PRICING STRATEGY, FINANCIAL KNOWLEDGE, AND RISK PERCEPTION:DETERMINING FACTORS IN THE DECISION TO USE ONLINE LOAN SERVICES

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Abstract. This research explores how pricing strategies, financial literacy, and risk perceptions influence decisions to utilize online loan services, with a focus on online satisfaction as an intermediary factor. The study aims to pinpoint key determinants affecting the acceptance of online lending platforms in Indonesia. Employing a quantitative method, data were collected from a sample of 100 individuals who have previously used such services. The findings indicate that pricing, financial knowledge, and risk perception significantly influence users' decisions to engage with online lending. Moreover, the role of online satisfaction as a mediating variable was confirmed. This research adds to existing literature by offering a deeper understanding of consumer behavior in the fintech lending sector in Indonesia, providing valuable insights for policymakers and industry professionals to enhance the uptake of online loan services in the region

Keywords: price strategy, financial knowledge, risk perception, consumer satisfaction, usage decision, online lending

I. INTRODUCTION

Improvement use of the internet for need social, economic and political in Indonesia and throughout the world shows that the internet has role important in life human. Number internet users, both those who use network still or mobile, continue increase. In 2018, the number global internet users reached 3.9 billion people, or more from half world population (Association of Indonesian Internet Service Providers, 2020). From 2019 to 2020, the number of Internet users in Indonesia reached 73.7% of the total population, or around 196.71 million people (Association Indonesian Internet Service Providers, 2020). along with development technology, sector finance become one of the most affected by the advancement of the internet. The growth of the internet has also given rise to a number of innovation new, like technology finance or fintech (Ansori, 2018). Suharyati & Ediwarman (2020) stated that fintech is results from combination service finance and technology, which fundamentally changes business models. conventional. If previously payment must done in a way direct with carry cash, now can done from distance Far in count seconds. Fintech has appear as challenge technology that enables company For compete more effective in the 21st century and recognized as one of the technology that will revolutionize industry banking. Governments in various countries have also notice challenge this and set regulation as well as supportive policies fintech progress (Wonglimpiyarat, 2017).

Peer-to-peer lending, or online loans, is one of the types of fintech that are popular among society (Santoso, Trinugroho, & Risfandy, 2020). Technology loan finance This offer convenience for its users. With the flexibility offered, borrowers and lenders loan can allocate and obtain funds in amount no matter how much effective and transparent with competitive returns (DKW & Awatara, 2018). In addition, users can with easy get credit limit only with show photo of ID card, pay slip, card family, and documents others. The data verification process only need time One until three day, after That user will get limit and can do transaction with soon. Fintech services can accessed through computers, laptops, tablets, and smartphones. In 2023, the distribution online loans in Indonesia continue increased. According to data from Financial Services Authority (OJK), value fintech loans or online loans reached IDR 22.57 trillion in December 2023, an increase of 3.7% compared to month previously amounted to IDR 21.77 trillion. This figure also shows improvement by 15.6% compared to same period in the year previously (Financial Services Authority, 2023). Data in August 2023 also recorded that mark distribution online loans reached IDR 20.53 trillion, with 13.37 million account recipient loans (Financial Services Authority, 2023). Most of borrower originate from Java Island, reaching 78.3% of total borrowers national.

Study This expected can give more insight deep about dynamics behavior consumer in context service fintech loans

in Indonesia. With understand influence of pricing strategy, knowledge finance, and perception risk to decision usage, as well as role mediation satisfaction customer, research This can give recommendation strategic for provider fintech services for increase Power competition and trust consumers

Finance behavior learn How aspect psychological influence decision finance individuals, firms, and financial markets (Nofsinger, 2001). This study covers behavior like saving, investing money, spending, and managing risk. When emotions and factors psychological involved in taking decision finance, decisions the No Again fully rational, so that gives rise to personality bias. Research finance behavior aiming For answer question about the " what," " why," and " how " of finance and investing. seen from perspective human. This theory based on arbitration and psychology cognitive, which explains Why deviation price stocks in a tough market understood by rational investors (Barberis et al., 2003).

Online loans are facility credit given through digital platforms by institutions finance or fintech companies, so that the process become more faster and more simple compared to with loan traditional which requires Lots documents and meetings look at face. According to Primiana (2018), loan This managed through digital channels, where the application, verification and approval processes done online. Although offer more access easy, loan this also has necessary risks managed with either by the giver loans and borrowers. Pardede (2019) explains online loans as services provided by fintech for give access more credit fast, especially for those who have not

In management, strategy refers to a plan Details For purposeful activities achieve certain targets, with consider size and time (Lanniza & Anggraini, 2021). Price is mark monetary paid For goods, services, or both (Yogi et al., 2022). In the context of online loans, pricing strategy related with level interest set by the authorities center like Financial Services Authority (OJK).

Knowledge finance covers awareness, skills, and beliefs related problem financial impact taking decisions and management finance somebody For reach welfare (Financial Services Authority, 2020). Knowledge This covering understanding about concepts, principles, and technologies finances that become base management finance. According to Lestari (2020), knowledge finance increase taking decision through utilization management information. This also involves evaluation ability somebody For understand information economy use make plan finance, managing debt, and other fund allocations. Knowledge This is one of component literacy finance (Potrich et al., 2015).

Perception risk reflect assumption consumer about possibility results negative during online transactions (Featherman & Pavlou, 2002). Schiffman et al., cited in Saputra and Sulindawati (2024), define it as the uncertainty faced consumer when they No can predict future consequences from purchase they. Paul A. Pavlou (2003) identified a number of indic

Satisfaction Consumers, according to Efendi et al. (2023), are comparison between hope consumers and reality

from experience they, which produce a sense of pleasure or disappointed. Satisfaction This rated based on reaction consumer to the products they use (Febrilia, 2019). According to Doll and Torkzadeh (1988) in Maliki (2024), the indicator For measure satisfaction customer includes :

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2. Effectiveness
3. Efficiency
4. Satisfaction information
5. Satisfaction overall

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3. Efficiency
4. Satisfaction information
5. Satisfaction overall
6. Habit use product or service
7. Recommendation to others
8. Use repeat product or service

II. RESEARCH METHODS

Study this, entitled " Pricing Strategy, Financial Knowledge, and Risk Perception: Determining Factors in the Decision to Use Online Loan Services " use approach comprehensive For solve problems that arise during analysis impact of pricing strategy on usage system digital payments. This strategy shared become a number of phase specific, which includes :

Identification Variables :

1. Priorities and Mapping : Doing mapping to elements key influencing choice online loans, such as tactics price, value perceived service, and literacy digital finance. Criteria sorted based on possibility its influence to satisfaction and loyalty user.
2. Development Hypothesis : Research This produce hypothesis For understand connection between pricing strategies and online loans, as well role mediation perceived value and expertise digital finance based on literature latest and theory behavior consumers.

Collection :

1. Instrument Design : Developing survey that measures opinion consumer about method determination price, value services, and use service online loans based on literature that has been published and adapted with Indonesian context.
2. Sampling Strategy : To ensure validity and diversity results, targeted sample representative from all user service digital payments in Indonesia.

analysis :

1. Implementation of Big Data Techniques : Business intelligence is used For get outlook from transaction data scale big, and tools big data analysis is used For process and understand it.
2. Testing Hypothesis : Involving mediation and moderation model assessment as well as testing correlation between variable using statistical models like regression and analysis track.

   Interpretation and Validation :
1. Discussion Results : Connecting findings with practice moment this, evaluate the hypothesis proposed, and interpret it results based on theory latest.
2. Validation Findings : For increase validity and reliability findings, used method like validation cross with various sample or with study previously.

   Proactive Advice :
1. Strategy Development : Using data analysis for provide advice for provider service online loans that will increase satisfaction customer.
2. Implementation Roadmap : Providing recommendation implementation based on results so that provider can repair plan marketing and pricing strategy they.

   Advantages and Newness :

   Integration of Perspectives Business and Big Data : Research This combining business intelligence and big data analytics to give better understanding deep about dynamics behavior consumer in online loans.

III. **RESULTS AND DISCUSSION**

The indicators obtained from the previous data collection process will be tested for their feasibility using various criteria, such as loading factor values, Cronbach's Alpha, and Average Variance Extracted (AVE). This evaluation will be carried out through Structural Equation Modeling (SEM) analysis using SmartPLS 3.

Outer Model

Convergent Validity

According to Hair et al. (2010), the minimum value for the loading factor can be seen in the table with the following references: minimum 0.5 (this value is considered acceptable) and minimum 0.7 (this value is considered normal). In this study, The researcher used 37 samples and applied a minimum loading factor value of 0.7. This means that only items with a loading factor value of 0.7 or more will be retained in the analysis.

Table 1. *Validity Test*

Indicators	Loading Factors	Rule Of Thumb	Conclusions
Question 1	0.636	0.700	Invalid
Question 2	0,834	0,700	Valid
Question 3	0,828	0,700	Valid
Question 4	0,708	0,700	Valid
Question 5	0,848	0,700	Valid
Question 6	0,680	0,700	Invalid
Question 7	0,644	0,700	Invalid
Question 8	0,867	0,700	Valid
Question 9	0,736	0,700	Valid
Question 10	0,515	0,700	Invalid
Question 11	0,734	0,700	Valid
Question 12	0,611	0,700	Invalid
Question 13	0,902	0,700	Valid
Question 14	0,930	0,700	Valid
Question 15	0,913	0,700	Valid
Question 16	0,927	0,700	Valid
Question 17	0,938	0,700	Valid
Question 18	0,929	0,700	Valid
Question 19	0,880	0,700	Valid
Question 20	0,876	0,700	Valid
Question 21	0,959	0,700	Valid
Question 22	0,913	0,700	Valid

Five items of questions listed in table 2 are considered invalid. Invalid questions should not be used as survey questions and need to be replaced with other questions (Matondang Z, 2009). Since these questions can be represented by other questions, the researcher decided to delete the invalid questions. Thus, there will be 17 valid questions that will be studied and analyzed further.

Reability

According to Hair et al. (2014), the composite reliability coefficient must be greater than 0.7, although a value of 0.6 is still acceptable. However, internal consistency testing does not have to be done if construct validity has been met, because a valid construct is a reliable construct; conversely, a reliable construct is not necessarily valid (Cooper and Schindler, 2014). This study shows that each variable has a composite reliability value > 0.7. The following are the composite reliability values of each variable used in this study:

Table 2. *Reliability Test*

Variable	Cronbach's Alpha	Rule Of Thumb	Description
X1	0.897	0.700	Reliable
X3	0.813	0.700	Reliable
Y	0.928	0.700	Reliable
Z	0.959	0.700	Reliable

Based on the SmartPLS output results displayed in the table, the composite reliability value for all constructs is above 0.70. With the resulting value, all constructs show good reliability according to the required value limits. Therefore, it can be concluded that all variables have a high level of reliability

Inner Model R-Square

Analysis Variance (R^2) or Determination Test aiming For know to what extent does it influence variable independent to variable dependent, value coefficient determination can shown in table.

Tabel 3. R-Square Test

Variable	R Square	Description
Y	0.686	Moderate Model
Z	0.735	Model

Based on the R-square value shown in the table, the Financial Efficacy variable can be explained by the pricing strategy, risk perception, and consumer satisfaction variables by 68.6%, while the remaining 31.4% is explained by other variables outside those studied in this study. The pricing strategy and risk perception variables are able to explain the consumer satisfaction variable by 26.5%, and the remaining 73.5% is explained by other variables outside those studied in this study.

Hipotesis Test

Table 4. Direct Effect

Variables	Original Sample	T-statistik	P-value	Description	Hypothesis
X1->Y	0,205	1,047	0,296	Unaffected	Rejected
X1->Z	0,299	2,034	0,042	Affected	Received
X3->Y	0,324	1,945	0,052	Unaffected	Rejected
X3->Z	0,740	5,487	0,000	Affected	Received
Z->Y	0,442	1,965	0,050	Affected	Received

Table 5. Indirect effects

Variable	Original Sample	T-statistik	P-value	Description	Hypothesis
X1->Z->Y	0,132	1,435	0,152	Not Mediating	Rejected
X3->Z->Y	0,327	1,868	0,062	Not Mediating	Rejected

Study This disclose connection complex between pricing strategy, literacy finance, and perception risk in decision consumer use service online loans in Indonesia. Research results show that despite profitable pricing strategies, such as ethnic group flower low, can interesting attention, thing This No necessarily increase intention consumer For borrow online. Consumers more influenced by needs urgent financial than offer price. This indicates that factor emotional and urgent own role more dominant in decision financial compared to with just incentive price.

Literacy digital finance proven become factor key in increase interest consumer to online loans. Consumers who have understanding good finance more capable navigate complexity service this, including understand risks and benefits, evaluating eligibility, as well as choose the most suitable product with need they. This is underline importance education finance as one of the strategies to increase adoption service digital finance in responsible answer.

Interestingly, the perception risk No own influence significant to decision use online loans. Findings This contradictory with theory traditional which considers risk as barrier main in taking decision financial. Consumer it seems more focus on benefits direct from services, such as convenience access and flexibility, compared with potential possible risks happened. This shows that improvement trust and experience positive user towards more platforms influential than just subtraction perception risk.

In general overall, research This offer outlook important for fintech industry for emphasize literacy finance as an integral part of the marketing strategy. Ongoing education and transparency in delivery information product

can build more trust strong between consumers and providers service. On the side science, research This enrich understanding We about dynamics behavior consumer in digital context, opening opportunity For study more continuation deep about other factors that influence decision finance in the fintech era.

IV. CONCLUSION

Study This show that decision consumer For use service online loans in Indonesia are influenced by various factors factors, including pricing strategy, literacy finance, and perception risk. Although the pricing strategy is profitable like ethnic group flower low can interesting attention consumer, thing the No always become factor determinant main in decision borrow. Consumer more tend influenced by needs urgency and trust towards the lending platform. Literacy finance proven play role important in increase interest consumer to service online loans. Increasingly tall level literacy a person's digital finances, the more big possibility they understand mechanism loans, manage risk with more good, and choose suitable product with need they. This is emphasize importance education financial as foundation in promote use service digital loans in responsible answer. On the contrary, perception risk No in a way significant influence intention consumer For use online loans. This indicates that factors like convenience access, speed services, and experience positive user more dominant compared to with concern will risk. This also shows that effort For increase trust through transparency and improvement security can more effective in push adoption service. In general overall, research This give outlook deep about How factors the each other interact in influence decision use service online loans. Implications for industry covers the need focus on education finance and transparency information, while for science, research This open room for exploration more carry on about role other variables in taking decision finance in the digital age. With understand factors this, industry and manufacturers policy can design a better strategy effective For support growth and sustainability service online loans in Indonesia.

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