Asian Journal of Economics, Business and Accounting

Volume 24, Issue 6, Page 523-539, 2024; Article no.AJEBA.118343
ISSN: 2456-639X

The Rising Popularity of Online Lending in Indonesia: The New Opportunities for Banks (Push-Pull Mooring Perspective)

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Article Information

DOI: https://doi.org/10.9734/ajeba/2024/v24i61379

Open Peer Review History:
This journal follows the Advanced Open Peer Review policy. Identity of the Reviewers, Editor(s) and additional Reviewers, peer review comments, different versions of the manuscript, comments of the editors, etc are available here: https://www.sdiarticle5.com/review-history/118343

Original Research Article

Received: 01/04/2024
Accepted: 04/06/2024
Published: 07/06/2024

ABSTRACT

Background and Purpose: Fintech lending, also known as online lending, has experienced fast growth in Indonesia in recent years through digital platforms. Online lending is supplanting the financial intermediation function hitherto predominantly held by banks. This study examines the factors influencing Indonesians' inclination to transition from traditional banking services to online lending. It seeks to understand the appeal of online lending, which has enabled it to supplant Indonesian banks in financial intermediation, employing the Push-Pull Mooring theory.
Methodology: This study used a nonprobability sampling technique to choose 200 respondents who are consumers of banking services and have transitioned to online lending. Data was gathered through Google Forms and subsequently analyzed utilizing SEM-PLS 4.0.

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Cite as: *Hardayu, Audisty Prana, Nur Afifah, and Mustaruddin. 2024. "The Rising Popularity of Online Lending in Indonesia: The New Opportunities for Banks (Push-Pull Mooring Perspective)". Asian Journal of Economics, Business and Accounting 24 (6):523-39. https://doi.org/10.9734/ajeba/2024/v24i61379.*

Findings: The findings indicate that pull variables exert the most significant impact on the inclination to transition to online lending, with push variables following closely behind. The variable "switching barrier" does not influence the intention to switch to online lending. However, switching costs and low financial literacy significantly impact the switching barrier. Additionally, the moderation effect does not enhance the relationship between dissatisfaction with banking and the appeal of online lending. Online lending has attracted users by providing a value proposition that includes easy digital onboarding, quick loan processing and payout, and unsecured credit options for unbanked customers. The influence of brand loyalty on customer choices when selecting an online lender is minimal.

Contributions: This study aims to enhance marketing theory and consumer behavior understanding by investigating the factors influencing Indonesians' intention to transition from traditional banking services to online lending, specifically focusing on Push-Pull and Mooring factors.

Keywords: Online lending; push pull mooring; switching intention; banking.

1. INTRODUCTION

The rise of digital technology has brought about a period of disruption that has impacted various industries, such as financial services and banking. The progress of information technology and the internet has resulted in the emergence of innovative digital business models, such as financial technology or fintech. An emerging fintech business model that has experienced fast growth in Indonesia is online lending facilitated by digital peer-to-peer lending platforms. In Indonesia, the growth of online lending is evident from data provided by the Financial Services Authority (OJK), indicating that fintech lending distributed IDR 20.54 trillion in online lending in August 2023. This quantity rose 0.79% compared to the previous month, totaling IDR 20.38 trillion. Fintech lending loan distribution increased by 6.85% compared to the previous year. In August 2022, fintech lending amounted to Rp19.22 trillion [1].

The banking industry in Indonesia is currently facing a significant transformation, driven by rapid technological developments and changes in consumer behavior. Traditional banks are challenged to adapt to the evolving digital landscape, where financial innovations such as online lending services are increasingly disrupting conventional business models. Although large banks have begun to adopt digital technologies and offer online banking services, they often lag behind in terms of speed, flexibility and ease of use compared to nimble fintech newcomers. As a result, customers who are looking for more convenient and efficient alternatives are increasingly interested in switching to online lending platforms. However, the banking industry also faces regulatory challenges, where the existing regulatory framework may not have fully kept up with developments in digital financial innovation. In this context, customer perceptions regarding regulatory support and trust in the online lending ecosystem are important factors that shape the competitive dynamics between traditional banks and online lending service providers.

Online lending is a disruptive innovation that challenges the traditional banking system, offering numerous advantages and added value. Online lending has effectively penetrated the banking business in Indonesia by catering to a demographic that requires quicker, more convenient, and more adaptable financial services that align with their digital way of life. In December 2023, the Financial Services Authority (OJK) reported that there are 101 authorized internet lenders and 400 websites and social media content offering online lendings unlawfully without OJK approval. The significant growth of online lending, in terms of both the number of providers and the number of loans given out, provides strong evidence that the popularity of online lending is closely tied to the benefits and added value it offers compared to traditional banking services. This trend also reflects the public's quick embrace of digital financial innovation in today's era of rapid change.

This study aims to investigate the reasons behind the popularity of online lendings and their ability to replace the traditional function of financial intermediation held by Indonesian banks. Multiple prior research has analyzed the growth of online lending and P2P fintech in Indonesia regarding regulation, potential, and difficulties [2,3,4,5]. The function of peer-to-peer Internet lending as a substitute for traditional financial intermediation and its influence on the banking industry [6,7]. There is a lack of research examining the factors influencing public interest in utilizing online lendings from a consumer behavior standpoint utilizing the Push Pull Mooring theory (PPM) framework [8]. This study aims to investigate the impact of Push, Pull, and Mooring factors on the intention of Indonesians to transition to online lending. Push, Pull, Mooring are categorized as part of the PPM model which has existed since the 19th century [9]. PPM is closely related to individual or consumer behavior. Based on the push, pull paradigm, initially there are factors that encourage individuals to switch service providers or products, and several factors that pull individuals not to switch [10] introduced the mooring term integrated into the push-pull mooring model. Mooring factors relate to cultural processes, learning, and other influencing factors in facilitating or hindering consumers' switching decisions.

The push-pull mooring theory was selected for its relevance in elucidating consumer behavior and its validation in prior analogous research. This study examines the Push, Pull, and Mooring elements that impact individuals' inclination to transition to online lending in Indonesia. The results are anticipated to enhance academic and practical comprehension and offer insights for regulators, particularly for banking industry participants, on the factors influencing the uptake of online lending innovations in the current digital age.

2. MATERIALS AND METHODS

2.1 Push-Pull-Mooring Framework

Moon introduced the push-pull mooring (PPM) theory to human migration research in 1995. This study applied the PPM framework to elucidate the factors affecting an individual's choice to migrate between regions [10]. In consumer behaviour, customers can switch between service providers based on their perceived convenience [9]. Companies must focus not only on sales but also on customer retention and cultivating long-term loyalty to impact profits [11].

A study revealed [9] that most customers switch services willingly based on their preferences. This occurs when customers encounter situations that do not meet their service expectations or when they find other services more appealing in a different location. The PPM framework has been developed for geographic and cultural migration and used as a theoretical basis to explain the factors influencing changes in consumer switching behaviour towards new services perceived as superior and aligned with their needs.

The PPM Model framework has three effects that explain human migration: push effect, pull effect, and mooring effect. The push effect is a component of the PPM model that identifies the elements motivating individuals to switch from one service to another. This element is a negative aspect of the current service that influences an individual's decision to switch. The second factor is the pull effect, which pertains to the favorable aspects of the destination that draw customers or migrants to that location. Research [12] demonstrates that people are more inclined to move to an alternative service when they believe its qualities to be superior. The third factor is the anchoring effect, which acts as a moderating variable to discourage individuals from switching or quitting what they have utilized. Mooring factors in migration literature refer to personal and social factors that impact migration decisions, intentions, and actions. Table 1 displays research on customer switching in different business sectors using the PPM framework.

2.2 Dissatisfaction with Banking as a Motivating Factor

Dissatisfaction is a motivating factor that influences the likelihood of making a transfer. Dissatisfaction arises when expectations or anticipations are not fulfilled. Multiple studies on PPM validate that discontent significantly impacts individual migration decisions. In banking, consumer unhappiness can be seen as a key influence on customer behavior [17]. This unhappiness stems from several factors, including dissatisfaction with the bank's chosen system and service quality. Unsatisfied customers may feel the need to investigate other banking options or transition to different financial services [18].

Signs of discontent with bank services can include complex and lengthy procedures, such as gathering documents, verifying information, and disbursing loans, which can take weeks or even months. Bank loans necessitate a multitude of intricate documentation and procedures, including pay stubs, guarantees, NPWP, and financial accounts. expensive administrative costs and interest rates lead to bank customers being charged monthly administration fees, transfers, and other expensive fees, which are regarded as oppressive. Having negative credit might lead to being blacklisted by BI, which may hinder clients from obtaining credit at other banks, causing unhappiness. Customer service via online channels is typically less responsive and not available 24/7, but in-person bank customer care and call centers are often more prompt and effective in resolving client issues. Banks exhibit low product innovation by failing to introduce new financial products and services that align with contemporary societal needs. Identifying the key indicators of discontent with banking services is crucial for banks to enhance their services and maintain client loyalty [19]. Banks must enhance service quality and introduce digital innovations to remain competitive and prevent customers from transitioning to online lending platforms. Expanding [20] on how discontent with banking impacts the inclination to transition to online financial services, Service quality factors including responsiveness, tangibility, assurance, reliability, and empathy are crucial in determining client happiness and loyalty. It is mentioned [21] that perceived value and online banking quality have a direct and indirect impact on the intention to continue using banking services. The hypotheses in this study are derived from prior research.

> Hypotheses (H1): Dissatisfaction with traditional banking affects the likelihood of switching to online lending.

2.3 Attractiveness of Online Lending as a Drawing Factor

Some individuals are drawn to internet lending services due to their alternative appeal, rather than sticking with traditional institutions Bank [22]. Alternative attractiveness refers to the perception, reputation, and level of service quality of a company that is seen as a better option compared to the existing service provider [23]. Alternative attractiveness refers to how consumers perceive the competence of different service providers. Online lending is a disruptive invention that challenges the dominance of the banking industry. Public discontent with banking services is fueling the rapid growth of online lending due to unique features provided by online lending platforms that are not found in traditional banking [24]. Online lending is attractive due to its capacity to offer fast and convenient credit access, enabling borrowers to address financial challenges and consolidate high-interest debt. The theory presented in this study is as follows:

> Hypotheses (H2): The attractiveness of online lending influences the inclination to transition to online lending.

2.3.1 Ease of Use as a Draw for Attractiveness Online Lending Options

Ease of use is the perception of how effortless it will be for a person to use a service. When a service is viewed as easier to use than other services, users are more likely to move to the more user-friendly service [16,25]. Expressed that the user-friendly nature of online lending platforms has played a crucial role in their widespread use and approval. Users appreciate online lending services for their convenient terms, streamlined 100% online process via smartphones, elimination of physical files and documents, and simple online application forms requiring minimal personal information. The hypotheses suggested in this study are as follows:

> Hypotheses (H3): Ease of use of online lending impacts their attractiveness.

2.3.2 Appeal of alternative online lendings due to easy process

Borrowers find the simplicity of the online lending process appealing. Online lendings offer convenience in terms of requirements and accessibility, making them appealing to users due to the quick approval process, typically within 24 hours. Applications can be submitted at any time, requiring only an identity card (KTP) and a selfie photo for personal data verification. A study found that [26] the convenience factor is a key feature of online lending that motivates banking customers to transition to these services. Online lending utilizes Internet-based technology, such as website platforms or applications, to simplify the loan process and enhance transparency [27]. Ease of process is the degree to which customers find a process or service application to be straightforward, uncomplicated, and convenient. Processes with fewer steps and shorter durations are perceived as easier, and consumers in Indonesia tend to favor services with simpler processes. Hence, the hypotheses suggested in this study are:

> Hypotheses (H4): The easy process of online lending impacts their attractiveness

Table 1. Research on switching intention based on the PPM model

No.	Title	Author	Publication	Year
1	Examining user switch between mobile stores: A push-pull-mooring perspective	Zhou [13]	Information Resource Management Journal	2021
2	Empirical Study on the Factors Affecting Individuals' Switching Intention to Augmented/Virtual Reality Content Services Based on Push-Pull-Mooring Theory	Kim et al. [14]	Mdpi/Journal Information	2020
3	An empirical investigation of users' voluntary switching intention for mobile personal cloud storage services based on the push-pull-mooring framework.	Cheng et al. [15]	Computers In Human Behaviour	2019
4	The role of habit in post-adoption switching of personal information technologies: An empirical investigation.	Ye & Potter [16]	Communications of the Association for Information Systems	2011

2.3.3 Integration with additional digital features to enhance the appeal of alternative online lending

Online lending options are gaining appeal because they incorporate many digital functionalities [28]. These digital characteristics provide advantages for both lenders and borrowers, including convenience, quickness, and transparency. By integrating online lendings with e-wallets, funds may be directly sent to e-wallets and installments can be paid through them. Pinjol Gojek is integrated with GoPay, allowing users to use their loan amounts immediately for online shopping on e-commerce platforms. Integration with payment gateways to facilitate loan payments through several channels. Online lending has integrated several digital aspects, providing added value not found in traditional banking services [29]. Online lending's capacity to connect with a broader digital ecosystem is a key aspect that entices individuals to transition from traditional banks. Highlighting the capacity of online lending to merge with current digital platforms is crucial for boosting the public's acceptance of fintech lending. The hypotheses presented in this paper are:

> Hypotheses (H5): Integration with additional digital features impacts the attractiveness of online lending.

2.4 Switching Barrier Functions as Tethering Element

The switching barrier plays a crucial role in retaining client loyalty toward a service or product. Switching barriers hinder clients from transitioning to a different service provider by creating psychological, emotional, or procedural obstacles [30]. Research on switching obstacles, like that undertaken by Kang et al., [31] states, can include monetary expenses, resistance to learning new services, unknown performance risks, contractual fines, and other factors. Customers are less likely to switch despite being dissatisfied when they perceive a high switching barrier. Switching obstacles in banking prevents customers from transitioning to online lending, therefore ensuring customer loyalty. Research has shown that [20] switching barriers impact the intention to transition from traditional banking to online lending by analyzing the characteristics that affect investors' inclination to migrate from banks to online lending. Switching barriers are significant factors that impact the decision to transition from traditional banking to online lending. The hypotheses presented in this paper are:

> Hypotheses (H6): The switching barrier influences the switching intention to online lending.

2.4.1 Impact of switching costs as a barrier on intention to switch to online lending

Switching costs refer to the expenses clients face when transitioning from one company to another, including any physical expenditures associated with terminating a business partnership [32]. Switching cost is a significant factor influencing the willingness to switch and is a prevalent type of barrier that helps retain client loyalty [33]. Switching costs are a common deterrent for customers to switch service providers due to the financial and non-financial expenses associated with changing services.

Switching expenses in online lending also comes into play when clients want to migrate from one bank to another or an online lending platform [34]. Examples of switching costs for online lending customers include administrative fees for closing and opening accounts, expenses for re-verifying data, forfeiting accumulated points or cashback, penalties for early loan repayment, and the time and effort needed to adapt to new online lending applications or banks [35]. Switching fees contribute to the switching barrier, causing some online lending customers to be hesitant to move despite receiving appealing offers from competitors. They choose to remain while not being completely content. The hypotheses in this study are derived from the previous studies mentioned:

> Hypotheses (H7): Switching cost affects the switching barrier

2.4.2 The impact of risk perception on the intention to switch to online lending

Customer views of a service, particularly in terms of risk perception, might act as a barrier to switching and influence their inclination to switch [36]. This study found that [37], individuals who perceive higher financial and performance risks are more likely to stay loyal to their current service provider and less likely to switch. Understanding and addressing risk perception is crucial in different fields. [38]. The authors assert that in internet lending, societal risk perception encompasses fraud, bad credit, personal data exploitation, excessively high-interest rates and fines, and inadequate legal protection for customers. This sense of danger acts as a barrier to switching, causing some individuals to be hesitant to move away from the banking system, which is perceived as more secure and dependable. The hypotheses presented in this paper are:

> Hypotheses (H8): Risk perception affects the switching barrier

2.4.3 Low financial literacy as a barrier to switching intention to online lending

Financial literacy is the comprehension of financial principles and the skill to effectively handle finances when making decisions, considering both long-term and short-term factors influenced by economic circumstances [39]. Insufficient financial knowledge is a barrier that impacts the willingness to change. Research conducted by Gibson et al., [40] the public's limited comprehension and awareness of new financial products and services causes them to hesitate to switch due to concerns about making a misinformed decision or being misled. Factors contributing to obstacles in transitioning to online lending due to limited financial knowledge include comprehending the mechanics, advantages, and drawbacks of online lending offerings, strategies to mitigate risks associated with online borrowing, consumer entitlements and responsibilities, and regulatory bodies governing online lending. Decreased financial literacy increases the barrier to switching to new services because of reluctance to adopt unfamiliar financial products. The hypotheses presented in this paper are:

> Hypotheses (H9): Low financial literacy affects the switching barrier

2.4.4 Role of switching barriers as moderator

According to the Push-Pull-Mooring paradigm, mooring considerations do not directly influence switching barrier actions. However, the components involved in mooring often work as facilitators in the process of changing behavior. Switching barriers moderate the link between consumer pleasure and loyalty [41]. The influence of switching obstacles on customer loyalty fluctuates based on the industry and particular circumstances. For instance, in the realm of life insurance services, research indicates that [42] switching obstacles exert a moderating influence and are crucial in securing customer loyalty. Switching obstacles in banking services can moderate the association between discontent with traditional banking and individuals' inclination to convert to online lending. When the switching barrier is high, the correlation between dissatisfaction with banking services and the inclination to transfer to online lending will diminish, and conversely. High switching costs create consumer inertia, leading them to be hesitant to change banks while being unhappy with the services provided [43]. The switching barrier can influence the link between the attractiveness of online lending options and individuals' inclination to transition from traditional banking to online lending. High switching obstacles will diminish the relationship between the appeal of online lending and intentions to switch. Factors like high switching costs or perceived dangers can decrease the intention to switch, despite the appealing features of online lending such as convenience and fast processing. If the switching barrier is low, the correlation between the appeal of online lending and switching intention will be more pronounced [44]. Increased diversity in loan payment alternatives that allow direct transfers to e-wallets and installment payments through e-wallets would enhance the appeal of online lending, thereby encouraging more people to convert. The proposed hypothesis is formulated based on a review of prior studies.

> Hypotheses (H10): The switching barrier moderates the connection between dissatisfaction with banking and the inclination to move to online lending.

> Hypotheses (H11): The switching barrier moderates the connection between the attractiveness of online lending and the inclination to move to online lending.

2.5 Research Model

This research proposes a research framework based on the Push Pull Mooring theory to address the hypotheses as described in Fig. 1.

2.6 Methodology

This study aimed to identify the behavior influencing the inclination of banking clients to convert to online lending services. Therefore, the author uses an approach through a push pull mooring (PPM) framework so that it can describe in detail what factors inhibit, encourage and attract someone to use online loans. The research utilized nonprobability sampling techniques to select a sample of 200 banking customers in Indonesia aged between 18 and 50 years, who have engaged in financing at conventional or Islamic commercial banks within the past 5 years. The respondents were required to be familiar with online lending, including both users and non-users of online lending services. The study delivered the questionnaire online via Google Forms to Indonesian residents. The acquired data was analyzed with SEM-PLS 4.0 software to test the suggested hypotheses through a structural equation model (SEM) to examine the structural model and moderation effect.

3. RESULTS AND DISCUSSION

3.1 Demographic Characteristics

Table 2 contains data from a survey involving 200 banking customers. The sample's socio-demographic statistics show that it comprised 109 women (54.5%) and 91 males (45.5%). The majority of the sample respondents fell into the age groups of 26-35 years and 36-45 years. Furthermore, the majority of respondents had completed schooling up to high school or vocational school. 31% of respondents were not employed permanently, while 47.5% worked as workers with an average monthly pay below Rp. 5,000,000. Table 2 contains all the socio-demographic data of the respondents.

3.2 Measurement Model Testing

This study suggests doing a measurement model test, specifically an outer model, to assess the validity and reliability of variables. Research uses convergent validity and discriminant validity to assess validity, and uses composite reliability and Cronbach's alpha to quantify reliability. Convergent validity is determined by the loading factor of the latent variable with its indicators [45]. Ghozali Imam [46] A correlation is considered to have convergent validity when its loading factor exceeds 0.7. The study's Discriminant validity is assessed by the average variance extracted (AVE) value. The anticipated AVE value should exceed 0.5. Additionally, the reliability of a construct containing signs can be assessed by examining Cronbach's alpha. A construct is considered credible if the Cronbach alpha value exceeds 0.70. The loading factor value, AVE, and Cronbach alpha can be viewed in detail in Table 3.

The item values created by the variable constructs have satisfied the standard value of convergent validity and the Cronbach alpha constructs are deemed reliable based on the loading factor results in Table 3, as all factors are bigger than 0.7. Therefore, it can be inferred that all constructs are legitimate. The test results indicate that all variables have potential validity for future testing as the average variance extracted (AVE) value of each variable exceeds 0.5. This demonstrates that all statements derived from the variables are also accurate.

The study conducted a structural model test to examine the stability of the estimate. This evaluation was done using the R-Square test and hypothesis testing. R2, the coefficient of determination, quantifies the precision of a prediction model by measuring the squared correlation between the actual and predicted values of a specific endogenous variable. It reflects the collective impact of exogenous latent variables on endogenous latent variables. The R-Square values of 0.75, 0.50, and 0.25 indicate a strong, moderate, and weak model, respectively [47]. Table 4 displays the R-squared value for this investigation.

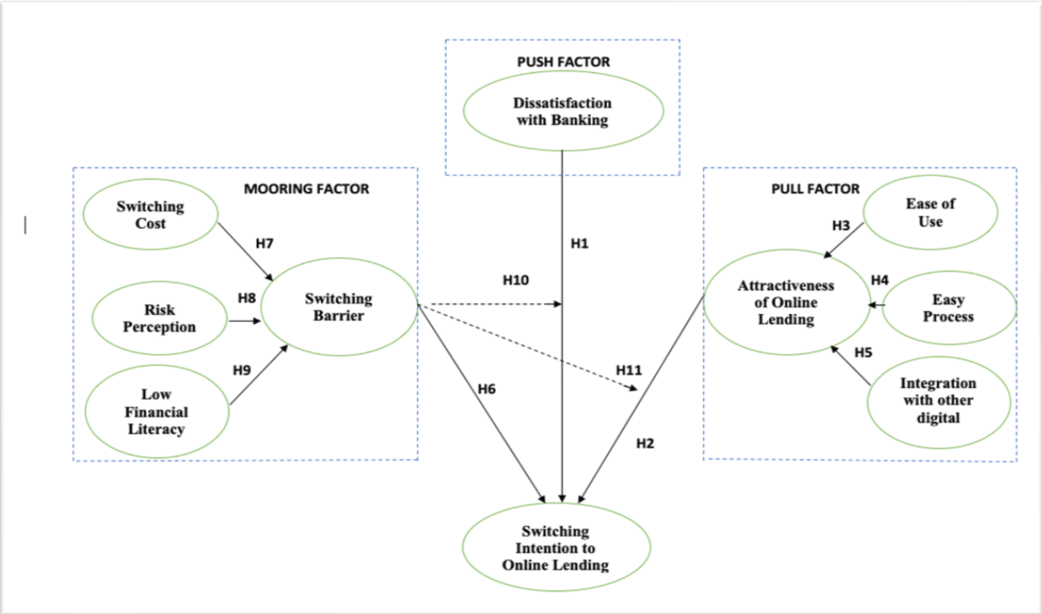

Fig. 1. Research model

Tabel 2. Socio-demographic characteristics of respondents

Socio-Demographic Items	Frequency n = 200	Percentage
Gender		
Male	91	45,5
Female	109	54,5
Age		
17 – 25 years old	64	32,0
26 – 35 years old	83	41,5
36 – 45 years old	47	23,5
45 years old and above	6	3,0
Education		
High chooler	117	58,5
Diploma	31	15,5
Undergraduates	45	22,5
Post-graduates	7	3,5
Occupation		
Unemployed	62	31,0
Employee	95	47,5
Self-employed	43	21,5
Monthly income		
Under 5 million	132	66,0
Between 5 and 8 million	43	21,5
Between 8 and 10 million	17	8,5
Between 10 and 12 million	3	1,5
12 million and above	5	2,5

Table 3. Outer loading and average variance extracted (AVE)

Variables	Items	Loading Factor	AVE	Cronbach's Alpha
Dissatisfaction with Banking	DWB1	0,894		
	DWB2	0,865		
	DWB3	0,862		
	DWB4	0,716	0,683	0,922
	DWB5	0,792		
	DWB6	0,772		
	DWB7	0,869		
Attractiveness of Online lending	AOL1	0,867		
	AOL2	0,900	0,758	0,893
	AOL3	0,905		
	AOL4	0,806		
Ease Of Use	EoU2	0,820		
	EoU3	0,905	0,769	0,849
	EoU4	0,903		
Easy Process	EP1	0,896		
	EP2	0,839		
	EP3	0,874	0,777	0,904
	EP4	0,914		
Integration with Other Digital features	IDF1	0,762		
	IDF2	0,901		
	IDF3	0,865	0,739	0,881
	IDF4	0,903		
Switching Barrier	SB1	0,901		
	SB3	0,937	0,845	0,908
	SB4	0,920		
Switching Cost	SC1	0,790		
	SC2	0,830	0,670	0,754
	SC3	0,835		
Risk perception	RP1	0,808		
	RP2	0,837	0,660	0,829
	RP3	0,782		
	RP4	0,822		
Low Financial Literacy	LFL1	0,899		
	LFL2	0,935	0,852	0,942
	LFL3	0,929		
	LFL4	0,928		
Switching Intention to Online lending	SI1	0,832		
	SI3	0,833		
	SI4	0,762	0,680	0,882
	SI5	0,846		
	SI6	0,846		

Source: SmartPLS 4.0 processed data (2024)

Table 4. R-Square value

Item	R-square	R-square adjusted
Attractiveness of Online Lending	0,859	0,854
Switching Barrier	0,739	0,730
Switching Cost	0,810	0,798

Source: SmartPLS 4.0 processed data (2024)

3.3 Hypotheses Testing

The upcoming test will examine the hypothesis or path coefficients. Path coefficient testing involves examining the t-statistic value and comparing it to a critical value of 1.96 at a 5% significance level. A hypothesis is accepted if the t-statistic is greater than

1.96 and rejected if it is smaller. The significance level is also assessed using p-values [47] Accept the alternative hypothesis (Ha) if the p-values are less than 0.05, and reject Ha if the p-values are more than 0.05. SmartPLS 4 utilizes the bootstrapping method for hypothesis testing. Fig. 2 displays the findings of hypothesis testing or path coefficients from the investigation.

The results of the hypothesis and regression estimates are displayed in Table 5.

The evaluation of moderating effects is displayed in Table 6.

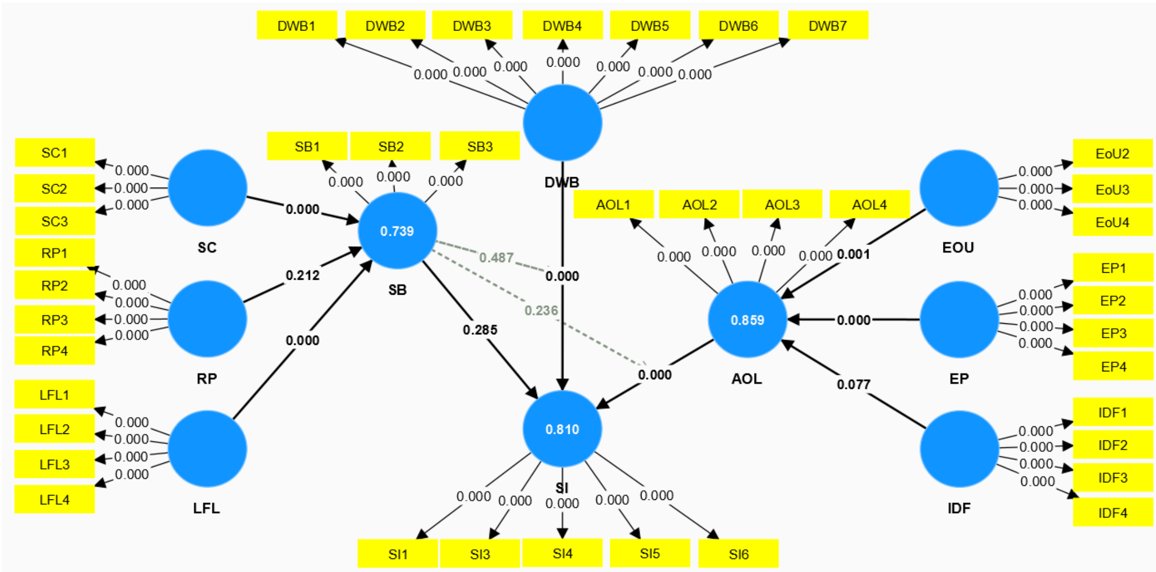

Fig. 2. SmartPLS 4.0 bootstrapping data

Source: SmartPLS 4.0 bootstrapped processed data (2024)

Table 5. Hypothesis testing (Path Coefficients) of direct relationship of variables

Hypotheses and Relationship of Variables	***Original sample* (O)**	**T *statistics***	**P *Values***	**Outcomes of Hypothesis Testing**
Hypothesis 1 DWB -> SI	0,584	5,118	0,000	Accepted
Hypothesis 2 AOL -> SI	0,406	4,506	0,000	Accepted
Hypothesis 3 EOU -> AOL	0,293	3,380	0,000	Accepted
Hypothesis 4 EP ->AOL	0,483	4,578	0,000	Accepted
Hypothesis 5 IDF ->AOL	0,189	1,771	0,077	Not accepted
Hypothesis 6 SB ->SI	0,105	1,069	0,285	Not accepted
Hypothesis 7 SC -> SB	0,408	4,594	0,000	Accepted
Hipotesis 8 RP ->SB	0,138	1,249	0,212	Not accepted
Hipotesis 9 LFL ->SB	0,380	4,174	0,000	Accepted

Source: SmartPLS 4.0 processed data (2024)

Table 6. Moderating effect testing

Hypotheses and Relationship of Variables	***Original sample* (O)**	**T *statistics***	**P *Values***	**Outcomes of Hypothesis Testing**
Hypothesis 10 SB -> DWB	-0,064	0,694	0,487	Not accepted
Hypothesis 2 SB -> AOL	0,108	1,185	0,236	Not accepted

Source: SmartPLS 4.0 processed data (2024)

4. CONCLUSION

This study investigates the factors influencing the decision to transition to online lending using the Push-Pull-Mooring paradigm. The PPM framework analyzes how these three factors influence a consumer's decision to adopt a new technology (online lending) or stick with traditional financial services (banking) and factors that may accelerate this decision. Changing consumers. This research aims to explore the reasons behind the popularity of online lending and uncover the strategies that traditional banks lack in attracting consumers in Indonesia.

The data indicate that discontent with traditional banking serves as a motivating factor for individuals to move to online lending services. The results confirm hypothesis H1, aligning with the Push-Pull Mooring theory's explanation that dissatisfactions experienced by customers (push factors) are shown to stimulate inclinations to switch. Increased dissatisfaction with traditional bank services correlates with a greater inclination to transition to online lending [17]. This input is for all service providers, particularly banks, to gain a deeper understanding of the key elements that affect customers' intent to move. Complaint management is crucial for identifying and resolving customer dissatisfaction. By effectively managing and resolving complaints, banks can enhance customer satisfaction and rebuild trust. This can be achieved by adopting techniques used by online lenders in their digital-based business model.

This research indicates that the appeal of online lending has a significant role in motivating individuals to convert to online lending, with a moderate positive path coefficient value of 0.406 and a significance level of $p<0.01$. This aligns with the pull factor idea within the Push-Pull Mooring architecture. Increased attractiveness of fintech online lending leads to a greater inclination among customers to switch from traditional banks [48,23]. The research findings suggest that the simplicity of the use of online lending significantly impacts the appeal of online lending. simplicity of use is seen as a key value proposition of online lending. This attractiveness is a clear indication that online lending has effectively established a user experience that is more intuitive and straightforward compared to traditional banking services [25]. The online lending user interface is designed to be straightforward, easy, and efficient in facilitating consumer interactions with the system. This stark contrast is the primary distinguishing factor between Internet lending and traditional banks, which maintain rather antiquated systems and processes. The research findings indicate that the simplicity of the process affects the attractiveness of online lending. The efficient credit application and disbursement process is a significant draw for online lending in attracting bank consumers who are tired of bureaucracy. The credit application and payout process can be conducted entirely online and significantly quicker. This is particularly beneficial for consumers in need of cash-flow loans. Most traditional banks have not explored this crucial topic, as noted by Maier in 2016. The following discovery pertains to the Pull factor, indicating that the integration of digital features does not impact the appeal of online lending. The hypothesis is refuted due to the insignificant weak path coefficient of 0.189. Integrating promotions and loan features on digital platforms for e-commerce and ride-hailing does not necessarily impact people's interest in fintech lending. Customers prefer to make decisions and calculate profits and losses independently, showing resistance to being affected by marketing or online lending information on various digital platforms [49]. In addition, numerous digital channels have incorporated online lending advertising, making such marketing less impactful due to user disinterest. They are more interested in actively seeking information on how to limit funds when they truly require a loan. Therefore, based on the paragraph above, the research results are confirmed in hypotheses H2, H3, and H4. The results in H5, which claimed that integrating digital features did not impact the attractiveness of online lending, were dismissed.

The study's findings indicate that switching barriers have little impact on or contribute to the intention to move to online lending concerning Mooring variables. Psychological and structural barriers in the banking system do not prevent clients from intending to migrate to more profitable online lending, as shown by Kaur et al. [50] Switching expenses impact the switching barrier in the following hypothesis. The hypothesis was highly supported with a coefficient of 0.408 and was statistically significant at $p<0.01$. The primary obstacle to switching financial platforms is the monetary costs, time, and energy involved, as indicated by Zakiy [34] however, it does not prevent people from intending to switch (H7). The hypothesis is rejected because risk perception does not influence the switching barrier (H8). The fear of danger does not significantly impede a customer's practical decision to change to a loan provider. Today's clients tend to exhibit more rational rather than emotional tendencies in their financial conduct. Switching financial service providers is not hindered by risk, uncertainty, or trauma if the online lending option is perceived as more financially beneficial [51]. Hypothesis 9, which suggests that insufficient financial literacy impacts the switching barrier, was confirmed based on the research data. Insufficient client financial literacy and understanding can enhance psychological and structural obstacles to changing financial service providers, known as switching barriers. Individuals with limited financial literacy tend to be more cautious about taking risks and less open to change. They often exhibit fear and reluctance to transition from their familiar financial products/services to new ones. The diminishing comprehension of financial products and features will lower clients' confidence in changing service providers. The perceived danger of making an incorrect decision is higher.

The research findings indicate that the Mooring factor does not influence the relationship between switching obstacles, dissatisfaction with banking, and the attraction of online lending. The regression test results indicate that switching barriers do not have a significant moderating effect on the association between dissatisfaction with banking and switching intention (H10). High levels of dissatisfaction with bank services drive the intention to switch, despite customers encountering financial, procedural, and psychological barriers. Prospective customers' evaluations of weaknesses in bank services outweigh risk factors, costs, or reluctance to adapt to online lending. Jovović et al. [52] published a fresh study in 2023. Hypothesis 11 states that the Switching Barrier does not influence the relationship between the attractiveness of online lending and switching intention. Online lending's appeal is growing, leading customers to consider transferring between financial service platforms despite perceived restrictions and hazards. If the advantages of fintech remain profitable, concerns such as cost, time, or the inconvenience of transitioning are not sufficient to deter the decision to transfer. Customers typically exhibit pragmatic and value-oriented conduct. Ultimately, both the attraction towards online lending and discontent with banks have a stronger impact and are less affected by obstacles that impede transferring. Customers are very adaptable and willing to take risks in pursuit of greater rewards.

According to the Push-Pull Mooring model and data analysis results, key factors for the success of online lending in Indonesia include a focus on user experience, minimal friction, and ease of use for customers of all levels. Secondly, the credit method is transparent and efficient. Online lending provides quickness from application to disbursement of loan money, contrasting with intricate banking procedures. This greatly benefits clients in urgent need of cash flow loans. Most traditional banks have not yet pursued this crucial topic. Furthermore, online lending offers personal loans without collateral through a flexible verification method to cater to different consumer requirements. Various sorts of online loans are available that do not necessitate stringent restrictions or collateral. This caters to particular customer requirements that banks consider too hazardous. Banks must analyze unique strategies to effectively compete in this loan sector. Furthermore, online lending has effectively reached the millennial customer demographic by presenting itself as a contemporary, entirely digital financial service on the Internet. Millennials who are comfortable with risk and proficient with technology are the primary users of online loan services. Being perceived as innovative entrepreneurs willing to question traditional banking practices enhances their image and attractiveness as a futureoriented online lending model. Banks require a rebranding and revival strategy to attract the millennial demographic. Complete digitalization is a necessity for the financial sector to embrace. The online lending industry in Indonesia is expanding quickly due to lenient and supportive government policies. OJK incentives and stimulus further boost the growth of online lending. Banks frequently face stringent rules and prudential incursions that impede and restrict innovation. Proportional regulation is necessary for ensuring equitable competition in the banking industry to fully utilize the benefits of economies of scale.

5. IMPLICATIONS, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The research provides evidence for the Push Pull Mooring model in understanding and forecasting customers' inclination to migrate from banking to online lending in Indonesia. Customers' unhappiness with current bank services, which are perceived as costly, delayed, and inflexible in credit processing, is the primary driver behind the intention to switch banks. Online lending has successfully attracted client interest by offering easy digital onboarding, quick processing time, fast loan disbursement, and an unsecured credit scheme to cater to unbanked customers. The obstacle or hindrance to switching is not very important when considering client preferences for selecting an online lending provider. Switching costs, low financial literacy, psychological trauma, and the risk of switching financial platforms are not the primary barriers to migrating to online lending when the perceived benefits of online lendings outweigh these factors. Most responders are millennials or adult customers who are highly receptive to new technology, contrasting with the loyalty to traditional services. Banks should promptly update their business operating models by integrating advanced technology for online lending to offer digital banking services that are quicker, more convenient, and aligned with current client demands. Bank can implement the latest trends in the application of artificial intelligence (AI) and machine learning (ML) in the field of financial technology (fintech) [53]. Online lending focuses on preserving client innovation and privacy to ensure its sustainability and healthy competition and growth alongside banks in Indonesia for the benefit of the population. Both parties can strategically collaborate in the banking sector by engaging in online lending innovation. Banks and Internet lending platforms might form strategic collaborations rather than compete against one another. Banks can leverage the client acquisition network and underwriting risk engine of online lending. Legal compliance, financial resources, and banking consumer protection measures can enhance the reputation of fintech companies among the public. Collaboration can be established under formal legal agreements that are mutually beneficial.

Despite the many findings and management implications provided, this research has limitations in some areas. The study has a small sample size, therefore the findings should be validated using a bigger and more diverse sample and broader geographical coverage. The study focuses solely on individual bank customers who have transitioned to online lending. Therefore, it is believed that a control group consisting of loyal consumers who choose to persist in using bank loan products is necessary. The survey was limited to Indonesia, thus it cannot provide insights into the behavior of switching digital financial systems in other ASEAN countries for benchmarking. Furthermore, demographic variables including age, gender, socio-economic status, and customer digital literacy levels should be thoroughly investigated and connected to online lending adoption behavior.

Future research can explore topics like analyzing the dynamics of collaboration, competition, and competition between banks and online lenders, and their impact on profitability and consumer welfare. Banks and online lenders can collaborate by offering reciprocal consumer access, sharing distribution channels, co-branding products, and more.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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In: Kumar, A., Mozar, S. (eds) Proceedings of the 6th International Conference on Communications and Cyber Physical Engineering. ICCCE 2024. Lecture Notes in Electrical Engineering. 2024; 1096.

Peer-review history:
The peer review history for this paper can be accessed here:
https://www.sdiarticle5.com/review-history/118343