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DIGITAL CONSUMER LITERACY, FOMO, AND THE RISKS OF ONLINE LOANS FOR STUDENTS AT PP DARUL ARQOM PURWOREJO

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ABSTRACT

The development of digital technology and social media has transformed the consumption patterns of the younger generation, including santri who are now increasingly exposed to the digital ecosystem. This community empowerment program aims to improve digital consumer literacy, raise awareness of the Fear of Missing Out (FOMO) phenomenon, and enhance understanding of the risks of online loans among santri at PP Darul Arqom Muhammadiyah Jono Purworejo. Activities were conducted using an interactive educational approach based on the Stimulus-Organism-Response (S-O-R) framework, including interactive lectures, case simulations, group discussions, and digital campaigns. The results of the activities showed an increase in participants' knowledge regarding the dangers of FOMO, their ability to identify illegal online lending practices, and their readiness to adopt responsible financial behaviors. This program contributes to shaping students who are digitally savvy and critical of consumerist pressures in the e-commerce era.

***Keywords**: Consumer Literacy, FOMO, Online Lending, Digital Students, Community Empowerment*

INTRODUCTION

The digital era has brought significant transformations in consumer behavior, particularly among the younger generation. The younger generation's dominance in the digital ecosystem is highly correlated with their exposure to e-commerce platforms and social media filled with promotions, influencers, and hidden advertisements (Briliana et al., 2026). This situation increases the risk of impulsive purchases, fraud, and exposure to online lending services without adequate understanding. Generation Z, as *digital natives*, is known for having a strong online presence and being responsive to trends, making them highly vulnerable to impulsive purchases triggered by digital marketing strategies (Sari & Sanistasya, 2025).

The phenomenon *of Fear of Missing Out* (FOMO) has emerged as one of the psychological impacts of intensive social media use. FOMO is defined as anxiety arising from the perception of missing out on valuable information, trends, or social experiences (Ndruru et al., 2026). Social media platforms such as TikTok, Instagram, and YouTube play a dominant role in shaping the self-image and consumption preferences of Generation Z, where impulsive purchasing behavior is driven by e-commerce promotions, FOMO, and peer pressure within digital communities (Dewantoro et al., 2025).

Even more concerning is that the ease of accessing digital credit through online loans (*pinjol*) and *PayLater* features further exacerbates this situation. Research findings reveal that the use of online loans by Generation Z in Indonesia impacts various aspects of life, including financial, social, and psychological domains (Poernama et al., 2025). Factors driving irresponsible borrowing behavior include easy digital access, low financial literacy, and a consumerist lifestyle. Generation Z tends to use online loans for non-productive needs without considering their repayment capacity, leading to personal financial crises and impacting mental health and social relationships.

In the context of Islamic boarding schools, students as part of the younger generation are not immune to the influence of this digital transformation. Technological advancements and internet penetration into the pesantren environment have increased students' exposure to social media content and e-commerce platforms. This necessitates educational interventions that equip students with adequate digital and financial literacy skills. The community service program at PP Darul Arqom Muhammadiyah Jono Purworejo serves as a response to this need.

Partner's Challenges

PP Darul Arqom Muhammadiyah Jono Purworejo faces challenges in guiding students through a digital era rife with the temptations of consumerism. Some of the identified issues include:

1. Low digital consumption literacy. Many students do not yet understand how to identify hidden advertisements, persuasive marketing tactics, and scarcity-based promotional

strategies on e-commerce platforms.

2. Vulnerability to FOMO. Exposure to viral content on social media triggers social anxiety that drives impulsive purchases to maintain personal relevance in the digital environment (Putri & Apriadi, 2025).
3. Lack of understanding of online lending risks. Students do not yet fully understand the dangers of illegal online lending, including high interest rates, unethical collection practices, and personal data theft.
4. Limited financial management skills. The development of digital technology and social media has altered Generation Z's consumption behavior through *self-reward* lifestyles, *shopaholic* tendencies, and FOMO, which may increase consumptive spending patterns and reduce the quality of financial management (Lestari et al., 2026).

This community service program aims to: 1. Improve digital consumption literacy among students at the Darul Arqom Muhammadiyah Islamic Boarding School in Jono, Purworejo 2. Foster critical awareness of the FOMO phenomenon and its impact on financial behavior 3. Provide an understanding of the risks of online lending and how to identify illegal practices 4. Develop wise financial management skills in line with Islamic values 5. Foster digital students who are smart, critical, and responsible in interacting with the digital ecosystem.

IMPLEMENTATION METHODE

This community service program adopts the *Stimulus-Organism-Response* (S-O-R) framework, which has proven effective in consumer behavior education interventions. Within this framework, the stimulus, in the form of exposure to critical materials is expected to alter students' cognition, emotions, and attitudes (the organism), thereby generating a response in the form of more reflective purchasing decisions (Briliana et al., 2026). This approach was chosen because it aligns with the characteristics of the younger generation, who require interactive and contextual learning methods. Additionally, this program integrates the *Participatory Action Research* (PAR) approach, which involves needs assessments, interactive training sessions, real-life case simulations, group discussions, and digital awareness campaigns (Saragih & Ganiem, 2025). This participatory approach aims to strengthen community resilience through participatory, community-based education. The activity is held at PP Darul Arqom

Muhammadiyah Jono Purworejo, Central Java. The target participants are students aged 15-18 who are active social media users and exposed to the e-commerce ecosystem.

Implementation Stages

1. Preparation Phase
    a. Coordination with the boarding school administration
    b. *Needs assessment* through an initial survey
    c. Development of educational materials relevant to the students' daily lives
    d. Development of evaluation instruments (*pre-test and post-test*)
2. Implementation Phase

The educational program consists of four interconnected sessions. **Session 1** covers digital storefront mechanisms and marketing tactics, utilizing behavioral economics concepts such as anchoring effect, social proof, loss aversion, and instant gratification to analyze how social media influences adolescent purchasing decisions (Su, 2025). **Session 2** focuses on FOMO as the dominant psychological factor driving impulsive buying behavior through social media exposure and digital marketing strategies that emphasize urgency and scarcity (Ndruru et al., 2026). **Session 3** addresses online loan literacy, highlighting the urgent need to improve digital and financial literacy to combat the misuse of illegal online loans (Saragih & Ganiem, 2025). **Session 4** integrates Islamic financial principles, emphasizing that Self-Control positively affects financial management and negatively affects impulsive buying, making it a crucial stabilizing factor in the intervention model (Ningsih & Anita, 2025).

Figure 1. Four-Session Education Material Components

RESULT AND DISCUSSION

The community service activity was participated in by students of the Darul Arqom Muhammadiyah Islamic Boarding School in Jono, Purworejo, who are characterized as active social media users and are exposed to e-commerce platforms. This profile aligns with findings that students' consumerist behavior in the digital era is a form of adaptation to the influence of technology and digital culture yet can be managed through the enhancement of financial literacy (Nurjanah et al., 2025).

Knowledge Assessment Results

1. Understanding of Digital Storefronts and Marketing Tactics

   Before the intervention, most participants did not understand how social media algorithms and digital marketing tactics work. After the education, there was a significant improvement in participants' ability to identify:

a. Hidden ads within influencer content - Flash sale strategies and artificial scarcity.
b. Nudging and anchoring techniques in pricing.

These results align with findings that behavioral economic concepts such as the anchoring effect, social proof, loss aversion, and instant gratification are used to analyze how social media influences adolescents' cognitive development in making purchasing decisions (Su, 2025).

2. Awareness of FOMO

The program successfully increased participants' awareness of FOMO as a key psychological mechanism driving consumption in the digital age, which often overrides traditional economic rationality (Alfian et al., 2025). Participants were able to:

a. Recognize symptoms of FOMO in themselvesUnderstand the relationship between FOMO and impulsive buying
b. Develop personal strategies to manage FOMO.

A key finding from the evaluation is that FOMO has a positive and significant effect on impulsive buying, while self-control has a positive effect on financial management and a negative effect on impulsive buying, making it a crucial stabilizing factor (Ningsih & Anita, 2025). This underscores the importance of education that is not only informative but also builds self-control skills.

3. Online Loan Literacy

Participants demonstrated improved understanding of:

a. Characteristics of illegal online loans
b. Risks of personal data misuse
c. Healthier and Sharia-compliant financial alternatives

Evaluation results indicate increased vigilance toward influencers and a rejection of online loans as a consumption solution (Briliana et al., 2026). Materials covering online transaction security, identification of advertisements/influencers, fraud risks, and the dangers of illegal online loans proved effective in raising participants' awareness.

Table 1. Pre-Test And Post-Test Comparison Results

Evaluation Metric	Pre-Intervention	Post-Intervention	Key Insight
Knowledge Level	Baseline/Low	Increased	Educational intervention effectively improves digital financial knowledge
Impulsive Buying Tendency	High	Moderate Decrease	Intervention reduces spontaneous purchase tendencies
Caution Toward Influencers	Low	Increased	Participants become more critical of influencer marketing
Rejection of Online Loans	Low	Increased	Rejection of online loans as consumption solution increases
Financial Literacy Awareness	Limited	Improved	Disciplined financial behavior negatively correlates with impulsive spending
Self-Control Capability	Weak	Strengthened	Self-control positively affects financial management and negatively affects impulsive buying

RESULT AND DISCUSSION

1. Relevance of the Program to the Needs of Digital Santri

This program addresses the urgent need for financial education and digital literacy among Indonesia's youth. The shift in consumption behavior from conventional, functionally based patterns toward more emotional, symbolic, and digitally driven behavior requires a comprehensive educational approach (Dewantoro et al., 2025). Unfortunately, this trend has not been matched by adequate financial literacy.

2. An Islamic Values-Based Educational Approach

The uniqueness of this program lies in the integration of Islamic values into financial literacy education. In the context of Islamic boarding schools (pesantren), this approach is highly relevant because students can link financial management principles to Islamic teachings on contentment (*qana'ah*), avoiding wastefulness (*israf*), and conducting transactions in a halal

3. Program Sustainability

To ensure the sustainability of the impact, this program recommends: 1. Periodic reinforcement through collaboration between Islamic boarding schools, parents, and digital ecosystem policies (Briliana et al., 2026) 2. The formation of a community of financially literate students to serve as *peer educators* 3. The integration of digital financial literacy materials into the pesantren curriculum 4. The use of pesantren social media for financial awareness campaigns. Universities and educational institutions need to play an active role in instilling digital financial literacy to foster smart, critical, and sustainable consumer behavior (Nurjanah et al., 2025).

CONCLUSION

The community service program "Digital Storefront Trap" at PP Darul Arqom Muhammadiyah Jono Purworejo successfully improved digital consumption literacy, awareness of FOMO, and understanding of online loan risks among students. This initiative is effective as an initial step for Generation Z/Alpha but requires repeated reinforcement (Briliana et al., 2026). The main findings of this program include: (1) FOMO is the dominant psychological driver of impulsive consumption behavior that needs to be managed through strengthening self-control (2). A combination of digital financial literacy, awareness of marketing tactics, and an understanding of online lending risks effectively builds students' financial resilience (3). An interactive, values-based Islamic educational approach is relevant and effective for the pesantren context (4). Program sustainability requires multi-stakeholder collaboration among pesantren, families, and digital ecosystem stakeholders.

RECOMMENDATIONS

For Islamic Boarding Schools: Integrate digital financial literacy into ongoing student development programs and establish a community of *peer* financial literacy *educators*. For Students: Increase self-awareness of FOMO symptoms, develop self-control skills, and apply Islamic financial principles in digital consumption activities. For Academics: Conduct further research on the effectiveness of digital financial literacy interventions in the pesantren environment with a larger sample size and a longer evaluation period. For Policy Makers: Develop stricter regulations regarding digital marketing practices targeting young people and illegal online lending and support digital financial literacy education programs in various educational institutions.

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