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P2P Lending: Here to Stay or Flash in the Pan?

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Abstract

This thesis examines peer-to-peer (P2P) lending as an alternative to traditional banking services and analyzes its potential for individual investors and borrowers. Increasing digitalization and technological progress have significantly changed the financial industry, resulting in the emergence of P2P lending as an innovative form of financing.

Through a combination of expert interviews, quantitative survey data and a comprehensive literature review, the study explores the competitive advantages, challenges and risks of P2P lending compared to traditional banking. The findings indicate that P2P lending is currently acting as both a complement and a competitor to banks, especially for specific customer groups and market segments.

The analysis highlights that P2P platforms have advantages due to their flexibility and speed of lending, but have weaknesses compared to banks in the areas of trust, transparency and regulation. While P2P loans often have higher interest rates and risks, they still offer an important source of financing for borrowers who are not served by traditional banks.

In conclusion, it is recommended that P2P platforms should improve their transparency and security measures in order to strengthen user confidence and increase their competitiveness. At the same time, the potential of P2P lending as a dynamic and innovative part of the financial market is highlighted.

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Sumário

Esta tese examina os empréstimos peer-to-peer (P2P) como uma alternativa aos serviços bancários tradicionais e analisa o seu potencial para investidores individuais e mutuários. A crescente digitalização e o progresso tecnológico alteraram significativamente o sector financeiro, resultando no aparecimento dos empréstimos P2P como uma forma inovadora de financiamento.

Através de uma combinação de entrevistas a especialistas, dados de inquéritos quantitativos e uma análise exaustiva da literatura, o estudo explora as vantagens competitivas, os desafios e os riscos dos empréstimos P2P em comparação com a banca tradicional. Os resultados indicam que os empréstimos P2P estão atualmente a atuar tanto como complemento como concorrente dos bancos, especialmente para grupos de clientes e segmentos de mercado específicos.

A análise salienta que as plataformas P2P têm vantagens devido à sua flexibilidade e rapidez na concessão de empréstimos, mas apresentam pontos fracos em comparação com os bancos nos domínios da confiança, transparência e regulamentação. Embora os empréstimos P2P tenham frequentemente taxas de juro e riscos mais elevados, continuam a constituir uma importante fonte de financiamento para os mutuários que não são servidos pelos bancos tradicionais.

Em conclusão, recomenda-se que as plataformas P2P melhorem a sua transparência e medidas de segurança, a fim de reforçar a confiança dos utilizadores e aumentar a sua competitividade. Simultaneamente, é salientado o potencial dos empréstimos P2P enquanto parte dinâmica e inovadora do mercado financeiro.

Título: Empréstimos P2P: Veio para ficar ou é um flash na panela?

Autor: Timon Schröder

Palavras-chave: Empréstimos P2P, Empréstimos Peer-to-Peer, Financiamento Alternativo, Bancos Tradicionais, Tecnologia Financeira (FinTech), Digitalização, Regulamentação, Risco, Retorno do Investimento

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List of Abbreviations

ABCP	3	Asset-Backed Commercial Paper
AI	3	Artificial Intelligence
BaFin	3	Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority, Germany)
CAGR	3	Compound Annual Growth Rate
COVID-19	3	Coronavirus Disease
CPI	3	Consumer Price Index
EU	3	European Union
MMFs	3	Money Market Funds
P2P	3	Peer-to-Peer
RBV	3	Resource-Based View
RQ	3	Research Question
S&P	3	Standard & Poor's
UK	3	United Kingdom
VRIN	3	Valuable, Rare, Inimitable, Non-substitutable

1. Introduction

The financial sector has undergone significant transformation in recent decades, largely driven by technological advancement and digitalization which are increasingly shaping the dynamics and competitiveness of traditional business models. Peer-to-Peer (P2P) lending has established itself as such an innovative trend in the financial sector by connecting borrowers directly with investors, thereby undermining traditional banking structures and decreasing the need for bank intermediation (Kräusl et al., 2024). The significance of this subject lies in its potential to fundamentally alter the financial landscape and redefine the role of traditional banking institutions within the economy. As digital platforms continue to gain traction, it is essential that policymakers, financial institutions and investors gain a comprehensive understanding of the dynamics of P2P lending. For regulators, the advent of P2P lending presents a challenge in balancing the need to encourage innovation while ensuring consumer protection and financial stability (Bavoso, 2021). For banks, it represents both a threat to established business models and an opportunity to integrate new technologies. Concurrently, P2P lending presents private investors and borrowers with opportunities and risks that need to be carefully assessed. This innovative form of financing promises to democratize the lending market by breaking down barriers and enhancing financial inclusion (Meki & Quinn, 2024). Simultaneously, it enables investors to benefit from higher potential returns by providing them access to a new asset class that was previously reserved for institutional players.

The market has witnessed a notable expansion globally, with major actors operating in diverse geographical regions, including North America, Europe, Asia-Pacific and other global locations (SkyQuestt, 2024). In 2023, the global P2P lending market was valued at USD 190.43 billion and is projected to grow significantly, reaching USD 246.61 billion in 2024 and USD 1,950.58 billion by 2032 (SkyQuestt, 2024). This represents a robust compound annual growth rate (CAGR) of 29.5% over the forecast period from 2024 to 2031 (SkyQuestt, 2024). These growth figures underscore the growing acceptance of P2P lending as a viable alternative or complement to traditional banking services.

Despite its continued growth, the potential for P2P lending to compete with or complement traditional banks remains a topic of debate. Banks may be required to modify their business models to remain competitive and evaluate forms of cooperation or competition with P2P platforms. The key issues revolve around the efficiency, risk characteristics and sustainability of P2P lending as a form of financing. While P2P platforms may have a higher risk tolerance and flexibility, their long-term competitiveness is influenced by potential regulatory

frameworks, user confidence and economic viability (de Roure et. al, 2021). Furthermore, concerns regarding default rates, platform transparency and the maturity of these lending ecosystems give rise to questions about their resilience, particularly during periods of economic downturn (Milne & Parboteeah, 2016).

The aim of this dissertation is to analyze the potential of P2P lending as an alternative to traditional banking. The research considers both the competition between P2P platforms and banks and the perspectives of private investors and borrowers. The following research question (RQ) is therefore investigated:

RQ: How is P2P Lending an Alternative to Traditional Banking Facilities?

2. Literature Review

2.1. Fundamentals of the Banking Industry

To understand the evolving landscape of the financial sector, it is essential to first explore the basic principles and structures that define the banking industry. As a cornerstone of the global economy banks fulfil three basic functions: they offer loans, deposits and payment services (Casu et al., 2015). The financial sector plays a key role in ensuring the distribution of money within the economic system, as part of its allocation function. In this system, banks act as financial intermediaries and allocate resources by building a bridge between savers and borrowers (Casu et al., 2015). The surplus funds collected by the banks are channeled from savers to people and companies in need of money (Heffernan, 2005).

The needs of lenders and borrowers are not necessarily aligned. While lenders seek to minimize risk, maximize return and ensure high liquidity, borrowers desire funds at a specific point in time and for a defined period, typically long-term, at a low cost (Casu et al., 2015). Intermediaries resolve some of these contradictions through their main functions. First of all, they serve to reduce the information asymmetry between the lender and the borrower that occurs before (*ex ante*) or after (*ex post*) the conclusion of a loan agreement (de Haan et al., 2020). Deploying capital in a rational manner requires sufficient information on the potential of achieving a return from exposure to certain risk factors. Credit institutions therefore obtain this information prior to making a decision. A distinction is made between hard and soft factors when assessing borrowers. With hard information, measurable data is converted into a system that enables it to be categorized in numerical scores (Liberti & Petersen, 2018). Banks and

rating agencies conduct comprehensive assessments of borrowers, categorizing them on a rating scale based on factors such as the evaluation of financial statements (de Haan et al., 2020).

A rating can be defined as an opinion regarding the creditworthiness of a person, company or financial instrument (de Haan et al., 2020). The rating levels are distinguished by statistical probabilities of default, which also has an influence on the interest rates to be paid by borrowers in the form of risk premiums (de Haan et al., 2020). On the other hand, there is qualitative and subjective soft information that is more context specific. Such information may be provided in the form of opinions, rumors, predictions, insights or general assessments and impressions of an individual or an organization (Liberti & Petersen, 2018).

Moreover, intermediaries minimize the transaction cost, which are defined as the <costs of searching for a counterparty to a financial transaction; the costs of obtaining information about them; the costs of negotiating the contract; the costs of monitoring the borrowers; and the eventual enforcements costs should the borrower not fulfil its commitments= (Casu et. al., 2015, p. 5). The potential costs for intermediaries are typically marginal, whereas for individuals, they can be significant (Allen & Santomero, 1998).

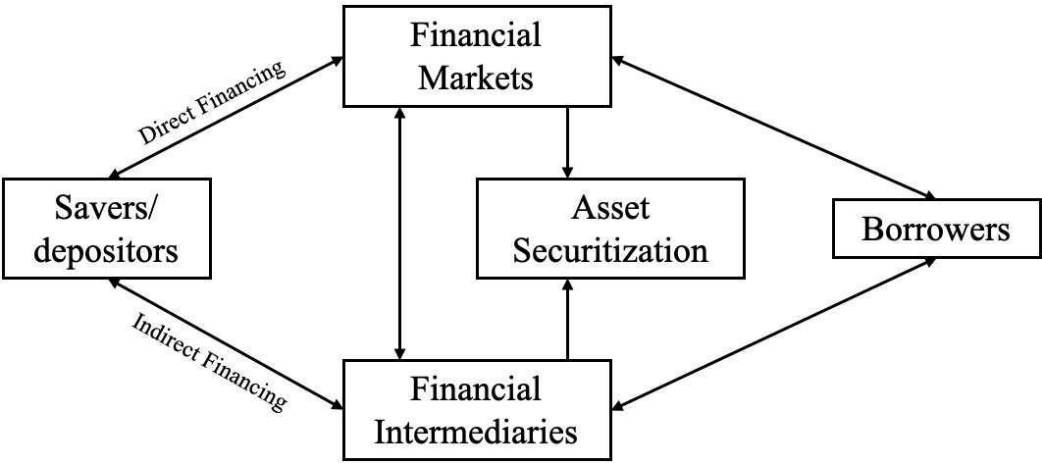


Figure 1: Direct and Indirect Financing (own illustration following Casu et al., 2015)

Figure 1 illustrates the connection between savers and borrowers through direct financing over the financial markets and indirect financing through traditional intermediaries. Furthermore, there is a connection between the financial markets and the intermediaries through the possibility of pooling illiquid assets and transforming them into tradable securities (Casu et al., 2015). In the intermediation process, banks perform a transformation function that enables them to address three significant issues. Size transformation addresses the discrepancy between the amounts provided by savers and the investment needs of borrowers (Casu et al., 2015). Banks

are leveraging economies of scale to facilitate the transformation of numerous smaller deposits into larger amounts, which also reduces costs (Konstantakopoulou, 2023). They are also able to utilize maturity transformation to transform deposits with short or even daily maturities into medium- or long-term loans (Casu et al., 2015). The third transformation function that intermediaries perform is risk transformation. Lending always involves the risk that the borrower may not be able to repay the amount borrowed (Casu et al., 2015). By diversifying the loan portfolio, internal risk management, risk assessments and reserves, banks are able to mitigate risks (de Haan et al., 2020). Through agreements in loan contracts, such as covenants, banks are also able to sanction misbehavior or undesirable developments of borrowers (Gorton & Winton, 2003).

A further significant element within the broader banking landscape is represented by the influential role of central banks. The primary objective of central banks is to manage monetary policy in a manner that ensures price stability, using money supply and the level interest rates as influential tools (Casu et al., 2015). By setting interest rates, central banks can react to the general economic situation and the prevailing inflation rates, thereby also controlling the investment behavior within the economy. According to Doumpos et al. (2015), independence of central banks has a positive effect on the soundness of banks and participation in supervision can support their stability in times of crisis.

In addition to the influence of central banks, commercial banks are also subject to a considerable degree of regulatory pressure. In the wake of the Global Financial Crisis of 2007-2009, regulatory requirements were significantly tightened as a consequence of the identification of deficiencies in the risk management practices of banks with reference to the capital buffers set aside for unexpected losses (Anginer et al., 2021). Increasing regulation can also have negative consequences for banks (Barth & Seckinger, 2018; Li, 2021). The binding leverage ratio introduced in Europe with Basel III requires credit institutions to hold more equity, causing them to invest in less risky projects, which can undermine the quality and stability of the banking sector in the long term (Barth & Seckinger, 2018). Lower capital requirements can also reduce borrowing costs (di Patti et al., 2023).

One area of the financial industry that is less exposed to regulation and has also grown rapidly in the aftermath of the financial crisis is shadow banking. As illustrated by Begley and Srinivasan (2022), shadow banking in the mortgage market exhibited a notable expansion, rising from 20% of the market in 2008 to 37% in 2015. Shadow banking can be defined as <credit intermediation involving entities and activities outside the regular banking system=>

(Casu et al., 2015, p. 6). The system fulfils similar functions to traditional financial intermediaries outside the commercial banking system by transforming maturities, granting loans and providing liquidity (Xiao, 2019). Examples of shadow banking institutions are securitization vehicles, asset-backed commercial paper (ABCP) conduits, money market funds (MMFs) and mortgage companies. Money market funds serve as a substitute for traditional deposits, while asset-backed securities function as long-term assets (Plantin, 2014). The absence of regulation also results in some uncertainties. Xiao (2019) identified a phenomenon he refers to as a 'shadow banking channel' during periods in which central banks tighten monetary policy. This phenomenon results in deposits held by commercial banks being transferred to the unregulated shadow banking sector, which in turn can lead to greater financial fragility. This process causes about one-third of deposits held at commercial banks to be channeled to shadow banks, thereby also removing them from the reach of monetary policy (Xiao, 2019). This effect is also intensified by the fact that in the unregulated system, interest rates are raised when the central bank raises interest rates to prevent depositors from switching to bonds (Xiao, 2019). Conversely, commercial banks typically maintain interest rates at a relatively low level. A further systemic risk is posed by the business relationships between commercial banks and shadow banks. The analyses conducted by Abad et al. (2021) demonstrate that approximately 60% of the total exposures of EU banks to shadow banks are towards US-based institutions. These interlinkages can create risks, as they make banks more vulnerable to external shocks or crises affecting these shadow banks (Aldasoro et al., 2020).

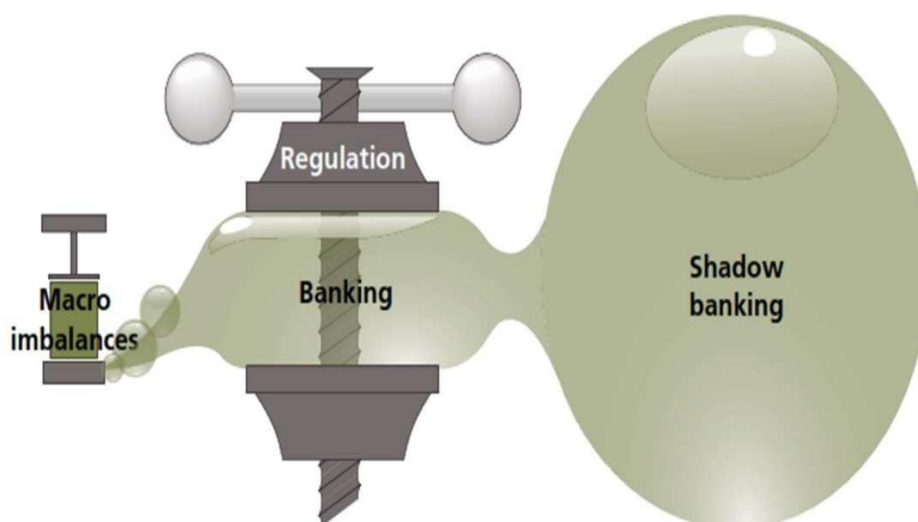


Figure 2: The Regulatory Squeeze on Banking (Oliver Wyman, n.d.)

Irani et al. (2020) found that shadow banks contributed to systemic instability during the financial crisis (see Figure 2). Their findings revealed that significant amounts of loans were

reallocated from undercapitalized banks to non-banks during the crisis, which had a negative impact on the availability of credit and price stability. The study demonstrated that stricter capital requirements result in credit transactions being shifted to less regulated areas of the financial system, such as the shadow banking system. Buchak et al. (2018) found that increased regulatory requirements accounted for about 60% of shadow bank growth from 2008-2015 and a further 30% resulted from advancements in online lending technology. Shadow banks are also perceived as less reliable in periods of economic instability due to the absence of deposit insurance and limited access to central bank liquidity (Irani et al., 2020).

The lower regulatory requirements compared to traditional banks also represent a major competitive advantage for the shadow banking sector. This allows them to operate more flexibly and reduce costs, particularly with regard to capital requirements (Begley & Srinivasan, 2022). In response to regulatory changes, the shadow banking sector can witness a surge in financial innovation (Moshirian, 2014; Adrian & Ashcraft, 2012). Moreover, the increased competition for deposits is forcing commercial banks to operate more efficiently, which can also be seen as an advantage for the financial system as a whole (Xiao, 2019).

2.2. The Emergence of P2P Lending in Finance

The emergence of P2P lending platforms represents a profound transformation within the financial industry. These platforms, including prominent examples such as Lending Club, Prosper, Mintos and Bondora, have gained significant market share in recent years and are increasingly establishing themselves as an alternative to the traditional banking system. The growth of these platforms is closely associated with technological advancement and the exploration of novel financing models in the aftermath of the global financial crisis of 2008 (Vallée & Zeng, 2019).

In the context of the global alternative finance market, P2P lending has taken on a central role, although it has experienced a deceleration in growth in recent years (Ziegler et al., 2021). However, the global market volume is projected to reach USD 246.61 billion in 2024, with further significant growth anticipated in subsequent years (SkyQuestt, 2024). This growth is attributed to several factors, such as technological advancements, increased internet penetration, rising demand for quick and convenient access to credit and a growing investor appetite for alternative investment options (SkyQuestt, 2024). Accordingly, the share of institutional investors also increased, particularly in the area of corporate financing, where 86% of P2P loans were provided by institutional investors in 2020 (Ziegler et al., 2021). P2P lending

has thus established itself as an important component of the alternative finance market, although it has experienced setbacks.

P2P lending platforms facilitate direct lending between borrowers and private and institutional investors, bypassing the need for traditional banks to act as intermediaries. In contrast to banks, these platforms do not create money and undertake any credit risk themselves, as they do not bear any balance sheet exposure to the issued loans (Vallée & Zeng, 2019; Havrylchyk & Verdier, 2018). They utilize modern algorithmic processes to assess the creditworthiness of prospective borrowers and provide investors with detailed information on each loan, enabling them to make informed investment decisions (Kräussl et al., 2024). Figure 3 shows the connections between borrowers, investors and the platforms associated with P2P lending.

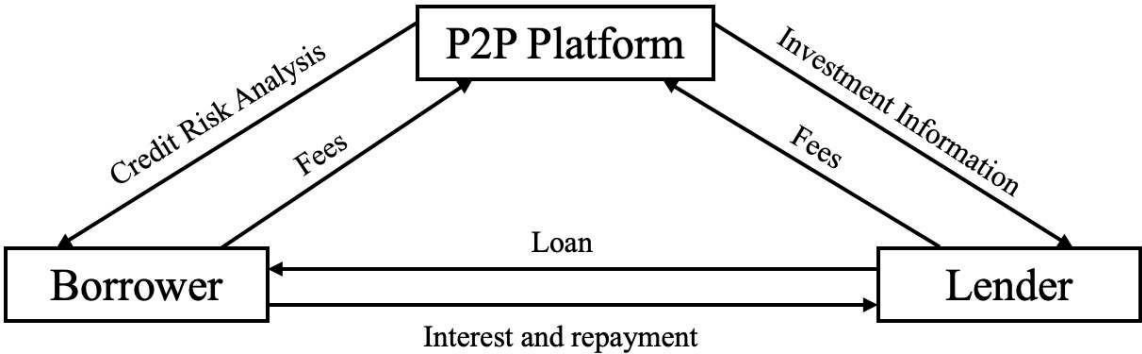


Figure 3: Relationships in P2P Lending (own illustration following Ziegler & Shneor, 2020)

Some terms associated with P2P lending should also be defined in advance. A related concept is microfinance, which focuses on providing financial services to individuals or small businesses that are unable to access conventional bank credit due to their limited financial resources. Through technological progress, microfinance has the potential to enhance financial inclusion and thus provide people excluded from the financial system with access to basic financial services (Meki & Quinn, 2024).

Marketplace lending is another key term and describes the lending market that is mediated by digital platforms. These platforms are growing rapidly and have established themselves as a serious alternative to traditional banks, particularly in the area of consumer and business loans. The platform does not utilize its capital or assume any risk. Instead, it serves as an intermediary between borrowers and investors who can invest directly in the loans (Kräussl et al., 2024).

Crowdlending constitutes an even further extension of this concept. In this model, a large number of small investors contribute to a loan that is supported by a broader base of financial

backers. This form of financing has grown in popularity through the emergence of P2P platforms, which have democratized access to credit and created alternative investment opportunities for investors (Ziegler & Shneor, 2020).

P2P lending can be considered a subcategory of crowdlending and marketplace lending. The algorithms utilized for credit assessment and risk management are comparable to those used by traditional banking institutions (Ziegler & Shneor, 2020). Borrowers have another option for obtaining loans outside the traditional banking system. Investors benefit from the potential for higher returns, but they also take on a greater risk at the individual credit level. Nevertheless, the risks can be mitigated by enabling an investor to participate in multiple loans with modest contributions. This diversification across a large number of borrowers provides protection against default and loss (Ziegler & Shneor, 2020). According to a study by Avgeri and Psillaki (2023), both credit and macroeconomic factors play a significant role in predicting defaults in P2P lending. Macroeconomic indicators such as the consumer price index (CPI) or unemployment rates can be used to predict credit defaults.

For passive investors who do not want to invest time in selecting loans or who lack the required expertise, some P2P platforms have introduced automated investment systems (Franks et al., 2020). The sources of income for each P2P platform are different, though the majority of them do charge fees on both the borrower and investor sides (Franks et al., 2020). These fees may be service fees, late payment fees or fees for transactions on the secondary markets. Due to the illiquidity of loans during their term, some P2P platforms have implemented secondary markets where loan shares can be bought and sold on a marketplace during their maturity (Ziegler & Shneor, 2020).

A key issue for P2P lending platforms is the problem of information asymmetry, as lenders often have access to limited information. Institutional investors play a decisive role here, as their involvement strengthens the confidence of smaller investors and thus reduces information asymmetries. This 'certification effect' often leads to herd behavior, with smaller investors following the institutional investors (Coakley & Huang, 2020).

2.3. P2P Lending & Traditional Banking: Competition, Regulation & Risk

In the context of comparing P2P lending with traditional banks, the study by Tang (2019) indicates that P2P platforms primarily serve as substitutes for bank loans, particularly for borrowers who could also be served by banks. This substitution function is particularly evident in times when banks are forced to restrict their lending due to external shocks, such as

regulatory changes. Tang (2019) identifies a shift in the credit quality of P2P borrowers when infra-marginal bank customers switch to P2P platforms due to exclusion by banks as a consequence of tighter lending criteria. Nevertheless, P2P platforms also serve as complements to banks, especially in the context of smaller loans. Due to their technological advantage and lower fixed costs, they play an important role in providing loans that are less attractive to traditional banks. These findings indicate that P2P lending not only competes with traditional banking institutions but also serves as a complement to their offerings in specific areas (Tang, 2019).

Another external shock that has been analyzed in the context of the interactions between P2P lending and traditional banking is the COVID-19 pandemic. Before the pandemic, P2P lending was often perceived as disruptive to traditional bank lending markets. Studies show that P2P platforms particularly targeted the market for working capital loans and acted as a substitute there, offering loans more quickly and flexibly without having to rely on traditional securities (Kohardinata et al., 2024). With the beginning of the COVID-19 pandemic, the role of P2P lending changed from disruptive to complementary. This is mainly because banks had to loosen their lending criteria during the pandemic and P2P platforms were able to help maintain the supply of liquidity through their flexibility (Kohardinata et al., 2024). It was demonstrated that P2P lending during the pandemic served as a complement to bank loans, especially with regard to consumer credit and working capital loans (Kohardinata et al., 2024). This development underlines the dynamic relationship between P2P lending and traditional banking, which can shift from competition to cooperation depending on the economic situation.

Compared to the traditional banking industry, P2P lending has significant differences in terms of interest rates and risk structure. P2P loans are generally associated with higher interest rates and greater risk than loans granted through the traditional banking system (Basha et al., 2021). A study conducted by the German Bundesbank shows that borrowers who access P2P platforms are often categorized as higher-risk and are not served by traditional banks (de Roure et al., 2016). The results show that the risk-adjusted interest rates of P2P loans are comparable to those of bank loans, indicating that P2P platforms offset their higher risk premium through corresponding interest rates (de Roure et al., 2016; de Roure et al., 2021). Moreover, research implies that regulatory changes in the banking industry, such as increased capital requirements, affect competition between banks and P2P platforms. These increases often result in riskier loans being redirected from banks to P2P platforms, a process known as "bottom fishing" (de Roure et al., 2021). While banks are constrained in their lending by more restrictive regulations,

P2P platforms operate outside of this framework and benefit from lower regulatory costs (de Roure et al., 2021). This development suggests that P2P lending primarily acts as a substitute for bank lending in high-risk segments, since banks are unable to serve these market segments due to regulatory requirements or a higher risk awareness (de Roure et al., 2016). The interaction between P2P lending and traditional banks also has implications for their risk exposure, particularly in the areas of insolvency and liquidity risk. A key difference between P2P platforms and traditional banks is that P2P platforms do not bear the credit risks themselves, instead transferring them to investors, without access to public safety systems such as deposit insurance or liquidity support from central banks (Bavoso, 2021). A recent theoretical analysis by Yeo and Jun (2020) demonstrates that the integration of P2P lending platforms into the credit market can result in an increased insolvency risk for banks. This is due to the fact that P2P platforms tend to serve borrowers with lower credit ratings, which forces banks to invest in riskier loans in order to remain competitive (Yeo & Jun, 2020). Conversely, the advent of P2P platforms has the potential to diminish the liquidity risk faced by banks. These platforms are not subject to the same short-term liquidity requirements, which reduces the pressure on banks to hold their own liquid funds (Yeo & Jun, 2020). The appropriate competition and a clear allocation of roles between banks and P2P platforms can help to reduce banks' overall risk, with P2P platforms operating primarily in the lower creditworthiness segment (Yeo & Jun, 2020).

Anti-usury laws play a significant role in both traditional banking and P2P lending, as they set caps on the interest rates that lenders can charge on loans (Rigbi, 2013). These laws were originally introduced to protect borrowers from excessive interest rates and the resulting financial burdens (Elliehausen & Hannon, 2023). Higher interest caps enhance the possibility of loans being funded, especially for riskier borrowers who were excluded due to strict interest rate restrictions (Rigbi, 2013). While traditional banks have long been subject to such restrictions, P2P lending poses a new challenge because it often operates outside the traditional regulatory framework.

2.4. Dynamic Capabilities and Core Competencies

The influence of P2P lending is continuously leading to necessary adjustments and changes in the strategic direction within the banking and finance industry. The following section presents the dynamic capabilities and core competencies, which demonstrate how companies can adapt to disruptions.

Dynamic capabilities was developed by Teece, Pisano and Shuen (1997) and provides a framework for analyzing the sources and methods of value creation by companies in dynamic, fast-changing environments.

Figure 4 shows a simplified scheme for the illustration of dynamic capabilities, business models and strategy. Dynamic capabilities can be categorized as the capacity to sense and shape opportunities and threats, to seize opportunities and to transform intangible and tangible assets (Teece, 2007; Teece, 2018). It describes the ability of a company to integrate, develop and reconfigure internal and external competencies in response to changing market conditions. A company's ability to compete is based on specific processes that are shaped by positioning internal resources and developing strategies in the face of exogenous change (Teece et al., 1997).

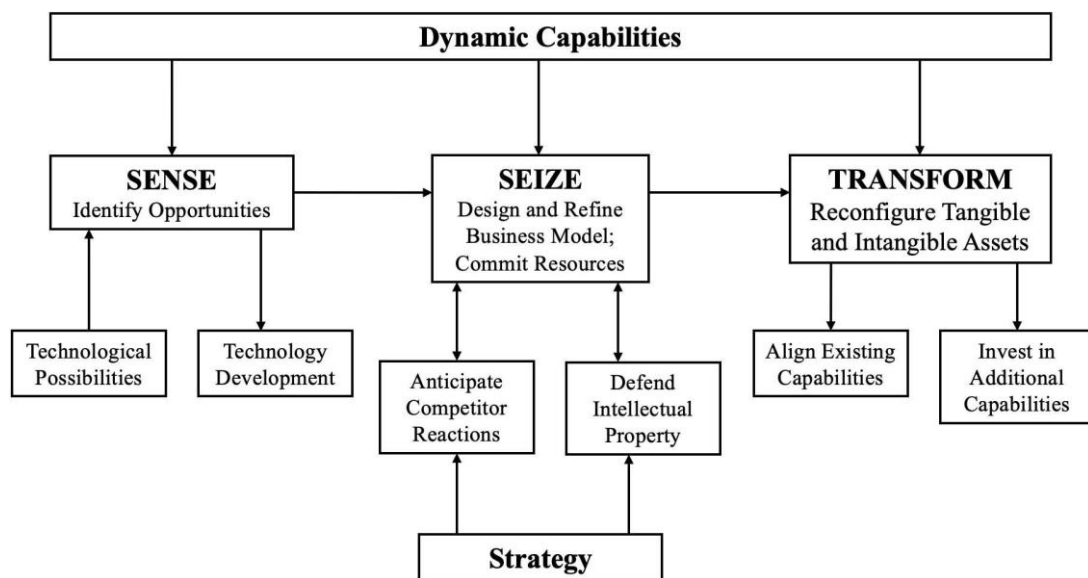


Figure 4: Simplified Scheme of Dynamic Capabilities (own illustration following Teece, 2018)

In his later work, Teece (2018) highlights the close connection between dynamic capabilities and the design of business models. He argues that the strength of a company's dynamic capabilities has a direct influence on its ability to develop and adapt business models. Conversely, the business model itself influences dynamic capabilities by shaping organizational structures and limiting the feasibility of certain strategies (Teece, 2018). Barreto (2010) recommends that dynamic capabilities should be understood as an "aggregated, multidimensional construct" (p. 271). This consists of four central dimensions: the propensities to identify opportunities and threats, to make timely decisions, to make market-oriented decisions and to adapt the firm's resource base. These dimensions are not isolated entities, they interact with one another to form the foundation for a company's dynamic capabilities, enabling

it to adapt to fast-paced changing environmental conditions in a timely manner and to secure a competitive advantage (Barreto, 2010).

The characteristics of dynamic capabilities also vary considerably depending on the market environment. In moderately dynamic markets, they comprise stable, detailed processes with predictable outcomes. In contrast, in highly dynamic markets, they tend to be relatively simple and experimental, which can lead to unpredictable results (Eisenhardt & Martin, 2000). In fast-moving and changing markets, the capacity to adapt is an essential element in maintaining competitiveness. Despite its importance for strategic management, dynamic capabilities is often criticized for being vague and difficult to measure empirically (Williamson, 1999). Nevertheless, it remains a central part of the research because it provides a basis for understanding how companies remain competitive by continuously adapting and reconfiguring their resources and capabilities (Barreto, 2010).

In addition to ongoing adjustments to external influences and markets, a company should always be aware of its core competencies. Core competencies was developed by C.K. Prahalad and Gary Hamel and describes the abilities and competencies of a company that help it to outperform peers. Core competencies are therefore the ability of an organization to integrate different technological and production-related capabilities to enable the development and implementation of products and services that offer considerable added value to customers (Prahalad & Hamel, 1990). Companies should not see themselves as a mere collection of individual business units, but rather as a portfolio of core competencies. These competencies represent the knowledge and ability to coordinate and use various production capabilities to create innovative products and enter new markets. (Prahalad & Hamel, 1990). NEC is an example of this, having used core competencies in areas like semiconductor and telecommunication technologies to achieve a leading position in the global market (Prahalad & Hamel, 1990).

According to the core competencies, these characteristics must fulfill three key criteria: first, they must provide access to a wide range of markets. Second, they should have a significant impact on the perceived customer value of the final product and third, they should be difficult to imitate, providing a long-term competitive advantage (Prahalad & Hamel, 1990). The effective use and development of these core competencies enables companies to create unique and integrated systems that strengthen their production techniques and technological capabilities across business units, thereby enhancing their competitive advantage (Prahalad &

Hamel, 1990). This also highlights the need for a long-term perspective in management. Companies must continuously invest in and maintain their core competencies to ensure their competitiveness and future growth opportunities (Garcia-Zambrano et al., 2012).

The importance of core competencies is also emphasized in the resource-based theory literature, which points out that only resources that are valuable, rare, inimitable, and non-substitutable (known as the VRIN criteria) can be considered as strategic resources (Wernerfelt, 1984; Barney, 1991). These strategic resources are often intangible in nature, such as the knowledge embodied in an organization's core competencies (Garcia-Zambrano et al., 2012). The Resource-Based View (RBV) has also been criticized, particularly regarding the ambiguity of the terms <resource= and <value=, which may limit the clarity and usefulness of the theory (Kraaijenbrink et al., 2009). The RBV maintains that proactive management of resources contributes to achieving and maintaining a sustainable competitive advantage, even if the view needs to be further developed to better take into account dynamic and changing market conditions (Kraaijenbrink et al., 2009).

3. Methodology

3.1. Research Design

To illustrate how P2P lending represents an alternative to traditional banking, a comprehensive data set was gathered from a variety of sources. As part of the methodology of this thesis, a mixed-methods approach was employed, combining both qualitative and quantitative methods to establish a robust foundation for addressing the research question. This methodology was based on three key components: primary data collection through expert interviews and a survey and secondary data collection through a comprehensive literature review. The mixed-methods approach facilitated a methodological triangulation, enabling the data sources to complement and validate each other (Morgan, 2019). Triangulation is a method used to capture the complexity of the research object through different perspectives, thus increasing the informative value of the results (Flick, 2002). Such an approach reduces the limitations that could result from using only a single type of data and promotes a deeper understanding of the phenomena under investigation (Flick, 2002).

The literature review served as a starting point to identify relevant factors and theoretical areas that are important in the context of P2P lending as an alternative to traditional banking. These factors and areas were then used as the basis for the development of the interview questions and the survey (see Figure 5).

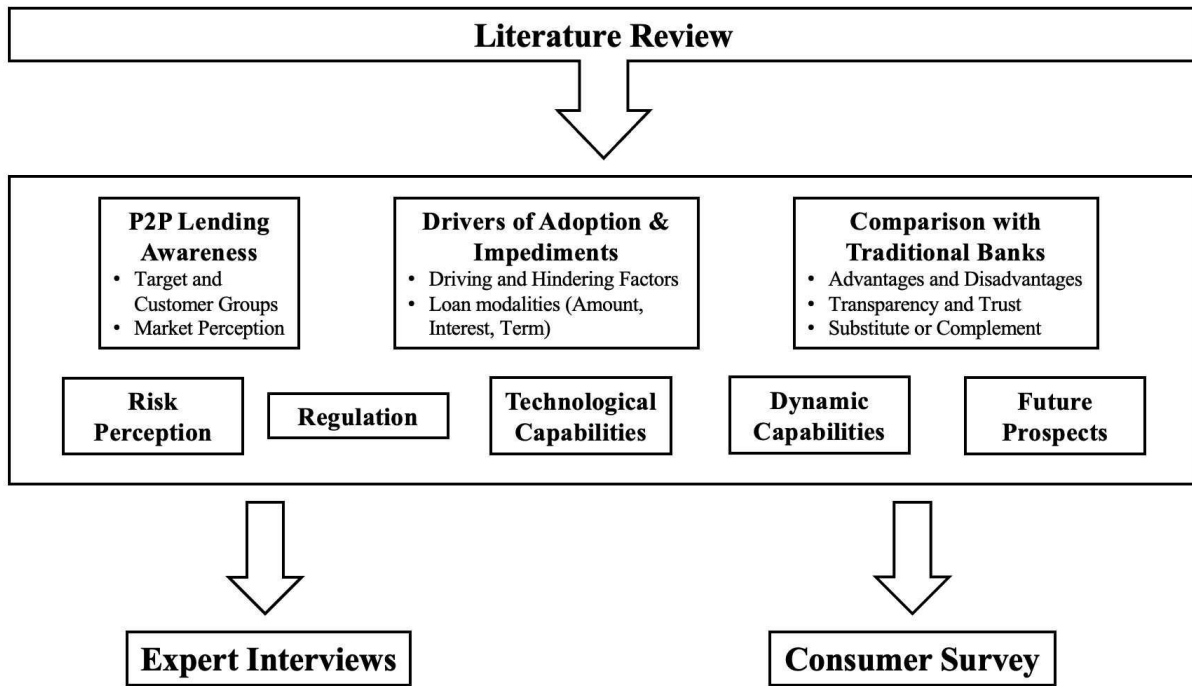


Figure 5: Thematic Areas and Factors of P2P Lending

3.2. Data Collection

3.2.1. Primary Data Collection – Expert Interviews

The expert interviews were conducted using a semi-structured interview method (see Appendix A). This method combines a pre-developed set of questions with the flexibility to respond to specific answers from the interview partners individually (Cachia, 2011). This approach allowed us to address the pre-defined research questions and to integrate new, unexpected perspectives that arose during the interviews.

The interviews were conducted with a diverse group of financial experts, selected for their comprehensive understanding of the industry (see Table 1). The interviewees were selected specifically to bring different perspectives and expertise to the analysis and to ensure the broadest possible coverage of relevant aspects. A total of 12 interviews were conducted (see Appendix C to N). This number was chosen to achieve thematic adequacy while avoiding saturation and to ensure that all key perspectives were covered (Guest et al., 2006). The use of identical questions for all interviewees ensured a comparable structure, while the combination of closed and open questions provided both commitment and scope for the interviewees' individual expertise.

Code	Expert Occupation
Expert A	Member of the Management Board of a German Bank
Expert B	Regulation Expert and Auditor for Banks
Expert C	Head of Sales Management at a German Bank
Expert D	Member of the Management Board of a German Bank
Expert E	Consultant for Financial Services
Expert F	Member of the Management Board of a German Bank
Expert G	Professor of Accounting, Investment and Finance
Expert H	Member of the Management Board of a German Bank
Expert I	Division Manager of a large German Insurance Company (with financing division)
Expert J	Consultant for Financial Services
Expert K	Regional Director of a German Mortgage Bank
Expert L	Expert of a German Bank for Consumer Loans

Table 1: List of Experts

The interviews were evaluated using a keyword analysis based on the transcriptions (see Appendix O). The recorded interviews were transcribed entirely to provide a systematic and transparent foundation for the subsequent analysis. The objective of the keyword analysis was to identify the central themes and recurring terms that were pertinent to the statements made by the experts. This approach was selected because it allows for a precise and concentrated extraction of the fundamental statements, making it suited to the structured processing of extensive textual data (Mayring, 2014). This inductive approach was mixed with a deductive approach, which enabled the experts to evaluate previously defined factors. Qualitative data analysis software was employed to facilitate the analysis. The thematic structuring of the results formed the basis for further discussion and interpretation of the findings.

3.2.2. Primary Data Collection – Survey

In this study, a further primary data collection was conducted through a comprehensive online survey (see Appendix B). The objective of the survey was to ascertain the perspectives of prospective users and their evaluations in comparison to traditional banks. A total of n=271 completed questionnaires were evaluated, which provided a robust foundation for statistical analysis. The survey was also divided thematically into the eight aforementioned areas (see Figure 5). Some demographic data, including age, gender and professional background, was also collected to examine any potential relationships between these factors and the responses in the main categories.

At the beginning of the survey, respondents were provided with basic information about P2P lending, ensuring that those with limited previous experience were also able to provide valid answers. The introduction to the survey contained a brief description of the concept, which was repeated in a concise form throughout the survey. This approach was based on the assumption that a fundamental understanding of the topic is necessary in order to be able to provide differentiated opinions (Krippendorff, 2004). Furthermore, participants were asked to indicate whether they have a background in finance to assess their ability to evaluate financial topics. For all other participants, brief explanations of professional terms were provided in the survey.

The survey was designed so that it could be analyzed quantitatively. The questionnaire primarily employed a 5-point Likert scale, which allowed participants to provide differentiated assessments. This scale was selected for its efficacy in capturing opinions, attitudes and preferences in research (Bell et al., 2022). The Likert scale allows the visualization of both general trends and nuances in respondents' answers (Krippendorff, 2004). Given that Likert scale responses are ordinal data, polychoric correlations were employed to calculate the correlations, as these allow for a more precise estimation of the underlying latent continuous variables (Batterton & Hale, 2017). The survey was conducted online using the Qualtrics platform, which made it possible to reach a heterogeneous target group and facilitate access to potential participants.

4. Analysis and Discussion

4.1. Qualitative Analysis

The qualitative analysis of this Master's thesis was based on a methodical combination of inductive and deductive research. This approach allowed for the examination of theoretically based categories while simultaneously gaining new insights from the empirical data. The transcribed interviews were systematically coded using software to ensure a consistent and structured analysis. The coding was based on eight categories or thematic areas previously defined in the methodology. This approach was intended to identify key statements from the interviewees, identify thematic connections and examine specific aspects of the research field in greater depth.

Interview Results

4.1.1. P2P Lending Awareness

The topic area "P2P Lending Awareness" is dedicated to the examination of the perceptions and assessments of the interview partners with regard to the current role of P2P lending in the contemporary financial sector. The first interview question was subjected to a deductive analysis, with the objective of categorizing the responses into two distinct categories: "major role" and "minor role." The evaluation demonstrates that the majority of the experts surveyed ascribe a minor role to P2P lending in today's financial sector. A total of eleven of the twelve interviewees expressed this perspective. In particular, interviewees D, H, I, and J classified P2P lending as a "niche" within the financial system, serving specific market needs but not having any comprehensive relevance.

In contrast, Interviewee E expressed a contrasting perspective, characterizing P2P lending as a highly pertinent and potentially transformative phenomenon. E viewed it not only as an emerging alternative but also as a potential threat to traditional banking structures, as she believes that P2P lending "cannibalizes" traditional banking services. However, this perspective remained an exception within the expert opinions. Two other interviewees, C and L, indicated that the role of P2P lending had been more significant in the past but had become less relevant in recent years. Interviewee C attributed this decline to the effects of the coronavirus pandemic, which subsequently led to loan defaults. These loan defaults could have had a negative impact on trust in the platforms and thus their sustainable development. Overall, the experts therefore assigned a rather minor role to P2P lending.

The second question focused on the target and customer groups identified by the interviewees on both the investor side and the borrower side. The customer groups were divided into three main categories: "Target Group - Investor Side," "Target Group - Borrower Side," and "General Target Group," which described a general target group and did not differentiate between investors and borrowers.

On the investor side, there was clear focus on return-oriented investors, who represented the central target group (9 codes). The return orientation of these investors is always accompanied by a willingness to take high risks to achieve potentially high returns (Experts J, K). Wealthy clients with a corresponding capital base were identified as another important group (7 codes), while technology companies (2 codes) and entrepreneurs (1 code) are considered to play a subordinate role.

On the borrower side, customers with a poor credit rating dominated with 15 codes. This target group was seen as central by the experts, as P2P platforms are the only remaining option for many borrowers to obtain a loan, especially if banks have declined loan applications (Expert D). Expert J also saw a democratization of credit and investment options through P2P platforms, as people in structurally weak regions without access to traditional banks can also benefit from these platforms. Other target groups on the borrower side included start-ups with three mentions and customers with short-term liquidity requirements (4 codes).

In the general target group, the relevance of younger people was particularly evident, with 27 clear mentions. In this context, Expert H and J highlighted the impact that financial YouTubers and influencers can have on this target group when making financial decisions, which markedly increases interest in alternative forms of investment, such as P2P lending. Other characteristics of the general target group included a high level of digital affinity (9 codes) and a certain distance from traditional banks (11 codes). Lastly, the group of "alternative-seeking customers", who are seeking alternative forms of credit and investment and are open to trying new things, was identified and coded on eight occasions.

In summary, it can be stated that the target groups of P2P lending were highly specialized on both the investor and the borrower side. While investors are primarily characterized by a focus on returns and a willingness to take risks, the borrower side mainly comprised those who were unable to access loans in the traditional banking system. The general target group was characterized by a clear tendency towards younger people who are digitally savvy and seeking alternative financing and investment opportunities.

4.1.2. Drivers of Adoption & Impediments

The <Drivers of Adoption & Impediments= section covered the drivers and obstacles that motivated or prevented both investors and borrowers from using P2P platforms.

In sum, 37 codes related to the factor return show the central importance for investors, as P2P platforms often promise higher returns compared to traditional investment opportunities. The potential for diversification (11 codes) provides investors with the opportunity to expand their portfolios through a large number of loan projects. Conversely, investors perceived the risk of loan defaults (25 codes) as a significant obstacle. Expert J underscored the information asymmetries that emerge from the platform's business model, as they screen and monitor borrowers but do not grant the loans themselves. Additionally, there was platform risk, which was expressed through uncertainties in the case of the insolvency of a P2P platform (Expert J).

The transparency factor (10 codes) was also frequently mentioned, as borrowers are challenging for investors to assess (Expert F).

For borrowers, the speed of loan processing (32 codes) was a key driving factor in the decision to utilize P2P loans. The ease of access to credit (29 codes) was also a significant factor, as a considerable number of borrowers are unable to secure loans from traditional banks due to their stricter creditworthiness criteria. Nevertheless, the generally higher costs caused by risk premiums (15 codes) were a key obstacle. According to expert J, borrowers also find it difficult to assess whether the platform rates their creditworthiness fairly and whether the interest rate is appropriate, as there are no established rating agencies such as S&P, Fitch or Moody's available compared to the regular market. The aspect of anonymity (9 codes) was perceived as an advantage from the borrower's perspective, as it allowed for the protection of their identity. It also posed challenges, as investors find it difficult to assess borrowers (Expert F).

Expert L identified the risk of negative publicity, such as unfavorable reviews, as a potential impediment for both investors and borrowers. He also noted that these platforms can facilitate a rapid comparison of prices for borrowers, as evidenced by the "Price Comparison" code. The findings illustrated that the drivers and barriers for both parties are closely linked to the specific structures and processes of P2P platforms.

The question on the ranking of the loan modalities loan amount, interest rate and term showed which factors the experts considered most important for borrowers from P2P platforms and traditional banks. The aim was to determine the order of importance of these three aspects and to identify possible differences between the two types of loan.

For borrowers on P2P platforms, the loan amount was identified as the most frequently cited factor (10 codes). This illustrated that the amount of the loan required was the most significant decision-making factor for borrowers on these platforms. The interest rate was identified as the second most important factor (6 codes), which suggested that the cost of the loan was a significant consideration for borrowers. Accordingly, the term of the loan was ranked as the third most important factor (6 codes), indicating that it was the least important aspect for borrowers when granting a loan compared to the other modalities (see Figure 6). However, the interest rate was also ranked last five times, which implied that second and third place were of almost equal importance.

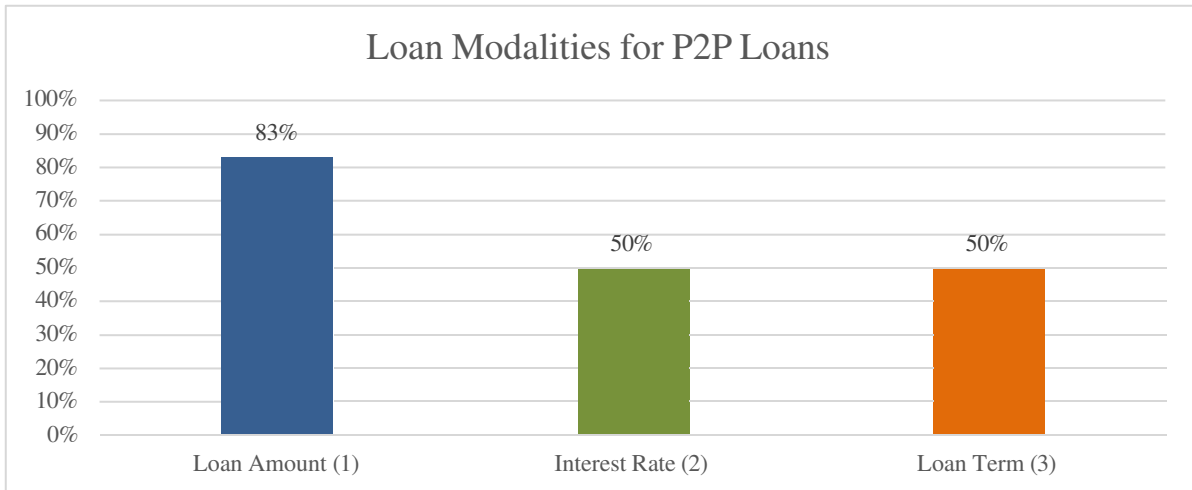


Figure 6: Loan Modalities for P2P Loans

In comparison, the classification of the modalities for borrowers from traditional banks showed different levels of priority (see Figure 7). Here, the interest rate was most frequently cited as the most important factor (5 codes), which underlined the central importance of credit costs in the traditional banking business. In this context, the loan amount was predominantly ranked in second place (6 codes), while the term was also mainly ranked in third place here (5 codes). The results indicated that, from the perspective of experts, borrowers from P2P platforms prioritized the ability to obtain the desired loan amount, particularly if they encountered difficulties with traditional banks due to restrictive creditworthiness criteria. In contrast, for bank borrowers, the interest rate appeared to be a more significant factor, potentially due to the larger loan amounts and the associated heightened focus on costs.

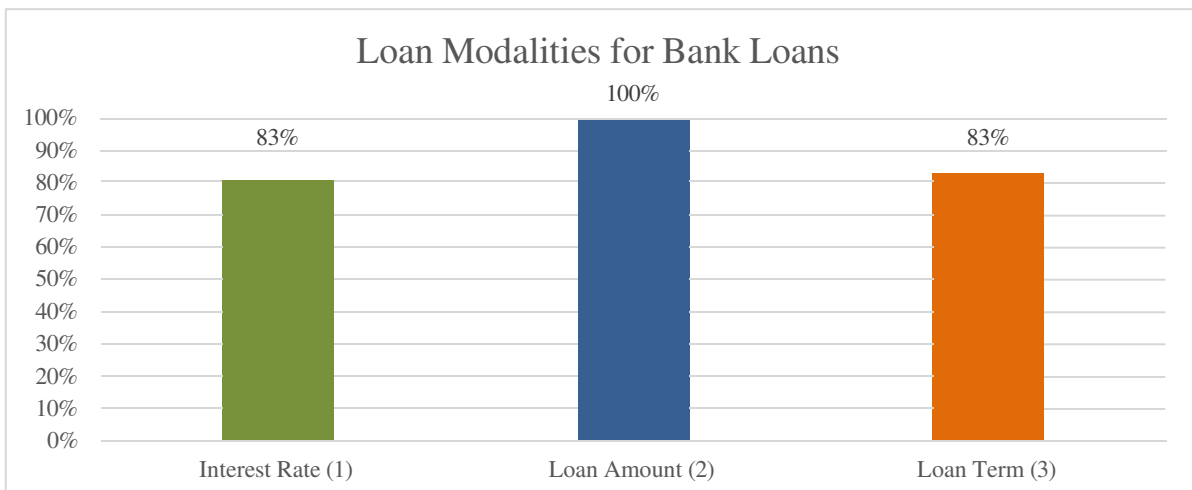


Figure 7: Loan Modalities for Bank Loans

The results demonstrated that there are notable discrepancies in the relative importance attributed to loan modalities between borrowers from P2P platforms and traditional banking

institutions. While P2P borrowers prioritized the loan amount, bank customers tended to place greater emphasis on the interest rate. The term played a secondary role in both contexts, consistently ranking as the least crucial factor overall.

4.1.3. Risk Perception

The risk perception P2P loans in comparison to conventional bank loans was a central topic of discussion among the interviewees. The results of the coding demonstrated that the general risk associated with P2P loans was frequently rated as high (12 codes), whereas none of the interviewees rated the risk as low. This perception supported the prevailing view that P2P loans have a greater risk profile than traditional bank loans.

In this context, Expert A characterized P2P loans as "junk bonds", which highlighted their highly speculative nature. Despite the possibility of buyback guarantees, the fundamental risk remains, according to him. Expert B presented a similar argument, noting the lack of collateralization and the absence of deposit protection, which are significant disadvantages compared to traditional loans. The absence of a safety net is identified by Expert C as a factor that contributes to the higher risk profile of P2P loans and is directly transferred to investors' returns in the form of a risk premium. This implied that investors are compensated for the additional risk they assume compared to traditional bank loans through the potential for higher returns. This risk premium represented a potential motivation for investors to consciously assume the risk, as the prospect of higher returns can be attractive to many investors.

Concurrently, Expert H emphasized that in the event of loan defaults, high income from other transactions is necessary to offset losses and achieve a positive return. High diversification, as recommended by Expert L, could minimize the risk, but does not solve the fundamental problem that P2P loans have a higher default risk compared to traditional bank loans. In this context, various experts have also identified a correlation between the absence of regulatory oversight and the elevated risk.

Another crucial aspect to consider was the buyback obligation offered by the lending platforms in the event of loan defaults. The coding revealed both positive (2 codes) and negative perceptions (9 codes). While some experts viewed buybacks as a potential hedge for investors, others expressed skepticism about the long-term viability of such obligations (e.g. Expert F). In this context, Expert H stated that a guaranteed buyback obligation would theoretically render P2P loans a risk-free investment, which gives rise to questions about the financial viability of such guarantees. Additionally, numerous loan defaults can also result in platform risks, as they

burdened the repurchase obligations of the platform and could jeopardize its stability (Expert J). Expert B similarly emphasized that platforms could never assume all risks, which contextualizes the role of trust in buyback mechanisms.

Overall, the topic of risk was mentioned remarkably frequently in the context of P2P loans (93 codes). This frequency showed the central importance that risk has for investors and platforms alike. It is evident that P2P loans are perceived by most experts as a high-risk form of investment that can be mitigated, but not eliminated, through a high level of diversification and repurchase obligations. The discussion revealed that risk is a significant impediment to the further advancement of P2P platforms.

4.1.4. Comparison with Traditional Banks

As part of the qualitative analysis, the first question in this thematic area examined the advantages and disadvantages of P2P platforms compared to traditional banks. The experts' statements were coded into categories and evaluated. The factors identified in this context reflect both the positive and negative aspects of P2P platforms, based on the opinions of the experts interviewed.

In terms of advantages, the most frequently mentioned factor was speed (18 codes). The coding indicates that the experts believed that P2P platforms are capable of processing loan requests considerably faster than traditional banks. This speed was seen as a key competitive advantage, especially for customers who need timely financing. In particular, the streamlined and digitalized processes of the platforms were seen as a means to reduce the effort required for loan review and approval compared to traditional banks (Expert H). The flexibility of P2P platforms (7 codes) was also identified as an advantage, as they often have less strict lending guidelines than banks. This also ensured lower entry barriers and gave customers with unusual or less established financial profiles access to loans (Expert H).

Another aspect to compare is regulation, which was perceived as both a benefit and a drawback (Expert A, Expert B). In the context of advantages, the reduced regulatory oversight of the platforms was emphasized, which supports their speed and efficiency. Expert J also mentioned the intuitive usability of the platforms, which makes it easier for first-time users in particular to get started. Although this point was mentioned less frequently (2 codes), it exemplified the platforms' emphasis on user-friendliness.

A number of disadvantages associated with P2P platforms were also identified in comparison to traditional banking institutions. As previously mentioned, the advantage of regulation is also

a disadvantage (4 codes). The experts observed that while the absence of stringent regulatory constraints may facilitate operational efficiency, it simultaneously introduces potential hazards for investors (Experts A, B). Additionally, risks were discussed as a general disadvantage compared to traditional banks (2 codes). Expert J highlighted the vulnerability of P2P platforms during periods of financial instability, when numerous lenders might withdraw their funds, a scenario that also poses a risk for banks.

Other disadvantages pertained to the perception and accessibility of customers. While banks can rely on an established customer base and a high level of public awareness (Expert H), P2P platforms must incur considerable acquisition costs to gain customers. This is reflected in the "Awareness" code (3 codes). According to Expert L, the platforms' advertising visibility has recently declined, which could have a negative impact on their competitiveness. Furthermore, "Customer Inertia" was identified as a disadvantage of the platforms. Expert E posited that customers tend to remain with their existing bank rather than utilize a new platform for credit offers, which affords banks a structural advantage.

The analysis indicated that the advantages of P2P platforms, particularly speed, efficiency, and flexibility, were closely associated with their minimal regulatory oversight. Nevertheless, this lack of regulation also presented disadvantages, including heightened risks and diminished customer security. Customer loyalty and public perception remained key challenges that P2P platforms need to overcome to compete with traditional banks.

The importance of transparency and trust in the context of P2P loans was predominantly rated as important by the experts. Nine experts emphasized that these aspects are important in the context of P2P loans, with Expert D highlighting that trust is of even greater importance than in the case of traditional banks. In his view, it is crucial that platforms take targeted measures to create trust, as the personal connection and physical presence that banks have through a direct local contact is lacking here. Expert E also stressed the importance of personal contact at banks, stating that the "face" of a bank significantly strengthens customer trust. In contrast, some experts argue that transparency and trust are less important with P2P loans (Experts C, H, K). Expert C took the position that transparency and trust are entirely irrelevant in the context of P2P loans, given that customers who choose this option are aware of and accept the associated risks.

With regard to the question of whether P2P loans were a competitor or a complement to traditional banking products, a clear picture emerges: all of the twelve experts considered P2P

loans as a complement to traditional offerings. In certain instances, a different target group for P2P platforms is simply cited as the reason (Expert J). Interestingly, Expert C pointed out that banks could potentially leverage the strengths of P2P lending, such as the convenience and efficiency of digital processing, to ensure their competitiveness in the future. Three experts explicitly described future competition as a realistic development (Experts E, F, I). None of the respondents currently perceived P2P loans as direct competition to traditional banks.

4.1.5. Regulation

The first question, which examined the influence of lower regulatory requirements on the acceptance of P2P loans, was assessed partly positively and partly negatively. Eight experts saw a positive influence, as less regulation promotes innovation, speed and flexibility (Experts D, J). Conversely, it was also observed that an absence of regulation could compromise trust and transparency (Expert D). While Expert A stressed security provided by regulatory requirements in the banking sector through trained personnel and established audit protocols, Expert H believed that the business model of P2P platforms is endangered by stricter regulations. However, clearly defined requirements could be attractive for investors (Expert E).

Seven experts agreed with the need for increased regulation of the P2P sector, while five disagreed. Proponents underscored the importance of fair and competitive conditions between banking institutions and digital platforms, along with enhanced security measures to reduce information asymmetries (Expert J).

With a total of 71 codes, the central role of regulation for the P2P sector was evident. While opinions on individual aspects varied, it was clear that regulation exerted a significant influence on the perception and development of P2P platforms, particularly with regard to innovation, trust and competition.

4.1.6. Technological Capabilities & Dynamic Capabilities

The analysis of technological capabilities demonstrated that experts identified significant advantages in P2P platforms (11 codes). Technological innovations, particularly those related to artificial intelligence (AI), were identified as being of importance for the performance and automation of standardized processes, with particular benefits anticipated for platforms (Experts A, D). The application of such technologies diminishes the role of human judgment in credit decisions, thereby enhancing efficiency (Expert H). This approach has also been subjected to criticism with respect to the preservation of trust (Expert E). Furthermore, data protection requirements were identified as a significant impediment to technological

advancement (Expert H). While Expert L assigned equal ratings to banks and platforms, the overall coding indicated a clear advantage for platforms. The perceived benefits of a given technology are dependent not only on the technology itself, but also on the manner of its implementation and the associated framework conditions.

In terms of dynamic capabilities, P2P platforms were perceived as much more flexible and adaptable (11 codes). The ability to react quickly to market changes is favored by the smaller size of the platforms and a higher acceptance of strategic adjustments by employees and through the business strategy (Expert C). Banks were regarded as unwieldy "tankers," which could potentially disadvantage them in a rapidly evolving market landscape (Expert A). It was also observed that banks possess certain advantages in the context of crisis management (2 codes), largely attributable to their substantial resources and well-established risk management mechanisms (Experts H, J). Although the smaller size of the platforms leads to disadvantages in terms of scalability, it also makes the platforms more flexible and adaptable to changing market conditions.

4.1.7. Future Prospects

The long-term prospects of P2P lending as a serious alternative to the traditional banking system were assessed differently by the interviewees. Of the 13 coded statements, six experts agreed that P2P lending could represent an alternative, while seven experts disagreed.

The interviewees who identified P2P lending as a viable alternative often limited this assessment to specific customer segments and did not perceive it as a comprehensive substitute for all customer groups. Expert B and Expert I stated that the attractiveness of P2P lending depends on the specific target audience and that achieving general acceptance is challenging in broader markets, such as the German market, due to the high risk aversion of customers.

A differentiated approach was also evident in the statement from Expert C, who compared P2P lending to a wave whose relevance in the market could fluctuate. Nevertheless, the preference of many customers for transparency, trust and a strict regulatory framework could limit the long-term establishment of P2P lending (Expert C). Expert D also regarded P2P lending as a sustainable alternative only under the condition of a regulated market.

An alternative perspective was presented by Expert F, who emphasized that banks could utilize P2P platforms as complementary solutions for their customers to provide alternative financing options. This view suggests that P2P lending could be perceived less as direct competition and more as an opportunity for collaboration with banks.

Opinions ranged from an alternative in certain customer segments to acceptance in a regulated environment, although broader market penetration was critically questioned due to customer preferences and market conditions.

4.2. Quantitative Analysis

This section presents the results of the quantitative analysis of the survey data. Of the total number of surveys launched (n=321), 271 fully completed data sets were included in the analysis after deducting incomplete responses and accounting for an attention check. This database allowed for a well-founded quantitative analysis, which contributed to the validation and supplementation of the qualitative results.

Survey Results

4.2.1. Demographics

The demographic data of the survey participants demonstrated a balanced distribution of gender, age, profession, and financial experience, thereby creating a broad basis for the analysis. Of the 271 complete responses (see Figure 8), 147 were male (54.2%) and 124 female (45.8%).

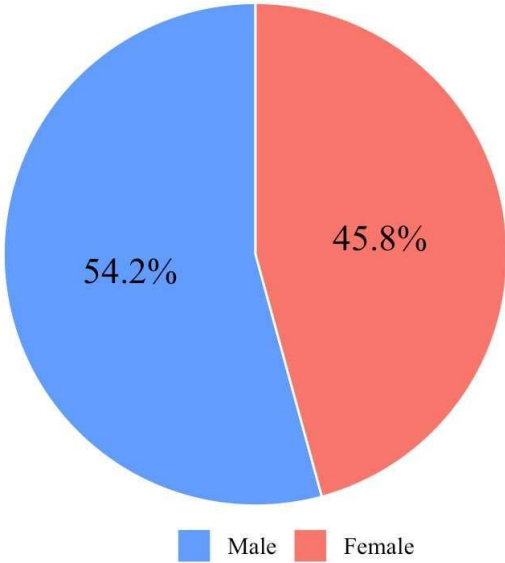


Figure 8: Gender Distribution (n=271)

In terms of age structure (see Figure 9), the majority of participants were within the 55-64 age group (28.8%), followed by the 18-24 age group (21.0%) and the 45-54 age group (19.6%). This broad distribution covered different life stages and potentially different attitudes towards P2P lending.

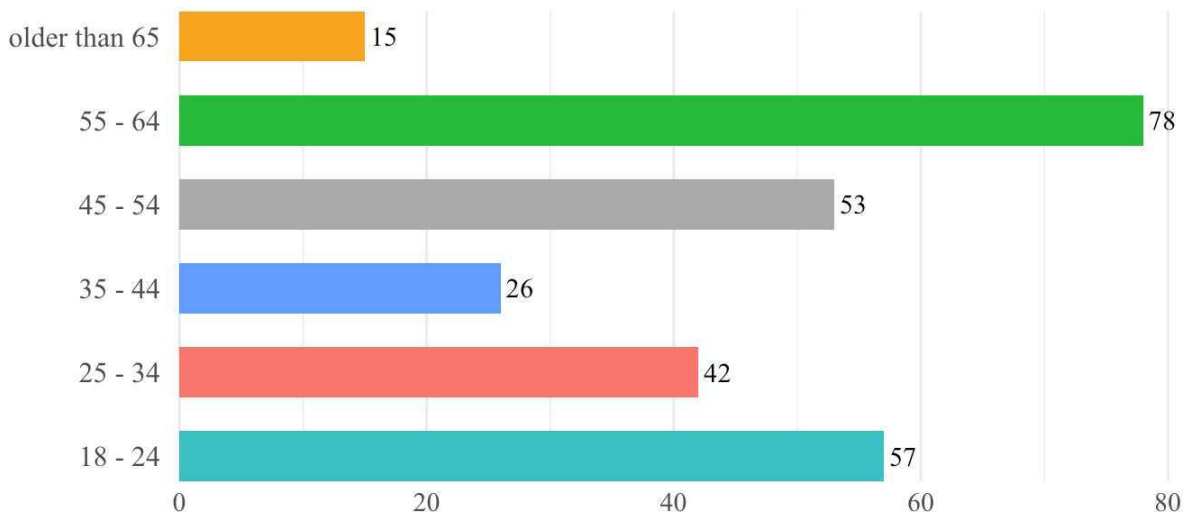


Figure 9: Age Distribution (n=271)

The occupational distribution revealed that 65.7% of participants were employees followed by students/apprentice (14.4%) and the self-employed (7.7%). Civil servants and pensioners each constituted 5.5% of the total, while 1.1% were engaged in other occupations (see Figure 10).

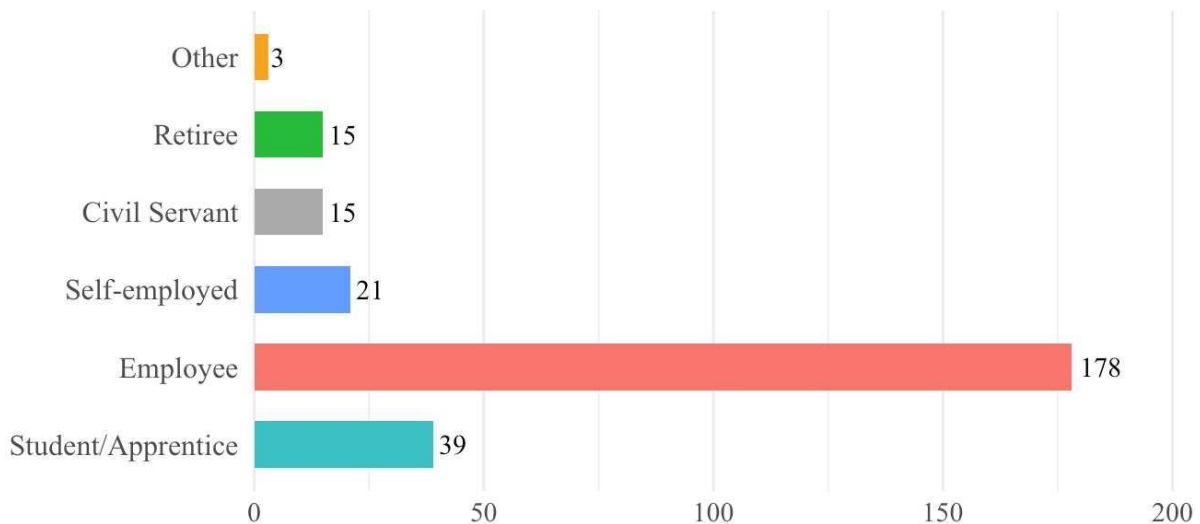


Figure 10: Occupation Distribution (n=271)

In terms of financial experience, 163 individuals (60.1%) had training or experience in the financial sector, while 108 individuals (39.9%) had no such qualification. This distribution provided insights into both expert perspectives and the views of less experienced participants.

4.2.2. P2P Lending Awareness

The survey findings indicated that the majority of participants had limited or no familiarity with the concept of P2P lending. A total of 143 respondents (52.8%) stated that they were not familiar with the concept, while only 19 individuals (7.0%) indicated that they were somewhat familiar and one person (0.4%) was very familiar (see Figure 11). The utilization of P2P

platforms was similarly limited, with only seven individuals (2.6%) reporting experience. Of these, four had utilized the platforms on a single occasion, two had done so three times and one had used them five times. The transaction volumes observed ranged from EUR 500 to EUR 20,000, with smaller amounts, such as EUR 500 or below EUR 1,000, being frequently mentioned. An amount of EUR 75,000 was reported as borrowed capital.

In conclusion, the data indicates a low level of familiarity with the concept of P2P lending and a correspondingly limited actual use. The few users engaged in transactions that were largely manageable, suggesting that P2P platforms are currently utilized by a small and highly specific group of users.

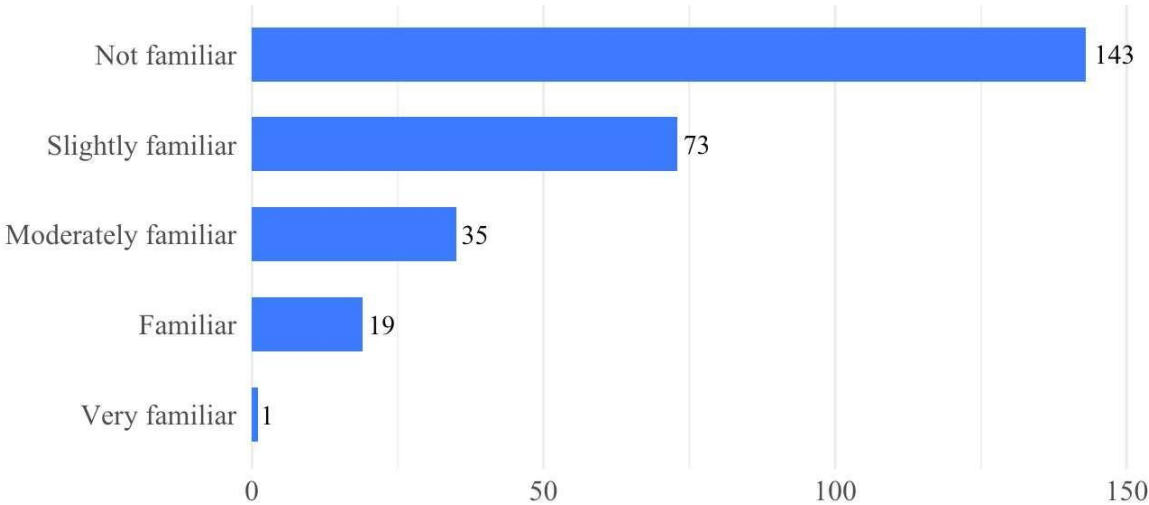


Figure 11: Familiarity with P2P Lending (n=271)

4.2.3. Drivers of Adoption & Impediments

The analysis of drivers and impediments to the use of P2P lending from an investor perspective showed that the evaluation of factors such as returns, costs, risks, liquidity, transparency, reputation and user-friendliness played a central role in the decision-making process (see Figure 12).

The majority of participants rated the risk factor as either very important (74.5%) or important (18.8%), which underscores its paramount significance when selecting P2P platforms. Accordingly, the uncertainty of repayment was a key hurdle for the acceptance of P2P platforms. This high significance suggested that platforms need to take targeted measures to improve risk management and security for investors. The reputation of the platform was also rated as important (63.8%) and very important (29.5%), which highlighted the relevance of trust and security measures. Furthermore, transparency was identified as a pivotal factor by many

participants, with 49.8% rating it as important and 34.7% as very important. It is evident that investors prioritize transparent and readily understandable information. Platforms may enhance their competitiveness by providing comprehensive reports and adopting consistent standards.

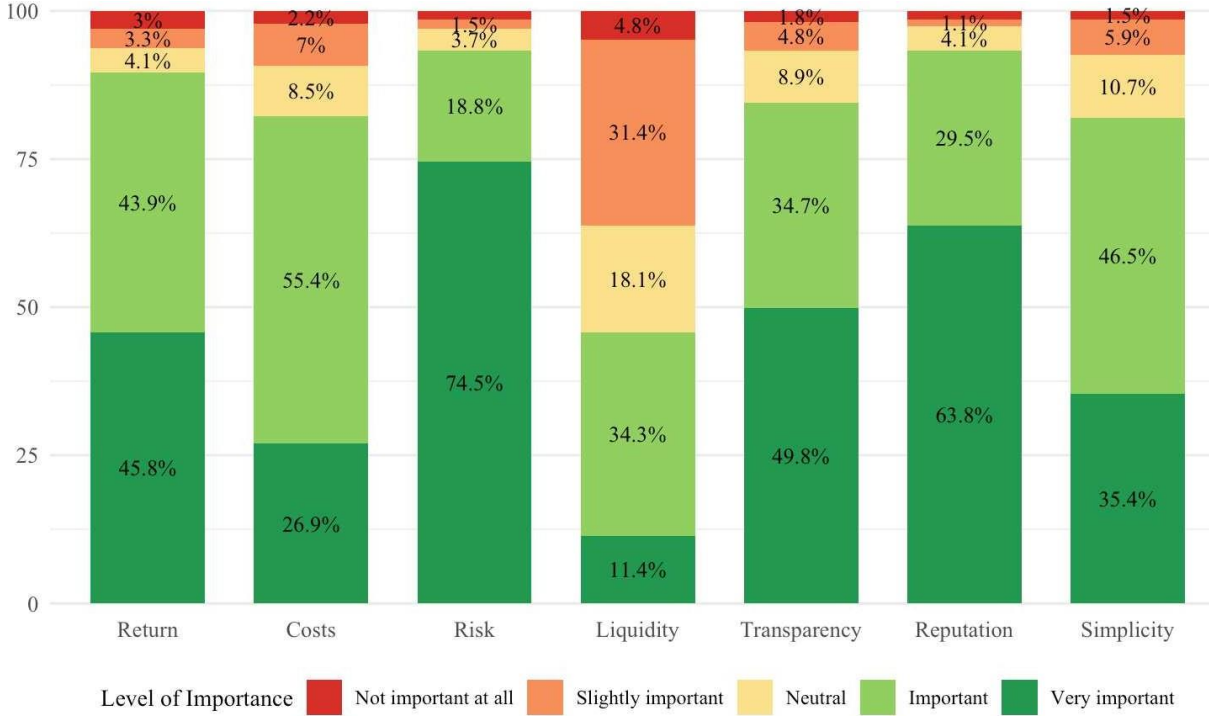


Figure 12: Importance of Various Factors for P2P Investors (n=271)

The return was also frequently rated as important (43.9%) or very important (45.8%), which indicates the financial benefit as the main motive for using P2P platforms. The situation is similar with costs, which were rated as important by 55.4% of respondents and very important by 26.9%. This underlined the importance of a favorable fee model for potential investors. The simplicity of using the platform was rated as very important by 41.7% and as important by 35.4%, which emphasizes the importance of intuitive operation and user-friendliness. Liquidity, i.e. the ability to convert an investment into cash at short notice, was rated more mixed. The findings suggested that although liquidity was perceived to be an essential attribute for certain users, it was not regarded as a primary determinant for investors.

The results showed the need for P2P platforms to increase their attractiveness by balancing these aspects to convince both existing and potential users. The perceived risk and trustworthiness of the platforms were the most significant challenges that must be addressed in a targeted manner to further enhance the acceptance of peer-to-peer lending.

From the perspective of the borrower (see Figure 13), the interest rate and fees were rated as very important by 61.6% and important by 33.6%. This also illustrated the high cost sensitivity

of users on this side of the platform. Similarly, transparency regarding conditions and costs was of paramount importance, with 66.4% of respondents rating it as "very important" and 26.2% as "important."

The flexibility of the loan amount and repayment options were ranked slightly below the other factors in terms of importance but was essential for many users as they preferred customized loan conditions. The speed of lending (45.8% important, 29.2% very important) was also valued, especially for urgent financial needs.

In summary, borrowers placed a high value on favorable conditions, clear information and individual customization options. Platforms that met these criteria and also prioritized simple processes and rapid processing can significantly enhance their attractiveness and competitiveness.

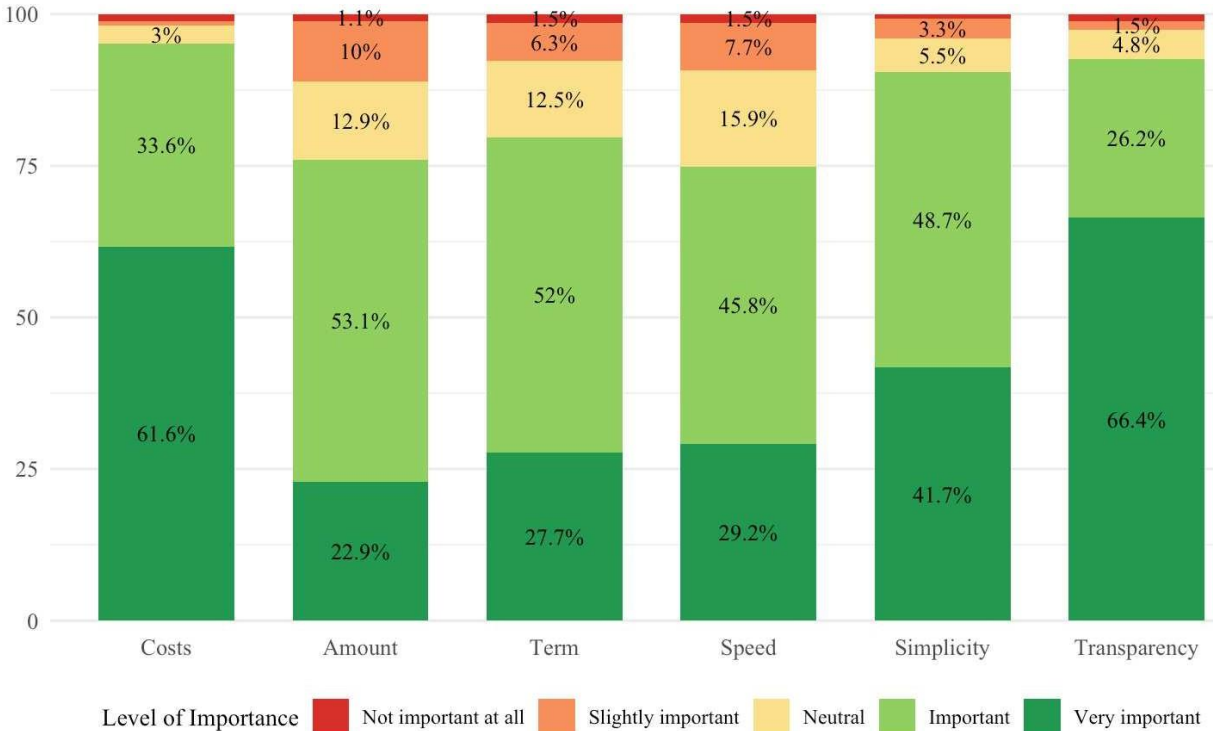


Figure 13: Importance of Various Factors for P2P Borrowers (n=271)

The analysis of two further questions shows a mixed attitude of the respondents towards P2P platforms as borrowers. On the first question, whether P2P platforms would be used for larger loan amounts, 35.8% disagreed and 19.2% strongly disagreed, while 24.0% agreed and 1.5% strongly agreed. 19.6% remained neutral. This suggested that uncertainties about security and reliability prevent many from applying for larger loans through P2P platforms. However, the positive agreement showed that there is potential for this target group if platforms increase trust and transparency.

On the second question about Willingness-to-Pay higher interest rates for faster and more convenient lending, 51.3% disagreed and another 18.1% strongly disagreed. Only 20.7% agreed and 1.5% strongly agreed. The clear rejection showed that borrowers are primarily looking for good terms and that convenience or speed were not enough to justify higher costs.

In conclusion, it is clear that P2P platforms must enhance their appeal through transparent communication, competitive interest rates, and security guarantees to attract a broader target group, particularly for larger loans.

4.2.4. Risk Perception

The analysis of risk perception indicated that P2P loans are perceived as significantly riskier than traditional bank loans. Of the respondents, 51.3% classified them as somewhat riskier, while 31.0% rated them as much riskier. Only 17.0% viewed P2P loans as just as risky and a negligible 0.4% each perceived them as slightly less risky or much less risky.

These findings pointed to a problem of trust, exacerbated by a lack of regulation and safeguards. Banks benefit from their established position and extensive collateral, while P2P platforms were often perceived as less transparent and predictable. Despite potential benefits such as flexibility or lower costs, most respondents seemed reluctant to take on more risk.

To improve risk perception, P2P platforms should focus on transparent processes, effective risk management and confidence-building measures. This is essential to reduce security concerns and increase acceptance and competitiveness with traditional banks.

4.2.5. Comparison with Traditional Banks

The analysis revealed clear trends in the perception of P2P platforms in comparison to traditional banking institutions. The majority of respondents rated the platforms' flexibility, speed and user-friendliness positively, indicating that these aspects are perceived as the platforms' greatest strengths (see Figure 14). Costs were predominantly rated positively in comparison, although there were also some negative assessments. In contrast, there was a negative perception of transparency, trust and customer service, indicating clear weaknesses, especially in comparison to established banks. Especially the trust factor was rated extremely negatively for P2P platforms, with 15.9% of respondents indicating that they viewed this aspect very disadvantageous and 61.6% indicating that they viewed it slightly disadvantageous, in comparison to banks. Platforms that specifically address these weaknesses can significantly increase their competitiveness compared to traditional banks.

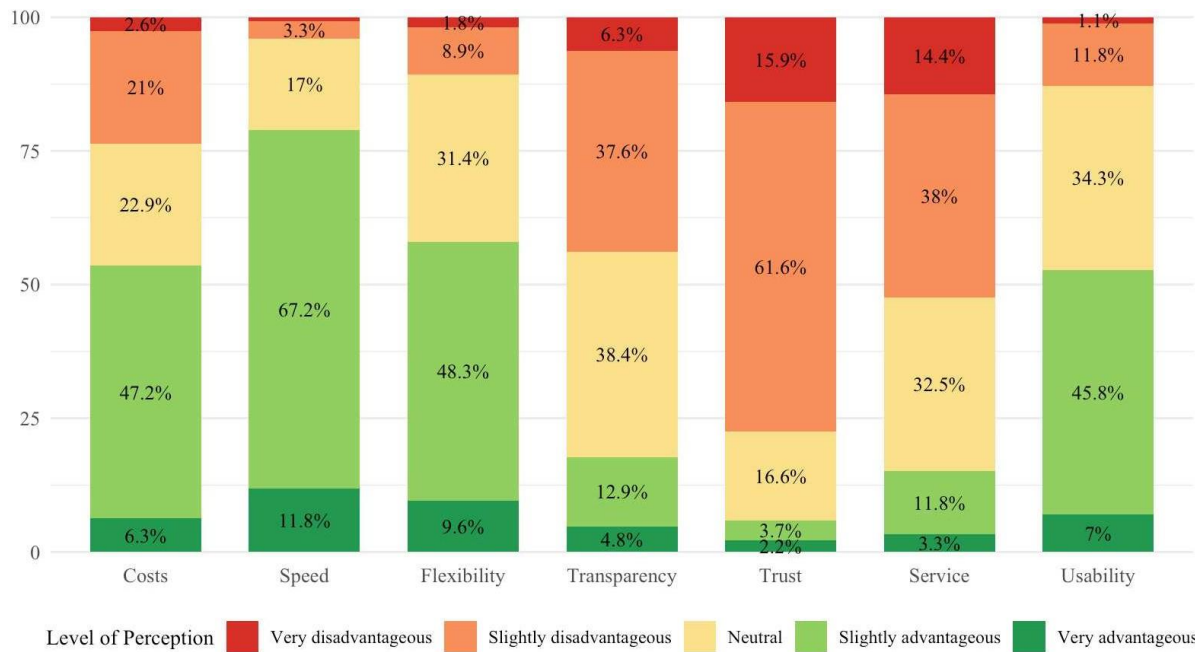


Figure 14: Advantages & Disadvantages of P2P Platforms Compared to Traditional Banks (n=271)

The analysis of the next question showed that the majority of respondents perceived P2P loans as complementary to traditional bank loans, rather than seeing them as a direct competitor. 54.2% agreed with the statement that P2P loans are complementary and 5.2% fully agreed. This suggested that P2P lending was often seen as a solution for specific lending needs that banks may not cover, for example for more flexible or smaller loan volumes. 21.8% of participants rejected this statement, while 5.5% did not agree at all. This group already viewed P2P loans as a real alternative to traditional banks and not just as a complementary offering. This could indicate that P2P platforms were already perceived as competitive in certain areas, particularly for target groups who did not feel adequately served by traditional bank offerings.

The neutral 13.3% implied that a proportion of respondents were uncertain or less experienced with P2P loans. Overall, it was evident that P2P loans were perceived by the majority as complementary, while a relevant proportion already regarded them as an alternative. Platforms could further promote this perception to reinforce their role as a flexible and innovative option in the credit market.

4.2.6. Regulation

When asked how important comprehensive legal regulation is when investing on a P2P platform, 42.4% of respondents considered it somewhat important, while 39.1% viewed it as very important. This showed that the majority of respondents considered regulation to be an important factor for trust and security in P2P platforms. Only 7.0% of respondents saw

regulation to be rather unimportant and 0.7% viewed it to be not at all important. This showed that lacking or inadequate regulation could be a barrier for many potential investors.

The second question on whether stronger regulation would increase the acceptance of P2P lending confirmed this assessment. 79.0% of respondents answered <yes=, which indicated that a clear legal basis was seen as crucial for the expansion and acceptance of P2P platforms. Legal regulation was therefore a crucial factor for trust and acceptance. In the future, stronger legal regulation could increase the attractiveness and development of the P2P sector.

4.2.7. Technological Capabilities

The analysis of technological capabilities showed that technological capabilities of P2P platforms were predominantly perceived positively by respondents compared to traditional banks. 67.5% of participants rated the technological capabilities of P2P platforms as better or significantly better. This indicated that P2P platforms had a clear advantage over banks, thanks to innovative technologies such as the automation of processes or user-friendly digital interfaces.

A quarter of respondents (25.1%) rated technological capabilities as "equal," indicating that banks remained competitive in technological terms in the eyes of this group. Concurrently, only a small proportion of participants (6.6%) rated P2P platforms as worse than banks, with only 0.7% rating them as significantly worse.

In conclusion, it is apparent that the technological capabilities of P2P platforms represented a significant competitive advantage. By leveraging these capabilities, platforms have the potential to appeal to tech-savvy target groups and differentiate themselves more effectively from traditional banks.

4.2.8. Dynamic Capabilities

This subject area addresses the question of how the adaptability and flexibility of P2P platforms are perceived in comparison to banks, particularly in rapidly changing market conditions. The results reveal that the dynamic capabilities of P2P platforms are viewed positively. Specifically, 55.4% of respondents considered them better and 12.9% significantly better than banks, indicating their agility and lower bureaucratic burden. 24.4% rated adaptability as equal, indicating that banks remain competitive in some areas. Only 7.0% rated the flexibility of P2P platforms as worse and 0.4% as significantly worse, underscoring the clear strength in this area.

The results highlighted that P2P platforms have a significant advantage over banks in terms of agility and dynamism. This provides them with an opportunity to further emphasize flexibility, positioning themselves as an innovative and responsive alternative.

4.2.9. Future Prospects

The final question assessed participants' potential willingness to engage in investment or borrowing on a P2P platform. The findings presented a complex picture, with a notable reluctance. A considerable proportion of respondents exhibited neutrality with regard to both roles (31.7%), suggesting a degree of uncertainty or a lack of experience with P2P platforms (see Figure 15). As an investor, 22.9% could imagine becoming active and 3.3% strongly agreed. In contrast, 21.4% disagreed and 20.7% strongly disagreed. This showed that while the potential appeal of P2P investing is present, many were still critical, possibly due to perceived risk or lack of trust. The role of the borrower was assessed even more cautiously. 18.5% of participants could imagine using P2P lending and 1.8% strongly agreed, while 25.8% disagreed and 22.1% strongly disagreed. This suggested that P2P platforms are less established as a lending option. The results showed that P2P platforms have potential as both an investment and lending option, but that there is still a need for persuasion to reduce uncertainty. Greater communication of benefits and security measures could help to increase the attractiveness of and trust in P2P platforms.

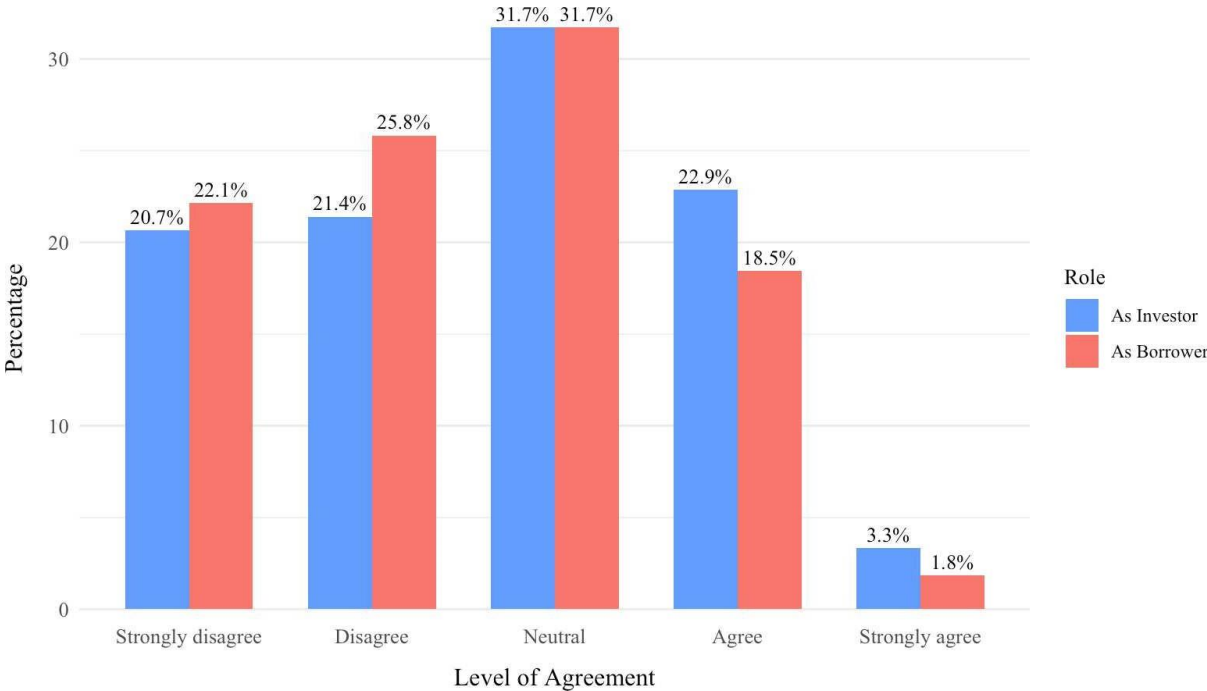


Figure 15: Consent to Use P2P Platforms as an Investor or Borrower (n=271)

The correlation matrix examined the factors influencing the acceptance of P2P lending from the perspectives of both investors and borrowers (see Figure 16). The variables "p2p_investor" and "p2p_borrower" represented the willingness to use P2P platforms. The analysis indicated that both "regulation" and "risk perception" were significant determinants of the acceptance of P2P lending. For investors, the variable "regulation" had a negative correlation ($r = -0.23$), indicating that stricter regulation was viewed as an impediment, potentially due to a perceived reduction in flexibility, innovation or return opportunities. For borrowers, the effect was also negative, albeit to a somewhat greater extent ($r = -0.24$). This could be attributed to the perception of additional administrative hurdles as an obstacle. The risk perception had a negative correlation in both models ($r = -0.26$ for investors; $r = -0.46$ for borrowers). This showed that high risk perceptions were key barriers. Investors were concerned about potential losses, while borrowers were uncertain about the unpredictability of financing.

It also became clear that the costs and usability of P2P platforms were drivers for the use as a borrower compared to banks ($r = 0.2$ for costs; $r = 0.28$ for usability). Similarly, higher trust (comp_trust) and greater transparency (comp_transparency) in P2P platforms relative to banks were associated with a greater willingness to use them for investors and borrowers. Dynamic capabilities and the willingness to take out high loan amounts also had a positive correlation with acceptance, especially for borrowers ($r = 0.61$).

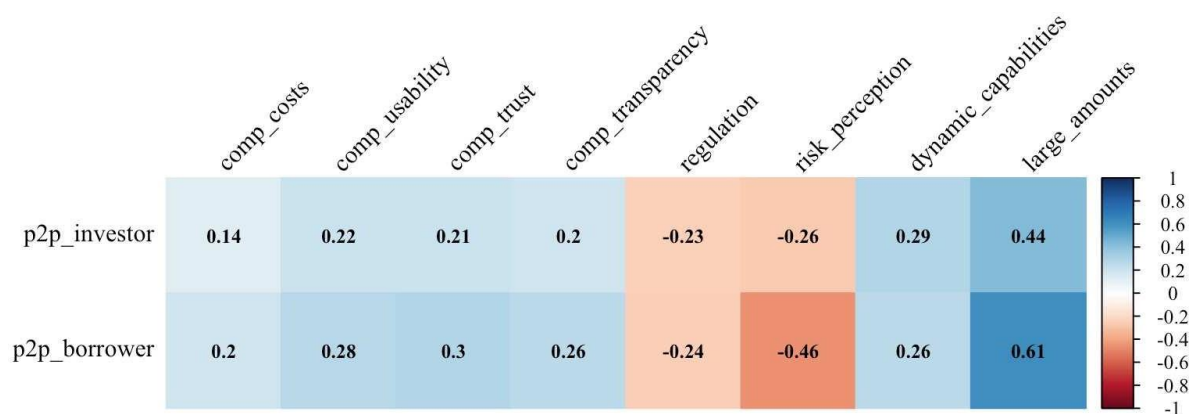


Figure 16: Correlation Matrix 3 Factors Influencing the Willingness to Use P2P Platforms

5. Conclusion

5.1. Main Findings

The conclusion of this paper is based on a triangulation of the results from the literature research, the expert interviews and the survey to answer the research question <How is P2P Lending an Alternative to Traditional Banking Facilities?=. This combination provided a comprehensive overview of the role and perspectives of P2P lending as an alternative to traditional banking transactions.

The literature showed that P2P lending acted as both a complement and a competitor to traditional banks. Tang (2019) identified that P2P platforms play a complementary role, especially for small loans, while serving as a substitute for bank loans in times of regulatory tightening. Tang (2019) also observed, that P2P lending particularly serves borrowers who are not served by banks due to stricter regulatory requirements or strict creditworthiness criteria. This aspect of the "democratization" of the credit market (Meki & Quinn, 2024) makes P2P lending a valuable complement and, in certain niches, an alternative. All Experts considered P2P lending to be complementary to banks. However, the experts also pointed out that it is an alternative in the aforementioned market segments, confirming the dual functionality. The analysis of the importance of different loan modalities also showed that P2P lending serves a different customer group on the borrower side than banks. The survey also confirmed the perception of P2P lending as complementary to banks, with the majority of respondents seeing P2P lending as complementary to bank offerings. Nevertheless, a relevant proportion of respondents also saw potential for direct competition with banks.

	Internal (Platform Characteristics)	External (Market & Regulation)
Direct	<ul style="list-style-type: none"> • Technology & User-Friendliness • Risk & Return • Trust & Transparency • Loan Modalities 	<ul style="list-style-type: none"> • Regulation & Security • Legal Framework
Indirect	<ul style="list-style-type: none"> • Dynamic Capabilities & Innovation • Target Group Characteristics • Marketing Strategies 	<ul style="list-style-type: none"> • Market Conditions & Competition • Economic Environment

Table 2: Internal and External Influences on P2P Lending Adoption

Another key finding from the literature was the perception of risk and return as internal factors with a direct influence on P2P lending adoption (see Table 2). Studies such as de Roure et al. (2021) highlight that P2P platforms mainly serve higher-risk borrowers and that these risks are

offset by higher returns for investors. The interviews and survey results supported this thesis: investors rated risk and transparency as key barriers, while return and diversification were key drivers. The quantitative analysis also showed that a higher perception of risk has a significant negative impact on the acceptance of P2P platforms. The experts confirmed this by emphasizing the high default risks and uncertainties in evaluating borrowers, as well as the importance of diversification.

A key finding from the expert interviews was the importance of trust and regulation as factors that exert a direct influence (see Table 2 and Figure 17). While the literature (e.g., Bavoso, 2021) suggests that a low level of regulation promotes innovation, the experts emphasized that a clear regulatory basis is crucial for the acceptance of P2P platforms. This was confirmed by the survey, in which 79% of respondents considered stronger regulation to be conducive to acceptance. At the same time, the survey revealed that a lack of regulation undermines trust in the platforms, which is seen as the main barrier to their use. The experts also indicated that balanced regulation could reduce the information asymmetry between platforms and users, while maintaining the adaptability of business models. The literature supported this by pointing to the need for a balance between innovation and safety (Bavoso, 2021).

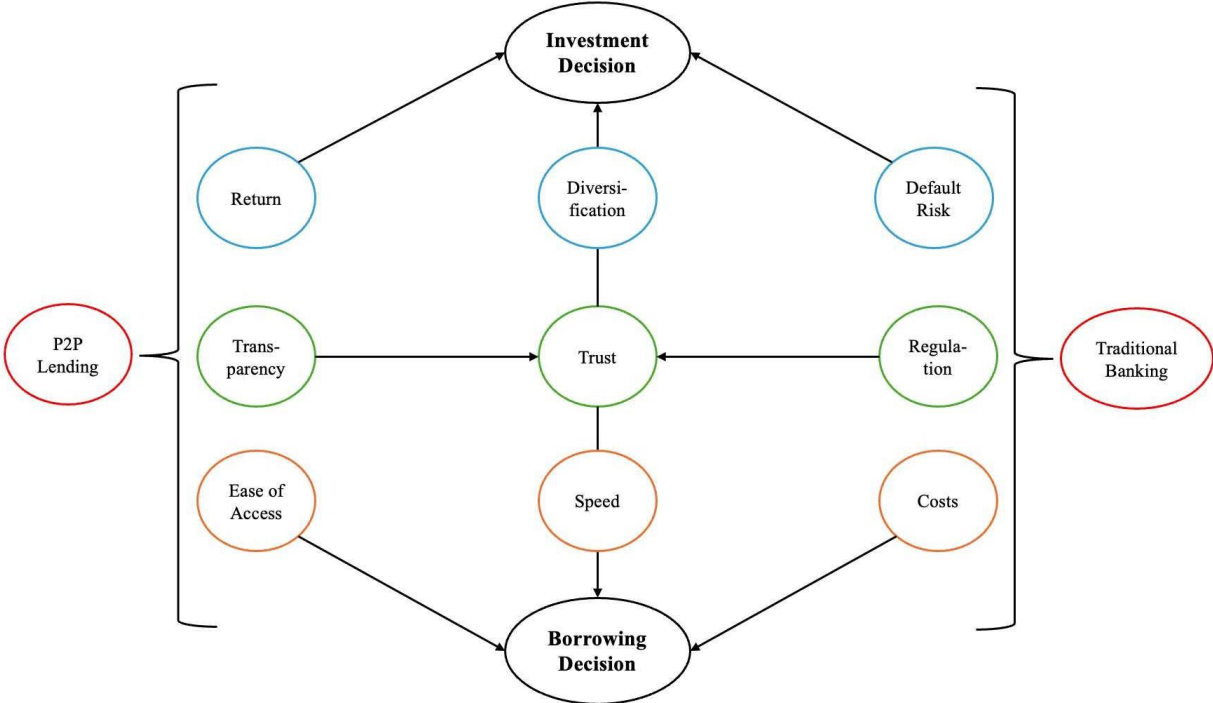


Figure 17: Factors Influencing the Decision for P2P Lending and Traditional Banking

In addition to the factors mentioned above, the flexibility and adaptability of P2P platforms, as described in the literature by the theory of dynamic capabilities (Tece, 2018; Barreto, 2010),

was also confirmed by the empirical data. The experts stressed the agility of the platforms, while the survey showed that most of the respondents rated the technological capabilities of the platforms as better or much better compared to banks. This enables borrowers to obtain financing more rapidly and to adapt loan conditions to suit their specific needs, which is particularly beneficial for those requiring short-term liquidity or particular financing solutions (Kohardinata et al., 2024). The experts also argued that P2P platforms can react quickly to market changes, which enhances their competitiveness. Similarly, the literature argues that this flexibility is a key factor in adapting to dynamic markets.

In summary, triangulation showed that P2P lending is a niche alternative that is particularly successful in specific segments with high risk and flexible requirements. While the platforms are convincing in terms of speed, return and flexibility, they are facing challenges in the areas of risk, transparency and trust. Survey results and expert opinions indicated that regulatory requirements and a focus on improving trust were critical to widespread adoption. To remain competitive in the long term and be a serious alternative to banks, platforms need to strengthen trust, comply with regulatory requirements and continue to drive technological innovation. These findings provided valuable implications for future research and practice.

5.2. Limitations & Future Research

This Master's thesis has a number of limitations that should be taken into account when interpreting the results. One is the generalizability of the results. Although the combination of expert interviews and survey provided a sound analysis, the sample was limited and did not necessarily reflect the opinions of a broad population. In particular, the number of interviews conducted may bias the results, as the perspectives of experts did not necessarily represent the views of end-users or other market participants.

Another limiting factor was the methodological orientation. While the semi-structured interviews allowed for a detailed collection of opinions, they were susceptible to subjective interpretation, both on the part of the respondents and by the researcher when analyzing the data. Similarly, the quantitative survey may have been subject to response bias, as respondents with limited experiences with P2P lending may not have answered questions from an informed perspective.

Another issue is the dynamic and rapidly evolving P2P lending market. As the financial sector is subject to constant change, the data collected during the research may become outdated shortly after the work is completed. It should be noted that the analysis could not fully reflect

all the specific conditions of P2P lending. Cultural and country-specific differences were taken into account only to a limited extent, which limits the applicability of the results to a global context. The results of this study provide valuable insights but should be interpreted with caution and considering the limitations mentioned above.

Future research could address these limitations through larger samples, longer observation periods, or a more detailed examination of country-specific differences. Particularly relevant would be a study that systematically analyzes cultural and country-specific differences to better understand the acceptance and use of P2P platforms in different markets. In addition, studies could be conducted to assess the long-term impact of regulatory developments and technological innovations on the competitiveness of P2P lending. Another interesting line of research would be a detailed analysis of the behavior and preferences of different user groups, both on the investor and the borrower side, in order to derive targeted recommendations for platform operators and regulators. Finally, comparative studies with traditional banks could provide in-depth insights into possible synergies and competitive strategies.

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Appendices

Appendix A: Interview Questions

P2P Lending Awareness
1. How do you see the role of P2P lending in today's financial landscape?
2. In your opinion, which target or customer groups are addressed by P2P platforms? a. on the investor side b. on the borrower side
Drivers of Adoption & Impediments
3. In your opinion, what are the main factors that encourage a. investors b. borrower to use P2P lending and what prevents them from doing so?
4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none">• Loan amount• Interest rate• Term of the loan
Risk Perception
5. How risky do you think P2P loans are compared to conventional loans?
Comparison with Traditional Banks
6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?
7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?
8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?
Regulation
9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
10. Do you see a need for increased regulation of the P2P sector?
Technological Capabilities
11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
Dynamic Capabilities
12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
Future Prospects
13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?

Table 3: Interview Questions

Appendix B: Survey Questions

Question	Type	Variable Names
Demographics		
1. How old are you? <ul style="list-style-type: none"> • 18-24 years old • 25-34 years old • 35-44 years old • 45-54 years old • 55-65 years old • >65 years old 	Multiple Choice	age
2. What is your gender? <ul style="list-style-type: none"> • Male • Female • Prefer not to say 	Multiple Choice	gender
3. What is your current professional status? <ul style="list-style-type: none"> • Pupil/Student • Employed • Self-employed • Civil severant • Retired • Other 	Multiple Choice	occupation
4. Do you have any education or work experience in the financial sector? (Yes/No)	Dichotomous	finance_education
P2P Lending Awareness		
5. How familiar are you with the concept of P2P lending? Likert scale: 1 = not familiar at all, 5 = very familiar	Likert scale	familiarity
6. Have you ever used a P2P lending platform as a borrower or investor? (Yes/No) If yes: How often have you already used a P2P platform? If yes: How much money have you borrowed or invested there?	Dichotomous	use
Drivers of Adoption & Impediments		
7. How important are the following factors for you when deciding to use P2P loans as an Investor/Lender ? Likert scale: 1 = not important at all, 5 = very important <ul style="list-style-type: none"> • Return (expected interest on the investment) 	Likert scale	investor_return

<ul style="list-style-type: none"> • Costs and fees (fees for using the platform) • Risk of default (risk that the investment is partially or fully not repaid) • Liquidity of the investment (possibility to quickly convert the investment into cash) • Transparency (insight into credit issuance processes and risks of the investment) • Reputation and security of the P2P platform (trustworthiness and security measures) • Ease of use of the platform (user-friendliness and intuitive operation) 		<p>investor_costs</p> <p>investor_risk</p> <p>investor_liquidity</p> <p>investor_transparency</p> <p>investor_reputation</p> <p>investor_simplicity</p>
<p>8. How important are the following factors to you when deciding to use P2P loans as a Borrower? Likert scale: 1 = not important at all, 5 = very important</p> <ul style="list-style-type: none"> • Interest rate and fees (costs of the loan) • Flexibility of the loan amount (adjustable loan amounts according to individual needs) • Flexibility of repayment options (adjustability of the installment and term) • Speed of loan approval (duration of the process until disbursement) • Simple application process (low bureaucratic effort) • Transparency about terms and costs 	Likert scale	<p>borrower_costs</p> <p>borrower_amount</p> <p>borrower_term</p> <p>borrower_speed</p> <p>borrower_simplicity</p> <p>borrower_transparency</p>
<p>9. As a borrower, would you also use P2P platforms to finance larger loan amounts? Likert scale: 1 = strongly disagree, 5 = strongly agree</p>	Likert scale	large_amounts
<p>10. Would you be willing to pay a higher interest rate if lending is faster, more efficient and more convenient? Likert scale: 1 = strongly disagree, 5 = strongly agree</p>	Likert scale	comfort_premium

Risk Perception		
11. How risky do you consider P2P loans to be compared to conventional bank loans? Likert scale: 1 = much less risky, 5 = much riskier	Likert scale	risk_perception
Comparison with Traditional Banks		
12. In which areas do you see potential advantages or disadvantages of P2P platforms compared to traditional banks? Likert scale: 1 = very disadvantageous, 5 = very advantageous <ul style="list-style-type: none"> • Interest rate/fees • Speed of lending • Flexibility • Transparency • Trustworthiness • Customer service • User friendliness 	Likert scale	comp_costs comp_speed comp_flexibility comp_transparency comp_trust comp_service comp_usability
13. To what extent do you agree with the following statement? P2P loans complement traditional bank loans instead of competing directly with them Likert scale: 1 = strongly disagree, 5 = strongly agree	Likert scale	p2p_bank_relation
14. Please select the number 2 on the scale below Scale: 1-5	Attention	attention
Regulation		
15. How important is comprehensive regulatory oversight to you when deciding to invest on a P2P platform? Likert scale: 1 = not important at all, 5 = very important	Likert scale	regulation
16. Do you think that stronger regulation would increase the acceptance of P2P lending? (Yes/No)	Dichotomous	regulation_acceptance
Technological Capabilities		
17. How do you rate the technological possibilities (e.g. the automation of processes) of P2P platforms compared to traditional banks?	Likert scale	technological_capabilities

Likert scale: 1 = significantly worse, 5 = significantly better		
Dynamic Capabilities		
18. How do you rate the adaptability and flexibility of P2P platforms compared to banks in responding to rapidly changing market conditions? Likert scale: 1 = significantly worse, 5 = significantly better	Likert scale	dynamic_capabilities
Future Prospects		
19. Would you personally consider becoming active on a P2P platform as an investor or borrower? Likert scale: 1 = strongly disagree, 5 = strongly agree <ul style="list-style-type: none">• As Investor• As Borrower	Likert scale	p2p_investor p2p_borrower

Table 4: Survey Questions

Appendix C: Interview Expert A

Date: 06.11.2024		Time: 10:00 AM	Duration: 32 minutes	Type: MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?			
A	<ul style="list-style-type: none"> • Minor role of P2P lending in the financial sector • Primarily relevant for technology companies and startups, less so for private individuals 			
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms? c. on the investor side d. on the borrower side			
A	<ul style="list-style-type: none"> • Investor Side: Primarily technology companies with specific expertise and potential benefit from the investment • Borrower Side: Startups, especially in the tech industry; minimal relevance for private individuals 			
TS	3. In your opinion, what are the main factors that encourage c. investors d. borrower to use P2P lending and what prevents them from doing so?			
A	<ul style="list-style-type: none"> • Investors: Fast loan approval, potential benefits for their own companies • Borrowers: Quick access to capital without extensive checks • Barriers: Private clients often lack the persuasion or risk tolerance needed to convince investors 			
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none"> • Loan amount • Interest rate • Term of the loan 			
A	<ul style="list-style-type: none"> • Order of Importance: Loan amount, term length, interest rate (interest rate is less relevant, as the primary goal is quick access to funds) 			
TS	5. How risky do you think P2P loans are compared to conventional loans?			
A	<ul style="list-style-type: none"> • Highly risky, comparable to junk bonds= • Particularly high-risk when lending to private individuals 			
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?			
A	<ul style="list-style-type: none"> • Advantages: Less regulation, fewer formalities • Disadvantages: High risk due to lack of checks, less security for investors 			
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?			
A	<ul style="list-style-type: none"> • Transparency is essential to build trust. Loan terms are less crucial as long as there is a viable solution for both sides 			
TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?			

A	<ul style="list-style-type: none"> • P2P lending is seen more as a complement than a competitor to traditional loans and investment products
TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
A	<ul style="list-style-type: none"> • High risk without regulation • Institutional investors may accept this, but private investors may be more hesitant
TS	10. Do you see a need for increased regulation of the P2P sector?
A	<ul style="list-style-type: none"> • Does not see a need for increased regulation • Additional regulations could make P2P lending too similar to the banking landscape.
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
A	<ul style="list-style-type: none"> • AI could assist in creditworthiness assessments and improve risk evaluation • Benefits apply equally to banks and P2P platforms
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
A	<ul style="list-style-type: none"> • P2P platforms are more adaptable than banks, which operate like <heavy tankers= that are harder to steer
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
A	<ul style="list-style-type: none"> • Views P2P lending as a supplementary solution rather than a serious alternative to the banking system

Table 5: Interview Summary - Expert A

Appendix D: Interview Expert B

Date:	06.11.2024	Time:	11:00 AM	Duration:	29 minutes	Type:	MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?						
B	<ul style="list-style-type: none"> • Limited significance in the traditional banking sector • Relevant for start-ups and specific niches 						
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms?						
	<ul style="list-style-type: none"> a. on the investor side b. on the borrower side 						
B	<ul style="list-style-type: none"> • Investor Side: Primarily individual entrepreneurs and private investors, like startup investors or those with a high-risk tolerance • Borrower Side: Mainly startups and companies struggling to obtain bank loans 						
TS	3. In your opinion, what are the main factors that encourage						
	<ul style="list-style-type: none"> a. investors b. borrower 						
	to use P2P lending and what prevents them from doing so?						

B	<ul style="list-style-type: none"> • For Investors: Potential for higher returns compared to traditional banks, absence of bank fees. • For Borrowers: Access to loans despite poor credit scores and no bank fees. • Barriers: Higher risk for investors due to lack of deposit insurance and limited recourse if a loan defaults.
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none"> • Loan amount • Interest rate • Term of the loan
B	<ul style="list-style-type: none"> • For Standard Borrowers: Interest rate > Loan amount > Loan term • For Borrowers with Limited Access: Loan amount > Interest rate > Loan term
TS	5. How risky do you think P2P loans are compared to conventional loans?
B	<ul style="list-style-type: none"> • Higher risk than traditional bank loans due to lack of deposit insurance and minimal recourse in case of default
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?
B	<ul style="list-style-type: none"> • Advantages: Fewer regulatory requirements, faster processes • Weaknesses: Lack of regulation can lead to lower transparency
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?
B	<ul style="list-style-type: none"> • Greater trust in banks • P2P platforms don't offer the same security and regulatory oversight (e.g., from BaFin) as traditional banks
TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?
B	<ul style="list-style-type: none"> • Currently viewed as a complement, though this depends on future regulatory changes
TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
B	<ul style="list-style-type: none"> • Lower requirements appeal more to borrowers • Safety-conscious investors may be deterred
TS	10. Do you see a need for increased regulation of the P2P sector?
B	<ul style="list-style-type: none"> • Agreed; from a competitive standpoint, it would be fair, as banks and P2P platforms offer similar services
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
B	<ul style="list-style-type: none"> • Beneficial for P2P platforms, as they can adapt more quickly to innovations like AI, whereas banks tend to be slower
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?

B	<ul style="list-style-type: none"> • Platforms are more flexible and better suited to respond to dynamic market changes than banks
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
B	<ul style="list-style-type: none"> • P2P lending will likely persist and attract certain groups, but it will not replace the traditional banking system, especially in Germany, where customers are generally more conservative

Table 6: Interview Summary - Expert B

Appendix E: Interview Expert C

Date: 08.11.2024	Time: 12:00 AM	Duration: 22 minutes	Type: MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?		
C	<ul style="list-style-type: none"> • P2P lending is a relevant but secondary factor in the financial sector • It was more prominent before the COVID-19 crisis, but its importance declined, likely due to loan defaults during the pandemic • The concept of P2P lending sensible and innovative 		
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms? <ul style="list-style-type: none"> a. on the investor side b. on the borrower side 		
C	<ul style="list-style-type: none"> • Investors: Wealthier individuals who seek to diversify their portfolios and are interested in higher-risk, higher-return scenarios • Borrowers: Primarily people needing quick and uncomplicated loans, often those who cannot access loans from banks • Generally targets younger, digitally-savvy groups, though older generations might be encouraged to invest by family members 		
TS	3. In your opinion, what are the main factors that encourage <ul style="list-style-type: none"> a. investors b. borrower to use P2P lending and what prevents them from doing so?		
C	<ul style="list-style-type: none"> • Investors: Key motivations are high returns and diversification • Borrowers: Seeking alternatives to bank loans if they have been denied • Obstacles: For investors 3 lack of transparency; for borrowers 3 potentially higher costs due to risk premiums 		
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none"> • Loan amount • Interest rate • Term of the loan 		
C	<ul style="list-style-type: none"> • Priority order for borrowers in general: interest rate, loan amount, and term length • For P2P loans, the loan amount may be more important than the interest rate 		
TS	5. How risky do you think P2P loans are compared to conventional loans?		

C	<ul style="list-style-type: none"> • P2P loans are considered significantly riskier due to less regulation
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?
C	<ul style="list-style-type: none"> • Strengths: Efficient, fast, and intuitive processing on the platforms. • Weaknesses: Lack of transparency and potential confusion due to legal
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?
C	<ul style="list-style-type: none"> • While transparency and trust are theoretically desirable, they are not crucial for P2P loans, as borrowers and investors accept the risks • The more transparency P2P platforms can guarantee, the more successful the P2P lending model will be
TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?
C	<ul style="list-style-type: none"> • Currently viewed more as a supplement, as banks can adopt many of P2P platforms9 strengths but with more transparency
TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
C	<ul style="list-style-type: none"> • Has a major influence
TS	10. Do you see a need for increased regulation of the P2P sector?
C	<ul style="list-style-type: none"> • No need for stricter regulation, as P2P lending is considered more of a supplement and users accept the associated risks
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
C	<ul style="list-style-type: none"> • Technological innovations like AI could provide P2P platforms with advantages, as lower regulation allows faster adoption of new technologies
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
C	<ul style="list-style-type: none"> • P2P platforms are viewed as more flexible and adaptable than banks, which face timing and structural challenges when implementing changes
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
C	<ul style="list-style-type: none"> • Does not believe that P2P lending will become a serious alternative to the traditional banking system, as factors like transparency, trust, and regulation remain important to many people • Will remain a niche topic that, like a <wave=, is sometimes more and sometimes less present

Table 7: Interview Summary - Expert C

Appendix F: Interview Expert D

Date: 08.11.2024		Time: 03:00 PM		Duration: 25 minutes		Type: MS Teams	
TS	1. How do you see the role of P2P lending in today's financial landscape?						
D	<ul style="list-style-type: none"> • Only heard of P2P lending in passing • P2P lending is more of a complement to traditional banking 						
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms?						
	<ol style="list-style-type: none"> a. on the investor side b. on the borrower side 						
D	<ul style="list-style-type: none"> • Investors: Primarily private investors, often younger and tech-savvy. Investors seeking higher returns through risk premiums • Borrowers: Those who no longer qualify for traditional bank loans due to credit issues or those seeking more flexible terms 						
TS	3. In your opinion, what are the main factors that encourage						
	<ol style="list-style-type: none"> a. investors b. borrower to use P2P lending and what prevents them from doing so?						
D	<ul style="list-style-type: none"> • Incentives for Investors: Higher returns compared to traditional investments • Risks for Investors: Limited ability to assess borrower creditworthiness; investment risks are difficult to evaluate • Deterrents for Borrowers: Higher interest rates and a lack of regulatory safeguards 						
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking:						
	<ul style="list-style-type: none"> • Loan amount • Interest rate • Term of the loan 						
D	<ul style="list-style-type: none"> • Depends on the perspective of the borrower • P2P platform: Loan amount > Interest rate > Term of the loan • Bank: Interest rate > Loan amount > Term of the loan 						
TS	5. How risky do you think P2P loans are compared to conventional loans?						
D	<ul style="list-style-type: none"> • P2P loans are significantly riskier due to less regulation 						
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?						
D	<ul style="list-style-type: none"> • Advantages: Faster, less bureaucratic processing, more flexible loan terms, access for borrowers with lower creditworthiness • Disadvantages: Higher costs and lack of regulation 						
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?						
D	<ul style="list-style-type: none"> • Transparency and trust are essential for P2P loans due to the absence of regulatory safeguards 						
TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?						

D	<ul style="list-style-type: none"> • P2P lending is currently a complement rather than a direct competitor to traditional loans
TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
D	<ul style="list-style-type: none"> • Positive: Easier access and greater flexibility • Negative: Lack of transparency and trust
TS	10. Do you see a need for increased regulation of the P2P sector?
D	<ul style="list-style-type: none"> • If the sector wants to continue to grow in terms of volume, there is no way around increased regulation in the long term • Stronger regulation would make the business model safer and more appealing to larger target groups
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
	<ul style="list-style-type: none"> • Advantages of P2P platforms through the use of AI, especially in terms of greater efficiency and flexibility compared to traditional banks • P2P platforms are not burdened by the need to steer a large 8tanker9 • Regulation sets boundaries for banks
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
D	<ul style="list-style-type: none"> • P2P platforms are more flexible; banks are slower due to regulatory constraints • The disadvantage of a P2P platform could be the volume structure, as banks have more staff and resources at their disposal • Overall clear advantages for the P2P platforms
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
D	<ul style="list-style-type: none"> • P2P lending will remain a complement without stronger regulation • In the long run, it could become a competitor to banks if the market is better addressed with AI and regulation

Table 8: Interview Summary - Expert D

Appendix G: Interview Expert E

Date: 09.11.2024	Time: 10:00 AM	Duration: 28 minutes	Type: MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?		
	<ul style="list-style-type: none"> • P2P lending is emerging as a growing competitor to banks, as it partially cannibalizes traditional banking services • The younger, tech-savvy generation is particularly inclined to view P2P lending as an alternative to traditional banks 		
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms?		
	<ol style="list-style-type: none"> a. on the investor side b. on the borrower side 		

E	<ul style="list-style-type: none"> • Investors: Mainly smaller to medium-sized investors who are more open to risk. • Borrowers: Primarily from the retail segment, often younger and tech-savvy customers without a strong connection to banks; typically under 60 years old
TS	3. In your opinion, what are the main factors that encourage <ol style="list-style-type: none"> a. investors b. borrower to use P2P lending and what prevents them from doing so?
E	<ul style="list-style-type: none"> • Investors: Diversification options for their portfolio • Borrowers: Quick and uncomplicated processes, flexible terms, access to loans even bad credit scores • Deterrents: Higher risk due to less thorough credit checks, limited advisory services and transparency and higher costs compared to traditional banks
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none"> • Loan amount • Interest rate • Term of the loan
E	<ul style="list-style-type: none"> • Highest priority: Loan amount (access to capital) • Next: Interest rate and conditions • Least important: Loan term
TS	5. How risky do you think P2P loans are compared to conventional loans?
E	<ul style="list-style-type: none"> • Higher risk due to less intensive credit assessments • Buyback guarantees can partially mitigate risks for investors, but the long-term stability of platforms remains questionable
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?
E	<ul style="list-style-type: none"> • Strengths: Flexibility, speed in adapting to customer needs and efficient processes • Weaknesses: Less convenience for customers who prefer a single banking relationship (customers are generally rather convenience-oriented); German customers, in particular, highly value security and stability
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?
	<ul style="list-style-type: none"> • Trust tends to be higher with traditional banks, as they are more established and well-known • The lack of a personal contact person on P2P platforms is a drawback
TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?
E	<ul style="list-style-type: none"> • Currently more of a complement, but with a rising potential to compete, especially among tech-savvy customers • It will be a direct competition in the foreseeable future

TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
E	<ul style="list-style-type: none"> • Irrelevant for borrowers, but an important factor for investors • Increased regulation could make P2P platforms more attractive to investors
TS	10. Do you see a need for increased regulation of the P2P sector?
E	<ul style="list-style-type: none"> • No need for increased regulation, as it could hinder innovation
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
E	<ul style="list-style-type: none"> • AI offers advantages in efficiency and speed • P2P platforms can adopt innovations faster than banks
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
E	<ul style="list-style-type: none"> • P2P platforms, due to their smaller size and agility, are better positioned to adapt to market changes
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
E	<ul style="list-style-type: none"> • P2P lending could play an established role in the future, as the financial industry is evolving significantly

Table 9: Interview Summary - Expert E

Appendix H: Interview Expert F

Date: 13.11.2024	Time: 12:30 AM	Duration: 28 minutes	Type: MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?		
F	<ul style="list-style-type: none"> • Currently, P2P lending plays a minor role as it is still relatively unknown at least in Germany • Likely to gain importance due to its regulatory advantages and flexibility compared to traditional banks 		
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms?		
	<ol style="list-style-type: none"> on the investor side on the borrower side 		
F	<ul style="list-style-type: none"> • Investor Side: <ul style="list-style-type: none"> ○ Individuals with sufficient capital who are looking for alternative investment opportunities ○ Risk-tolerant investors willing to accept higher risks for potentially higher returns • Borrower Side: <ul style="list-style-type: none"> ○ Primarily individuals with lower creditworthiness who struggle to secure loans from traditional banks ○ Customers who value the speed and reduced regulatory requirements of P2P platforms ○ Possibly businesses, especially for project financing 		

	<ul style="list-style-type: none"> ○ Often younger people, who are more open to new technologies and financial models
TS	3. In your opinion, what are the main factors that encourage <ol style="list-style-type: none"> a. investors b. borrower to use P2P lending and what prevents them from doing so?
F	<ul style="list-style-type: none"> ● Investors: <ul style="list-style-type: none"> ○ Higher return potential compared to traditional investments ○ Difficulty in assessing borrower risk due to limited information or contact ● Borrowers: <ul style="list-style-type: none"> ○ Speed of the process, fewer regulations, and anonymity ○ None specifically mentioned, as platforms cater to their needs
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none"> ● Loan amount ● Interest rate ● Term of the loan
F	<ul style="list-style-type: none"> ● Loan Amount: The most critical factor, as borrowers primarily seek a specific sum ● Loan Term: Moderately important, as borrowers may want manageable payments but not prioritize the term length ● Interest Rate: Least important, as borrowers are often willing to accept higher rates for faster access to funds
TS	5. How risky do you think P2P loans are compared to conventional loans?
F	<ul style="list-style-type: none"> ● Banks have the advantage of personal relationships and deeper knowledge of their customers' financial backgrounds ● P2P loans are more anonymous, making risk assessment more challenging ● Buyback obligations can provide investors with a sense of security in the short term, but their long-term reliability is uncertain
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?
F	<ul style="list-style-type: none"> ● Less regulatory oversight leads to faster and simpler processes ● Attractive to borrowers who prefer to bypass traditional banking structures ● Uncertainty about the quality and thoroughness of credit assessments
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?
F	<ul style="list-style-type: none"> ● Due to the anonymous nature of transactions, transparency and trust are even more crucial than for traditional banks ● P2P platforms need to build trust through clear communication and reliable processes to attract both borrowers and investors
TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?
F	<ul style="list-style-type: none"> ● P2P loans are currently a complement to traditional banking

	<ul style="list-style-type: none"> • Could increasingly compete with banks due to their speed, regulatory flexibility and technological advancements in the future
TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
F	<ul style="list-style-type: none"> • Borrowers: Positive, as it simplifies and accelerates the borrowing process • Investors: Lower regulatory requirements are consciously accepted by investors in exchange for higher returns
TS	10. Do you see a need for increased regulation of the P2P sector?
F	<ul style="list-style-type: none"> • No need for increased regulation • Both borrowers and investors understand the risks and conditions under which they engage with P2P platforms • Excessive regulation could diminish the platforms' flexibility and appeal
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
F	<ul style="list-style-type: none"> • P2P platforms could benefit significantly from AI in areas like credit scoring, enhancing efficiency and speed • Speed remains a crucial advantage over banks • AI is not yet widely used in banks but is recognized as an area for future development
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
F	<ul style="list-style-type: none"> • Highly flexible and able to adapt quickly to market changes • Banks are slower to adapt due to regulatory requirements and complex internal structures
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
F	<ul style="list-style-type: none"> • P2P lending has the potential to become a serious alternative to traditional banking • Banks might use P2P platforms to serve customers they cannot or do not want to finance themselves, making P2P platforms a complementary channel • Therefore, competition from the platforms may not be a bad thing at all

Table 10: Interview Summary - Expert F

Appendix I: Interview Expert G

Date: 13.11.2024	Time: 05:30 PM	Duration: 51 minutes	Type: MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?		
G	<ul style="list-style-type: none"> • P2P lending currently plays a minor role in the global financial sector • Its market volume is very small compared to global credit volumes • It may become more relevant for younger generations in the future 		
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms?		

	<ul style="list-style-type: none"> a. on the investor side b. on the borrower side
G	<ul style="list-style-type: none"> • Investors: Younger people seeking to experiment with new financial tools and possessing limited capital • Borrowers: Individuals needing short-term liquidity, often younger as well • Trust in platforms is essential, similar to eBay
TS	<p>3. In your opinion, what are the main factors that encourage</p> <ul style="list-style-type: none"> a. investors b. borrower <p>to use P2P lending and what prevents them from doing so?</p>
G	<ul style="list-style-type: none"> • For investors: Attractive returns (higher than fixed deposits), though risks act as a deterrent • For borrowers: Quick access to liquidity; interest rates are less critical to them
TS	<p>4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking:</p> <ul style="list-style-type: none"> • Loan amount • Interest rate • Term of the loan
G	<ul style="list-style-type: none"> • Loan amount • Loan term • Interest rate (less critical for borrowers than for investors)
TS	<p>5. How risky do you think P2P loans are compared to conventional loans?</p>
G	<ul style="list-style-type: none"> • Generally riskier than traditional loans as higher interest rates reflect higher risks • Confidence in buyback guarantees or other security measures could mitigate these risks
TS	<p>6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?</p>
G	<ul style="list-style-type: none"> • Strengths: Speed and simplicity, especially for short-term consumer needs • Weaknesses: Lack of personal interaction, higher risk and potentially higher costs
TS	<p>7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?</p>
G	<ul style="list-style-type: none"> • Transparency and trust are crucial but lower in P2P lending compared to banks. • Positive experiences and positive online reviews can help build trust
TS	<p>8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?</p>
G	<ul style="list-style-type: none"> • P2P loans are currently more of a complement than a direct competitor • The foundations for long-term investments or larger sums are not yet established
TS	<p>9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?</p>

G	<ul style="list-style-type: none"> • Lower regulation increases short-term attractiveness but poses risks • Stronger regulation will be necessary in the long term to build trust and acceptance
TS	10. Do you see a need for increased regulation of the P2P sector?
G	<ul style="list-style-type: none"> • Regulation and standards are needed to attract larger players. • National and international challenges (e.g., legal jurisdictions) must be addressed
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
G	<ul style="list-style-type: none"> • Artificial intelligence could enhance the efficiency and security of loan processing • Platforms are likely more agile than banks in adopting new technologies.
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
G	<ul style="list-style-type: none"> • P2P platforms are more flexible and dynamic than banks in an evolving market
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
G	<ul style="list-style-type: none"> • P2P lending could become an alternative in the long run if: <ul style="list-style-type: none"> ○ Trust and transparency are improved ○ Regulations and standards are established • For now, it is perceived as a small market and more of a complement

Table 11: Interview Summary - Expert G

Appendix J: Interview Expert H

Date: 15.11.2024	Time: 08:00 AM	Duration: 42 minutes	Type: MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?		
H	<ul style="list-style-type: none"> • P2P lending plays a minor role and is not perceived as direct competition by banks • Likely to remain a niche product, dependent on the progress of digitization and automation in the financial sector 		
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms? <ul style="list-style-type: none"> c. on the investor side d. on the borrower side 		
H	<ul style="list-style-type: none"> • Investors: <ul style="list-style-type: none"> ○ Young, tech-savvy retail investors ○ Inclined to experiment and stay on these platforms • Borrowers: <ul style="list-style-type: none"> ○ People with poor credit ratings or fear of rejection by traditional banks. ○ Often without a relationship with a traditional bank and find these platforms via online research 		

TS	3. In your opinion, what are the main factors that encourage c. investors d. borrower to use P2P lending and what prevents them from doing so?
H	<ul style="list-style-type: none"> • Investors: <ul style="list-style-type: none"> ○ Drivers: Diversification, high returns, and easy access ○ Barriers: Risk of loss, lack of personal advice • Borrowers: <ul style="list-style-type: none"> ○ Drivers: Simplicity, anonymity, no need to justify the purpose of the loan ○ Barriers: Lack of trust in unknown providers
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none"> • Loan amount • Interest rate • Term of the loan
H	<ul style="list-style-type: none"> • Loan amount, Interest rate, Loan term • Loan approval is often the most critical factor for borrowers, as it determines their access to funding • For typical bank customers, the interest rate is the most important factor
TS	5. How risky do you think P2P loans are compared to conventional loans?
H	<ul style="list-style-type: none"> • P2P loans carry a higher risk compared to traditional bank loans • Higher default rates • Anonymity reduces the moral obligation to repay • Income must be generated in the other businesses in order to compensate for loan defaults • Buyback guarantees are more or a psychological factor, otherwise it would be an investment without risk
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?
H	<ul style="list-style-type: none"> • Speed, simple processes, low entry barriers • Lower customer access compared to banks; high customer acquisition costs • Limited awareness among the general population
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?
H	<ul style="list-style-type: none"> • Banks enjoy higher trust due to personal relationships with customers • On P2P platforms, trust is often built through influencers or the platform's user interface
TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?
H	<ul style="list-style-type: none"> • P2P lending is currently more of a complement to traditional banking • It remains a niche product catering to specific customer segments • It does not compete with banks on a large scale
TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?

H	<ul style="list-style-type: none"> • Lower regulatory requirements make P2P platforms more attractive • There is a need for improved investor protection and education • Excessive regulation could threaten the business model
TS	10. Do you see a need for increased regulation of the P2P sector?
H	<ul style="list-style-type: none"> • There is a need for enhanced regulation, especially in areas such as investor protection and education • Without proper regulation, the sector may continue to foster unrealistic perceptions, potentially harming both customers and the financial ecosystem in the long run
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
H	<ul style="list-style-type: none"> • Faster adoption of new technologies, such as AI • Automation reduces costs and increases efficiency • Slower implementation at banks due to regulations and internal processes
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
H	<ul style="list-style-type: none"> • P2P platforms are agile with rapid decision-making • Banks with limited flexibility due to regulations and traditional structures
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
H	<ul style="list-style-type: none"> • Likely to remain a niche product • Not a serious threat to the core business of banks, but could become more relevant when combined with other financial products

Table 12: Interview Summary - Expert H

Appendix K: Interview Expert I

Date: 15.11.2024	Time: 01:00 PM	Duration: 31 minutes	Type: MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?		
I	<ul style="list-style-type: none"> • P2P Lending currently has a niche role • Future relevance expected among younger, tech-savvy individuals in urban areas • Less significant in rural areas due to strong ties to local banks 		
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms? <ul style="list-style-type: none"> a. on the investor side b. on the borrower side 		
I	<ul style="list-style-type: none"> • For Investors: <ul style="list-style-type: none"> ○ Financially secure individuals seeking alternatives to traditional investments ○ Yield-oriented investors willing to take on higher risks ○ Potential for pooling resources among private investors • For Borrowers: 		

	<ul style="list-style-type: none"> ○ People seeking quick and uncomplicated loans ○ Customers avoiding banks or unable to get loans there ○ Primarily younger, digitally inclined audiences
TS	3. In your opinion, what are the main factors that encourage <ol style="list-style-type: none"> a. investors b. borrower to use P2P lending and what prevents them from doing so?
I	<ul style="list-style-type: none"> • Drivers: <ul style="list-style-type: none"> ○ Investors: Attractive returns, portfolio diversification, innovative investment opportunities ○ Borrowers: Speed, simplified processes, lower entry barriers • Barriers: <ul style="list-style-type: none"> ○ Investors: Uncertainty, lack of experience ○ Borrowers: Lack of personal consultation and higher perceived risks
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none"> • Loan amount • Interest rate • Term of the loan
I	<ul style="list-style-type: none"> • Interest rate, Loan term, Loan amount • Interest rate is key if it remains within the market standard • Preference for short- to medium-term loans, mostly for consumer financing
TS	5. How risky do you think P2P loans are compared to conventional loans?
I	<ul style="list-style-type: none"> • Higher risk for investors due to less comprehensive credit checks • Buyback guarantees can provide security but increase loan costs
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?
I	<ul style="list-style-type: none"> • Advantages: <ul style="list-style-type: none"> ○ Faster and more streamlined processes ○ No need for personal interactions ○ Decisions made using automated systems without manual reviews • Weaknesses: <ul style="list-style-type: none"> ○ Limited flexibility if a borrower is rejected ○ Banks provide better support in financial emergencies
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?
I	<ul style="list-style-type: none"> • Critical for the success of P2P platforms • Particularly important for gaining the trust of wealthy investors • Transparency is essential for long-term competitiveness with banks
TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?
I	<ul style="list-style-type: none"> • Currently a supplement to traditional banking • Potential to become a serious alternative for specific target groups in the future

TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
I	<ul style="list-style-type: none"> • Positive impact due to less bureaucracy • Easier access to loan issuance (<playing bank=) • Concerns about reduced security due to less regulation
TS	10. Do you see a need for increased regulation of the P2P sector?
I	<ul style="list-style-type: none"> • No clear need for increased regulation • Regulation should primarily protect borrowers from over-indebtedness
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
I	<ul style="list-style-type: none"> • AI can enhance creditworthiness checks and improve investor security • P2P platforms benefit from leveraging online data to streamline processes
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
I	<ul style="list-style-type: none"> • P2P platforms are more agile and adaptable than banks • Banks face limitations due to strict regulations and data protection laws
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
I	<ul style="list-style-type: none"> • Will remain a complement to traditional banking but not replace it • Growing significance with increased transparency and trust

Table 13: Interview Summary - Expert I

Appendix L: Interview Expert J

Date: 17.11.2024	Time: 01:30 PM	Duration: 37 minutes	Type: MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?		
J	<ul style="list-style-type: none"> • Acts as a complement to the traditional banking system, especially in niche markets (e.g., consumer loans, small businesses) • Democratizes credit and investment opportunities, particularly in underdeveloped or structurally weak regions • Drives innovation in digital financial technologies due to lighter regulations 		
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms?		
J	<ul style="list-style-type: none"> • Investor Side: <ul style="list-style-type: none"> ○ Higher risk tolerance and return expectations ○ Interested in diversification through new asset classes ○ Utilize P2P investments for portfolio diversification • Borrower Side: <ul style="list-style-type: none"> ○ Limited access to bank loans ○ Younger individuals, influenced by social media and financial influencers, are more engaged 		

	<ul style="list-style-type: none"> ○ Focused on small or liquidity loans
TS	3. In your opinion, what are the main factors that encourage <ol style="list-style-type: none"> a. investors b. borrower to use P2P lending and what prevents them from doing so?
J	<ul style="list-style-type: none"> • Motivations: <ul style="list-style-type: none"> ○ High return potential and diversification benefits ○ Curiosity about new asset classes • Barriers: <ul style="list-style-type: none"> ○ Risks in creditworthiness evaluation (lack of transparency and trust) ○ Platform risks (e.g., insolvency risks) ○ Limited regulation and informational asymmetries
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none"> • Loan amount • Interest rate • Term of the loan
J	<ul style="list-style-type: none"> • Loan amount: The most crucial factor for achieving the desired investment or purchase • Interest rate: Secondary importance, as small differences in rates are often less impactful • Loan term: Least important but still relevant for repayment affordability
TS	5. How risky do you think P2P loans are compared to conventional loans?
J	<ul style="list-style-type: none"> • Higher risks compared to traditional loans: <ul style="list-style-type: none"> ○ Informational asymmetries ○ Platform risks and lack of regulatory safeguards ○ Regional differences and creditworthiness challenges of borrowers
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?
J	<ul style="list-style-type: none"> • Strengths: <ul style="list-style-type: none"> ○ Speed, flexibility and efficiency ○ Lower costs and better user experience • Weaknesses: <ul style="list-style-type: none"> ○ Limited regulatory security ○ Unclear processes during crises, such as liquidity issues
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?
J	<ul style="list-style-type: none"> • Trust is critical due to the lack of deposit insurance • Transparency on credit risks and platform profitability is essential for investors
TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?
J	<ul style="list-style-type: none"> • P2P lending is more of a complement rather than a direct competitor to bank loans and traditional investment products

	<ul style="list-style-type: none"> • P2P loans cater to different target groups and provide diversification opportunities
TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
J	<ul style="list-style-type: none"> • Encourages innovation, lowers market entry barriers for new providers and promotes sector growth • Lower acceptance from risk-averse investors and customers
TS	10. Do you see a need for increased regulation of the P2P sector?
J	<ul style="list-style-type: none"> • There is a need for increased regulation • Regulation could enhance transparency and risk management • Overregulation should be avoided to prevent market stagnation • Innovation is the reason for the platforms' existence
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
J	<ul style="list-style-type: none"> • Advantage for P2P platforms • Faster credit evaluations, more efficient processes and personalized offers • Legal risks from improper use (e.g., lack of transparency in AI-based credit decisions)
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
J	<ul style="list-style-type: none"> • P2P platforms are more flexible and agile than banks • Banks, however, have advantages in risk management and scaling
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
J	<ul style="list-style-type: none"> • More of a complement than an alternative to the traditional banking system • Likely to coexist with a focus on complementary functions

Table 14: Interview Summary - Expert J

Appendix M: Interview Expert K

Date: 22.11.2024	Time: 09:00 AM	Duration: 30 minutes	Type: MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?		
K	<ul style="list-style-type: none"> • Currently plays a minor role • Increasing importance, especially in fast and straightforward financing • P2P platforms are becoming more significant behind the scenes 		
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms? <ul style="list-style-type: none"> a. on the investor side b. on the borrower side 		
K	<ul style="list-style-type: none"> • Investors: <ul style="list-style-type: none"> ○ Focused on higher returns compared to traditional investments ○ Wealthier private investors ○ Willing to accept higher risks 		

	<ul style="list-style-type: none"> • Borrowers: <ul style="list-style-type: none"> ○ Emphasize quick and simple loan processes without extensive bureaucracy ○ Likely include individuals with weaker credit ratings
TS	3. In your opinion, what are the main factors that encourage <ol style="list-style-type: none"> a. investors b. borrower to use P2P lending and what prevents them from doing so?
K	<ul style="list-style-type: none"> • Investors: <ul style="list-style-type: none"> ○ Motivators: Higher returns, fewer regulatory hurdles ○ Barriers: Risks associated with lack of collateral • Borrowers: <ul style="list-style-type: none"> ○ Motivators: Speed and fewer requirements ○ Barriers: High interest rates may discourage some, but are often accepted
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none"> • Loan amount • Interest rate • Term of the loan
K	<ul style="list-style-type: none"> • P2P platform customers: Loan amount, Term of the loan, Interest rate • Bank customers: Interest rate, Loan amount, Term of the loan
TS	5. How risky do you think P2P loans are compared to conventional loans?
K	<ul style="list-style-type: none"> • P2P loans are significantly riskier than bank loans • Uncertainty regarding credit checks (e.g., Schufa in Germany) and lack of collateral • Absence of physical security remains a significant concern
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?
K	<ul style="list-style-type: none"> • Strengths: Faster and simpler processes, particularly for smaller amounts • Weaknesses: Lack of professional advice and lower credibility for larger loans
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?
K	<ul style="list-style-type: none"> • Transparency and trust are less critical, as borrowers primarily focus on speed and availability • Banks benefit from their reputation and regulatory framework in building trust
TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?
K	<ul style="list-style-type: none"> • Complementary to traditional banking • Potential for stronger competition in the future • At the moment, brokerage platforms for traditional bank loans are more of a competitor

TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
K	<ul style="list-style-type: none"> • Advantage for P2P platforms due to less regulation • Investors are willing to account for higher risks if the returns justify them
TS	10. Do you see a need for increased regulation of the P2P sector?
K	<ul style="list-style-type: none"> • Need for more regulation to level the playing field between banks and P2P platforms; Banks otherwise have high expenses to comply with regulations • Fairer competition and protection against significant losses
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
K	<ul style="list-style-type: none"> • P2P platforms benefit from faster adaptation and fewer regulatory constraints • AI use enhances creditworthiness assessment and operational efficiency • Banks are much slower to implement due to size and regulatory burdens
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
K	<ul style="list-style-type: none"> • P2P platforms are more adaptable and responsive in rapidly changing markets • Banks are slower due to mergers, increasing regulation and structural limitations
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
K	<ul style="list-style-type: none"> • A serious alternative to traditional banking in the long run • Younger generations prioritize speed and digital processes, aligning with P2P offerings

Table 15: Interview Summary - Expert K

Appendix N: Interview Expert L

Date: 22.11.2024	Time: 04:00 PM	Duration: 38 minutes	Type: MS Teams
TS	1. How do you see the role of P2P lending in today's financial landscape?		
L	<ul style="list-style-type: none"> • Previously (before coronavirus pandemic) more noticeable (e.g., platforms like Auxmoney and Smava) • Platforms have shifted focus to loan brokerage rather than pure P2P lending • Currently, P2P lending plays a minor role in the finance sector 		
TS	2. In your opinion, which target or customer groups are addressed by P2P platforms?		
	<ol style="list-style-type: none"> on the investor side on the borrower side 		
L	<ul style="list-style-type: none"> • Investor Side: <ul style="list-style-type: none"> ○ Investors seeking alternatives to traditional investment products, particularly during low-interest phases 		

	<ul style="list-style-type: none"> ○ Currently less attractive due to rising savings interest rates and stock market gains ● Borrower Side: <ul style="list-style-type: none"> ○ Price-sensitive customers or those with negative credit scores (e.g., Schufa in Germany) ○ Younger generations (e.g., Gen Z) who are more digitally inclined
TS	3. In your opinion, what are the main factors that encourage <ul style="list-style-type: none"> a. investors b. borrower to use P2P lending and what prevents them from doing so?
L	<ul style="list-style-type: none"> ● For Investors: <ul style="list-style-type: none"> ○ Primary motive: generating returns ○ Social and sustainable aspects could also play a role ● For Borrowers: <ul style="list-style-type: none"> ○ Speed and simplicity of the process ○ Ability to compare with traditional bank offers ● Obstacles: <ul style="list-style-type: none"> ○ Negative publicity (e.g., via social media) ○ Lack of awareness or trust in P2P platforms
TS	4. Please rank the loan modalities according to their importance for borrowers and give a brief explanation for your ranking: <ul style="list-style-type: none"> ● Loan amount ● Interest rate ● Term of the loan
L	<ul style="list-style-type: none"> ● Loan term (including installments that fit their budget) ● Loan amount ● Interest rate ● Prioritization is similar to traditional banks
TS	5. How risky do you think P2P loans are compared to conventional loans?
L	<ul style="list-style-type: none"> ● Higher risk for investors compared to conventional loans ● Buyback obligations can provide a sense of security
TS	6. In which areas do you see clear advantages for P2P platforms over banks and where are the weaknesses?
L	<ul style="list-style-type: none"> ● Advantages: <ul style="list-style-type: none"> ○ Accessibility for customers with negative credit scores ○ Digitalization offers flexibility and speed ● Weaknesses: <ul style="list-style-type: none"> ○ Risk of incorrect credit assessments ○ Lower brand awareness compared to banks ○ Processes might sometimes be too slow for customers
TS	7. In your opinion, how important are transparency and trust in P2P lending compared to traditional banking?
L	<ul style="list-style-type: none"> ● Transparency about investments and regular updates are crucial for investors ● Transparency is as important as it is in traditional banking

TS	8. Do you believe that P2P loans compete directly with conventional loans and investment products or are they rather a supplement?
L	<ul style="list-style-type: none"> • Currently more of a complement • Potential to become a stronger alternative by incorporating social and sustainable aspects
TS	9. In your opinion, to what extent do the lower regulatory requirements influence the acceptance of P2P loans?
L	<ul style="list-style-type: none"> • Lower regulatory barriers might boost acceptance • Expects stricter regulations in the future, similar to those in the banking sector
TS	10. Do you see a need for increased regulation of the P2P sector?
L	<ul style="list-style-type: none"> • The current regulatory framework feels unstructured, with only general oversight • Regulations should align with those in the banking sector to ensure equal treatment and stability
TS	11. How do technological innovations (e.g. the use of artificial intelligence for credit scoring) influence lending and do you see advantages or disadvantages for P2P platforms in this regard?
L	<ul style="list-style-type: none"> • Innovations like AI have the potential to significantly impact lending practices • P2P platforms and banks are similarly competitive in this area
TS	12. How flexible and adaptable do you think P2P platforms and banks are in a fast-changing market environment?
L	<ul style="list-style-type: none"> • P2P platforms are flexible and adaptable, comparable to banks • Market trends and profitability may shape future strategies
TS	13. Do you believe that P2P lending will be a valid alternative to the traditional banking system in the long term?
L	<ul style="list-style-type: none"> • Currently, P2P lending is a complement • It has the potential to grow into a serious alternative through innovations and favorable market developments

Table 16: Interview Summary - Expert L

Appendix O: Qualitative Analysis – Coding System

List of Codes	Frequency
P2P Lending Awareness	
Major Role	1
Minor Role	11
Target Group - Investor Side	0
Technology Companies	2
Wealthy Customers	7
Profit-oriented Customers	9
Entrepreneurs	1
Target Group - Borrower Side	0
Start-Ups	3
Customers with poor Credit Rating	15
Short-term Liquidity Seekers	4
General Target Group	2
Younger People	27
Digital Affinity	9
Distance from Traditional Banks	11
Alternative Seeking Customers	8

List of Codes	Frequency
Risk Perception	
High Risk	12
Low Risk	0
Buy-Back positive	2
Buy-Back negative	9

List of Codes	Frequency
Dynamic Capabilities	
Advantage Banks	2
Advantage P2P Platforms	11

List of Codes	Frequency
Technological Capabilities	
Advantage Banks	0
Advantage P2P Platforms	11

List of Codes	Frequency
Drivers of Adoption & Impediments	
Investor Side	0
Investor - Drivers	0
Return	37
Diversification	11
Investor - Impediments	0
Risk / Loan Defaults	25
Transparency	10
Borrower Side	0
Borrower - Drivers	0
Efficiency	7
Speed	32
Access	29
Anonymity	9
Price Comparison	1
Borrower - Impediments	0
High costs	15
Arbitrariness	1
Modalities	0
P2P Loans	0
Loan Amount (1)	10
Loan Amount (2)	1
Loan Amount (3)	1
Interest Rate (1)	1
Interest Rate (2)	6
Interest Rate (3)	5
Loan Term (1)	1
Loan Term (2)	5
Loan Term (3)	6
Bank Loans	0
Loan Amount (1)	0
Loan Amount (2)	6
Loan Amount (3)	0
Interest Rate (1)	5
Interest Rate (2)	0
Interest Rate (3)	1
Loan Term (1)	1
Loan Term (2)	0
Loan Term (3)	5

List of Codes	Frequency
Comparison with Traditional Banks	
Advantages compared to Banks	0
Speed	18
Efficiency	8
Flexibility	7
Missing Regulation	6
Intuitive	2
Disadvantages compared to Banks	0
Risk	2
Missing Regulation	4
Price	2
Reputation	2
Customer Inertia	3
Customer Access	4
Awareness	3
Importance of Transparency and Trust	0
Important	9
Not Important	3
Competition / Complement	0
Complement	12
Competition	0
Competition (Future)	3

List of Codes	Frequency
Regulation	71
Influence High/Positive	8
Influence Low/Negative	7
Increased Regulation - Yes	7
Increased Regulation - No	5

List of Codes	Frequency
Future Prospects	
Alternative - Yes	6
Alternative - No	7

Table 17: Coding System