

## Conference Paper

# The Performance of Crowdfunding Model as an Alternative Funding Source for Micro, Small, and Medium-Scale Businesses in Various Countries

Cicik Retno Wati and Agung Winarno

Department of Management, Faculty of Economics, Universitas Negeri Malang

## Abstract

Crowdfunding is an alternative funding source for micro, small and medium-scale businesses in order to finish the problem of funding for an online campaign. The purpose of this research is to describe the alternative funding source of crowdfunding, by knowing the differences of the success in crowdfunding models and the factors that influence the success level in the achievement of crowdfunding model. The result of this research shows that the highest funding is achieved by the equity-based crowdfunding model. The result also shows that there is a difference in the achievement levels of crowdfunding models. The funding target, the total of backers and the minimum sum of investment affect positively in the success of crowdfunding, while the time range of funding does not affect significantly toward the success of crowdfunding model.

**Keywords:** Micro, small & medium-scale businesses, funding source, crowdfunding

Corresponding Author:  
Agung Winarno  
Agung.winarno.fe@um.ac.id

Received: 23 January 2018  
Accepted: 5 April 2018  
Published: 23 April 2018

Publishing services provided by  
Knowledge E

© Cicik Retno Wati and Agung Winarno. This article is distributed under the terms of the [Creative Commons](#)

[Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the 1st IRCEB Conference Committee.

Crowdfunding is one alternative funding which first appeared in the early years of the 18th century on the concept of microfinancing, as in the case of Irish Loan Fund (Hollis and Sweetman, (2001) in [14]). However, in recent years the funding alternatives being crowdfunding popular and sought after by perpetrators of small medium enterprises or Micro small medium worldwide, with the campaign via the internet [5, 32]. This is shown by the report on the global market that global crowdfunding grew by 81% of the total volume of funding or amounting to \$2.7 billion in 2012 [22].

Small-medium enterprises have an important role in pushing the economy of Indonesia, which is evidenced by the absorption of labor to reach 107.6 million or 97.16% of the total workforce in Indonesia which totaled 110.8 million up to the year

## OPEN ACCESS

2012 [4, 18]. Small-medium enterprises also proved able to survive during the economic crisis years 1997-1998, as evidenced by the rise in the number of small medium enterprises reached approximately 56.5 million or 99.9% of the total number of Group business in Indonesia [4]. The growing number of small medium enterprises in Indonesia gives effect to increase the contribution of small medium enterprises in Indonesia's economy. small medium enterprises sector currently contributed amounted to 60.3% to GDP, amounting to 5.18% and contribute towards economic growth in the quarter II 2016 [30]. Although the SMEC Indonesia experienced rapid growth, small medium enterprises still have major constraints to capital or funding [17].

The cycle of funding and funding sources are used every company differs in particular phases of growth. The needs of the Fund in the growth phase can be obtained in several ways, but still have to pay attention to how the management and calculate alternative fulfillment Fund expenditure to avoid companies that are too big [6]. The needs of operational funds have fewer amounts can be obtained internally to reduce barriers facing companies and funding is increasing short-term gains [28].

A case of huge amounts of funding obtained from external funding sources such as banks, leasing company, factoring company and venture capital [11, 27], since the external funding sources able to assist without interfering with the activity of the company's operations that require capital [6]. However, banks and other financial institutions have strict rules and high-interest rates in lending, so that the new company should find alternative sources of external funding to support his efforts [33]. Crowdfunding can become an alternative funding source for the funding problems of the resolve in small medium enterprises. There are four types of crowdfunding such as reward based crowdfunding which is an online yield investment behind campaign in the form of a non profit financial [3, 34], loan based loan with fundraising crowdfunding in the form of who comes from individual or institution with the returns of the lender with interest or no interest [22, 36], equity based crowdfunding in the form of fund raising where backers pledged capital in the form of planting stock with returns in the form of profit financial [8, 36], and a donation based crowdfunding i.e. fundraising model that is social, where backers will not accept return back or rewards of any kind (Paschen, 2016). The focus of this research model crowdfunding is reward model based crowdfunding, loan-based crowdfunding, and equity-based crowdfunding.

In general purpose products which campaigned through reward model based crowdfunding is to fund the production and introduction of the product, as well as land market trials. In addition, most products are campaigned through the intellectual nature of this

model, if compared to other models in the campaign. In contrast, to reward model based crowdfunding, model loan-based crowdfunding and equity-based crowdfunding has characteristics on the type of business that launched and awards are given. Loan model based crowdfunding specifically targeting credit for small businesses and microenterprises, which do not only aim to help to fund but also to provide short-term liquidity (Johnson et al., (2010) and Wang et al, (2009) in Chen and Han, 2009). Meanwhile, on the model of equity-based crowdfunding indirectly provide alternative sources of funding that are efficient for small and micro enterprises that cannot reach the desired credit levels be [29]. However, invests through equity crowdfunding based risk, because there is no secondary market for shares and the valuation of companies that develop, but equity-based crowdfunding can become a welcome link to stakeholders, such as shareholders, suppliers, and customer, so that the interaction between the company's stakeholders easier to support their local businesses [25]. According to Moritz et al (2015) in Ahlers et al, (2013) stated that in equity-based crowdfunding, found the speculation with other Board members, with the level of education of the higher management and better network succeeded in the process of funding. The following summary table of difference in model crowdfunding is as follows:

Although the third alternative funding model has some differences, the three alternative models that have the same funding success factors. The success of the model crowdfunding is very important for the perpetrators of small medium enterprises to get funding. A project will be funded if the project reaches the target funding to or greater than the target within the time specified [9, 10]. In addition, the valuation of a business is also needed, the key to success in raising equity crowdfunding model is located on the business valuation carried out by employers to determine the amount of equity on offer to shareholders, so can eventually reach a specified target [26]. The setting of targets and itself can be influenced by geographical characteristics. Location characteristics of fundraisers such as funders, proximity, and intellectual human capital existing on the site affect innovation and creative business success [19, 24], which will be associated with the achievement of which will be retrieved. Research Miceli, et al (2011) in Yuan, et al (2016) also mentioned that the amount of funding, the number of backers (investor) and the campaign period effect on success rate crowdfunding.

The success of the fundraising also does not escape from the determination of the period of effective fundraising. Therefore, most of the businessmen who are successful campaigns in crowdfunding, first create the schedule execution starts from the design of the business process until the delivery of the goods. A long period of time provides the opportunity for longer to funds investors to attract backers who have not invested

TABLE 1: The difference in model *Reward Based Crowdfunding*, Model *Loan Based Crowdfunding*, and Model *Equity-Based Crowdfunding*.

Characteristic	Reward Based Crowdfunding	Loan Based Crowdfunding	Equity-Based Crowdfunding
<b>Campaign type</b>	Manufacture and introduction of new products of art, documentary, designed product development	Business building or development	Business building or development
<b>Funding interest</b>	Non-financial (product, service, or right)	Interest	Stock
<b>Return on Investment</b>	Irrelevant refunding	Importance of refund (but not only cause of investment) but sometimes irrelevant refunding	Importance of refund (but not only cause of investment)
<b>Approval channel</b>	Through web	Through web	Through web
<b>Geography (closeness between investors)</b>	Online investment: investors are located far from labor	Local investors	Most investors are located far from labor, but some platforms receive local investors
<b>Role after investment</b>	Depending on the investors, but most are passive	Depending on the investors, but most are passive	Active, <i>hands-on</i>

(Source: Modification from Lukkarinen, et al (2016); Wilson and Testoni, (2014))

in the project. The research is in line with the research H $\ddot{o}$ rish, (2015) says that the duration of the effect is positive towards the achievement of the successful crowdfunding, because with the long period of funding will be possible to obtain a more many in raising funds so that it can raise funds to exceed the target of funding.

A large number of backers point out that the potential success of such products in the future is very high because the more the project's backers are analyzed so as to take the same decision. Research of Vulcan et al, (2016) also mentioned that having backers willing to invest a huge amount of funds in a campaign can act as a positive signal for investors who have not yet decided about the potential. The stronger the signal will be stronger to be able to attract the attention of many backers. According to research results Kraus et al (2016), the most dominant factor determining the success of reward-based crowdfunding is the number of backers and updates and blog entries.

In addition to the three factors above, there are other factors that are used in this study i.e., the minimum investment amount. The minimum amount of investment is a minimal amount of money spent by backers to make investments based on conditions set out small medium enterprises or existing platform. Not all crowdfunding platform

determines the minimum amount of investment, such as on Indiegogo and Kickstarter Platforms. On these platforms, the businessmen themselves who determine how a minimum investment amount will be equivalent to a yield that is allowed. The purpose of the determination of a minimal amount of this investment to attract backers in order to participate in funding with a little money (Ordanini et al, 2011). Determination of the minimum number of these investments also did not escape the geographical location. If the linked investment with a minimal amount of layout geographic located on economic growth and the ability to innovate, as well as on the determination of funding target. The determination of this amount at least low investment will attract the participation of backers that how on a geographical location with low economic growth to can still participate in the fundraising. Basically, the fundraising through crowdfunding can minimize the effects of the geographical restriction problem that often appears if you choose to do the traditional funding [1]. The research is in line with studies of Vulcan et al (2016), mention equity crowdfunding success factors can be seen through the accumulation of funding obtained the first week, the investment amount specified by the organizer of the campaign, the number of the magnitude of the capital by any investor (backers), and the number of backers that there are obtainable in any campaign. Based on the explanation above, then researchers interested in conducting research on alternative sources of funding at the small medium enterprises with doing the analysis model crowdfunding platform 2015 the year 2016 and crowdfunding, knowing the difference in success rate model crowdfunding, and factors affecting the success rate of success against achievement model crowdfunding.

## 1. RESEARCH HYPOTHESIS

Based on the given background, thus the hypothesis of this research are as follows:

$H_{a1}$ : There is a difference of success achievement reward based on the model of funding crowdfunding, loan-based crowdfunding, and equity-based crowdfunding as alternative sources of funding on the small medium enterprises (study on crowdfunding platform years 2015 and 2016).

$H_{a2}$ : Target influential positive Funding significantly to the achievement of the level of success of the model as an alternative source of funding crowdfunding on small medium enterprises (studies on crowdfunding platform years 2015 and 2016).

$H_{a3}$ : A period of significant positive effect towards the achievement of the level of success of the model as an alternative source of funding crowdfunding on small medium enterprises (studies on crowdfunding platform years 2015 and 2016)

$H_{a4}$ : The number of Backers of influential positive significant Funding towards the achievement of the level of success of the model as an alternative source of funding crowdfunding on small medium enterprises (studies on crowdfunding platform years 2015 and 2016).

$H_{a5}$ : number of influential positive Investments significantly to the achievement of the level of success of the model as an alternative source of funding crowdfunding on small medium enterprises (studies on crowdfunding platform years 2015 and 2016).

## 2. RESEARCH METHOD

Based on the type of data then this research included in the descriptive research quantitative. Views of relationships between variables this research included comparative research and associative causality. As for the variable that is used to find out the difference in success rate measured through crowdfunding funding model number of fundraising achievement reward based on model crowdfunding, loan-based crowdfunding, and equity-based crowdfunding. Prior to testing the different model of crowdfunding, do the categorization a sample of successful and failed based on the indicators in table 2 in advance. The following table 2 indicator level of success model crowdfunding is as follows:

TABLE 2: Crowdfunding success level indicators.

No.	Indicators	Explanation
1.	Funding target	Rp 0,- up to Rp 2 Miliar,- (GandengTangan.com and Modalku.co.id, 2016)
2.	Funding time range	from 10 until 90 days (Crosetto and Regner, 2014)
3.	Number of backers (Investors)	Minimum 10 <i>backers</i> (investor) (GandengTangan.org, 2016)
4.	Investment minimum sum	Rp 50.000,- (GandengTangan.org, 2016)

At this research to find out the factors that influence the success of crowdfunding variable used is the independent variable and the dependent variable. The independent variable in this study include the target funding (X 1), the period of funding (X 2), the number of backers (X 3), and a minimal amount of investment (X 4), while

the dependent variable in this study is the achievement of the level of success of crowdfunding (Y).

### 2.1. Population and Sample Data

The population used in this research is the entire campaign and crowdfunding platforms around the world as much as the platform and 2,693 78,196 campaign. The number of samples that are used as much as 5 platforms and 128 campaign. The sampling technique used was purposive random sampling, namely by applying several criteria to a particular sample is then taken at random composed crowdfunding website automatically.

Data collection techniques used are secondary data types with the documentation are taken from the source platform kickstarter.com, indiegogo.com, Seedrs.com, investor.com, gandengtangan. org and crowdsurfer.com years 2015 and 2016. The analysis used in this study is the one-way ANOVA for testing success rate difference to funding assuming that filled in the form of a test of its homogeneity and normality test. Influence on testing success factors model analysis used crowdfunding is multiple regression analysis. As for some of the assumptions that were filled with multiple regression analysis to include test normality test, a test of heteroscedasticity and multicollinearity.

## 3. RESULTS

### 3.1. Statistical Description

Sum of crowdfunding model funding achievement

TABLE 3: summary of achievement of funding calculation of crowdfunding model.

Explanation	MEAN		
	Achievement sum		
	Reward Based Crowdfunding	Loan Based Crowdfunding	Equity-Based Crowdfunding
Success	15.780.000	16.090.890	1.032.241.717
Failure	43.910.789	4.347.398	320.733.337

(Source: manufactured data, 2017)

The results of the calculation table 3 showed that the average value of the achievement of funding every project successful crowdfunding models amounted to Rp 1,206,876,848.00 and Rp 440,699,710.00 failed project. Table 3 shows that the average value of the highest achievement of successful and failed projects funding lies in the model of equity-based crowdfunding, amounting to Rp 1,032,241,717.00 and Rp 320,733,337.00. The average value of the lowest achievement of funding the project successful and unsuccessful loan model based crowdfunding is amounting to Rp 16,090,890.00 and Rp 4,347,398.00.

### 3.2. Analysis of One Way Anova

TABLE 4: Test of *One Way ANOVA Model Crowdfunding*.

ANOVA					
Achievement	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.462E19	2	7.311E18	32.822	.000
Within Groups	2.784E19	125	2.228E17		
Total	4.247E19	127			

(Source: manufactured data, 2017)

Based on the test results of the ANOVA table 4 Note that probability value (sig) model fundraising achievement of crowdfunding 0.000 0.05, then < Ho is rejected, so that there is a difference between the model fundraising achievement reward-based crowdfunding, loan-based crowdfunding and equity-based crowdfunding.

### 3.3. Analysis of double regression

Based on table 5 it can be known that the double linear regression is as follows:

$$Y = a + \beta (X_1) + \beta_2 (X_2) + \beta_3 (X_3) + \beta_4 (X_4) + e$$

$$Y = -28.829.214 + 609.745, 15(X_1) - 968.841, 15(X_2) + 1.701.429(X_3) + 133, 78(X_4) + e$$

Based on table 5 can be interpreted that target the funding of positive and significant effect against the achievement of the level of success of crowdfunding, and every increase of 1 unit of target funding will increase the value of the achievement level



TABLE 5: result of double linear regression test of Model *Crowdfunding*.

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-28829214	87578979.9		-.329	.743
	Fund target (IDR)	609745.15	77168.33	.489	7.901	.000
	Duration	-96884.15	1463285.89	-.039	-.662	.509
	Number of Backers	1701429.75	513815.97	.193	3.311	.001
	Sum of min. invesment	133.78	17.59	.444	7.605	.000
a. Dependent Variabel: Pencapaian						
<b>(Source: manufactured data, 2017)</b>						

crowdfunding successes of 609,745.15. Period of fundraising does not influence the achievement of the level of success of crowdfunding. The number of positive and backers influence significantly to the achievement of the level of success of crowdfunding, rising one unit the number of backers can enhance the achievement of the level of success of crowdfunding 1,701,429.

Testing the influence of minimal amount of investment towards the achievement of the success of the model crowdfunding showed the results that a minimal amount of investment is a positive and significant effect against the achievement of a level of success where each increment crowdfunding a minimal amount of investment of one unit will increase achievement levels 133.78 crowdfunding success.

#### 4. DISCUSSIONS

On the calculation of mean achievement score of the highest funding projects successful and failed model owned equity-based crowdfunding. The achievement of such funding can demonstrate that the model equity-based crowdfunding has the highest success rate than other models. This is because the majority of fundraisers could create the appropriate strategy funds be docked and the environmental conditions surrounding fundraising.

On the model of equity-based crowdfunding target funds be docked tend to be higher than on other models so that the fundraisers on the model also determines the

minimum amount of investment is higher than the other models. The determination of the funding period also with consideration of social networks. Fundraisers who have extensive social networks tend to apply short funding period between 20 days to 40 days. Fundraisers who have a social network that is not too wide, apply a longer period of time so as to give hope to be able to do promotion for longer, attracting the attention of more backers who have not been interested in being interested in. so that it can decide to invest.

Geographical layout of the model of equity-based crowdfunding residing in continental Europe also supports funding success, such as the legality of crowdfunding, models of economic growth, the level of human resources, and the population is about behavior. The form of the financing model of equity-based crowdfunding on some of this year's banned by government regulations in the United States, while in Europe do not have special rules regarding the financing of such models but legalized to do [31]. The complex state of affairs that supports the achievement of equity model based crowdfunding is higher than other models.

#### 4.1. Difference in Model Crowdfunding

Based on the test results through the analysis of one-way ANOVA is known that there is alternative fundraising model difference between reward-based crowdfunding, loan-based crowdfunding, and equity-based crowdfunding is seen through the final results fundraising. This can be affected by the difference in the characteristics of the funding model crowdfunding. The characteristics can be either a geographical layout model crowdfunding. Although the existence of the funding problems will minimize limitations of crowdfunding layout of geography that often arise when choosing to use traditional funding (e.g.: banks, leasing, factoring) [1]. However, problems will arise due to the layout of the geography can reflect the behavior of the people about where the funding platform. On the research of Mollick (2014) found in the area of Nashville has the most projects of interest, the Los Angeles-based music is dominated by the film project, and in San Francisco have a tendency on technology projects, games and products Design. These tendencies that would cause the difference in the setting of targets for funding, interest in the selected project to invest in crowdfunding and fundraising model chosen, that ultimately affect campaign success crowdfunding. The condition also happens to spore in the country China. Popular models of Crowdfunding and experiencing rapid development is a model loan-based crowdfunding, due to the culture and behavior of people in these countries prefer a model of funding loans.

The geographical layout differences also affect the difference in economic conditions of the region, which then impacted on the success of crowdfunding. The difference in economic conditions could be a factor that supports fundraisers in making strategies for raising funds. Fundraisers can make the target assignment strategies such as funding, awards given by adjusting the existing economic conditions. The determination of an appropriate strategy can give satisfaction to backers, the high achievement of funding, and the success of the fundraising [33].

## **4.2. Factors influencing the success level of crowdfunding**

### **4.2.1. Funding target influence on the success level of crowdfunding**

Research results through multiple regression analysis indicate that there are a positive influence and significant target funding towards the achievement of the level of success of crowdfunding. This suggests that the influence of target funding towards the achievement of the level of success of the crowdfunding proportional, the bigger the target the funding specified then the greater chance of entrepreneurs to achieve a minimum target. Vice versa the lower funding targets are specified then the less chance the funding target attainment. This is because with regard to the number of backers that will be retrieved. Lukkarinen, et al (2016) said that some investors may be more interested in the campaign that has the higher funding targets, due to the number of funds collected more interesting achievements allowed the company to a more great, and indirectly gives hope against backers will prospective its investments. The research is in line with studies of Vulcan, et al (2015) and Lukkarinen, et al (2016) that says that the target funding towards the attainment of the positive effect the success of crowdfunding and one of the dominant factor affecting success crowdfunding.

### **4.2.2. Funding time range influence of crowdfunding success level**

The results of the analysis showed that the fundraising period has no effect significantly to the achievement of the success of crowdfunding. This shows that the longer the time fundraisers will lower the chances of success of the achievement levels of crowdfunding. This research is not in line with the research Hörisch, (2015) says that a period of positive effect towards the achievement of the successful crowdfunding, because with the long period of funding will allow it to gain time more in raising funds so that it can raise funds to exceed the target of funding. This situation occurs

because of long periods of time can give a longer chance to extend social networking fundraisers, so backers know that campaign more and more. A long period of time can also provide an opportunity to the backers to consider again the decisions already taken, again not investing, but due to seeing the number of backers are counting on funding so that the end of time changing his decision to make an investment.

However, the period of time that is too long, too ineffective due to fundraisers must also do promotions constantly, which can be considered annoying some people because too many notifications and promotions are done. The research is in line with research Mollick, (2014) says that the duration or length of time the funding negative effect on achieving the success of crowdfunding. The study mentions that too long a period of time showed a distrust of self-fundraisers to raise funds [24]. These circumstances relate to the quality of the project who campaigned. According to the study, Wahjono dkk (2015) says that 34.2% of 152 project initiator agrees that investors from crowdfunding project supports not just because of the awards were given, and 38.2% of the 152 respondents saying that the ability create an exclusive project and ability to define and indicate the uniqueness of the project as the value of the sale is very important to support the success of the campaign. The quality of the projects that are not too good it will be difficult to attract the attention of backers when spreading his campaign fundraisers so that gradually lowers the level of confidence fundraisers to do the next step because with a long period of time cannot draw attention. The State also pointed out that projects that campaigned less saleable on the market. Thus it can be concluded, the long period of funding or not has no effect on the achievement of the target of funding because there are many other factors that also affect.

#### **4.2.3. Number of backers influence on crowdfunding success level**

The results of research using multiple regression analysis showed that the number of positive and influential backers significantly to the achievement of the success of crowdfunding. Thus the number of backers are very important in supporting the funding success rate. The number of backers is the most important condition for funding with a high level of achievement, and specifically more backers describe more cash flow to be received [20]. Not only that, a large number of backers also influenced by a social network owned by the financier.

Fundraisers that have great social relationships will help increase the popularity and attention more backers, so the greater the chances of success [31]. The situation occurs because when the financier to post and spread the campaign's misconstrued a social

media owned, then with the help of family and friends to disseminate repeatedly, then the campaign will be the talk of the expanding in cyberspace. With being the talk of progressively attracted the attention of many people to know in more detail so that it will generate more interest in who would later become the curiosity and the desire to invest. Kraus (2016) in her research suggests that the number of backers showed the number of people who have an interest in the project.

Popular projects in the virtual world can multiply the number of backers at campaign project and gives a positive signal towards other backers and backers that investment trust in the safe thing to do. Vulkan et al, (2016) mention that having backers willing to invest a huge amount of funds in a campaign can act as a positive signal for investors who have not yet decided about the potential. Thus, a number of influential backers positively and significantly to the level of success of crowdfunding. The research is in line with studies Colombo, et al (2014) and Vulcan (2016) which says that the number of backers is the most dominant factor in supporting the fundraising success of crowdfunding.

#### **4.2.4. Sum of minimum investment influence on crowdfunding success level**

The results of research using multiple regression analysis showed that the minimum amount of investment is a positive and significant effect on the achievement of the successful crowdfunding. This shows that by increasing the minimum amount of investment it will enhance the achievement of crowdfunding success. Determination of the minimum number of high investment can increase the number of backers, this is due to the low investment minimum amount then the rankings reward given is also more and more. The rankings reward that can attract the attention of many backers to invest because more and more options for backers to invest in accordance with the financial circumstances.

The minimum amount of investment is high and the period of time set not too long, then the chances of achieving the minimum funding target can be realized easily if supported social networks. However, a minimal amount of high investment also increases the level of investment risk. Backers may be discouraged if a minimum number of high investment, because of the available liquid fund's requirements too high, so the risk of losing money is relatively high [21]. A minimal amount of investment to be one of the factors that affect the achievement of success this crowdfunding,

in line with the research of Vulcan (2016) that says that the minimum amount of investment is one of the four dominant factors in the success of crowdfunding.

## 5. CONCLUSIONS AND SUGGESTIONS

### 5.1. Conclusions

Based on the results of research and discussion has been parsed, then it can be drawn the conclusion that the value of the mean achievement of successful and failed projects funding the highest model owned by equity-based crowdfunding. While the value of the mean achievement of the funding model crowdfunding project success and failure is owned by model loan-based crowdfunding. With the high value of the mean achievement of the model the model owned equity crowdfunding based crowdfunding, then owned by the highest level of success model equity-based crowdfunding. Other than that based on the test results indicate that there is a difference between the model fundraising success is reward-based crowdfunding, loan-based crowdfunding, and equity-based crowdfunding.

The level of success of the fundraising model crowdfunding i.e. reward-based crowdfunding, loan-based crowdfunding, and equity-based crowdfunding is influenced by several factors. Testing results state that the target of the Fund, the number of backers, and a minimal amount of investment is a positive and significant effect on the achievement of success model crowdfunding. However, the test results do not affect funding period significantly to the achievement of the success model crowdfunding.

### 5.2. Suggestions

The existence of this research is that so fundraisers can know the level of success of each different model, and is influenced by many factors. Therefore, before making any campaign should make the business plan proposal. In addition, fundraisers must be able to create great social networking to attract many backers. Further research should examine more about alternative funding model crowdfunding, such as from a different point of view because the crowdfunding has the scope and the wide gap so that needs to be examined more deeply and specific. Moreover, the addition of variable geographical research on the next can also be done because these variables are very influential towards the success of the funding. On the variable of the time period, funding should be examined more deeply. The addition of research samples will give you results that are more varied and more detailed.

## References

- [1] Agrawal, *et al.* 2010. The Geography of Crowdfunding. *SSRN Electronic Journal*, (Online), (<http://ssrn.com/abstract=1692661>), diakses 22 Juli 2017.
- [2] Ahlers, Gerrit K.C., *et al.* 2015. Signaling in Equity Crowdfunding. *ENTREPRENEURSHIP THEORY and PRACTICE*, (Online), Volume 39, (<http://onlinelibrary.wiley.com>), diakses 26 September 2016.
- [3] Akbar, DhoniSamsyah F. 2015. *Konsep Crowdfunding untuk Pendanaan Infrastruktur di Indonesia*. (Online), (<http://www.kemenkeu.go.id/Arti-kel/konsep-crowdfunding-untuk-pendanaan-infrastruktur-di-indonesia>), diakses 6 November 2016.
- [4] Badan Pusat Statistik. 2013. Tabel Perkembangan UMKM pada Periode 1997-2012. (Online), (<http://www.bps.go.id/linkTabelStatis/view/id/1322>), Diakses 2 Juni 2016
- [5] Belleflamme, P., *et al.* 2013. Crowdfunding: Tapping the right crowd. *Journal of Business Venturing*, (Online), 29: 585 – 586 (<http://www.elsevier.com>), diakses 26 September 2016.
- [6] Budiarti, W., Hidayati, F.D. 2015. Analisis Perbandingan Pendanaan Aset Tetap Alternatif *Leasing* Dengan Pinjaman Bank Dalam Efisiensi Pajak Penghasilan Badan (Studi Kasus Pada Pt Cahaya Gasdom). *Jurnal Ilmiah Akuntansi Fakultas Ekonomi*, (Online), Volume 1 (2) : 94 – 102. (<http://ejournal.unpak.ac.id>), diakses 6 November 2016.
- [7] Chen, D., Han, C. 2012. A Comparative Study of online P2P Lending in the USA and China. *Journal of Internet Banking and Commerce*, (Online), Vol.17 (2): 1 – 15, (<http://www.arraydev.com/commerce/jibc/>), diakses tanggal 17 Desember 2016.
- [8] Collins, L., Pierrakis, Y. 2012. Crowdfunding: a new innovative Model of providing funding to projects and businesses. *SSRN Electronic Journal*. (Online), (<https://www.researchgate.net/publication/272246543>), diakses 26 Oktober 2016.
- [9] Colombo, M.G., *et al.* 2014. Internal Social Capital and the Attraction of Early Contributions in Crowdfunding. *ENTREPRENEURSHIP THEORY and PRACTICE*, (Online), Volume 31 (1): 75-100, (<http://onlinelibrary.Wiley.com>), diakses 05 November 2016.
- [10] Crosetto, P., Regner, R. 2014. Crowdfunding: Determinants of success and funding dynamics. *Jena Economic Research Papers*, (Online), (<http://www.jenecon.de>), diakses 5 January 2017.
- [11] Fahmi, Irham. 2014. *Bank dan Lembaga Keuangan Lainnya: Teori dan Aplikasi*. Bandung: Penerbit Alfabeta. Halaman 14.
- [12] Gandeng Tangan. 2017. Gandeng Tangan: Frequently Asked Question. (<http://www.gandengtangan.org>), diakses 30 January 2017.



- [13] Gandeng Tangan. 2017. Gandeng Tangan: Statistik. (<http://www.gandengtangan.org>), diakses 30 January 2017.
- [14] Hobbs, J., et al. 2016. Success in the management of crowdfunding projects in the creative industries. *Internet Research*, (online), Vol. 26 Iss 1: 146-166, (<http://www.emeraldinsight.com>), diakses 26 September 2016.
- [15] Hörisch, Jacob. 2015. Crowdfunding for Environmental Ventures: an Empirical Analysis of The Influence of Environmental Orientation on The Success of Crowdfunding Initiatives. *Journal of Cleaner Production*, (Online), 107 636 - 645, ([www.elsevier.com/locate/jclepro](http://www.elsevier.com/locate/jclepro)), diakses tanggal 5 Juli 2017.
- [16] Industri Bisnis. 2016. *Ini 3 Kendala Utama Perkembangan UKM*. (Online), (<http://industri.bisnis.com/read/20140918/87/258467/ini-3-kendala-utama-perkembangan-ukm>), diakses 6 November 2016.
- [17] Jpnn. 2016. *Gubernur BI Beberkan Masalah Utama UMKM*. (Online), (<http://www.jpnn.com/read/2016/06/03/425093/Gubernur-BI-Beberkan-Masalah-Utama-UMKM->), diakses 6 November 2016.
- [18] Kementerian Keuangan Republik Indonesia. 2016. *Peran Penting UKM Dorong Perekonomian Indonesia*. (Online), (<http://www.kemenkeu.go.id/Berita/peran-penting-ukm-dorong-perekonomian-indonesia>), diakses 6 November 2016.
- [19] Knudsen, B., et al. 2007. Urban Density, Creativity, and Innovation, (Online). (<http://www.elsevier.com>), diakses tanggal 28 Juni 2017.
- [20] Kraus, S., et al. 2016. Strategies for reward-based crowdfunding campaigns. *Journal of Innovation & Knowledge*, (online), 1: 13-23, (<http://www.elsevier.es/jik>), diakses 26 September 2016.
- [21] Lukkarinen, A., et al. 2016. Success drivers of online equity crowdfunding campaigns. *Decision Support Systems*. (Online), (<http://www.elsevier.com/locate/dss>), diakses tanggal 17 Desember 2016.
- [22] Massolution. 2013. 2013CF: The Crowdfunding Industry Report. USA: Massolution Crowd Powered Business.
- [23] Modalku. 2017. Modalku: Frequently Asked Question. (<http://www.modalku.co.id>), diakses 30 January 2017.
- [24] Mollick, E. 2014. The dynamics of crowdfunding: An exploratory study. *Journal of Business Venturing*, (Online), 29: 1-16, (<http://www.elsevier.com>), diakses 26 September 2016.

- [25] Murray, J. 2015. Equity Crowdfunding And Peer-To-Peer Lending In New Zealand: *The First Year. JASSA The Finsia Journal of Applied Finance*, (2): 5 – 10, (<http://www.finsia.com>), diakses tanggal 17 Desember 2016.
- [26] Organisation for Economic Co-operation and Development (OECD). 2015. New Approaches to SME and Entrepreneurship Financing: Broadening the Range of Instruments. (Online), (<http://www.oecd.org>), diakses tanggal 17 Desember 2016.
- [27] Pandia, F., dkk. 2015. *Lembaga Keuangan*. Jakarta: Rineka Cipta. Halaman 7-8.
- [28] Schwienbacher, A., Larralde, B. 2010. *Crowdfunding Of Small Entrepreneurial Ventures, Handbook of Entrepreneurial Finance*. London: Oxford University Press. Halaman 3.
- [29] Taylor, R. 2015. Equity-based Crowdfunding: Potential Implications for Small Business Capital. *Brief Advocacy: the voice of small business in government*,(5): 1 – 8, (<http://www.sba.gov/advocacy>), diakses tanggal 17 Desember 2016.
- [30] Tempo. 2016. *BI: Kontribusi UKM terhadap PDB Bisa Naik hingga 70 Persen*. (Online), (<https://m.tempo.co/read/news/2016/08/26/090799171/bi-kontribusi-ukm-terhadap-pdb-bisa-naik-hingga-70-persen>), diakses 6 November 2016.
- [31] Vismara, S. 2016. Equity retention and social network theory in equity crowdfunding. *Small Business Economic*, Online (<https://www.researchgate.net/publication/294278766>), diakses tanggal 28 Juni 2017.
- [32] Vulkan N., *et al.* 2016. Equity crowdfunding: A new phenomena. *Journal of Business Venturing Insights*, (Online), 5: 37-49, (<http://www.elsevier.com/locate/jbvi>), diakses 26 September 2016.
- [33] Wahjono, S.I., *et al.* 2015. Innovative Funding Solution for Special Project: Crowdfunding. *Journal of Economics, Business, and Accountancy*, Volume 16 (01): 65 – 74.
- [34] Wilson, K.E., Testoni, M. 2014. Improving The Role Of Equity crowdfunding In Europe's Capital Markets. *Bruegel Policy Contribution*, (Online), (<https://www.researchgate.net/publication/266024973>), diakses 25 Oktober 2016.
- [35] Yuan, H., *et al.* 2016. The determinants of crowdfunding success: A semantic text analytics approach. *Decision Support Systems*,(Online), (<http://www.elsevier.com/locate/dss>), diakses tanggal 17 Desember 2016.
- [36] Zhang, B., *et al.* 2016. *Pushing Boundaries: The 2015 UK Alternative Finance Industry Report*. Inggris: Nesta – Cambridge Centre for Alternative Finance, Cambridge Judge Business School.