Chapter 10
Peer-to-Peer Finance:
A Bibliometric Examination and Evaluation

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ABSTRACT

Innovation in lending practices has challenged the monopoly of banks. Peer-to-peer lending, commonly referred to as P2P lending, has gained attention of non-bank financial institutions and other stakeholders. To examine the research trends in peer-to-peer lending, publications during 2013 to 2023 were analyzed. The Scopus database was used in the study to gather pertinent literature, while VOS viewer software is employed to visualize bibliographic information. The findings demonstrate that since 2010, peer-to-peer lending research has grown significantly, with a sizable portion of articles coming from the United States, the United Kingdom, and China. The study examined peer-to-peer lending research, covering key issues, authors, organizations, and research methodologies employed in this area. For scholars, decision-makers, and professionals interested in the P2P lending, the study's findings will be useful to develop future research agenda.

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BACKGROUND

Alternative financing solutions for people and small enterprises are offered via online Peer-to-Peer lending networks (P2P) Lending. Due to the numerous competitive advantages these platforms have, both the volume of loans made and the number of these platforms have significantly increased. Peer-to-Peer lending has the potential to surpass traditional lending in the retail sector since it provides lenders with higher rates of return and gives borrowers who might not have easy access to banks more loan options at more reasonable rates. P2P is a viable alternative to traditional lending Social and crowd lending are other names for P2P.

P2P is the practice of borrowing among borrowers and investors over internet. The British startup Zopa created the first P2P lending system in 2005. The platform thereafter became more well-known and expanded in other nations, including the United States, China, the European Union and others (Caldiero et al., 2018; Van Nguyen et al., 2022). Peer-to-Peer lending is a financial initiative that is utilized extensively around the world. Borrowers often look for personal auto title loans and small business loans (Kholidah et al., 2022).

It connects the lender and the borrower and sets up the loan agreement with or without collateral. The single borrower can also request for the transaction (Caldiero et al., 2018; Maloney et al., 2022). There may be more than one co-lender, though. One lender has the ability to disperse many loans simultaneously. Because of this, the interest rates for P2P is greater than those of banking organizations. Yet, they are lower than the traditional loans. The possibility to obtain a rate offer is available to the borrower or loan application. Compared to borrowing money from banking institutions, interest rates are cheaper. In addition, lenders get better returns than they would if they were investing in government bonds or deposits. Technology is used in Peer-to-Peer lending to serve as a financial middleman. For people and enterprises who are unable to borrow money or obtain credit from banking institutions, it expands their options and opportunities (Nugraha et al., 2022).

P2P may also increase confidence in loan transactions between lenders and borrowers by fostering trust. A financial institution facilitates a conventional loan. Financial organizations only lend money, which is an issue. Borrowing only becomes inconsistent for those who have a past with the credit bureaus. Peer-to-Peer lending is the answer as a result.