International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

To cite this article: Levani Tri Agusta, Sylvira Krystalicia Aurora and Wilhelmus Hary Susilo (2024). THE EXPLORATION OF THE BUSINESS FINTECH LENDING SECTOR REVEALS SIGNIFICANT IMPACTS ON THE FINANCIAL LANDSCAPE, International Journal of Research in Commerce and Management Studies (IJRCMS) 6 (5): 200-222 Article No. 287 Sub Id 551

THE EXPLORATION OF THE BUSINESS FINTECH LENDING SECTOR REVEALS SIGNIFICANT IMPACTS ON THE FINANCIAL LANDSCAPE

Levani Tri Agusta, Sylvira Krystalicia Aurora and Wilhelmus Hary Susilo*

MAGISTER MANAGEMENT Program, FEB University of Persada Indonesia Y.A.I

DOI: https://doi.org/10.38193/IJRCMS.2024.6512

ABSTRACT

The investigation into the FinTech lending industry uncovers substantial effects on the overall financial environment. The objective of this research is to investigate various fundamental elements of existing literature, with a particular emphasis on financial technology (FinTech), regulatory structures, competitive approaches, and the broader financial sector. This sector, characterized by the integration of technology into financial services, has transformed traditional lending practices, enhancing accessibility and efficiency for both borrowers and lenders. The emergence of innovative platforms has facilitated a more streamlined application process, reduced costs, and expanded the range of financing options available to businesses. As a result, the FinTech lending sector not only contributes to the growth of small and medium-sized enterprises but also challenges conventional banking models, prompting a re-evaluation of regulatory frameworks and competitive strategies within the financial industry.

KEYWORDS: FinTech, Regulatory framework, Competitive, Strategies, Financial Industry

INTRODUCTION

The exploration of the FinTech lending sector reveals significant impacts on the broader financial landscape. This industry, defined by the incorporation of technological advancements into financial services, has revolutionized conventional lending methods, improving both accessibility and efficiency for borrowers and lenders alike. The rise of cutting-edge platforms has enabled a more efficient application process, lowered expenses, and broadened the spectrum of financing alternatives available to businesses. Consequently, the FinTech lending sector plays a crucial role in fostering the development of small and medium-sized enterprises while simultaneously challenging traditional banking paradigms, thereby necessitating a reassessment of regulatory structures and competitive approaches within the financial sector.

The financial services sector has undergone a significant transformation through the incorporation of technological advancements, fundamentally altering conventional lending methodologies and improving both accessibility and efficiency for all parties involved. The rise of sophisticated platforms has simplified the application process, lowered expenses, and broadened the spectrum of financing alternatives accessible to businesses. Consequently, the FinTech lending industry plays a crucial role in fostering the development of small and medium-sized enterprises, while also challenging traditional banking structures, thereby necessitating a reassessment of regulatory policies and competitive approaches within the financial sector.

Fintech lending, also known as peer-to-peer lending or online loans, refers to the provision of financial services that connect lenders with borrowers, facilitating direct loan agreements in Indonesian rupiah through electronic systems. This form of lending is also recognized as Technology-Based Collaborative Funding Services (LPBBTI). As of July 12, 2024, there are a total of 98 licensed fintech peer-to-peer lending companies registered with the Financial Services Authority (OJK). The OJK encourages the public to engage only with licensed fintech lending providers to ensure safety and compliance (https://ojk.go.id/id/kanal/iknb/financial-technology/default.aspx, 2024).

The financial services industry has experienced profound changes due to technological innovations that have reshaped traditional lending practices, enhancing both accessibility and efficiency for a diverse range of stakeholders. The emergence of advanced platforms has streamlined the application process, reduced costs, and expanded the variety of financing options available to businesses. As a result, the FinTech lending sector is instrumental in supporting the growth of small and medium-sized enterprises, while simultaneously posing challenges to established banking institutions, which calls for a re-evaluation of regulatory structures and competitive strategies within the financial landscape. The term "Financial Technology" refers to the innovative integration of technology within the financial services sector, encompassing a wide range of applications that enhance and streamline financial operations. This field includes advancements such as mobile banking, online payment systems, blockchain technology, and robo-advisors, all of which aim to improve efficiency, accessibility, and user experience in financial transactions. As a rapidly evolving domain, financial technology not only transforms traditional banking practices but also fosters the emergence of new business models and services that cater to the changing needs of consumers and businesses alike.

The regulatory framework refers to the system of rules, guidelines, and principles that govern the operations and conduct of various entities within a specific sector or industry. This framework is essential for ensuring compliance, maintaining standards, and promoting accountability among stakeholders. It encompasses a range of legal and institutional mechanisms designed to facilitate oversight, protect public interests, and foster a stable environment for economic activities. By establishing clear parameters for behavior and decision-making, the regulatory framework plays a crucial role in shaping the dynamics of market interactions and safeguarding the welfare of society as

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

a whole.

Enhancing economic potential through improved access to financing is essential for Indonesia, which is anticipated to become the fourth largest economy by 2050, as indicated by PwC's report, "The World in 2050: Will the shift in global economic power continue?" A significant barrier to realizing this potential is the inadequate loan disbursement relative to the country's Gross Domestic Product (GDP), which has resulted in 74% of middle to lower income individuals and an equal percentage of micro, small, and medium enterprises (MSMEs) lacking sufficient access to financing. Given the substantial impact that enhanced financing access can have on consumer spending and overall economic growth across various societal segments in Indonesia, it is imperative to prioritize this issue. The emergence of Fintech Lending has played a pivotal role in addressing the challenges faced by traditional lending institutions, particularly in terms of infrastructure and risk management, which have historically hindered credit access for underserved individuals and MSMEs. By leveraging technology and adopting diverse business models—such as peer-to-peer and institutional-topeer lending, as well as productive versus consumptive financing—Fintech Lending has successfully expanded its reach to previously neglected demographics. This innovative approach, which includes strategies like offline-to-online transitions, allows for a better alignment of lenders' risk appetites with the varying risk profiles of borrowers. As Indonesia embraces these technology-driven solutions, the establishment of a sustainable and supportive Fintech Lending ecosystem will be vital for fostering improved financing access. Indonesia is currently experiencing the "Third Wave" of Fintech Lending, which signifies a shift towards a more collaborative ecosystem within the sector. The initial phase, known as the "First Wave," was characterized by a lack of regulation, where various players experimented with different business models. This was followed by the "Second Wave," during which the Otoritas Jasa Keuangan (OJK) became involved to enhance customer protection and delineate between legal and illegal lending practices. The transition into the Third Wave represents an opportunity for greater cooperation among stakeholders, aiming to create a more robust and regulated environment that can effectively support the financing needs of the population and drive economic growth (https://www.pwc.com/id/en/industry-sectors/financial-services/fintechlending.html, 2024.

The term denotes a state of rivalry or contest, often characterized by individuals or groups striving to outperform one another in various domains, such as business in financial technology sector. The notion pertains to a state of rivalry or competition, often characterized by individuals or groups striving to outdo one another in various domains, including the financial technology sector. The concept refers to a condition of competition or rivalry, typically marked by individuals or groups attempting to surpass each other across different fields, including the financial technology industry. This idea encompasses a scenario of contestation, where various parties endeavor to excel beyond their counterparts in multiple areas, particularly within the realm of financial technology. The sector encompassing financial services and institutions is commonly referred to as the financial industry. This domain includes a wide array of entities such as banks, investment firms, insurance companies, and other organizations that facilitate the management, investment, and transfer of money. The financial industry plays a crucial role in the economy by providing essential services that support both individual and corporate financial activities, thereby influencing overall economic stability and growth. The term "financial" pertains to matters related to the management, creation, and study of money, investments, and other financial instruments. It encompasses a wide range of activities, including budgeting, forecasting, and the analysis of financial markets, which are essential for both individuals and organizations in making informed economic decisions. Understanding financial principles is crucial for effective resource allocation and risk management, ultimately contributing to the overall economic stability and growth of entities involved (M. M. Hasan et al., 2020; Lucero-Prisno et al., 2022; Yakubi et al., 2022)

The significant influence of improved access to financing on consumer expenditure and comprehensive economic development across different societal groups in Indonesia necessitates urgent attention to this matter. The rise of Fintech Lending has been crucial in tackling the obstacles encountered by conventional lending institutions, especially regarding infrastructure and risk management issues that have traditionally restricted credit availability for marginalized individuals and micro, small, and medium enterprises (MSMEs). By utilizing technological advancements and implementing various business models—including peer-to- peer lending, institutional-to-peer lending, and distinguishing between productive and consumptive financing—Fintech Lending has effectively broadened its outreach to demographics that were previously overlooked. This study aims to explore several foundational aspects of prior research, specifically focusing on FinTech, regulatory frameworks, competitive strategies, and the financial industry.

LITERATURE REVIEW

A literature review involves an in-depth analysis of current academic publications and research outcomes, aiming to integrate and critically assess the contributions made by different scholars within a particular discipline. This evaluative approach not only underscores the dominant theories and research methods but also reveals deficiencies in the existing body of knowledge, thus laying the groundwork for subsequent research initiatives. Through the methodical arrangement and interpretation of pertinent literature, a literature review is essential for contextualizing new research within the wider academic conversation, ultimately deepening the comprehension of the topic at hand. The pressing need to address the substantial impact of enhanced access to financing on consumer spending and overall economic growth among various social groups in Indonesia is evident. The emergence of Fintech Lending has played a pivotal role in overcoming the challenges faced by traditional lending institutions, particularly in terms of infrastructure and risk management, which

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

have historically limited credit access for marginalized populations and micro, small, and medium enterprises (MSMEs). By leveraging technological innovations and adopting diverse business models—such as peer-toper lending, institutional-to-peer lending, and differentiating between productive and consumptive financing—Fintech Lending has successfully expanded its reach to demographics that were previously neglected. The FinTech lending industry underscores its profound influence on the overall financial ecosystem. Characterized by the integration of advanced technologies into financial services, this sector has transformed traditional lending practices, enhancing both accessibility and efficiency for borrowers and lenders. The emergence of innovative platforms has streamlined the application process, reduced costs, and expanded the range of financing options available to businesses. As a result, the FinTech lending sector is instrumental in supporting the growth of small and medium-sized enterprises, while simultaneously posing challenges to conventional banking models, which calls for a reevaluation of regulatory structures and competitive strategies within the financial industry

The concept of "Financial Technology" pertains to the cutting-edge incorporation of technological solutions into the financial services industry, which includes a diverse array of applications designed to optimize and simplify financial processes. This sector encompasses innovations such as mobile banking platforms, digital payment systems, blockchain innovations, and automated investment advisors, all of which seek to enhance operational efficiency, broaden accessibility, and elevate the user experience in financial dealings. As a dynamic and swiftly advancing field, financial technology not only revolutionizes conventional banking methods but also encourages the development of novel business models and services that respond to the evolving demands of both consumers and enterprises. FinTech denotes the integration of cutting-edge technologies, including artificial intelligence, blockchain, cloud computing, and big data analytics, aimed at enhancing the accessibility, affordability, and convenience of financial services for consumers. This sector encompasses a diverse array of activities, such as mobile banking, digital payment solutions, cryptocurrencies, and rob advisory services. Traditional financial institutions can leverage FinTech to optimize their operations and introduce innovative offerings, while new, disruptive companies are reshaping the conventional financial landscape. As technological advancements continue and internet and mobile device penetration increases, the global uptake of FinTech products and services has surged. Nonetheless, public perceptions of FinTech are often complex and influenced by various individual and contextual factors. Recent research has thoroughly examined the determinants of FinTech adoption, revealing that perceived usefulness, perceived risk, perceived cost, and relative advantage significantly impact consumer acceptance. Further studies have highlighted perceived usefulness and social influence as critical factors driving the intention to utilize FinTech services, thereby enriching the understanding of the intricate elements influencing FinTech adoption in various settings (M. M. Hasan et al., 2020; Yakubi et al., 2022) (Wu & Peng, 2024).

Financial Technology refers to the innovative integration of technological advancements within the financial services sector, encompassing a wide range of applications aimed at improving and streamlining financial operations. This domain includes advancements such as mobile banking applications, electronic payment solutions, blockchain technologies, and robo-advisors, all designed to increase operational efficiency, enhance accessibility, and improve the overall user experience in financial transactions. As a rapidly evolving and dynamic field, financial technology not only transforms traditional banking practices but also fosters the emergence of new business models and services that cater to the changing needs of consumers and businesses alike. The realm of financial technology includes innovations like mobile banking apps, digital payment systems, blockchain innovations, and automated investment advisors, all aimed at improving operational efficiency, broadening accessibility, and enhancing the overall user experience in financial transactions. The regulatory framework constitutes a comprehensive set of rules, guidelines, and principles that dictate the operations and behaviors of different entities within a particular sector or industry. This framework is vital for ensuring adherence to regulations, upholding standards, and enhancing accountability among various stakeholders. It includes an array of legal and institutional mechanisms aimed at enabling oversight, safeguarding public interests, and creating a stable environment conducive to economic activities. By delineating explicit parameters for conduct and decision making, the regulatory framework significantly influences the nature of market interactions and protects the overall welfare of society (Pan & Fang, 2022).

The concept refers to a competitive environment where individuals or groups engage in efforts to surpass one another across various sectors, notably within the financial technology arena. This idea encapsulates a scenario of rivalry, wherein different parties strive to achieve greater success than their competitors in multiple fields, particularly in the context of financial technology. The financial industry, which encompasses a broad spectrum of services and institutions, includes entities such as banks, investment firms, and insurance companies that facilitate the management, investment, and transfer of capital. This sector is vital to the economy, as it provides essential services that underpin both personal and corporate financial activities, thereby impacting overall economic stability and growth. The term "financial" relates to the management, creation, and analysis of monetary resources, investments, and various financial instruments. It covers a diverse range of activities, including budgeting, forecasting, and market analysis, which are critical for individuals and organizations to make informed economic choices. A solid grasp of financial principles is essential for effective resource management and risk assessment, ultimately fostering economic stability and growth for the entities involved (Lim et al., 2023; K. Wang et al., 2021; Yu et al., 2013).

METHODS

The financial services industry has experienced a profound evolution due to the integration of

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

technological innovations, which have fundamentally changed traditional lending practices and enhanced accessibility and efficiency for all stakeholders. The emergence of advanced platforms has streamlined the application process, reduced costs, and expanded the range of financing options available to businesses. As a result, the FinTech lending sector is instrumental in supporting the growth of small and medium-sized enterprises, while simultaneously posing challenges to established banking frameworks, thus prompting a reevaluation of regulatory measures and competitive strategies within the financial landscape (Ranasinghe & Habib, 2023; Suparman et al., 2023).

The qualitative approach cornerstone base on several previous research within the financial technology approach, the literature review would finding the main theme and subthemes utility by NVivo analysis data for decision making base on best strategic business. The foundation of the qualitative approach is established through an extensive review of prior research in the field of financial technology. This literature review aims to identify the primary themes and sub-themes, utilizing NVivo for data analysis, which will facilitate informed decision-making grounded in optimal strategic business practices. The qualitative methodology is fundamentally rooted in a comprehensive examination of existing research related to financial technology. This literature review seeks to uncover key themes and subthemes, employing NVivo for data analysis, thereby enabling decision-making that is informed by the most effective strategic business practices (Maher et al., 2018; Spencer, 2007).

A comprehensive examination of existing scholarly works and research findings constitutes a literature review, which serves to synthesize and critically analyze the contributions of various authors in a specific field of study. This evaluative process not only highlights the prevailing theories and methodologies but also identifies gaps in the current knowledge base, thereby providing a foundation for future research endeavors. By systematically organizing and interpreting the relevant literature, a literature review plays a crucial role in situating new research within the broader academic discourse, ultimately enhancing the understanding of the subject matter (Feng et al., 2021; Mathew, 2019).

RESULT AND DISCUSSION

The financial services sector has undergone significant transformation as a result of technological advancements, which have fundamentally altered conventional lending methods and improved accessibility and efficiency for various participants. The rise of sophisticated platforms has simplified the application process, lowered expenses, and broadened the array of financing alternatives accessible to enterprises. Consequently, the FinTech lending industry plays a crucial role in fostering the development of small and medium-sized businesses, while also presenting challenges to traditional banking systems, thereby necessitating a reassessment of regulatory frameworks and competitive approaches within the financial ecosystem (Ferraz Raposo et al., 2022; Rabinovich & Pérez Artica, 2022).

The finding of main theme and sub- theme for the fintech landing and its exploration factors that could impact has been crucial in tackling the obstacles encountered by conventional lending institutions, especially regarding infrastructure and risk management issues that have traditionally restricted credit availability for marginalized individuals and micro, small, and medium enterprises (MSMEs). The findings conduct to the search query includes (Bourne, 2020; R. Hasan et al., 2021a, 2021b; Knight & Wójcik, 2020; J. Wang, 2022):

Search Querry:
<Files\\knight-wojcik-2020-fintech-economy-and-space-introduction-to-the-special-issue (1)> - § 1 reference coded [0,03% Coverage]

Reference 1 - 0,03% Coverage
Germany (Zook and Grote), to FinTech lending and payments in refugee camps
<Files\\wojcik-2020-financial-geography-ii-the-impacts-of-fintech-financial-sector-and-centres-regulation-and-stability> - § 1 reference
coded [0,02% Coverage]

Reference 1 - 0,02% Coverage
more accessible. In the USA, FinTech lending has expanded fast in areas
<Files\\wu-peng-2024-bridging-the-digital-divide-unraveling-the-determinants-of-fintech-adoption-in-rural-communities> - § 1 reference
coded [0,01% Coverage]

Reference 1 - 0,01% Coverage
Agarwal, S., & Zhang, J. (2020). FinTech, lending and payment innovation: A review

INFRASTRUCTURE
<Files\\bourne-2020-fintech-s-transparency-publicity-nexus-value-cocreation-through-transparency-discourses-in-business-to> - § 5
references coded [0,05% Coverage]

Reference 1 - 0,01% Coverage
unions, fintech companies, and technology infrastructure companies providing cloud-computing and

Reference 2 - 0,01% Coverage

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

financial platforms had layers of infrastructure, data, and users. They could

Reference 3 - 0,01% Coverage
financial institutions, fintech specialists, tech infrastructure firms, data governance specialists, software

Reference 4 - 0,01% Coverage
fintech specialists, but specialists in infrastructure
Bourne 1621

INDUSTRY OF ORIGIN

Reference 5 - 0,01% Coverage
OF ORIGIN
FINTECH VARIANTS
TECHNOLOGY Infrastructure providers seeking to help financial
<Files\\hall-2023-anticipating-sino-uk-fintech-networks-and-the-changing-geographies-of-money-as-infrastructure> - § 15 references coded
[0,15% Coverage]

Reference 1 - 0,01% Coverage
changing geographies of money as infrastructure
Sarah Hall School of Geography

Reference 2 - 0,01% Coverage
understand fintech as a monetary infrastructure. In so doing, the paper

Reference 3 - 0,01% Coverage
the geographies of money as infrastructure provides a valuable way of

Reference 4 - 0,01% Coverage
as a form of monetary infrastructure. In the third section, I

Reference 13 - 0,01% Coverage
questions of control that surround infrastructure networks and payment networks in

Reference 14 - 0,01% Coverage

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

networks remind us that monetary infrastructure networks are fragile, both economically

Reference 15 - 0,01% Coverage
geography and particularly as an infrastructure (Farrell and Newman, 2019) through
<Files\\hasan-et-al-2020-regional-development-of-china-s-inclusive-finance-through-financial-technology> - § 2 references coded [0,02%
Coverage]

Reference 1 - 0,01% Coverage
security and privacy, hardware and infrastructure, data technology, applications and management

Reference 2 - 0,01% Coverage
internet markets and high-quality infrastructure have removed different challenges with
<Files\\knight-wojcik-2020-fintech-economy-and-space-introduction-to-the-special-issue (1)> - § 1 reference coded [0,03% Coverage]

Reference 1 - 0,03% Coverage
blockchain all require hardware, energy, infrastructure and people (e.g. Zook
<Files\\lucero-prisno-et-al-2022-prospects-for-financial-technology-for-health-in-africa> - § 1 reference coded [0,04% Coverage]

Reference 1 - 0,04% Coverage
to develop sustainable solutions and infrastructure that support healthcare financing.4
<Files\\sohns-wojcik-2020-the-impact-of-brexit-on-london-s-entrepreneurial-ecosystem-the-case-of-the-fintech-industry> - § 9 references
coded [0,08% Coverage]

Reference 1 - 0,01% Coverage
accounting and technical experts; and infrastructure, such as internet and transport

Reference 2 - 0,01% Coverage
produce spin-offs, provide business infrastructure and act as customers and

Reference 3 - 0,01% Coverage
frameworks, and by offering support infrastructure to the industry to counteract

Reference 4 - 0,01% Coverage

relies for access to payment infrastructure, banking licenses and know-how

Reference 5 - 0,01% Coverage
reported having difficulties accessing banking infrastructure and funding: ‘the banks ... were

Reference 6 - 0,01% Coverage
effect: ‘You have really good infrastructure, you have a big network

Reference 7 - 0,01% Coverage
to their dependency on the infrastructure of established banks, which allow

Reference 8 - 0,01% Coverage
bank to have the banking infrastructure behind them that allows them

Reference 9 - 0,01% Coverage
use their banking licenses and infrastructure. Therefore, financial incumbents can be
<Files\\wang-2022-performative-innovation-data-governance-in-china-s-fintech-industries> - § 7 references coded [0,09% Coverage]

Reference 1 - 0,01% Coverage
define the design of data infrastructure, the scope of data collection

Reference 2 - 0,01% Coverage
has four major divisions: Data Infrastructure, Big Data Analyses, External Data

Reference 3 - 0,01% Coverage
primary functions of the Data Infrastructure
Division is to standardize the
time through a dedicated technological infrastructure, yet does not elaborate on

Reference 2 - 0,01% Coverage
intelligence (and its underpinning algorithmic infrastructure) [is] required and suggests that

Reference 3 - 0,01% Coverage
and ongoing review’ of this infrastructure, ‘including transparency and reliability of
<Files\\wojcik-2020-financial-geography-ii-the-impacts-of-fintech-financial-sector-and-centres-regulation-and-stability> - § 2 references

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

coded [0,03% Coverage]

Reference 1 - 0,02% Coverage
digital financialization ‘undergirded by an infrastructure that harvests citizens’ data, which

Reference 2 - 0,02% Coverage
to accelerate investment in digital infrastructure, including digital identity, which can
<Files\\wu-peng-2024-bridging-the-digital-divide-unraveling-the-determinants-of-fintech-adoption-in-rural-communities> - § 5 references
coded [0,05% Coverage]

Reference 1 - 0,01% Coverage
population and the availability of infrastructure (Kong & Loubere, 2021). Urban areas

Reference 2 - 0,01% Coverage
Moreover, urban areas have better infrastructure than rural areas, which means

Reference 3 - 0,01% Coverage
a stark disparity in banking infrastructure. As of September 2023, according

Reference 4 - 0,01% Coverage
same time, policymakers can address infrastructure issues by funding infrastructure development

Reference 5 - 0,01% Coverage
address infrastructure issues by funding infrastructure development initiatives that increase rural
Risk management:
<Files\\bourne-2020-fintech-s-transparency-publicity-nexus-value-cocreation-through-transparency-discourses-in-business-to> - § 1
reference coded [0,01% Coverage]

Reference 1 - 0,01% Coverage
payments, lending, money management, and risk management. Fintech promised more than the
<Files\\hall-2023-anticipating-sino-uk-fintech-networks-and-the-changing-geographies-of-money-as-infrastructure> - § 2 references coded
[0,02% Coverage]

Reference 1 - 0,01% Coverage

growth through regulatory adjustments and risk management but also strengthening IFC competitiveness

Reference 2 - 0,01% Coverage
Payments and transactions Mobile technology Risk management
Payments and transactions Payments and
<Files\\hasan-et-al-2020-regional-development-of-china-s-inclusive-finance-through-financial-technology> - § 1 reference coded [0,01%
Coverage]

Reference 1 - 0,01% Coverage
Hasan and Yajuan 15
FinTech. Risk Management, 21, 1–18. https://doi
<Files\\kim-cho-2022-ensemble-of-diverse-deep-neural-networks-with-pseudo-labels-for-repayment-prediction-in-social-lending> - § 1
reference coded [0,02% Coverage]

Reference 1 - 0,02% Coverage
social lending. Journal of Financial Risk Management 2017; 06: 418–426.
26
<Files\\wang-2022-performative-innovation-data-governance-in-china-s-fintech-industries> - § 9 references coded [0,12% Coverage]

Reference 1 - 0,01% Coverage
example, on the self-owned risk management platform, the Bank could change

Reference 2 - 0,01% Coverage
more than half of the risk management modules are engendered by machine

Reference 3 - 0,01% Coverage
daily operations, as well as risk management. Yet, for Case BNK, data

Reference 4 - 0,01% Coverage
two types of
modules: the risk management model and the sales monitoring

Reference 1 - 0,01% Coverage

facilitate such regulation, compliance and risk management, active beyond the field of
<Files\\yudaruddin-et-al-2024-liquidity-and-credit-risk-in-indonesia-the-role-of-fintech-development> - § 3 references coded [0,03% Coverage]

Reference 1 - 0,01% Coverage
to bank liquidity and credit risk management. Ultimately, this study provides practical

Reference 2 - 0,01% Coverage
banking industry and implementing appropriate risk management strategies to ensure financial stability

Reference 3 - 0,01% Coverage
E., & Tehraniand, H. (2011). Liquidity risk management and credit supply in the
Financial ecosystem
<Files\\knight-wojcik-2020-fintech-economy-and-space-introduction-to-the-special-issue (1)> - § 1 reference coded [0,04% Coverage]

Reference 1 - 0,04% Coverage
Universal Inclusion in the New Financial Ecosystem. Basingstoke: Palgrave Macmillan.
Boamah EF
Transparency:
<Files\\bajwa-et-al-2022-past-present-and-future-of-fintech-research-a-bibliometric-analysis> - § 3 references coded [0,02% Coverage]

Reference 1 - 0,01% Coverage
business efficiency, lowers costs, enhances transparency, and provides a comprehensive history

Reference 2 - 0,01% Coverage
fundamental objectives like data privacy, transparency, integrity, cost, etc., were addressed

Reference 3 - 0,01% Coverage
Leoni (2019) listed themes like transparency, trust issues and governance in
<Files\\bourne-2020-fintech-s-transparency-publicity-nexus-value-cocreation-through-transparency-discourses-in-business-to> - § 131 references coded [1,21% Coverage]

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

Reference 1 - 0,01% Coverage
0002764220959385American Behavioral ScientistBourne Article
Fintech's Transparency– Publicity Nexus: Value Cocreation Through
Reference 2 - 0,01% Coverage
Publicity Nexus: Value Cocreation Through Transparency Discourses in Business-to-Business

The finding of main theme and sub- theme for the fintech landing and its exploration factors that could impact has been crucial in tackling the obstacles encountered by conventional lending institutions, especially regarding infrastructure and risk management issues that have traditionally restricted credit availability. The main theme has the Fintech landing and the entire antecedent's variable impacted. Identifying the primary theme and its associated subthemes within the context of fintech lending, along with the exploration of factors that may influence these themes, is essential for addressing the challenges faced by traditional lending institutions. This is particularly relevant in relation to infrastructure and risk management concerns that have historically limited access to credit. The central theme revolves around fintech lending and the various antecedent variables that exert influence on this domain and display on Figure 1 below:

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

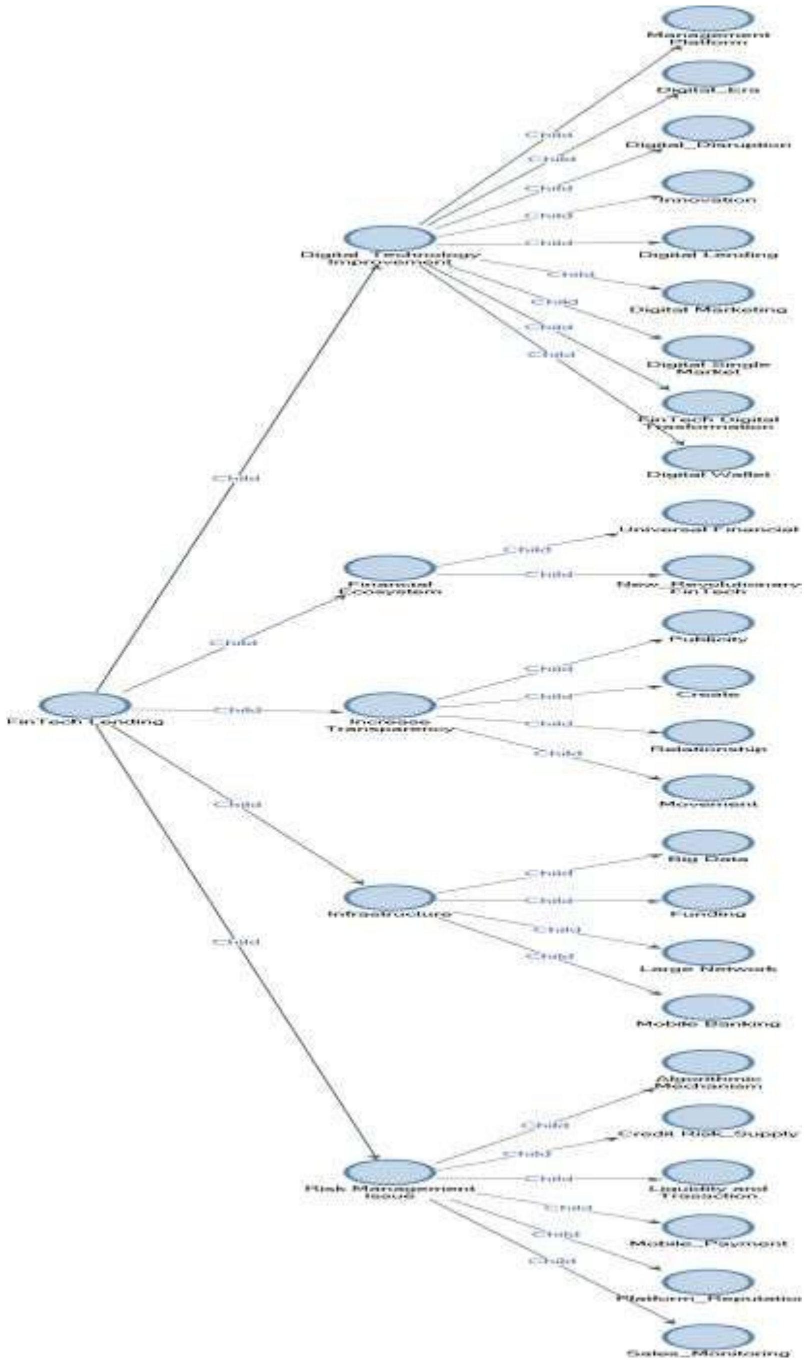

Figure 1. The central theme revolves around fintech lending and the various antecedent

Figure 1 above informed the main key themes the Fintech lending have five sub- themes and twenty-

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

five sub sub-themes that they are should to be determining for its ecosystem financial business the future.

On Figure 2 below indicated the distribution position in graph of the Fintech landing sectors base on the output from NVivo software to informed the sub themes pertains; the financial ecosystem, digital technology improvement, Risk management issue, Infrastructure and increase the transparency in operation to achieved performance in digitalization financial sector and its ecosystem.

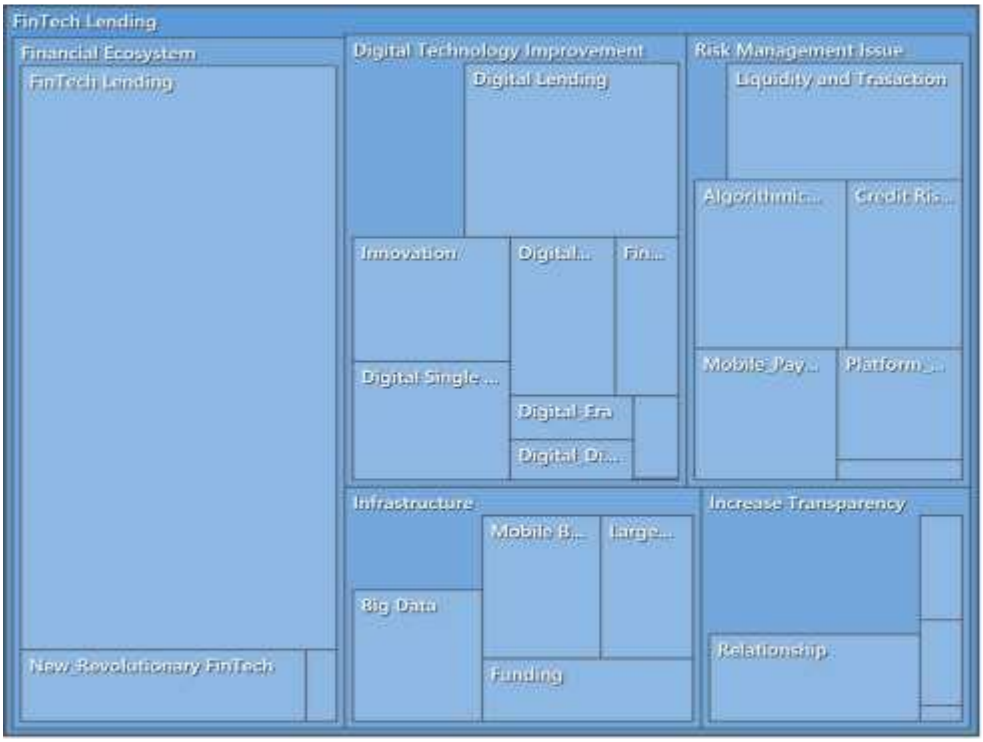

Figure 2. The distribution position in graph of the Fintech landing

Base on the distribution of positions within the Fintech landing sectors is illustrated in Figure 2 above, which is derived from the outputs of NVivo software. This graphical representation highlights the relevant sub-themes, including the financial ecosystem, advancements in digital technology, challenges in risk management, infrastructure development, and the enhancement of operational transparency, all of which contribute to achieving performance in the digitalization of the financial sector and its associated ecosystem. The financial Technology, often abbreviated as FinTech, signifies the progressive incorporation of technological innovations into the financial services industry, which encompasses a diverse array of applications intended to optimize and enhance financial processes. This sector features developments such as mobile banking platforms, digital payment systems, blockchain innovations, and automated investment advisors, all aimed at boosting operational efficiency, improving accessibility, and enriching the user experience during financial transactions. As a swiftly advancing and dynamic area, financial technology not only revolutionizes conventional banking methods but also encourages the development of novel business models and services that address the evolving demands of both consumers and enterprises (Bajwa et al., 2022; Bourne, 2020; Yudaruddin et al., 2024).

The regulatory framework represents an extensive collection of rules, guidelines, and principles that govern the actions and conduct of various entities within a specific sector or industry. This framework is essential for maintaining compliance with regulations, promoting standards, and fostering accountability among different stakeholders. It encompasses a variety of legal and institutional mechanisms designed to facilitate oversight, protect public interests, and establish a stable environment that supports economic activities. By clearly defining the parameters for behavior and decision-making, the regulatory framework plays a crucial role in shaping market interactions and safeguarding the overall well-being of society (Kayani et al., 2021; Ranganathan & Singh, 2021).

The notion pertains to a competitive landscape in which individuals or groups strive to outdo each other across various domains, particularly within the realm of financial technology. This framework illustrates a scenario characterized by competition, where distinct entities endeavor to attain superior outcomes compared to their rivals in multiple sectors, especially in the financial technology context. The financial sector, which encompasses a wide array of services and institutions, includes organizations such as banks, investment firms, and insurance companies that play a crucial role in the management, investment, and transfer of capital. This industry is essential to the economy, as it delivers vital services that support both personal and corporate financial operations, thereby influencing overall economic stability and growth. The term "financial" pertains to the administration, creation, and evaluation of monetary resources, investments, and various financial instruments. It encompasses a broad spectrum of activities, including budgeting, forecasting, and market analysis, which are indispensable for individuals and organizations to make well-informed economic decisions. A comprehensive understanding of financial principles is crucial for effective resource management and risk evaluation, ultimately promoting economic stability and growth for the involved entities (M. M. Hasan et al., 2020; Lucero-Prisno et al., 2022; Yakubi et al., 2022).

CONCLUSION

The investigation into the FinTech lending industry underscores its profound influence on the overall financial ecosystem. Characterized by the integration of technological innovations into financial services, this sector has transformed traditional lending practices, enhancing both the accessibility and efficiency for borrowers and lenders. The emergence of advanced platforms has streamlined the

ISSN 2582-2292

Vol. 6, No. 05 Sep-Oct; 2024 Page. No. 200-222

application process, reduced costs, and expanded the range of financing options available to enterprises. As a result, the FinTech lending sector is pivotal in supporting the growth of small and medium-sized businesses while simultaneously disrupting established banking models, which calls for a reevaluation of regulatory frameworks and competitive strategies within the financial industry.

The investigation into the FinTech lending industry highlights its profound influence on the overall financial ecosystem. This sector, characterized by the integration of innovative technologies into financial services, has transformed traditional lending practices, enhancing both the accessibility and efficiency for borrowers and lenders. The emergence of advanced platforms has streamlined the application process, reduced costs, and expanded the range of financing options available to enterprises. As a result, the FinTech lending sector is instrumental in supporting the growth of small and medium-sized businesses while simultaneously disrupting established banking models, which calls for a reevaluation of regulatory frameworks and competitive strategies within the financial industry.

The examination of the FinTech lending sector reveals its significant impact on the broader financial landscape. This industry, marked by the incorporation of cutting-edge technologies into financial services, has revolutionized conventional lending methods, thereby improving both the accessibility and efficiency for borrowers and lenders alike. The rise of sophisticated platforms has simplified the application process, lowered expenses, and broadened the array of financing alternatives available to businesses. Consequently, the FinTech lending sector plays a crucial role in fostering the development of small and medium sized enterprises while concurrently challenging traditional banking models, necessitating a reassessment of regulatory frameworks and competitive approaches within the financial sector.

Financial Technology, commonly referred to as FinTech, represents the innovative integration of technology within the financial services sector, which includes a wide range of applications designed to streamline and improve financial operations. This field encompasses advancements such as mobile banking applications, electronic payment solutions, blockchain technologies, and robot-advisors, all of which seek to enhance operational efficiency, increase accessibility, and elevate the user experience in financial dealings. As a rapidly evolving and vibrant domain, financial technology not only transforms traditional banking practices but also fosters the emergence of new business models and services that cater to the changing needs of consumers and businesses alike.

The regulatory framework constitutes a comprehensive set of rules, guidelines, and principles that dictate the behavior and operations of diverse entities within a particular sector or industry. This framework is vital for ensuring adherence to regulations, advancing standards, and enhancing accountability among various stakeholders. It includes a range of legal and institutional mechanisms aimed at enabling oversight, safeguarding public interests, and creating a stable environment conducive to economic activities. By explicitly outlining the boundaries for conduct and decision-making, the regulatory framework significantly influences market dynamics and protects the broader welfare of society.

The concept refers to a competitive environment where individuals or organizations seek to surpass one another across various fields, particularly in the area of financial technology. This framework depicts a situation marked by rivalry, in which different entities strive to achieve better results than their competitors in numerous sectors, with a specific emphasis on the financial technology domain. The financial industry, which includes a diverse range of services and institutions, comprises entities such as banks, investment firms, and insurance companies that are integral to the management, investment, and transfer of capital. This sector is vital to the economy, as it provides essential services that facilitate both personal and corporate financial activities, thereby impacting overall economic stability and growth. The term "financial" relates to the management, creation, and assessment of monetary resources, investments, and various financial instruments. It encompasses a wide array of activities, including budgeting, forecasting, and market analysis, which are crucial for individuals and organizations to make informed economic choices. A thorough understanding of financial principles is essential for effective resource management and risk assessment, ultimately fostering economic stability and growth for the entities involved.

The examination of the FinTech lending sector reveals significant implications for the overall financial landscape. This study aims to explore various foundational aspects of the existing body of literature, focusing specifically on financial technology (FinTech), regulatory frameworks, competitive strategies, and the wider financial ecosystem. This sector, marked by the incorporation of technology into financial services, has revolutionized traditional lending methods, improving both accessibility and efficiency for borrowers and lenders alike. The rise of innovative platforms has enabled a more efficient application process, lowered costs, and broadened the spectrum of financing options available to enterprises. Consequently, the FinTech lending industry not only fosters the development of small and medium-sized businesses but also poses challenges to traditional banking paradigms, necessitating a reassessment of regulatory policies and competitive tactics within the financial sector.

The urgent necessity to examine the significant influence of improved financing accessibility on consumer expenditure and overall economic development across various social strata in Indonesia is clear. The rise of Fintech Lending has been instrumental in addressing the obstacles encountered by conventional lending institutions, especially regarding infrastructure and risk management, which have traditionally restricted credit availability for underprivileged groups and micro, small, and medium enterprises (MSMEs). By harnessing technological advancements and implementing a range of business models—including peer-to-peer lending, institutional-to-peer lending, and distinguishing between productive and consumptive financing—Fintech Lending has effectively broadened its outreach to demographics that were previously overlooked.

ACKNOWLEDGEMENT

Thank you so much to the Business-Methods class, Immersion program team and the New Expertise and Experience Learning Club, Faculty of Economic and Business, University of Persada Indonesia Y.A.I. To my colleague and students. To in Kind Workshops The NEW- E&EL CLUB LABORATORY FEB UPI Y.A.I team.

Declaration of conflicting interests

The scholar declared no potential conflicts of interest with respect to the investigated, authorship, publication within this manuscript.

REFERENCE:

Bajwa, I. A., Ur Rehman, S., Iqbal, A., Anwar, Z., Ashiq, M., & Khan, M. A. (2022). Past, Present and Future of FinTech Research: A Bibliometric Analysis. *SAGE Open*, *12*(4). https://doi.org/10.1177/21582440221131242

Bourne, C. (2020). Fintech's Transparency–Publicity Nexus: Value Cocreation Through Transparency Discourses in Business-to-Business Digital Marketing. *American Behavioral Scientist*, *64*(11), 1607–1626. https://doi.org/10.1177/0002764220959385

Feng, G. C., Su, X., Lin, Z., He, Y., Luo, N., & Zhang, Y. (2021). Determinants of Technology Acceptance: Two Model-Based Meta-Analytic Reviews. *Journalism and Mass Communication Quarterly*, *98*(1), 83–104. https://doi.org/10.1177/1077699020952400

Ferraz Raposo, B., Almeida Filho, N., & Silva Amaral, M. (2022). The Pattern of Capital Reproduction in Dependent and Financialized Capitalism. *Latin American Perspectives*, *49*(1), 166–181. https://doi.org/10.1177/0094582X211061878

Hasan, M. M., Yajuan, L., & Mahmud, A. (2020). Regional Development of China's Inclusive Finance Through Financial Technology. *SAGE Open*, *10*(1). https://doi.org/10.1177/2158244019901252

Hasan, R., Ashfaq, M., & Shao, L. (2021a). Evaluating Drivers of Fintech Adoption in the Netherlands. *Global Business Review*. https://doi.org/10.1177/09721509211027402

Hasan, R., Ashfaq, M., & Shao, L. (2021b). Evaluating Drivers of Fintech Adoption in the

Netherlands. *Global Business Review*. https://doi.org/10.1177/09721509211027402

Kayani, G. M., Akhtar, Y., Yiguo, C., Yousaf, T., & Shahzad, S. J. H. (2021). The Role of Regulatory Capital and Ownership Structure in Bank Liquidity Creation: Evidence From Emerging Asian Economies. *SAGE Open*, *11*(2). https://doi.org/10.1177/21582440211006051

Knight, E., & Wójcik, D. (2020). FinTech, economy and space: Introduction to the special issue. *Environment and Planning A*, *52*(8), 1490–1497. https://doi.org/10.1177/0308518X20946334

Lim, G., Hoon, C. Y., & Zhao, K. (2023). Foreign Investment, State Capitalism, and National Development in Borneo: Rethinking Brunei–China Economic Relations. *Journal ofCurrent Southeast Asian Affairs*, *42*(2), 242–264. https://doi.org/10.1177/18681034231186441

Lucero-Prisno, D. E., Olayemi, A. H., Ekpenyong, I., Okereke, P., Aldirdiri, O., Buban, J. M.A., Ndikumana, S., Yelarge, K., Sesay, N., Turay, F. U., Huang, J., & Kouwenhoven, M. B. N. (2022). Prospects for financial technology for health in Africa. *Digital Health*, *8*. https://doi.org/10.1177/20552076221119548

Maher, C., Hadfield, M., Hutchings, M., & de Eyto, A. (2018). Ensuring Rigor in Qualitative Data Analysis: A Design Research Approach to Coding Combining NVivo With Traditional Material Methods. *International Journal of Qualitative Methods*, *17*(1). https://doi.org/10.1177/1609406918786362

Mathew, S. G. (2019). Book review: Vikram Bakshi, The Forward-Looking Manager in a VUCA World. *Vision: The Journal of Business Perspective*, *23*(1), 108–109. https://doi.org/10.1177/0972262918821210

Pan, F., & Fang, C. (2022). Mapping global financial networks: a spatial analysis of Chinese companies' overseas listings. *Transactions in Planning and Urban Research*, *1*(1–2), 32–49. https://doi.org/10.1177/27541223221116124

Rabinovich, J., & Pérez Artica, R. (2022). Cash holdings and corporate financialization: Evidence from listed Latin American firms. *Competition and Change*. https://doi.org/10.1177/10245294221117275

Ranasinghe, D., & Habib, A. (2023). Strategic deviation and investment inefficiency. *Australian Journal of Management*. https://doi.org/10.1177/03128962231152764

Ranganathan, K., & Singh, P. (2021). Anchoring in Mergers and Acquisitions: Does the Regulatory

Environment Matter? *Journal of Accounting, Auditing and Finance*, *36*(1), 142–171. https://doi.org/10.1177/0148558X18798998

Spencer, C. (2007). *Qualitative Data Analysis with NVivo' Pat Bazeley*. *5*. http://www.footprint.com.au/

Suparman, A. S., Wijayanti, D., & Susilo, W. H. (2023). *DIGITAL INDUSTRY OPPORTUNITIES FOR INVESTMENT: AN EVOLVE TO THE BODY OF KNOWLEDGE WITHIN AGENCY THEORY AND PROSPECT THEORY AS THE CORNERSTONE*. https://ijeber.com/

Wang, J. (2022). Performative innovation: Data governance in China's fintech industries. *BigData and Society*, *9*(2). https://doi.org/10.1177/20539517221123312

Wang, K., Huo, B., & Tian, M. (2021). How to protect specific investments from opportunism:A moderated mediation model of customer integration and transformational leadership. *International Journal of Production Economics*, *232*. https://doi.org/10.1016/j.ijpe.2020.107938

Wu, G., & Peng, Q. (2024). Bridging the Digital Divide: Unraveling the Determinants of FinTech Adoption in Rural Communities. *SAGE Open*, *14*(1). https://doi.org/10.1177/21582440241227770

Yakubi, Y. A. Y., Basuki, B., Purwono, R., & Usman, I. (2022). The Impact of Digital Technology and Business Regulations on Financial Inclusion and Socio-Economic Development in Low-Income Countries. *SAGE Open*, *12*(3). https://doi.org/10.1177/21582440221116112

Yudaruddin, R., Nugroho, B. A., Mardiany, Fitrian, Z., Hapsari, P., Fitrianto, Y., & Santi, E. N. (2024). Liquidity and Credit Risk in Indonesia: The Role of FinTech Development. *SAGE Open*, *14*(2). https://doi.org/10.1177/21582440241245248

Yu, Z., Li, L., Tian, G., & Zhang, H. (2013). Aggressive reporting, investor protection and stock price informativeness: Evidence from Chinese firms. *Journal of International Accounting, Auditing and Taxation*, *22*(2), 71–85. https://doi.org/10.1016/j.intaccaudtax.2013.07.004