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Analyzing Business Models and the Platforms Dilemma on Online Peer-to-Peer Lending

Abstract

Online Peer-to-Peer Lending or simply called as P2P lending is a growing business in the financial industry. Currently, P2P lending has tremendous potential to attracts customers from existing financial institutions by creating a new standard for customer's loan demands and establishing a potential of additional promising areas for investments.

In order to be advantageous from the activities of P2P lending, entities which have operations in this sector should establish a stable and consistent business model. The purpose of this business model is to attract the attention of the lenders and borrowers as their main targets in this industry.

In the upcoming years, the growth of online lending will continuously increases under certain circumstances if both the needs of lenders and borrowers are fulfilled. Therefore, this paper attempts to analyze P2P lending which focusing on the essence of being a platforms of business model for P2P business.

This paper is organized as follows: Chapter 1 explains a brief overview of the definition and the trends of Fintech, Crowdfunding, and P2P lending. Chapter 2 represents the main features about how the platforms are performing their activities specifically as well as the explanation about the types of loans in the market. Then, chapter 3 focuses in more depth about the issues of being a platform for P2P business also the solutions to solve those issues. Lastly, chapter 4 portrays the conclusions and managerial implications from this research.

Keywords: *P2P lending, business model, platform, Fintech, Crowdfunding*

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