

P2P Interaction Orientation and Brand Value Building in Online Social Lending Startups¹

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Abstract

Brand valuation has found new dimensions: internet and more specifically web 2.0 have made the interactions and transactions possible between peers around the world. In this research, we look at the web 2.0 tools actually being used by the peer to peer lending websites and see which ones are being used to build up brand equity in the sector of peer-to-peer (P2P) lending which should, by virtue of its foundation, promote the use of social media. The research starts with a reviewing the literature on brand equity to identify the conventional elements which are supposed to build up brand equity. It then studies the Web 2.0 tools to find out how they can contribute to build up brand equity. Finally it analyzes the strategies of Web 2.0 integration to build up brand equity in the sector of peer-to-peer (P2P) lending which should, by virtue of its foundation, promote the use of social media, using dedicated case studies. We are focusing on ten social lending startups on the Internet - some of whom are in the commercial lending and others in microcredit (lending to poor people), originating in different countries. Our sample members are all in the initial phases of their lifecycle. They are all racing to create a buzz and get clicks and dollars to pass on to poor people. The initial findings witness different ways of brand equity creation on different websites. This is to our knowledge the first paper on internet based strategies to create tangible value in brand management, in online peer-to-peer sector, micro-lending industry and business of microfinance. The results will firstly be of interest to all social websites as well as all microfinance institutions, some banks and financial service institutions.

Keywords

Microfinance, brand equity, network, p2p, online lending, valuation, value creation

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