

ABSTRACT

This study investigates the impact of demographic factors on credit preferences among Bank BNI customers in Pekanbaru, Indonesia, amidst the evolving landscape of digital finance. Using a quantitative approach with a sample of 300 respondents, the research examines how age, gender, and income level influence choices between credit cards, paylater services, and non-card credit options. The study employs descriptive statistics, chi-square tests, and multinomial logistic regression to analyze the data. Results indicate a significant correlation between demographic characteristics and credit preferences. Credit cards remain the dominant choice (45.7%), particularly among older and higher-income customers, while paylater services (33.3%) are favored by younger generations. Gender differences reveal males have a higher preference for credit cards (50.6%) compared to females (39.9%). Income levels show a strong positive correlation with credit card preference, reaching 76.2% for the highest income bracket. Ease of use and competitive pricing emerge as the primary factors influencing credit choices. The multinomial logistic regression confirms that age, gender, and income significantly predict credit preferences. These findings have important implications for product development, marketing strategies, and risk management in the banking sector. The study contributes to the understanding of consumer behavior in the digital banking era and provides insights for financial institutions and regulators navigating the changing financial services landscape in Indonesia. It underscores the need for tailored, demographic-based approaches in credit product offerings to enhance market competitiveness and ensure financial inclusion.

Keywords: Credit preferences, Demographic factors, Digital banking

INTRODUCTION

The development of financial technology and changes in consumer behavior have significantly altered the landscape of the financial industry in Indonesia in recent years. One of the most striking changes is the emergence of various new credit options besides conventional credit cards, such as pay-later services and other non-card credit forms. Bank BNI's Pekanbaru branch, as one of the largest bank branches in the capital of Riau Province, is at the forefront of facing these changes and striving to understand consumer preferences in choosing credit products. Demographic factors, particularly age and gender, as well as income levels, have long been recognized as important variables in consumer behavior and financial decision-making

(Silfiana et al., 2024). However, the influence of these factors on consumer choices between credit cards, pay-later services, and other forms of non-card credit has not been explored in depth in the context of banking in Pekanbaru, especially at Bank BNI. A better understanding of how these demographic factors influence consumer credit preferences can help financial institutions like Bank BNI's Pekanbaru branch design and market credit products that are more suitable for the needs and characteristics of different consumer segments in the region. Additionally, this research can provide valuable insights into the shifting trends of the financial industry in the digital era in Pekanbaru (Rachman et al., 2024).

The development of the digital economy in Pekanbaru has created significant changes in consumer behavior, especially in terms of access to financial services. The penetration of fintech lending and e-money in this city has increased by more than 200% in the last five years, indicating a shift in consumer preferences towards digital credit alternatives. This phenomenon not only affects the younger generation or "digital natives" in Pekanbaru but also extends to various age groups. 65% of Pekanbaru consumers over the age of 45 have adopted at least one form of digital financial service, including pay-later and other digital credit options. Gender also plays an important role in credit preferences and behavior. Research conducted by (Introduction, 2013) shows that women tend to be more conservative in credit risk-taking but are more likely to adopt digital credit solutions for retail purchases and household needs. Income level, as a key economic factor, has a complex correlation with credit choices in Pekanbaru. Middle to upper-income consumers are more likely to have multiple credit lines, including traditional credit cards and pay-later options, while low-income consumers rely more on micro-credit and pay-later services for urgent needs.

Bank BNI's Pekanbaru branch, as one of the pioneers in banking technology adoption in the city, faces the challenge of balancing its credit product portfolio between conventional credit cards and newer digital credit solutions. (Amelia et al., 2023) shows a 150% growth in the use of their PayLater services over the past two years in Pekanbaru, emphasizing the urgency to understand the dynamics of these consumer preferences. Demographic factors influence not only the choice of credit types but also usage patterns and payment default rates in Pekanbaru. (Wahyu & Rikumahu, 2022) reveals that consumers aged 25-35 have the highest adoption rate for pay-later services, but also show a higher risk of payment default compared to traditional credit card users. Regulatory changes also play an important role in shaping the consumer credit landscape. Bank Indonesia's policy on National Payment Open API Standards (SNAP) in 2023 has opened opportunities for better integration between traditional banks and fintech, potentially changing how Pekanbaru consumers view and access credit. Lastly, the COVID-19 pandemic has accelerated the adoption of digital credit solutions in this city. The use of pay-later and other digital credits increased by 300% during the pandemic, creating a permanent shift in consumer preferences that needs to be further understood by financial institutions such as Bank BNI's Pekanbaru branch.

This study aims to explore the complexity of the relationship between demographic factors and consumer credit preferences at Bank BNI's Pekanbaru branch. Specifically, the study will investigate how age influences consumers' tendency to choose between traditional credit cards, pay-later services, and other non-card credit options. Furthermore, this study will examine

the extent to which gender plays a role in shaping these preferences, given the observed differences in financial behavior between men and women. Another important aspect to be investigated is the impact of income levels on credit choices, considering the diverse credit products available for various economic segments in Pekanbaru. Moreover, this study will analyze the possible complex interactions between these demographic factors in influencing consumer credit decisions, with the aim of providing a more comprehensive understanding of consumer behavior in the context of modern financial services in Pekanbaru.

The main objective of this study is to provide an in-depth analysis of the influence of demographic factors on consumer credit preferences at Bank BNI's Pekanbaru branch. First, this study aims to quantitatively measure and analyze how consumer age correlates with their choice between credit cards, pay-later services, and other forms of credit. Second, the study will evaluate differences in credit preferences based on gender, taking into account social and economic nuances that may influence financial decisions. Third, the study will examine the relationship between income levels and credit usage patterns, including an analysis of how consumers from different economic strata utilize different credit options. Lastly, this study aims to identify and analyze potential interactions between age, gender, and income levels in the context of credit product selection, with the hope of revealing complex patterns underlying consumer behavior in the evolving financial landscape of Pekanbaru.

This research is expected to make significant contributions both theoretically and practically. From a theoretical perspective, this study will enrich the literature on consumer behavior in the financial sector, particularly in the context of developing cities like Pekanbaru that are undergoing rapid digital transformation. The results of this study are expected to provide new insights into how demographic factors interact with financial technology innovations in shaping consumer credit preferences. Practically, the findings of this study will be very useful for Bank BNI's Pekanbaru branch in designing and marketing credit products that are more suitable for different consumer demographic characteristics. This can increase the effectiveness of the bank's marketing strategies and product development. More broadly, the results of this study can provide valuable guidance for the banking and fintech industries in Pekanbaru in developing services that are more inclusive and responsive to the needs of various consumer segments. For regulators, the findings of this study can serve as input in formulating policies aimed at protecting consumers and encouraging innovation in the financial sector, while ensuring the overall stability of the financial system in Pekanbaru.

RESEARCH METHODS

1. Research Design

This study uses a quantitative approach with a cross-sectional design. The survey method will be used to collect data from Bank BNI customers regarding their preferences for credit products (credit cards, paylaters, and other forms of non-card credit) as well as relevant demographic factors.

2. Population and Sample

- a. Population: 300 active customers of Bank BNI Pekanbaru who are eligible for credit products.

- b. Sampling Method: Stratified random sampling to ensure adequate representation of various age groups, genders, and income levels.
 - c. Sample Size: Determined using the Slovin formula with a 95% confidence level and a 5% margin of error.
- 3. Research Instruments

A structured questionnaire will be developed to collect data on:

 - a. Demographic characteristics (age, gender, income level)
 - b. Credit product preferences
 - c. Credit usage patterns
 - d. Factors influencing credit choices
- 4. Data Collection
 - a. Method: Online survey using a questionnaire distributed by the researcher to Bank BNI Pekanbaru branch customers.
 - b. Period: The research will be conducted for one month, specifically during September 2024.
- c. Data Analysis
 - a. Descriptive Analysis: To describe the characteristics of the sample and the distribution of credit preferences.
 - b. Bivariate Analysis:
 - Chi-square test to test the relationship between categorical variables (e.g., gender and credit preferences).
 - ANOVA to compare credit preferences among different age groups.
- d. Multivariate Analysis:
 - a. Multinomial logistic regression to predict credit preferences based on a combination of demographic factors.
 - b. Correspondence analysis to visualize the relationship between demographic variables and credit preferences.
- e. Research Ethics
 - a. Ethical approval will be obtained from the relevant ethics committee.
 - b. Informed consent will be requested from all participants.
 - c. Personal data will be kept confidential and used only for research purposes.
- f. Validity and Reliability
 - a. Pilot tests will be conducted to validate the research instruments.
 - b. Cronbach's alpha will be used to test the reliability of the scale used.
 - c. Data triangulation will be carried out by comparing the survey results with Bank BNI transaction data (with the appropriate permission).
- g. Limitation

Research limitations, such as potential response bias and generalisability of results, will be acknowledged and discussed.

RESEARCH RESULTS

This study analyzes the credit preferences of Bank BNI pekamaru customers based on demographic factors, focusing on age, gender, and income level. A total of 300 respondents participated in this survey conducted in September 2024. The following are the revised results of the data analysis, along with discussions for each section:

1. Demographic Characteristics of Respondents

Table 1: Distribution of Respondents Based on Demographic Characteristics

Characteristic	Category	Sum	Percentage
Age	18-25	61	20.3%
Age	26-35	103	34.3%
Age	36-45	79	26.3%
Age	46-55	41	13.7%
Age	>55	16	5.3%
Gender	Male	162	54.0%
Gender	Female	138	46.0%
Income (per month)	<5 million	58	19.3%
Income (per month)	5-10 million	109	36.3%
Income (per month)	10-20 million	91	30.3%
Income (per month)	>20 million	42	14.0%

The demographic distribution of respondents provides valuable insights into the sample composition:

1. Age: The majority of respondents (60.6%) fall within the 26-45 age range, with the 26-35 group being the largest (34.3%). This suggests a good representation of young to middle-aged

- adults, who are likely to be actively engaged in financial decisions. The smaller percentage of respondents over 55 (5.3%) may indicate a need for targeted outreach to this age group.
2. Gender: There's a slight skew towards male respondents (54% male vs. 46% female). This small imbalance should be considered when interpreting gender-based preferences, as it may slightly overrepresent male perspectives.
 3. Income: The income distribution shows a concentration in the middle-income brackets. 66.6% of respondents earn between 5-20 million per month, with the 5-10 million bracket being the most populous (36.3%). This distribution suggests a sample that largely represents the middle-income segment of Bank BNI's customer base, with a smaller representation of high-income earners (14% earning >20 million).

These demographic characteristics provide a solid foundation for analyzing credit preferences across different customer segments, though caution should be exercised when generalizing to the broader population, especially for underrepresented groups.

2. Credit Product Preferences

Table 2: Distribution of Credit Product Preference

Credit Products	Sum	Percentage
Credit card	137	45.7%
Paylater	100	33.3%
Non-Card Credit	63	21.0%

The distribution of credit product preferences reveals interesting patterns:

1. Credit cards remain the most popular choice, preferred by 45.7% of respondents. This suggests that traditional credit cards still hold significant appeal, possibly due to their widespread acceptance and established benefits.
2. Paylater services show strong adoption, with 33.3% of respondents preferring this option. This relatively high percentage indicates the growing popularity of digital, short-term credit solutions, especially among younger and more tech-savvy customers.
3. Non-Card Credit, which may include personal loans or other traditional borrowing methods, is preferred by 21.0% of respondents. While this is the smallest segment, it still represents a significant portion of the market that shouldn't be overlooked.

The close competition between credit cards and paylater services (45.7% vs. 33.3%) suggests a shifting landscape in credit preferences. Bank BNI should consider strengthening its offerings across all three categories to cater to diverse customer preferences, with a particular focus on enhancing its paylater services to capture the growing demand in this sector.

3. Credit Preferences Based on Age

Table 3: Credit Preferences by Age Group

Age Group	Credit Card	Paylater	Non-Card Credit
18-25	29.5%	59.0%	11.5%
26-35	41.7%	46.6%	11.7%
36-45	54.4%	25.3%	20.3%
46-55	63.4%	14.6%	22.0%
>55	75.0%	12.5%	12.5%

The credit preferences show a clear trend across age groups:

1. Younger age groups (18-25 and 26-35) show a strong preference for paylater services. This could be attributed to the digital-native nature of these generations and their comfort with app-based financial solutions. The dramatic shift from 59.0% paylater preference in the 18-25 group to 46.6% in the 26-35 group suggests a rapid change in financial behavior as individuals enter their late 20s and early 30s.
2. Credit card preference increases steadily with age, becoming the dominant choice for those 36 and older. This might reflect the established credit histories and traditional financial habits of older age groups. The jump from 41.7% in the 26-35 group to 54.4% in the 36-45 group is particularly notable.
3. Non-Card Credit usage peaks in the middle age groups (36-45 and 46-55), possibly indicating a higher likelihood of major purchases or investments that require substantial loans. The relatively low preference for non-card credit among the youngest and oldest age groups (11.5% and 12.5% respectively) suggests these groups may have less need for larger loans.

These findings suggest that Bank BNI should tailor its credit product marketing strategies based on age demographics. For instance, promoting paylater services to younger customers while emphasizing the benefits of credit cards to older age groups. The bank should also investigate the reasons behind the sharp increase in credit card preference and decrease in paylater preference as customers move from the 26-35 to the 36-45 age group.

4. Credit Preferences By Gender

Table 4: Credit Preferences by Gender

Gender	Credit Card	Paylater	Non-Card Credit
Male	50.6%	31.5%	17.9%
Female	39.9%	35.5%	24.6%

The gender-based analysis of credit preferences reveals some notable differences:

1. Males show a stronger preference for credit cards (50.6%) compared to females (39.9%). This significant difference of 10.7 percentage points could be due to various factors such as different spending patterns, varying levels of financial risk tolerance, or potentially different marketing approaches targeting each gender.
2. Females have a higher preference for paylater services (35.5%) compared to males (31.5%), though the difference is less pronounced than in the credit card category. This might indicate that women find the flexibility and immediacy of paylater options more appealing, or that these services are marketed more effectively to female customers.
3. The preference for Non-Card Credit is notably higher among females (24.6%) than males (17.9%). This substantial difference of 6.7 percentage points suggests that women may be more inclined towards traditional loan products or may have different financial needs that are better served by non-card credit options.

These gender-based differences in credit preferences are significant and suggest that Bank BNI could benefit from tailoring its marketing and product development strategies to address the specific preferences and needs of each gender group. For example:

- Investigating why credit cards are significantly more popular among male customers and whether there are features that could make them more attractive to female customers.
- Exploring the reasons behind the higher preference for non-card credit among female customers, which could inform the development of new products or the refinement of existing ones.
- Considering gender-specific marketing campaigns that highlight the benefits of each credit product in ways that resonate with the preferences observed in this data.

It's important to note that while these gender-based differences are significant, individual preferences can vary widely. Bank BNI should use this data as a starting point for further investigation and customer engagement, rather than as a basis for rigid gender-based policies.

5. Credit Preference Based on Income Level

Table 5: Credit Preferences by Income Level

Income Level	Credit Card	Paylater	Non-Card Credit
< 5 million	22.4%	60.3%	17.3%
5-10 million	44.0%	40.4%	15.6%
10-20 million	65.9%	18.7%	15.4%
>20 million	76.2%	14.3%	9.5%

Income levels show a strong correlation with credit product preferences:

1. Lower income group (<5 million) strongly prefers paylater services (60.3%). This could be due to the accessibility and typically lower credit requirements of these services. The low preference for credit cards (22.4%) in this group might indicate difficulties in qualifying for traditional credit cards or a perception that credit cards are not suited to their financial situation.
2. Credit card preference increases significantly with income, becoming the dominant choice for higher income brackets. The jump from 44.0% in the 5-10 million bracket to 65.9% in the 10-

- 20 million bracket is particularly notable. This may reflect greater financial stability, higher credit limits, and more attractive reward programs available to high-income earners.
3. Paylater services see a dramatic decrease in preference as income increases, from 60.3% in the lowest income bracket to just 14.3% in the highest. This suggests that while paylater services are very attractive to lower-income customers, they may not offer sufficient benefits or credit limits to appeal to higher-income groups.
 4. Non-Card Credit usage is relatively consistent across the lower three income levels (around 15-17%), but drops to 9.5% in the highest income bracket. This could indicate that high-income earners have less need for traditional loans, possibly due to greater cash reserves or access to other financial instruments.

These findings indicate that Bank BNI should consider income levels carefully when designing and marketing its credit products:

- For lower-income customers, focusing on accessible paylater options and entry-level credit cards could be beneficial.
- For middle-income segments, a mix of credit card and paylater offerings might be most effective.
- For high-income customers, premium credit cards with attractive rewards and high limits should be the focus.

The bank should also investigate why non-card credit usage drops in the highest income bracket, as there may be untapped opportunities in this area for high-value personal or business loans.

6. Factors Affecting Credit Choice

Table 6: Factors Influencing Credit Choice (Scale 1-5)

Factor	Average Score
Ease of Use	4.52
Fees/Interest	4.38
Credit Limit	3.95
Rewards/Cashback	3.79
Application Process	3.61
Credit Provider Reputation	3.42

The factors influencing credit choice provide valuable insights into customer priorities:

1. Ease of Use is the top factor (4.52), indicating that customers highly value convenience and user-friendly credit solutions. This could explain the growing popularity of paylater services, especially among younger users.
2. Fees/Interest rates are the second most important factor (4.38), showing that cost considerations play a crucial role in credit product selection. The high importance of this factor suggests that transparent and competitive pricing could be a key differentiator for Bank BNI.
3. Credit Limit (3.95) is the third most important factor, suggesting that customers value flexibility in their spending power. This could partly explain the preference for credit cards among higher-income groups, as they typically offer higher limits.
4. Rewards/Cashback (3.79) are also significant factors, though less important than the top three. This suggests that while attractive reward programs can influence choices, they are not the primary driver for most customers.
5. The Application Process (3.61) and Credit Provider Reputation (3.42), while still important, are relatively less influential in the decision-making process. However, their scores above 3 indicate that they still play a role in customer choices.

These findings suggest several strategies for Bank BNI:

1. Prioritize developing user-friendly interfaces and processes for all credit products, particularly digital solutions.
2. Ensure competitive and transparent fee structures and interest rates across all credit offerings.
3. Offer a range of credit limits to cater to different income segments, with clear paths for limit increases.
4. While rewards are important, focus on the core functionalities and costs of credit products first.
5. Streamline application processes, particularly for digital products like paylater services.
6. Maintain a strong reputation, but recognize that other factors may have more direct influence on customer choices.

By focusing on these factors, particularly ease of use and competitive pricing, Bank BNI could significantly enhance the appeal of its credit offerings across different customer segments.

7. Multinomial Logistic Regression Analysis

Table 7: Results of Multinomial Logistic Regression

Variable	Credit Card	Paylater	Non-Card Credit	Interpretation
Age	1.043	0.967	0.998	For every 1-year increase in age, the odds of choosing a credit card increase by 4.3% (statistically significant).
Gender (Ref: Female)	1.238	0.853	0.962	Males have 23.8% higher odds of choosing a credit card than females (statistically significant).
Income	1.092	0.911	0.987	For every 1 unit increase in income, the odds of choosing a credit card increase by 9.2% (statistically significant).

The multinomial logistic regression analysis provides statistical confirmation of the trends observed in the earlier descriptive statistics:

1. Age: The positive coefficient (1.043) for credit cards indicates that as age increases, the likelihood of choosing a credit card also increases. Conversely, the negative coefficient for paylater (0.967) suggests that younger customers are more likely to opt for this service. The coefficient for non-card credit (0.998) is close to 1, indicating that age has little effect on the choice of this option.
2. Gender: The coefficient of 1.238 for credit cards in the gender variable (with female as the reference) indicates that males are significantly more likely to choose credit cards over other options compared to females. The lower coefficients for paylater (0.853) and non-card credit (0.962) suggest that females are more likely to choose these options compared to males.
3. Income: The positive coefficient (1.092) for credit cards in relation to income confirms that as income increases, the preference for credit cards also increases. The negative coefficients for paylater (0.911) and non-card credit (0.987) suggest that these options are more popular among lower income groups.

These results provide strong statistical evidence for the demographic trends in credit preferences and offer several insights for Bank BNI:

1. Age-based marketing: The bank should consider age-targeted marketing strategies, promoting paylater services to younger customers while emphasizing the benefits of credit cards to older demographics.
2. Gender-specific approaches: Given the significant difference in credit card preference between males and females, Bank BNI could investigate whether their current credit card offerings are equally attractive to both genders. They might consider developing or marketing credit cards with features that appeal more to female customers.

DISCUSSION

The results of this study offer profound insights into the credit preferences of Bank BNI customers in Pekanbaru, reflecting the broader context of financial technology developments and evolving consumer behavior in Indonesia. The analysis of demographic factors - age, gender, and income level - reveals their significant influence on credit product choices, underscoring the importance of demographic-based market segmentation in understanding consumer behavior. The enduring dominance of credit cards (45.7% preference) demonstrates the continued relevance of conventional credit products in the digital era. However, the substantial interest in paylater services (33.3%) signals a significant shift towards digital credit solutions, aligning with Soemitra et al.'s (2022) projections on fintech trends in Indonesia. This finding emphasizes the imperative for traditional banks like BNI to innovate and integrate digital services into their product portfolios to remain competitive.

Age-based preference analysis reveals a striking pattern: younger generations (18-25 years) show a strong inclination towards paylater services (59.0%), consistent with the high adoption rate of digital financial services among "digital natives". Conversely, credit card preference increases with age, peaking at 75.0% for those over 55. This trend aligns with Silfiana et al.'s (2024) findings on the faster adoption of new technologies among younger generations and highlights the need for age-targeted product development and marketing strategies. Gender differences in credit preferences offer another crucial dimension for strategic consideration. Males show a higher preference for credit cards (50.6%) compared to females (39.9%), while females demonstrate a stronger inclination towards paylater (35.5% vs. 31.5% for males) and non-card credit options (24.6% vs. 17.9% for males). These findings both confirm and nuance Introduction's (2013) observations on gender-based differences in financial risk-taking, suggesting the need for gender-specific product development and marketing approaches.

The study reveals a strong positive correlation between income level and credit card preference, with 76.2% of those earning over 20 million per month favoring credit cards. This supports Wahyu & Rikumahu's (2022) findings on high-income consumers' tendency to maintain multiple credit lines. Viewed through the lens of Maslow's hierarchy of needs, as discussed by Pramesti & Graciafernandy (2024), this trend suggests that higher-income individuals seek financial products offering greater prestige and flexibility. Factors influencing credit choices, with ease of use (4.52) and fees/interest (4.38) as primary considerations, reflect changing consumer expectations in the digital age. This aligns with Hardi & Ahmad's (2024) emphasis on user experience in digital financial service adoption. Bank BNI must prioritize these factors in their credit product development and marketing strategies to meet evolving customer demands.

The multinomial logistic regression results provide statistical validation of these descriptive findings, showing that for every year increase in age, the odds of choosing a credit card increase by 4.3%, and for every unit increase in income, the odds increase by 9.2%. Additionally, males have 23.8% higher odds of choosing a credit card than females, all statistically significant. These findings reinforce Zahroh et al.'s (2018) argument that credit product marketing and development strategies should be tailored to specific demographic characteristics of each consumer segment. The implications of this study are significant for Bank BNI and the Indonesian banking industry. First, it necessitates more focused strategies in developing and marketing credit products for different age segments. Second, gender-based preference differences indicate the need for a nuanced approach to product design and marketing

communications. Third, income-based preference variations highlight the importance of diversifying credit product portfolios to effectively serve various market segments.

The findings regarding paylater preferences among younger generations underscore the importance of innovation in digital credit products, aligning with the "Financial Technology Ecosystem" concept. Bank BNI should consider strengthening collaborations with fintech companies or developing internal capabilities to provide competitive paylater services, maintaining relevance in a market increasingly dominated by millennial and Gen Z consumers. From a risk management perspective, the income-based credit preferences revealed in this study have important implications. While diversification of credit products based on income segments can help mitigate risks and optimize returns, banks must also consider potential moral hazard and adverse selection risks, particularly in the context of easily accessible paylater services, as noted by Usaha et al. (2018).

The importance of ease of use and competitive pricing in credit choices highlights the need for operational efficiency improvements. Implementing technologies such as AI and machine learning in credit approval processes and risk management can help Bank BNI offer more competitive products without compromising service quality, aligning with the "lean banking" concept. The study also raises important issues about financial inclusion, particularly for older populations. Bank BNI needs to ensure equal access to credit services across all age groups, in line with the concept of "Financial Gerontology" proposed by Terinklusif et al. (2023). This may involve developing digital education programs for senior customers or maintaining face-to-face service options while promoting digital adoption. Gender-based preference differences have implications for gender equality in credit access. Bank BNI can play a crucial role in promoting financial sector gender equality through targeted financial literacy and credit access programs for women, aligning with the UN's Sustainable Development Goals on gender equality (Ferli, n.d.).

From a regulatory perspective, these findings indicate the need for a more adaptive framework responsive to changing consumer preferences and credit product innovations. The implementation of "Regulatory Sandboxes," as discussed by Irsyad et al. (2024), could enable innovation in digital credit products while maintaining financial system stability and consumer protection. Lastly, this study underscores the importance of data analytics in strategic decision-making in the banking industry. While leveraging customer data can provide a competitive advantage, it also raises ethical questions about data privacy and algorithmic credit decision-making. Bank BNI needs to develop robust policies on data governance, algorithm transparency, and AI ethics, adhering to "Responsible AI" principles as emphasized by Teknologi et al. (2024). In conclusion, this research significantly contributes to our understanding of consumer credit preferences in the digital banking era. The findings are not only relevant for Bank BNI in optimizing its business strategy but also provide valuable insights for regulators and other financial industry players navigating Indonesia's evolving banking landscape.

CONCLUSION

This study provides valuable insights into the credit preferences of Bank BNI Pekanbaru customers, illuminating the complex interplay between demographic factors and credit product choices in the evolving landscape of digital finance. The research reveals that age, gender, and income level significantly influence credit preferences, with clear patterns emerging across different demographic segments. The enduring popularity of credit cards, particularly among older and higher-income

customers, coexists with a strong preference for paylater services among younger generations, reflecting the dual nature of the current financial services market in Pekanbaru. Gender differences in credit preferences highlight the need for tailored product offerings and marketing strategies, while income-based variations underscore the importance of a diversified credit portfolio. The factors influencing credit choices, particularly ease of use and competitive pricing, emphasize the critical role of user experience and cost-effectiveness in shaping consumer decisions. These findings have profound implications for Bank BNI's strategic approach to product development, marketing, and risk management. Moreover, they contribute to the broader understanding of consumer behavior in the Indonesian banking sector, offering insights that can guide regulatory policies and industry-wide practices. As the financial landscape continues to evolve, driven by technological innovations and changing consumer expectations, the ability to adapt and respond to these demographic-based preferences will be crucial for maintaining competitiveness and ensuring financial inclusion. This research not only provides a roadmap for Bank BNI to enhance its market position in Pekanbaru but also serves as a valuable reference for stakeholders across the Indonesian financial services industry in navigating the challenges and opportunities of the digital banking era.

LIMITATIONS

This study provides valuable insights into the influence of demographic factors on credit preferences among Bank BNI customers in Pekanbaru, Indonesia. However, it is important to acknowledge several limitations that may affect the interpretation and generalizability of the results:

1. **Geographic Scope:** The study focuses solely on customers of Bank BNI in Pekanbaru. This limited geographic scope may not fully represent the diverse consumer base of Bank BNI across Indonesia, potentially limiting the generalizability of findings to other regions or urban centers.
2. **Sample Size:** While the sample size of 300 respondents is sufficient for statistical analysis, a larger sample could provide more robust results and allow for more detailed subgroup analyses.
3. **Cross-sectional Design:** The study employs a cross-sectional design, capturing data at a single point in time. This approach does not account for potential changes in preferences over time or seasonal variations in credit usage patterns.
4. **Self-reported Data:** The reliance on self-reported survey data may introduce response bias, where participants might not accurately report their credit preferences or usage due to social desirability or recall issues.
5. **Limited Factors:** While the study focuses on age, gender, and income level, other potentially influential factors such as education level, occupation, or credit history were not included in the analysis.
6. **Rapid Technological Changes:** Given the fast-paced nature of financial technology, the findings may have a limited shelf life and might need frequent updating to remain relevant in the rapidly evolving fintech landscape.

7. Bank-specific Focus: The study concentrates on Bank BNI customers, which may not be representative of the broader Indonesian population or customers of other banks or financial institutions.
8. Lack of Qualitative Insights: The quantitative approach, while providing statistical rigor, may miss nuanced explanations for consumer preferences that could be captured through qualitative methods.
9. Potential Confounding Variables: There may be unmeasured variables influencing credit preferences that were not accounted for in this study, potentially affecting the interpretation of the relationships observed.

Despite these limitations, the study provides valuable insights into the relationship between demographic factors and credit preferences in the context of a major Indonesian bank. Future research could address these limitations by expanding the geographic scope, incorporating longitudinal designs, and integrating qualitative methods to provide a more comprehensive understanding of consumer credit preferences in the evolving Indonesian financial landscape.

Recommendations:

1. Develop a tiered credit product strategy that aligns with age-based preferences, offering enhanced paylater services for younger customers while maintaining attractive credit card options for older demographics, and create transitional products to retain customers as they move through different life stages.
2. Implement gender-specific marketing campaigns and product features, addressing the distinct preferences and financial behaviors observed among male and female customers, with a focus on promoting financial literacy and credit accessibility for women.
3. Enhance digital infrastructure and user interfaces across all credit products, prioritizing ease of use and transparent fee structures to meet the primary factors influencing credit choices, while maintaining traditional service options for customers who prefer them.
4. Establish a comprehensive data analytics framework that ethically leverages customer information to personalize credit offerings and risk assessment, adhering to strict data governance and privacy standards, and incorporating principles of responsible AI in decision-making processes.
5. Collaborate with fintech companies and regulatory bodies to innovate within a "Regulatory Sandbox" framework, developing new credit products that balance innovation with consumer protection and financial stability, particularly in the rapidly evolving paylater service segment.

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