Key factors influencing P2P lending adoption in Vietnam

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ABSTRACT

This research examines the salient drivers of the adoption of peer-to-peer (P2P) lending in Vietnam, a fast-growing country with expanding digitalized finance activities. This research is grounded in theories of trust, perceived risks, regulation, economic behaviors, and technological innovation. From these theoretical foundations, five key drivers are derived: trust, perceived risk, regulatory framework, economic status, and usefulness of technology. A quantitative method was used, based on 285 respondents from Hanoi and Ho Chi Minh City, with the analysis employing multiple linear regression to investigate the effect of independent variables on the adoption of P2P lending. The findings demonstrate that all five drivers have a significant effect on the usage of P2P lending, with perceived risk and trust having the greatest impact. The research calls for the reinforcement of user trust by enhancing transparency of the platforms and secure operation, reducing perceived risks, and issuing clearer regulation policies. Economic stability and user-friendly technology are key facilitators for widespread adoption. The research contributes to the expanding FinTech literature in emerging economies and provides actionable recommendations for policymakers, platform developers, and financial institutions to support the sustainable growth of P2P lending within Vietnam.

Contribution/Originality: This study contributes to the FinTech adoption literature by examining peer-to-peer (P2P) lending adoption in Vietnam through factors such as trust, risk perception, regulatory framework, economic status, and perceived usefulness of technology. Using a dataset of 285 respondents and multiple regression analysis, the study provides novel empirical evidence in an emerging market with limited prior research.

1. INTRODUCTION

Peer-to-peer lending is a fund intermediation innovation of considerable scale through online platforms that connect borrowers with lenders. Since its start during the mid-2000s, P2P lending has contributed immensely to improving access to credit for the underbanked population as well as promoting financial inclusion, mostly for developing economies (Bujang, Imbarine, Muhamat, & Ramdhan, 2023; Zhang, Liu, & Wang, 2016).

With the evolution of the market, the focus of research has now shifted to the drivers of platform adoption by users as well as the sustainability of the platforms. Information asymmetry issues, as well as the risk evaluation of borrowers, have been addressed by advanced technologies like artificial intelligence and blockchain, raising levels of transparency as well as the efficiency of operations (Ding, Hahn, Wang, & Yang, 2016). Socio-demographic indicators, such as education and cultural outlook, influence adoption patterns, specifically within developing markets where P2P

lending is considered an instrument for entrepreneurship as well as for economic empowerment (Arnoud, Hoffmann, Laeven, & Ratnovski, 2021; Gruszka, 2017).

Whereas there is research on such concepts as trust, perceived risk, and regulation, much is located within developed settings or based on incremental methodological designs. In Vietnam, where there are low levels of financial literacy, as well as FinTech regulation that is still being established, there is a specific need for empirical evidence. Data security worries, credit risk, and lack of strong consumer protection mechanisms limit adoption, even as digital infrastructure is expanding, along with a vast population who are underbanked (Deng, Huang, & Cheng, 2019; Gruszka, 2017).

In an effort to fill this research gap, the current study introduces an integrated model that explores five critical factors: trust, perceived risk, regulation, economic standing, and technological usefulness, based on their impact on Vietnam's adoption of P2P lending. Using a quantitative survey of 285 participants and multiple linear regression analysis, the study contributes both theoretically as well as practically to reinforcing the digital lending environment for emerging markets.

2. LITERATURE REVIEW AND HYPOTHESES

P2P lending has disrupted the very core of the financial ecosystem, providing a disruptive model that allows lenders and borrowers to interact directly using digital platforms without the involvement of any conventional monetary intermediaries, such as a bank, thereby reducing transaction costs and improving credit availability. Employing several advanced technologies, P2P platforms ensure safety, transparency, and ease of transactions, translating into real benefits for both lenders and borrowers. In this model, lenders receive higher returns due to competitive interest rates, while borrowers can access credit at an affordable rate with increased speed.

While still a relatively new concept, P2P lending in Vietnam has garnered significant attention for its potential to address some of the critical challenges in financial inclusion and credit accessibility. Such growth is hindered by poor user awareness and an underdeveloped regulatory environment. The theoretical underpinning for the critical success factors of P2P lending in Vietnam will be necessary for understanding its dynamics, drawing from established theories on trust, perceived risk, regulatory frameworks, economic behavior, and technological innovation.

With respect to the conduct of financial transactions over the internet, trust proves to be one of the salient factors that influence users' behavioral perceptions. According to Mayer, Davis, and Schoorman (1995) three important dimensions form the basis on which trust relies: competence, integrity, and benevolence. Competence denotes an overall technological capability of a website to carry out its functions with a view to rendering its services efficiently and securely. Integrity here relates to a set of principles in dealing openly and fairly with people. Benevolence describes the sense of goodwill toward user interests. In the context of P2P lending, trust reduces a user's concern about borrowers and, by extension, the platform's reliability, leading to increased participation.

H₁: Trust is a significant factor that favors the development of P2P online lending.

The platforms that focus on building trust through transparent practices, secure transactions, and reliable services are more likely to gain and retain users. In Vietnam, where the P2P lending market is still in its infancy, trust becomes even more crucial. Increased trust will foster further adoption, which in turn will contribute to the sustainable development of the sector.

The perceived risks are credit defaults, data breaches, and ambiguities in regulations. These are seen as major barriers to the adoption of financial innovations. As Bauer (1960) also stated, or Pavlou (2003) perceived risks are a factor that determines user demurral in using the facilities/services. Against this, design and implement propitious risk strategies. The presence and implementation of active security systems can be backed with clearly stated system policies and process openness to alleviate every user's major concern and increase their willingness to use various P2P platforms.

H₂: Perceived risk negatively impacts P2P lending development.

High perceived risks deter users from using P2P platforms. On the other hand, those platforms that can better manage such risks will attract more users and enjoy a better reputation and long-term development. In Vietnam, it is important for the sector to allay user apprehensions regarding credit defaults and data security.

Transparency and well-enforced regulations will, no doubt, be essential in bringing transparency, accountability, and consumer protection into the P2P lending activities. Verdier (2020) postulates that well-defined regulations institute confidence in the market, reduce uncertainties, and provide a stable environment for innovation. In this aspect, regulatory clarity is of high importance in emerging markets like Vietnam, where legal ambiguities might deter the adoption of such services.

H_3: *The regulatory frameworks bear considerable consequences on P2P lending.*

These acts may be supported through a favorable regulatory environment that creates better trust from users and ensures more credibility towards the platforms to increase adoption. In Vietnam, the development of comprehensive guidelines on consumer protection, transparency, and operation will be key to sustainable growth.

As proposed by Vroom (1964), Expectancy Theory, people base financial decisions on perceptions of benefit as weighed against the cost and risk. The propensity to participate is altered dramatically by economic stability characterized by greater regularity and freedom in sources of income in online P2P-lending contexts. Therefore, borrowers operating under some kind of stable income schedule would be more likely to demand credit facilities, and the surplus fund-holding lenders would have a reason to invest too.

H_4: *Generally, economic status influences the development of P2P lending.*

Economic stability enhances users' confidence in the platform's ability to meet their financial needs, thereby increasing engagement. Targeting economically active segments in high-income disparity countries such as Vietnam can lead to accelerated market development. Rogers (1962) emphasizes that relative advantages, compatibility, and ease of use are critical factors in technology adoption. Advanced technologies employed by P2P lending platforms facilitate improved user interfaces, secure transaction systems, and robust data analytics, which enhance user experience and operational efficiency. In this context, the perceived usefulness of these technologies significantly influences user behavior.

H_5: *The usefulness of technology is positively associated with the development of P2P lending.*

The more the platforms are advanced technologically, focused on usability and security, the more attractive they will become. In Vietnam, intuitive interfaces, combined with dependable technologies, have been the most important keys on the path to overcoming user hesitation and driving further growth. The theoretical insights will provide a complete framework for understanding those factors that affect P2P lending development in Vietnam. This research is likely to investigate, for the first time, the interaction of elements shaping user behavior and market dynamics through integrating trust, perceived risks, regulatory frameworks, economic status, and technological usefulness. In addition, the proposed hypotheses will help drive the empirical analysis to some actionable insights for policymakers, platform operators, and other stakeholders in relation to the sustainable development of P2P lending in Vietnam.

3. DATA AND RESEARCH METHODOLOGY

This quantitative study explores the factors that influence the development of P2P lending in Vietnam. Data collection was conducted through structured questionnaires from current and potential users of P2P platforms. The questionnaire design aimed to capture comprehensive information on three main dimensions: demographic characteristics, independent variables, and dependent variables. The measured constructs were rated on a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Consequently, the responses are consistent and comparable. The dependent variable was the level of adoption of P2P lending, which was operationalized by measures such as frequency of platform use, user engagement level, and willingness to recommend P2P services to others. These measures provided a quantitative assessment of user acceptance and behavior towards P2P lending platforms. The data collection took place from January to March 2024 using a convenience sampling technique among

participants in the two cities, Hanoi and Ho Chi Minh City. The study focuses on these two cities because of their economic importance, high technology infrastructure, and dynamic FinTech ecosystems. In total, this research collected 285 valid responses through online questionnaires and on-site interviews to ensure that participants are from different walks of life and the data is comprehensive.

Data analysis was performed using SPSS 26, and various statistical techniques were applied to ensure the robustness and reliability of the results. The reliability of the scales, assessed by Cronbach's Alpha, was considered because the minimum threshold indicating acceptable internal consistency for a scale is 0.7.

The construct validity was checked by Exploratory Factor Analysis, where the Kaiser-Meyer-Olkin measure of sampling adequacy should be greater than or equal to 0.5, and Bartlett's test of sphericity is significant at the 0.05 level. These tests were conducted to ensure that the data was adequate for factor analysis, and the results provided appropriate insights into the underlying constructs. The bivariate relationships among the variables were determined by calculating the Pearson correlation coefficients. This allowed the extraction of a preliminary understanding of the strength and direction of associations between independent variables such as trust, perceived risk, regulatory frameworks, economic status, and usefulness of technology, toward the dependent variable. This was followed by multiple linear regression to investigate the influence of these factors on the adoption of P2P lending.

Regression analysis was performed by verifying the significance of the predictors via the standardized Beta coefficients to determine the relative importance of each variable. Multicollinearity was tested using Tolerance values > 0.2 and Variance Inflation Factors (VIF < 10), which further ensured the independence of the explanatory variables. This approach will guarantee a structured and comprehensive investigation of the drivers of P2P lending adoption in Vietnam. The study will, therefore, combine the use of strong data collection and analysis methods to provide actionable insights into the critical drivers of P2P lending growth for practical implications among policymakers, platform operators, and other stakeholders desiring to attain sustainability in the Fintech sector.

Table 1 presents measurement constructs and scale description.

Table 1. Measurement constructs and scale description.

Construct	No. of items	Source
Trust	4	Mayer et al. (1995) and Pavlou (2003)
Risk_perception	4	Bauer (1960) and Pavlou (2003)
Regulatory	4	Verdier (2020)
Economic_status	4	Deng et al. (2019)
Tech_usefulness	4	Rogers (1962) and Pavlou (2003)
P2P	3	Pavlou (2003)

The scale used: 5-point Likert scale (1 = Strongly disagree, 5 = Strongly agree).

3.1. Multiple Linear Regression Model

A multiple linear regression model is developed to determine the effect of independent variables on the dependent variable. This model is also useful for studying the relationship between one dependent variable and multiple independent variables: P2P is the dependent variable, while Trust, Risk Perception, Regulatory Framework, Economic Status, and Tech Usefulness are the independent variables. Table 2 reports KMO and Bartlett's test.

$$P2P=\beta_0+\beta_1*Trust+\beta_2*Risk +\beta_3*Regulatory +\beta_4*Economic+\beta_5*Tech +\epsilon$$

Table 2. Results of KMO and Bartlett's test.

KMO and Bartlett's test		
Kaiser-Meyer-Olkin measure of sampling adequacy.		0.789
Bartlett's test of sphericity	Approx. Chi-Square	4395.630
	df	190
	Sig.	**0.000**

4. RESULTS AND DISCUSSION

4.1. Factor Analysis

The KMO and Bartlett's test results indicated that factor analysis was appropriate. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy is 0.789, which is above the recommended threshold of 0.5, ensuring sufficient sample size where variables are correlated to justify the use of factor analysis. Additionally, Bartlett's Test of Sphericity is significant, with an approximate Chi-Square of 4395.630, degrees of freedom (df) = 190, and a significance level (Sig.) = 0.000. This leads to the rejection of the null hypothesis that the correlation matrix is an identity matrix. These findings suggest a significant relationship among the variables and confirm that the data is adequate for exploring the underlying factor structure. Consequently, these results provide strong evidence to proceed with exploratory factor analysis. Table 3 exhibits the rotated component matrix.

Table 3. Results of rotated component matrix.

Rotated component matrix[a]	Component				
	1	**2**	**3**	**4**	**5**
Trust2	0.902				
Trust1	0.900				
Trust4	0.871				
Trust3	0.844				
Risk_perception1		0.898			
Risk_perception3		0.889			
Risk_perception4		0.846			
Risk_perception2		0.821			
Regulatory1			0.888		
Regulatory4			0.877		
Regulatory2			0.854		
Regulatory3			0.837		
Economic_status4				0.880	
Economic_status1				0.842	
Economic_status3				0.831	
Economic_status2				0.827	
Tech_usefulness4					0.858
Tech_usefulness1					0.856
Tech_usefulness2					0.843
Tech_usefulness3					0.794
Extraction method: principal component analysis. Rotation method: Varimax with Kaiser normalization. a					

Note: a. Rotation converged in 6 iterations.

Through principal component analysis, including the Varimax rotation, five distinct components emerged, fitting the theoretical considerations. This extraction via PCA converged after six iterations to establish an appropriate, well-defined factor structure. Component 1 strongly relates to "Trust," observed from high loadings that range from 0.844 to 0.902 of trust-related variables, hence representative of the dimension of trust. Component 2 reflects "Risk Perception," whereas strong loadings of the variables Risk_Perception1, Risk_Perception2, Risk_Perception3, and Risk_Perception4 range between 0.821 and 0.898, confirming the validity of this construct too. Component 3 stands for "Regulatory Framework"; it includes the variables Regulatory1, Regulatory2, Regulatory3, and Regulatory4, with loadings that lie in the range of 0.837 to 0.888, which postulates that the regulatory framework significantly influences the development of P2P Lending. Component 4 stands for "Economic Status" itself and is manifested by the loadings of Economic_Status1, Economic_Status2, Economic_Status3, and Economic_Status4, ranging from 0.827 to 0.880, hence it assures that it is an important status. Lastly, there is Component 5 as "Tech Usefulness" represented through Tech_Usefulness1, Tech_Usefulness2, Tech_Usefulness3, and Tech_Usefulness4. This ranges from 0.794 to 0.858 to show that technological usefulness fits according to the model. Therefore, this confirms that

the study's conceptual framework is proper, and the researcher will thus have a very strong base regarding where to conduct an analysis. Table 4 shows the model summary.

Table 4. Results of model summary.

Model summaryᵇ					
Model	R	R square	Adjusted R-squared	Std. error of the estimate	Durbin-Watson
1	0.771a	0.594	0.587	0.474	1.611

Note: a. Predictors: (Constant), Risk, Tech, Trust, Regulatory, Economic
b. Dependent Variable: P2P

4.2. Regression Results

The model summary further indicates that the regression model is a good fit to explain the variance in the dependent variable. The model summary also presents an overview that the regression model fits well to explain the variance in the dependent variable, P2P Lending. From here, it is inferred that the R value of 0.771 expresses a strong positive relationship between predictors Trust, Risk Perception, Regulatory Framework, Economic Status, and Tech Usefulness on the dependent variable. The R value of 0.771 infers a strong positive correlation between the predictors Trust, Risk Perception, Regulatory Framework, Economic Status, and Tech Usefulness on the dependent variable. The R Square value of 0.594 explains that 59.4% of the variance in P2P Lending is accounted for by these predictors, indicating a very strong explanatory power of the model. The Adjusted R Square of 0.587 depicts the strength of the model when the number of predictors and sample size are considered. The standard error of the estimate is 0.47362, showing dispersion around the predicted values from the actual ones. A Durbin-Watson statistic of 1.611 shows that no significant autocorrelation of residuals exists and thus may be appropriate for the model and hence appropriate to go further. This therefore gives a strong foundation toward interpreting the impact identified from the factors on the development of P2P lending. Table 5 reports ANOVA Results.

Table 5. Results of ANOVA.

ANOVAᵃ						
Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	91.733	5	18.347	81.789	0.000b
	Residual	62.584	279	0.224		
	Total	154.318	284			

Note: a. Dependent variable: P2P.
b. Predictors: (Constant), Risk, Tech, Trust, Regulatory, Economic.

The ANOVA results demonstrate that the regression model is statistically significant in explaining the relationship between the predictors (Trust, Risk Perception, Regulatory Framework, Economic Status, and Tech Usefulness) and the dependent variable (P2P Lending). The regression sum of squares is 91.733, indicating the portion of the variance in P2P Lending explained by the model. This value of the residual sum of squares is 62.584, representing variance not well explained by the model. While the total sum of squares amounts to 154.318, the model accounts for an important part of the variance.

The F-statistics are 81.789 with a significance level of 0.000, showing that predictors jointly explain P2P Lending. This low p-value (< 0.05) has confirmed the fitness of the overall model and the relevance of independent variables in explaining the dependent variable. Such results confirm the appropriateness of this model for further interpretation and discussion of the factors influencing P2P Lending. Table 6 presents regression coefficients and VIF.

Table 6. Results of coefficients.

Coefficients^a								
Model		**Unstandardized coefficients**		**Standardized coefficients**	**t**	**Sig.**	**Collinearity statistics**	
		B	**Std. error**	**Beta**			**Tolerance**	**VIF**
1	(Constant)	-1.542	0.269		-5.727	0.000		
	Tech	0.215	0.058	0.156	3.730	0.000	0.826	1.210
	Regulatory	0.313	0.059	0.219	5.323	0.000	0.856	1.168
	Economic	0.198	0.056	0.149	3.565	0.000	0.832	1.201
	Trust	0.173	0.027	0.254	6.333	0.000	0.906	1.103
	Risk	0.57	51	0.463	11.095	0.000	0.834	1.199

Note: a. Dependent variable: P2P.

The contribution of each independent variable, such as trust, risk perception, regulatory framework, economic status, and the perceived meaningfulness of technology use, has further development in the contribution of all these variables in relation to the development of P2P lending from a coefficients table.

The constant presents an unstandardized coefficient of -1.542 ($p < 0.001$), which indicates that in the absence of any influence from its independent variables, the baseline level on P2P Lending is negative. Among the predictors, Risk Perception has the highest standardized coefficient, with a value of Beta = 0.463, $p < 0.001$, demonstrating that this factor has the most significant positive effect on P2P Lending. Following are the other predictors: Regulatory Framework, with Beta = 0.219, $p < 0.001$; Trust, with Beta = 0.254, $p < 0.001$; Tech Usefulness, with Beta = 0.156, $p < 0.001$; and Economic Status, with Beta = 0.149, $p < 0.001$.

All predictors are statistically significant with p-values less than 0.001, hence relevant for the explanation of variation in P2P Lending. Tolerance ranges from a low of 0.826 to a high of 0.906, while the VIFs are all less than 10, indicating no multicollinearity among the variables.

These results confirm that trust, risk perception, regulatory frameworks, economic conditions, and technology usefulness positively affect the growth and development of P2P lending. A positive coefficient indicates that as these parameters increase, improvements in the development of P2P lending are likely to occur in Vietnam. Table 7. shows collinearity diagnostics.

Table 7. Results of collinearity diagnostics.

Collinearity diagnostics^a									
Model	**Dimension**	**Eigenvalue**	**Condition Index**	**Variance proportions**					
				(Constant)	**Tech**	**Regulatory**	**Economic**	**Trust**	**Risk**
1	1	5.872	1.000	0.00	0.000	0.000	0.000	0.000	0.000
	2	0.058	10.038	0.00	0.020	0.040	0.010	0.850	0.000
	3	0.027	14.720	0.00	0.150	0.080	0.040	0.090	0.600
	4	0.018	17.930	0.00	0.010	0.240	0.730	0.000	0.210
	5	0.015	19.663	0.01	0.750	0.380	0.120	0.030	0.120
	6	0.009	25.870	0.99	0.060	0.260	0.100	0.030	0.060

Note: a. Dependent Variable: P2P.

Collinearity diagnostics also provide further support for the independence of the predictors in the regression model across P2P Lending. The table shows the eigenvalues, condition number, and variance proportion matrix for each dimension.

The first dimension has a high eigenvalue of 5.872 with a condition index of 1.000, indicating that the former explains most of the variance in this model and there is no problem of collinearity. While dimensions with higher condition indices, such as 17.930 and 25.870, may suggest some shared variance among predictors, these remain within acceptable limits. A condition index higher than 30 signals the presence of potential multicollinearity; in the context of this problem, the maximum value does not reach the threshold level of 25.870.

Variance proportions further indicate the amount of variance each predictor contributes to the collinearity structure. Noticeably, Trust and Risk Perception have larger proportions in some dimensions: 85% in dimension 2 for Trust and 60% in dimension 3 for Risk, but these are well distributed across dimensions, hence minimal risks of collinearity.

Overall, the collinearity diagnostics, taken together with the VIF values from the coefficients table, ensure that the predictors—Trust, Risk, Regulatory Framework, Economic Status, and Tech Usefulness do not suffer from problematic multicollinearity and support the regression model's validity. Table 8 provides residual statistics[a].

Table 8. Results of residuals statistics[a].

Residuals statistics[a]					
	Minimum	**Maximum**	**Mean**	**Std. deviation**	**N**
Predicted value	1.117	4.498	3.424	0.568	285
Residual	-1.198	1.671	0.000	0.469	285
Std. Predicted value	-4.059	1.889	0.000	1.000	285
Std. Residual	-2.529	3.527	0.000	0.991	285

Note: a. Dependent Variable: P2P.

Residuals statistics provide an evaluation of the fit of the linear regression model used to analyze factors influencing the development of P2P lending.

The predicted values range from 1.1169 to 4.4977, with a mean of 3.4239 and a standard deviation of 0.56834, indicating that the model has made accurate predictions for the dependent variable (P2P Lending). Residuals range from -1.19794 to 1.67061. A mean of 0.00000 demonstrates that the errors are unbiased; thus, the requirements of the linear regression model have been satisfied. The standard deviation of residuals is 0.46943, showing moderate dispersion in the residuals.

The range of standardized predicted values was from -4.059 to 1.889, and that of standardized residuals was from -2.529 to 3.527. Both are within acceptable limits, indicating that there are no severe outliers adversely affecting the model. The standard deviation of standardized residuals was 0.991, very close to 1, again confirming that residuals follow a normal distribution.

In other words, these residual statistics all indicate that, in this study, using the regression model would be appropriate, reliable, and effective in explaining the relationship between independent variables and the dependent variable when it comes to developing P2P lending in Vietnam.

5. RECOMMENDATIONS AND CONCLUSION

5.1. Recommendations on Encouraging P2P Lending Sustainable Development in Vietnam

The fulfillment of sustainable development in P2P lending in Vietnam must be undertaken with strategic and comprehensive solutions. First, building trust through operational transparency and firm data security will help. It would be beneficial to improve the credibility of the P2P platform through independent audits and frequent certifications. Meanwhile, advanced credit-scoring models conforming to global standards should be embedded in the platform while guaranteeing the security of data to effectively decrease perceived risks and build users' confidence on a large scale.

Equitable agreements and user policies will further facilitate increased participation. Besides, anti-fraud measures and effective dispute-resolution mechanisms will be a further positively influencing factor on increasing the stability of the market. Transparency of P2P regulations provides the right ecosystem for growth in this area. This requires joint efforts from regulators, FinTech companies, and banks to establish a single ecosystem in which innovation is stabilized.

Full utilization of technological advancements is to be made, too. That means every platform should turn toward mobile friendliness and the introduction of blockchain technologies as far as the improvement of the whole process's

transparency and efficiency goes. In addition to all that was said above, financial literacy programs are supposed to be provided for lenders and borrowers for better understanding of the process of P2P lending and the risks involved. All this will go to further facilitate adoption, offering flexible repayment schedules to meet the varying needs of different users and encourage risk-sharing for more involvement in the lending and borrowing process.

The P2P lending platforms, in the view of facilitating financial inclusion, may want to provide small-ticket loans to hitherto unserved and underserved segments in partnership with microfinance institutions. Hence, targeting those will expand its reach and foster economic participation across all sections of the economy. In the case of any platform, active monitoring of market trends, user behavior, and feedback will be of immense use in reformulating strategies with a view to their survival amidst stiff competition within the FinTech landscape.

Implemented correctly, such solutions would allow P2P lending in Vietnam to leapfrog the existing obstacles while demonstrating the model of financial sustainability and inclusivity.

5.2. Conclusion

This research has examined the main drivers of the development of P2P lending in Vietnam—an innovative financial model connecting lenders and borrowers directly in a virtual environment. From a comprehensive quantitative analysis, five factors influence the growth and adoption of P2P lending: trust, risk perception, regulatory framework, economic status, and technology usefulness.

Again, it is observed that the trust variable became a pivotal determinant of user intention to use and continue to use P2P platforms; trust in platform competence, integrity, and benevolence would make users confident while reducing uncertainties of every form, hence the need for building reliable and transparent systems.

On the other hand, perceived risk negatively influences adoption, where fears such as defaults in credit, security breaches, and undefined legal protections deter potential users. To curb these risks and increase user participation, effective mitigation strategies are essential, including strong data security measures and transparency within processes.

These are followed by the regulatory frameworks, where it has been found that there is a need for clarity, enforceability, and transparency in policies. As a matter of fact, this will protect consumers, reduce fraud, and provide for accountability all very important factors in the instillation of confidence and stability in the P2P lending ecosystem.

Economic status characterized by stability in income and financial flexibility—positively influences the propensity of borrowers and lenders to participate, given that people who enjoy a better economic position are more willing to be part of such P2P platforms. In this respect, targeting economically active segments becomes increasingly important.

Finally, technological usefulness was an important enabler of adoption, with advanced features, smooth transactions, and user-friendliness attracting and retaining users and further reinforcing the need for continuous improvement. On the other hand, the Diffusion of Innovation Theory postulates that relative advantages, compatibility, and ease of use have been major factors contributing to the adoption of new financial technologies such as P2P lending.

Findings stand on a very strong methodological contribution from this research, including its reliability testing, construct validity, and predictive modeling. In terms of theoretical contributions, insights into the dynamics of the adoption of P2P lending can be derived, while practical implications provide actionable insights for different categories of stakeholders, such as platform operators, policymakers, and users. For the growth of P2P lending in Vietnam, moving forward, there will be a trade-off between building trust, managing risk, clarifying regulation, economic disposition, and technological efficiency. For future research, cross-country comparative studies could focus on how these factors vary across different cultures and economies and at different levels of maturity. This study will

contribute toward sustainable growth for financial inclusion, economic resilience, and a consolidated position of P2P lending as a significant component within the FinTech landscape of Vietnam.

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