

Abstract

This research examines the trust of lenders from the perspective of borrowers and peer to peer lending intermediaries. By integrating a trust model from a similar research conducted in China, the trust model will be utilized to cultivate the lender's trust in Jakarta's peer to peer lending marketplace. The model was analyzed using structural equation modeling and maximum likelihood estimation. Having acquired viable data from 100 lenders in Jakarta, the analysis was conducted to obtain its overall reliability, convergent validity, discriminant validity, and the model's fit. Using the antecedents of trust points, it was then integrated into the model, with a total of eight trust points to discover the lender's criteria for a successful lending transaction. The result shows that it is crucial for borrowers to build a reputable image and the intermediary's security protection in order to increase the confidence in a lender to lend funds.

Keywords: Trust Model, SEM, Antecedents of Trust, Peer to peer lending