how MSME operators develop their businesses.

The availability of funding options presents opportunities for the growth and development of MSMEs, especially since they play a crucial role in Indonesia's economy by making significant contributions to GDP and absorbing a large workforce. Nationally, the amount of outstanding loans, or loans that MSMEs still owe to lenders, has reached Rp 20.091 trillion. West Java is the province with the highest number of online loan recipients in Indonesia, totaling 3,647,988 accounts with a value of Rp 7.182 trillion as of July 2024 (OJK, 2024). The largest number of MSMEs is found in West Java (Jabar). MSME operators in Jabar engage in various business sectors, with fashion being one of the most prominent. Although fashion MSMEs have the potential to be trendsetters in Indonesia and some have already begun exporting to countries such as Malaysia, the Middle East, and Europe, their development has not yet reached its full potential. This is further compounded by high fashion product imports, which are projected to reach USD 37.195 million in 2024.(Kementerian Perdagangan Republik Indonesia, 2024). This creates challenges for MSMEs that require more adequate, quick, and easily accessible funding options.

The ease of use of online loan applications plays a crucial role in boosting user interest, particularly among MSME operators. Applications designed with intuitive interfaces, simple processes, and lighter requirements compared to traditional financial institutions enhance accessibility for users (Djaakum, 2019). This allows for broader access, even for those who may have limited technological skills or a poor credit history. Additionally, the speed of approval and fund disbursement is a major attraction, especially for those who require quick financing (Apriliana et al., 2023).

Perceived Behavioral Control (PBC) influences the intention to use a service, including online loans, as it reflects an individual's belief in their ability to control or execute a specific action (Hagger et al., 2022). In the Theory of Planned Behavior, PBC refers to the extent to which an individual feels they have control over a particular behavior. If a person believes they possess sufficient skills and resources, such as the ability to easily use online loan applications, they are more likely to intend to use those services (Anastasia & Santoso, 2020), they are more likely to have the intention to use those services (Hagger et al., 2022).

However, online loans must be accompanied by adequate financial literacy. Financial literacy is crucial for MSMEs as it helps business owners understand and manage their business finances more effectively. With strong financial literacy, MSMEs can make smarter decisions regarding capital management, expenses, and investments, thereby reducing the risk of bankruptcy and increasing growth opportunities. (Gunawan et al., 2023). Additionally, financial literacy facilitates MSMEs in accessing formal funding sources, such as bank loans or investors, as business owners are better equipped to prepare clear and convincing financial statements. Financial literacy also aids MSMEs in navigating unexpected economic challenges with more robust financial strategies (Ferli, 2023).

Moreover, MSMEs need to have a good risk perception when accessing online loans, as these loans often provide convenience alongside hidden risks, such as high interest rates or non-transparent terms and conditions (Apriliana et al., 2023). Understanding risks well enables MSMEs to assess whether the loan truly aligns with their needs and repayment capacity (Mustofa et al., 2023). A good risk perception also helps avoid financial traps, such as over-leverage or dependence on high-cost debt, which can disrupt cash flow and business stability. Thus, MSMEs can utilize online loans wisely without falling into more significant financial problems (Kalabeke & Nguyen, 2023).

The intention to use online loans can also be encouraged by social capital, as trust, networks, and community norms can provide a sense of security and confidence for MSMEs to pursue these loans (Solihat et al., 2023). Social capital, such as recommendations from peers or community members who have previously used online loan services, can significantly influence MSMEs' willingness to engage with these financial options (Safitri et al., 2023), can provide clearer information about trustworthy loan providers and help reduce feelings of uncertainty. (Solihat et al., 2023).

Perceived Ease of Use and Perceived Usefulness influence the intention to use online loans as they shape users' perceptions of the comfort and benefits of the service. Perceived Ease of Use reflects how easy it is for SMEs to access, understand, and utilize online loan platforms (Yadav & Shanmugam, 2024). The easier the process, the more likely they are to be interested in utilizing it (Wahyudi & Lingga, 2023). Meanwhile, Perceived Usefulness reflects how much users believe that online loans can help them meet financial needs or enhance business performance. If MSMEs view online loans as an effective and beneficial solution, they will be more inclined to use them, especially if the process is also perceived as easy. This combination of ease and perceived benefits significantly boosts the intention to utilize online loans (Putra et al., 2024; Rahadian & Thamrin, 2023).

The aim of this research is to analyze the most dominant factors driving the intention to use online loans among fashion MSMEs in West Java. This study is based on the theoretical model of the Technology Acceptance Model (TAM), which has been developed in light of fintech advancements and observational conditions, thus considering potential factors such as subjective norms, perceived behavioral control, financial literacy, risk perception, social influence, perceived ease of use, and perceived usefulness.

Despite the extensive research on the use of fintech lending in MSMEs, there remain several gaps that require deeper investigation. Most studies have focused on technical and general factors such as perceived ease of use and perceived usefulness, while few have specifically examined social and behavioral factors, particularly in the fashion MSME sector in West Java, which faces unique challenges such as competition from imported products. Furthermore, there has been limited exploration of how subjective norms and social capital influence MSMEs' decisions to utilize online loans, even though the fashion sector has shown significant growth. This study aims to bridge this gap by integrating more relevant social and economic factors within the context of MSMEs in West Java.

Fintech has emerged as a revolutionary innovation in the financial sector, particularly through the development of technology-driven online lending platforms. Recent studies indicate that fintech lending plays a crucial role in accelerating financial inclusion in developing countries, offering easier access and faster processes compared to traditional financial institutions (Meena, 2023). However, despite the abundance of literature highlighting ease of use and its benefits, theoretical models like the Technology Acceptance Model (TAM) have yet to fully integrate social aspects and financial literacy as significant factors influencing MSME behavior in utilizing fintech lending. With the growth of fintech in Indonesia, particularly in provinces like West Java, which is a hub for MSMEs, it is crucial to combine technical perspectives with social factors to better understand user intentions.

This research introduces novelty by developing a theoretical model that not only focuses on perceived ease of use and perceived usefulness but also integrates factors such as subjective norms, social capital, and financial literacy in influencing the intentions of fashion MSMEs in West Java to utilize fintech lending. The study also provides new contributions by targeting the fashion MSME sector, a key area in West Java that often faces challenges related to capital and competition from imported products. Through this comprehensive approach, the research aims to offer deeper insights into the most dominant factors driving the adoption of fintech lending among local MSMEs, while also providing relevant policy recommendations for the development of fintech in Indonesia.

RESEARCH METHOD

This research employs a quantitative design aimed at analyzing the relationships between variables that influence MSMEs' intentions to use online loans. The quantitative method minimizes personal bias, as the data collected and analyzed are numerical and objective. This approach allows for a clearer understanding of how different factors interact and affect the decision-making process of MSMEs in utilizing fintech lending services. By focusing on quantifiable data, the study seeks to provide robust insights that can inform both academic discourse and practical applications in the field (Kittur, 2023;

Savela, 2018). The independent variables in this study include subjective norms, perceived behavioral control, financial literacy, risk perception, social influence, perceived ease of use, and perceived usefulness. Meanwhile, the dependent variable is the intention to use online loans. Data collection was conducted through the distribution of questionnaires both online, using Google Forms, and in-person to respondents. This approach aims to gather representative data from fashion MSMEs in West Java, ensuring a comprehensive understanding of the factors influencing their intentions to utilize fintech lending services.

The sample for this study consists of 40 MSME actors in the fashion sector in West Java, selected using simple random sampling to ensure that every member of the population has an equal chance of being chosen. The collected data was then analyzed using the SEM-PLS (Structural Equation Modeling-Partial Least Squares) method, which allows for the simultaneous testing of relationships between multiple variables and provides more accurate results for complex research models. This approach enhances the validity of the findings and supports the exploration of the influences on the intention to use online loans among fashion MSMEs (Sarstedt et al., 2021). This technique was chosen because it is suiTable for testing the influence of the variables in this study on the intention to use online loans. SEM-PLS effectively captures complex relationships and interactions among variables, making it an ideal method for understanding how various factors contribute to the decision-making processes of MSMEs in the fashion sector regarding online lending.

RESULTS AND DISCUSSION

Based on the calculation results using SEM-PLS, the model of the influence of subjective norms, perceived behavioral control, financial literacy, risk perception, social influence, perceived ease of use, and perceived usefulness on the intention to use online loans is as follows. (See Figure 1)

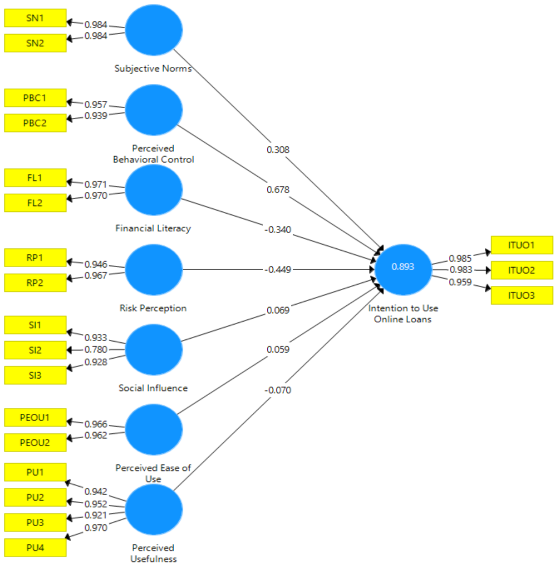

Figure 1. The Model of The Influence

After developing the model of the influence of subjective norms, perceived behavioral control, financial literacy, risk perception, social influence, perceived ease of use, and perceived usefulness on the intention to use online loans, the next step is to test the outer model, which includes convergent validity (loading factor), average variance extracted (AVE), composite reliability, and Cronbach's alpha. The results show that all loading factor values, representing the relationship between observed (manifest) variables and latent variables, are above 0.7. Therefore, it can be concluded that each construct in the study demonstrates good validity. Next, the AVE test will be conducted to further strengthen the results of the convergent validity. Based on the criteria that AVE > 0.5 (Hair et al., 2019), the constructs used in the study are considered valid. Cronbach's alpha and composite reliability are used to assess the reliability of the constructs. Each construct is considered reliable if it has a Cronbach's alpha and composite reliability greater than 0.70. A construct with these values indicates internal consistency and reliability. The following presents the results of the AVE and reliability tests in the model, demonstrating that the constructs used in this study meet the required reliability criteria, with Cronbach's alpha and composite reliability values exceeding the threshold of 0.70 (Joseph F. Hair et al., 2021). (See Table 1 and 2)

Table 1. AVE, Cronbach's Alpha and Composite Reliability

Latent Variables	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Financial Literacy	0,938	0,970	0,942
Intention to Use Online Loans	0,975	0,983	0,952
Perceived Behavioral Control	0,888	0,946	0,898
Perceived Ease of Use	0,923	0,963	0,929
Perceived Usefulness	0,961	0,972	0,896
Risk Perception	0,908	0,955	0,915
Social Influence	0,866	0,914	0,780
Subjective Norms	0,967	0,984	0,968

Source: Data Processed, 2024

Table 2. Cross Loadings

	FL	ITUO	PBC	PEOU	PU	RP	SI	SN
FL1	0,971	-0,769	-0,732	-0,439	-0,663	-0,481	-0,501	-0,522
FL2	0,970	-0,755	-0,700	-0,460	-0,663	-0,598	-0,615	-0,581
ITUO1	-0,767	0,985	0,849	0,606	0,784	0,435	0,582	0,700
ITUO2	-0,772	0,983	0,864	0,573	0,746	0,416	0,544	0,669
ITUO3	-0,760	0,959	0,845	0,569	0,709	0,464	0,694	0,626
PBC1	-0,713	0,893	0,957	0,664	0,816	0,519	0,556	0,642
PBC2	-0,684	0,755	0,939	0,653	0,844	0,704	0,683	0,630
PEOU1	-0,458	0,592	0,726	0,966	0,656	0,750	0,777	0,742
PEOU2	-0,435	0,558	0,609	0,962	0,627	0,694	0,868	0,724
PU1	-0,590	0,701	0,842	0,693	0,942	0,570	0,624	0,569
PU2	-0,623	0,627	0,823	0,635	0,952	0,559	0,532	0,524
PU3	-0,702	0,777	0,756	0,561	0,921	0,495	0,552	0,594
PU4	-0,659	0,771	0,886	0,638	0,970	0,553	0,500	0,619
RP1	-0,475	0,373	0,573	0,650	0,460	0,946	0,579	0,661
RP2	-0,577	0,475	0,639	0,771	0,620	0,967	0,759	0,725
SI1	-0,527	0,584	0,635	0,881	0,555	0,698	0,933	0,670
SI2	-0,332	0,290	0,430	0,607	0,405	0,534	0,780	0,365
SI3	-0,593	0,657	0,607	0,740	0,554	0,636	0,928	0,786
SN1	-0,512	0,669	0,650	0,742	0,576	0,646	0,728	0,984
SN2	-0,606	0,673	0,671	0,755	0,630	0,786	0,716	0,984

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Source: Data Processed, 2024

Based on Table 1 and Table 2, all latent variables have an AVE value greater than 0.5. This indicates that the indicators forming the latent constructs have good convergent validity. From the discriminant validity using cross loading values, the indicators show higher correlation with their respective constructs compared to others, which confirms that the research model has good discriminant validity based on cross loading. Additionally, each latent construct has a Cronbach's alpha value exceeding 0.7, indicating that the latent constructs possess good reliability. The composite reliability values for all latent constructs also exceed 0.70. These Cronbach's alpha and composite reliability values confirm that the model has strong reliability.

After testing the outer model, the next step is testing the inner model, which consists of R-square, f-square, Q-square, and GoF. The R-square values obtained are as follows. (See Table 3)

Table 3. R-square

Variable	R Square
Intention to Use Online Loans	0,893

Source: Data Processed, 2024

Based on the Table 3, it is found that the R-square value for intention to use online loans is 0.893, indicating that the variables subjective norms, perceived behavioral control, financial literacy, risk perception, social influence, perceived ease of use, and perceived usefulness are able to explain the intention to use online loans by 89.3%. The f-square values for social influence, perceived ease of use, and perceived usefulness on the intention to use online loans are 0.010, 0.005, and 0.010, respectively, which categorize their effects as small. Meanwhile, the other variables have f-square values that fall into the large category, namely subjective norms at 0.292, perceived behavioral control at 0.755, financial literacy at 0.371, and risk perception at 0.664. Next, the Q-square value obtained is as follows. (See Table 4)

Table 4. Q-square

	SSO	SSE	Q^2 (=1-SSE/SSO)
Financial Literacy	80,000	80,000	
Intention to Use Online Loans	120,000	21,249	0,823
Perceived Behavioral Control	80,000	80,000	
Perceived Ease of Use	80,000	80,000	
Perceived Usefulness	160,000	160,000	
Risk Perception	80,000	80,000	
Social Influence	120,000	120,000	
Subjective Norms	80,000	80,000	

Source: Data Processed, 2024

Based on Table 4, it is known that the Q-square value is greater than 0, meaning that the observed values have been well reconstructed, indicating that the structural model has good predictive relevance. The GoF (Goodness of Fit) value for the structural model is 0.902, which falls into the large category.

Next, hypothesis testing is conducted by comparing the t-statistic value with the t-Table value of 1.96, or by comparing the p-value with α at 5% and 10%, or 0.05 and 0.1, respectively. The following Table 5 presents the results of the hypothesis testing for the structural model.

Table 5. Hypothesis Testing Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Keputusan
Subjective Norms -> Intention to Use Online Loans	0,308	0,284	0,151	2,041	0,042	H_0 rejected
Perceived Behavioral Control -> Intention to Use Online Loans	0,678	0,705	0,177	3,837	0,000	H_0 rejected
Financial Literacy -> Intention to Use Online Loans	-0,340	-0,323	0,168	2,022	0,044	H_0 rejected
Risk Perception -> Intention to Use Online Loans	-0,449	-0,427	0,146	3,080	0,002	H_0 rejected
Social Influence -> Intention to Use Online Loans	0,069	0,070	0,160	0,429	0,668	H_0 accepted
Perceived Ease of Use -> Intention to Use Online Loans	0,059	0,060	0,173	0,339	0,735	H_0 accepted
Perceived Usefulness -> Intention to Use Online Loans	-0,070	-0,076	0,115	0,607	0,544	H_0 accepted

Based on Table 5, it was found that three hypotheses were rejected, and four hypotheses were accepted. **Subjective norms** have a significant influence on the intention to use online loans, with a t-statistic value of 2.041, which is greater than 1.96, and a p-value of 0.042, which is less than the 5% alpha or 0.05. The direction of the influence of subjective norms on the intention to use online loans is positive, indicating that the better the subjective norms, the higher the intention to use online loans.

Perceived behavioral control has a significant influence on the intention to use online loans, with a t-statistic value of 3.837, greater than 1.96, and a p-value of 0.000, which is less than the 5% alpha or 0.05. The direction of the influence of perceived behavioral control on the intention to use online loans is positive, indicating that the better the perceived behavioral control, the higher the intention to use online loans.

Financial literacy has a significant influence on the intention to use online loans, with a t-statistic value of 2.022, greater than 1.96, and a p-value of 0.044, which is less than the 5% alpha or 0.05. However, the direction of the influence of financial literacy on the intention to use online loans is negative, indicating that the better the financial literacy, the lower the intention to use online loans.

Risk perception has a significant influence on the intention to use online loans, with a t-statistic value of 3.080, greater than 1.96, and a p-value of 0.002, which is less than the 5% alpha or 0.05. The direction of the influence of risk perception on the intention to use online loans is negative, indicating that the better the risk perception, the lower the intention to use online loans.

Social influence does not have a significant influence on the intention to use online loans, with a t-statistic value of 0.429, less than 1.96, and a p-value of 0.668, which is greater than the 5% alpha or 0.05. The direction of the influence of social influence on the intention to use online loans is positive, indicating that the higher the social influence, the higher the intention to use online loans, but it is not significant.

Perceived ease of use does not have a significant influence on the intention to use online loans, with a t-statistic value of 0.339, less than 1.96, and a p-value of 0.735, which is greater than the 5% alpha or 0.05. The direction of the influence of perceived ease of use on the intention to use online loans is positive, indicating that the better the perceived ease of use, the higher the intention to use online loans, but it is not significant.

Perceived usefulness does not have a significant influence on the intention to use online loans, with a t-statistic value of 0.607, less than 1.96, and a p-value of 0.544, which is greater than the 5% alpha or 0.05. The direction of the influence of perceived usefulness on the intention to use online loans is negative, indicating that the better the perceived usefulness, the lower the intention to use online loans, but it is not significant.

Subjective norms have a significant and positive influence on the intention to use online loans because a person's perceptions are often shaped by the opinions, support, and advice of those around them, such as family, relatives, or friends. If individuals feel that important people in their lives support the use of online loans, they are more likely to be motivated to adopt this behavior. This social support provides confidence and a sense of security, thereby enhancing the intention to use online loans, especially for MSMEs that may feel hesitant or uncertain about these services. Additionally, the tendency to follow the advice of family and friends further strengthens the influence of subjective norms on the decision to access online loans (Zhou, 2011). Subjective norms positively influence the intention to use loan facilities, with perceived behavioral control having the most significant impact (Widaninggar et al., 2023).

Perceived Behavioral Control (PBC) significantly influences the intention to use online loans, reflecting an individual's belief in their ability to manage and execute an action, in this case, accessing online loans. When SMEs feel they have adequate control, such as ease of accessing loan platforms, understanding the processes, and meeting the requirements, they become more confident and motivated to utilize these services. PBC also encompasses the perception that using online loans is the easiest and fastest way to obtain additional capital, further reinforcing the intention to use such services. Confidence in their capabilities and access boosts their self-assurance, directly impacting their decision to take online loans. Research shows that when individuals feel they have greater control over the use of online loan services, they are more likely to express interest in using them (Wuisan et al., 2023). This applies to both the context of fintech peer-to-peer lending and online credit card applications (Hikmah et al., 2023; Jiang et al., 2021).

Financial literacy can negatively influence the intention to use online loans because a deeper understanding of finances leads individuals to be more cautious and critical about the risks associated with loans, such as high interest rates, hidden fees, and potential difficulties in repayment. Entrepreneurs in the MSME sector with good financial literacy tend to be more discerning in assessing whether online loans are the right financing option, as well as more aware of the long-term impacts on cash flow and business stability. This better knowledge of risks can reduce their reliance on online loans, especially if they realize that there are safer financing alternatives that align better with their financial situation. As a result, the intention to use online loans may decline, as higher financial literacy makes them more selective and wary of potential financial traps (Andreou & Anyfantaki, 2019). Thus, it can be understood that good financial literacy enhances the use of digital financial services such as internet banking and online loans (Hamidah et al., 2023; Hermawan et al., 2022; Setyorini et al., 2021).

Risk perception negatively influences the intention to use online loans because the higher a person's perception of risk, the greater the concern and uncertainty felt when making that decision. In the context of online loans, risks such as misuse of personal data, high interest rates, opaque late fees, or the security of digital platforms make individuals, especially MSME actors, more hesitant to use these services. When someone feels that the potential losses or dangers of using online loans outweigh the benefits, they are likely to avoid taking out such loans. A high perception of risk decreases trust in the safety and fairness of the services, leading to a reduced intention to use online loans. Consumers who perceive high risks tend to steer clear of these services (Khiba & Ady, 2023; Kurniawan et al., 2023; Reepu & Arora, 2022)

Social influence may not have a significant impact on the intention to use online loans because, although friends, family, or colleagues can encourage the use of such services, the final decision rests with the individual. In the context of MSMEs, business owners often focus more on their own business needs and their ability to manage the risks and benefits of a loan. Thus, even with social encouragement, entrepreneurs tend to rely more on personal analysis and rational considerations, such as financial conditions and immediate benefits, rather than the influence of their social environment (Pramudito et al., 2023).

Perceived ease of use may not influence the intention to use online loans if users are already accustomed to digital technology, making the ease of using online loan applications a non-determinative factor. In situations where online loan applications are commonly used, MSME actors may view ease of access as standard and not distinguish it from other financial services. Therefore, ease of use may not be strong enough to drive their intentions, especially if they are more focused on other aspects such as interest rates or more complex loan terms. Similarly, perceived usefulness might not affect the intention because, even if users understand the benefits of online loans—such as increasing capital or accelerating business growth—they may still have reservations about the associated risks or uncertainties. For example, MSMEs may feel that the benefits derived from online loans do not outweigh the risks of high interest rates or economic uncertainties that could affect their ability to repay the loan. In this case, even if the service is perceived as beneficial, greater concerns may limit their intention to utilize it. Additionally, MSMEs may seek other financing alternatives that are more sTable and secure, even if they are considered less flexible or slower. (Gideon & Mirza, 2021).

CONCLUSION

Based on the hypothesis testing results, it can be concluded that there are four factors that significantly influence the intention to use online loans: subjective norms, perceived behavioral control, financial literacy, and risk perception. Subjective norms and perceived behavioral control have a positive effect, indicating that social support and confidence in one's ability to control the use of online loans enhance user intentions. Conversely, financial literacy and risk perception have a negative impact, where better financial understanding and awareness of risks reduce the intention to use online loans. Meanwhile, social influence, perceived ease of use, and perceived usefulness do not have a significant effect, although their influence is positive, except for perceived usefulness, which shows a negative influence but is not strong enough to significantly affect the decision to use online loans.

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Website: https://ojs.unikom.ac.id/index.php/jika

RECOMMENDATION

This study aims to analyze the factors influencing the intention to use online loans among fashion MSMEs in West Java. This research provides practical contributions to MSME (Micro, Small, and Medium Enterprises) actors who are seeking to obtain financing through online loans. In addition, this research can be used as a consideration for decision-making related to online loan policies for MSMEs by the government. To address the weaknesses and limitations of this study, several solutions can be proposed. First, expanding the sample size and geographic coverage of the study could enhance the generalizability of the results, as the current research only involves 40 respondents from the fashion SMEs in West Java. Second, adding other variables, such as psychological factors or the level of trust in technology, could provide a more comprehensive understanding of the intention to use online loans. Third, employing a mixed methods approach that combines quantitative and qualitative methods would offer deeper insights into the reasons behind both significant and non-significant results.

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