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Investing in the digital age: Exploring the underlying motivations of P2P lenders

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Abstract: This study investigates the underlying motivations of lenders in Peer-to-Peer (P2P) lending, using the Theory of Planned Behavior as its framework. Based on qualitative interviews, findings reveal that lenders exhibit a positive attitude toward P2P lending, driven by opportunistic investment decisions, the perception of relatively low-risk investments, and the availability of disposable income. This attitude is further reinforced by the accessibility of investment-related information on digital platforms. Beyond individual motivations, social influence plays a crucial role, as family members and digital influencers significantly impact lenders' investment choices. Additionally, perceived behavioral control in digital investment environments is shaped not only by regulatory structures and platform transparency but also by decentralized information sources, investment flexibility, and experiential learning. These findings emphasize the transformative role of digital finance in shaping investor autonomy and risk perception. The study offers practical insights for P2P lending platforms to develop more effective communication and engagement strategies tailored to digitally savvy investors.

Keywords: *Digital finance, Financial autonomy, Investment decisions, P2P lending, Perceived behavioral control, Social influence, Theory of Planned Behavior.*

1. Introduction

Technological advancements have significantly transformed various sectors, especially through digitalization. Digitalization involves reorganizing various aspects of social life around digital communication systems and media infrastructures Brennen and Kreiss [1] which enhances communication and access to information [2]. Digitalization has also paved the way for financial technology, notably Peer-to-Peer (P2P) lending. P2P lending allows individuals and businesses to borrow and lend directly through online platforms [3]. P2P lending not only streamlines the lending process but also appeals to both parties: lenders potentially gain higher returns Pierrakis [4] while borrowers access alternative funding options that are limited through traditional channels [5].

The growing popularity of P2P lending has led to extensive research on the factors influencing lenders' investment decisions. Among these factors, borrowers' characteristics play a pivotal role. For instance, Chen, et al. [6] demonstrated that borrowers with higher education levels and those residing in the same state as the lenders are more likely to secure loans. Other studies, such as those by Caglayan, et al. [7]; Gonzalez [8] and Shao and Bo [9] revealed that lenders often show herding behavior to mitigate investment risks. Furthermore, Chen, et al. [10] highlighted the importance of soft information, such as borrowers' personal stories and emotional details, also shape lenders' choices. Additionally, Deng, et al. [11] and Zhai, et al. [12] found that lenders tend to choose borrowers who voluntarily disclose their personal and financial information.

While numerous studies have explored P2P lending, several gaps in the literature remain. First, there is a lack of understanding regarding the underlying motivations that drive P2P lenders to invest.

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Understanding the motivations behind investment decisions provides deeper insights into lender behavior, which can help platform developers adapt offerings to better meet the needs and preferences of investors. Moreover, previous studies have primarily focused on quantitative methods. While these studies have broad patterns, they often fail to capture the nuanced, contextual factors that influence lender decisions. Last, the role of digitalization; specifically, its impact on key behavioral components such as attitudes, subjective norms, and perceived control has been largely overlooked. This study aims to address these gaps by exploring the following research question: What underlying motivations drive individuals to invest in P2P lending platforms?

To address the research question, this study adopts the Theory of Planned Behavior (TPB) as its theoretical framework. The TPB is a widely recognized framework for understanding and predicting human behavior, particularly in contexts where decisions are deliberate and reasoned, such as financial investments [13]. Moreover, semi-structured interviews allow researchers to probe deeper into the complex motivations, perceptions, and experiences of P2P lenders in Indonesia, providing valuable insights into the unique contextual factors that influence their investment decisions.

This research contributes to the growing field of behavioral finance by exploring the interplay of diverse motivations that shape P2P lenders' investment behavior. Furthermore, this study extends the application of the TPB by demonstrating how the digital environment influences attitudes, subjective norms, and perceived behavioral control in the context of P2P lending.

The remainder of this study is structured as follows: First, a review of the P2P lending literature is presented, followed by an outline of the theoretical framework adopted. Next, the methodology is detailed, leading into the findings and discussion. Finally, the study concludes with practical implications and suggestions for future research.

2. Lenders' Behavior and Preferences in P2P Lending

Lenders engage in P2P lending due to various factors. The foremost reason is the high return. Studies show that higher returns remain a key factor driving many lenders to participate in P2P lending [4, 14-19]. Consequently, loans offering higher returns are typically funded more quickly than those with lower returns [20]. Secondly, lenders opt for P2P lending as their investment to diversify their portfolio beyond traditional assets, such as stocks and bonds [4, 15-17, 19, 21, 22]. Thirdly, studies also show that lenders are driven to invest in projects that have positive social impacts [23]. Such investment decision is often to fulfill lenders emotional satisfaction, social connectedness, and a sense of purpose [24]. However, studies also demonstrate that not all lenders have rational decision-making processes. Some lenders show herding behavior, follow others in choosing P2P projects [7-9, 25].

P2P lending is perceived as risky investment due to the prevalence of information asymmetry [10, 26, 27]. To mitigate the risks, lenders prefer borrowers who can describe their project in detail [27, 28] . Studies also found that lenders tend to choose borrowers who voluntarily disclose their personal and financial information [10-12]. While providing more information is useful in securing loans, studies also show that lenders prefer clarity, transparency, and authenticity over exaggerated narrative [23, 27].

3. Theory of Planned Behavior

The Theory of Planned Behavior (TPB) is a framework developed by Icek Ajzen in 1991 as an extension of the earlier Theory of Reasoned Action [29]. TPB serves as a tool for understanding and predicting human behavior. According to TPB, intentions are the primary drivers of individual behavior. The stronger the intention to perform a behavior, the greater the likelihood of carrying it out [30]. Intentions are used to assess the factors that influence individuals in their decision to engage in a particular behavior [31]. TPB posits three key factors that affect behavior: attitude toward the behavior, subjective norms, and perceived behavioral control [30].

3.1. Attitude to Investment

Attitude is an evaluation of any favorable or unfavorable towards behavior under consideration by individuals [31, 32]. The more favorable the attitude towards the behavior, the stronger individual's intention to perform itArmitage and Conner [33] and Ajzen [31]. Attitude is formed by behavioral beliefs that help individuals associate them to a certain qualities or outcomes Ajzen [31]. This attitudinal belief can be divided into belief towards objects and belief towards behavior [34, 35].

An attitudinal belief toward an object refers to a person's evaluation or perception of a specific object based on its association with various attributes, characteristics, values, or goals [36]. Conditions that influence the formation of an individual's attitude toward a specific object include relative advantage, complexity, and compatibility [34]. Relative advantage reflects the perceived benefits or improvements the object offers compared to alternatives [35, 37]. Complexity, often measured as perceived ease of use, describes how easy or difficult the object is to understand and operate [38]. A lower perceived complexity fosters a more favorable attitude. Lastly, compatibility addresses how well the object aligns with users' prior experiences, values, and needs, reinforcing its relevance in their lives [39, 40]. These three factors collectively influence attitudinal beliefs by shaping how individuals interpret and respond to the object. Positive evaluations in terms of relative advantage, ease of use, and compatibility result in a favorable attitude toward the object, increasing the likelihood of acceptance and use. Over time, these evaluations aggregate into a stable, automatic response that triggers whenever the object is encountered, forming a lasting attitude [29].

Attitudinal belief toward behavior refers to a person's evaluation or perception of performing a specific behavior based on expected outcomes [34]. It reflects how positively or negatively an individual believes engaging in that behavior will affect them, influenced by perceived benefits, risks, or consequences [41]. Studies have demonstrated that attitude plays a critical role in shaping behavior [29, 42, 43]. Particularly in investing decision, positive attitude toward the investment is crucial in fostering intention to invest [32, 44].

3.2. Subjective Norms to Investment

Subjective norms refer to the perceived social pressure to engage or not engage in a behavior [31]. Subjective norm based on normative beliefs, about whether referents think the person should or should not do the behavior [29]. In his subsequent work, Ajzen [30] divides normative belief into two which are injunctive and descriptive normative beliefs. Injunctive normative beliefs refer to whether important people (friends, family, or coworkers) approve or disapprove of a certain behavior. Injunctive norms reflect perceptions of what significant others approve of or believe one ought to do, influencing behavior through perceived social pressures to conform. These norms involve behaviors that individuals are expected to follow, both for themselves and for others, and are maintained by the threat of disapproval or punishment, as well as through internalization [45, 46]. While injunctive normative beliefs refer to whether important people themselves do the behavior. Descriptive normative belief reflects the perception of whether other people perform the behavior. These beliefs describe what is typical or normal and motivate action by providing evidence of what is likely to be effective, adaptive, and appropriate based on what others are doing Gavrilets [45]. Move over, Tang, et al. [47] argue that an intimate connection can shape their intention by influencing them to adopt a similar behavior. Research indicates that the advice of family, friends, or colleagues influences an individual investing decision [48]. This influence extends to high-risk investments, where individuals may be more likely to invest in such instruments if encouraged by their social circle, even without sufficient knowledge [49]. Additionally, recommendations from close contacts or advertisements can affect trust in investment platforms [32]. Furthermore, influencers' advertisements also impact decision-making. The perceived social media marketing activities of influencers shape individuals' perceptions of source credibility, particularly in terms of attractiveness, expertise, and trustworthiness [50].

3.3. Perceived Behavioral Control in Investment

Perceived behavioral control refers to an individual's perception of the ease or difficulty in performing a task [31]. Such a perception is influenced by control belief and facilitating conditions. Control belief refers to an individual's perception of factors that can either facilitate or hinder their ability to perform a specific behavior [31]. Someone's control belief is shaped by past experiences and observations. The more positive past experiences someone has with successfully performing a behavior, the stronger their belief in their ability to control similar situations in the future. Conversely, repeated negative experiences can weaken their control belief by reinforcing perceived barriers or difficulties [31].

Facilitating conditions refer to external factors or resources that make it easier for an individual to perform a specific behavior [31]. These may include the availability of resources, opportunities, time, money, skills, or help from others [48, 51]. When facilitating conditions are present, individuals are more likely to feel capable of completing a task, enhancing their perceived behavioral control. Conversely, a lack of facilitating conditions can create obstacles that hinder performance.

Studies demonstrate that perceived behavioral control plays a crucial role in investment decisions. It empowers individuals to navigate potential challenges and uncertainties inherent in financial decision-making [13]. Moreover, TPB has been a widely used framework in research on financial decision-making, particularly in the context of investment. Studies have demonstrated that TPB can be applied to predict risky investment intentions by considering factors such as risk-taking behavior, financial knowledge, past behaviors, and cultural influences [13, 32, 42, 43, 49, 52-54]. As well as in the context of behavior influenced by digital technologies [55].

4. Methodology

This study uses a qualitative approach to gain a deeper understanding of P2P lending motivations by recognizing important features that help build a deeper understanding for gaining new knowledge [56]. The focus of qualitative research is to explore and interpret social phenomena [57]. The ability of qualitative research to describe social phenomena involving human experiences and perspectives is what makes it unique [58]. This approach allows researchers to gain in-depth insights [57].

4.1. Data Collection

Those who have been actively involved in P2P lending investment for the past two years are qualified as the respondents. Participants were initially recruited through personal networks, Instagram, and Telegram. However, due to limited response, the snowball sampling method was used, where participants recommended other individuals who met the study criteria. A total of thirteen participants participated in this study. While the number of participants is small, it includes a diverse range of respondents in terms of occupation and age. Therefore, the maximum variation sampling approach was used to ensure that different perspectives on P2P lending investment were captured [59]. Further, these respondents were able to provide relevant and useful information for the researchers to contruct a comprehensive description of the phenomenon [60]. Appendix 1 provides the profile of the respondents.

To capture the respondents' experiences and perspectives, this study used semi-structured interviews via Zoom teleconferencing. Semi-structured interviews were employed as it allows flexibility to explore their experiences and perspectives in depth [61]. Additionally, Zoom teleconferencing offered a more convenient and secure method [62] particularly since some respondents were not personally acquainted with the researchers. After each interview, the authors engaged in reflective discussions and documented their initial insights. Once all interviews were completed, a more comprehensive and systematic data analysis was conducted.

4.2. Data Analysis

All interviews were transcribed verbatim to ensure accuracy and preserve the richness of the data. This study followed the data analysis recommended by Braun and Clarke [63]. It started by both researchers reading each interview transcript to ensure its accuracy and by way to immerse in the data. Next, the researchers examine each interview in detail and connect the findings across different respondents. The analysis followed a deductive approach, using the TPB as the guiding framework. Throughout the analysis, the researchers continuously refined emerging themes through iterative discussions and consulted relevant literature to ensure theoretical alignment and robustness. After several iteration, the researchers finalized the findings and wrote the report. To facilitate the identification of patterns within the interviews, the researcher utilizes NVivo software.

4.3. Ethical Considerations

In Indonesia, there is no law regarding ethical procedures in research. Nevertheless, the authors adhered to qualitative ethical principles as much as possible. To ensure the study's rigor, one of the researchers, who has extensive experience in qualitative research, acted as the study's supervisor. The experienced researcher then drafted the consent letter provided to the respondents. Before conducting the interviews, all respondents were thoroughly informed about the purpose of the study, the measures to ensure the anonymity and confidentiality of their identities, their right to withdraw at any time, and their consent to have the conversations recorded.

5. Results and Discussion

5.1. Lenders Attitudes Toward P2P Lending

Nearly all respondents agreed that P2P lending offers relatively a higher return, which was the primary motivator for their investments in this platform.

"I want to become a lender because the interest rates are high, this is for sure" (Respondents_01)

Several respondents further compared the return of P2P lending with other types of investment.

"P2P lending offers higher interest rates compared to other financial instruments, such as bonds, which typically provide lower returns." (Respondent_07)

The above findings confirm prior studies that demonstrate P2P lending attracts a lot of investors due to its high return [15, 16, 21]. However, this study further suggests that such investment behavior reflects opportunistic decision-making, where investors actively seek financial opportunities that maximize potential gains.

"I think as I am still young, I need to look for opportunities where I can place my investments where it can grow faster" (Respondent_03)

Unlike traditional notion of opportunism that involve deception Zhang, et al. [20] respondents did not perceive their investment approach as exploitative. Instead, they viewed P2P lending as a mutually beneficial mechanism, allowing them to support business owners while simultaneously receiving financial rewards and even spiritual fulfillment.

"In placing our funds, we can also be beneficial by helping others in their business endeavors. If their efforts are productive and continue to grow, there is a sense of blessing in that" (Respondent_11)

Prior research suggests that lenders in P2P lending platforms may be driven not only by financial incentives but also by emotional satisfaction, social connections, and a sense of purpose [24]. This study's findings further reflect a broader shift in investment behavior, where financial gains are intertwined with social impact and personal fulfillment.

Another motivator for investing in P2P lending is portfolio diversification.

"I invest in P2P lending to diversify my investment" (Respondent_02)

Respondents provided two major reasons for diversifying their investment portfolio through P2P lending. First, they perceive P2P lending as a relatively low-risk investment.

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"I think P2P lending has a moderate risk. Yes, it offers high returns, but I can also choose a portfolio with a 2–3-month duration and not invest more than 5 million rupiah per project" (Respondent_09)

This finding contrasts with existing studies that describe P2P lending as a risky investment [10, 26, 27].

Some respondents even view P2P lending as a steppingstone to riskier investments, such as stocks. Successfully investing in P2P lending boosts their confidence to explore higher-risk, higher-return opportunities.

"P2P lending provides a good opportunity for me to learn about investments. Once I am successful in investing in P2P lending, I can invest in riskier and higher-return investments, such as stocks" (Respondent_06)

Another reason for diversifying into P2P lending is that some respondents have excess disposable income, which allows them to explore different investment options without significant financial risk.

"Since I have excess funds that I won't need for a year, I prefer investing in P2P lending rather than keeping them in a bank account. Compared to mutual funds or term deposits, P2P lending offers better short-term returns without high withdrawal fees or taxes. The key is selecting projects with a strong track record to minimize risks." (Respondent_02)

Another key finding from this study is how respondents access and process information about P2P lending. Respondents reported being well-informed about high returns and other relevant details, as they actively researched P2P lending before making investment decisions.

"Before I decided to invest, I searched a lot of information [about P2P lending] from various digital sources." (Respondent_07)

Their ability to gather and assess information reflects their digital literacy skills, supportingPierrakis [4] who found that most P2P lenders have sophisticated and educated backgrounds. However, this study contrasts with Pierrakis [4] in that respondent demonstrated a proactive approach to due diligence, whereas Pierrakis suggested that lenders are primarily driven by high returns and often conduct little to no research.

Additionally, respondents emphasized the role of internet accessibility in obtaining investment-related information. For example, some learned about P2P lending through digital content such as YouTube videos.

"Oh, I actually learned about that [P2P lending] from a YouTuber." (Respondent_06)

This finding aligns with Bican and Brem [2] who argue that in the digital era, information is easily facilitated and widely accessible online. Such accessibility empowers P2P lenders to make informed investment decisions by enabling them to research potential opportunities and assess risks more effectively.

Furthermore, respondents reported being drawn to P2P lending due to favorable information received from various sources, particularly social media advertisements.

"[....] At the time, I was attracted to P2P lending because the advertisement in social media highlighted benefits of being a lender, such as the potential for high returns and the flexibility of investment periods. I wanted to see for myself if it was true." (Respondent_04)

This highlights the persuasive power of digital marketing, where promotional content influences investment behavior by shaping perceptions of risk and return.

This study finds that respondents exhibit a favorable attitude toward P2P lending, primarily due to its high returns and potential for investment diversification. However, this study provides further insight into the underlying motivations behind these factors. The preference for high returns stems from opportunistic decision-making, which is perceived as mutually beneficial rather than exploitative. Meanwhile, the desire to diversify investments is driven by the perception that P2P lending is relatively less risky and by the availability of disposable income.

Furthermore, respondents evaluate their investment behavior based on expected outcomes, aligning with Ajzen and Fishbein [34] theory of reasoned action. Before becoming lenders, they assess the potential benefits and risks of P2P lending through extensive online research. By gathering information from various digital sources, such as YouTube, this process shapes their attitudes toward P2P lending.

The availability of positive and persuasive content influences their perceptions, reinforcing the attractiveness of P2P investments.

The role of internet accessibility is crucial in shaping respondents' beliefs and attitudes. The ability to easily obtain investment-related content highlights the importance of information availability and favorability in decision-making. While Ajzen [31] TPB emphasizes that attitudes are influenced by beliefs, this study extends the framework by demonstrating that the quality, accessibility, and favorability of information play a crucial role in belief formation and investment behavior.

5.2. Social Pressure to Invest in P2P Lending

Several social groups create pressure that shapes the decision to invest in P2P lending, with family members being a significant influence. One of the respondents says that his mother recommends P2P lending by giving him the promotion code.

"I know about P2P lending from my mother, who has invested in it [P2P lending], and she gave me the reference code" (Respondent_06)

Although the respondent does not explicitly describe feeling pressured by his mother, receiving a reference code from a trusted family member suggests a strong encouragement to join P2P lending. Prior studies demonstrate that family members often serve as important motivators for individuals to engage in investment activities [4]. Similarly, this study shows that subtle suggestions and gestures, such as providing a referral code can exert social pressure and influence investment behavior.

For some respondents, exposure to P2P lending through friends did not immediately convince them. Instead, they sought additional information about P2P lending through various social media platforms.

"I was exposed to P2P lending from friends and my circles. And then, I saw several Instagram postings about P2P lending. After learning about P2P, I tried one P2P platform, then explored several others." (Respondent_08)

The above quote suggests that initial social exposure prompted further personal research rather than immediate investment. While existing studies found individuals are more likely to invest in P2P loans when they observe their peers doing so Caglayan, et al. [7]; Gonzalez [8]; Gonzalez [25] and Shao and Bo [9] this study provides variability in how individuals respond to social influences in financial contexts. In this study, the respondents use social cues as a starting point for more in-depth investigation.

Moreover, social media influencers also play an essential role in respondents' decision to invest in P2P lending. For instance, the following respondent says that she was convinced to invest in P2P lending because of a posting by a well-known financial influencer in Indonesia on a social media platform.

"I became interested in joining the P2P lending platform because I saw advertisements from a financial influencer about the application on TikTok." (Respondent_04)

Social influencers, often ordinary individuals who gain fame through social media are valued for their approachability, authenticity, and friendliness [64]. Research shows that these influencers can significantly impact purchasing behavior, as followers perceive them as trustworthy sources, which helps reduce the perceived risk associated with endorsed products or services [64]. This study reflects a similar trend, with respondents expressing trust in well-known financial influencers in Indonesia, which in turn influenced their decisions to invest in P2P lending. Their influence is further reinforced by followers' perceptions of them as reliable sources of information [64, 65].

This study identifies two key sources of social pressure in shaping P2P lending decisions: family and social influencers. Strong opinions from family members can significantly influence an individual's motivation to engage in specific behaviors [30]. For instance, family members may perceive P2P lending as a smart investment, creating social pressure for others to follow suit to align with social norms or gain approval which fosters injunctive normative beliefs. This is even more pronounced in an Asian culture, such as Indonesia where children tend to be more submissive to their parents [66]. Additionally, the role of social influencers also plays a significant role by reaching a large audience [64, 65]. Their endorsements on social media can compel followers to engage in recommended behaviors, fostering descriptive normative beliefs by making the influencers' actions seem like common practices embraced by others [30]. Thus, this study extends [30] TPB by demonstrating that social influence in investment decisions is reinforced not only by close family members but also by digital communities, including influencers and social media content.

5.3. Perceived Behavioral Control Over Investing in P2P Lending

Respondents report a sense of autonomy in making their P2P investment decisions. They value the flexibility to select the platform, determine the investment duration, and even choose the borrowers. When it comes to platform selection, respondents employed various strategies to ensure the platform's security. One such strategy involved checking the payment success rate before committing to an investment.

"Ah yes, I also search for payment success rate before I decide to invest in any platforms. I looked for this information in the respective [P2P] platform. So, I briefly reviewed the Payment success rate information for [Platform]" (Respondent_06)

Additionally, the role of Indonesian Financial Services Authority (Otoritas Jasa Keuangan - OJK) is significant to ensure the platform security.

"Oh, at that time I also checked whether the platform is registered in OJK via [OJK] website" (Respondent_07)

Another factor that ensures respondents of the platform security is whether the platform is supported by any insurance companies.

"Additionally, I also checked what type of insurance that back [P2P] platform because usually every P2P lending platform has insurance coverage." (Respondent_01)

Research indicates that lenders prefer to invest in platforms that offer security, transparency, and reputation [23]. Consistent with prior studies, these findings highlight the critical role of platform security in fostering investment.

For some respondents, religious principles played a central role in shaping a decision including in investment. Platforms that follow Shariah Law were much more appealing for some respondents.

"As for me personally, when choosing to invest in P2P lending, the primary consideration is to select platforms that adhere to Sharia principles. [….] This is because Sharia-compliant contracts are designed not to burden any party, and the agreements are fair to all involved" (Respondent_12)

This finding aligns with research on Islamic finance, which suggests that Shariah-compliant investments are perceived as more ethical and equitable [67]. The preference for Shariah-compliant P2P platforms reinforces previous findings of this study where investment decisions can be intertwined with various other aspects. In this case, religious values reinforce the idea that investment behavior is not solely driven by financial returns but also by religious and moral considerations.

Beyond formal sources such as platforms and regulatory websites, the digital era also provides access to a wealth of user-generated content. Reviews and feedback shared on social media and platform websites play a crucial role in shaping lenders' perceptions of their control over their investment.

"I also checked reviews from others prior to investment and in selecting the P2P platforms." (Respondent_08)

Respondents actively gathered and filtered information from diverse sources, combining formal and informal disclosures to assess platform reliability and quality. This finding suggests that transparency in P2P lending extends beyond official regulatory frameworks and is enhanced through peer-driven, informal disclosures. These findings complement those of Wang, et al. [27]; Xia, et al. [28] and Klein, et al. [23] who emphasize the role of formal disclosures in ensuring transparency in P2P lending.

The flexibility to choose the investment period is also a key source of autonomy for P2P lenders. Many respondents report that they prefer a short one to two-month investment duration. As one participant explains.

“I certainly choose projects [investments] with a short cycle. By "short," I mean those that last about a month, or preferably less than a month.” (Respondent_08)

Choosing shorter loan terms seems to be a more manageable option for respondents, as it enables them to quickly reinvest their funds once the loan is repaid.

Moreover, the preference for short-term investments may stem from the lack of borrower identity disclosure in Indonesia. Unlike in China, where lenders can access soft information, including borrower narratives or videos, Indonesian investors must rely solely on loan amount, expected return, borrower grade, and industry type [27, 28]. As a result, choosing investment periods and borrower grades becomes a primary strategy for mitigating risk.

This study also finds that many respondents adopted a cautious, experimental approach by starting with small investments to learn about P2P lending processes before increasing their exposure.

"At first, I didn’t invest too much; I only put in 1 million because I was still learning. I always study it first. I studied from the beginning—where I placed my funds, how long the process took, and how long it took to generate returns. I withdrew it. First, I observed the process inside, how to withdraw, and how it eventually reached my ATM." (Respondent_03)

This behavior aligns with Maheshwari, et al. [68] who found that individuals develop confidence in their investment abilities as they acquire knowledge and experience. By starting with a small amount, respondents gained a sense of security and control, allowing them to gradually increase their investments as they became more familiar with the system.

Further, due to the unavailability of borrowers’ identities, respondents relied on the borrowers’ grade provided by the platform.

“I select from the credit grade [of the borrower], the grade itself can determine whether the borrower could pay or not” (Respondent_03)

This finding implies that the respondents believe the borrower's credit grade as a key indicator of their ability to repay the loan. Unlike the platforms in China, lenders are able to utilize additional voluntary disclosure information to assess the borrower repayment capacity [10-12, 28].

The findings of this study reinforce the concept of perceived behavioral control, a key component of Ajzen [31] TPB, by illustrating how P2P lenders navigate investment decisions in a digital environment. However, this study also extends TPB’s framework by demonstrating that in digital investment environments, perceived behavioral control is not only shaped by regulatory structures and platform transparency but is also enriched by the availability of decentralized information sources, investment flexibility, and hands-on learning experiences. The findings suggest that as digital financial ecosystems continue to evolve, investors increasingly rely on a combination of institutional oversight, social validation, and risk-mitigation strategies to feel in control of their financial decisions. This highlights the importance of considering how digital environments influence financial behaviors, particularly in emerging markets where regulatory frameworks and investor access to information may differ from those in more developed financial systems.

6. Conclusion

This study provides a nuanced understanding of lenders' motivations and decision-making processes in P2P lending, highlighting the interplay between financial incentives, risk perception, digital information accessibility, and social influence. Findings reveal that opportunistic investment behavior, perceived low risk, and disposable income availability contribute to lenders’ positive attitudes toward P2P lending. Beyond financial considerations, social influence from family members and digital influencers significantly shapes investment choices, reinforcing both injunctive and descriptive normative beliefs.

The study also demonstrates that perceived behavioral control in digital investment environments extends beyond traditional regulatory frameworks. While formal oversight, platform transparency, and regulatory structures enhance investment confidence, lenders increasingly rely on decentralized information sources, including user reviews, social media content, and digital communities, to evaluate risks. The preference for short-term investments and a gradual investment approach further indicates how lenders actively manage risk and gain confidence through experiential learning.

Extending Ajzen (1991) TPB, this study highlights the critical role of digital finance ecosystems in shaping investor autonomy. In the digital age, the availability, favorability, and diversity of online financial information significantly influence attitudes, introduce new forms of social pressure, and strengthen perceived control over investment decisions. These findings highlight the transformative role of digital platforms in financial decision-making, particularly in markets where regulatory and informational constraints limit direct borrower-lender interactions.

From a practical perspective, P2P lending platforms can enhance investor engagement by improving transparency, ensuring accessible financial information, and leveraging trusted social influencers to build credibility and reduce perceived risk. Regulatory bodies should also consider strengthening digital financial literacy initiatives, ensuring that investors can critically assess online information.

While this study offers valuable insights, it has some limitations. Its cross-sectional design captures lenders' motivations at a single point in time, limiting the ability to observe how investment behaviors evolve over time. Future research should adopt a longitudinal approach to explore how digital information environments and investor behaviors change over extended periods. Additionally, further studies could examine cross-country differences in P2P lending decisions, particularly how variations in regulatory transparency, borrower disclosures, and digital financial ecosystems shape lender motivations and risk perceptions. By addressing these areas, future research can deepen our understanding of the long-term implications of digital finance on investor decision-making.

Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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Appendix 1.
Respondents Profile.

Identifier	Gender	Jobs	Age bracket
R1	F	Intern	20-25
R2	F	Finance Department	30-35
R3	M	Tax Consultant	20-25
R4	F	University Student	20-25
R5	M	Lecturer	25-30
R6	M	University Student	20-25
R7	M	University Student	20-25
R8	M	Product Manager	25-30
R9	F	Lecturer	30-35
R10	M	COO	50-55
R11	M	Private Employee	40-45
R12	M	CEO	50-55
R13	M	IT Department	30-35