Business and Organization Studies e-Journal Vol. 2 no. 3 (July to September 2024)
Published by Jose Maria College Foundation, Inc. - Research Development and Publication Office

ISSN-E: 3028-1938

Original Article

# Personal Loan Preference of Bank Borrowers: A Conjoint Analysis

Philip A. Salimaco [1,2] and John Vianne B. Murcia [2,*]

[1]Faculty of Business and Management, Davao Oriental State University - Main Campus, Mati, Davao Oriental, Philippines

[2]Professional Schools, University of Mindanao Matina Campus, Davao City, Philippines

Correspondence:
jvmurcia@proton.me

*Abstract*

*In Mati City's financial sector, personal loans play a crucial role in addressing needs like education and home improvements. This study uses conjoint analysis to examine bank borrowers' preferences, identifying key factors that influence loan choices and offering insights for banks to optimize their products and marketing strategies. Given the city's evolving economy, understanding localized borrower preferences is essential. The study presents respondents with hypothetical loan scenarios featuring attributes such as collateral, loan period, interest rates, payment modes, and income requirements. This helps determine the relative importance of these factors in borrower decision-making. Findings reveal variations in how borrowers prioritize loan attributes, highlighting unique local considerations. The study also segments borrowers based on preference patterns, enabling banks to develop tailored financial products. Additionally, it emphasizes trust-building, community engagement, and financial education to enhance borrower awareness and literacy. Banks can design personalized loan offerings and customer-centric strategies, enhancing financial inclusion and economic growth by leveraging these insights.*

*Keywords*

*consumer behavior, personal loans, collateral, interest rates, repayment terms, loan amount, conjoint analysis, Philippines*

## INTRODUCTION

Banks provide personal loans to individuals to help them meet various consumption needs, such as education, marriage, medical emergencies, and other expenses (Farías, 2019). Consumers exhibit preferences when selecting the most beneficial loan based on their perceptions. They evaluate and assess products or services according to essential features, prioritizing loans with low interest rates and moderate contract lengths. In contrast, high rebates and moderate down payments are less critical (Wonder et al., 2018). In competitive environments where service differentiation is significant, consumers often encounter difficulties, such as hesitations regarding various service attributes (Isik & Yasar, 2015).

With the evolving economy of Mati City, understanding localized borrower preferences is essential. This study presents respondents with hypothetical loan scenarios featuring attributes such as collateral, interest rates, mode of payment, and loanable amount. This approach determines the relative importance of these factors in borrower decision-making. Failure to identify borrower preferences can lead to loan product misalignment, reducing uptake and increasing default risks (Agarwal et al., 2020). Mismatched loans may also result in financial exclusion, where borrowers lack access to suitable credit options (Demirgüç-

Kunt et al., 2020). Additionally, poor alignment can damage customer trust and satisfaction, affecting long-term bank stability (Beck et al., 2018).

Given these realities, banks and financial institutions adopt permanent strategies to expand their customer base, enhance client loyalty, and build trust (Mistrean, 2023). These strategies often involve leveraging various attributes examined in this study, reflecting banks' retention techniques and customer acquisition strategies. These attributes include technological advancements that improve customer touchpoints, multiple products and services, market positioning, location emphasis, and brand ambassadorships (De Jesus & Torres, 2017). These factors are considered while distinguishing between local and international perspectives.

Low-income developing countries (LIDCs) are heavily impacted by the coronavirus outbreak, with national debt becoming a significant issue. One critical aspect of the current crisis, differing from previous LIDC debt concerns, is the level of borrowing from private sources. This research offers a timely examination of LIDCs' risks due to this recent wave of private borrowing (Bonizzi et al., 2020). In the Philippines, the personal loan market has witnessed explosive growth recently, with outstanding personal loans increasing by 27 percent in 2022 alone (Bangko Sentral ng Pilipinas, 2023).

Behavioral insights into loan preferences reveal the complex interplay between borrowers' financial decisions and psychological factors. Studies show that personal traits, such as attractiveness and race, influence loan approval rates and interest terms, highlighting potential biases in lending practices (Ravina, 2019). These biases underscore the need for transparent and equitable lending policies to ensure fair access to credit for all borrowers. Additionally, borrowers' financial literacy and understanding of loan terms significantly impact their preferences and decisions. A well-informed borrower is better equipped to negotiate favorable loan terms and avoid high-cost loans, whereas a lack of financial knowledge can lead to suboptimal borrowing decisions. The COVID-19 pandemic is a recent example, revealing how increased credit risk and economic uncertainty alter borrowing behaviors and loan availability (Çolak & Öztekin, 2021).

Banks in heavily affected regions have adapted by offering more flexible loan terms and adjusting collateral requirements to support borrowers. Furthermore, firms' exposure to climate risk negatively affects their cost of borrowing, further complicating the economic landscape for borrowers. These adaptations underscore the dynamic relationship between economic conditions and personal loan preferences, necessitating ongoing research and policy adjustments to ensure responsible lending practices (Javadi & Masum, 2021).

Borrowers prioritize interest rates due to their direct impact on the overall cost of the loan. Lower interest rates make loans more attractive, leading to higher preference among borrowers (Zhou et al., 2019). Regulatory frameworks and consumer protection standards across the European Union (EU) have struggled to enforce responsible lending practices, often failing to prioritize consumer borrowers' interests post-financial crisis (Svetiev et al., 2022). Additionally, diverse borrowing behaviors are influenced by interest rates, with a significant portion of Americans borrowing for various purposes (Coşer et al., 2019). Regulatory changes and market conditions continuously shape how interest rates affect loan preferences. For instance, in regions heavily impacted by the pandemic, banks adjusted interest rates to provide more flexible lending options to small firms (Song et al., 2021). Moreover, competitive pressures from adopting central bank digital currencies can impact interest rate structures, influencing loan preferences (Andolfatto, 2021).

Collateral is another significant attribute, as it reduces borrowing costs. Studies indicate an average reduction of 23 basis points when collateral is used. The type of collateral influences the extent of these reductions, with marketable securities offering the highest value. Collateral is particularly beneficial for smaller and riskier enterprises, providing a cushion that mitigates credit risk (Luck & Santos 2019).

Furthermore, emerging trends such as "digital collateral" are transforming traditional

collateral frameworks, particularly in low- and middle-income countries. This innovative approach allows lenders to secure loans without physical possession of collateral, expanding access to credit (Gertler et al., 2021). Moreover, SMEs' reliance on earnings-based collateral highlights the dynamic nature of collateral in personal loan preferences, driven by economic conditions and monetary policies (Caglio et al., 2021).

The interest rates significantly affect borrowers' preferences due to their impact on repayment schedules and overall loan costs. Borrowers weigh the benefits of extended repayment terms against the higher total interest paid over the loan duration (Timmons et al., 2019). This balance between lower monthly payments and the total cost of borrowing is critical, influencing borrowers' choices and financial flexibility. Studies in Malaysia and Turkey reveal that demographic factors such as income and education also play a role in determining preference for interest rates (Ramlan et al., 2019).

Moreover, economic conditions like inflation, interest, and exchange rates significantly impact loan demand and borrowers' ability of repayment (Barakat et al., 2017). Financial crises, such as the global credit crunch of 2007-2008, underscore the importance of understanding how economic downturns impact borrowers' preferences and lenders' risk assessments (Khan et al., 2020). Additionally, uncertainty in government monetary policy correlates positively with interest rates on gross bank loans, affecting borrower behavior (Ashraf & Shen, 2019).

The mode of payment is a critical factor influencing borrowers' loan preferences, reflecting their financial management capabilities and repayment convenience. Borrowers' choices are often guided by the ease and flexibility of payment options, impacting their ability to manage loan obligations effectively (Gursoy & Aydogdu, 2018). Digital banking and financial technology innovations have expanded the range of payment options available, making personal loans more accessible and manageable for diverse borrower segments (Clarke, 2019).

Furthermore, these advancements enable borrowers to select payment methods that best suit their financial circumstances, influencing their loan preferences. Demographic factors such as age, income, and employment status also significantly shape preferences for different payment modes (Bhattacharya et al., 2018; Skiba & Tobacman, 2019). Moreover, constructive informal financing, such as trade credits and family borrowing, depends on knowledge benefits or altruistic relationships, playing a crucial role in regions with limited bank loan access (Allen et al., 2019).

Loanable amount significantly impacts personal loan preferences, with lenders using these criteria to assess borrowers' creditworthiness and ability to repay. Higher-income levels typically result in better loan terms and lower interest rates, making loans more attractive to qualified borrowers. Studies consistently highlight income as a primary determinant of loan demand and approval likelihood (Seifert et al., 2016).

In recent years, the demand for personal loans has surged, with banks competing to offer the best loan packages to customers. One major consideration are customers’ income levels, which highly reflect borrowers' ability to meet collateral requirements and manage loan payments, affecting their loan preferences. Moreover, demographic disparities, such as race and personal traits, influence lenders' decisions, often resulting in biases against certain groups. The interplay between income and other demographic factors, such as education and employment status, shapes the landscape of personal loan preferences globally (Bayraktar et al., 2017). This rapidly evolving landscape presents opportunities and challenges for banks to remain competitive and meet borrowers' changing needs. However, there is a critical gap in understanding the specific preferences of different borrower segments regarding key loan features (Elliehausen & Lawrence, 2008).

This study aims to investigate the personal loan preferences of bank borrowers using a conjoint analysis. The conjoint analysis will identify the key factors influencing the choice of personal loans, assisting banks in developing the most attractive loan packages to attract customers. In a familiar scenario, several banks and financial institutions in Mati City offer

personal loans, but consumer preference depends on the features of the personal loan they choose to avail. The researchers have not encountered any studies regarding consumer preferences for personal loans in Mati City, which is the primary reason for this research interest.

## METHODS

The present study employed a conjoint analysis approach to investigate the preferences of prospective personal loan borrowers in Mati City. A total of 300 respondents were recruited using a purposive sampling method, drawing from individuals aged 21 to 65 years who reside in Mati City and who were either existing or potential clients of banks and financing institutions. Eligibility required respondents to have a gross monthly income of at least PHP 20,000 and to be naturally born Filipino citizens. The sampling frame consisted of individuals identified through a comprehensive list of commercial banks, financing firms, and barangays in Mati City. These respondents were selected based on their expressed interest or experience in availing of personal loan services, ensuring relevance to the study's objective of modeling consumer choice behavior.

The study instrument was developed based on a preliminary qualitative phase that involved key informant interviews (KII) with ten participants to extract the most salient features considered when availing personal loans. These initial responses, supported by a review of the literature, yielded four primary attributes for inclusion in the study: collateral, interest rate, loanable amount, and mode of payment. Attribute levels were systematically structured using a fractional factorial design generated in IBM SPSS Version 24, ensuring orthogonality and statistical balance. The resulting 20 profile combinations, referred to as plancards, were used to capture respondent preferences. Each plancard presented a unique configuration of the four attributes and was rated using a 10-point scale, where 1 signified complete aversion to availing the loan product, and 10 signified absolute preference.

Survey administration was facilitated through an online Google Forms link (https://forms.gle/6MzatfGYd6jXnPYaA) distributed via email and social media channels, supported by Professional School coordinators and faculty members. The respondents were instructed to evaluate each placard independently, focusing solely on the combinations of loan attributes, without regard to brand or institutional affiliation. Data collection commenced on May 12, 2024, and concluded on June 10, 2024. Once collected, the responses were compiled, screened for completeness, and cleaned for analysis.

The data were analyzed using IBM SPSS Version 22, employing the CONJOINT procedure to compute utility (part-worth) estimates and relative importance scores for each attribute. This enabled the researchers to identify which personal loan features most strongly influenced borrower preferences. The utility scores provided insight into the magnitude of impact each attribute level had on choice behavior, while the relative importance scores revealed which attributes carried the most weight in decision-making processes.

## RESULTS AND DISCUSSION

The conjoint analysis output provides valuable insights into the preferences of respondents regarding personal loan attributes. Table 1 presents the average importance scores of the attributes, highlighting their relative significance in the decision-making process, also including the utility estimates for the levels within each attribute.

*Payment* emerged as the most critical attribute, with a relative importance value of 33.421%. This indicates that the method of payment plays a paramount role in shaping respondents' preferences for personal loans. Within this attribute, postdated checks were significantly preferred ($U$=0.217, S.E.=0.054), suggesting that respondents find this method convenient and reliable. In contrast, auto-debit arrangements ($U$=-0.148, S.E.=0.046) and cash/over-the-counter

Table 1. *Utilities for personal loan attributes*

| Attribute | Relative Importance Value (%) | Attribute Levels | Utility Estimate | S.E. |
|---|---|---|---|---|
| Payment | 33.421 | auto-debit arrangement | -.148 | .046 |
| | | postdated checks | .217 | .054 |
| | | cash/over-the-counter | -.069 | .054 |
| Interest rate | 24.643 | 1.2% per month | .122 | .031 |
| | | 1.3% per month | .245 | .062 |
| | | 1.4% per month | .367 | .092 |
| | | 1.5% per month | .489 | .123 |
| Loanable Amoun | 20.207 | loan up to 100% of monthly income | -.029 | .042 |
| | | loan up to 200% of monthly income | -.058 | .083 |
| | | loan up to 300% of monthly income | -.087 | .125 |
| Collateral | 17.730 | no collateral | -.126 | .034 |
| | | with collateral | .126 | .034 |
| (Constant) | | | .878 | .112 |

payments ($U$=-0.069, S.E.=0.054) were less favored, indicating potential concerns over flexibility or control associated with these payment methods.

The *interest rate* attribute, representing interest rates per month, holds the second-highest importance at 24.643%. Interestingly, higher interest rates were preferred, with 1.5% per month ($U$=0.489, S.E.=0.123) being the most favored. This preference for higher rates could suggest that respondents associate these rates with other favorable loan terms, such as longer repayment periods or lower initial barriers to entry. Lower interest rates like 1.2% per month ($U$=0.122, S.E.=0.031) were less preferred, which might indicate skepticism about the trade-offs required for lower rates.

The attribute *loanable amount*, which considers the loan amount relative to monthly income, was the third most important at 20.207%. Respondents showed a clear preference against loans that significantly exceed their monthly income, as indicated by the negative utility estimates for all levels: up to 100% ($U$=-0.029, S.E.=0.042), up to 200% ($U$=-0.058, S.E.=0.083), and up to 300% of monthly income ($U$=-0.087, S.E.=0.125). This suggests a cautious approach to borrowing, where respondents are mindful of their repayment capabilities and the potential financial strain of larger loans.

*Collateral*, although the least important with a relative importance value of 17.730%, still plays a role in decision-making. Loans requiring collateral ($U$=0.126, S.E.=0.034) were preferred over those without collateral ($U$=-0.126, S.E.= 0.034), indicating that respondents might perceive collateral as a way to secure more favorable loan terms or as a sign of the lender's trustworthiness and stability.

Conjoint analysis indicates that respondents give higher importance to the payment method and interest rates when evaluating personal loans. The Mati City market has a pronounced inclination towards postdated checks and elevated interest rates, potentially as a result of advantageous lending terms. Although income-related borrowing limitations are substantial, respondents tend to avoid loans that greatly surpass their monthly income, indicating a prudent borrowing mindset (Hall, 2003). While collateral requirements are not as crucial, they are nevertheless preferred, indicating a preference for lending arrangements that offer security, due

to the fact that there is collateral available to replenish the money that clients have borrowed (Prihantoro et al., 2020). These subtle preferences emphasize the significance of customized loan solutions that target individual borrower concerns and preferences.

The correlations between observed and estimated preferences, as shown in Table 2, reveal important insights into the model's performance. Pearson's R value of .911 ($p < .001$) indicates a very high correlation between observed and predicted preferences, suggesting that the model effectively captures the underlying preferences of respondents. Similarly, Kendall's tau value of .800 ($p < .001$) further supports this strong association, confirming that the ranking of preferences by the model closely aligns with the observed data.

Table 2. *Correlations between observed and estimated preferences*

| | Value | Sig. |
|---|---|---|
| Pearson's R | .911 | .000 |
| Kendall's tau | .800 | .000 |
| Kendall's tau for Holdouts | .333 | .248 |

Interestingly, Kendall's tau for holdouts, although lower at .333, is non-significant ($p = .248$). This non-significant result can be interpreted as there being no significant difference in the responses between the main plancards and the holdout profiles. In other words, the model's predictions for the holdout profiles do not deviate significantly from the actual preferences, indicating that the model generalizes well to new data (Orme, Alpert & Christensen, 1997). This lack of significant difference suggests that the model is not overfitting the training data and maintains its predictive power even for profiles that were not part of the initial training set.

Based on the results of the additive model in Table 3, three notable profiles emerge that demonstrate significant insights into the preferences of respondents: Profiles 9, 7, and 4. These profiles highlight the nuanced preferences of respondents, illustrating a clear preference for lower interest rates, secure payment methods, and the perceived safety net provided by collateral. The additive model effectively captures these preferences, demonstrating the importance of balancing interest rates, payment methods, and collateral requirements to meet respondent needs (e.g., Jrad, 2023; Herman et al., 2023; Karanja & Simiyu, 2022).

Table 3. *Additive model results for the plancards*

| ID | Attributes | | | | Total Utility | Rank |
|---|---|---|---|---|---|---|
| | Collateral | Interest Rate | Mode of Payment | Loanable Amount | | |
| 1 | -.126 | .367 | -.148 | -.029 | 0.942 | 11 |
| 2 | -.126 | .367 | .217 | -.029 | 1.307 | 5 |
| 3 | .126 | .122 | .217 | -.087 | 1.256 | 7 |
| 4 | .126 | .489 | -.148 | -.029 | 1.316 | 4 |
| 5 | .126 | .245 | -.148 | -.029 | 1.072 | 9 |
| 6 | .126 | .367 | -.148 | -.087 | 1.136 | 8 |
| 7 | -.126 | .489 | .217 | -.058 | 1.400 | 2 |
| 8 | .126 | .489 | -.069 | -.029 | 1.395 | 3 |
| 9 | .126 | .245 | .217 | -.029 | 1.437 | 1 |
| 10 | .126 | .122 | -.148 | -.058 | 0.92 | 15 |
| 11 | -.126 | .489 | -.148 | -.087 | 1.006 | 10 |
| 12 | -.126 | .122 | -.148 | -.029 | 0.697 | 16 |
| 13 | .126 | .367 | -.069 | -.058 | 1.244 | 6 |
| 14 | -.126 | .245 | -.069 | -.087 | 0.841 | 12 |
| 15 | -.126 | .122 | -.069 | -.029 | 0.776 | 14 |
| 16 | -.126 | .245 | -.148 | -.058 | 0.791 | 13 |

Profile 9, which ranks first with a utility score of 1.437, is distinguished by having collateral, an interest rate of 1.3% per month, post-dated checks as the mode of payment, and a loan amount up to 100% of monthly income. The high utility score can be attributed to the favorable interest rate, as well as the preferred mode of payment. The presence of collateral, while often seen as a security measure for lenders, is perceived positively in this context. This suggests that respondents prioritize lower interest rates and the convenience of post-dated checks over the flexibility of no collateral (Agani, 2022). The combination of these factors evidently aligns well with the preferences of the respondents, making this profile highly attractive.

Ranked second with a utility score of 1.4, Profile 7 features no collateral, an interest rate of 1.5% per month, post-dated checks for payment, and a loan up to 200% of monthly income. This profile's high ranking indicates a strong preference for higher loan amounts and the use of post-dated checks, despite the higher interest rate. The absence of collateral here is less detrimental, suggesting that the convenience of a higher loan amount and flexible payment method can offset the higher cost (Anderson & Joeveer, 2014; Pearlman, 2010). This profile highlights the importance of loan size and payment method in shaping respondent preferences, even when higher interest rates are involved.

Profile 4, which is ranked fourth with a utility score of 1.316, includes collateral, an interest rate of 1.5% per month, auto debit arrangement for payment, and a loan up to 100% of monthly income. The inclusion of collateral and the higher interest rate are balanced by the convenience of auto-debit payments, which may be perceived as more reliable and easier to manage (Isa et al., 2023; Soehardi, 2023; Sone, 2023). The combination of these attributes suggests that while respondents are concerned about interest rates, the security provided by collateral and the ease of automated payments are also significant factors in their decision-making process. This profile underscores the nuanced trade-offs respondents are willing to make between cost, security, and convenience.

## CONCLUSION

The results of the conjoint analysis reveal that mode of payment is the most influential attribute shaping the preferences of prospective personal loan borrowers, accounting for the highest relative importance. Among the options presented, postdated checks emerged as the most preferred mode, suggesting that borrowers perceive this method as more convenient and manageable compared to auto-debit arrangements or over-the-counter payments. While collateral holds the lowest relative importance, it still plays a significant role in loan preference decisions. The preference for loans with collateral suggests that borrowers may associate collateral with improved loan conditions or a higher level of institutional trustworthiness.

Notably, profiles 9, 7, and 4 exhibit the strongest appeal, characterized by favorable combinations of lower interest rates, secured payment mechanisms, and the presence of collateral. These profiles illustrate the importance of aligning multiple loan features to match borrower expectations. The findings highlight that borrowers value a blend of affordability, security, and flexibility, underscoring the utility of an additive model in capturing complex consumer preferences.

Overall, the study supports the necessity of developing personalized loan offerings that address key borrower priorities—convenient payment systems, competitive interest rates, and the option to secure loans with collateral. In line with Glasser's (1999) Choice Theory, these preferences reflect underlying psychological needs for safety, autonomy, and economic stability. Financial institutions, particularly in the microfinance sector, are encouraged to use these insights to design client-centric loan products that not only meet financial objectives but also enhance borrower satisfaction and retention.

**Funding**
This research received no external funding.

**Ethical Approval**
The research process was conducted in strict adherence to ethical standards approved by the University of Mindanao Ethics Review Committee, under protocol number UMERC-2024-266. Informed consent was secured electronically from all participants, and they were assured that their involvement was voluntary and that withdrawal at any point entailed no penalty or forfeiture of benefits.

**Competing interest**
The authors declare no conflicts of interest.

**Data Availability**
Data will be made available by the corresponding author on request.

## REFERENCES

**Agani, S.** (2022). *Effect of financing choices on financial performance of new vehicle dealers in Kenya* (Doctoral dissertation, Strathmore University).

**Agarwal, S., & Chua, Y. H.** (2020). FinTech and household finance: A review of the empirical literature. *China Finance Review International, 10*(4), 361-376. https://doi.org/10.1108/CFRI-04-2020-0054

**Allen, F., Qian, M., & Xie, J.** (2019). Understanding informal financing. *Journal of Financial Intermediation, 39*, 19-33. https://doi.org/10.1016/j.jfi.2019.03.003

**Anderson, R. W., & Joeveer, K.** (2014). The economics of collateral. Financial Markets Group Discussion Papers (732). Financial Markets Group, The London School of Economics and Political Science, London, UK.

**Andolfatto, D.** (2021). Assessing the impact of central bank digital currency on private banks. *The Economic Journal, 131*(634), 525-540. https://doi.org/10.1093/ej/ueaa073

**Ashraf, B. N., & Shen, Y.** (2019). Economic policy uncertainty and banks' loan pricing. *Journal of Financial Stability, 44*, 100695. https://doi.org/10.1016/j.jfs.2019.100695

**Baker, R., Brick, J. M., Bates, N. A., Battaglia, M., Couper, M. P., Dever, J. A., Gile, K. J., & Tourangeau, R.** (2013). Summary report of the AAPOR task force on non-probability sampling. *Journal of Survey Statistics and Methodology, 1*(2), 90-143. https://doi.org/10.1093/jssam/smt008

**Bangko Sentral ng Pilipinas.** (2023). *Consumer Finance Survey 2022*. Manila, Philippines.

**Barakat, M., Kassem, R., & Abi-Khalil, R.** (2017). Determinants of personal loan demand by bank borrowers in Lebanon: An empirical study. *Journal of Economics and Finance, 41*(2), 345-360. https://doi.org/10.1007/s12197-016-9385-3

**Bayraktar, N., Ozen, E., & Dogan, N.** (2017). Determinants of personal loan demand by bank borrowers in Turkey: An empirical study. *International Journal of Economics and Financial Issues, 7*(1), 516-522.

**Beck, T., Degryse, H., De Haas, R., & Van Horen, N.** (2018). When arm's length is too far: Relationship banking over the credit cycle. *Journal of Financial Economics, 127*(1), 174-196. https://doi.org/10.1016/j.jfineco.2017.11.006

**Bhattacharya, S., Dutta, A., & Kar, S.** (2018). Determinants of personal loan default by bank borrowers in India: An empirical study. *International Journal of Economics and Business Research, 15*(4), 423-438. https://doi.org/10.1504/IJEBR.2018.092143

**Bonizzi, B., Laskaridis, C., & Griffiths, J.** (2020). *Private lending and debt risks of low-income developing countries*. ODI Report.

**Caglio, C. R., Darst, R. M., & Kalemli-Özcan, Ş.** (2021). *Risk-taking and monetary policy transmission: Evidence from loans to SMEs and large firms* (Working Paper No. w28685). National Bureau of Economic Research. https://www.nber.org/papers/w28685.

**Clarke, C.** (2019). Platform lending and the politics of financial infrastructures. *Review of International Political Economy*, *26*(5), 863-885. https://doi.org/10.1080/09692290.2019.1627569

**Çolak, G., & Öztekin, Ö.** (2021). The impact of COVID-19 pandemic on bank lending around the world. *Journal of Banking & Finance*, *133*, 106207. https://doi.org/10.1016/j.jbankfin.2021.106207

**Coşer, A., Maer-matei, M. M., & Albu, C.** (2019). Predictive models for loan default risk assessment. *Economic Computation & Economic Cybernetics Studies & Research*, *53*(2), 209-224.

**De Jesus, F. L. B., & Torres, E. A.** (2017). Analysis of the ASEAN Banking Integration Framework: The Philippines as a looking glass for consumer preference. *Journal of Global Entrepreneurship Research*, *7*(1), 1-16. https://doi.org/10.1186/s40497-017-0066-2

**Demirgüç-Kunt, A., Klapper, L., Singer, D., & Ansar, S.** (2022). *The Global Findex Database 2021: Financial inclusion, digital payments, and resilience in the age of COVID-19*. World Bank Publications. https://doi.org/10.1596/978-1-4648-1897-4

**Elliehausen, G., & Lawrence, E. C.** (2008). A comparative analysis of payday loan customers. *Contemporary Economic Policy*, *26*(2), 299-316. https://doi.org/10.1111/j.1465-7287.2008.00104.x

**Farías, P.** (2019). Determinants of knowledge of personal loans' total costs: How price consciousness, financial literacy, purchase recency and frequency work together. *Journal of Business Research*, *102*, 212-219. https://doi.org/10.1016/j.jbusres.2019.05.032

**Fishbein, M., & Ajzen, I.** (1975). *Belief, attitude, intention, and behavior: An introduction to theory and research*. Addison-Wesley.

**Gertler, P., Green, B., & Wolfram, C.** (2021). *Digital collateral* (Working Paper No. w28724). National Bureau of Economic Research. https://www.nber.org/papers/w28724

**Glasser, W.** (1998). *Choice theory: A new psychology of personal freedom*. HarperCollins.

**Gunst, R. F., & Mason, R. L.** (2009). Fractional factorial design. *Wiley Interdisciplinary Reviews: Computational Statistics*, *1*(2), 234-244. https://doi.org/10.1002/wics.37

**Gursoy, D., & Aydogdu, S.** (2018). The factors affecting personal loan preferences of bank customers. *International Journal of Bank Marketing*, *36*(7), 1284-1300. https://doi.org/10.1108/IJBM-05-2017-0093

**Hall, J. P.** (2003). *Early enrollees in the Kansas Medicaid Buy-In program: Their characteristics, medical expenditures, earnings, and experiences*. University of Kansas.

**Herman, H., Tobing, V. C. L., Fadlilah, A. H., Shaddiq, S., & Bahit, M.** (2023). Loan interest rates, credit guarantees, and lifestyle on credit making decisions at financing companies. *JPPI (Jurnal Penelitian Pendidikan Indonesia)*, *9*(4), 471-482.

**Isa, M., Salleh, K. M., Zainol, N. N., Nordin, M. S. A., Jibril, J. D., Idrus, M. S., & Sulaiman, M. A.** (2023). Tenancy Management: Tenant perceptions of the pre-tenancy and tenancy execution phases. *Asian Journal of Environment-Behaviour Studies*, *8*(26), 55-68.

**Isik, A., & Yasar, M. F.** (2015). Effects of brand on consumer preferences: A study in Turkmenistan. *Eurasian Journal of Business and Economics*, *8*(16), 139-150.

**Javadi, S., & Masum, A. A.** (2021). The impact of climate change on the cost of bank loans. *Journal of Corporate Finance*, *69*, 102019. https://doi.org/10.1016/j.jcorpfin.2021.102019.

**Jrad, M.** (2023). Examining collateral prerequisites for small and medium-sized business loans. *International Journal of Membrane Science and Technology*, *10*(2), 1906-1922.

**Karanja, S. G., & Simiyu, E. M.** (2022). Credit management practices and loan performance of microfinance banks in Kenya. *Journal of Finance and Accounting*, *6*(1), 108-139.

**Khan, M. A., Siddique, A., & Sarwar, Z.** (2020). Determinants of non-performing loans in the banking sector in developing state. *Asian Journal of Accounting Research*, *5*(1), 135-145. https://doi.org/10.1108/AJAR-07-2019-0059

**Luck, S., & Santos, J. A.** (2019). *The valuation of collateral in bank lending* (SSRN Working Paper 3467316). https://doi.org/10.2139/ssrn.3467316

**Mistrean, L.** (2023). Factors influencing customer loyalty in the retail banking sector: A study of financial-banking services in the Republic of Moldova. *Opportunities and Challenges in Sustainability*, *2*(2), 81-92.

**Orme, B.** (2010). *Getting started with conjoint analysis: Strategies for product design and pricing research* (2nd ed.). Research Publishers LLC.

**Orme, B. K., Alpert, M. I., & Christensen, E.** (1997). Assessing the validity of conjoint analysis-continued. In *Sawtooth Software Conference Proceedings* (pp. 209-226).

**Pearlman, S.** (2010). Flexibility matters: do more rigid loan contracts reduce demand for microfinance? CAF Working paper, 2010/10, Caracas: CAF.

**Ramlan, N. H., Shukor, N. A., & Mohamed, N.** (2019). Factors influencing personal loan uptake among bank borrowers in Malaysia: A logistic regression analysis. *International Journal of Business and Society*, *20*(1), 201-217.

**Ravina, E.** (2019). *Love & loans: The effect of beauty and personal characteristics in credit markets* (SSRN Working Paper 1107307). https://doi.org/10.2139/ssrn.1107307

**Seifert, D., Brunner, J., & Kasper, H.** (2016). Understanding borrower preferences: A conjoint analysis of private loan decisions. *Journal of Consumer Affairs*, *50*(2), 316-347. https://doi.org/10.1111/joca.12094

**Skiba, P. M., & Tobacman, J.** (2019). Do payday loans cause bankruptcy? *The Journal of Law and Economics*, *62*(3), 485-519. https://doi.org/10.1086/706201

**Soehardi, D. V. L.** (2023). The role of financial technology in ZISWAF (Zakat, Infak, Alms and Wakaf) collection. *Enrichment: Journal of Management*, *13*(3), 1964-1975.

**Sone, A. P.** (2023). *Influencing Factors on Intention and Adoption of KBZ Credit Card*. (Doctoral dissertation, MERAL Portal).

**Song, Q., Du, J., & Wu, Y.** (2021). Bank loans for small businesses in times of COVID-19: Evidence from China. *Emerging Markets Finance and Trade*, *57*(6), 1652-1661. https://doi.org/10.1080/1540496X.2020.1852090

**Svetiev, Y., Dermineur, E., & Kolanisi, U.** (2022). Financialization and sustainable credit: Lessons from non-intermediated transactions? *Journal of Consumer Policy*, *45*(4), 673-698. https://doi.org/10.1007/s10603-022-09521-8

**Timmons, S., McGowan, F. P., & Lunn, P. D.** (2019). Setting defaults for online banking transactions: Experimental evidence from personal loan repayment terms. *Journal of Behavioral and Experimental Finance*, *23*, 161-165. https://doi.org/10.1016/j.jbef.2019.07.001

**Wonder, N. X., Wilhelm, W. B., & Fewings, D. R.** (2018). The financial rationality of consumer loan choices: Revealed preferences concerning interest rates, down payments, contract length, and rebates. *Journal of Consumer Affairs*, *42*(2), 243-270. https://doi.org/10.1111/joca.12159

**Zhou, Y., Zhang, J., & Zeng, Y.** (2021). Borrowing or crowdfunding: A comparison of poverty alleviation participation modes considering altruistic preferences. *International Journal of Production Research*, *59*(21), 6564-6578. https://doi.org/10.1080/00207543.2020.1815883.