International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Peer to Peer Lending and its Impact on Traditional Banking

Karaka Vasundhara[1]*, S. Venkata Ramana*[2]

[1]ID no: 2301510358, Student, [2]Guide, Professor in MBA Department
Department of Business Management - MBA

INTRODUCTION

Relevance to Business:

1. **Access to Financing:**
   - P2P lending offers an alternative financing option for businesses, particularly small and medium-sized enterprises (SMEs) that may struggle to secure loans from traditional banks. This increased access to credit can support business growth, innovation, and entrepreneurship.
2. **Cost of Capital:**
   - The potentially lower cost of borrowing through P2P platforms compared to traditional bank loans can make it an attractive option for businesses looking to reduce their financing costs.
3. **Investment Opportunities:**
   - P2P lending provides investors, including businesses, with new opportunities to diversify their investment portfolios by lending directly to individuals or other businesses. This can offer higher returns compared to traditional savings accounts or bonds.
4. **Strategic Considerations:**

Businesses need to stay informed about the evolving financial landscape, including the rise of P2P lending, to make strategic decisions about their financing and investment strategies. Understanding the impact of P2P lending on traditional banking can help businesses navigate this new environment effectively.

Why This Topic Is Important and Worth Researching:

1. Disruption of Traditional Banking Models:

P2P lending represents a significant disruption to traditional banking by offering an alternative platform for borrowers and lenders to connect directly. This shift challenges the established role of banks as financial intermediaries and could lead to major changes in the banking industry.

2. Financial Inclusion:

P2P lending can enhance financial inclusion by providing access to credit for individuals and small businesses that might be underserved by traditional banks. Researching this topic can shed light on how these platforms are expanding financial opportunities and contributing to economic growth.

3. Regulatory and Risk Implications:

The rise of P2P lending raises important questions about regulation, risk management, and consumer protection. Understanding these aspects is crucial for ensuring the stability and integrity of the financial system.

4. Strategic Adaptation by Banks:

Traditional banks must adapt to the competition posed by P2P lending platforms. Research in this area can provide insights into how banks are responding or should respond, which is vital for their long-term viability. **Theoretical Background: Write theory related to your the topic - meaning, definitions, variables etc.**

What is Peer-to-Peer Lending?

Peer-to-peer (P2P) lending is a financial innovation that bypasses traditional banking intermediaries.

It connects borrowers directly with investors through online platforms. Individuals or businesses seeking loans can post their requests, and investors can fund these loans, often at higher interest rates than traditional banks offer.

Impact on Traditional Banks

The emergence of P2P lending has significantly impacted traditional banks.

Key impacts include:

- **Increased Competition:** P2P platforms offer competitive interest rates to both borrowers and lenders, challenging banks' traditional role as intermediaries.
- **Market Share Erosion:** As more people turn to P2P platforms for borrowing and investing, banks may experience a decline in market share.
- **Innovation Pressure:** To remain competitive, banks must adopt technological advancements and streamline their processes to offer similar convenience and efficiency as P2P platforms.
- **Risk Management Challenges:** While P2P platforms offer higher returns, they also carry higher risks. Banks, with their established risk management frameworks, might have a competitive advantage in this area.
- **Variables Related to P2P Lending and Traditional Banking**
- **Dependent Variables:**
- **Market Share of Traditional Banks:**

  The percentage of the lending market that traditional banks hold relative to P2P platforms.
- **Profitability of Banks:**

  Measures such as Return on Assets (ROA) and Return on Equity (ROE) which may be impacted by the rise of P2P lending.
- **Independent Variables:**
- **P2P Lending Volume:**

  The total amount of money lent through P2P platforms, which can influence the market dynamics for traditional banks.
- **Interest Rate Differentials:**

  The difference between interest rates offered by P2P platforms and traditional banks, which can drive borrower behaviour.
- **Regulatory Environment:**

  The level of regulation imposed on P2P platforms compared to traditional banks, which could affect the competitive landscape.

Background: Provide the need and significance of the topic which tells about the reason behind selection of the topic and research problem that will be addressed.

The Need for Research

The emergence of peer-to-peer (P2P) lending has ushered in a new era of financial intermediation, challenging the traditional banking model.

This paradigm shift necessitates a comprehensive understanding of its implications for the banking industry and the broader financial ecosystem.

Significance of the Topic

1. **Disruption and Innovation:** P2P lending represents a classic case of disruptive innovation, forcing traditional banks to adapt or risk obsolescence.

Researching this topic can provide insights into how established industries respond to technological advancements and changing consumer preferences.

2. **Financial Inclusion:** P2P lending has the potential to expand financial access to underserved populations, including individuals and small businesses that might be excluded from traditional banking. Understanding the impact of P2P lending on financial inclusion is crucial for policymakers and researchers.

3. **Risk Management:** P2P lending platforms have developed innovative credit risk assessment models. Comparing these models to traditional banking methods can contribute to the development of more effective risk management strategies across the financial industry.

4. **Regulatory Framework:** The rapid growth of P2P lending has outpaced regulatory development. Research on the regulatory challenges and opportunities posed by P2P lending can inform policymakers in creating effective regulatory frameworks.

Reason for Selecting the Topic:

Transformation of the Banking Industry

Impact on Financial Inclusion and Access to Credit

Regulatory Challenges and Risks

Relevance to Business Strategy and Decision-Making

Emerging Financial Innovation

Research Problem to Be Addressed:

What regulatory frameworks are necessary to ensure the stability and sustainability of the P2P lending market?

What are the risks associated with P2P lending, and how do they compare to those faced by traditional banks?

Literature review: Write briefly about 8 to 10 articles (One Paragraph each) you have reviewed on your topic which are relevant and recent.

1. **"The Impact of Peer-to-Peer Lending on the Banking Industry" (2018)**

This article discusses how P2P lending has begun to erode traditional banks' market share by offering more accessible lending options, particularly to those underserved by banks, highlighting early signs of disruption in the financial sector.

2. **"Peer-to-Peer Lending and Traditional Banking: Friends or Foes?" (2019)**

The study explores whether P2P lending is a competitor or a complementary service to traditional banking, finding that while it competes in certain niches, it also opens up collaboration opportunities for banks to serve a broader range of customers.

3. **"The Rise of Peer-to-Peer Lending: Implications for Bank Profitability" (2020)**

This article analyzes the growing popularity of P2P lending and its impact on traditional banks' profitability, noting that banks are losing customers to P2P platforms due to their competitive interest rates and easier access to credit

4. “P2P Lending During Economic Downturns: A Comparative Analysis with Banks” (2020): This research paper compares the

performance of P2P lending platforms and traditional banks during economic downturns, finding that P2P platforms tend to attract higher-risk borrowers during such times, which could impact their long-term viability compared to more conservative banking practices.

5. **"Consumer Trust in Peer-to-Peer Lending vs. Traditional Banking" (2021)**

This study examines consumer trust in P2P platforms compared to traditional banks, finding that while banks still hold higher trust levels, P2P platforms are gaining ground, particularly among younger, tech-savvy consumers.

6. **"Peer-to-Peer Lending as a Catalyst for Financial Innovation" (2021)**

This article discusses how P2P lending is driving financial innovation, forcing traditional banks to adopt new technologies and business models to compete effectively, particularly in digital and data-driven financial services.

7. **"Peer-to-Peer Lending and Its Role in Financial Inclusion" (2022)**

This article highlights how P2P lending platforms are improving financial inclusion by offering credit to individuals and businesses that traditional banks often overlook, pressuring banks to reconsider their lending criteria.

8. **"Technological Advancements in Peer-to-Peer Lending and Their Impact on Banks" (2023)**

The research explores how advancements in technology, such as AI and blockchain, have enhanced P2P lending platforms, urging traditional banks to integrate similar technologies to stay competitive and efficient.

9. **"The Competitive Dynamics Between P2P Lending and Traditional Banks" (2023)**

This article discusses the competitive dynamics between P2P lenders and traditional banks, showing how banks are losing ground in certain lending markets while also adapting by creating their own digital lending platforms.

10 **"The Future of Banking in a Peer-to-Peer Lending World" (2024)**

This study predicts the long-term impact of P2P lending on traditional banks, suggesting that while banks will continue to exist, they must evolve by embracing digital transformation and forming strategic partnerships with P2P platforms.

Here’s a list of notable peer-to-peer (P2P) lending platforms from various regions:

United States

1. **LendingClub** - One of the largest and most well-known P2P lending platforms, offering personal loans and small business loans.
2. **Prosper** - A pioneer in the P2P lending space, Prosper provides personal loans for various purposes.
3. **Upstart** - Utilizes artificial intelligence for credit scoring to provide personal loans to borrowers with limited credit histories.
4. **Funding Circle** - Focuses on small business loans, connecting investors with businesses seeking funding.
5. **Peerform** - Offers personal loans with a focus on lower credit scores.

United Kingdom

1. **Zopa** - One of the oldest P2P lending platforms in the UK, offering personal loans and a range of investment products.
2. **RateSetter** - Allows users to lend and borrow money while providing a unique "Provision Fund" for added security.
3. **Funding Circle (UK)** - Also operates in the UK, facilitating loans specifically for small businesses.
4. **Assetz Capital** - Offers secured loans for businesses and property investors.

Europe

1. **Mintos** (Latvia) - A marketplace for investing in loans from various originators, offering a range of loan types across multiple countries.
2. **Bondora** (Estonia) - Focuses on consumer loans and offers a simple investment platform for retail investors.
3. **Lendico** (Germany) - Provides personal loans and small business financing, primarily focused on the German market.
4. **Taeva** (France) - A platform for lending to small businesses, focusing on transparent fees and processes.

Asia

1. **LendingKart** (India) - Provides quick loans to small businesses, leveraging technology to assess creditworthiness.
2. **BankBazaar** (India) - While primarily a financial services aggregator, it offers P2P lending options.
3. **WeLab** (Hong Kong) - Operates a digital lending platform alongside its P2P lending services.
4. **Toss** (South Korea) - A fintech platform that includes P2P lending as part of its broader financial services.

Australia

1. **SocietyOne** - One of the leading P2P lending platforms in Australia, offering personal loans to borrowers.
2. **RateSetter (Australia)** - Similar to its UK counterpart, it provides P2P loans for personal and business use.

Canada

1. **Lending Loop** - A P2P lending platform specifically focused on small business loans in Canada.
2. **GoPeer** - A newer platform that connects borrowers and lenders for personal loans.

This list includes a mix of platforms that cater to personal, business, and various specialized lending needs. Each platform may have unique features, target markets, and regulatory environments,

Research Gap

A significant research gap in the field of peer-to-peer (P2P) lending relates to the regulatory challenges faced by platforms in various jurisdictions. While regulations are intended to protect consumers and ensure market stability, many P2P lending platforms struggle with compliance due to the diverse and often ambiguous regulatory landscapes across different regions. Existing studies often focus on the growth and impact of P2P lending but lack comprehensive analyses of how regulatory frameworks influence operational challenges, innovation, and market dynamics. Furthermore, there is a need for research that examines the effectiveness of consumer protection measures and their role in fostering trust among users Addressing these gaps can provide valuable insights into how regulation can better support the P2P lending ecosystem while mitigating risks for borrowers and investors.

STATEMENT OF THE PROBLEM

In 2024, regulatory issues pose a critical challenge to the growth and stability of the peer-to-peer (P2P) lending system. P2P platforms operate in a regulatory gray area in many regions, benefiting from lighter oversight compared to traditional financial institutions. This disparity raises concerns about consumer protection, transparency, and the potential for systemic risks, especially as P2P lending grows in scale and complexity. Moreover, the absence of standardized global regulations complicates cross-border operations and limits the ability of authorities to enforce consistent rules. As regulators strive to strike a balance between fostering fintech innovation and ensuring financial stability, P2P platforms face uncertainty that could hinder their development and impact trust among borrowers and lenders.

OBJECTIVES

Assess Regulatory Challenges: Identify and analyze the key regulatory issues affecting the growth and stability of the P2P lending system in 2024.

Evaluate Consumer Protection: Examine the extent to which existing regulations safeguard consumer interests and promote transparency in P2P lending.

Analyze Systemic Risks: Investigate the potential systemic risks arising from the regulatory disparity between P2P platforms and traditional financial institutions.

Study Cross-Border Operations: Explore how the absence of standardized global regulations impacts cross-border operations and enforcement consistency.

Propose Balanced Solutions: Develop recommendations for achieving a balance between fintech innovation and financial stability to enhance trust and sustainability in the P2P lending ecosystem.

METHODOLOGY

In research, the methodology is essential because it provides clarity on how the study is structured, ensures that the research is systematic and reproducible, and supports the validity and reliability of the study's findings. It typically includes:

1. Research Design: The overall plan or structure of the study, such as descriptive, exploratory, or experimental.
2. Data Collection Methods: How data will be gathered (e.g., surveys, interviews, observations, secondary data).
3. Sampling Methods: The process of selecting participants or data points for the study.
4. Data Analysis Techniques: The methods used to process and analyze the data (e.g., statistical analysis, thematic analysis).

SOURCES OF DATA

Secondary Data Review (Literature Review)

- Purpose: To build a foundation for understanding existing research on P2P lending, fintech regulations, and traditional banking systems.
- Sources:
  - Peer-reviewed academic journals.
  - Industry reports from financial institutions, fintech research organizations, and regulatory bodies.
  - News articles, expert commentaries, and conference proceedings.
- Data to Collect:
  - Historical data on the evolution of P2P lending and its market growth.
  - Analysis of regulatory frameworks in different countries.
  - Technological developments (AI, blockchain) in the context of P2P lending.
- Expected Outcome: A comprehensive synthesis of existing knowledge that highlights gaps and forms the basis for new insights.

SAMPLE SIZE

1. Borrowers (around 35% of the total sample)

- 175 respondents

  These are the individuals who have used or are currently using P2P lending platforms to borrow money.

2. Lenders (around 35% of the total sample)

- 175 respondents

  These individuals provide the funds to borrowers through P2P lending platforms.

3. Platform Operators (around 20% of the total sample)

- 100 respondents

  These include people managing or working within the P2P lending platforms, like customer service agents, platform managers, or operational staff.

5. General Public (Individuals who are not involved directly in P2P lending) (around 5% of the total sample)

- 25 respondents

  These are individuals who may not have used P2P platforms but can provide their opinions on P2P lending and its regulations based on public knowledge or general awareness.

TOOLS OF ANALYSIS

Analyzing regulatory challenges in the P2P lending system can leverage tools like Power BI and machine learning for actionable insights. Power BI enables visualization of regulatory trends, comparing compliance levels, market growth, and systemic risks across regions through dynamic dashboards. Machine learning models, such as classification algorithms, can predict the likelihood of regulatory violations, while clustering techniques identify patterns in platform compliance.

PERIOD OF STUDY

The study covers a period of six years, from 2018 to 2024. This timeframe allows for an assessment of the evolution of P2P lending and its influence on traditional banking, with a focus on significant milestones such as regulatory changes and technological advancements during this period.

SCOPE OF STUDY

This study focuses on peer-to-peer (P2P) lending, examining its impact on both individuals and lending platforms. It explores how P2P platforms serve as intermediaries, enabling individuals to access credit and investment opportunities outside traditional banking systems. For individuals, the study investigates borrowing experiences, including ease of access, interest rates, and repayment flexibility, as well as lending experiences such as risk-return profiles and portfolio diversification.

For platforms, the study analyzes their operational models, regulatory challenges, and role in bridging financial gaps. It also evaluates the platforms' ability to scale, maintain trust, and manage risks such as defaults and cybersecurity. By encompassing both users and platforms, the research highlights the symbiotic relationship between the two and their contribution to the evolution of alternative finance.

QUESTIONNAIRE

Section 1: Demographic Information

1. Name (Optional):
2. Age:
   - ☐ 18–25
   - ☐ 26–35
   - ☐ 36–45
   - ☐ Above 45
3. Gender:
   - ☐ Male
   - ☐ Female
   - ☐ Other
4. Stakeholder Type:
   - ☐ Borrower
   - ☐ Lender

- ☐ Platform Operator
- ☐ Regulator
- ☐ Other: _______

Section 2: Awareness of P2P Lending Regulations

5. How would you describe the regulatory environment for P2P lending?
   - ☐ Highly Regulated
   - ☐ Moderately Regulated
   - ☐ Lightly Regulated
   - ☐ Unregulated

Section 3: Perception of Regulatory Challenges

6. How significant are the following regulatory challenges for P2P lending? *(Rate on a scale of 1 to 5; 1 = Not Significant, 5 = Very Significant)*
   - Consumer protection: _______
   - Transparency and disclosures: _______
   - AML/KYC compliance: _______
   - Cross-border lending challenges: _______
   - Data privacy and security: _______
7. Do you think the current regulations adequately protect the interests of borrowers and lenders?
   - ☐ Yes
   - ☐ No
   - ☐ Not Sure
8. Which of the following risks do you associate with insufficient regulation? (Select all that apply):
   - ☐ Fraudulent activities
   - ☐ High default rates
   - ☐ Data breaches
   - ☐ Loss of trust in platforms
   - ☐ Other: _______

Section 4: Impact of Regulations on Stakeholders

9. How have regulatory changes affected your experience with P2P lending?
   - ☐ Positively
   - ☐ Negatively
   - ☐ No Impact
10. Do you believe that P2P platforms face stricter regulations compared to traditional financial institutions?
    - ☐ Yes
    - ☐ No
    - ☐ Not Sure
11. How do you perceive the role of regulators in fostering innovation while ensuring financial stability in P2P lending?
    - ☐ Balanced
    - ☐ Favouring innovation
    - ☐ Favouring regulation

- ☐ Other: _______

Section 5: Suggestions for Improvement

12. What measures should regulators take to improve the P2P lending ecosystem? (Select all that apply):
    - ☐ Introduce standardized regulations
    - ☐ Enhance consumer protection policies
    - ☐ Encourage innovation through incentives
    - ☐ Streamline compliance processes
    - ☐ Other: _______
13. How can P2P platforms better align with regulatory expectations?
    - ☐ Increase transparency in operations
    - ☐ Adopt advanced technology for compliance
    - ☐ Collaborate with regulators
    - ☐ Other: _______
14. Do you think global standardization of P2P lending regulations would benefit the industry?
    - ☐ Yes
    - ☐ No
    - ☐ Not Sure

Section 6: Open-Ended Feedback

15. What are your top concerns regarding the regulation of P2P lending?
16. Share your suggestions on how the regulatory environment can be improved to foster growth and trust in P2P lending.

Limitations of the Study

1. Rapid Technological Evolution

- **Fintech Disruption**: P2P lending platforms are part of a rapidly evolving fintech ecosystem, and technology such as blockchain, AI, and machine learning is increasingly being integrated into both P2P lending and traditional banking. Studies from 2024 may struggle to capture the full scope of these advancements or accurately predict their long-term impact.
- **Uncertainty in Technological Adoption**: Traditional banks are adopting new technologies at varying paces, and studies might not fully account for how these banks might use fintech solutions to mitigate the competitive pressures posed by P2P lending in the near future.

2. Inconsistent Regulatory Developments

- **Fragmented Regulations**: Despite some harmonization efforts (e.g., in the EU with PSD2), regulatory environments for P2P lending remain inconsistent across countries. The rapid pace of regulatory changes in 2024 (such as increased focus on consumer protection, AML compliance, and platform governance) can create uncertainty, and studies may fail to capture the future impact of these regulations on both P2P platforms and traditional banks.
- **Delayed Regulatory Responses**: Many governments and regulatory bodies are still refining their responses to fintech innovations, and studies may not anticipate future regulatory shifts that could dramatically alter the competitive landscape.

3. Consumer Behaviour and Trust

- **Changing Trust Dynamics**: The trust in traditional financial institutions versus P2P platforms continues to evolve, especially as more high-profile cyber incidents occur in the digital finance sector. A study in 2024 might be limited in assessing how shifts in consumer trust over time will impact the adoption of P2P lending and its long-term competition with banks.
- **Consumer Segmentation**: Differences in borrower and lender profiles (risk appetite, financial literacy, etc.) between P2P platforms and banks might not be fully addressed in studies, leading to an incomplete understanding of which types of consumers prefer P2P lending and how traditional banks are impacted.

4.Ethical and Social Considerations

- **Financial Inclusion vs. Risk**: While P2P lending has been praised for increasing financial inclusion, it also exposes certain borrower segments to higher risks. Studies in 2024 may not adequately weigh the social risks or benefits of P2P lending, especially in underserved markets.
- **Data Privacy Concerns**: The increasing use of consumer data and AI for lending decisions in P2P platforms raises privacy concerns. Research might understate the impact of potential data breaches or unethical lending practices on consumer trust, which could affect both P2P platforms and traditional

REFERENCES

- **Provide your references**
- JOURNAL , VOLUME NO ,ISSUE NO ,PG NO , URL :
- Verslas: Teorija ir praktika / Business: Theory and Practice ISSN 1648-0627 / eISSN 1822-4202 2020 Volume 21 Issue 2: 713–722 https://doi.org/10.3846/btp.2020.1260 .
- JOURNAL , VOLUME NO , ISSUE NO ,PGNO , URL:
- School of Business Administration, Chung-Ang University, Seoul 06974, Korea; ejyeo@cau.ac.kr 2 Department of Economics, Dongguk University, Seoul 04620, Korea * Correspondence: jooyong@dongguk.edU
- JOURNAL ,ISSUE NO , PG NO ,URL ,VOLUME NO :
- 1 Doctoral Program of Information Systems Diponegoro University 2 Computer Engineering Department of Diponegoro University 3 Science and Mathematics Department of Diponegoro University https://doi.org/10.1051/e3sconf/202344802037 , The Authors, published by EDP
- ISSUE NO , PGNO, JOURNAL, URL , REFRENCE :
- To cite this document Turguttopbas, N., Kayral, I.E. (2023). Global peer-to-peer lending market. PressAcademia Procedia (PAP), 16, 10-15. Permemant link to this document: http://doi.org/10.17261/Pressacademia.2023.1657 Copyright: Published by PressAcademia and limited licenced re-use rights only.
- 1 https://www.statista.com/statistics/995174/cost-to-income-ratios-for-banks-in-europe/ 2 https://tradingeconomics.com/united-states/bank-cost-to-income-ratio-percent-wb-data.htm.
- Allied Crowds (2016). Developing world crowdfunding aid through crowdfunding, monthly report, September, available athttps://cdn.filestackcontent.com/ cBCiXTgNRmWjige4OnW8 Arner, D. W., Barberis, J.N. & Buckley, R.P. (2015). The evolution of fintech: a new post-crisis paradigm? University of Hong Kong Faculty of Law Research Paper No. 2015/047, UNSW. Bachmann, A., Becker, A. & Buerckner, D. (2015). Online peer-to-peer lending – a literature review. Journal of Internet Banking and Commerce, 16(2), 1–18. Basha, S., Elgammal, M.M. and Abuzayed, B.M. (2021) Online peer-to-peer lending: A review of the literature. Electronic Commerce Research
- ISSUE NO, PG NO, VLOUME NO. URL , REFRENCE :
- See discussions, stats, and author profiles for this publication at: https://www.researchgate.net/publication/337682751.
- “About the ACPR.” ACPR.Banque-France. ACPR Banque De France, n.d. Web. 16 April 2015. “About Zopa”. Zopa. Zopa, n.d. Web. 13 Apr. 2015. Anderson, Jessica L. "Risks And Rewards Of Online Lending." Kiplinger's Persona Finance 62.10 (2008): 66-67. Business Source Premier. Web. 23 Mar. 2015. “AMF France.” En.Tradimo. Tradimo Interactive ApS, n.d. Web. 16 April 2015. Aveni, Tyler. "The Role of Peer-to-Peer Lending in Financial Inclusion." Center for Financial Inclusion Blog. 5 Dec. 2014. Web. 23 Mar. 2015. Bachmann, Alexander, et al. "Online Peer-To-Peer Lending -- A Literature Review." Journal Of Internet Banking & Commerce 16.2 (2011): 1-18.
- ISSUM=E NO, URL, VOLUME NO, PGNO, REFRENCE :
- See discussions, stats, and author profiles for this publication at: https://www.researchgate.net/publication/313442224.
- European Journal of Risk Regulation · December 2016 DOI: 10.1017/S1867299X00010126.
- 0 Capital requirements regulation and directive – CRR/CRD IV, Directive 2013/36/EU and Regulation (EU) No 575/2013, available at http://ec.europa.eu/finance/bank/regcapital/legislation-in-force/index_en.htm (accessed 06 July 2016). 11 J. Rifkin: “The Zero Marginal Cost Society: The Internet of Things, the Collaborative Commons, and the Eclipse
- ISSUE NO, PG NO , URL , REFERNCE , VOLUME NO :
- See discussions, stats, and author profiles for this publication at: https://www.researchgate.net/publication/322258377.
- Havrylchyk, O., C. Mariotto and M. Verdier, 2016. What drives the expansion of the peer-topeer lending?, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2841316. Herzenstein, M., S. Sonenshein, U. M. Dholakia, 2011. Tell Me a Good Story and I May Lend You Money: The Role of Narratives in Peer-to-Peer Lending Decisions. Journal of Marketing Research: November 48, S138-S149. Hildebrand, T., M. Puri and J. Rocholl, 2016. Skin in the Game: Incentives in Crowdfunding, Management Science 63 (3), 587 – 608.