



## UNDERSTANDING MILLENNIALS INVESTMENT BEHAVIOR IN PEER-TO-PEER LENDING: CASE STUDY FROM INDONESIA

Natalia<sup>1\*</sup> and Matthew<sup>2</sup>

<sup>1,2</sup>Management Department, BINUS Business School Undergraduate, Bina Nusantara of University, Indonesia

### Abstract

Peer-to-Peer (P2P) Lending has become alternative investment option that expected to experience tremendous growth with the evolvement of technology solutions as people become more and more digitally connected. Millennials becomes the most interesting target generations for P2P Lending platform as this generations highly exposed by digital technology. Due to different characteristics and behavior of millennials dealing with financial and investment products, the research aims to distinguish these characteristics and behaviors and group them into several groups. The purpose of this research is to study Millennials investment behavior in P2P Lending platform based on demography, financial behavior and marketing media preference. Online survey was conducted to 205 respondents in Indonesia who have understand or have invested in Peer to Peer Lending platform. Cluster Analysis is to analyze the data and categorized given sample into several groups who have similar characteristics and behavior. The results show 4 distinctive segments, they are Budding Millennial Investors, Confident Millennial Investors, Financially Oblivious Millennials and Pragmatic White-Collar Millennial Investors. By distinguishing distinctive groups within given population, can provide better understanding towards millennials investment behavior in P2P lending platform and therefore can help marketing managers and decision maker to develop better marketing strategy in targeting millennials investor.

**Keywords:** Peer-to-Peer Lending, millennials, financial behavior, marketing media

### INTRODUCTION

Fintech Lending has experienced significant development recently as Fintech Lending able to overcome problems such as infrastructure and risk management challenges faced by conventional lending providers. Using digital technology, novel approaches and innovative business model, Fintech Lending able to

achieve wider coverage of targeted consumers. P2P Lending is one of Fintech Lending that experience spurious growth with estimate CAGR of 53.06% (Research and Markets, 2020) during the period of 2016-2020, globally. P2P lending is a new financial service provide loans or investment for individuals, companies, MSMEs (micro, small and medium enterprises), by connecting borrowers/investors and lenders through technology and internet without intermediation of financial institutions (Babaei and Bamdad, 2020; Serrano-Cinca et al., 2015). The key driver of skyrocketed P2P lending popularity is because P2P lending targets high-risk borrowers excluded from traditional credit

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##### Email Addresses:

[natalia@binus.edu](mailto:natalia@binus.edu) (Natalia)

[matt.mn206@gmail.com](mailto:matt.mn206@gmail.com) (Matthew)

\*Corresponding author

channels, such as commercial banks (Yum et al., 2012).

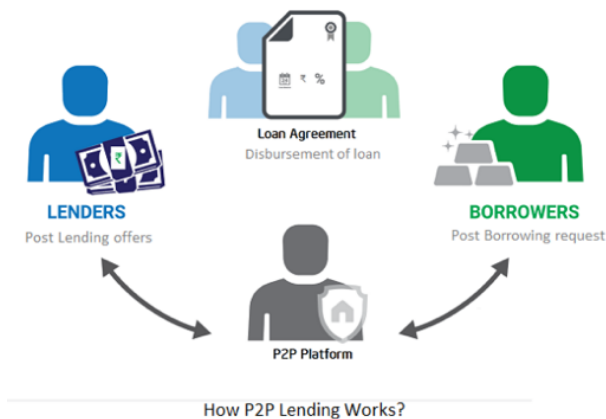


Figure 1. How P2P lending works?  
Source: Thepaypers.com (2020)

In spite of the significant growth of P2P Lending, it is a highly risk business characterized by uncertainty, anonymity, lack of control and potential opportunism (Chen, Lai and Lin, 2014). Therefore, it faces challenges to attract investors to loan their money in P2P lending platform. Millennials have become a prime investor market for P2P lending. There are some reasons why Millennials are potential investors. First, Millennials are more native to technology, they display higher trust in technology solutions than traditional finance advice. Second, they prefer to have greater control over their investment's management method; therefore, they are increasingly relying on technology to manage their money (Curphey, 2020). Third, millennials are less confident about investment, 67% millennials find investing scary and confusing where 52% believe investment market is rigged against them (Yoon & Okimoto, 2018), but they are eager to learn. Based on above reasons, millennial now become the most powerful and attractive generations.

Previous researches have been conducted to identify the critical success factor of P2P lending such as analyzing intention to participate in P2P Lending (Gunawan, Susanto, Rudi and Gunadi, 2019); risk management analysis (Paulus, 2018); or P2P lending platform adoption (Rosavina and Rahadi, 2018). However, market segmentation can provide

different perspective by dividing market into several groups with identical characteristics such as demography, behavior and psychography, to help financial service companies deliver better service and reduce marketing costs for the company (Fungfeld & Wang, 2009). Especially millennial is native to technology and more self-driven in deciding investment options. Therefore, by doing segmenting millennials according to their financial attitude and behavior in investment, it will give P2P lending companies better understanding and can develop results which indicate desirable marketing actions (Johnson, 1971).

The aim of this paper is to understand millennial investing behavior in P2P lending platform through the case study of Indonesian millennial behavior. It is widely known that, P2P lending highest market comes from developed countries such as Europe, US and China. However, P2P lending experiences fast-growing in emerging economies such as Asia Pacific countries (e.g South-Korea, Japan, India, Australia and Indonesia) (Valuates Reports, 2020). P2P lending in Indonesia has a promising potential because it targets the unbanked people in Indonesia which represent 48.9% of the entire population (fintechnews.sg, 2018). Indonesia's, P2P lending currently have more than 267,000 lenders and 5.2 million borrowers, 99 registered providers and so far, disbursed 1.8 billion USD worth of loans (fintechnews.sg, 2018). In European countries, 50.3% of the lenders are millennials (Robo.cash, 2018), where a similar situation also happens in Indonesia, with 69.53% of the P2P lenders (aged 19-34 years old) are also millennials. Therefore, this research will perform the segmentation based on millennials demography, financial attitude and behavior, source of information, marketing media and Peer to Peer preference. In doing so, we are hoping this paper can contribute to existing studies by giving better understanding of millennials investing behavior in P2P lending especially in the emerging economies countries such as Indonesia.

## LITERATURE REVIEW

Marketing can be defined as a process where the company creates value for their customers and attempts to build a strong relationship in order to capture value in return from their customers. (Armstrong & Kotler, 2016). Two important concepts in this research are a STPD (Segmentation, Targeting, Positioning and Differentiation) and Marketing Mix (7P) for services which consists of *Product, Price, Place, Promotion, Process, People* dan *Physical Evidence*. This research focuses on the segmentation process, where the goal of segmentation is to create distinct and identifiable groups so the company can create special marketing programs for each segment. The segmentation process in this research is based on demography, financial behavior and attitude, source of information, marketing media and Peer to Peer preference as mentioned earlier.

### Service

Service is an economic activity done by one party to another. It is normally time based and the service itself can give desired results to the customer or an object owned by the customer. Service itself can be categorized into several categories according to (Wirtz & Lovelock, 2018), service can be categorized into *people processing, possession processing, mental stimulus processing, and information processing*. *P2P Lending* itself can be categorized into *information processing*, yet *P2P Lending* can also be considered as a *Credence Service*.

Credence Goods is a product or service that has high information asymmetry between the seller dan the buyer, a few example services are legal service, insurance and financial services (Mortimer & Pressey, 2013). A service can have a *credence attribute* if it's hard to evaluate even after being used by the consumers. The harder it is to evaluate the benefit of a service the higher the risk perceived by the consumer.

### Integrated Marketing Communication

*Integrated Marketing Communication (IMC)* is a practice of unifying marketing activities by the company which includes the message itself, the tools and message from the marketing mix, all of this done in order to deliver a consistent message through the various communication channels for that brand (Moriarty, et al., 2012). This research places an emphasis on the promotion mix which is used for segmenting the market. The promotion mix itself consists of *Advertising, Sales Promotion, Personal Selling, Public Relations, dan Direct Marketing*.

### Finance

Finance can be defined as the study and art of managing money (Gitman & Zatta, 2015). Finance itself is not limited to the definition above and actually has quite broad definition. This research places emphasis of *Financial Services*. The existence of Financial Service itself has made it possible for people who have little understanding of Finance acquire services to help them financially in their daily life. One of the aforementioned financial services is investment. Investment can be defined as commitment of resources or funds with the expectation of obtaining a greater return in the future (Bodie, et al., 2013). Investments are also not risk free and the investor needs to understand the associated risk with the investment they have chosen. This research focuses one certain investment type which is *Peer to Peer Lending*.

Peer to Peer Lending can be defined as type of financial transaction which is done directly between the individual and company without any intermediary of financial institution (Pokorna & Sponer, 2016). Peer to Peer Lending itself has a few benefits and drawbacks for either the lender or borrower. From a lender perspective, P2P Lending can give greater returns and from a borrower perspective, P2P Lending loans are more accessible and easier in terms for the borrowers when compared to bank loans.

### Financial literacy

Financial Literacy according to the OECD can be defined as a combination of awareness, knowledge, skill, attitude and behavior necessarily needed to make financial decision for the well-being of an individual. Financial Literacy according to OECD can be divided in to 3 dimensions which are *Financial Knowledge*, *Financial Behavior* and *Financial Attitude*.

*Financial Knowledge* according to *Financial Industry Regulatory Authority (FINRA)* can be defined as retail investor’s understanding of basic principles of the market, instrument, organization and regulations surrounding finance. Financial knowledge itself can be divided in to two which are *objective financial knowledge* and *subjective financial knowledge*. This research only focuses on subjective financial knowledge which as respondents their beliefs towards the level of financial knowledge they currently have.

Financial Attitude can be considered as a certain disposition for an individual in how they act which is formed based on their economic a non-economic beliefs of an individual (Garg & Singh, 2017). Financial Attitude in this research are *Interest in Financial Issues* and *Intuitive Decisions*. *Financial Behavior* can be defined as individual’s behavior in finance that can significantly affect a well-being of a person (Garg & Singh, 2017). Financial Behavior can be considered as result of someone’s *Financial Attitude*.

**Source of information**

Consumers have their own behavior in decision making when purchasing a product/service. The consumer decision making process consists of several stages which are *Need Recognition*, *Pre-Purchase Information Search*, dan *Evaluation of Alternatives*. One important step in this research is *Pre-Purchase Information Search* where consumers search for information to purchase a product/service. Source of Information itself can be categorized in to 4 sources, these 4 sources of information are *Impersonal Advocate*, *Impersonal Independent*, *Personal Advocate* dan *Personal Independent* (Mortimer & Pressey, 2013).

**MATERIALS AND METHODS**

**Research design and procedures**

Combination of online survey and paper-based survey were used to gather data. 205 respondents have participated in the survey. Respondents characteristic are Millennials located in Indonesia who have understand or have invested in Peer-to-Peer Lending platform. Cluster Analysis and Crosstabulations were used to analyze the data. Cluster analysis is statistical procedure that is used to classify an object or people in to several groups with a basis of two or more variables for classification (McDaniel & Gates, 2015). This research uses *K-Means Cluster*, this clustering method is based on variation within cluster to create similar clusters and not based on *Euclidean Distance or city block distance* (Sarstedt & Mooi, 2019). K – Means Cluster is a clustering method that is generally used for marketing research for grouping purposes. *Cross-tabulation* can be used to further analyzed the answer of respondents relative to the answer of other respondents (McDaniel & Gates, 2015). *Cross-tabulation* in research is normally accompanied with a Chi-Square Test to measure if there’s an association between two tested variables (Malhotra, 2010).

**Measurement variable**

Table 1. *Measurement Variable*

Variable	Indicator
Socio-Demography	Age, Gender, Occupation, Marital Status, Lastest Education, Income
Marketing Communication Mix	Advertising Direct marketing Sales Promotion Public Relations
Financial attitude	Subjective Financial Knowledge Financial Risk Tolerance Intuitive Decisions
Financial behavior	Investment Horizon Interest in Financial Issues Expected Return on Investment Investment Sum Prior Investment

Source of information	Reason for Investing
	Investment Considerations
	Impersonal Advocate
	Impersonal Independent
	Personal Advocate
Peer-to-peer preference	Personal Independent
	P2P Field
	Platform

then tested for validity and reliability test before performing the cluster analysis. One item was not valid, therefore we excluded from data analysis.

Cluster analysis was employed to classify millennials investing behavior with similar characteristics, behavior and psychographic into groups. The analysis was performed using K-Means clustering procedures. Using dendrogram as seen in Figure 2, four clusters were formed and appeared to be the most appropriate in terms of cluster interpretation, meaningfulness and size.

**RESULTS AND DISCUSSIONS**

Data gathered for this research has a total of 205 respondents who are understand Peer to Peer Lending Platform. The data gathered

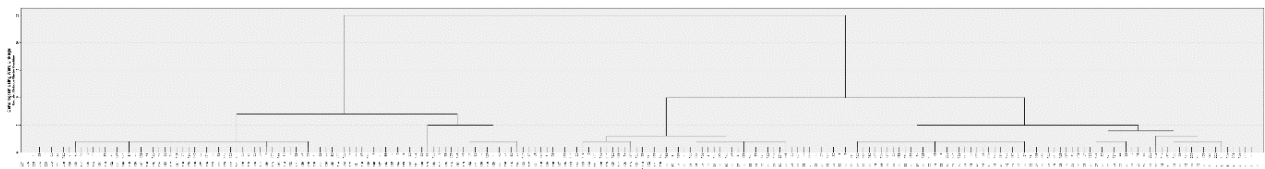


Figure 2. Cluster Analysis Dendrogram

All 205 respondents were clustered in to 4 groups where the result is shown in Table 2. The results show that first cluster represented 10.73%, the second cluster represented 21.46%, the third clustered 38.05%, and the fourth cluster represented 29.76% of all respondents.

Table 2. Sample Sizes for the Four Cluster

Cluster	Sample Size	Percentage of Sample Size
Cluster One	22	10.73 %
Cluster Two	44	21.46 %
Cluster Three	78	38.05 %
Cluster Four	61	29.76 %

The Final Cluster Center table (table 3) summarized the ANOVA (Analysis of Variance) test as well as the average score of each attribute of the four clusters formed. The greater the score of each attribute indicates those attributes are the most related to the members. However, the non-significant attribute can still be interpreted in the research implications because the non-significant results also indicate that some respondents in each cluster choose the same answer.

Table 3. Final Cluster Centers

Attributes	Cluster				ANOVA Test	
	1	2	3	4	F-value	Sig.
Age	1.77	3.00	1.78	2.62	28.434	0.00
Gender	0.82	0.68	0.50	0.64	3.138	0.03
Occupation	3.68	1.57	3.90	1.44	84.629	0.00
Marriage	0.00	0.23	0.03	0.20	6.504	0.00

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Education	2.45	3.20	2.19	2.90	54.971	0.00
Income	1.64	5.32	1.31	3.77	191.031	0.00
Financial Interest	2.36	1.84	2.90	1.74	21.678	0.00
Investment Horizon	2.77	2.50	2.44	2.08	2.698	0.05
Expected Return	3.41	3.61	3.03	3.08	4.768	0.00
Investment Value	6.45	6.59	2.42	2.85	369.42	0.00
Have not Invested yet	0.09	0.02	0.41	0.08	15.151	0.00
Deposit / Savings	0.55	0.55	0.28	0.39	3.563	0.02
Gold	0.09	0.07	0.04	0.16	2.368	0.07
Mutual Fund	0.14	0.27	0.08	0.28	4.227	0.01
Stocks	0.23	0.41	0.09	0.26	6.158	0.00
Peer to Peer Lending	0.14	0.64	0.13	0.48	17.148	0.00
Foreign Exchange	0.09	0.16	0.04	0.08	1.814	0.15
Future Index	0.00	0.05	0.00	0.02	1.468	0.22
Cryptocurrency	0.05	0.00	0.00	0.00	2.848	0.04
Property	0.09	0.20	0.03	0.11	3.624	0.01
Obligation / Government Bonds	0.05	0.07	0.04	0.08	0.434	0.73
Investment Reason	2.82	2.73	2.63	2.67	0.238	0.87
Liquidity	0.64	0.66	0.53	0.56	0.816	0.49
Low Risk Investment	0.09	0.16	0.22	0.20	0.694	0.56
High Return Investment	0.23	0.18	0.19	0.20	0.065	0.98
Practical Investment	0.36	0.52	0.32	0.52	2.715	0.05
Low Capital Investment	0.00	0.00	0.05	0.07	1.381	0.25
Easy to understand investment	0.36	0.34	0.27	0.33	0.388	0.76
TV / Radio Ads	0.14	0.16	0.28	0.15	1.795	0.15
Magazine/Newspaper Ads	0.05	0.20	0.03	0.11	4.038	0.01
Above the line Ads	0.18	0.11	0.05	0.08	1.374	0.25
Social Media Ads	0.27	0.41	0.29	0.30	0.738	0.53
Web ads	0.36	0.36	0.32	0.43	0.544	0.65
Direct Marketing	1.18	1.32	1.27	1.21	0.657	0.58
Sales Promotion	1.64	1.70	1.73	1.79	0.286	0.84
Magazine/Newspaper Article	0.18	0.14	0.10	0.11	0.37	0.78
Special Report on TB	0.14	0.30	0.21	0.18	0.993	0.40
Event Sponsor	0.18	0.09	0.21	0.28	1.913	0.13
Online Article	0.32	0.32	0.23	0.26	0.463	0.71
Social Media Non-Ads	0.09	0.11	0.23	0.18	1.301	0.28
Community Event	0.14	0.27	0.15	0.30	1.886	0.13
Subjective Financial Knowledge	3.23	4.11	2.96	3.64	17.352	0.00

## Understanding Millennials Investment

Financial Risk Tolerance	2.95	3.75	2.95	3.33	5.908	0.00
Intuitive Decision Platform	4.23	4.55	4.12	4.38	3.37	0.02
Loan for Medium Enterprise	0.45	0.77	0.76	0.79	3.533	0.02
Loan for Micro Small Business	0.68	0.50	0.42	0.51	1.582	0.20
Loan for Farmer/Fisherman	0.41	0.48	0.41	0.57	1.361	0.26
Loan for Education	0.14	0.25	0.08	0.16	2.355	0.07
Loan for Personal Needs	0.14	0.27	0.32	0.18	1.778	0.15
Loan for others	0.14	0.16	0.10	0.07	0.845	0.47
Impersonal Advocate	0.09	0.05	0.14	0.02	2.799	0.04
Impersonal Independent	3.73	3.77	3.64	3.48	0.91	0.44
Personal Advocate	3.95	4.23	3.77	3.85	2.634	0.05
Personal Independent	3.95	4.00	3.41	3.39	5.348	0.00
	3.95	3.80	3.69	3.67	0.516	0.67

If ANOVA test showed significant results ( $H_0 < 0.05$ ) means the attributes can be used as segmentation variables. While insignificant results ( $H_0 > 0.05$ ) was ignored and did not use as segmentation variables.

### Cluster Profile

To put a face and easily recognized the characteristics of each cluster, names were assigned to uniquely distinguished as a group. More detailed table and discussion of each four clusters as seen in Table 4.

<i>Attribute</i>	<i>Cluster 1 (Budding Millennial Investors)  N = 10.73%</i>	<i>Cluster 2 (Confident Millennial Investors)  N = 21.46%</i>	<i>Cluster 3 (Financially Oblivious Millennials)  N = 38.05%</i>	<i>Cluster 4 (Pragmatic White-Collar Millennial Investors)  N = 29.76%</i>
<b>Demographics</b>				
Age	21 – 25 years old	21 - 25 years old (43%) 26 - 30 years old (27%)	21 - 25 years old	21 - 25 years old
Gender	82% Male 18% Female	68% Male 32% Female	50% Female 50% Male	64% Male 36% Female
Marriage	100% Not Married	23% Married 76% Not Married	3% Married 97% Not Married	20% Married 80% Not Married
Occupation	College Student	Employee	College Student	Employee
Education (Last Education)	Highschool & Graduate	Graduate	Highschool	Graduate
Income	Less than 266 USD	More than 666 USD	Less than 133 USD	266 USD – 400 USD
<b>Financial Behavior</b>				
Financial Interest	Every few days	Every day	Almost Never	Every day Every few days
Investment Horizon	Over 5 years	Over 5 years	Less than 3 years	Less than 3 years
Expected Return	10 -15 %	10 -15 %	10 -15 %	10 -15 %
Investment Value (Amount of money to willing to invest regularly)	More than 333 USD	More than 333 USD	Less than 66 USD	66 USD – 133 USD



Understanding Millennials Investment

Prior Investments	Cryptocurrency (5%) Deposit/Savings (55%)	Deposit/Savings (55%) Mutual Funds (27%) Stocks (41%) Property (20%) <i>P2P Lending</i> (64%)	Have not invested yet (41%) Deposit / Savings (28%)	Gold (16%) Mutual Funds (28%)
Investment Consideration	-	Easy and Simple (52%)	-	Easy and Simple (52%)
Financial Attitude	Financial Risk Tolerance (3) Subjective Financial Knowledge (3) Intuitive Decision (3)	Financial Risk Tolerance (1) Subjective Financial Knowledge (1) Intuitive Decision (1)	Financial Risk Tolerance (3) Subjective Financial Knowledge (4) Intuitive Decision (4)	Financial Risk Tolerance (2) Subjective Financial Knowledge (2) Intuitive Decision (2)
Source of Information	Impersonal Advocate (2) Impersonal Independent (2) Personal Advocate (2) Personal Independent (1)	Impersonal Advocate (1) Impersonal Independent (1) Personal Advocate (1) Personal Independent (2)	Impersonal Advocate (3) Impersonal Independent (4) Personal Advocate (3) Personal Independent (4)	Impersonal Advocate (4) Impersonal Independent (3) Personal Advocate (4) Personal Independent (3)

Note:

- Percentage show in table represents how much respondents in a certain cluster choose that option
- The number in brackets ( ) , show the rank of a certain attribute relative to other clusters

#### Cluster One: *Budding Millennial Investors*

Cluster One is named *Budding Millennial Investors* because they are beginner investors who have tried to in various kinds of investment options such as mutual funds, stocks and P2P lending however, most of them still afraid to take risk and mainly invest their money in bank deposit. Some of the respondents have tried to invest in the form of Cryptocurrency, this shows that respondents in this cluster are looking for the best form of investment. However, they have limited financial knowledge, therefore, they are not brave enough to take risks. They have positive attitude towards financial information from company's representatives and report from third party. Budding Millennial Investors is the smallest clusters dominated by male (82%) aged between 21 -25 years old, not married, college students, with latest education of high school or college. Their average income is less than 266 USD. They are willing to invest in big amount of money and in mid to long term investments. This cluster also have positive attitude towards P2P lending with high curiosity. Therefore, this cluster is a potential cluster to introduce P2P lending platform.

#### Cluster Two: *Confident Millennial Investors*

Cluster two is named Confident Millennial Investors because they understand and have experience in investment. Majority of respondents in this cluster have investment in bank deposit, stock, P2P lending and properties, therefore they have high-risk tolerance. Their most important considerations for investing are easiness and simplicity in doing the investment. This cluster has invested in P2P lending platform and has altruism characteristics compared to other clusters. Confident Millennial Investors is dominated by male (68%) aged between 21-30 years old, not married and an employee. This cluster financially more stable as their income on average is above 666 USD and relatively have high financial literacy as they like to read news and report about investment every day. They are willing to invest in both short- and long-

term investment period. As the most mature and financially literate cluster, this segment is the most beneficial cluster to be introduced P2P lending.

#### Cluster Three: *Financially Oblivious Millennials*

Cluster Three is named Financially Oblivious Millennials as they have very little or no knowledge about investment. They also never invested before and afraid of taking risk in investing their money. Financially Oblivious Millennials is the largest cluster of all cluster, dominated by respondents from 20-25 years old, not married, and college students, their average income are less than 133 USD. They not really interested in investing their money, therefore, they do not consider broadening their financial knowledge. They are willing to invest only in small amount of money and for short-term period. This cluster is the most difficult and unfavorable to be introduced about P2P lending platform.

#### Cluster Four: *Pragmatic White-Collar Millennial Investors*

Cluster four is named Pragmatic White-Collar Millennial Investors as they are dominated by professional or employee who have high financial literacy. They have invested in gold, mutual funds and P2P lending platform. They prefer to invest in the form of investment which does not required too much time to research for financial statement of fund prospectuses such as mutual funds. They have moderate-risk tolerance as they prefer practical and easy investment options.

Pragmatic White-Collar Millennial Investors is dominated by male (64%) aged between 20-25 years old, not married, professionals or employees in private company. Their average income between 266 USD – 400 USD. They are interested in finance issues as they read financial news regularly. They are willing to invest in small amount of money with short-term period investment. This cluster has promising potential to be introduced about P2P lending even though not as easy as Confident Millennial Investors Cluster.

This research provide evidence that millennials investing behavior should be differentiate into several cluster which put individuals with similar behavior into one group. By understanding millennials investing behavior can help P2P lending platform to develop suitable approach for each segment. Therefore, this research clarifies that one-for-all approach is not suitable anymore when targeting millennials.

This research is able to distinguish four different segment of millennials investing behavior. The results show that the largest segment is *Financially Oblivious Millennials* where most of the member of this cluster have low financial literacy. They are not risk taker and mostly not interested to learn financial products. The second largest segment is *Pragmatic White-Collar Millennial Investors* where most of the member are professional or employee who are actually have high financial literacy. They have invested in several products including investing in P2P lending platform. They have higher tolerance to risk and willing to try new financial and investment products. The third largest segment is *Confident Millennial Investors* where most of the member have experience in investment and have invested in P2P lending platform. They have high tolerance to risk and has altruism characteristics compared to other clusters. The smallest segment is *Budding Millennial Investors* where most of the member are beginner investor who has interest to learn financial and investment products. However, they have minimum budget, therefore very picky and afraid to take risks.

It can be concluded that two clusters which are *Pragmatic White-Collar Millennial Investors and Confident Millennial Investors* combined have already representing 50% of total respondents. Therefore, there are growing numbers of millennials who have higher financial literacy, experience in investing, and have higher risk-tolerance to try and invest in new financial or investment products. This potential numbers can be beneficial for P2P lending platforms, as in the

future sharing economy is getting more and more popular.

In this research, only P2P lending as one type of sharing economy form in financial and banking industry. However, P2P lending are expected to growth tremendously with the evolvement of technology solutions as people become more and more digitally connected. Therefore, by segmenting millennials based on their investing behavior will provide marketing manager of P2P Lending platform to enhance their strategies.

The research also provides theoretical implication. It shown that segmentation research able to provide deeper understanding of given populations which have heterogenous characteristics. The study also emphasize that one-for-all approach are not suitable anymore when targeting millennials.

## CONCLUSIONS

The research provides useful information and guidelines by highlighting four different clusters amongst millennials investing behavior. 50% of respondents are potential millennials as they are familiar and have experience with financial and investment products. This research also highlights the importance of segmentation research to provide deeper understanding of millennials investing behavior. Therefore, we suggest marketing managers of P2P Lending platform to develop segmented strategy for each cluster.

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