

ONLINE LOANS AND ONLINE GAMBLING IN THE CONSUMERIST REALITY OF GENERATION Z: A MIXED-METHODS PERCEPTION STUDY

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Abstract

The increasingly entrenched consumerist lifestyle among Generation Z has led to the emergence of various risky financial behaviors, such as the use of online loans and engagement in online gambling. This study aims to explore the interrelationship between consumerist behavior, the use of online loans, and the tendency to participate in online gambling among university students. A mixed-methods approach was employed, combining a quantitative survey of 61 respondents with in-depth interviews involving selected informants. The findings reveal that consumerist behavior has a significant influence on both the use of online loans and the tendency to engage in online gambling. Furthermore, the use of online loans was also found to contribute to deeper involvement in online gambling practices. These results highlight that easy access to digital financial services, if not accompanied by adequate financial literacy, can exacerbate the negative effects of consumerist lifestyles. This study is expected to serve as an initial foundation for developing more inclusive financial literacy strategies and consumer protection policies, particularly for younger generations growing up within the digital economy ecosystem.

Keywords: consumerist behavior, online loans, online gambling, Generation Z, digital financial literacy

INTRODUCTION

Consumption is an activity carried out by individuals to fulfill their needs and obtain satisfaction from goods and services. When a person's income increases, they tend to increase their consumption transactions to meet their needs. In other words, higher income correlates with higher expenditures. The level of consumption can be influenced by several factors, including family size, education level, preferences, income, and savings. Based on data from the Central Bureau of Statistics (2024), the distribution of household expenditure in Banyumas Regency shows that 47.39% of the population falls into the top 20% high-income group, 33.97% belongs to the middle 40% income group, and only 18.65% is classified as part of the bottom 40% low-income group.

Today, consumption activities are not only driven by basic needs but also by desires aimed at obtaining mere satisfaction (Puspitasari & Indrarini, 2021). One of the key factors contributing to the growth of consumerist behavior is increasing income, which leads individuals to spend more on non-essential goods such as luxury items. Consumerism reflects an excessive and luxurious lifestyle (Zahra & Anoraga, 2021). This culture has become increasingly embedded in Indonesian society, exacerbated by rising prices of basic necessities, higher inflation, and the influence of modern lifestyles. Consequently, many individuals are driven to seek instant income, one form of which is gambling (Febrianti et al., 2023).

Gambling refers to the act of deliberately wagering something of value on an uncertain event, such as a game, competition, or race, with full awareness of the associated risks and expectations. The uncertainty of outcomes often triggers psychological tension that varies among individuals

(Siringoringo et al., 2024). The rapid advancement of technology has shifted traditional gambling into a digital form, commonly known as online gambling, accessible through smartphones, laptops, and other electronic devices.

Asriadi (2021) states that online gambling in Indonesia has increased in line with the growing ease of internet access via computers, notebooks, and gadgets. Its flexible nature allows anyone to play, anywhere and anytime. This phenomenon highlights how digital access can lead to negative consequences if not well-managed by users. Online gambling can have psychological, economic, and social impacts, and as addiction grows, so do the long-term risks.

The mass media frequently report that criminal acts are often motivated by the desire to fund online gambling habits, driving individuals to commit fraud, theft, robbery, or even murder. Such dependence also leads many to turn to online loans as a means to finance their gambling activities. Online loans are financial transactions conducted digitally, offering fast approval and minimal requirements. These services are especially appealing to low-income communities in urgent need of funds.

However, the prevalence of illegal online lending platforms that are not registered with the Financial Services Authority (OJK) poses serious problems, including extremely high interest rates, misuse of personal data, and aggressive debt collection practices. Youths and low-income individuals are particularly vulnerable due to low financial and digital literacy. These illegal lenders often engage in predatory lending, persistently offering attractive deals that trap borrowers in cycles of continuous debt.

This study aims to analyze the relationship between consumerist behavior, the use of online loans, and the tendency to engage in online gambling, particularly among low-income communities. The research is expected to contribute theoretically by enriching the literature on digital consumption behavior and technology-based lending, and practically by providing insights for policymakers in designing inclusive financial literacy and regulation. The novelty of this study lies in its integration of three interrelated contemporary issues—consumerism, online lending, and digital gambling—within the socioeconomic context of lower-income society in the digital era.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Online Loans and Consumerist Behavior

Online loans are digital financial services that allow individuals to borrow money through applications or online platforms without the complex procedures typically required by conventional banks. These services have become increasingly popular due to their fast processing, easy requirements, and flexible access at any time and from any place. One form of online lending is peer-to-peer (P2P) lending, which is defined by the Financial Services Authority (OJK) as an information technology-based money lending and borrowing service that connects lenders and borrowers through an electronic system (OJK, 2020).

Despite their convenience, many users overlook the risks, such as high interest rates and prolonged debt cycles. Wahyuni and Turisno (2019) argue that interest rates in online lending are often higher than those of conventional banks. According to OJK (2023), as of March 9th, there are 101 officially licensed fintech P2P lending platforms operating in Indonesia.

Such convenience often triggers unhealthy consumerist behavior. Amiroh and Laili (2023) state that consumerism arises when individuals make purchases driven not by needs but by emotional desires or temporary satisfaction. As a result, students tend to spend on non-essential items such as clothing and entertainment, which may lead to financial strain. In this context, online loans are frequently seen as a quick solution, despite their potentially high risk if not managed wisely.

Online Gambling and Youth Risk

Gambling is defined as a game that involves wagering money or goods with the hope of gaining a larger return. In the digital era, online gambling has become widespread due to its accessibility,

anonymity, and wide variety of game types such as lotteries, slots, casinos, fish shooting games, and sports betting. According to the Financial Transaction Reports and Analysis Center (PPATK), as cited by the Ministry of Women Empowerment and Child Protection, online gambling is not only common among adults but also among youth. The data show that 2% of users are children aged over 10, 11% are aged 11–20, 13% are under 30, 40% are aged 30–50, and 34% are over 50.

University students, as part of the productive-age population, are also at risk of engaging in online gambling. A lack of self-control in the face of technological advancement, combined with social pressure and misperceptions about the probability of winning, often becomes a driving factor (Febrianti et al., 2023). Like online loans, online gambling offers a sense of instant reward, which can lead to addictive behavior and significant socio-economic consequences.

The Link Between Online Loans, Online Gambling, and Consumerism

Online loans and online gambling are closely linked to consumerist behavior. Both offer instant access to fulfill non-essential desires, often without proper financial planning. Individuals with strong consumerist tendencies are more likely to be tempted by online loans as a quick financial solution and by online gambling as a way to gain instant profit. Addiction to these platforms is often driven by low self-control and limited digital and financial literacy.

Hypothesis Formulation

Based on the theoretical framework and previous findings, the hypotheses proposed in this study are as follows:

H1: Consumerist behavior has a significant positive effect on the use of online loans among university students.

H2: Consumerist behavior has a significant positive effect on the tendency to engage in online gambling among university students.

H3: The use of online loans has a significant positive effect on the tendency to engage in online gambling among university students.

RESEARCH METHODS

This study employs a mixed methods approach, combining quantitative and qualitative methods to obtain more comprehensive results. This approach was chosen to explore the statistical relationships between variables while also gaining an in-depth understanding of the perceptions and experiences of the research subjects.

Research Design

The quantitative research was conducted using a survey method with questionnaires distributed via Google Forms, while the qualitative approach involved semi-structured interviews with selected respondents. This design aims to examine the influence of consumptive behavior on the use of online loans and involvement in online gambling practices among university students.

Population and Sample

The population in this study consists of active university students belonging to Generation Z (born between 1997 and 2012) at several universities in Purwokerto. Purposive sampling was used with the following criteria: (1) active students, (2) have used or are currently using online loans, and/or (3) have knowledge of or have been exposed to online gambling. The quantitative sample consisted of 61 respondents, while 5–7 key informants were selected for the qualitative approach.

Data Collection Techniques

Quantitative data were collected through the distribution of online questionnaires based on qualitative ordinal scales. Qualitative data were gathered via online and/or face-to-face interviews, guided by interview protocols developed from the research variable indicators.

Research Instruments

The quantitative instrument consisted of a questionnaire covering three main variables: consumptive behavior, use of online loans, and involvement in online gambling. For the qualitative interviews, an open-ended interview guide was used, tailored to the background and experiences of the informants.

Data Analysis Techniques

Quantitative data were analyzed manually using classical assumption normality tests without the aid of statistical software such as SPSS. Meanwhile, qualitative data were analyzed using thematic analysis, identifying relevant patterns from the interview findings to strengthen the interpretation of the quantitative data.

RESULTS AND DISCUSSION

Quantitative Analysis Results

Multiple linear regression analysis was used to examine the effect of consumerist behavior on the use of online loans and engagement in online gambling among Generation Z university students. Data collected from 61 respondents revealed that:

- **Consumerist behavior significantly affects the use of online loans**, indicating that the higher an individual's consumerism level, the more likely they are to use online lending services.
 - **Consumerist behavior also significantly affects the tendency to engage in online gambling.**
 - **The use of online loans significantly influences the tendency to engage in online gambling.**
- These results indicate that all proposed hypotheses (H1, H2, and H3) are supported.

Qualitative Analysis Results

Interviews with six key informants revealed strong emotional and social drivers behind consumer decision-making. Informants stated that purchasing non-essential items, such as branded clothing or digital entertainment subscriptions, was often influenced by peer pressure, social media exposure, and the desire to "keep up with trends."

Some informants admitted to having used online loans as a quick solution when their financial resources were insufficient—particularly to support consumptive needs.

Discussion

The quantitative and qualitative findings indicate that consumerist behavior among Generation Z has serious implications for risky financial decision-making, such as the use of online loans and involvement in online gambling. These findings are consistent with the study by Amiroh and Laili (2023), which suggests that consumerism drives impulsive purchases without long-term financial planning.

The use of online loans as an escape from consumptive pressures reinforces Wahyuni and Turisno's (2019) findings that digital loans may offer quick solutions but pose high risks when not accompanied by adequate financial literacy. Meanwhile, student engagement in online gambling highlights the urgent need for stronger self-control and digital education, as also emphasized by Febrianti et al. (2023).

In the context of digitally native Generation Z, consumerist tendencies not only affect individual economic conditions but also create opportunities for technology misuse, which can lead to addiction and broader social harm.

CONCLUSION

This study reveals that consumerist behavior has a significant influence on the use of online loans and engagement in online gambling among Generation Z university students. The findings show that the more consumerist an individual is, the more likely they are to use online lending services and participate in online gambling. Moreover, the use of online loans was also found to significantly influence the tendency to engage in online gambling. These results indicate a strong connection between excessive consumption patterns, access to digital lending, and risky financial behaviors such as online gambling.

The implication of this study highlights the urgent need to improve financial and digital literacy among students so they can manage their personal finances wisely and avoid the traps of illegal lending and gambling addiction. The findings may also serve as valuable input for policymakers and educational institutions in designing educational programs and regulatory frameworks aimed at preventing excessive consumerism and the misuse of financial technology.

This study has several limitations, including a relatively small number of respondents and a limited geographic scope. Therefore, future research is recommended to involve a larger and more diverse sample and cover a broader demographic area to obtain more representative results. Additionally, future studies may explore the psychological and social aspects that influence students' engagement in consumerist behavior, use of online loans, and online gambling.

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