Exploring the Interplay of Social Connectedness, Financial Empowerment, and Wellbeing: A Conceptual Framework for Jakarta

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Abstract: The main aim of this research is to build a new conceptual framework model which as a novelty is a combination of models or concepts from previous research combined with the conditions of Social Connectedness, Financial Empowerment, Relational transformation Expectations and Wellbeing. This research will be carried out in Jakarta, carried out from month March to July 2024, this research uses quantitative methods with a hypothesis testing approach. Jakarta was chosen as the research location because it is the center of economic and technological activity, with a total of 38 indicators, the sample size was calculated as 10×38=380. The analytical tool used in this research was Smart PLS or Wrap PLS.

Keywords: Social Connectedness, Financial Empowerment, and Wellbeing

INTRODUCTION

Sharing Economy is an economic model that allows optimal use of assets through a sharing mechanism, replacing full ownership. This concept was first introduced in 1978 and has experienced rapid development, especially with advances in digital technology. The main advantage of the Sharing Economy lies in its collaborative value, which promotes inclusive accessibility as well as social and environmental desirability. This concept also allows for more efficient use of resources, reduces waste, and supports sustainability (Scott, 2024).

In Indonesia, Sharing Economy platforms such as Gojek, Tokopedia, and P2P Lending have opened up economic access for low-income people, especially in rural areas, who were previously marginalized by the conventional banking system (Suryokumoro & Ula, 2022). These platforms not only increase economic efficiency, but also provide significant social impact by introducing more inclusive financial access.

In this context, Subjective Well-being Theory provides a theoretical basis for understanding how the social impact of the Sharing Economy can be measured, specifically through the subjective well-being of users. Subjective well-being refers to an individual's evaluation of the quality of their life, including affective (positive and negative emotions) and cognitive (life satisfaction) components Diener et al., (2021). Recent studies show that participation in Sharing Economy platforms can improve subjective well-being through increasing economic access and social connections (Chen et al., 2023; Huang et al., 2022). In Indonesia, this impact can be seen in Gojek and Tokopedia users who report increased life satisfaction due to easier access to services and better economic opportunities.

In P2P Lending, Social Connectedness strengthens inclusive interactions, increases user loyalty, and encourages Financial Empowerment (Mukerjee, 2024). Financial Empowerment refers to an individual's sense of control and capability in managing their finances effectively. Based on Subjective Well-being Theory, financial empowerment not only increases economic capacity but also influences users' emotional and social well-being (Davlembayeva et al., 2022). This is supported by recent research which shows that individuals who feel financially empowered tend to have lower levels of stress and higher life satisfaction (Kim et al., 2022). In the P2P Lending ecosystem, actively involved lenders also experience a positive impact on their well-being, as their contributions support larger social goals (Grant & Gino, 2023).

Thus, the Sharing Economy and services such as P2P Lending not only create economic value but also support user well-being through social and emotional channels that are integrated with the principles of Subjective Well-being Theory. Further studies measuring dimensions of subjective well-being in this context are needed to strengthen the theoretical framework and its practical implications.

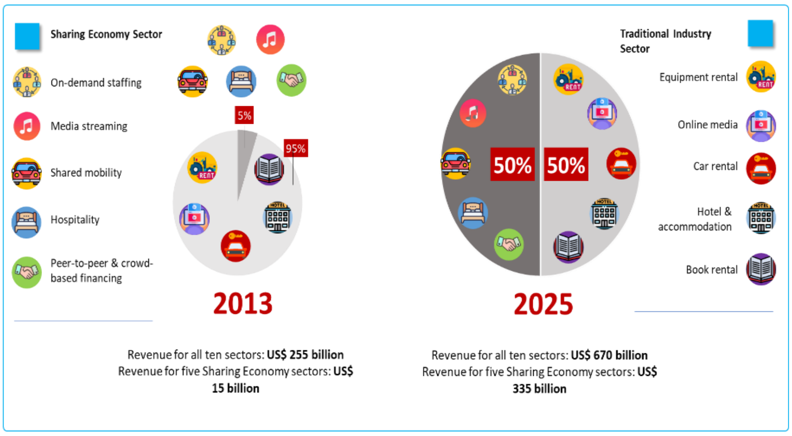


Figure 1.1 Sharing Economy Sector

Source: DHL Trend Research (2023)

Figure 1.1, which aesthetically depicts the Sharing Economy trend with a projection of reaching USD 335 Billion by 2025. This image displays the main elements, such as the values of collaboration, inclusivity, and socio-environmental sustainability, with the original source included. The Sharing Economy allows optimal use of assets through sharing, replacing full ownership. Currently, more than 10,000 companies implement these principles in various sectors, such as transportation and finance (Mason, 2022; Cho et al., 2023).

In Indonesia, Sharing Economy platforms such as Gojek, Tokopedia, and P2P Lending open economic access for low-income people, especially in rural areas (Suryokumoro & Ula, 2022). This platform not only provides a significant economic impact but also strengthens Social Connectedness, namely the sense of social connectedness among users. Social Connectedness plays an important role in improving individual well-being, in accordance with the principles put forward by Subjective Well-being Theory. This theory highlights that a person's subjective well-being, which includes affective (positive emotions) and cognitive (life satisfaction) components, can be improved through meaningful social relationships (Diener et al., 2021).

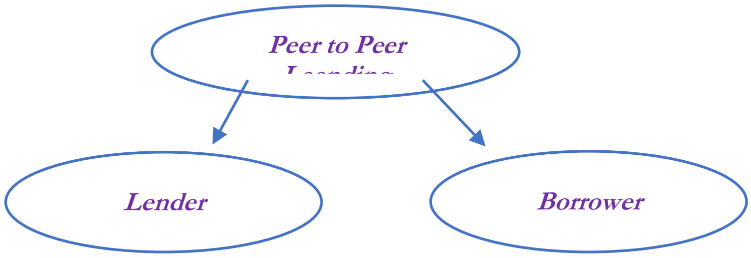
Recent research shows that Sharing Economy platforms create spaces for social interactions that strengthen community relationships, ultimately supporting dimensions of subjective well-being (Chen et al., 2023; Grant & Gino, 2023). In the context of P2P Lending, interactions between lenders and loan recipients not only facilitate financial access but also deepen social connections through the process of providing and receiving support. These relationships provide a sense of collective ownership and meaningful social contribution, which directly impacts the emotional well-being of both parties (Kim et al., 2022).

A study by Mukerjee (2024) found that P2P Lending users who felt socially connected through interactions on the platform showed higher levels of life satisfaction. This is relevant to Subjective Well-being Theory, which emphasizes the importance of social relationships in improving well-being. Strengthening Social Connectedness through P2P Lending not only creates economic benefits for communities but also supports users' emotional stability and life satisfaction.

Thus, Sharing Economy platforms such as P2P Lending offer a social interaction model that not only empowers communities but also supports users' subjective well-being. This approach shows significant potential to expand social and emotional impact in digital ecosystems, as supported by numerous scientific findings in the last three years

Amartha and other platforms have proven that the Sharing Economy can strengthen financial inclusion, empower individuals and strengthen a sense of community. With adequate regulation and the right technology, these platforms have the potential to create sustainable social and economic impacts (Blocker et al., 2024).

Figure 1.2 Parties Related to Fintech Peer to Peer Lending



Source: Financial Services Authority (2024).

The Sharing Economy, especially in the form of Peer-to-Peer (P2P) Lending, has become a financial innovation that redefines the way access to financing and investment is carried out. As part of financial technology (fintech), P2P Lending allows lenders and borrowers to connect directly without the involvement of traditional banking institutions. This model not only provides a solution to increase financial access for underserved (unbanked) communities, but also offers competitive investment opportunities for investors (Prasetyo & Priambodo, 2021).

Recent research shows that Subjective Well-being can be an indicator of the success of platforms such as P2P Lending, especially in measuring the social and emotional impact of using these services (Chen et al., 2023; Kim et al., 2022). Based on Subjective Well-being Theory, subjective well-being includes cognitive evaluations of life satisfaction and affective dimensions that reflect positive emotions felt by individuals (Diener et al., 2021). This indicator is relevant in assessing how interactions within the P2P Lending platform affect the lives of its users, both financially and socially.

A study by Mukerjee (2024) highlights that users who feel their well-being improves through participation in platforms tend to show higher levels of loyalty and trust. This is important in a regulatory context, because successful implementation of regulations that focus on data security and transparency can strengthen users' positive perceptions of the platform. In addition, a subjective well-being-based approach allows regulators and platform developers to understand the long-term impact of P2P Lending on users' social and emotional lives, beyond purely financial indicators (Grant & Gino, 2023).

In the Indonesian context, strengthening risk-based regulations that consider subjective well-being could be a strategic step to ensure platform sustainability. By increasing trust through data protection and transparency, platforms can create an ecosystem that is not only financially profitable but also supports users' emotional and social well-being, in line with the principles of Subjective Well-being Theory. This approach provides added value in increasing the competitiveness and social impact of platforms in the digital era.

The main advantages of P2P Lending include efficiency, flexibility and ease of access. This system is very relevant in supporting financial inclusion, especially for low-income people who often have difficulty accessing formal financial services (Huang et al., 2021; Lee et al., 2020). In Indonesia, the important role of P2P Lending is increasingly evident with regulations by the Financial Services Authority (OJK) through Regulation Number 77/POJK.01/2016, which emphasizes personal data management, transparency and ethical standards.

This regulation is the foundation for creating a safe and trustworthy digital financial ecosystem (OJK, 2024).

One of the unique aspects of P2P Lending is its ability to create value for Lenders, who feel satisfied because they can help borrowers overcome financial difficulties. This concept integrates pro-social values with economic benefits, creating a sense of togetherness and contribution to social welfare. Data shows that as of October 2024, there are 97 licensed P2P Lending platforms in Indonesia with financing recipients reaching IDR 7.86 trillion, an increase of 21% from the beginning of the year. This increase shows the widespread adoption and relevance of

P2P Lending as a tool for economic transformation (OJK, 2024).

With adaptive regulations, advanced security technology, and a wellbeing-based approach, P2P Lending has great potential to create sustainable economic and social impacts. Further research can explore how the Lender wellbeing concept is a strategic element in strengthening the Sharing Economy ecosystem in the digital era.

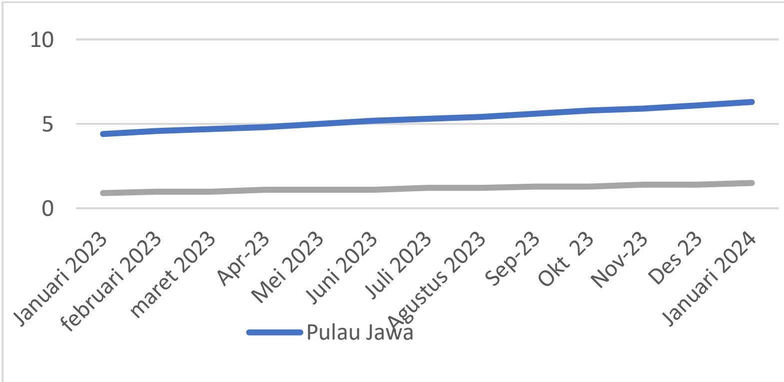


Figure 1.3. Increase in Loans in Java and Outside Java

Source: Financial Services Authority (2024)

Figure 1.3 shows data on the number of P2P Lending loans in Java and outside Java from January 2023 to January 2024. Based on this graph, it can be seen that there has been a significant increase in the number of loans disbursed through the P2P Lending platform during this one year period. This increase in loan amounts reflects the increasingly widespread adoption of P2P Lending in various regions of Indonesia, both in the economic center of Java and in areas outside Java that have more limited banking access.

Most previous research on Peer-to-Peer (P2P) Lending focused more on the impact on borrowers. The main emphasis in the study is on economic benefits, such as increasing access to funding and contributing to financial inclusion (Suryokumoro & Ula, 2020). In Indonesia, the Financial Services Authority (OJK) policy through Regulation Number 77/POJK.01/2016 has created the foundation for regulating transparency and security of transactions in the P2P Lending ecosystem, which aims to build trust between lenders and borrowers (OJK, 2024).

However, the research gap that still needs to be filled is an in-depth understanding of Lenders' experiences, especially regarding their wellbeing and pro-social motivation. Studies exploring the psychological dynamics from the Lender perspective are still limited, although this aspect has a significant impact on platform sustainability. In this context, Mukerjee (2024) highlights that Lenders' active participation in the P2P Lending ecosystem is not only driven by financial profits, but also by intrinsic factors such as self-transformation expectations and Social Connectedness.

Mukerjee's research shows that the involvement of lenders who feel socially connected to borrowers increases their level of satisfaction and motivation to continue participating. Lenders who experience Relational Self-Transformation tend to show long-term commitment to the platform. In other words, P2P Lending not only functions as an investment mechanism, but also as a tool to achieve social goals and strengthen the sense of togetherness in digital communities.

This research contributes by filling the existing gap, namely exploring the relationship between Financial Empowerment, Social Connectedness, and self-transformation expectations on Lender wellbeing in P2P Lending. It is hoped that this focus on psychosocial aspects can provide new insights for platform managers in improving service quality and building stronger relationships between lenders and borrowers. Thus, this contribution is not only theoretical but also practical in supporting the development of a more sustainable and inclusive Sharing Economy ecosystem.

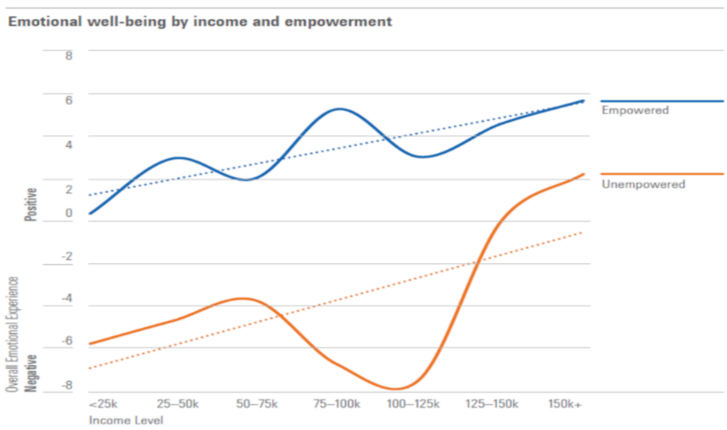


Figure 1.4 Comparison of the financially empowered and the financially powerless

Source: Lamas, (2024)

In the context of Financial Empowerment, Figure 1.2 taken from Lamas's (2024) research depicts a comparison between individuals who feel empowered in financial matters and those who do not. This data shows that those with Financial Empowerment tend to have more positive emotional experiences, even at lower income levels. Financial Empowerment creates a feeling of control over financial conditions, which significantly reduces stress and increases life satisfaction and emotional well-being, especially for those who have strong control over their personal finances.

A study by Mukerjee (2024) in his research entitled "A Study on Lender Participation in Peer-to-Peer Lending" highlights the importance of Lender participation in the Peer-to-Peer (P2P) lending ecosystem. This research shows that lenders' motivation is not solely driven by financial gain, but also by deeper intrinsic values, such as the desire to contribute to social welfare and achieve self-transformation. Mukerjee emphasized that Lenders' active participation in P2P Lending has a strong Psychosocial dimension. Factors such as Social Connectedness—the feeling of being socially connected with borrowers—encourage Lenders to continue contributing to the platform. Lenders who feel they have a positive impact on the lives of others tend to have higher levels of satisfaction.

This shows that Relational transformation and self-transformation expectations play an important role in strengthening their loyalty to the platform. This research also highlights that the Financial Empowerment experienced by Lenders increases their sense of control over their financial decisions, which in turn supports their wellbeing. Lenders feel more appreciated and motivated when they see real results from their contributions to borrowers. Mukerjee identified that Lenders' participation in P2P Lending not only strengthens the financial aspect, but also provides sustainable psychological benefits, such as increased self-confidence and emotional satisfaction.

The results of this research provide important insights for P2P Lending platform managers to strengthen non-financial aspects of their services. By creating an environment that supports Social Connectedness and provides meaningful experiences, platforms can increase Lender participation in a sustainable manner. Mukerjee recommends that platform managers pay attention to self-transformation and relational transformation factors in designing strategies, so that P2P Lending becomes not only a financial instrument, but also a tool for building empowered and sustainable communities.

Self-transformation is a deep process that involves changing an individual's overall mindset, behavior and values. This transformation allows individuals to achieve optimal potential in various aspects of life, including personal, professional, and spiritual (Leadership, 2023). This process also supports autonomy and self-control, which contributes to life satisfaction and psychological well-being. Individuals with clear life goals are better able to face challenges and improve their quality of life (Lamas, 2024).

In the professional world, self-transformation has been proven to increase motivation, job satisfaction and productivity. When individuals are connected to values greater than just routine tasks, they demonstrate a higher commitment to work, which has a positive impact on organizational success (Mukerjee, 2024). On the other hand, Relationship Transformation focuses on improving the quality of interactions through changes in mindset and approach. Positive interpersonal relationships build trust and create a supportive work environment (Zimmerman, 2024).

Relationship Transformation Events (TRE) theory describes how Relational expectations can change through important moments. Healthy relationships help manage expectations, minimize conflict, and increase commitment in interactions (Cheung et al., 2023). This approach is key in creating sustainable and inclusive collaboration, both in personal and professional contexts.

Peer-to-Peer (P2P) lending platforms in the sharing economy have brought significant changes in providing financial access, especially for people who are not served by traditional banking institutions. By utilizing financial technology, P2P Lending allows lenders to interact directly with borrowers, without going through conventional financial institutions. This concept has changed the traditional paradigm in the financing system and enabled wider financial inclusion. However, the majority of existing research focuses more on borrowers or loan recipients, while the experiences and contributions of Lenders on this platform have not been explored much, especially from the perspective of their wellbeing, self-transformation and pro-social motivation.

Most existing research on P2P Lending has focused on the impact on borrowers, especially related to financial access, economic empowerment, and improving quality of life. Several studies show that P2P Lending services help borrowers who previously could not access formal financing to meet their needs (Suryokumoro & Ula, 2020). However, in a broader context, Lenders, as lenders, play an equally important role in this ecosystem. Previous research rarely examines lenders' experiences in terms of wellbeing and social motivation that they feel while participating in this platform. Therefore, this Social Motivation research focuses on the research gap related to Lenders, who not only provide loans, but also engage in social interactions and have a contribution to their own emotional well-being.

One aspect that has received less attention in research on P2P Lending is Customer Participation, or the level of active involvement of Lenders in the platform. Customer Participation in P2P Lending does not only focus on providing loans, but also involves the Lender's active involvement in the decision-making process and interactions with borrowers. In this context, lenders who participate actively have deeper relationships with borrowers and can experience social and emotional benefits from their contributions. Mukerjee (2024) in his research emphasized that Customer Participation is a core element in the success of P2P Lending platforms. Lenders who participate more show greater concern for borrowers, not only financially, but also emotionally. This strengthens the social bonds formed between lenders and borrowers, and creates a more stable and mutually beneficial relationship.

According to Shaikh et al. (2023), Lender participation in P2P Lending has a positive impact that is not only limited to achieving financial profits. This participation also contributes to the personal wellbeing of Lenders, who feel emotional and social satisfaction from their contribution to empowering borrowers. Research shows that lenders who engage in social interactions and support borrowers feel greater empathy, which strengthens their interpersonal relationships and has a positive impact on their emotional well-being.

Statements such as "I am willing to put a lot of efforts in the service process" found in Mukerjee's (2024) study illustrate the high level of participation from Lenders, indicating their willingness to invest time and energy in supporting borrowers. In this context, Customer Participation is not just a financial activity, but is also a means of achieving deeper self-transformation, where Lenders feel that they are making a meaningful contribution to the lives of others.

Financial Empowerment is an important concept in P2P Lending, both for borrowers and lenders. In the context of borrowers, Financial Empowerment refers to their ability to manage their finances better, thanks to easier and more transparent access to financial services. However, from the Lenders' perspective, Financial Empowerment can be explained as the feeling they feel when they can help borrowers by providing the financing needed to improve their financial condition. Lenders who feel that they can make a positive contribution to the borrower's welfare will experience significant emotional satisfaction.

Mukerjee (2024) states that Financial Empowerment provided through P2P Lending helps Lenders to feel more connected to borrowers and creates a sense of achievement for their contributions. Statements such as "The loan recipients are empowered to take responsibility for their own outcomes" in this research show the importance of independence given to borrowers. This also has a positive impact on Lenders, who see the results of their contributions and feel more empowered in creating a positive social impact.

Social Connectedness in the context of P2P Lending refers to the social connectedness that exists between lenders and borrowers, which can influence their emotional and social well-being. In Mukerjee's (2024) research, it was found that lenders who felt connected to borrowers through interactions on the P2P Lending platform tended to experience a positive impact on their wellbeing. Social Connectedness strengthens a sense of togetherness and increases social trust, which in turn improves the quality of the relationship between lenders and borrowers. This is one example of how Transformational Services in P2P Lending leads to more meaningful relationships, both emotionally and socially, which makes a major contribution to the well-being of both parties.

Research by Grant & Gino (2023) suggests that positive actions such as empathy and meaningful interactions can strengthen interpersonal relationships and promote more effective collaboration. In this context, Social Connectedness functions as the main driver in creating transformational expectations, where Lenders hope that their contribution will improve the welfare not only for borrowers, but also for themselves.

Statements such as "I would feel more self-confident" and "I would become closer with other people through P2P Lending" describe Lenders' hopes to experience positive changes in themselves as well as in their social relationships. Self-transformation expectations refer to Lenders' hope to feel more valued and empowered through their participation in P2P Lending. This transformation involves changes in self-esteem, self-confidence, and social esteem. Lenders often hope that their contributions will be appreciated, both by borrowers and society in general.

In addition, relational transformation expectations refer to Lenders' hopes for improving their relationships with other people, especially in the context of more positive social interactions. Participation in P2P Lending allows Lenders to feel close to borrowers and creates deeper social relationships. This relationship strengthens trust and collaboration, and contributes to greater Social Development, which not only benefits lenders but also borrowers.

From the results of existing research, P2P Lending not only provides financial benefits for borrowers, but also has a significant impact on lenders. Customer Participation, Financial Empowerment, Social Connectedness, self-transformation, and relational transformation are interrelated variables and play an important role in shaping the Lender's social and emotional experience. Lenders who are actively involved in the P2P Lending platform not only gain financial benefits but also contribute to their personal wellbeing, both from a social and emotional perspective.

By integrating these elements, P2P Lending platforms can strengthen the relationship between lenders and borrowers, create a wider social impact, and support more effective financial inclusion. This research provides deeper insight into how lender participation in P2P Lending not only supports borrowers' financial empowerment, but also enriches their overall wellbeing, both through self-transformation and relational transformation.

This research makes a significant contribution by presenting a new perspective in understanding the Fintech Peer-to-Peer (P2P) lending ecosystem. This research was designed to answer gaps in previous literature which tended to focus more on the impact of P2P Lending on borrowers, while the experiences of Lenders (lenders) were often overlooked. The emphasis on the social, psychological and economic dimensions of the Lender's experience makes this research unique and relevant, especially in the context of Indonesia which is developing in the realm of the digital economy.

In scientific research, in-depth exploration of research gaps is an important step to identify gaps in the literature that can be filled with new contributions. This allows researchers to understand relevant current issues while strengthening the validity and relevance of the research. This research specifically links managerial issues, such as the increase in the number of borrowers and total loans in the P2P Lending platform during the 2023 to 2024 period, with the sustainability trend developing in Indonesian society after the COVID-19 pandemic. This trend does not only focus on financial aspects, but also looks at how digital financial platforms can function as a tool to support broader social transformation.

With this approach, research can be considered as part of the state of the art in the field of financial technology, because it utilizes the latest context that is relevant both globally and locally. Furthermore, this research exploits the research gap identified from the lack of studies that explore the psychosocial dimensions of P2P Lending. The main focus of this research is to explore the relationship between mediating variables such as self-transformation expectations, relational transformation expectations, and wellbeing. This study aims to understand how these aspects influence the behavior and experience of platform users, especially lenders. By utilizing these variables, this research contributes to creating a conceptual framework that is more comprehensive and relevant to the social and psychological dynamics of digital society.

The emphasis on the role of lenders in building social connectedness, financial empowerment, and self and relational transformation shows that this research not only provides theoretical views but also practical contributions.

In this context, this research differentiates between state of the art and novelty in a clear way. State of the art refers to the integration of the latest literature and findings that describe the current state of P2P Lending studies. Meanwhile, novelty is achieved by presenting a new perspective through the integration of previously under-explored mediating variables, providing new insights that can be applied both in platform development and digital financial policy.

By filling this research gap, research not only enriches academic literature but also provides a strategic foundation for innovation in the digital financial ecosystem, supporting broader social and economic transformation.

Research that seeks to explore research gaps in depth has the potential to make a significant contribution to the scientific field. The uniqueness of this research lies in the use of Relational Self Transformation theory as a theoretical basis. This approach offers an in-depth understanding of how the transformation of lenders' expectations, both in the context of self and social relationships, influences their experiences when using P2P Lending platforms. By enriching the literature related to transformative services, this research answers research gaps that were previously rarely discussed, especially in the context of the Sharing Economy in Indonesia.

Moreover, this research adopts a different approach from previous studies by presenting a new conceptual model. This model integrates the links that have not been widely explored between community participation, financial empowerment, social connectedness, as well as self-transformation expectations and relational transformation expectations. As a result, this research not only enriches theoretical insights but also offers practical guidance for platform managers to design more effective strategies in increasing community engagement and user well-being.

The geographical uniqueness of this research is also an important added value. By focusing on communities in the Java region, this research provides a specific picture of how local communities utilize P2P Lending as a tool for social and economic transformation. This approach produces more relevant findings to support the development of P2P Lending platforms in Indonesia.

This emphasizes the clear distinction between state of the art and novelty, this research presents a unique conceptual framework and provides a relevant contribution in addressing academic needs as well as practical challenges in the sharing economy ecosystem. This comprehensive approach ensures that research is not only relevant but also an innovation that enriches literature and practice in the field.

With this contribution, the research is expected to provide theoretical benefits in enriching academic literature as well as providing practical implications for the development of P2P Lending platform strategies. Platforms can use these findings to strengthen elements of community participation, Financial Empowerment, and Social Connectedness, thereby creating a digital ecosystem that is more inclusive, sustainable, and supports the well-being of all its users.

Research gaps are research gaps that arise from limitations of previous research or problems that have not been fully answered. This provides an opportunity for researchers to explore new questions and expand scientific horizons based on experience or previous research. As stated by Aqham (2023), the main goal of scientific research is to find new answers to unsolved problems, making identifying research gaps a very important first step in the research process.

In the context of Peer-to-Peer (P2P) Lending, the research gap covers more than just financial aspects. This platform has developed into a social transformation tool with a significant impact on financial empowerment, social connectedness, self-transformation expectations, relational transformation expectations and well-being. . While previous research has provided valuable insights into the functions and benefits of these platforms, there remains a need to dig deeper into the mechanisms that link these dimensions.

Identifying the state of the art from this research means understanding the current position of the literature related to P2P Lending. Meanwhile, distinguishing novelty requires researchers to provide relevant new contributions, whether through theoretical approaches, empirical findings, or the development of conceptual frameworks. This research, for example, seeks to explore the relationship between psychosocial variables with an approach that has not been widely applied in previous research.

To achieve a more comprehensive understanding, the use of mixed methods can be considered. This approach allows combining quantitative data to measure relationships between variables statistically with qualitative data to understand the subjective experiences and perspectives of platform users. Thus, research offers not only measurable results but also narratives that enrich theoretical and practical insights.

By focusing on in-depth exploration of research gaps, differentiation between state of the art and novelty, and the application of a holistic approach, this research has the potential to make a significant contribution, not only to the development of academic literature but also to practice and policy in the real world. This makes research more relevant, innovative and has a broad impact.

The following are the contributions of this research which are summarized in Table 1, accompanied by development recommendations.

1. **Financial Empowerment: Strengthening the Financial Capacity of Loan Recipients**

Research by Marhadi et al. (2024) shows that digital financial literacy plays an important role in increasing users' intentions to continue using sharia P2P Lending platforms. A strong brand scheme and sharia-based values provide a sense of security to users, thereby increasing their sense of responsibility for the results of the loans used.

Loan recipients not only gain access to financial resources but are also empowered with knowledge that helps them make wise financial decisions. This is relevant to increasing financial inclusion in marginalized communities. Further research could explore the integration of direct financial education in P2P Lending applications to promote better financial management among borrowers.

2. Social Connectedness: Strengthening Social Connectedness

Research by Shaikh et al. (2023) highlighted that Lender participation in P2P Lending is influenced by the social connectedness that is established through the platform. Lenders feel that their contribution creates a sense of togetherness with the borrowers they help, creating stronger social solidarity. This research shows that P2P Lending not only provides economic benefits but also facilitates meaningful social connectedness, where Lenders feel part of the community they support.

Additional studies could focus on how community elements within P2P Lending applications, such as forum features or testimonials, can strengthen social connectedness between users.

3. Relational transformation Expectations: Better Quality Social Relationships

The study by Feng et al. (2023) shows that social interactions facilitated by P2P Lending are able to improve the quality of lenders' social relationships. They feel that these activities provide quality time with the people around them, while improving relationships between individuals.

These findings confirm that P2P Lending not only has an impact on borrowers but also provides added value for Lenders by enriching their social relationships. In-depth research can explore how the social interaction features in the application influence improving the quality of interpersonal relationships between Lenders.

4. Wellbeing: A More Meaningful Life

Research by Bustamante & Amaya (2020) shows that participation in P2P Lending has a positive impact on Lenders' emotional and social well-being. They feel that their contributions directly support the lives of others, creating a sense of happiness and meaning. This finding was confirmed by Shaikh et al. (2023) who found that Lenders' transformational expectations contributed to their happiness.

P2P Lending allows users to engage in activities that not only provide financial benefits but also support the achievement of a more meaningful life. Long-term research is needed to understand how these wellbeing impacts evolve as user experiences on the platform change.

Previous research highlights that P2P Lending is not only a financial platform, but also has social and transformational dimensions that have a positive impact on society. By integrating financial, social and transformational aspects, P2P Lending has the potential to create significant changes, especially in financial inclusion and economic empowerment of marginalized groups. Platforms like Amartha empower micro-entrepreneurs, strengthening the social and economic ties of communities.

However, challenges such as adaptive regulation and financial literacy are still obstacles. Risk-based regulation is important to protect users from fraud and privacy violations, as well as supporting innovation (Ali et al., 2021). Digital financial literacy also needs to be improved, especially in rural areas, to ensure optimal benefits from Fintech P2P Lending (Lusardi & Mitchell, 2017). Collaboration between regulators, platforms and users is the key to the sustainability and positive impact of this platform.

Social Connectedness plays a key role in strengthening the trust and loyalty of P2P Lending users. Meaningful social interactions between lenders and borrowers, such as transaction reviews or discussion forums, create a sense of mutual trust that supports platform sustainability. Shaikh et al. (2023) show that positive social relationships encourage user engagement, while Feng and Ye (2019) emphasize that a solid digital community provides a sense of security and strengthens user loyalty.

Further research needs to explore mediating variables such as ethical perceptions, Social connectedness, and Transformational expectations. Mukerjee (2024) states that platform transparency and security greatly influence user trust, while meaningful social experiences provide added economic and social value (Bustamante & Amaya, 2020).

To ensure long-term sustainability, a combination of adaptive regulation, increased financial literacy, and strong social relationships is needed. Technologies such as blockchain can strengthen transaction transparency and reduce the risk of data manipulation, increasing user trust (Merino-Saum et al., 2023). With this strategic approach, P2P Lending has great potential to create a positive impact, especially in financial inclusion and economic empowerment of marginalized communities, as proven by platforms such as Amartha in Indonesia (Ali et al., 2021).

Digital financial literacy is a key factor in maximizing the benefits of Fintech services. Users who have a good understanding of digital financial products can more easily understand their risks, benefits and responsibilities in using P2P Lending platforms. Marhadi et al. (2024) highlight that digital financial literacy helps users make more informed decisions, while Ali et al. (2021) emphasizes that good literacy functions as risk mitigation and reduces uncertainty. Therefore, ongoing public education programs are essential, especially in areas with limited access to financial information.

Social Connectedness also plays an important role in supporting the sustainability of P2P Lending. Positive social interaction between lenders and borrowers creates user trust and loyalty, and builds a strong digital community. Shaikh et al. (2023) stated that positive social relationships increase user engagement, while Feng et al. (2019) added that a solid digital community provides a sense of security and reduces uncertainty, especially for new users. This is very important to ensure continued user participation in Sharing Economy-based platforms.

Modern technology plays a catalytic role in improving the efficiency, security and accessibility of Fintech services. Technologies such as blockchain and advanced encryption are able to protect user data from manipulation and cyber threats, ultimately increasing transparency and trust in transactions (Merino-Saum et al., 2023). Cloud-based technology and mobile applications also enable Fintech platforms to reach remote areas, expand financial inclusion, and provide real-time access for users in areas with limited infrastructure.

In this context, transformational expectations—that is, users' expectations of the financial and social benefits of each transaction—strengthen their loyalty to the platform. Positive social interactions in the Fintech ecosystem not only provide financial benefits, but also have a significant psychological impact. This increases users' emotional well-being and strengthens inclusive and sustainable communities (Bustamante & Amaya, 2020)

Digital financial literacy plays a key role in ensuring users understand the risks and benefits of P2P Lending. Marhadi et al. (2024) stated that users with high financial literacy are better able to make informed decisions, while Ali et al. (2021) emphasize that this literacy functions as risk mitigation. Therefore, public education is very important, especially in remote areas with limited access to information.

THEORETICAL REVIEW

1. Social Connectedness

Social connectedness is a concept that reflects the social connectedness that individuals have within their interpersonal networks and communities. This concept is often considered a protective resource that contributes to emotional well-being, stress resilience, and life satisfaction. Even though it has many proxy terms such as social cohesion, social support, or sense of belonging, social connectedness has the same core, namely positive and meaningful social relationships (O'Rourke et al., 2018; Hilbrink, 2023).

Social connectedness refers to the quality and intensity of a person's social relationships, which is characterized by a sense of belonging, being understood, and being accepted by a social group. Research shows that quality social relationships are characterized by trust, solidarity, and a sense of shared responsibility within the community (Smith & Christakis, 2020). Social isolation is the antithesis of social connectedness, which occurs when individuals lack emotional support or do not have meaningful interpersonal relationships (Hilbrink, 2023).

2. Financial Empowerment

Financial Empowerment is the concept of empowerment in a financial context which aims to increase the ability of individuals or groups to manage financial resources effectively. The term "empowerment" comes from the word "power," which means strength or ability. Thus, financial empowerment can be interpreted as a process of increasing individual abilities and strengths to achieve financial stability and face economic challenges (Marhadi et al., 2024).

Financial empowerment includes an individual's ability to build financial reserves as a protective measure against economic risks. The basic principle is to set aside at least 10% of your monthly income for an emergency fund, which can be used in situations such as job loss or urgent medical needs. Financial experts suggest that an emergency fund should ideally be enough to cover living expenses for three to six months, as a financial risk mitigation measure (Rabbani & Faturohman, 2022).

Financially empowered individuals have the ability to manage finances without significant stress, even in unexpected situations. In contrast, individuals without adequate financial reserves are likely to experience financial stress when facing emergencies, such as urgent medical needs or economic recessions (Ravikumar et al., 2022).

3. Relational Transformation Expectations

Relational transformation expectations describe hopes for improving relationships between work partners, such as companies and customers, through dynamic collaboration, joint innovation, and the use of digital technology. This approach emphasizes the importance of synergy between the resources and capabilities of each partner to create shared value, which is the key to competitive advantage (Sjödin et al., 2021).
Relational Perspectives in Digital Services

The relational approach states that the success of digital services depends not only on the service provider but also on the customer's active role in the adoption of the service. This relationship is longitudinal, demanding mutual adaptation and sharing of responsibilities to produce relevant and tailored solutions (Cenamor et al., 2021).

The quality of interaction between partners is a determining factor in the success of collaboration. The closeness of these relationships opens up opportunities to better understand customer needs, allowing service providers to offer solutions that directly address market needs (Martín-Peña et al., 2022).

4. Subjective Well-Being Theory sebagai *Applied Theory*

Subjective Well-Being (SWB) Theory is a theoretical framework used to understand and measure individual well-being based on their subjective perspective on life. This theory encompasses various dimensions, including life satisfaction, affective balance (positive emotions compared to negative emotions), and meaning in life. Diener et al. (1985) introduced the concept of Subjective Well-Being to overcome the limitations of traditional approaches which focus more on objective indicators such as income or social status. Subjective Well-Being Theory becomes very relevant in the context of the sharing economy, especially peer-to-peer (P2P) lending platforms, because it is able to measure the direct impact of these services on the subjective well-being of actors, especially lenders.

FRAMEWORK

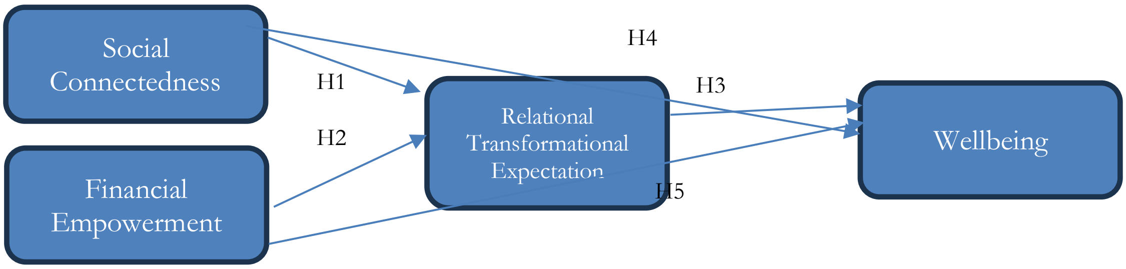


Figure 2.1 Framework

RESEARCH METHODS

Research Location and Time

This research will be carried out in Jakarta, with locations determined using a purposive method. A purposive approach provides flexibility in selecting areas that are relevant to the research focus, such as the Fintech Peer-to-Peer Lending (FP2PL) sector, which is one of the main indicators in the development of technology-based finance (Lee & Shin, 2021). Jakarta was chosen because it is an economic and business center, with an established ecosystem of financial technology companies, providing a solid foundation for correlational-based research.

The research will be conducted from March to July 2024. This period is considered optimal for observing market trends and their influence on the behavior of FP2PL service users. In the context of time-based research, a clear time span provides a foundation for analyzing dynamic changes in the data (Smith et al., 2022).

Research Design

This research uses quantitative methods with a hypothesis testing approach. This approach is suitable for identifying relationships between key factors relevant to the phenomenon under investigation, such as the variables Community Participation, Financial Empowerment, and Social Connectedness, which influence Self Transformation Expectations, Relational Transformation Expectations, and Wellbeing. Quantitative methods are based on the philosophy of positivism, allowing researchers to obtain objective data through systematic statistical measurements (Creswell & Clark, 2020).

The type of correlational investigation used in this research aims to explain the relationship between variables. This approach provides a basis for testing the influence and relationships between variables using empirical data obtained from the field (Hair et al., 2021). The literature review carried out also helps understand the research gap related to green port development, as supported by various visual data such as tables and graphs to strengthen the argument.

This research uses Social Exchange Theory as a Grand Theory that integrates several key variables. Previous research shows that Grand Theory is effective in connecting concepts such as Community Participation and Financial Empowerment with dependent variables such as Wellbeing (Barney & Hesterly, 2022). The conceptual framework developed explains patterns of relationships between variables and provides a model for understanding the interrelationships between theory and factors identified as significant.

The data collected will be analyzed quantitatively using descriptive and inferential statistical approaches. This technique allows researchers to draw significant conclusions based on testing previously formulated hypotheses (Zikmund et al., 2022).

Population and Sample

The sample size in this study was determined based on the recommendations of Hair et al. (2017), namely:

1. Minimum sample: For multivariate analysis such as regression or correlation, the number of sample members must be at least five to ten times the number of variable indicators studied.
2. Criteria for this research: With a total of 38 indicators, the sample size is calculated as $10 \times 38 = 380$. This measure is sufficient to provide valid results in analysis using Partial Least Squares (PLS) (Santoso et al., 2022).

Method of collecting data

In this research, data collection methods were carried out through three main methods: observation, questionnaires and interviews. Each method has advantages and disadvantages, depending on the characteristics of the research variables (Widodo et al., 2023).

Instrument Preparation

Research instruments are tools used to measure variables in research (Hair et al., 2022). This instrument is designed to ensure that the data collected is relevant and reliable for testing the hypotheses that have been proposed. In this research, the main instrument used was a questionnaire designed to measure the perceptions, experiences and attitudes of users of Fintech Peer to Peer Lending services in Jabotabek (Widodo et al., 2023).

In this research, the Likert Scale is used to measure respondents' attitudes or perceptions of various statements in the questionnaire. The Likert scale allows researchers to measure the degree to which respondents agree or disagree with a statement, with response options ranging from "Strongly Disagree" to "Strongly Agree."

Stufi Pilot (Instrument Test)

The research instruments in this research using quantitative methods are all tools used to collect, examine, investigate a problem. Research instruments can also be interpreted as tools for collecting, processing, analyzing and presenting data systematically and objectively with the aim of solving a problem or testing a hypothesis. So all tools that can support research can be called research instruments. Data collection instruments are tools chosen and used by researchers in their collecting activities so that these activities become systematic and made easier by them.

Validity Test

Validity testing is an important process in research to ensure that the measurement instrument is truly capable of measuring what it is supposed to measure (Hair et al., 2022). Validity is a measure of the extent to which a measuring device meets the measurement objectives and produces relevant and accurate results. The main aim of the validity test is to show that each item in the research instrument is in accordance with the theoretical construct that you want to measure (Nugroho et al., 2023).

Reliability Test

Reliability refers to the consistency of results obtained from a measurement instrument when used repeatedly under the same conditions. Reliability testing aims to ensure that the measuring instrument produces stable and consistent data over time (Hair et al., 2022).

Data and Data Analysis Methods

This research uses qualitative methods with a multivariate analysis approach. Qualitative methods rely on an in-depth understanding of the phenomenon under study, while multivariate analysis allows researchers to analyze more complex relationships between more than two variables. In the context of this research, this approach is used to identify and understand interconnected factors, as well as test hypotheses that have been previously formulated (Hair et al., 2022).

Descriptive Statistics Methods

The definition of descriptive statistical methods is to examine the status of a group of people, an object, a set of conditions, a system of thought, or an event in the present. The aim of this descriptive research is to create a systematic, factual and accurate description, picture or painting of the facts, characteristics and relationships between the phenomena being investigated. Descriptive statistical analysis techniques were used to describe the characteristics of each respondent in the research. The data that has been collected will be tabulated in a table and discussed descriptively. Descriptive measures are the provision of numbers, in number of respondents or in percentage form. This research uses qualitative methods with descriptive statistical methods.

Inferential Statistical Methods

Inferential statistical methods focus on using sample data to make forecasts or draw conclusions about a larger population. In inferential statistics, this technique is used to test relationships between variables and make broader predictions based on data obtained from samples (Sekaran & Bougie, 2020).

Hypothesis Testing

Hypothesis testing is an important part of quantitative research which aims to test the truth of a temporary statement based on the data collected. The hypothesis proposed in this research is an initial assumption that needs to be proven correct through statistical analysis (Hair et al., 2022). This process is used to test the relationship between variables and how much influence the independent variable has on the dependent variable. In the context of this research, the hypothesis tested is the relationship and influence between halal brands, impressions, service quality, tourist satisfaction, and tourist loyalty in the tourism industry (Santoso et al., 2022).

Hypothesis Testing Steps with WRAP PLS

1. Designing a Structural Model (Inner Model)
2. Designing a Measurement Model (Outer Model)
3. Construct a Path Diagram
4. Convert Path Diagram to System of Equations
5. Estimate
6. Evaluate Goodness of Fit
7. Hypothesis Testing

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