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Fintech-Based Peer-To-Peer Lending: An Opportunity Or A Threat?

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ABSTRACT
Peer-to-peer lending is like a double-edged sword, on one side providing a solution, on the other posing a threat or risk for borrower's. This quantitative research analyzed 62 respondents. The finding is that potential customers are more likely to use this service when they perceive that platform is a good opportunity to serve their financial needs. It can be stated the decision to delay using this service has a greater tendency for people to still use it in the future. Another interesting result shows the choice remains consistent even though respondents take into consideration the risks of platform.

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INTRODUCTION

Financial Technology (Fintech) is a combination of technology and financial features that can facilitate access to financial services. The Bank of Indonesia divides Fintech into four categories: 1) payment, clearing, settlement; 2) deposit, lending, capital raising (including crowdfunding/peer-to-peer lending); 3) market provisioning; and 4) investment and risk management. Evolution of Fintech was disrupting existing the system of traditional banking in Asia in lending, capital raising, investment management, market provisioning, payments, and insurance (Agrata 2018). Peer-to-peer lending (P2P) is an example of Fintech in which loans are received without the involvement of a financial institution in the decision making process (Galloway 2009). From the perspective of borrowers, small and medium enterprises (SMEs) in China face difficulties in obtaining loan approval from the Chinese banking system, as most banks are much more willing to provide loans to state-owned enterprises (SOEs) in China. The global financial crisis of 2007–2008, coupled with the more strict post-crisis financial regulations, and thus constrained bank lending, has made it even more difficult for SMEs to secure financing as the funding costs for loans have increased. P2P lending platforms provide Chinese borrowers with an innovative alternative channel for accessing capital. There is an increasing demand from borrowers in China seeking alternative choices for fundraising (Chen and Tsai 2017). Peer-to-peer lending was officially established in 2005 by the UK company Zopa, the first ever peer-to-peer lending platform company in the world. Peer-to-peer lending subsequently grew rapidly in the UK. In 2015, the contribution of peer-to-peer lending as new loans for SMEs (with a turnover of £1 billion or less) was 13% or £2.4 billion (Milne and Parboteeah 2016). In line with another paper that online peer-to-peer lending has big potential investment opportunity (Omarini 2018)companies operating in this industry should develop a resilient business model that aims at attracting the greatest number of lenders out of the whole lenders' population and the greatest number or borrowers out of the whole borrowers' population. The growth of online lending will accelerate in the next years, under certain conditions, and this can be true if they take care of both investors and borrowers' needs. The aim of the paper is to investigate the P2P outlining the importance of being a platform business model. The paper is structured as follows: in paragraph 1. It is given a brief description of Fintech, Crowdfunding and Peer-to-Peer (P2P.

Peer-to-peer lending (P2P Lending) offers a loan service that is easy in terms of its conditions and the procedure involved in taking out a loan. The borrower can apply for a loan anywhere without needing to go to a P2P Lending office because the loan application is made online or using the internet. The conditions for taking out a loan are not complicated and only require basic data such as personal information about the business owner and the business, and simple financial data about the business. Funds tend to be disbursed more quickly than in the case of a loan made through a bank, which may take up to several months. There is the assumption that peer-to-peer lending platforms, in order to be successful, need to have both a balanced demand/supply of capital (demand should equal supply in each economic relationship). Platforms also need to have a high number of lenders and borrowers (in order to exploit both the positive feedback effects characterizing social networks, and density economies, which go in the same direction of lowering costs). All this above is required because attractiveness for lenders and borrowers are the main issues to manage for platforms. Given that, taking care of customers first is likely to become the biggest driver for Fintechs, and specifically within the online lending market, which have to take care of consumers, as they have become both the lenders and the borrowers (Omarini 2018)companies operating in this industry should develop a resilient business model that aims at attracting the greatest number of lenders out of the whole lenders' population and the greatest number or borrowers out of the whole borrowers' population. The growth of online lending will accelerate in the next years, under certain conditions, and this can be true if they take care of both investors and borrowers' needs. The aim of the paper is to investigate the P2P outlining the importance of being a platform business model. The paper is structured as follows: in paragraph 1. It is given a brief description of Fintech, Crowdfunding and Peer-to-Peer (P2P. P2P Lending is also suitable for small enterprises because loans do not require any collateral or guarantee. This model of financing began to appear in Indonesia at the end of 2015 and was approved by the Financial

Services Authority (FSA) in December 2016. By January 2018 peer-to-peer lending had financed a total of 2.6 trillion rupiahs. From that amount, it can be concluded that numerous MSMEs and non-MSMEs obtained loans through peer-to-peer lending, both for business and personal use. Like a double-edged sword, Fintech has also reaped certain adverse effects, such as the tendency to prioritize lifestyle rather than living costs, the temptation to dig one hole in order to fill another, and lack of caution about illegal Fintech companies. From the borrower's perspective, P2P Lending is like a double blade, on one hand providing a solution, and on the other presenting a threat or risk. Thus, research that examines about the evolution of financial technology needs to be conducted as a consideration for formulating policies, especially to protect prospective customers as conveyed by (Rosenblum et al. 2015)

The convenience that can generally be obtained from online-based loans is the absence of collateral and administrative requirement by conventional banks. Empirical evidence also determines that the motivation to borrow at online financing by micro small and medium entrepreneurs is based on several things including the loan process, interest rates, loan costs, loan amount and flexibility (Rosavina et al. 2019). However, other empirical found that lender are often mistaken in assessing the ability of borrower for paying the loan (Gao, Sun, and Zhou 2016). While, investment in the Fintech platform is a high-risk investment even though the algorithmic system is used to assess the lender's repayment ability with various factors including macroeconomic conditions and the prospective customer's historical load record (Destine 2018). Online financing services require open communication between lenders and borrowers. This opinion was also conveyed based on research concluded that disclosure of information, social influence, quality of information, and trust are very necessary in online-based communication (Chen and Tsai 2017).

Research on the subject of P2P Lending has previously been carried out by numerous scholars, including (Tao, Dong, and Lin 2017; Lin, Prabhala, and Viswanathan 2011; Lenz 2016; Gimpel, Rau, and Röglinger 2018; Stern, Makinen, and Qian 2017; Ma, Zhou, and Hu 2017; Chen, Zhou, and Wan 2016; Adriana and Dhewantoa 2018; Gibilaro 2018; Huang 2018; Jie et al. 2018; Zhu 2018; Liu et al. 2019). However, these studies do not analyze the considerations and perception of opportunity or risk when making a decision to use, not to use, or be uncertain about Fintech. The second difference between this research and previous studies is the research focus, which analyzes from the perspective of borrowers. The information in the results of this research can however also be used as a special consideration, from the perspective of lenders, about what is really expected from P2P Lending services. It can also be considered by prospective users of P2P Lending services prior to borrowing funds, as well as providing input for the Financial Services Authority to ensure better monitoring.

Literature Review and Hypothesis Development

The appearance of financial technology (Fintech) is an inevitable consequence of the internet and the increased expectations of customers with regard to service. These higher demands are the result of a shift in trade towards e-commerce, web-based marketing, and the integration of e-business technology with company applications. People today have a lifestyle that demands better service in various areas, such as health, transportation, and finance (Gimpel, Rau, and Röglinger 2018). While, the advantages of P2P Lending include its efficiency and its ability to connect closely the financial aspect with the real economy (Lenz 2016). P2P Lending focuses on the real economy between lenders and borrowers, and offers opportunities amidst the complexity of bank financing. It is hoped that this new form of financing will redirect finance and capital back to its original function as a facilitator in real economic transactions. The issue of accountability also requires that this platform is guarded with proper regulations because people are not always able to accept the consequences of decision-making produced by mechanical software.

Significantly, P2P Lending in China has issued regulations about how a P2P Lending business carries out registration, disclosure, and lending limits, as well as the obligation to facilitate the online lending market and protect the customer's finances. These regulations made by the Chinese government also provide opportunities for collaboration between online platforms and traditional banks (Huang 2018). A study to reduce asymmetry of information between borrowers and lenders involves analyzing borrowers' soft information through friendship and network groups (Lin,

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Prabhala, and Viswanathan 2011). Another paper studied the largest P2P Lending platform in China by exploring the financial conditions of the borrower, and the personal information, loan characteristics, and lending models that affect the possibility of a successful loan, interest rates, and minimization of payment default (Tao, Dong, and Lin 2017). The role of the offline process in the screening process is necessary in order to reduce asymmetry of information between borrowers and lenders.

Regulators should make standard rules related to the P2P Lending business model (Adriana and Dhewantoa 2018). Business growth needs to be monitored because some P2P Lending business operators in China experienced a decline with the implementation of strict rules surrounding this type of business. In India, meanwhile, financing businesses of this kind were requested to make readjustments to their business activities. The strategies of policy makers (FSA) should involve funders, borrowers, banks, P2P Lending business owners, the Fintech Association, partners in collaboration, and the Bank of Indonesia.

P2P Lending-based services have been proven to offer an alternative solution for short-term financing needs (Gibilaro 2018). Furthermore, it is explained that the users of this service are not distributed evenly in certain geographic regions of the United Kingdom. The presence of this service in offering the opportunity for a solution to funding needs is also explained by (Lenz 2016). Transparency and fair judgment regarding the historical data about the credibility of prospective users of P2P Lending services also determine the approval of financing proposals (Jie et al. 2018). This evidence found in China may offer an answer to one developing issue, namely that financing proposals which fail to be approved by banks are not always rejected when using a P2P Lending service, as stated by (Lenz 2016). This issue also occurs in Indonesia in that this type of financing service offers a solution for financing that is easy, fast, and does not even require a guarantee.

This service has developed based on the use of information technology commonly referred to as Fintech peer-to-peer lending. This is the basis of the findings in China which prove that the use of Fintech-based P2P Lending services is developing more in rural areas than in large towns and cities (Stern, Makinen, and Qian 2017). The development of this service cannot be separated from the perception that P2P Lending provides an opportunity to obtain financing due to its easy bureaucracy, its simple conditions compared with conventional financing, its fast, inexpensive process, and its non-discriminative treatment (Lenz 2016). On the basis of this perception about the opportunities and development of P2P Lending services, the first hypothesis formulated is:

H1: The decision to use P2P Lending services is greater and more significant than the decision not to use this service when taking into consideration the perception of opportunity.

Nevertheless, in certain social groups, there is an indication that P2P Lending services are not in such great demand, and this includes corporate financing (Chen, Zhou, and Wan 2016). These findings are supported by the perspective of lenders in the study by (Ma, Zhou, and Hu 2017). The risks of P2P Lending from the perspective of lenders are also high and need to be managed properly, in particular concerning the risk related to the historical data of prospective customers and the lack of guarantee needed for financing (Liu et al. 2019). The perception of risk from the perspective of potential borrowers can also be identified, including: 1) perception of high interest costs compared with conventional financing services, 2) lack of transparency in the financing approval process, and 3) security risks related to the customer's data (Lenz 2016; Zhu 2018). Meanwhile, the people of Indonesia – a developing country that has only recently become familiar with this type of financing service – are perhaps still uncertain about using this service. In spite of their doubts, however, there is still a greater tendency to choose to use this service than not to use it. Therefore, the second hypothesis formulated is:

H2: Uncertainty in using P2P Lending services is greater and more significant than deciding not to use this service, when taking into consideration perception of opportunity.

From a borrower's perspective, the most important task is to enhance lenders' trust so that they will bid on his or her loan. To gratify lenders' need for more information, borrowers may craft textual messages to supply information that appears to be credible and relevant. Borrowers disclose detailed, concrete data requested by lenders (i.e., perceived accuracy is high), lenders tend to trust them and are willing to chip in. Lenders also like borrowers' timely responses and feedback. However, the perceived completeness and information quantity do not seem to make a difference, implying that lenders pay more attention to the content of the responses and the quality of listings (Xu and Chau 2018). The various indicators of perception of opportunity and risk from the perspective of borrowers and lenders are presented in some of the research papers mentioned above. However, this current study surmises that the dominant indicator of perception that P2P Lending is an opportunity for borrowers is its easy bureaucracy and simpler conditions compared with conventional banking and non-banking financial institutions. This assumption is founded on the first indicator of borrowers' perception that the presence of P2P Lending services is an opportunity. In addition, it is a fact that borrowers will prefer to borrow money without a guarantee rather than having to prepare a guarantee equal to the value of the funds borrowed. Therefore, the third hypothesis formulated:

H3: The perception of easy bureaucracy and simple conditions in P2P Lending is the dominant indicator in the perception of opportunity and is significant as a consideration for deciding to use this service as opposed to deciding not to use it.

Meanwhile, consideration of the risks perceived in P2P Lending is surmised to be the basis of the decision not to use this service as opposed to the decision to use it. This assumption is formulated from a number of indicators, such as high interest costs, lack of transparency in the appraisal process, and security of customer data (Lenz 2016; Zhu 2018). In addition, the avoidance of risk, in particular relating to financing amounts and uncertain interest levels, is a strategic matter that requires the attention of lenders, as discussed in various studies (Chen, Zhou, and Wan 2016; Ma, Zhou, and Hu 2017). Therefore, the fourth hypothesis developed

H4: The decision not to use P2P Lending services is greater and more significant than the decision to use the service, when taking into consideration the perception of risk.

RESEARCH METHODOLOGY

This research is a quantitative study which uses data from a survey with a questionnaire as the research instrument. The variables used are perception of opportunity and perception of risk from the perspective of potential users of P2P Lending services. These two variables are estimated to be factors that influence the decision to choose to use this service. The decision to use this service is measured with a nominal scale consisting of three categories: deciding to use (1), deciding not to use (2), and being uncertain (3). Hence, the tool of analysis used is multinomial logistic regression. Measurement of the independent variables uses the Likert scale with a value of 1 to 5 (ranging from strongly disagree to strongly agree). The indicators used in this variable are adopted from the indicators for perception of opportunity and risk outlined by (Lenz 2016).

The perception of opportunity variable is explained as the perception, from the perspective of potential customers and current users of P2P Lending financial services, about using this service. This variable is formulated from three indicators: 1) easy bureaucracy and simpler conditions than in conventional financing; 2) fast, inexpensive, process; 3) non-discriminative treatment. The constructs used to formulate these indicators are implemented in the questions of the attached research instrument. Each indicator consists of approximately 4 constructs in the form of 1 question item for each construct in the research instrument, also adopted from (Lenz 2016). Meanwhile, the perception of risk variable is the perception, from the perspective of potential users and current users of P2P Lending services, about deciding to use this financing service. The perception of risk is formulated from 3 indicators: 1) perception of high interest costs compared with conventional financing; 2) lack of transparency in the financing approval process; and 3) security risk of customer data. The first and second indicators are adopted from (Lenz 2016). The third indicator, customer data security, is adopted from (Zhu 2018).

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RESULTS AND DISCUSSION

The instrument used for the research survey was a questionnaire that was distributed online using a google form. A pilot test, as a preliminary test to check the validity and reliability of the research instrument, was performed on 12 respondents from three different professional backgrounds: MSME entrepreneurs, employees of private companies, and lecturers on an accounting study program. The results of the pilot test concluded that the research instrument used was valid with the indicator of product-moment r count value above t-table (r count >1.671) and a Cronbach Alpha value > 0.8.

The survey was carried out within a three week time frame in order to obtain the research sample, which was collected using a technique of convenience sampling. The data profile of the respondents in this research is shown in Table 1. The first important step that should be mentioned is that the instrument test performed after the data collection produced the same conclusions as the Pilot Test. The important information in Table 1 includes the respondent profile, which shows that 20 respondents (32.26%) were not previously aware of the existence of Fintech-based P2P Lending services.

This information indicates that the potential market for P2P Lending is still wide open. This is based on the fact that almost all individuals with a profile the same as that of the respondents are aware of the existence of financing services available from conventional banking and non-banking financial institutions. However, some of these financing services also still experience difficulty finding customers. This means that the P2P Lending market still has great potential. Information shows that 61.29% of respondents knew about P2P Lending from various media, which affirms the fact that online-based social media may be one of the primary considerations in marketing P2P Lending services. Moreover, the data proves that 93.55% of the respondents have never used P2P Lending services.

Other important information in Table 1 is the uncertainty of 41.94% of respondents in using this financing service. This means that some of the information about P2P Lending conveyed in the survey still causes uncertainty about using this service. Table 1 shows that more respondents would decide not to use this financing service than those who would choose to use it (32.26% as opposed to 25.81%). In this study, the three different choices or decisions are estimated according to the factor of the respondents' perception of opportunity and risk in P2P Lending services. The estimation that P2P Lending is perceived as an opportunity for potential borrowers or as a financing service with a risk is measured from several perspectives as stated in the discussion of methodology.

The first important information about this estimation is presented in the descriptive statistics, and can be identified based on the indicators that form the basis for this perception being referred to either as perception of opportunity or perception of risk. Each indicator is formulated from the constructs of perception of opportunity and risk, adopted from (Lenz 2016; Zhu 2018). This descriptive data on the estimation of perception is shown separately in Table 2 and Table 3. Table 2 shows the descriptive statistics for each indicator, while Table 3 shows the descriptive statistics for the perception of opportunity and risk.

Table 3 column 2 shows that the mean value of respondents with the perception that P2P Lending is a good financing opportunity is greater than that for respondents who perceive it to be a risk (3.42 compared with 3.34 on a scale of 5). Table 2 column 2 shows in more detail that the perception of opportunity is dominated by the perception of respondents that P2P Lending offers an easy process, with more straightforward bureaucracy and conditions compared with conventional financing (mean value 3.49). This indicator appears to be the primary factor in shaping the perception of potential users of P2P Lending services in making a decision to use this service. Meanwhile, the highest perception of risk is shown in the uncertainty about customer data security (mean value 3.36).

Descriptively, this research finds that the perception of opportunity is not sufficient in providing assurance to make a decision to use P2P Lending services. This indication is based on the uncertainty which dominates respondents' answers regarding the decision whether or not to use this service, or whether they are uncertain about using it. The perception of risk also has a mean value similar to the mean value of perception of opportunity. This gives an indication that the respondents believe the opportunities and risks of P2P Lending are almost the same. This almost equal perception can be viewed as a factor which increases the uncertainty of prospective users of P2P Lending services. A summary of the results of the independent difference test between the mean perceptions of opportunity and risk can be seen in Table 3 column 6, which shows that there is no significant difference between the mean of respondents in the perception of P2P Lending as either an opportunity or a risk (p-value > 0.05). In addition, the linear combination analysis shown in the same table leads to the conclusion that there is no significant difference in the probability (RRR) of perception of opportunity and perception of risk in choosing to use P2P Lending services (p-value > 0.05).

Table 1. Respondent Profile

Demographic data		Number	Percentage
Number of Respondents (n)		62	100.00%
Gender	Female	45	72.58%
	Male	17	27.42%
Education	High School	32	51.61%
	Diploma	9	14.52%
	Bachelor's Degree	11	17.74%
	Master's Degree	10	16.13%
Profession	Private Employee	51	82.26%
	Government Employee	1	1.61%
	SMSE Entrepreneur	10	16.13%
Knowledge of information about Fintech-based P2P Lending Services	No understanding or knowledge	20	32.26%
	Knowledge based on information from other people and news from various media	38	61.29%
	Understanding of Fintech financing services due to previous use of Fintech services	4	6.45%
Experience using Fintech-based P2P Lending services	Yes	4	6.45%
	No	58	93.55%
Decision to use P2P Lending services based on perception of the risks and opportunities of this service	Would use P2P Lending services	16	25.81%
	Would not use P2P Lending services	20	32.26%
	Uncertain whether or not to use P2P Lending services	26	41.94%

Source: Statistic descriptive output analysis of data

Other interesting information found in the results of the descriptive statistics is the maximum value in respondents' answers about perception of risk in the use of P2P Lending services. Table 2 shows that a number of respondents have the highest level of conviction or agreement (a value of 5) that P2P Lending services present a high risk. A number of other respondents are consistent in their complete rejection (minimum risk value of 1) of the perception that P2P Lending presents a high risk. This is interesting because none of the respondents shows the highest value for the perception that this financing service is an opportunity, nor do any of them have the conviction to state that they strongly disagree that the presence of Fintech-based P2P Lending services presents an opportunity.

The final stage of the results and discussion is the analysis, which estimates the probability of deciding to use, not to use, or to be uncertain about using Fintech P2P Lending services. The probability is estimated from the perception of opportunity and risk from the perspective of potential customers (the respondents). This is presented in two stages which test the independent variables against the dependent variables and indicators of each independent variable. The base of the multinomial regression used is the decision not to use P2P Lending services (base number 2).

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Table 2. Descriptive Statistics for each indicator of opportunity and risk

Variable	Mean	Standard Deviation	Minimum Value	Maximum Value
(1)	(2)	(3)	(4)	(5)
Y	2.15	0.83	1.00	3.00
X1	3.49	0.49	2.29	4.57
X2	3.46	0.51	2.25	4.75
X3	3.31	0.64	1.00	4.67
X4	3.35	0.89	1.00	5.00
X5	3.32	0.80	1.00	5.00
X6	3.36	0.77	1.00	5.00

Source: Statistic descriptive output analysis of data

Note:

Y = Decision to use Fintech P2P Lending services

X1 = Easy bureaucracy and conditions

X2 = Fast, inexpensive process

X3 = Non-discriminative treatment

X4 = High interest costs

X5 = Lack of transparency in process and appraisal

X6 = Security risk of customer data

Table 4 shows that the probability of deciding to use P2P Lending services is greater and more significant than choosing not to use this service when the respondent perceives that the service is an opportunity for the prospective borrower (Table 4 column 2: coefficient RRR value 7.9307 and p-value < 0.05). It can be explained in detail that a prospective customer will be 7 times more likely to decide to use this service than not to use it when s/he perceives this financing service as an opportunity. Opportunity includes 1) easy bureaucracy and conditions; 2) fast, inexpensive process; and 3) non-discriminative treatment. This leads to the conclusion that Hypothesis 1 – that the probability of choosing to use P2P Lending services is greater than the decision not to use it, when the prospective customer or current customer has the perception that this service is a good opportunity – is accepted.

Meanwhile, an interesting result is shown with coefficient RRR > 1 (Table 4 column 3 with independent variable opportunity) about the uncertainty of respondents, or prospective customers, in using P2P Lending services. This means that the respondents perceive P2P Lending to be an opportunity, but the indication is that they decide to delay using the service (uncertainty) rather than deciding not to use it (RRR value 4.7573; p-value < 0.05). This means there is a chance for respondents to decide to use the service in the event of additional convincing information. Therefore, Hypothesis 2 formulated in this research is accepted. The conclusion that this second hypothesis is accepted has the practical implication that the uncertainty in using Fintech-based P2P Lending services is still high despite prospective customers having a good perception of this service as an opportunity, from the perspective of potential customers.

Table 3. Descriptive Statistics for opportunity and risk variables including summary of independent t test

Variable	Mean	Standard Deviation	Minimum Value	Maximum Value	p-value
(1)	(2)	(3)	(4)	(5)	**(6)**
Y	2.15	0.83	1.00	3.00	N/A
Opportunity	3.42	0.45	2.43	4.57	N/A
Risk	3.34	0.75	1.00	5.00	N/A
Independent t-test opportunity and risk	N/A	N/A	N/A	N/A	0.49
Linear combination analysis	N/A	N/A	N/A	N/A	0.06

Source: Statistic descriptive and inference output analysis of data

Meanwhile, an interesting result is shown with coefficient RRR > 1 (Table 4 column 3 with independent variable opportunity) about the uncertainty of respondents, or prospective customers, in using P2P Lending services. This means that the respondents perceive P2P Lending to be an opportunity, but the indication is that they decide to delay using the service (uncertainty) rather than deciding not to use it (RRR value 4.7573; p-value < 0.05). This means there is a chance for respondents to decide to use the service in the event of additional convincing information. Therefore, Hypothesis 2 formulated in this research is accepted. The conclusion that this second hypothesis is accepted has the practical implication that the uncertainty in using Fintech-based P2P Lending services is still high despite prospective customers having a good perception of this service as an opportunity, from the perspective of potential customers.

The analysis of each indicator of opportunity and risk is shown in Table 5. The interesting information in this table is that the highest coefficient RRR value for P2P Lending as an opportunity is found with the perception of non-discriminative treatment in the P2P Lending service for people from various different economic backgrounds (X3). Hence, the assumption that easy bureaucracy and conditions is the highest and most significant factor for deciding to use P2P Lending services is not proven to be true. This is an interesting discovery because there is a strong indication that the expectation of non-discriminative treatment in this financing service is very high, as opposed to the treatment in conventional financing services which is perhaps less fair in the way people from different economic backgrounds are treated (Table 5 column 2, RRR value = 257.0895, p-value < 0.05). In addition, the indication that X1 dominates the perception of opportunity in deciding to use P2P Lending services is not proven in this statistical inference test. Although the third hypothesis of this research is not proven, these findings are consistent with the expectation of transparency in P2P Lending services as described by (Lenz 2016).

The perception of high risk in Fintech-based P2P Lending is not proven to be significant as a basis for deciding not to use this service compared with the uncertainty in using the service (Table 4, RRR value 0.8296, p-value > 0.05). This value shows that the probability of respondents deciding not to use P2P Lending services is greater than their uncertainty in using the service, when taking into consideration the perception that this service presents a high risk. However, the difference between the two possibilities is not proven to be significant.

Table 4. Summary of results of multinomial logistic regression analysis of independent opportunity and risk variables on the decision to use P2P Lending services

Independent Variable	Coefficient RRR decision not to use P2P Lending services as the base of multinomial logistic regression	
	Coefficient RRR decision to use P2P Lending services	Coefficient RRR uncertainty to use P2P Lending services
(1)	(2)	(3)
Opportunity	7.9307**	4.7573**
Risk	1.0977	0.8296
Constant	0.0006**	0.0139

***) p-value < 0.01; **) p-value < 0.05; *) p-value < 0.1

Although this fourth hypothesis is also not proven, it is interesting to note that the possibility of respondents deciding to use P2P Lending services is still greater than deciding not to use, when based on the perception of high risk. However, there is not a significant difference between the probability of deciding to use and not to use P2P Lending services when the respondent's perception of this service is that it presents a high risk. This is due to the indication that there is not a significant difference between the perception of opportunity and the perception of risk in using P2P Lending services (shown in Table 3 column 6).

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Table 5. Summary of results of multinomial logistic regression analysis of indicators of independent opportunity and risk variables on the decision to use P2P Lending services

Independent Variable	Coefficient RRR decision not to use P2P Lending services as the base of multinomial logistic regression	
	Coefficient RRR decision to use P2P Lending services	Coefficient RRR uncertainty to use P2P Lending services
(1)	(2)	(3)
X1	0.3620	1.1979
X2	0.0983	0.2397
X3	257.0895**	25.9259**
X4	1.3797	1.0218
X5	5.8275	3.5551
X6	0.5237407	0.5105
Constant	0.0001**	0.0005**

***) p-value < 0.01; **) p-value < 0.05; *) p-value < 0.1

CONCLUSION

The important information ascertained from this research is that the presence of P2P Lending is perceived as an opportunity to obtain a more attractive source of financing than conventional financing, while at the same time it is also still perceived as presenting a high risk. No significant difference was found between the perception that the presence of P2P Lending is an opportunity and the perception that it high risk. There is a greater probability that prospective customers will choose to use this service rather than not to use it, when they perceive the presence of P2P Lending as a good opportunity for providing financing. Other interesting results show that this choice remains consistent even when respondents take into consideration the risks of P2P Lending. The level of uncertainty is higher than the decision not to use P2P Lending services and this has the practical implication that persistence of service providers has a strong potential for changing customer's uncertainty in using the service, with all the risks it entails, including 1) high interest costs when compared with conventional financing, 2) lack of transparency in the financing approval process, and 3) customer data security risk. These risks are probably inherent to P2P Lending. However, by holding on to the good perception of prospective customers that the presence of P2P Lending is an opportunity, there is a potential to reduce the dominance of these risk considerations. This perception of opportunity includes 1) easy bureaucracy and simpler conditions than in conventional financing; 2) a fast and inexpensive process; and 3) non-discriminative treatment.

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