DINASTI PUBLISHER
E-ISSN : 2721-303X
P-ISSN : 2721-3021
DINASTI INTERNATIONAL JOURNAL OF ECONOMICS, FINANCE AND ACCOUNTING (DIJEFA)
https://dinastipub.org/DIJEFA dinasti.info@gmail.com +62 811 7404 455

DOI: https://doi.org/10.38035/dijefa.v5i3
Received: 14 June 2024, **Revised:** 28 June 2024, **Publish:** 12 July 2024
https://creativecommons.org/licenses/by/4.0/

Factors that Influence the Decision to Choose Consumer Credit at PT BPR Baturaja (Perseroda) With Age as a Moderating Variable

Rahma Delawati[1*], Sulastri[2], Aslamia Rosa[3]

[1] Program Studi Magister Ilmu Manajemen, Fakultas Ekonomi, Universitas Sriwijaya, Palembang, Sumatera Selatan, Indonesia, 01032622226006@student.unsri.ac.id

[2] Program Studi Magister Ilmu Manajemen, Fakultas Ekonomi, Universitas Sriwijaya, Palembang, Sumatera Selatan, Indonesia, sulastri@unsri.ac.id

[3] Program Studi Magister Ilmu Manajemen, Fakultas Ekonomi, Universitas Sriwijaya, Palembang, Sumatera Selatan, Indonesia, aslamiarosa@unsri.ac.id

[*]Corresponding Author: 01032622226006@student.unsri.ac.id

Abstract: As individuals age, they typically acquire more financial obligations, such as funding their children's education or planning for retirement, which can impact their decision to utilize consumer credit. This study aims to investigate the factors influencing the decision to opt for consumer credit at PT BPR Baturaja (Perseroda), with age serving as a moderating variable. The research methodology employed is associative descriptive research. The sampling technique utilized is probability random sampling, determined by the Slovin formula, resulting in a total sample size of 322. Data analysis was conducted using the Partial Least Square (PLS) method. The research findings lead to several conclusions: Firstly, service quality exerts a positive and significant influence on the decision to choose consumer credit at PT BPR Baturaja (Perseroda). Secondly, promotion demonstrates a positive but statistically insignificant effect on the decision to choose consumer credit at PT BPR Baturaja (Perseroda). Lastly, the interest rate has a positive and significant impact on the decision to select consumer credit at PT BPR Baturaja (Perseroda). The age variable acts as a Quasi Moderator (Quasi Moderation) on the influence of service quality on the decision to choose consumer credit at PT BPR Baturaja (Perseroda). The age variable acts as a Moderation Predictor on the influence of promotions on the decision to choose consumer credit at PT BPR Baturaja (Perseroda). The age variable acts as a Pure Moderator on the influence of interest rates on the decision to choose PT BPR Baturaja (Perseroda) consumer credit.

Keyword: Consumer Credit, Service Quality, Promotion, Interest Rate, Age Variable

INTRODUCTION

Financial institutions are tools used by the government to implement economic policies, especially in terms of monetary policy, (Abaidoo & Agyapong, 2023; Battiston et al., 2021). Financial institutions play a crucial role in providing access to the public to obtain consumer credit. This becomes a bridge that connects individual financial needs with credit services to fulfill consumer needs,(Park & Kim, 2020).

Economic conditions also influence decisions, especially during periods of economic uncertainty. Consumers may become more careful in taking out credit and tend to choose financial institutions that are considered more stable. Personal factors such as income and ability to pay also play a big role, with consumers choosing a loan amount that suits the consumer's financial capacity,(Apriliyani & Taufiq, 2022; Jaya & Triono, 2022). Apart from that, additional costs such as administration and insurance costs, the lender's reputation, and the purpose of using the loan are also significant considerations in the consumer credit decision-making process. Banks classify their loans into three categories based on their purpose: working capital loans, investment credit and consumption credit. By dividing credit according to its use, banks can adjust their credit provision and risk management services according to the aims and objectives of their lending.

This shows that BPR is able to carry out its intermediary role efficiently. The hope is that the banking system can flowfunds collected through credit to support national economic growth, so that the intermediary function runs smoothly. Banks that have surplus funds will allocate resources to parties in need in the form of credit. However, not all funds collected from the community can be channeled optimally, and credit distribution to the community is often hampered by the problem of non-performing loans.

Table 1. BPR Credit Data in Indonesia Based on Type of Use

Year	2020	2021	2022	2023
Working capital credit	50,080	53,626	61,047	68,456
Investment Credit	8,515	9,105	10,450	11,976
Consumer Credit	52,175	53,850	57,993	60,358
Total	110,770	116,580	129,199	140,791

Source: Processed from Indonesian Banking Statistics Data-Vol 22 No.1 December 2023

From Tablel 1 it is clear that working capital credit is the most dominant type of credit in BPR, with an average portion of 48.27% of the total credit disbursed. Working capital loans are used by business actors to finance their operational activities, such as purchasing raw materials, working capital and investment. Investment credit is the third largest type of credit, with an average portion of 8.58% of the total credit disbursed. Investment credit is used by business actors to finance their investment activities, such as purchasing machinery, equipment or buildings.

StudyLiu & Zhang, (2021)shows that need is the most dominant factor in influencing the decision to choose consumer credit. Consumers have various needs, ranging from the need to buy goods or services, to the need to fulfill their lifestyle. Meanwhile researchAdesti & Aravik, (2023)shows that consumer needs can also be influenced by other factors, such as culture, values and social norms. This shows that PT BPR Baturaja (Perseroda) needs to conduct more in-depth market research to understand the needs of consumers who have the potential to take out consumer credit, including the factors that influence these needs.

Another gap found is the credit worthiness criteria that may be toois strict and does not accommodate borrowers with certain incomes or collateral. This aligns with the findings of research conducted by Caksana & Wulandari, (2021) This indicates that both financial literacy and materialism positively and significantly influence the outcome, whereas gender and education level have a negative and significant impact. However, research conducted byApriliyani & Taufiq, (2022) indicates that consumption credit does not significantly impact Indonesia's economic growth. This shows that PT BPR Baturaja (Perseroda) needs to consider other factors in determining consumer credit eligibility criteria, so that it remains competitive and profitable for the institution, and does not have a negative impact on economic growth.

Given the context provided earlier, the research sets out to address the following issue: How does service quality, promotions and interest rates influence consumer satisfaction at PT BPR Baturaja (Perseroda)? How do service quality, promotions and interest rates influence the decision to choose consumer credit at PT BPR Baturaja (Perseroda) with age as a moderating variable? The research objective is to examine the factors that affect the decision-making process regarding consumer credit choices at PT BPR Baturaja (Perseroda) with age as a moderating variable, namely: To test empirically the level of service quality, promotions and interest rates on consumer satisfaction in PT BPR Baturaja (Perseroda)?. To test empirically aboutservice quality, promotions and interest rates on the decision to choose consumer credit at PT BPR Baturaja (Perseroda) with age as a moderating variable?.

METHOD

This research will use a quantitative approach where the research methodology utilized involves associative descriptive research. The independent variables studied are factors that influence consumer credit (Service Quality, Promotion and Interest Rates) and the dependent variable in the research is the Decision to Choose Consumer Credit. This research was carried out at the head office of PT BPR Baturaja (Perseroda) in Ogan Komering Ulu Regency, South Sumatra Province.

The sampling is probabilistic random sampling, applying the Slovin formula. PresearchThiswith an error limit of 5% means it has an accuracy rate of 95%. With the same population size, the smaller the error tolerance, the larger the sample size required. So the total number of research samples was 322.

This study employs quantitative data as the primary form of data collection, which is data that is measured based on a number or number scale, where the scope of the research is carried out to establish the correlation between the independent variable and the dependent variable by linking one variable with another. The data utilized in this study is primary data, sourced directly from the subjects of the research through distributing questionnaires filled in by respondents, namely customers at PT BPR Baturaja (Perseroda) Head Office. Data gathering was conducted through the dissemination of questionnaires to customers at PT BPR Baturaja (Perseroda) Head Office and then asking them to fill out the questionnaire according to the instructions provided.

The data analysis conducted to assess this research utilized the Partial Least Squares (PLS) method. The choice of the PLS method was made following previous research, taking into account the existence of two latent variables with formative indicators in this study. Employing structural equation modeling (SEM) enables researchers to address dimensional research questions (i.e., determining the indicators of a concept) and regression questions (assessing the influence or degree of relationship between identified factors),(Ferdinand, 2019). SEM allows for simultaneous testing of two main components: a) Structural Model: This examines the relationships between independent variables and dependent variables. b) Measurement Model: This assesses the relationship, represented by loading values, between the latent variable and the observed variables (indicator).

RESULTS AND DISCUSSION

Decision to Choose Consumer Credit

The field data outcomes regarding statements on the decision-making process for consumer credit selection are summarized below, reflecting respondents' perceptions:

Table 2. Frequency Distribution of Respondents on the Decision to Choose Consumer Credit

	STATEMENT	SS		S		RR		T.S		STS	
		5	%	4	%	3	%	2	%	1	%
Need											
KK01	Consumer credit loans can help me meet urgent financial needs	101	31.4	96	29.8	109	33.9	16	5.0	0	0.0
KK02	Having access to consumer credit is very important to meet my financial needs	110	34.2	88	27.3	103	32.0	16	5.0	5	1.6
KK03	I have a clear plan regarding the use of the funds I borrow through consumer credit to achieve my goals.	136	42.2	89	27.6	85	26.4	12	3.7	0	0.0
Ability											
KK04	I have sufficient financial capacity to pay consumer credit installments on time.	114	35.4	98	30.4	100	31.1	10	3.1	0	0.0
KK05	I plan my personal finances to ensure a balance between income and expenses.	131	40.7	86	26.7	95	29.5	10	3.1	0	0.0
KK06	consider changes in financial conditions that may occur in the future	116	36.0	111	34.5	84	26.1	11	3,4	0	0.0
Cost											
KK07	PT BPR Baturaja (Perseroda) provides transparency regarding interest costs on consumer credit.	85	26.4	129	40.1	89	27.6	13	4.0	6	1.9
KK08	The late fees charged do not burden my finances in overcoming late payment situations	79	24.5	123	38.2	99	30.7	15	4.7	6	1.9
KK09	PT BPR Baturaja (Perseroda) is transparent regarding fast repayment costs for consumer loans.	121	37.6	106	32.9	84	26.1	11	3,4	0	0.0

Source: Research Data Processing Results, 2024.

Based on Table 2 The frequency distribution of respondents regarding the decision to choose consumer credit provides an in-depth understanding of the factors that influence consumer decisions in taking out loans. First, in terms of needs, the majority of respondents (31.4% - 42.2%) stated that consumer credit loans could help customers meet urgent financial needs. This shows that urgent needs are an important factor in customers considering taking out consumer credit. In the Needs dimension: The strongest indicator is KK01 (Consumptive credit loans can help with financial needs), while the weakest indicator is KK03 (I have a clear plan regarding the use of funds). This shows that the majority of respondents feel that consumer credit loans can help with their financial needs, but there are still many who do not have a clear plan for using the funds.

Data Analysis with PLS-SEM

In this research, the data analysis technique employs Structural Equation Modeling - Partial Least Squares (PLS-SEM), utilizing the SmartPLS-4 application for modeling and hypothesis testing. The data analysis process using PLS-SEM comprises two main models: the measurement model (Outer Model) and the structural model testing (Inner Model).

Construct Test

Evaluation of measurement models/*Outer Model* PLS-SEM is carried out by including validity tests and reliability tests.

a. Confirmatory Factor Analysis (CFA) for Exogenous Constructs

In the measurement model, (CFA) is utilized to evaluate the validity and reliability of the indicators comprising the latent construct, confirmatory factor analysis (CFA) was carried out on exogenous constructs (service quality, promotion and interest rates).

Table 3. CFA Test Results for Service Quality Variables

Construct	Loading factors (> 0.7)	Information
Responsiveness		
KL01	0.905	Valid
KL02	0.883	Valid
KL03	0.903	Valid
Reliability		
KL04	0.926	Valid
KL05	0.926	Valid
KL06	0.769	Valid
Assurance		
KL07	0.890	Valid
KL08	0.859	Valid

Source: Processed Primary Data, 2024.

Based on Table 3 CFA Test of the Service Quality variable, there is no factor loading <0.7, socan be analyzed further.

Table 4. Promotion Variable CFA Test Results

Construct	Loading factors (> 0.7)	Information
Advertising		
P01	0.905	Valid
P02	0.886	Valid
P03	0.900	Valid
Personal Selling		
P04	0.878	Valid
P05	0.858	Valid
P06	0.889	Valid
Sales Promotion		
P07	0.811	Valid
P08	0.928	Valid
P09	0.931	Valid

Source: Processed Primary Data, 2024.

Based on Table 4 Promotion CFA Test, there is no factor loading <0.7, socan be analyzed further.

Table 5. CFA Test of Interest Rates

Construct	*Loading factors (≥0.7)*	Information
Funding Requirements		
TSB01	0.845	Valid
TSB02	0.930	Valid
TSB03	0.901	Valid
Inflation		
TSB04	0.878	Valid
TSB05	0.831	Validl
TSB06	0.830	Valid
Competition		
TSB07	0.894	Valid
TSB08	0.933	Valid
TSB09	0.866	Valid

Source: Processed Primary Data, 2024.

Based on Table 5 CFA Test for Interest Rates, there is no factor loading <0.7, socan be analyzed further.

Table 6. Exogenous CFA Test Results
(Service Quality, Promotions and Interest Rates)

	Construct	*Loading factors* (> 0.7)	*Composite Reliability (> 0.7)*	AVE	√AVE	Information
	Responsiveness					
Service Quality(X1)	KL01	0.905	0.931	0.670	0.819	Valid & Reliable
	KL02	0.883				Valid & Reliable
	KL03	0.903				Valid & Reliable
	Reliability					
	KL04	0.926				Valid & Reliable
	KL05	0.926				Valid & Reliable
	KL06	0.769				Valid & Reliable
	Assurance					
	KL07	0.890				Valid & Reliable
	KL08	0.859				Valid & Reliable
	Advertising					
Promotion (X2)	P01	0.905	0.946	0.695	0.834	Valid & Reliable
	P02	0.886				Valid & Reliable
	P03	0.900				Valid & Reliable
	Personal Selling					
	P04	0.878				Valid & Reliable
	P05	0.858				Valid & Reliable
	P06	0.889				Valid & Reliable
	Sales Promotion					
	P07	0.811				Valid & Reliable
	P08	0.928				Valid & Reliable
	P09	0.931				Valid & Reliable
Interest Rate (X3)	Funding Requirements		0.953	720	0849	
	TSB01	0.845				Valid & Reliable
	TSB02	0.930				Valid & Reliable
	TSB03	0.901				Valid & Reliable
	Inflation					
	TSB04	0.878				Valid & Reliable
	TSB05	0.831				Valid & Reliable
	TSB06	0.830				Valid & Reliable
	Competition					
	TSB07	0.894				Valid & Reliable
	TSB08	0.933				Valid & Reliable
	TSB09	0.866				Valid & Reliable

Source: Processed Primary Data, 2024.

Based on Table 6 of the exogenous CFA test, there is no factor loading value <0.7. HThe results of reliability calculations using Composite Reliability on exogenous show that all indicators on Service Quality, Promotion and Interest Rates in the full model have good reliability so they are valid and can be analyzed further.

b. Confirmatory Factor Analysis (CFA) of Endogenous Constructs

Model measurements (*measurement model)* To assess the validity and reliability of the indicators comprising the latent construct, confirmatory factor analysis (CFA) was carried out in the Endogenous CFA Model (Decision to Choose Consumer Credit).

Table 7. CFA Test on Decisions to Choose Consumer Credit

Construct	*Loading factor* (≥0.7)	Information
Need		
KK01	0.912	Valid

Construct	*Loading factor* (≥0.7)	Information
KK02	0.833	Valid
KK03	0.758	Valid
Ability		
KK04	0.921	Valid
KK05	0.920	Valid
KK06	0.780	Valid
Cost		
KK07	0.957	Valid
KK08	0.945	Valid
KK09	0.874	Valid

Source: Processed Primary Data, 2024.

Based on Table 7 CFA-2 Test for Decisions on Choosing Consumer Credit, there is no factor loading <0.7, socan be analyzed further.

Table 8. Endogenous CFA Test Results (Age and Decision to Choose Consumer Credit)

	Construct	*Loading factors* (> 0.7)	*Composite Reliability (> 0.7)*	AVE	√AVE	Information
Decision to Choose Consumer Credit	Need					
	KK01	0.912	0.937	0.661	0.813	Valid & Reliable
	KK02	0.833				Valid & Reliable
	KK03	0.758				Valid & Reliable
	Ability					
	KK04	0.921				Valid & Reliable
	KK05	0.920				Valid & Reliable
	KK06	0.780				Valid & Reliable
	Cost					
	KK07	0.957				Valid & Reliable
	KK08	0.945				Valid & Reliable
	KK09	0.874				Valid & Reliable

Source: Processed Primary Data, 2024.

Based on Table 8 Endogenous CFA Test, there is no factor loading value <0.7. HThe results of the reliability calculation using Endogenous Composite Reliability also show that all indicators in the Decision to Choose Consumer Credit have good reliability so they are valid and can be analyzed further.

Model Testing

Structural model testing involved examining the R-square value. R-square and adjusted R-square were utilized to determine the percentage of variance in the endogenous variable that can be elucidated by the exogenous variables. The R-square values are presented in Table 9 below:

1. The Value of Kindness and CompatibilityModel (Goodness of Fit)

Table 9. *Goodness of Fit)*

	Saturated Model	Estimated Model
SRMR	0.068	0.068

Source: Processed Primary Data, 2024.

The model's goodness-of-fit can be evaluated using the SRMR value, which measures the disparity between the data correlation matrix and the model estimate correlation matrix. SRMR values below 0.08 indicate a well-fitting model.

2. R-Square Test

Table 10. R-Square Test Results

Endogenous/ Dependent	R Square
Decision to Choose Consumer Credit	0.945

Source: Processed Primary Data, 2024

Table 10 shows that the R Square value for Performance is 0.945, which shows that Service Quality (X1), Promotion (X2) and Interest Rates (X3) simultaneously influence the Decision to Choose Consumer Credit (Y) by 94.50%. Meanwhile, the remaining 5.5% was influenced by other factors that were not researched.

3. Percentage Value and Level of Inter-influence

The level of inter-influence can be seen from the F Square value. If the F Square value exceeds 0.35, the influence level is deemed large. A value falling between 0.15 and 0.35 indicates a medium level of influence. For values ranging from 0.02 to 0.15, the influence level is considered small. F Square values below 0.02 can be disregarded as they are deemed to have no influence.

Table 11. *F-Square*

	f-square	Information
Service Quality	0.346	Great Influence Level
Promotion	0.007	The degree of influence is small
Interest Rates	0.334	Great Influence Level
Age	0.024	The degree of influence is small
Age x Interest Rate	0.001	No influence
Age x Promotion	0.075	The degree of influence is small
Age x Quality of Service	0.063	The degree of influence is small

Source: Results of Research Data Processing (2024)

4. Predicted Relevance Value

The predictive capacity of a model can be assessed through the Q Square value. A Q Square value greater than 0 indicates a relevant level of prediction, while a Q Square value less than 0 suggests a lack of predictive relevance.

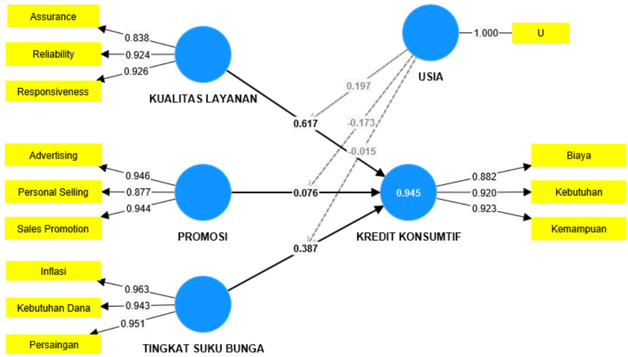
Table 12. *Q-Square*

	SSO	SSE	Q^2 (=1-SSE/SSO)	Information
Consumer Credit	966,000	367,621	0.619	Relevant Prediction Level
Service Quality	966,000	401,775	0.584	Relevant Prediction Level
Promotion	966,000	320.216	0.669	Relevant Prediction Level
Interest Rates	966,000	226,368	0.766	Relevant Prediction Level
Age	322,000	0,000	1,000	Relevant Prediction Level

Source: Results of Research Data Processing (2024)

Structural Model Measurement

Model fit will be evaluated using the Partial Least Squares (PLS) method and supported by SmartPLS-4 software. The PLS method is selected due to its ability to address issues in highly intricate relationships, even with relatively small sample sizes, and its non-parametric assumptions, meaning that the data is not required to adhere to a specific distribution.



Source: Results of Research Data Processing (2024).

Figure 1. *Stages*II- PLS-SEM(Dimension)

According to the data processing results using SmartPLS-4 as illustrated in Figure 4.2, all indicators in each aspect of this study exceed the required threshold, which is above 0.7, confirming their validity. The significance of the direct influence in the structural model can be assessed based on the P-value provided in the Path Coefficient table. The significance of the direct influence between exogenous and endogenous variables is illustrated in Table 4.18 below.

Table 13. Direct Influence

	Original Sample (O)	P Values
Service Quality -> Consumer Credit	0.617	0,000
Promotion -> Consumer Credit	0.076	0.326
Interest Rates -> Consumer Credit	0.387	0,000

Source: Results of Research Data Processing (2024).

*Path coefficient*shown in Table 13, you can see the values for the original sample.shows that Service quality positively influences PT BPR Baturaja (Perseroda) Customer Interest Rates of 0.714. Promotions have a positive effect on PT BPR Baturaja (Perseroda) Customer Interest Rates of 0.076. Interest rates have a positive effect of 0.387 on the decision to opt for consumer credit. The importance of the indirect impact between exogenous and endogenous variables is evident in Table 14:

Table 14. Moderating Influence

	Original Sample (O)	P Values
Age x Quality of Service -> Consumer Credit	0.197	0.003
Age x Promotion -> Consumer Credit	-0.173	0,000
Age x Interest Rate -> Consumer Credit	-0.015	0.612

Based on Table 14, it shows Moderation between age and Service quality significantly enhances consumer credit by 0.197. This shows that the influence of service quality on consumer credit is influenced by the customer's age. The older the customer, the greater the positive impact. Moderation between age and promotion has a significant negative impact on consumer credit of -0.173. This shows that the influence of promotions on consumer credit is also influenced by customer age, but the impact is negative. This means that the older the customer, the smaller the impact of promotions on consumer credit. Moderation between age and interest rates is not significant for consumer credit. This shows that the effect of interest rates on consumer credit is not significantly influenced by customer age. Below are the outcomes of hypothesis testing values derived from the structural model that has been processed using Smart PLS:

Table 15. Hypothesis Table

	Effect	P Values	Information	Hypothesis Results
Service Quality -> Consumer Credit	0.617	0,000	Significant	H1: Accepted
Promotion -> Consumer Credit	0.076	0.326	Not significant	H2: Rejected
Interest Rates -> Consumer Credit	0.387	0,000	Significant	H3: Accepted
Age x Quality of Service -> Consumer Credit	0.197	0.003	Significant	H4: Accepted
Age x Promotion -> Consumer Credit	-0.173	0,000	Significant	H5: Rejected
Age x Interest Rate -> Consumer Credit	-0.015	0.612	Not significant	H6: Rejected

Discussion

The Influence of Service Quality on the Decision to Choose Consumer Credit

The influence of service quality on the decision to choose consumer credit is significant, indicated by a coefficient of 0.617 and a p-value of 0.000, leading to the acceptance of Hypothesis 1. This underscores the considerable significance of service quality in influencing the decision-making process regarding consumer credit,(Lapuente & Van de Walle, 2020; Uzir et al., 2021). High service quality can increase customer trust and satisfaction with the financial institution. Customers who feel well treated, heard and supported by financial institutions tend to be more satisfied and confident in the services provided,(Pakurár et al., 2019; Zarei et al., 2020). Service quality covers various aspects, such as ease of application process, responsiveness to customer needs, opportunity to obtain clear information, and overall level of satisfaction with interactions that occur between customers and financial institutions,(Afthanorhan et al., 2019; Choi et al., 2020). This can make you feel comfortable taking further steps in using the consumer credit services offered.

Consistent and positive service quality can also form long-term relationships between customers and financial institutions, because customers feel that their needs are being cared for and fulfilled properly,(Giorgio et al., 2020; Khawaja & Khalid, 2022). Apart from that, good service quality can also improve customer perceptions of the reputation and integrity of financial institutions,(Dam & Dam, 2021; Rita et al., 2019). Customers will tend to choose consumer credit at institutions that are considered reliable and provide quality services,(Y. Li & Shang, 2020; Wirapraja et al., 2021). Conversely, low service quality can result in customer dissatisfaction. Customers may look for other alternatives or even avoid using consumer credit services from institutions that provide a bad experience,(Afthanorhan et al., 2019; Choi et al., 2020). This can reduce customer loyalty and potentially damage the financial institution's reputation in the eyes of the public.

The Effect of Promotion on the Decision to Choose Consumer Credit

There's an insignificant direct impact between promotion and consumer credit provision with a significance level of 0.326. This shows that promotions have no direct effect on consumers' decisions to use consumer credit. Hypothesis 2, rejected. On researchCorrea & Girón, (2019) and Wonn, (2019)states that the influence of promotions on the decision to choose consumer credit has a significant impact on the marketing strategy of financial institutions. Through effective promotions, financial institutions can increase awareness of prospective customers about the credit products offered. Promotions can also influence the emotions of prospective customers, stimulate the desire to own or feel benefited,(Jarrow, 2019; Z. Liu et al., 2021). Promotional incentives such as low interest or lower administration fees can stimulate potential customers to make a decision to take out consumer credit. Apart from that, promotions can also trigger potential customers to compare offers from several financial institutions, which encourages information search activities before making a decision.(Giorgio et al., 2020; Khawaja & Khalid, 2022). With successful promotions, potential customers can reconsider their decision to take out consumer credit, especially when there are special offers that are limited in time. Therefore, promotions have an important role in attracting the interest of potential customers, increasing consumer credit sales, and expanding the market share of financial institutions.

The Influence of Interest Rates on the Decision to Choose Consumer Credit

There is a significant direct influence between interest rates and consumer credit. Hypothesis 3, it is accepted that customers consider the interest rate in the decision to take consumer credit because it will affect the loan costs that must be paid,(Abadi et al., 2023; Hoffmann et al., 2019). The influence of interest rates on the decision to choose consumer credit is very significant in a financial context. The interest rate is a fee charged to customers by financial institutions for the use of funds in the form of credit,(Alper et al., 2020; Kiley, 2020). Higher interest rates will result in higher borrowing costs, making monthly installments more expensive and potentially affecting customers' ability to repay loans on time.(Jarrow, 2019; T. Liu & Lee, 2022).

On the other hand, lower interest rates can make loans more affordable and increase customer interest in using consumer credit,(Correa & Girón, 2019; Wonn, 2019). In addition, changes in interest rates can influence the dynamics of the consumer credit market as a whole, because they can act as a stimulus or obstacle to consumption and investment. Therefore, interest rates are an important factor considered by prospective customers when deciding to take out consumer credit, and changes in interest rates can have a significant impact on decisions,(Hou et al., 2021; L. Liu & Zhang, 2021).

Age moderated the effectQuality of serviceon the decision to choose consumer credit

A significant moderating influence exists between age and service quality on consumer credit, with a coefficient of 0.197 and a p-value of 0.003, age serves as a quasi-moderator, implying that it does not change the direction of the relationship between the independent and dependent variables. Furthermore, service quality significantly influences the decision to choose consumer credit, as evidenced by a coefficient of 0.617 and a p-value of 0.000, but only strengthens or weakens the relationship. Hypothesis 4, accepted.

Satisfactory service can increase customer satisfaction, build trust, and reduce risk perceptions, encouraging the choice of credit products,(O. Pappas et al., 2014). The influence of service quality on the decision to choose consumer credit can be modified by age as a moderating variable,(Cuesta & Sepúlveda, 2021; Nathe, 2021). For younger individuals who may not have much experience with credit, quality of service can play a more important role in building trust and convincing to take out credit,(Agarwal, Pan, et al., 2020; L. Liu & Zhang, 2021). Easy-to-use, fast and informative services may appeal to. On the other hand, for older, more experienced individuals, the quality of service may not be as important as other factors such as interest rates and credit terms,(Gao et al., 2023; Keys & Wang, 2019).

Age moderates the influence of promotions on the decision to choose consumer credit

There exists a noteworthy moderating effect between age and promotion on consumer credit, marked by a coefficient of -0.173 and a p-value of 0.000. However, there is no significant direct impact observed between promotion and consumer credit at the significance level of 0.326. This shows that promotions have no direct effect on consumers' decisions to use consumer credit. The age variable acts as a Moderating Predictor, meaning that the moderating variable (Age) is related to the criterion variable (Consumptive Credit) and/or the predictor (Promotion), but does not interact with the predictor variable (Promotion) so that the variable is only an intervening, exogenous, variable. antecedent or predictor. Hypothesis 5, rejected

Promotion is an important factor in influencing an individual's decision to choose consumer credit. An effective promotional strategy can increase awareness of the product, attract customer interest, and encourage them to take out credit,(Eberhardt et al., 2019; Luong & Scheule, 2022). For young individuals, interesting and creative promotions through social media and popular influencers can attract attention and encourage consideration of credit,(Gong et al., 2023; Jiang et al., 2021). On the other hand, for older individuals, promotions that focus on clear and credible information through seminars or financial education may be more effective in attracting interest,(Fong et al., 2021; Peng, 2019).

Financial companies need to understand the differences in consumer preferences and behavior across different ages,(Cuesta & Sepúlveda, 2021; Nathe, 2021). By developing promotional strategies that are targeted and in line with customer preferences, financial companies can increase promotional effectiveness, reach a wider audience, and encourage decisions to choose credit products,(Agarwal, Pan, et al., 2020; L. Liu & Zhang, 2021).

Age moderates the influence of interest rates on the decision to choose consumer credit

There is no significant moderating effect between age and interest rates on consumer credit, amounting to -0.015 and a P-value of 0.612. And there is a significant direct influence p-value of 0.000 between interest rates and consumer credit. The age variable acts as a Pure Moderator, meaning that the moderating variable (Age) is not related to the criterion variable (Consumptive Credit) and/or the predictor (Interest Rate), but interacts with the predictor variable (Interest Rate), so that the variable is only a pure moderator variable. Hypothesis 6, rejected The interest rate is an important factor that influences an individual's decision to choose consumer credit,(Abadi et al., 2023; Hoffmann et al., 2019). Lower interest rates can make credit more attractive and affordable, encouraging individuals to take it up,(Alper et al., 2020; Kiley, 2020). For young individuals, lower interest rates can play a crucial role in determining whether to take out credit or not, especially for those with lower incomes and just starting out in their careers, (Agarwal, Pan, et al., 2020; L. Liu & Zhang, 2021). Competitive interest rates and loyalty programs can attract these young individuals,(Gao et al., 2023; Keys & Wang, 2019).

On the other hand, for older individuals with stable incomes and larger savings, interest rates may not be as important as other factors such as credit terms and repayment flexibility,(Cuesta & Sepúlveda, 2021; Nathe, 2021). Credit products with fixed interest rates and flexible payment options may attract the interest of these older individuals,(Gao et al., 2023; Keys & Wang, 2019). Financial companies need to understand the differences in consumer needs and preferences at various ages,(Kim et al., 2020; Shi et al., 2022). By offering credit products with competitive, flexible interest rates and programs that suit needs, financial companies can increase opportunities to attract customers of various ages and encourage them to choose credit products,(Hou et al., 2021; L. Liu & Zhang, 2021).

CONCLUSION

From the research results described in the previous chapter, there are several conclusions as follows: Service quality exerts a positive and statistically significant influence on the decision to select consumer credit at PT BPR Baturaja (Perseroda). On the other hand, promotion exhibits a positive but statistically inconsequential impact on the decision to opt for consumer credit at PT BPR Baturaja (Perseroda). The interest rate has a positive and significant effect on the decision to choose consumer credit at PT BPR Baturaja (Perseroda). The age variable acts as a Quasi Moderator (Quasi Moderation) on the influence of service quality on the decision to choose consumer credit at PT BPR Baturaja (Perseroda). The age variable acts as a Moderation Predictor on the influence of promotions on the decision to choose consumer credit at PT BPR Baturaja (Perseroda). The age variable acts as a Pure Moderator on the influence of interest rates on the decision to choose PT BPR Baturaja (Perseroda) consumer credit. According to the research findings, it is suggested to conduct a comparison of consumer perceptions and preferences concerning the factors influencing the decision to select consumer credit at PT BPR Baturaja. Research can consider how economic and financial factors, such as income, financial dependents, and investment experience, influence the decision to choose consumer credit based on age. With the development of financial technology (fintech), research can observe how consumers of various age ranges use and choose traditional consumer credit services offered by BPR Baturaja compared to fintech services.

REFERENCES

Abadi, J., Brunnermeier, M., & Koby, Y. (2023). The reversal interest rate. *American Economic Review*, *113*(8), 2084–2120.

Abaidoo, R., & Agyapong, E. K. (2023). Inflation uncertainty, macroeconomic instability and the efficiency of financial institutions. *Journal of Economics and Development*, *25*(2), 134–152.

Adesti, B. A., & Aravik, H. (2023). Analisis Faktor-Faktor Yang Memengaruhi Perilaku Konsumen Dalam Menggunakan Jasa Leasing Dalam Perspektif Ekonomi Islam Pada PT. FIF Group Cabang Bukit Palembang. *Jurnal Bisnis Dan Manajemen (JURBISMAN)*, *1*(1), 37–62.

Afthanorhan, A., Awang, Z., Rashid, N., Foziah, H., & Ghazali, P. (2019). Assessing the effects of service quality on customer satisfaction. *Management Science Letters*, *9*(1), 13–24.

Agarwal, S., Pan, J., & Qian, W. (2020). Age of decision: Pension savings withdrawal and consumption and debt response. *Management Science*, *66*(1), 43–69.

Agarwal, S., Qian, W., Seru, A., & Zhang, J. (2020). Disguised corruption: Evidence from consumer credit in China. *Journal of Financial Economics*, *137*(2), 430–450.

Agatha, R. C., & Priana, W. (2020). Analisis Pengaruh Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), Loan To Deposit Ratio (LDR), Dan Suku Bunga Kredit Konsumsi Terhadap Penyaluran Kredit Pemilikan Rumah (KPR) Bank BTN. *OECONOMICUS Journal of Economics*, *4*(2), 89–103.

Aguirre, A. (2020). The Credit Promotion to the Business Groups in Chilean Import Substitution Industrialization (1939-1970). *América Latina En La Historia Económica*, *27*(3).

Alper, E., Clements, B., Hobdari, N., & Moya Porcel, R. (2020). Do interest rate controls work? Evidence from Kenya. *Review of Development Economics*, *24*(3), 910–926.

Alzoubi, H. M., Vij, M., Vij, A., & Hanaysha, J. R. (2021). What leads guests to satisfaction and loyalty in UAE five-star hotels? AHP analysis to service quality dimensions. *Enlightening Tourism. A Pathmaking Journal*, *11*(1), 102–135.

Amelia, V. H. I. (2021). *Faktor-Faktor Yang Mempengaruhi Penggunaan Fitur Spaylater Pada Aplikasi Shopee Dan Pengaruhnya Terhadap Perilaku Konsumtif*.

Amirullah, M., & Devi, A. (2020). Analisis Respon Kredit Dan Pembiayaan Industri Perbankan Di Indonesia. *MALIA: Journal of Islamic Banking and Finance*, *4*(2), 105–117.

Anggraeni, T. R. W. (2023). Analisis Faktor-Faktor Yang Mempengaruhi Keputusan Konsumen Dalam Mengambil FIF group Cabang Surabaya. *Jurnal Ilmu Administrasi Bisnis*, *12*(1), 410–417.

Anton, M. (2016). *Manajemen Perbankan*. CV Pustaka Setia.

Apriliyani, E., & Taufiq, M. (2022). Analisis Pengaruh Penyaluran Kredit Produktif Dan Kredit Non Produktif Terhadap Pertumbuhan Ekonomi Indonesia. *ULIL ALBAB: Jurnal Ilmiah Multidisiplin*, *1*(6), 1542–1552.

Argyle, B., Nadauld, T., & Palmer, C. (2023). Real effects of search frictions in consumer credit markets. *The Review of Financial Studies*, *36*(7), 2685–2720.

Arianti, R. N., & Abdullah, M. F. (2021). Analisis Pengaruh Suku Bunga, Inflasi dan Pdb Terhadap Jumlah Permintaan Kredit Perbankan di Indonesia Tahun 2009-2019. *Jurnal Ilmu Ekonomi*, *5*(1), 103–117.

Arifudin, O., Sofyan, Y., Tanjung, R., & Rusmana, F. D. (2021). Pengaruh Kelas Sosial, Pengalaman dan Gaya Hidup terhadap Perilaku Penggunaan Kartu Kredit. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, *5*(1), 286–298.

Asyahri, Y. (2022). Korelasi Promosi Terhadap Keputusan Nasabah dalam Memilih Pembiayaan Kredit Perumahan Rakyat (KPR) Bersubsidi. *Qonun Iqtishad EL Madani Journal*, *1*(2).

Battiston, S., Dafermos, Y., & Monasterolo, I. (2021). Climate risks and financial stability. In *Journal of Financial Stability* (Vol. 54, p. 100867). Elsevier.

Baziki, S., Kılıç, Y., & Yilmaz, M. H. (2020). Consumer Loan Rate Dispersion and the Role of Competition: Evidence from the Turkish Banking Sector. *Available at SSRN 3756276*.

Boonlertvanich, K. (2019). Service quality, satisfaction, trust, and loyalty: the moderating role of main-bank and wealth status. *International Journal of Bank Marketing*, *37*(1), 278–302.

Brigham, E F, Ehrhardt, M. C., & Fox, R. (2019). *Financial Management: Theory and Practice*. Cengage Learning. https://books.google.co.id/books?id=aofxvQEACAAJ

Brigham, Eugene F., & Weston, J. F. (2012). *Dasar-dasar Manajemen Keuangan*. Salemba Empat.

Brychko, M., Bilan, Y., Lyeonov, S., & Mentel, G. (2021). Trust crisis in the financial sector and macroeconomic stability: A structural equation modelling approach. *Economic Research-Ekonomska Istraživanja*, *34*(1), 828–855.

Budianto, E. W. H. (2023). Pemetaan Penelitian Seputar Risiko Kredit pada Perbankan Syariah dan Konvensional: Studi Bibliometrik VOSviewer dan Literature Review. *BANCO: Jurnal Manajemen Dan Perbankan Syariah*, *5*(1), 20–34.

Caksana, R. A., & Wulandari, D. (2021). Faktor yang mempengaruhi keputusan pengambilan kredit konsumtif pada aparatur sipil negara Kecamatan Lumajang. *Jurnal Ekonomi, Bisnis Dan Pendidikan (JEBP)*, *1*(9), 889–905.

Chen, Z., Mirza, N., Huang, L., & Umar, M. (2022). Green banking—can financial institutions support green recovery? *Economic Analysis and Policy*, *75*, 389–395.

Choi, Y., Choi, M., Oh, M., & Kim, S. (2020). Service robots in hotels: understanding the service quality perceptions of human-robot interaction. *Journal of Hospitality Marketing & Management*, *29*(6), 613–635.

Correa, E., & Girón, A. (2019). Financial inclusion and financialization: Latin American main trends after the great crisis. *Journal of Economic Issues*, *53*(2), 496–501.

Dam, S. M., & Dam, T. C. (2021). Relationships between service quality, brand image, customer satisfaction, and customer loyalty. *The Journal of Asian Finance, Economics and Business*, *8*(3), 585–593.