What drives the expansion of the peer-to-peer lending?

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Discussion by Sara Biancini

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Very young industry, mainly post 2007 financial crisis... difficult and challenging to predict the evolution of the sector.

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Empirical strategy: based on the hypothesis of spatial correlation. Tested?

Alternative models inspired by the innovation literature: logistic diffusion models...

The autoregressive term is strongly significant. But, do the other explanatory variable have high time variation? If not, risk to capture something else?

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Competition variables:

- C3 and branches per capita significant and negative (HHI never significant). Interpreted as consumer loyalty (switching costs).

- Alternative explanation: small markets (high costs/risks foreconomic, historical reason) are associated with both high concentration/low development of P2P lending.

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