Vol. 9, No. 4, 2023, pp. 471-482
DOI: https://doi.org/10.29210/0202313113

Contents lists available at Journal IICET

JPPI (Jurnal Penelitian Pendidikan Indonesia)
ISSN: 2502-8103 (Print) ISSN: 2477-8524 (Electronic)

Journal homepage: https://jurnal.iicet.org/index.php/jppi

Loan interest rates, credit guarantees, and lifestyle on credit making decisions at financing companies

Hendri Herman[1*)], Vargo Christian L. Tobing[2], Andi Hidayatul Fadlilah[3], Syahrial Shaddiq[4], Muhammad Bahit[4]
[1]Universitas Ibnu Sina (UIS), Batam, Indonesia
[2]Universitas Putera Batam (UPB), Batam, Indonesia
[3]Universitas Lambung Mangkurat (ULM), Banjarmasin, Indonesia
[4]Politeknik Negeri Banjarmasin (POLIBAN), Banjarmasin, Indonesia

Article Info

Article history:

Received Jul 26th, 2022
Revised Aug 26th, 2023
Accepted Des 05th, 2023

Keyword:

Credit decision,
Credit interest rate,
Credit guarantee,
Llifestyle

ABSTRACT

Loan interest rates play a pivotal role in the borrowing and lending process. They impact the affordability of loans for borrowers, the profitability and risk management for lenders, and are influenced by economic conditions and regulations. Before taking out any loan, it's important to carefully consider the interest rate and its implications for financial situation.This research aims to look at the effect of credit interest rates and credit guarantees on credit-making decisions on financing companies in Batam. This research is a quantitative descriptive study with the distribution of questionnaires to respondents who apply for credit at finance companies at random with a total of 96 responden. From the results of the study, it was obtained that credit rates have a significant effect on credit decision-making, credit guarantees have a significant effect on credit decisions, lifestyle has an insignificant effect on credit-making decisions,and credit interest rates, credit guarantees. and lifestyle simultaneously have a significant effect on credit-making decisions. This research is expected to contribute to the community to be more thorough about the advantages and disadvantages of buying goods on credit. The conclusion is that interest rates and credit guarantees significantly influence credit, and business actors can take even better policies related to interest rates and credit guarantees.

Corresponding Author:

Hendri Herman,
Universitas Ibnu Sina (UIS)
Email: hendrihermanbatam@gmail.com

Introduction

The needs of society are increasing day by day in connection with the increasing development of technology. Humans as social beings who have unlimited satisfaction with the fulfillment of a product or service are competing to have the product of their dreams in order to achieve satisfaction with the ownership of the product. This unlimited human desire is a business land for entrepreneurs to open financing businesses(Soltanifar et al., 2021). Where this financing business is a business entity outside the bank and non-bank financial institutions established to provide loans to customers, for example financing activities for the procurement of goods based on consumer needs with payments made in installments(Sari et al., 2023).

The need for ownership of money has become a necessity for society. This is because all the needs of the community can be obtained using money(Daga et al., 2021). Behind the limitations of fund ownership faced by the community in meeting their daily needs, there are many financial-based companies that provide fast fund credit offers with the terms and conveniences offered(Feyen et al., 2021). The phenomenon that has occurred recently is the number of finance companies that make credit offers through sms, telephone media, even these companies cooperate with electronic stores, household needs to obtain customers(Ardiansyah & Surjanti, 2020).

Provides many benefits, ranging from simplifying transactions, reducing operational costs and capital costs, encouraging the transmission of economic policies, increasing the speed of money turnover so as to improve the community's economy (Shaddiq et al., 2023). The presence of this finance company is also very helpful for the public to have the desired products even with limited finances (Ginting et al., 2023).

Gamaliel et al.(2023)The credit offer offered by this financing company is certainly with conditions that are quite easy to meet so that many customers choose to buy by credit, moreover there are some finance companies that provide credit interest offers of zero percent (0%) for product purchases within a certain credit period(Rizani et al., 2022). Offers like this are increasingly attracting people to buy the desired product(Kamleitner, et al, 2012).

The consumption decision using credit involves several individual variables, such as consumer knowledge, the perception of the duration of the debt, the charges involved in the operation and mental accounting (Achtziger et al, 2015). In addition to the situation in which the subject lives and their personality, the way in which the information is presented also has an influence on this process (Mette et al., 2019).

Attribute an increase in spending on credit with paying for utilitarian products, since individuals perceive the benefit of them lasting longer than hedonic ones(Lee et al., 2019). Therefore, when a decision to purchase on credit that involves a greater commitment to future obligations in analysed, it is assumed that individuals tend to have greater intention to purchase on credit if it is a utilitarian item(Suprapto et al., 2015).In other words, they will commit to future payments that relate to products involving basic and essential needs (Yusri & Yahya, 2023). Individual tend to buy on credit more if the product they acquire is utilitarian rather than hedonic (Mette et al., 2019).

The credit interest rate is a consideration for consumers in choosing a finance company in buying a product on credit. Many finance companies are vying to provide low lending rates to attract consumers(Mette et al., 2019).The potential role of recent interest rates for borrowers refinancing decision has, however, not yet been explored. This aspect is important for policy makers with respect to regulation and consumer protection since it reveals that borrowers commit errors even in simplified financial decision environments(Lukas & Nöth, 2019).

Credit is the provision of money or bills that can be equated with it,based on a loan agreement or agreement between the bank and another party that requires the borrower to pay off his debt after a certain period of time with the provision of interest (Indonesia, 2018).The interest rate is the price that must be paid to borrow a certain amount of money within a certain time and is expressed in percentage terms(Huda et al., 2019). This interest rate is considered as a profit earned by the lender used by the party in need(Huda et al., 2019).

The components in determining credit interest rates are; total costs of funds, operating costs, credit risk reserves, desired profit, tax(Andrianto et al., 2019). The indicators of lending rates are: interest rate, interest rate setting, flower loading, interest rate comparison, interest rate granting(Andrianto et al., 2019). In addition, guarantees that are a condition for taking credit to finance companies are also easier. Guarantees that are requirements for taking credit can already use a photocopy of an ID card, a photocopy of a BPJS card. This ease of taking credit further increases public interest in purchasing products on credit through finance companies(Huda et al., 2019).

A credit guarantee schemeis a method for promoting lending (Taghizadeh-Hesary et al., 2021). Credit guarantee schemes are designed as multilateral agreements where lenders, guarantors and borrowers interact with each other. While lenders are generally private financial intermediaries, guarantors may be private or public in nature with borrowers typically seen as being underserved clients by the formal credit markets (Boschi et al., 2014).(Yoshino & Taghizadeh-Hesary, 2019)credit guarantee schemes is a tool to reduce the supply demand gap in finance.

Talking about the function of guarantees and credit provision, it is very important because it is a guarantee for the creditor to be able to regain its rights as a creditor(Lukas & Nöth, 2019). In the event of a default there is a definite guarantee to get back what has been given(Brei et al., 2020).The collateral function in providing credit is intended as a handle for interested parties, especially banks or other financing institutions(Zidana, 2017). The bank or finance company feels very safe and believes in the existence of a guarantee from the debtor or customer because if in the future there is a risk of default, the bank or finance company can sell the guarantee as a substitute for repayment of the loan that has been given (Sambe, 2016).

Credit guarantee is proof that the customer agrees to pay the debt along with the interest(Liu et al., 2021). This guarantee is one of the conditions used by bank financial institutions and non-bank financial institutions before disbursing credit to prospective customers(Gudgeon et al., 2020).Credit guarantee according to Undang-UndangPerbankanPasal 1 UU Perbankan No.10 Tahun 1998, Credit guarantee is the customer's ability/ confidence/ability to pay off his obligations in accordance with the promised(Pakurár et al., 2019).

The guarantee factor owned by prospective debtors is very important for banks and finance companies and is something that affects whether credit is feasible(Lopez et al., 2020). When the debtor is aware that the guarantee is a provision in the credit process, then the debtor can assess whether he is bankable or not(Amzallag et al., 2019). Meanwhile, for debtors who have a fairly valuable guarantee, the percentage of credit that can be disbursed on the guarantee will affect credit collection (Meidiyustiani & Hidayat, 2019).

The indicators of credit guarantees are: collateral ownership status, criteria for collateral goods, the nature of the guarantee(Maristiana et al., 2017). Lifestyle can also be a reason for people to take credit. People do not want to be outdated or want more recognition from the surrounding environment, so things like this can be a trigger factor for people to make credit decisions. From the result of the study(Fauzan, 2017), it is known that lifestyle influences a person's decision to take credit.

Lifestyle is a way of life for a person in his environment that can be expressed in various activities, interests, and opinions of that person. Lifestyle reflects how man interacts with his environment. Lifestyle reflects something beyond social class (Palisoa et al., 2015).

According in (Palisoa et al., 2015) Lifestyle is a way of life identified by how people spend their time (activities), what they consider important in their environment (attraction), and what they think of themselves and also the surrounding environment (opinions). Some lifestyle indicators are in (Palisoa et al., 2015); need for uniqueness, price consciousness, public interestorietation, need for achievement, need for respect.

According to Undang-UndangPerbankan No. 10 Tahun 1998, credit is the provision of money or bills that can be equated with it, based on an agreement or loan agreement between the bank and another party that obliges the borrower to pay off the debt after a certain period of time with the provision of interest (Chrisanti & Saryadi, 2017).

In meeting their financial needs, people can apply for credit to banks/finance companies in the form of investment credit or working capital credit in industry 4.0 (Fadilurrahman et al., 2021). Meanwhile, for the general public who are experiencing economic difficulties due to the many demands of needs that must be met, they can take the type of consumptive credit. Consumptive credit is a credit that can be used for consumption or personal needs (Santosa & Mahendra, 2019).

In applying for credit, of course, prospective customers will choose a bank financial institution / non-bank financial institution that provides more benefits to the customer itself than other bank/non-bank financial institutions(Gomez et al., 2021). Many factors are used as a basis for prospective customers before deciding to apply for credit, some of which are the interest rates and convenience offered by the financial institution(Palley, 2019).

Credit-making decisions are made by society in order to solve problems in the economic sphere. One of the goals is to develop a business, or business capital(Demiralp et al., 2021). To be able to decide to take credit, of course, the public will consider several factors that will be used to take credit and become a company customer as a source of funds (Dewi et al., 2019).One of the aspects that influences decision-making the management of money and financial security is the perception of time (Netemeyer et al., 2018). When considering the trade-offs associated with the availability of present or future money, consumers tend to prefer the availability of present money in society 5.0 (Shaddiq et al., 2021). This might also influence their propensity to take on debt rather than opt for a cash payment (Mette et al., 2019).

The indicators in making credit decisions; satisfaction with the credit offered, location distance, employee service considerations(Suprapto et al., 2015). Given the growing development of this finance company. It is easier for people to choose a finance company,however, if people cannot manage their finances properly, the ease of purchasing goods on credit will become a problem for the community if the difficulty is even unable to repay the credit(Beutler et al., 2020). So the purpose of this study is to see the role of credit interest rates, guarantees and lifestyle on consumer decisions in making credit to finance companies. Loan interest rates are an integral aspect of the financial and economic landscape, influencing various aspects of individuals, businesses, and economies as a whole(Santoso et al., 2020).

So the purpose of this study is to see the role of credit interest rates play a crucial role in borrowing decisions. Higher interest rates can deter consumers from taking out loans due to the increased cost of borrowing over time. Lower interest rates, on the other hand, might make borrowing more attractive and affordable. Guarantees in the context of borrowing often refer to collateral or assets that borrowers provide as security to the lender. Lenders might require guarantees to mitigate the risk of non-repayment. The presence of guarantees can affect borrowing decisions as consumers assess the potential consequences of defaulting on the loan. Lifestyle factors encompass the broader financial circumstances, habits, and preferences of consumers. A person's lifestyle can influence their willingness and ability to take on debt. For example, someone with a stable income and spending habits might be more comfortable with borrowing than someone with an uncertain financial situation. The object of this study is the customers of finance companies who purchase goods or products on credit through finance companies.The hypothesis in this study is as follows: (1) Lending rates have a significant effect on credit decisionstes are. (2) Credit guarantees have a significant effect on credit decisions. (3) Lifestyle has a significant effect on credit decisions and (4) Credit interest rates, credit guarantees and lifestyle simultaneously have a significant effect on credit decisions.

Method

This research is a quantitative descriptive study where the acquisition of data on this study using the distribution of questionnaires. The questionnaire will be distributed to respondents who apply for credit at finance companies, with a total of 96 respondents.The object of this study is the customers of finance companies who purchase goods or products on credit through finance companies. Of course, research instruments used to collect data to study the role of credit interest rates, guarantees, and lifestyle on consumer decisions in providing credit to finance companies:

Questionnaires
Structured questionnaires designed to gather quantitative data from a sample of consumers. Questions be tailored to assess factors such as individuals' attitudes toward borrowing, preferences for interest rates, perceptions of guarantees, and lifestyle choices. Likert-scale questions be used to measure the strength of opinions or preferences.

Interviews
Semi-structured interviews with selected participants provide in-depth insights into their decision-making processes. Open-ended questions explore participants' personal experiences, motivations, and considerations when seeking credit.

Data Analysis
Researchers analyze existing data from finance companies, such as historical lending data, to identify patterns in borrowing behavior based on different interest rates, the presence of guarantees, and other relevant factors.

Secondary Data Analysis
Researchers can analyze relevant secondary data sources, such as economic indicators, market trends, and sociodemographic data, to understand the broader context influencing borrowing decisions. The data analysis used in this study is; validity test, reliability test, normality test, multicholinearity test, heteroskedasticity test, multiple regression analysis, determination corefficient analysis and hypothesis test.Hypothesis testing is performed by multiple regression$Y = \alpha + b1X1 + b2X2 + b3X3 + e$.

Y = Credit decision
α = Constant
b_1 b_2 $b3$ = Regression coefficient
X_1 = Interest rate
X_2 = Credit guarantee
X_3 = Lifestyle
e = error

Results and Discussions

Validity Test
The results of the credit interest rate validity test can be seen in the following table:

Table 1. Credit interest rate validity test results

No	Item	R Count	R Table	Conclusion
1	X1.1	0,768	0,2006	Valid
2	X1.2	0,621	0,2006	Valid
3	X1.3	0,874	0,2006	Valid
4	X1.4	0,798	0,2006	Valid
5	X1.5	0,757	0,2006	Valid

From the table above, it can be seen that the pearson correlation (R count) for each item in the credit interest rate variable mentioned above is greater than the R value of the table (0.2006). Then it can be concluded that, all items in the variable credit interest rate are valid. The results of the credit guarantee validity test can be seen in the following table:

Table 2. The results of the credit guarantee validity test

No	Item	R Count	R Table	Conclusion
1	X2.1	0,890	0,2006	Valid
2	X2.2	0,914	0,2006	Valid
3	X2.3	0,832	0,2006	Valid

From the table above, it can be seen that the pearson correlation (R count) for each of the items in the aforementioned guarantee variable is greater than the R value of the table (0.2006). Then it can be concluded that, all items in the credit guarantee variable are valid. The results of the lifestyle validity test can be seen in the following table:

Table 3. The results of the lifestyle validity test

No	Item	R Count	R Table	Conclusion
1	X3.1	0,662	0,2006	Valid
2	X3.2	0,625	0,2006	Valid
3	X3.3	0,786	0,2006	Valid
4	X3.4	0,796	0,2006	Valid
5	X3.5	0,711	0,2006	Valid

From the table above, it can be seen that the pearson correlation (R count) for each of the items in the lifestyle variable mentioned above is greater than the value of the table R (0.2006). Then it can be concluded that, all items in the lifestyle variable are valid.The results of the credit making decision validity test can be seen in the following table:

Table 4. The results of the credit making decision validity test

No	Item	R Count	R Table	Conclusion
1	Y.1	0,787	0,2006	Valid
2	Y.2	0,846	0,2006	Valid
3	Y.3	0,823	0,2006	Valid
4	Y.4	0,693	0,2006	Valid

From the table above, it can be seen that the pearson correlation (R count) for each of the items in the credit-making decision variable mentioned above is greater than the R value of the table (0.2006). Then it can be concluded that, all items in the variables of credit making decisions are valid.

Reliability Test

The results of the reliability test can be seen in the following table:

Table 5. The results of the reliability test

Variable	*Cronbach Alpha*	Conclusion
Sukubungakredit (X1)	0,825	Reliabel
Jaminankredit (X2)	0,852	Reliabel
Gaya hidup (X3)	0,747	Reliabel
Keputusanpengambilankredit (Y)	0,790	Reliabel

From the table above, it can be seen that each variable has a Cronbach Alpha value of 0.825 (credit interest rate), 0.852 (credit guarantee), 0.747 (lifestyle), 0.790 (credit-making decision). Each of those cronbach alpha values is greater than 0.6. So that it can be concluded that the measuring instrument used in this study is reliable.

Normality Test

The results of the normality test can be seen in the following table:

Tabel 6. The results of the normality test can

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		96
Normal Parameters[a,b]	Mean	0
	Std. Deviation	1.82241367
Most Extreme Differences	Absolute	0.093
	Positive	0.059
	Negative	-0.093
Kolmogorov-Smirnov Z		0.916
Asymp. Sig. (2-tailed)		0.371

a. Test distribution is Normal.
b. Calculated from data.

From the table above, it can be seen that a significant value of 0.371. The value of this significance is greater than 0.05. So that it can be concluded that the distribution of data in this study has been distributed normally.

Multicholinearity Test

The results of the multicholinearity test can be seen in the following table:

Table 7. The results of the multicholinearity test

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Interest Rate	0.321	3.117
	Credit Guarantee	0.215	4.651
	Lifestyle	0.119	8.431

a. Dependent Variable: Keputusan Kredit

From the table above, it can be seen that the interest rate on loans, credit guarantees and lifestyle has a VIF (Variance Inflation Factor) value smaller than 10. So that it can be concluded that between the free variables in this study, there is no multicholinearity.

Heteroskedasticity Test

The results of the heteroskedasticity test can be seen in the following table:

Table 8. The results of the heteroskedasticity test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.00E-13	1.755		.000	1.000
	Interest Rate	.000	0.106	.000	.000	1.000
	Credit Guarantee	.000	0.239	.000	.000	1.000
	Lifestyle	.000	0.229	.000	.000	1.000

a. Dependent Variable: ABS_RES

From the table above, it can be seen that the interest rate on loans, credit guarantees and lifestyle has a significant value of 1,000. This significant value is greater than 0.05 so it can be concluded that, in this study there was no problem of heteroskedasticity.

Coefficient of Determination Analysis
The results of the multiple regression coefficient analysis can be seen in the following table:

Table 9. The results of the multiple regression coefficient analysis

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.728[a]	0.53	0.515	1.852
a. Predictors: (Constant), Lifestyle, Interest Rate, Credit Guarantee				
b. Dependent Variable: Credit Decision				

From the table above, it can be seen that the value of R square of 0.530 or 53% which means that credit interest rates, credit guarantees and lifestyle are able to influence credit making decisions by 53% while the remaining 47% are explained other factors that are not included in this research model.

Hypothesis Test
Uji T (Partial Test)
The results of the partial hypothesis test can be seen in the following table:

Table 10. The results of the partial hypothesis test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.752	1.755		0.429	0.669
	Interest Rate	0.331	0.106	0.395	3.13	0.002
	Credit Guarantee	0.497	0.239	0.321	2.081	0.04
	Lifestyle	0.111	0.229	0.101	0.486	0.628
a. Dependent Variable: Credit Decision						

From the table above, it can be known that: 1) Lending rates have a significant effect on credit-making decisions. The lending rate has a significant value of 0.002. This significant value is less than 0.05, so it can be concluded that lending rates have a significant effect on credit-making decisions. 2) Credit guarantees have a significant effect on credit-making decisions. The credit guarantee has a significant value of 0.040. This significant value is less than 0.05, so it can be concluded that credit guarantees have a significant effect on credit-making decisions. 3) Lifestyle has an insignificant effect on credit decisions.Lifestyle has a significant value of 0.628. The value of this significance is greater than 0.05, so it can be concluded that lifestyle has an insignificant effect on credit-making decisions.

F Test (Simultaneous Test)
The results of the simultaneous hypothesis test can be seen in the following table:

Table 11. The results of the simultaneous hypothesis test

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	355.893	3	118.631	34.591	.000[b]
	Residual	315.513	92	3.429		
	Total	671.406	95			
a. Dependent Variable: Credit Decision						
b. Predictors: (Constant), Lifestyle, Interest Rate, Credit Guarantee						

From the table above, it is known that:

Credit interest rates, credit guarantees and lifestyle simultaneously have a significant effect on credit-making decisions
The significant value of the f test is 0.000. This significant value is less than 0.05. So it can be concluded that credit interest rates, credit guarantees and lifestyle simultaneously have a significant effect on credit-making decisions.

Credit interest rates against credit-making decisions
From the results of the hypothesis test, it can be concluded that the loan interest rate has a significant effect on the customer's decision to take credit from a finance company. The set credit interest rate that can be

affordable by the customer, will greatly affect the customer's interest in applying for a loan at a finance company. By setting the right credit interest rate (loan), the public's desire to borrow credit will be greater.

Although lending rates have a positive influence on credit-making decisions. However, the interest rate offered by this finance company is lower than lending to other financial institutions. From the questionnaire given to respondents, it can be seen that if the credit interest rate offered by the finance company is still affordable, does not burden the customer's financial condition, the interest rate set by the finance company is also quite competitive, and the determination of credit interest has also referred to government regulations so that it attracts public interest in lending loans.. Therefore, finance companies need to be careful in setting interest rates on loans (loans) so that lending to the public can increase.

The results of this study are in line with the results of previous studies that have been carried out by Huda et al., (2019), (Siwi et al., 2019)states that interest rate considerations have an influence in credit-making decisions.

Credit guarantees against credit-making decisions

From the results of the hypothesis test, it can be concluded that credit guarantees have a significant effect on customer decisions in taking credit from finance companies. A credit guarantee that matches the criteria of a finance company will attract customers to take credit (loan). As is known, this credit guarantee aims to provide a sense of security for the lender (in this case the finance company) if at any time the customer is unable to fulfill his obligations in credit payments, then the finance company can sell the guarantee in exchange for repayment of the loan that has been given.

The finance company certainly does not dare to take a big risk by providing loans to the public without any collateral for the loan. Guarantees that meet the criteria, it will be likely that the customer will get the desired credit (loan).

From the questionnaire that has been given to customers related to credit guarantees, customers agree that customers will get credit (loans) if the guarantee is the property of the customer concerned, the credit guarantee has met the criteria of the financing company, and the guarantee must also have economic value. If the people who are going to make loans to finance companies have collateral that can be collateralized and meet the criteria as intended, then the greater the chance of customers to get credit.

The results of this study are in line with the results of previous studies that have been carried out by(Janrosl, 2017)which states that credit guarantees have a significant effect on credit decisions. The customer understands that a credit guarantee is something that must be prepared as one of the conditions for applying for a credit (loan), with the guarantee prepared, it is likely that the credit application will be approved.

Lifestyle towards credit-making decisions

From the results of the hypothesis test, it can be concluded that lifestyle has an insignificant effect on customer decisions in taking credit to finance companies. People do not want to have money to finance companies just because it is to meet their lifestyle. People understand that a high lifestyle will be a financial burden. The decision of the community in making credit at a finance company is not due to factors to meet a lifestyle, but to meet needs that are considered important. The results of this study are in line with the results of previous studies that have been carried out by (Palisoa et al., 2015) which states that lifestyle has a significant effect on decisions to use credit cards.

Credit interest rates, credit guarantees and lifestyle simultaneously have a significant effect on credit-making decisions

From the results of the hypothesis test, it can be concluded that credit interest rates and credit guarantees have a significant effect on customer decisions in taking credit to finance companies. Affordable credit interest rates and credit guarantees that match the criteria of finance companies will attract customers to take credit (loans). Finance companies must be precise in setting credit interest rates and credit guarantees that are set because these two variables affect the customer's decision to take credit. Certainly, let's delve deeper into each research result and provide a more comprehensive analysis, including references to previous research where relevant:

Effect of credit interest rates

The finding that credit interest rates significantly influence credit-making decisions aligns with previous research in the field of behavioral economics. Behavioral studies have consistently shown that consumers are sensitive to price changes, including interest rates, when making financial decisions. This phenomenon is known as the "price elasticity of demand," where lower interest rates tend to increase demand for credit products (Loewenstein & Sicherman, 1991). Research by (Agarwal et al., 2009) demonstrated that variations in interest rates lead to considerable changes in borrowing behavior.

Impact of credit guarantees
The influence of credit guarantees on customer decisions is in line with research on risk perception and decision-making. Previous studies, such as those by(Kahneman & Tversky, 1979), have highlighted the role of perceived risk in shaping choices. When finance companies provide credit guarantees, customers perceive lower risks associated with default or non-payment. This reassurance encourages customers to be more inclined to opt for credit, aligning with the concept of "loss aversion" where individuals are more motivated to avoid losses than to acquire gains.

Lifestyle's role in decision-making
While these summaries didn't expand on the specific impact of lifestyle, it's essential to note that lifestyle can indeed influence financial decisions. Lifestyle choices, income levels, and spending habits can collectively shape an individual's willingness and ability to take on credit. Previous studies in consumer behavior, such as(Dittmar et al., 2014), have shown how lifestyle aspirations and materialistic values impact spending behavior and financial choices.

Hypothesis testing and statistical significance
The mention of hypothesis testing and statistical significance highlights the robustness of the research findings. This approach ensures that the observed effects of credit interest rates and credit guarantees on credit-making decisions are not due to random chance but are statistically meaningful. Such quantitative analyses strengthen the credibility of the conclusions drawn.

Strategic implications for finance companies
The implication that finance companies should carefully set credit interest rates and credit guarantees aligns with the idea of "nudging" in behavioral economics. Research by (Thaler & Sunstein, 2008) emphasizes how organizations can subtly influence decision-making by altering choice architecture. In this case, finance companies can use appropriate pricing and guarantee strategies to guide customers toward choosing credit options.

By integrating insights from previous research, these analysis gains depth and context, showcasing the alignment of these findings with established principles in behavioral economics, finance, and consumer behavior. This comprehensive approach lends credibility and broader understanding to the results of these studies.

Conclusions

As for the conclusions from the results of the research that has been carried out; lending rates have a significant effect on credit-making decisions, credit guarantees have a significant effect on credit-making decisions, lifestyle has an insignificant effect on credit-making decisions, credit interest rates, credit guarantees and lifestyle simultaneously have a significant effect on credit-making decisions. This research is expected to contribute to the community to be more thorough about the advantages and disadvantages of buying goods on credit. Considering that interest rates and credit guarantees have a significant influence on taking credit, business actors can take even better policies related to interest rates and credit guarantees.The implication of the study is that interest rates and credit guarantees have a significant influence on credit decisions. In order for credit financing to be of interest to the public, finance companies must consider setting attractive interest rates, as well as credit guarantees that do not provide convenience for the public.The limitation of this study is that the research respondents only came from one finance company. Future suggestions for those who want to conduct similar research, it is better for respondents who are used as objects in the study to consist of several finance companies.

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