



Development of a MSMEs Digitalization Transformation Model: Optimization of The Use of Crowdfunding as an Alternative to Information Technology Based Capital Solutions

Zulfahmi¹, Hubertina Karolina Ngarbingan², Ginta Ginting³,
Sri Ismulyati⁴, Mohamad Nasoha⁵
¹²³⁴⁵Universitas Terbuka, Indonesia

Correspondent: hubertina@ecampus.ut.ac.id

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ABSTRACT: Digitalization of MSMEs is one strategy to accelerate the development of MSMEs in an inclusive and massive manner. The Financial Technology (Fintech) phenomenon in recent years has encouraged the emergence of various new services in the financial sector, including Crowdfunding. Crowdfunding is the practice of raising funds or investment by utilizing a site or website. Currently, it is indicated that there is still very little use of crowdfunding among MSMEs players. For this reason, a comprehensive study is needed regarding the importance of MSMEs utilizing Crowdfunding as an alternative to overcome capital problems. Research design used is mix method (descriptive non experimental and judgement sampling). Sample are selecting by non-random sampling (judgment sampling). Based on the results of a survey involving 71 business doers, most of them are managers and owners, included the category of small and medium business doers with 50 to 100 employees, it was found that most of these business doers were familiar with crowdfunding as an easily accessible funding alternative. The results of the analysis using SEM-PLS, interesting findings were obtained that perceptions and aspects of technology and entrepreneurship from business actors had a positive effect on interest in using crowdfunding. Recommendations for future research are the need to research the role of capital markets and regulations, which in this research were assessed as having not been optimally socialized by MSMEs players. The point is that in the future MSMEs players must be given space to gain access to funding through crowdfunding in an inclusive manner

Keywords: MSMEs, Crowdfunding, FinTech, Capital.



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INTRODUCTION

Digitalization of MSMEs is one strategy to accelerate the development of MSMEs in an inclusive and massive manner. MSMEs in Indonesia are a very important supporter of the Indonesian economy, namely being able to absorb around 97% of employment opportunities and making a significant contribution (61.7%) to the formation of Gross Domestic Product (GDP). MSMEs have become an important part of the economic system in Indonesia because the number of business units is greater than large businesses with a ratio of 5.6 thousand large businesses (UB) and 64.14 million MSMEs (B.P.S., 2021). It is suspected that MSMEs are able to collect 60.42%

of total investment in Indonesia and have high economic resilience to support crises and maintain the stability of the economic system.

One phenomenon that is still the main obstacle for MSMEs to show optimal performance is access to capital. Research results from ([Rafi Aulis Ibrahim, 2021](#); [W. T. Rahmawati, 2021](#)) recommend that crowdfunding can be an alternative for MSMEs to overcome problems with capital. Both are research results and supported by research from ([Bramastya Ali, 2022](#)) regarding fintech equity crowdfunding as a solution for accessing SMES capital, which is a research gap and novelty that needs to be explored in a deeper and more comprehensive context([Gleasure, 2015](#); [Langley et al., 2020](#); [Leraas et al., 2023](#)).

There are 3 alternative capital methods for MSMEs, namely bank credit, following the IPO (Initial Public Offering) process in the capital market, and Peer to Peer/P2P Lending. However, until now these three capital alternatives are still very difficult for MSMEs to access. MSMEs have difficulty accessing bank credit due to complicated credit application requirements, high credit interest and the obligation to provide credit guarantees. According to ([Bank Indonesia, 2019](#)), only 27% of MSMEs have bank credit facilities, and 60-70% do not have access to financing through banks (unbankable). Another obstacle faced by MSMEs is that there is little possibility of being able to participate in an IPO on the capital market because of the high costs and complicated requirements to fulfill because the capital mechanism emphasizes trading to obtain capital gains. P2P lending also cannot be an ideal capital solution for MSMEs because the interest is too high and there are many illegal P2P lending providers for which there are no firm regulations from the government ([Donelli et al., 2022](#); [Farstad & Butli Hårstad, 2022](#)).

The industrial revolution 4.0 encourages the transformation of the financial services business towards digital technology-based technology known as financial technology (Fin Tech). Fin Tech is a technology-based financial service that acts as a solution in developing applications, products or business models in the financial services industry. This Fintech phenomenon in recent years has encouraged the emergence of various new services in the financial sector, including Crowdfunding . Crowdfunding is the practice of raising funds or investment by utilizing a site or website. Several experts say about Crowdfunding: is online fundraising that is contributed by some/many people and the funder can get rewards ([Hui et al., 2012](#)), Crowdfunding can be micro-finance ([Mollick, 2014](#)) and also can be on a large scale ([Belleflamme et al., 2014](#)), Crowdfunding, as an alternative way to get project funding, can be benefited especially small-scale projects and or technology innovation ([Bonzanini et al., 2016](#)). The concept of Crowdfunding is implemented in the business world in the form of Equity Crowdfunding (ECF), namely the provision of share offering services carried out by issuers (business actors) to sell shares directly to investors (the general public who have capital) through a network (website) formed and run by organizer. In practice, ECF still faces various obstacles in the field, therefore the Financial Services Authority (OJK) has expanded it into Securities Crowdfunding (SCF), where not only shares are offered to investors, but also in the form of debt securities and bonds ([OJK, 2020](#)). OJK is the government (regulator) to ensure crowdfunding runs well and smoothly (supervision aspect).

Currently, the number of MSMEs that are starting to utilize SCF has increased. Data from the OJK records that as of May 31 2021, there were 151 MSME actors who had issued SCF, then at

the end of February 2022, there were 8 organizers and 210 publishers who had collected funds ([Bramastya Ali, 2022](#)). However, if we look at the large number of MSMEs, the use of SCF by MSMEs is still too small. This condition arises because the mindset of many people (MSME actors) is still illiterate (low literacy) and education has not yet been developed because socialization is still low. OJK research results show that Indonesia has a financial literacy index of 21.84%, therefore the community's ability to use knowledge and skills to manage financial resources effectively is not yet optimal ([Rafi Aulis Ibrahim, 2021](#); [A. Rahmawati et al., 2019](#); [W. T. Rahmawati, 2021](#)) due to the low literacy of MSMEs regarding crowdfunding be the cause of the lack of distribution of information. The point is that socialization and education on the use of Fin Tech (Crowdfunding) by the government or other stakeholders is still not optimal. In terms of regulations, government regulations are not yet fully in favor of MSMEs.

Not only from the macro aspect (government, investors, etc.), from the micro aspect (MSME actors), the use of crowdfunding indicates that there is no awareness and perception of its benefits. The research results of ([A. Rahmawati et al., 2019](#)) show that MSMEs' awareness of the existence of crowdfunding is still low due to a lack of socialization from both the government and platform organizers. One of the obstacles that MSMEs still experience when accessing SCF is the need to publish digital financial reports as required ([POJK No. 57/POJK.04/2020, 2020](#); [POJK No.37/POJK.04/2018, 2018](#)). In fact, the financial reporting mechanism can provide lessons to MSMEs in the form of entrepreneurship, management and administration experience and digital business development. The financial reporting system required according to Article POJK No. 57/2020 is a track record (audit track record) of business portfolios when MSMEs want access to financing services or larger securities offerings such as IPOs on the capital market. Another problem that arises is that many organizers are incomplete and do not even provide information regarding risk mitigation on the organizer's platform, which can make investors lose confidence in crowdfunding.

To accelerate or speed up the adoption of financial digitalization (Fin Tech) for MSMEs, especially in the use of SCF as an alternative to obtain easily accessible capital, a model needs to be developed. This modeling can also be a basis for stakeholders (MSME actors, investors, regulators) to be able to develop strategies which essentially provide opportunities for MSMEs to access modeling in an inclusive manner.

METHOD

Research Design

The focus of this research is on MSMEs' acceptance of the practice of utilizing Securities Crowdfunding (SCF) funds. The research design uses mix-methods, namely 1) Descriptive Non-Experimental, namely research in the form of an objective search for information without any special treatment of respondents. 2) Causal quantitative. The research was conducted using a survey of MSMEs who utilize SCF ([Hair, 2017](#); [Kuncoro, 2013](#)).

Research Sites: Distribution of questionnaires was carried out in several industrial centers, especially creative industries in Yogyakarta and surrounding areas, such as: Wooden Batik (krebet); natural fiber and woven crafts (Gamplong), Leather- Manding and Jumputan (Annual).

Interviews with experts (15 people) were held at the place where they were (Jabodetabek). The experts involved come from: Ministry of Cooperatives and MSMEs, OJK, Business Actors (MSMEs), investors, platform developers, lecturers and researchers from universities.

Data Types and Sources: The data used is secondary and primary. Secondary data is a reference from various sources to identify factors that influence MSMEs' acceptance of the practice of utilizing Fin Tech -Securities Crowd Funding. Primary data is data from respondents (MSMEs)

Data Collection Techniques: This is done by filling out a questionnaire via Google Form. The questionnaire consists of several indicators which are measured using a Likert scale. Sampling was carried out using a non-probability sampling method with the type of sampling chosen being judgment sampling because the researcher determined the required respondent criteria.

Theoretical And Conceptual Basis For Model Development

Financial Technology (Fin Tech): Crowdfunding

According to ([Agrawal et al., 2014](#); [Mollick, 2014](#); [Nizar, 2017](#); [Pekmezovic & Walker, 2016](#)) Fin Tech is a technology-based financial service that provides solutions in developing applications products, or business models in the financial services industry. Fin Tech is defined as an industry consisting of companies that use technology to make financial systems and the delivery of financial services more efficient ([Belleflamme et al., 2014](#); [Bradford, 2012](#)). Fin Tech is also defined as technological innovation in financial services that can produce business models, applications, processes, or products with material effects related to the provision of financial services ([Bradford, 2012](#)). Based on reports from United Overseas Bank (UOB) and the Singapore Fintech Association (SFA), the number of Fin Tech companies in Indonesia continues to increase every year. This is in line with the rapid penetration of digital finance in the country. Indonesia was recorded as having 440 fintech companies in 2017. The number then increased 32.5% to 583 companies a year later. The number of fintech companies increased again to 691 units in 2019 and 758 units in 2020. The figure rose again by 3.56% to 785 fintech companies as of September 2021. Meanwhile, the number of Fin Tech in Indonesia is the second largest in Southeast Asia. The first position is occupied by Singapore with 1,350 fintech companies. Malaysia is below Indonesia with 549 fintech companies. Meanwhile, the Philippines and Vietnam both have 268 fintech companies.

It cannot be denied that Fin Tech in Indonesia is experiencing very significant growth and has great potential for development as illustrated by the diversity of new services in the financial sector. One of the innovative services is information technology-based Crowdfunding. Crowdfunding is a practice of raising funds or investment by utilizing a website. Several experts say about Crowdfunding: is online fundraising that is contributed by some/many people and the funder can get rewards ([Gerber & Hui, 2014](#)), Crowdfunding can be micro-finance ([Mollick, 2014](#)) and also can be on a large scale ([Freedman, 2014](#)), Crowdfunding, as an alternative way to get project funding, can be benefited especially small-scale projects and or technology innovation ([Bonzanini et.al, 2016](#)). In general, the financing scheme through crowdfunding can be described as follows:

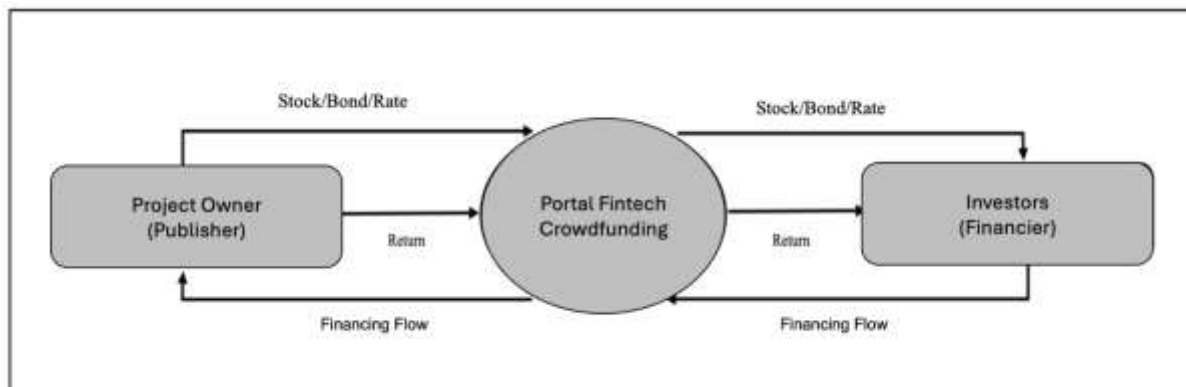


Figure 1. Crowdfunding Financing Scheme

Figure 1 above shows how the flow of funds occurs from 3 parties who have an important role in creating an ecosystem that can support the needs of each party, namely: 1) Fintech Crowdfunding Portal (Organizer) is a crowdfunding service provider that provides a platform that acts as a crowdfunding organizer that brings together between investors and publishers. 2) Project Owner (Publisher) is a business actor (MSME) who needs capital by sending a financing proposal. 3) Investors (financiers) are the public who own funds.

UNDP (2017), introduced one of the crowdfunding models used in a business context, namely Equity Crowdfunding (ECF), defined as the provision of share offering services carried out by issuers to sell shares directly to investors through an open electronic system network. To increase access for business actors (MSMEs), OJK expanded ECF into Securities Crowdfunding (SCF) where not only shares are offered to investors, but other types of securities such as bonds and forest deposits. There are several advantages of offering funds through SCF as an alternative source of financing for MSMEs (Suryanto, 2021), namely: 1) the procedure for issuing securities is made easier, the important thing is that it meets the requirements, 2) the issuing company does not need to be a PT, it can be a CV, Firm or civil partnership, 3) the securities offered vary (shares, sukuk, bonds) to potential investors, 4) funds can be raised in stages. Apart from these advantages, SCF is under the protection and supervision of OJK which has the legal umbrella POJK No. 57 of 2020. This new regulation makes it easier for MSMEs to obtain sources of financing through the capital market.



Figure 2. Best Practice: Securities Crowdfunding (*Modal Rakyat*)

Modal Rakyat is present as a digital service solution that brings together borrowers (MSMEs) and funders and facilitates safe, reliable, and profitable funding interactions online, and with a measurable level of risk thanks to the support of a professional management team. With Rakyat's Capital, MSMEs can get access to the capital needed to develop their businesses and funders can get attractive returns of up to 18% (flat per year) from the funding proceeds to the selected MSMEs. Modal Rakyat hopes that what Modal Rakyat does can help tens of millions of MSMEs in Indonesia to continue to develop and contribute to the economy in Indonesia. Come on, let's advance the Indonesian economy by funding MSMEs!

PT Modal Rakyat Indonesia (Modal Rakyat) has succeeded in distributing funding of more than IDR 1 Trillion as of March 2021. Founded in 2018, Modal Rakyat as a financial start-up company operating in the peer-to-peer lending sector started its office in a shophouse in Radio Dalam, South Jakarta. Starting from three young people whose mission was to support micro, small and medium enterprises (MSMEs) in remote areas of Indonesia, Modal Rakyat brings together lenders and borrowers (MSMEs) through the website www.modalrakyat.id

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Theoretical Basis for Building Models

This research uses several theories and models as a basis for exploring MSMEs' acceptance of Securities Crowdfunding (SCF) practices:

- 1) Theory of Planned Behavior/TPB and Extended TPB.

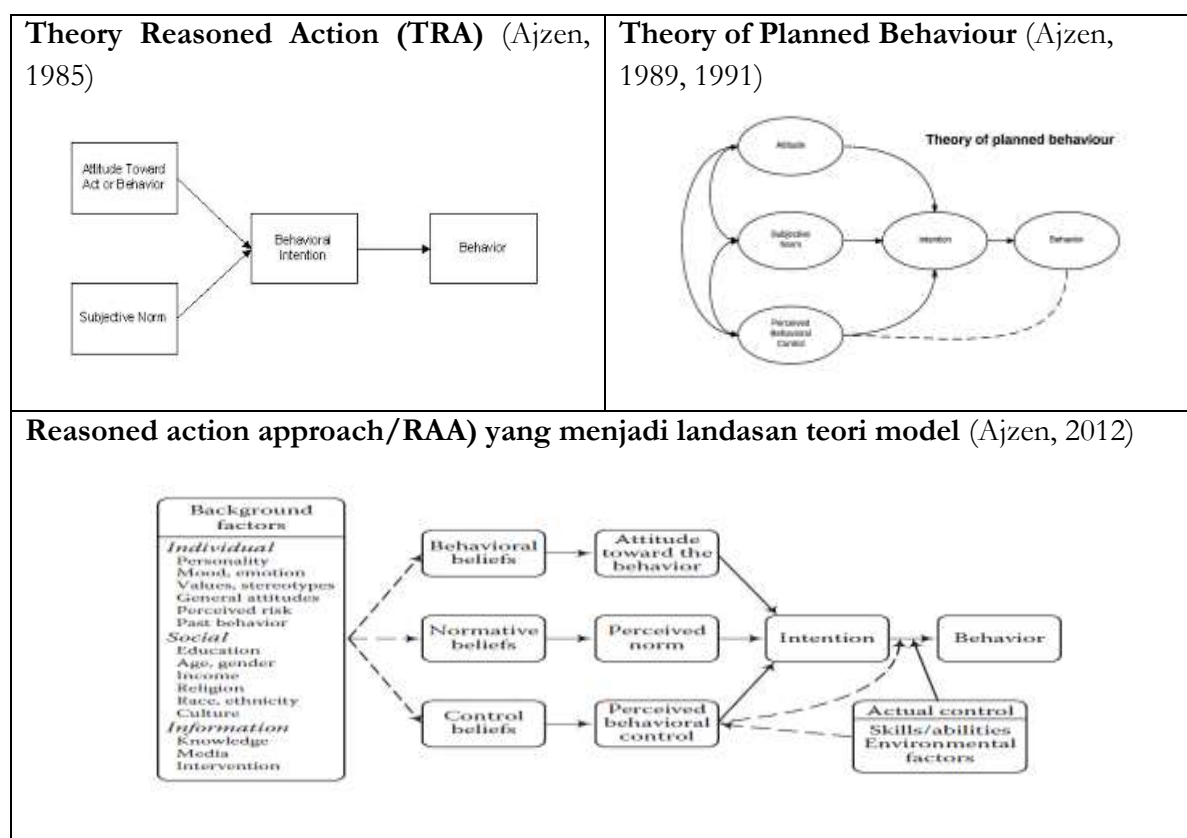


Figure 3. Behavioral Theories

- 2) Theory of Willingness to Participate (Stekelenburg & Klandermans, 2017). This theory studies why an individual participates or does not participate in a business model which is influenced by identity, cognition, motivation, and emotions which mediate between collective identity and collective action.

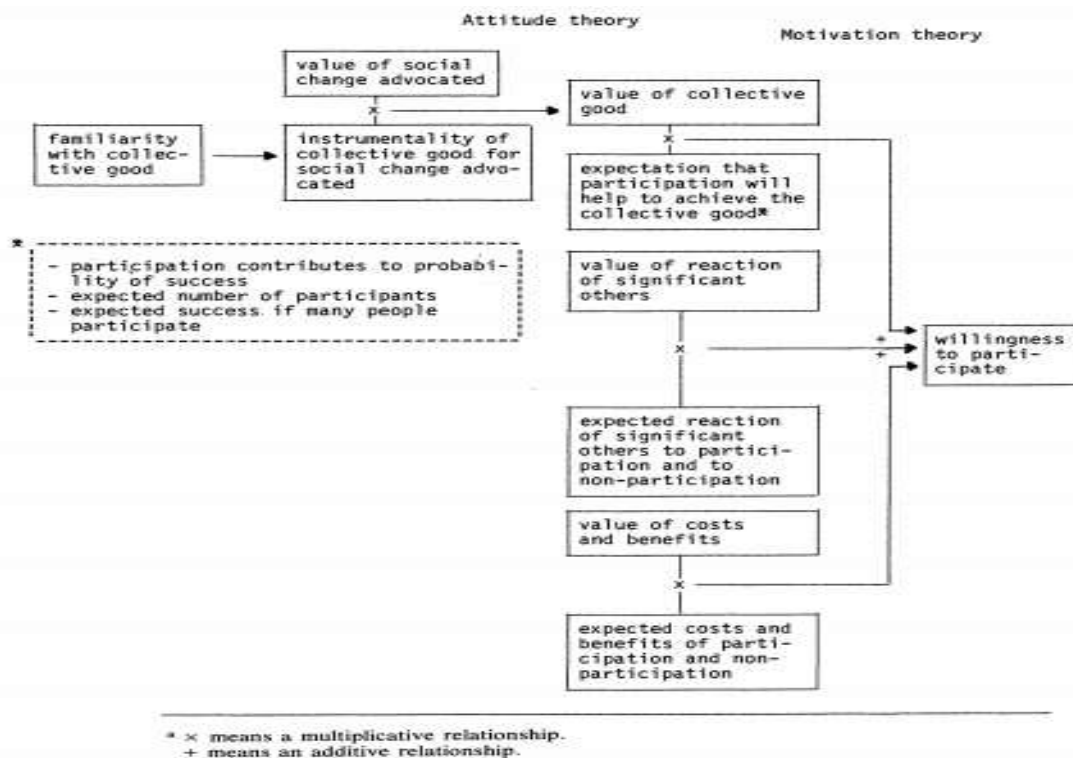


Figure 4. Theory of The Willingness to Participate

3) Concious dan Influencer Marketing

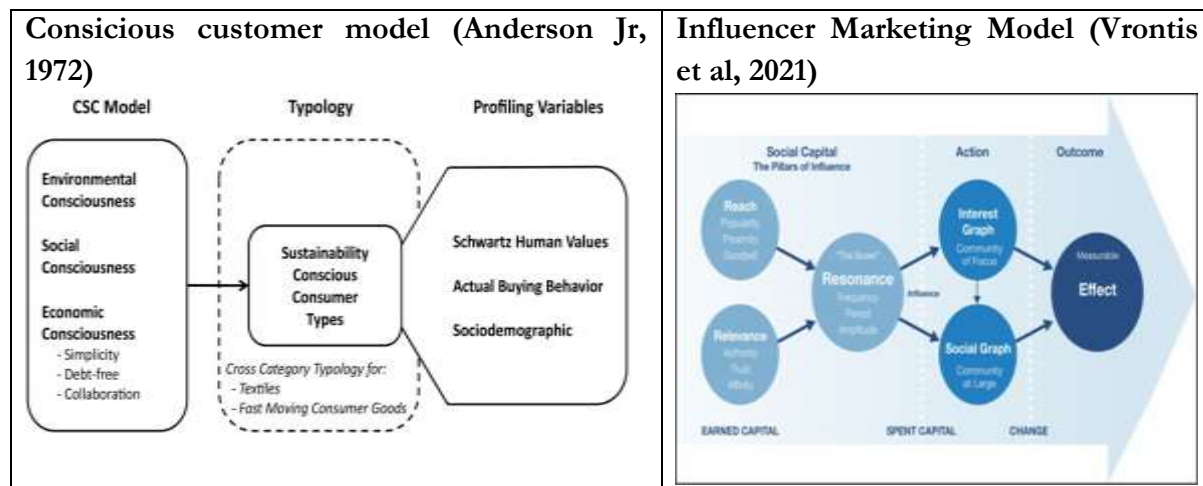


Figure 5. Modeling Reference

Research Model

The theoretical basis above is used as a basis for modeling development so that it can be done. The variables studied represent factors that influence MSMEs' acceptance of SCF practices related to several aspects: attitudes, subjective norms, behavioral control, intentions, behavior (readiness, willingness to become agents of change). The model compiled explains the causality pattern of 3 factors, namely: antecedents (perception, technology and entrepreneurship and social norms) 2) results (intention, readiness, willingness) by analyzing the model's abstraction ability (prediction). This research modeling uses moderator variables to determine the extent to which the role of

capital markets and regulations can strengthen or weaken the influence of antecedents on outcomes.

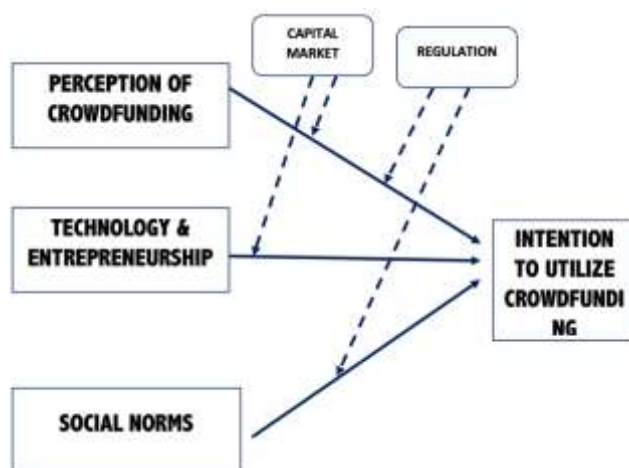


Figure 6. Proposing Research Model

RESULT AND DISCUSSION

The number of respondents who participated in this research was 71 people. Most of the respondents were managers, 62%, the rest were directors, owners and employees. In terms of education, 46.5% have undergraduate degrees and 11% have baccalaureate degrees. The number of workers is dominated by the size of medium group businesses, 85.9% (50-100 people).

To gain insight into understanding and utilizing the concept of crowdfunding, there are 3 important questions to ask, namely understanding crowdfunding, utilization and difficulties in accessing it. Descriptive calculation results (Table 1) show the pattern of respondents' answers.

Table 1. Crowdfunding Practices

| CROWDFUNDING | PRACTICE | SELECT | | UNSELECT | |
|--|--|--------|------|----------|------|
| | | f | % | f | % |
| Understanding of "CROWDFUNDING" | <input type="checkbox"/> Obtain business development capital through applications (websites) | 17 | 23.9 | 54 | 76.1 |
| | <input type="checkbox"/> Obtain additional capital more easily than through a bank | 62 | 87.3 | 9 | 12.7 |
| | <input type="checkbox"/> Crowdfunding websites are easy to find | 57 | 80.3 | 14 | 19.7 |
| | <input type="checkbox"/> The requirements for applying for capital assistance is easy | 19 | 26.8 | 52 | 73.2 |
| | <input type="checkbox"/> Access to Crowdfunding further improves technology skills | 2 | 2.8 | 69 | 97.2 |
| | Others (specify) | | | | |
| | | | | | |

| | | | | | |
|---|--|----|------|----|------|
| Utilization of Capital from "Crowdfunding" | <input type="checkbox"/> Increase capital for business development | 18 | 25.4 | 53 | 74.6 |
| | <input type="checkbox"/> Refund times are more flexible | 55 | 77.5 | 16 | 22.5 |
| | <input type="checkbox"/> Increase the entrepreneurial spirit | 56 | 78.9 | 15 | 21.1 |
| | <input type="checkbox"/> Gain the opportunity to meet investors on a wider scale | 17 | 23.9 | 54 | 76.1 |
| | <input type="checkbox"/> Building collaboration and partnerships with MSME players | 5 | 7.0 | 66 | 93.0 |
| | Others (specify) | | | | |
| Difficulty Accessing Crowdfunding (Crowdfunding) | <input type="checkbox"/> Difficulty utilizing technology (access to websites, use of social media) so it takes time to gain good skills. | 37 | 52.1 | 34 | 47.9 |
| | <input type="checkbox"/> Difficulty communicating with investors | 57 | 80.3 | 14 | 19.7 |
| | <input type="checkbox"/> Requirements for obtaining funds often make it difficult to fulfill them | 40 | 56.3 | 31 | 43.7 |
| | <input type="checkbox"/> The limited amount of funds or capital assistance is insufficient for business development | 15 | 21.1 | 56 | 78.9 |
| | Others (specify) | | | | |

Based on this data, it can be seen that in the question regarding understanding "CROWDFUNDING", the majority of respondents, namely 62 people or 87.3%, preferred the practice of "Can obtain additional capital more easily than through banks". In the Capital Utilization question, the majority of respondents, namely 56 people or 78.9%, preferred the practice of "Improving the entrepreneurial spirit". In the Difficulty in Accessing question, the majority of respondents, namely 57 people or 80.3%, preferred the practice of "Difficulty communicating with investors". Then, if we explore more deeply the role of the media, table 2 can clearly show that the media that really influences the use of Crowdfunding is the website (63.4%).

Table 2. The Role Of The Media

| No | The Role Of The Media | | 7 | 6 | 5 | 4 | 3 | 2 | 1 | Total |
|----|-----------------------|---|-------|-------|------|------|-------|-------|------|--------|
| 1 | Newspaper | f | 1 | 0 | 0 | 2 | 2 | 62 | 4 | 71 |
| | | % | 1.4% | 0.0% | 0.0% | 2.8% | 2.8% | 87.3% | 5.6% | 100.0% |
| 2 | Television | f | 1 | 1 | 1 | 3 | 28 | 31 | 6 | 71 |
| | | % | 1.4% | 1.4% | 1.4% | 4.2% | 39.4% | 43.7% | 8.5% | 100.0% |
| 3 | Websites | f | 21 | 45 | 1 | 1 | 0 | 3 | 0 | 71 |
| | | % | 29.6% | 63.4% | 1.4% | 1.4% | 0.0% | 4.2% | 0.0% | 100.0% |
| 4 | Facebook | f | 1 | 2 | 2 | 1 | 30 | 34 | 1 | 71 |
| | | % | 1.4% | 2.8% | 2.8% | 1.4% | 42.3% | 47.9% | 1.4% | 100.0% |
| 5 | YouTube | f | 1 | 0 | 2 | 2 | 24 | 40 | 2 | 71 |
| | | % | 1.4% | 0.0% | 2.8% | 2.8% | 33.8% | 56.3% | 2.8% | 100.0% |
| 6 | Whatsapp | f | 2 | 2 | 2 | 2 | 25 | 37 | 1 | 71 |
| | | % | 2.8% | 2.8% | 2.8% | 2.8% | 35.2% | 52.1% | 1.4% | 100.0% |

Modeling Test Results

Based on the Partial Least Square estimation method, a Full Structural Model path diagram is obtained as shown in the following figure:

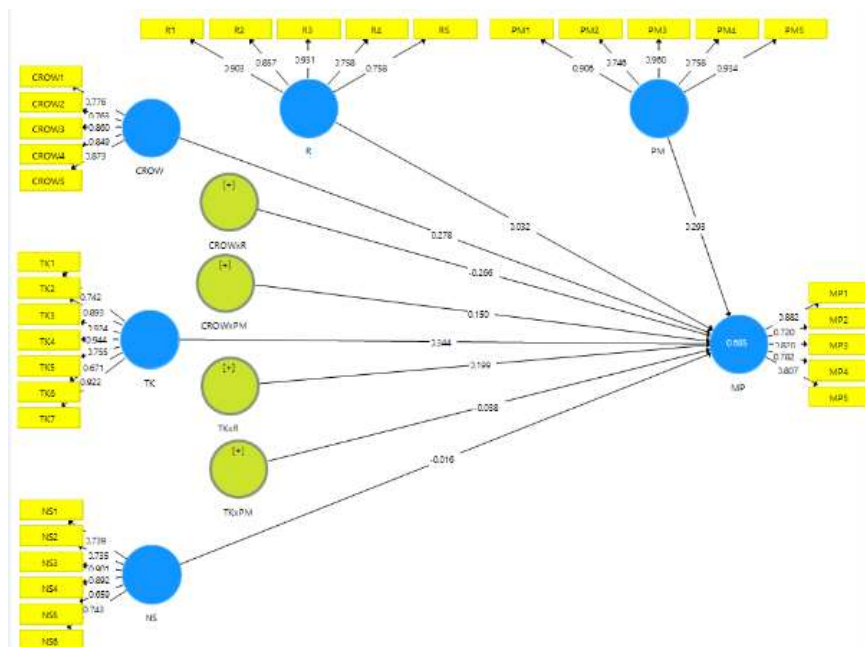


Figure 7. Full Model Struktural (PLS Algorithm)

Based on the results of data calculations, each indicator has a factor weight of more than 0.60, meaning it is valid, which can be seen from the AVE (Average Variance Extracted) table. In the table above, it can be seen that the six latent variables have an AVE value that is greater than the specified value, namely 0.5. So that all variables are declared valid in explaining the latent variables, which shows that the use of manifest variables meets the AVE requirements.

Table 3. Average Variance Extracted (AVE)

| | Average Variance Extracted (AVE) |
|-------------|-------------------------------------|
| CROW | 0.682 |
| TK | 0.709 |
| NS | 0.613 |
| R | 0.713 |
| PM | 0.749 |
| MP | 0.647 |

The results of the reliability test using two methods, namely Composite Reliability (CR) and Cronbach's Alpha, are presented as follows:

Tabel 4. Composite Reliability (CR) and Cronbach's Alpha Test Results

| | Cronbach's Alpha | Composite Reliability |
|-------------|-------------------------|------------------------------|
| CROW | 0.884 | 0.914 |
| TK | 0.928 | 0.944 |
| NS | 0.872 | 0.904 |
| R | 0.898 | 0.925 |
| PM | 0.913 | 0.937 |
| MP | 0.862 | 0.901 |

Based on the test results above, it can be seen that the Composite Reliability (CR) value is greater than 0.7 and the Cronbach's Alpha value is greater than 0.6, so it can be concluded that the data is reliable which shows that all indicators have consistency in measuring each variable.

R Square Test

The influence of the dependent variable can be displayed by the R-square value. The following is the R-square value obtained.

Table 5. R Squares Test

| | R Square |
|-----------|-----------------|
| MP | 0.685 |

Through the coefficient of determination (R-square) value contained in the table above, it can be seen that the R-square value of the variable Interest in Using Crowdfunding is 0.685, which shows that the variable Interest in Using Crowdfunding can be explained by 68.5% by the variables Perception regarding Crowdfunding methods, Technology and Entrepreneurship and Social Norms moderated by Regulation and Capital Markets.

Structural Model Testing (Inner Model)

The measurement of this structural model is to test the influence of one latent variable on other latent variables. Testing is carried out by looking at the path value to see whether the influence is significant or not, it can be seen from the t value of the path value (the t value can be obtained by booth strapping). The following is an image of the results of the booth strapping carried out in this research:

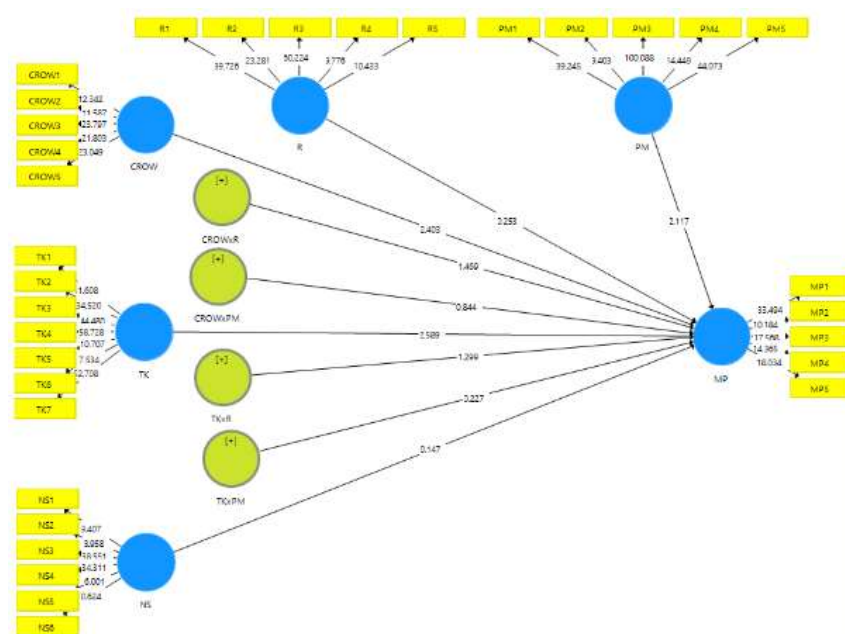


Figure 8. Structural Model (Inner Model)

Evaluation of Goodness of Fit

To validate the model as a whole, goodness of fit (GoF) is used. This GoF index is a single measure used to validate the combined performance of the measurement model (outer model) and structural model (inner model). The GoF index value is obtained from the average communalities index multiplied by R^2 model. The following is the Gof index formula:

$$Gof = \sqrt{\text{Average AVE} \times \text{Average } R^2}$$

$$Gof = \sqrt{0,686 \times 0,685}$$

$$Gof = \sqrt{0,470} = 0.685$$

Based on the calculation results, the Gof value is 0.685, so that the goodness of fit (GoF) of the model falls into the GoF category which is quite high.

Hypothesis Test

The hypothesis in this research will be tested using path coefficient values and t values to see whether there is a significant influence or not. Apart from that, the results of the path significance test also show the value of the parameter coefficient (original sample). The parameter coefficient shows the significance value of the influence of each research variable.

Table 6. Path Significance Test

| Hypothesis | Influence | Original Sample (O) | T Statistics (O/STDEV) | P Values | Result |
|------------|---------------|---------------------|--------------------------|----------|---------------|
| H1 | CROW -> MP | 0.278 | 2.403 | 0.008 | Significant |
| H2 | CROWxPM -> MP | 0.150 | 0.844 | 0.199 | Significant |
| H3 | CROWxR -> MP | -0.266 | 1.469 | 0.071 | Significant |
| H4 | TK -> MP | 0.344 | 2.589 | 0.005 | Significant |
| H5 | TKxPM -> MP | -0.038 | 0.227 | 0.410 | Insignificant |
| H6 | TKxR -> MP | 0.199 | 1.299 | 0.097 | Significant |
| H7 | NS -> MP | -0.016 | 0.147 | 0.441 | Insignificant |
| H8 | R -> MP | 0.032 | 0.253 | 0.400 | Insignificant |
| H9 | PM -> MP | 0.293 | 2.117 | 0.017 | Significant |

In this research, researchers used a confidence level of 95% because according to Indrawati (2015), business research usually uses a confidence level of 95%. The path coefficient score indicated by the T-Statistics value must be above 1.96 for the two-tailed hypothesis.

Based on the Path Coefficient and T-Statistics in the table above, it can be explained as follows:

Table.7 Hypthotesis Result

| HYPHOTESIS | RESULT |
|------------|---|
| H1 | The better the perception regarding crowdfunding methods, the interest in using crowdfunding will also increase. |
| H2 | The better the perception regarding crowdfunding methods which is moderated by the capital market, the interest in using crowdfunding will also increase. |
| H3 | The better the perception regarding crowdfunding methods which is moderated by regulations, the interest in using crowdfunding will also decrease. |
| H4 | The better technology and entrepreneurship, the interest in using crowdfunding will also increase. |
| H5 | The better technology and entrepreneurship are moderated by the capital market, the interest in using crowdfunding will also decrease. |
| H6 | The better technology and entrepreneurship are moderated by regulations, the interest in using crowdfunding will also increase. |
| H7 | The better the social norms, the interest in using crowdfunding will also decrease. |
| H8 | The better the regulations, the interest in using crowdfunding will also increase. |
| H9 | The better the capital market, the interest in using crowdfunding will also increase. |

The results of this research provide interesting insights and provide an overview of the use of SCF in MSMEs. In general, respondents are quite familiar with SCF as an attractive alternative for obtaining additional capital. The freedom to obtain additional capital will further encourage the entrepreneurial spirit to be more courageous in taking risks and being innovative in developing the business. However, on the other hand, difficulties in communicating with investors are still an obstacle which can result in a lack of ability to build networks, relationships and collaboration. As stated in the article by (Zulfahmi, 2023), MSME actors must be able to build collaboration and engagement with stakeholders to be able to access crowdfunding optimally and manage it well. An interesting finding from the results of this research is the use of websites as an extraordinary and professional medium for obtaining information and accessing SCF.

The hypothesis test show that perceptions regarding Crowdfunding Methods have a direct positive effect on Interest in Using Crowdfunding. This means that the better the perception regarding crowdfunding methods, the interest in using crowdfunding will also increase. Then, if we explore the role of the capital market in moderating perceptions of interest in using crowdfunding, an interesting finding is obtained that the role of the capital market will further strengthen the use of crowdfunding. This means that the better the perception regarding the crowdfunding method which is moderated by the capital market, the interest in using crowdfunding will increase. This result support the role of regulation in moderating the influence of perception on interest in using crowdfunding was found to be insignificant. This shows that despite the good perception of crowdfunding, the role of regulation has no influence on interest in using crowdfunding. These findings indicate that the role of regulators in. This means that the Financial Services Authority has not optimally facilitated MSMEs to be able to access crowdfunding.

In terms of technology and entrepreneurship, the results of hypothesis testing show a significant positive influence on interest in using crowdfunding. The positive direction means that the better the technology and entrepreneurship, the interest in using crowdfunding will also increase. Then, if it is related to the capital market, it turns out that the capital market does not moderate the influence of technology on interest in using crowdfunding. This means that the better technology and entrepreneurship are moderated by the capital market, the interest in using crowdfunding will decrease. These findings indicate that the role of the capital market is still not popular among MSMEs, especially in terms of utilizing technology and encouraging entrepreneurship. The capital market is still considered exclusive and is only dominated by medium and large business actors. From a regulatory perspective, an interesting finding was obtained, namely that it is able to moderate positively, meaning that the better the technology and entrepreneurship that is moderated by regulations, the more interest in using crowdfunding will increase. These findings indicate that the regulations issued by the OJK are able to encourage MSME players' desire for crowdfunding. Facilitation provided by the government in terms of technology and providing wide space for improving the entrepreneurial spirit can increase demand for crowdfunding.

Regarding social norms, the research results show that there is no influence on interest in using crowdfunding. This means that the better the social norms, the interest in using crowdfunding will also decrease. These findings indicate that the generally accepted aspects of norms do not have an influence on the use of crowdfunding, in essence the economic interest aspect dominates more than the social aspect. Then, if we trace the influence of regulations on the use of crowdfunding,

it is found that regulations have no direct effect on the use of crowdfunding. However, this finding has a positive original sample, meaning that the better the regulations, the interest in using crowdfunding will increase. In contrast to regulations, this research succeeded in obtaining findings that the capital market has a direct influence on interest in using crowdfunding. This means that the better the capital market, the interest in using crowdfunding will also increase.

CONCLUSION

The research findings provide interesting insights and can provide an initial overview of the use of crowdfunding by MSMEs as an alternative to obtain additional capital that is easily accessible. MSME players have a positive perception which can influence interest in crowdfunding. The ease of using technology as well as the facilitation and convenience provided by the government to MSMEs is considered by MSME players to be good enough to encourage interest in using crowdfunding. An important note that emerges from the results of this research is that the role of capital markets and regulations that can encourage the use of crowdfunding is still not optimal. These findings can be a recommendation for future research to examine the extent of the role of capital markets and regulations in the development of MSMEs, especially in providing easily accessible capital alternatives. Ideally, if the capital market and regulations are conducive to providing facilitation and flexible space for MSME players, it will have a significant impact so that MSMEs can upgrade.

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