

## Proposing the Model to Accelerate SMEs to Apply Green Economy Practices Through the Utilization of Social Crowdfunding

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**ABSTRACT:** Following Indonesia's commitment to promoting the achievement sustainable consumption and production practices (RCP- SDGs Number 12), a plan must be put in place to motivate important players (SMEs) to support the green economy. The limitations of SMEs in terms of funding to be able to implement green economic practices are accommodated through access to financial technology, namely social crowdfunding. To gain insight into how SMEs implement green economic practices by utilizing social crowdfunding, a survey was conducted on 75 SMEs use descriptive research design. The results of the descriptive analysis found that some SMEs have not been able to take advantage of social crowdfunding due to several reasons: not being able to access the right website, having requirements that are difficult to fulfill and their technology skills are not yet good. An interesting insight that was extracted from the results of this survey is the high level of confidence among SMEs that implementing green economic practices using social crowdfunding can improve business performance and are confident that they can overcome all difficulties. The proposed conceptual model can apparently be supported by research results which produce the proposition namely: "willingness to participate in implementing green economic practices using social crowdfunding needs to be driven by creating strong awareness and interest by triggering 3 important determinants, namely stakeholder management, community engagement and entrepreneurship strategy". In the future, this conceptual modeling can be used to conduct quantitative research so that it can explore the facts in the field in a comprehensive manner.

**Keywords:** Social Crowdfunding, SMEs, SDGs, Green Economy



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## INTRODUCTION

The agreement outlined in the Sustainable Development Goals (SDGs) encourages the Indonesian government to commit to finding solutions to reduce the negative impacts of environmental damage by finding solutions to important "environmentally friendly" issues to support the implementation of a green economy. As a blueprint for a more sustainable future, the 17 SDGs are interconnected global objectives. Indonesia has committed to achieving these goals through a National Action Plan. SDG 12 emphasizes the importance of sustainable consumption and production, as well as resource efficiency, in achieving sustainable development. This goal, also known as RCP, focuses on improving production methods and consumer habits to reduce resource depletion, waste, and emissions across the entire product lifecycle. RCP requires the involvement of various parties, including the community. It was emphasized that citizen involvement is related to: community, increased awareness, willingness to pay, environmentally friendly and live-style.

RCP requires cooperation and a systematic approach between stakeholders operating in the supply chain, producers to end consumers. Business actors are one of the important stakeholders who are responsible for

## Proposing the Model to Accelerate SMEs to Apply Green Economy Practices Through the Utilization of Social Crowdfunding

Maria, Ngarbingan, Ginting, and Ismulyati

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implementing a green economy related to technology and manufacturing processes. Practically for large business actors, green economic practices are not difficult to implement, however for SMEs the implementation of green economic practices has not been carried out optimally (Bappenas, 2021). Involving SMEs to implement green economic practices will have a faster impact compared to large businesses because of two things, namely: being closer to end-customers and a decentralized production system (Bappenas, 2021). It can be stated that green economic practices require active participation from SMEs. As we know, SMEs (64.14 Million- 88% Small and 12% Medium) 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)

So, the participation of business actors especially SMEs is the key to success in implementing the RCP. If we look at the implementation of laws and regulations, one of the things that accelerates environmental degradation in Indonesia is that there is no comprehensive strategy to prevent environmental degradation involving all stakeholders. Government policy is still sectoral in nature. The point is that the implementation of RCP has not been realized properly and requires the support of SMEs so that sustainable consumption and production can be realized as a form of fulfilling the agreement to create a green economy (COP 26) until 2050. To accelerate the environmental awareness movement so that environmental damage does not occur commitment from SMEs is needed. SMEs can become influencers in preventing environmental damage which can accelerate the achievement of RCP and COP 26. SMEs can set an example, invite or campaign for environmentally friendly behavior through engagement with other SMEs communities. Engagement is a keyword to encourage participation of SME players (willingness to participate).

The implementation of green economic practices by SMEs cannot yet be implemented optimally because it is said to require quite burdensome funding. One phenomenon that is still the main obstacle for SMEs to show optimal performance is prime access. One of the concepts of Crowdfunding which is aimed at funding social activities is social crowdfunding. The phenomenon of utilizing social crowdfunding, known as donation-based crowdfunding, is increasingly emerging, where fundraisers do not expect anything in return. Crowdfunding was born from the social spirit of humanity. In the context of this research, it is green economic practices for SMEs.

There has been a lot of research on crowdfunding, but the use of the concept of social crowdfunding to support SMEs implementing green economic practices is still not widely done (Aulia Ibrahim et al., (2021) and Apriliani et al., (2019). One of the problems that arises is that the mindset of many people (SMEs actors) is still illiterate and education has not yet been developed because socialization is still low. Otoritas Jasa Keuangan/OJK (The Financial Services Authority) 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 (Aulia Ibrahim et al., (2021). Lack of SME literacy regarding social crowdfunding be the cause of the lack of distributed information. The point is that socialization and education on the use of fintech (social crowdfunding) by the government or other stakeholders is still not optimal. Not only from the macro aspect (government, investors, etc.), from the micro aspect (SMEs actors), there is no indication that there is awareness of the use of crowdfunding and the perception of its benefits is still low. The research results of (Apriliani et al., (2019) and (Rahmawati, 2021) show that SMEs' awareness of the existence of social crowdfunding is still low due to a lack of socialization from both the government and platform organizers.

The purpose of this research is to gain insight into the role of SMEs as influencers to support green economic successfully, it is necessary to develop a model that is expected to accelerate green economic practices among SMEs. The proposed research model uses several theoretical bases and concepts, namely: 1) Community engagement, 2) Stakeholder management, 3) Awareness, 4) Willingness to participate. The results of descriptive analysis that support strengthening theoretical bases can provide important input to accelerate the implementation of green economic practices utilizing social crowdfunding.

## METHOD

### Research Design:

The focus of this research is on SMEs' acceptance of green economic practices in Indonesia through the use of donation-based crowdfunding funds. This research uses Descriptive Non-Experimental research design, namely research in the form of an objective search for information without any special treatment of respondents.

This research uses a survey method. Distribution of questionnaires was carried out in several industrial centers in Jabodetabek. Interviews with experts are conducted online. The experts involved are from: Ministry of Industry, Ministry of Cooperatives and MSMEs, Business Actors, Bapennas, Ministry of the Environment, lecturers and researchers from universities, company CEOs and Walhi (NGO).

### Population and Sample:

The population of this research is SMEs that carry out production activities because their waste has an impact on environmental pollution. 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.

### Data Collection Techniques:

The data used is secondary and primary. Secondary data is a reference from various sources to identify factors that influence SMEs' acceptance of green economic practices and understanding of the use of Fin Tech – Donation Crowd Funding. Primary data is data from respondents (SMEs). To obtain primary data this is done by filling out a questionnaire via Google Form. The questionnaire consists of several indicators which are measured using a Likert scale. Secondary data in this research was carried out as follows:

1. Observation of documents to examine various theories and various factors that influence SMEs' acceptance of green economic practices in various countries and the implementation of green economics in Indonesia.
2. Observe documents to examine FinTech Crowdfunding practices, especially social-based donation crowdfunding to provide funding solutions in order to accelerate the implementation of green economic practices in SMEs.
3. Interviews with experts consisting of government, business people, non-governmental organizations (environmentalists), and academics. These four stakeholders were chosen because they have the resources and are key stakeholders in implementing green economic practices in Indonesia.
4. Identify theory and concept-based factors that are used as a basis for developing modeling. Combining theory and concepts, it can be identified that the variables studied represent factors that influence the willingness to participate of SMEs implementing green economic practices.

This research uses 5 variables, namely stakeholder management (building networks with stakeholders, stakeholder important role), community engagement (participation and connection), entrepreneurship strategy (creativity and innovation), interest (awareness and intention) and (willingness to participate (performance)).

Research Procedures:

The procedures carried out in the research were carried out by exploring the factors that influence SMEs' acceptance of Green Economic practices by using social crowdfunding, namely: SMEs' willingness to implement green economic practices, building strong awareness (AIDA Model), building communities and managing relationships with stakeholders.

Data Analysis:

Descriptive Analysis (Kuncoro, 2013) to present demographic and psychographic and sociographic data of respondents so that they can produce consistent data patterns and the results can be studied and interpreted.

## RESULT AND DISCUSSION

### Proposing The Model

To build a research model, several theories and concepts are used, namely:

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

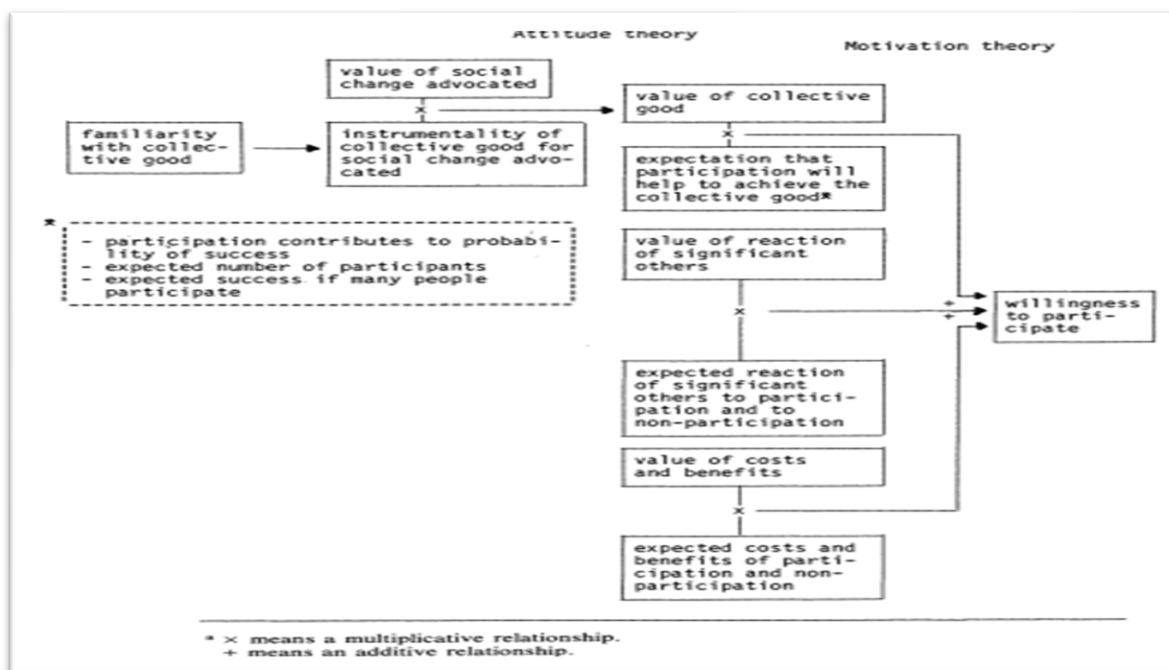


Figure 1. Theory of the Willingness to Participate (Klandermans, 1984)

# Proposing the Model to Accelerate SMEs to Apply Green Economy Practices Through the Utilization of Social Crowdfunding

Maria, Ngarbingan, Ginting, and Ismulyati

## 2. Concepts related to developing strategies for implementing green economic practices in SMEs utilizing Donation Based Crowdfunding (The Aida Model and Business Canvas Model).

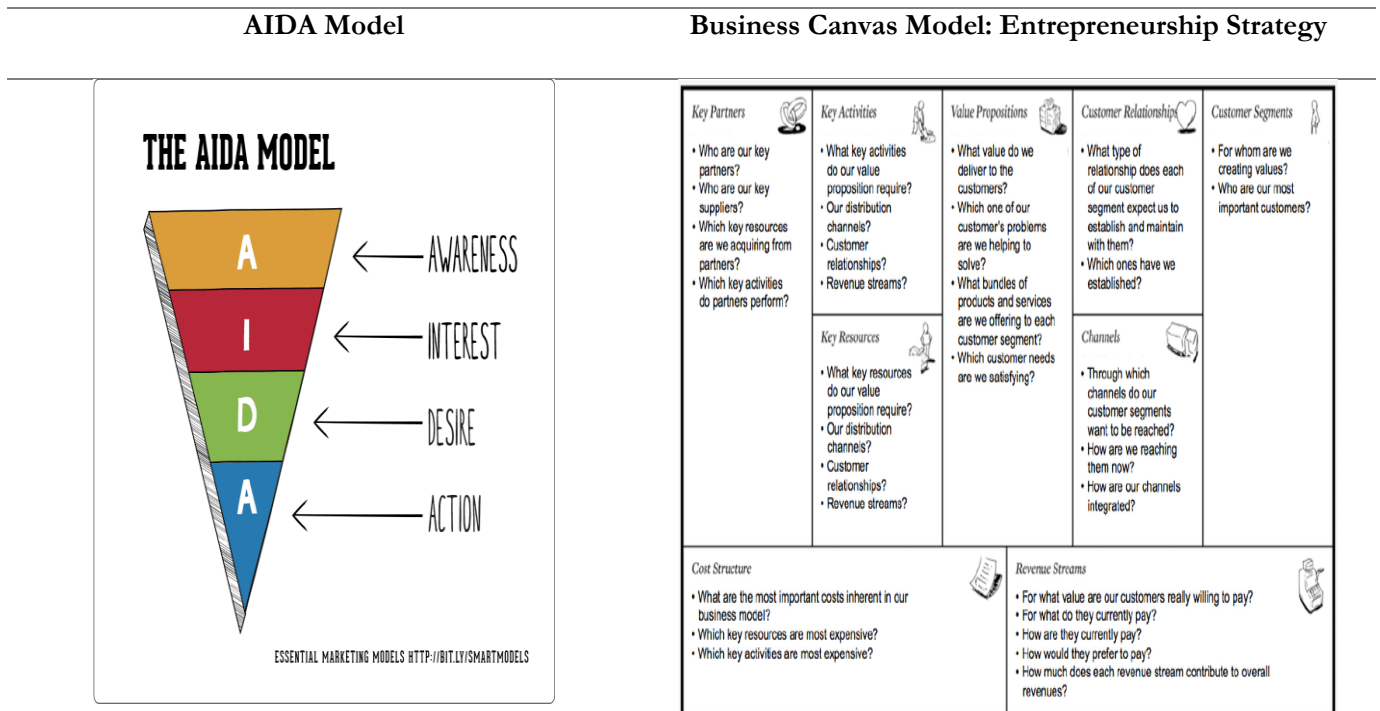


Figure 2. AIDA Model and Business Canvas (Vrontis et al., 2021); Osterwalder, 2010)

### 3. Concept of Stakeholder Management

Developing a green economy requires strong relationships with stakeholders to fulfill societal expectations. Stakeholder theory emphasizes that organizations depend on various parties for survival. Building and maintaining these relationships, while balancing diverse interests, is crucial. Today's businesses interact with a wide range of stakeholders, making it challenging to adapt to their differing demands. Effective stakeholder management is essential for understanding these expectations and anticipating potential conflicts. This concept remains vital for addressing complex issues arising from competing interests, interconnected networks, resource allocation, and collaborative efforts.

Effectively balancing the interests of various stakeholders is a complex challenge, particularly given the interconnected nature of stakeholder relationships (Rowley, 1997; Roloff, 2008). A company's ability to satisfy stakeholder demands is influenced by the structure and importance of these relationships within the network. Rather than focusing on a single group, organizations must consider the broader stakeholder landscape (Rowley, 1997). Successful management of stakeholder networks requires collaboration and partnership (Roloff, 2008). To effectively navigate these complex relationships, companies must prioritize key stakeholders based on their power, legitimacy, and urgency, as outlined by Mitchell et al., (1997).

Stakeholder theory, as outlined by (Donaldson & Preston, 1995) and Freeman, (2004), assign that effective management involves considering the interests of all stakeholders. According to Donaldson and Peterson, managers play a crucial role in fostering positive relationships and partnerships with stakeholders. Their stakeholder modeling framework suggests that all individuals and groups associated with a company have a valid claim to be involved in its operations, and that the company can gain advantages from these relationships. According to the Donaldson model, all stakeholders are treated equally, with no preferential treatment. This model suggests that everyone benefits equally (Figure 3).



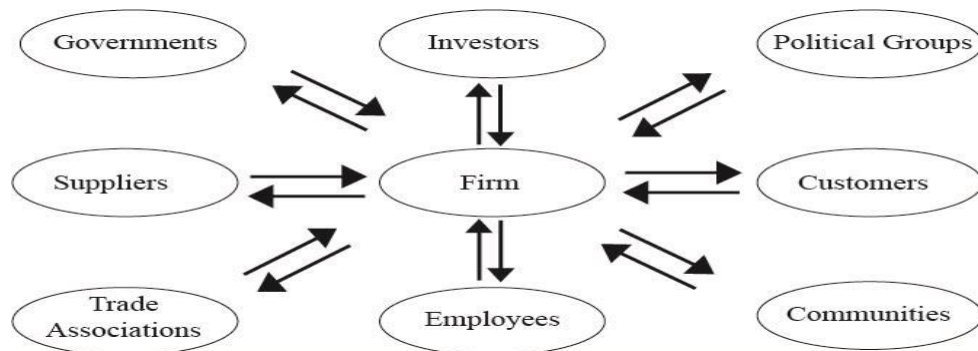
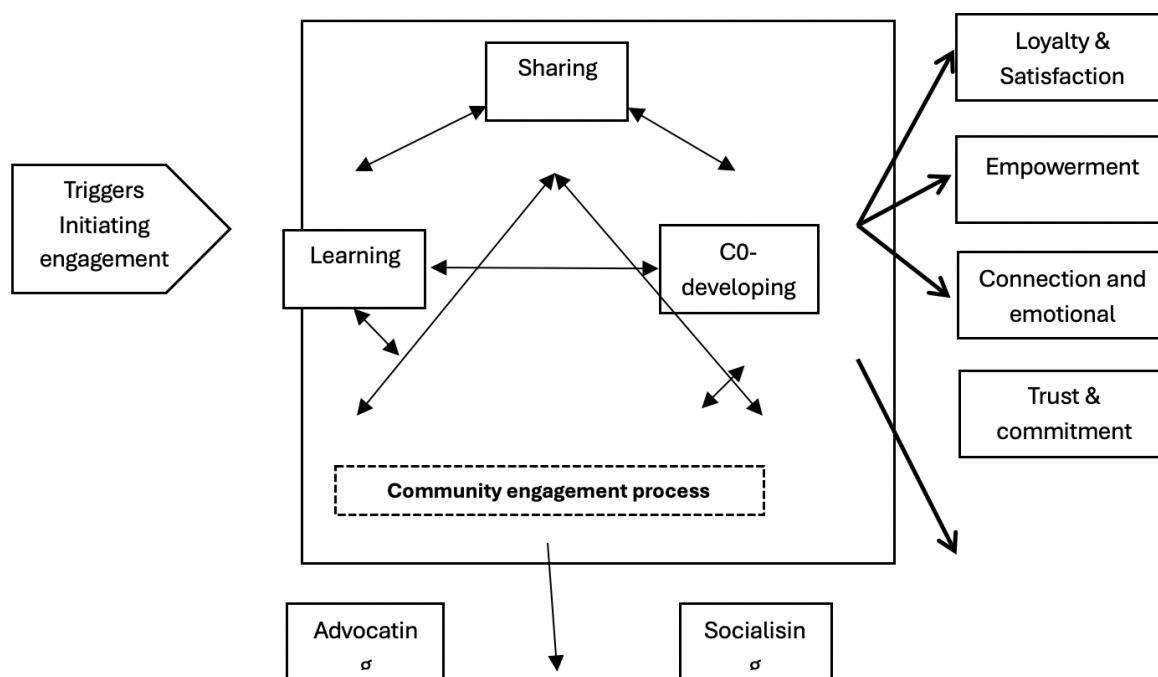


Figure 3. Donaldson's Stakeholder Modeling

Previous research findings from experts Zulfahmi et al., (2023 ; Ginting, (2016 ; )Andriyansah et al., (2023 provide interesting insights and can provide an initial overview of the use of crowdfunding by SMEs as an alternative to obtain additional capital that is easily accessible. SMEs 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 SMEs s is considered by SMEs players to be good enough to encourage interest in using crowdfunding. An important note that emerges from the results of this previous research is that the role of capital markets and regulations that can encourage the use of crowdfunding is still not optimal. Recommendation for future research to examine the extent of the role of capital markets and regulations in the development of SMEs, especially in providing easily accessible capital alternatives is very important fact finding. Ideally, if the capital market and regulations are conducive to providing facilitation and flexible space for SMEs players, it will have a significant impact so that SMEs can upgrade.

#### 4. Building Engagement to Empowering Community

The community approach to build social connections becomes an important aspect of the development of green economy concept. The success of green economy is assessed by the usefulness of the program for the communities. So, good engagement needs to be built. (Hollebeek et al., 2011) stated two important things that need to be considered so that engagement can be built, namely, interaction engineering (participation, connection, intensity) and user experience (emotion, cognition, behavior. Brodie et al., (2013); Hollebeek et al., (2011); Lee & Lim, 2009; Leibtag, (2013) explained that the engagement process will encourage: 1) advocating, which is an expression of community members in providing recommendations to other parties to use a company's products or services; 2) sharing, in which community members can share information and knowledge and experience with each other; 3) socializing, in which community members can interact with one another using a community language that can build certain attitudes and norms; 4) co-developing, which is a process in which community members contribute to the organization by providing support and assistance to develop new services and products, and 5) learning, that relates to cognitive competencies and behavioral aspects related to the purchase decision process undertaken.



**Figure 4. Engagement Process**

(Source: Brodie et al., 2013, Page 110)

Leibtag (2013) article, "Think Community to Drive Engagement," emphasizes the significance of comprehending a community to foster meaningful interaction among its members. The author outlines a three-step process designed to enhance engagement within the community, namely:

1. Know your Audience: Identify the social media platforms your community members primarily use (like Facebook, YouTube, email, and your website) to understand their online behavior.
2. Experiment with Content: Test different content formats (videos, images, articles) to see what resonates best with your community members.
3. Measure Community Impact: Use analytics to evaluate your community's success. This includes tracking metrics like follower growth and member engagement.

Community engagement is more than just participation; it involves collaboration with partners to create shared value. This concept, known as collaborative networks, emphasizes interaction and cooperation. Research by Piller et al., (2012), Bititci et al., (2004) and Camarinha-matos e., (2006) highlights the importance of collaborative networks in today's knowledge-based world. By working together, organizations can gain access to new information, share risks and resources, combine expertise, and overcome internal limitations.

## 5. Entrepreneurship Strategy

An entrepreneurial strategy is closely linked to an entrepreneur's behavior, which involves taking risks, working independently, innovating, and being proactive and competitive called as EO (Entrepreneur Orientation). According to Lumpkin & Dess (1996), entrepreneurial orientation is a core aspect of a business that focuses on five key elements: independence, creativity, risk-taking, forward-thinking, and aggressive competition. A crucial component of an entrepreneurial strategy is market entry, which can involve introducing new products or services to existing or new markets. (Suryana, 2009) emphasizes that creativity and innovation are fundamental to identifying and capitalizing on opportunities for success.

Drucker, as cited by (Winarno, 2011), defines entrepreneurship as the capacity to introduce novel and distinct ideas. In the realm of knowledge, entrepreneurship involves utilizing creativity, innovation, and courage to establish and sustain a new venture by taking calculated risks. Essentially, it's the drive to create something unprecedented through diligent effort.

# Proposing the Model to Accelerate SMEs to Apply Green Economy Practices Through the Utilization of Social Crowdfunding

Maria, Ngarbingan, Ginting, and Ismulyati

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The concept of entrepreneurial orientation has evolved over time. Rauch et al., (2009) defines it as the policies and practices that shape entrepreneurial choices and actions. This suggests that entrepreneurial orientation is a process for creating strategies that help decision-makers achieve company goals, maintain a vision, and gain a competitive edge. Other researchers like Mukherji (2009), emphasize the personal aspect, stating that entrepreneurial orientation is about managing ideas in a dynamic environment and turning them into profitable ventures. This entrepreneurial mindset is what differentiates entrepreneurs from those who aren't. Building on these ideas, Frank et al., (2010) introduce the concept of "general entrepreneurial orientation." This refers to a company's strategic approach that incorporates specific decision-making styles, methods, and practices associated with entrepreneurship. It represents a spectrum, ranging from conservative companies to those fully embracing entrepreneurial principles.

Based on expert opinions, entrepreneurial orientation is a strategic approach that drives business decisions. It encompasses a mindset of innovation, risk-taking, proactivity, and competitiveness. These entrepreneurial behaviors directly influence a company's strategic actions and ultimately contribute to improved performance. In essence, entrepreneurial businesses are characterized by their willingness to take risks, embrace new ideas, act swiftly, and outperform competitors.

## 1. Risk-Taking (Willingness to Face Risk)

Risk taking relates to the courage to take risks to enter new markets, managing large amounts of resources with uncertain output levels. Lee & Lim (2009) state that risk taking is daring to use large resources and make large loans to be able to take advantage of opportunities in the market so that large results can be obtained. In essence, risk taking can be expressed as courage in facing challenges and risks and opportunities by using existing resources in the hope of obtaining greater results. An entrepreneur is required to be willing to face risks in order to survive in the face of competitive market conditions. Entrepreneurs who explicitly pay great attention to using their resources to overcome the risks of failure and uncertainty will generally perform better.

## 2. Innovativeness (Innovating)

Companies are considered innovative when they actively promote new ideas, experimentation, and creative processes. This focus on innovation allows them to develop new products, services, and technological advancements. Rauch et al., (2009) define innovativeness as a company's constant pursuit of fresh ideas and creative approaches that can lead to new offerings, market expansion, and cutting-edge technological processes. In simpler terms, innovative companies foster a culture that encourages new ideas (for products, technologies, and services) and embraces experimentation and creativity to gain a competitive advantage.

## 3. Proactiveness (Proactive)

This proactive approach, as described (Rauch et al., 2009), involves looking ahead and anticipating future needs. This can be achieved by introducing innovative products and services that surpass what competitors offer. Similarly, Kropp et al., (2008) highlight that proactiveness involves spotting and assessing new possibilities, along with keeping a close eye on market trends. Studies have shown that companies that embrace proactiveness by launching novel products tend to outperform their competitors.

## 4. Competitive Aggressiveness (Compete aggressively)

Competitive aggressiveness is a key factor driving companies to outperform their rivals. By adopting a proactive approach and developing innovative strategies, businesses can navigate market fluctuations, differentiate themselves, and achieve superior financial results. Essentially, a company's success often hinges on its ability to outmaneuver competitors, adapt to changing circumstances, and establish a unique market position.

In the context of SMEs, business actors are required to be able to develop entrepreneurial strategies to improve their performance in an innovative, creative, aggressive and risk-taking manner. (Fairoz et al., 2010) stated that entrepreneurial orientation reflects innovation, proactiveness, and qualities of courage in taking risks which are very important for the growth and performance of small and medium companies.

## The Models

From the explanation of the various theories and concepts above, the proposition that can be put forward as a basis for developing modeling is: willingness to participate in implementing green economic practices using



# Proposing the Model to Accelerate SMEs to Apply Green Economy Practices Through the Utilization of Social Crowdfunding

Maria, Ngarbingan, Ginting, and Ismulyati

social crowdfunding needs to be driven by creating strong awareness and interest by triggering 3 important determinants, namely stakeholder management, community engagement and entrepreneurship strategy". The following is the proposed model (Figure.5)

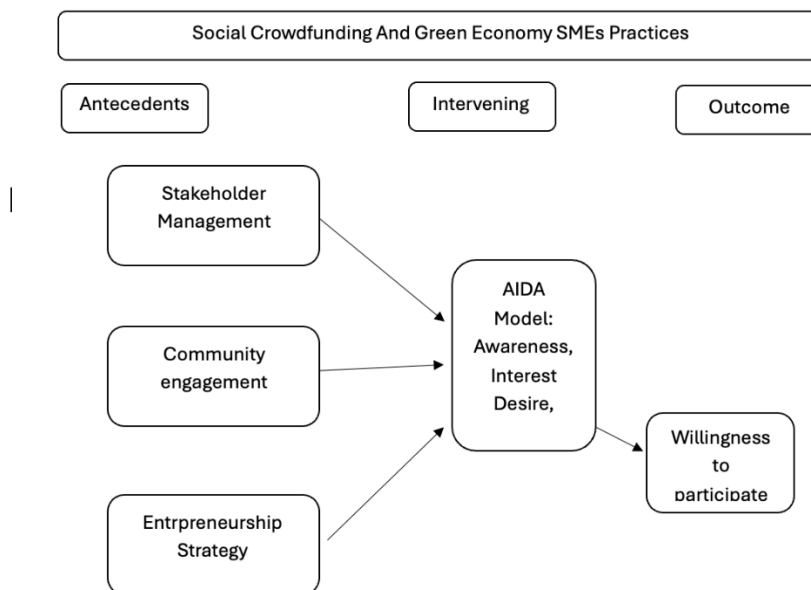


Figure 5. Proposing The Model

To strengthen the accuracy of the proposed model, it is necessary to carry out preliminary research which is analyzed descriptively. The total number of respondents, namely SMEs involved in this research, was 75 people. Respondent demographic information can be seen in the following table with positions as managers of 45 people (60%) and owners and directors of 23 (30%) and the remaining 7 people (10%) were employees/staff. Educational Background 50 people (67 %) were undergraduate or baccalaureate. Most of the respondents (55 SMEs) participated as small business actors (employee 50 to 100 people) and 20 medium business actors (employee more than 100 people). Most respondents (80%) stated that they had been carrying out business activities for around 10 to 20 years.

Table 1. Respondents Demographic Information

Characteristic	Frequency	Percentage (%)
<b>Position</b>		
Managers	45	60
Owners/Directors	23	30
Employee/staff	7	10
<b>Educational Background</b>		
Undergraduate (Diploma & Bachelor)	50	67
Others (Senior High School)	25	33
<b>Number of Employees</b>		
50-100 employees (Small)	55	73
100 employees (Medium)	20	27
<b>Duration of Business</b>		
< 5 Years	15	20
10 Years	5	7
20 Years	10	13
>20 Years	45	60

# Proposing the Model to Accelerate SMEs to Apply Green Economy Practices Through the Utilization of Social Crowdfunding

Maria, Ngarbingan, Ginting, and Ismulyati

Respondents' answers indicated that they had implemented environmentally friendly practices (See Table 2). This is evidenced by the range of respondents' answers which show a high percentage (> 83%). SMEs are very concerned about maintaining the environment, such as reducing plastic waste (91%), using energy wisely (electricity, water, fuel), managing waste well (87%) and using raw materials efficiently (83%). The results of descriptive analysis regarding SMEs' understanding of green economic practices obtained interesting insights that they understand well. To be able to implement green economic practices more optimally from aspects of technology, production processes, waste management and product recycling of course requires large funds. Therefore, the alternative for free funds by accessing fintech social crowdfunding is the right alternative solution so that the implementation of circular economy practices has a long lasting and sustainable impact.

**Table 2. Understanding of Green Economic Practices Among SMEs is Measured Using 5 Indicators**

No.	Statement	Answer					Total score 4 & 5
		1 (Strongly Disagree)	2 (Disagree)	3 (Netral)	4 (Agree)	5 (Strongly Agree)	
1.	Manage waste effectively				30%	57%	87%
2.	Utilize energy wisely and efficiently (water, fuel, and electricity)				20%	70%	90 %
3.	Using raw materials as efficiently as possible				25%	58%	83%
4.	Manage environmentally friendly production activities				40%	48%	88%
5.	Participate in environmental maintenance such as reduce plastic use				28%	63%	91%

To identify the extent to which SMEs understand social crowdfunding the findings of the descriptive analysis show that there are still some (52%) of SMEs who say they do not understand social crowdfunding. The lack of understanding of SMEs regarding social crowdfunding is related to several aspects, namely: 1) obtaining funding assistance through applications (websites), 2) being able to obtain financial assistance more easily, 3) the requirements for obtaining funds are difficult, and) being able to improve skills ( technology). Respondents' answers indicate that the lack of understanding for SMEs to gain access to social crowdfunding is caused by an understanding of information technology (digitization) that is not yet optimal and evenly distributed, so that information about fintech social crowdfunding which can generally be accessed via websites does not work well. Skills related to information technology among SMEs are still low so information about social crowdfunding cannot be obtained properly. The finding in terms of the lack of understanding by SMEs (respondents) regarding the existence of social crowdfunding as an alternative funding to support the implementation of green economic practices was due to difficulties in accessing the website. The majority (52%) of respondents stated several things: 1) difficulty using technology (access to websites, use of social media) and needing time to acquire good skills, 2) difficulty communicating with investors to ensure the positive impact of the circular economy in business activities, 3) the amount of funds and capital assistance is insufficient to practice a green economy.

Regarding the use of social crowdfunding assistance, some SMEs (48%) stated several important things, namely: 1) having funds to be able to practice a green economy well, 2) because it is social, there is no obligation to return funds, 3) it can improve the soul of entrepreneurship, 4) meet the stakeholders (investors, environmentalists, and entrepreneurs), 4) build collaboration and partnerships with other SMEs to encourage the implementation of a green economy that has a broad impact.

Interviews with several SMEs revealed that optimal use of social crowdfunding requires: (1) sufficient funds to implement CE principles effectively; (2) the advantage of not having to pay back funds because crowdfunding is social; (3) there is an opportunity to foster an entrepreneurial spirit; (4) opportunities to interact with stakeholders such as investors, the community and other entrepreneurs; and (5) the potential to

build collaborations and partnerships with other SMEs to encourage widespread adoption of CE practices. Although understanding of social crowdfunding among SMEs remains limited, those who have utilized it report an increase in usage: from 27.5% in 2018-2019 to 50.7% in 2020-2021, as illustrated in the Figure below.

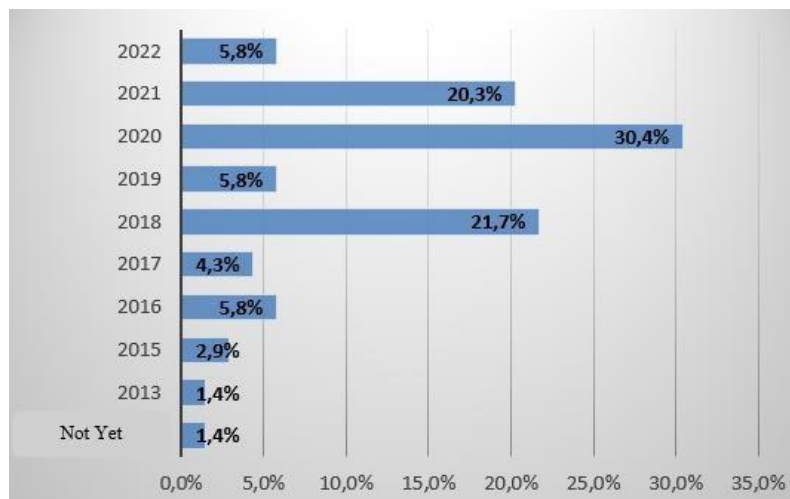


Figure 6. The Year the Companies Start Utilizing the Social Crowdfunding

Based on table below, which examines the potential of social crowdfunding as an alternative source of funding for SMEs, the majority of respondents (53.6%) expressed agreement and strong agreement with this idea. Additionally, when it comes to capital market performance, the table indicates that a significant portion of respondents (72.4%) view it positively. Furthermore, in terms of the benefits of social crowdfunding for addressing funding needs, the data shows that most respondents (68.1%) agree and strongly agree that social crowdfunding can effectively support educational events aimed at raising awareness and understanding of environmental conservation benefits.

Table 3. Social Crowdfunding Serves as an Alternative Funding Source for SMEs to Implement CE Practices

	Statements	Scale				
		SD	D	N	A	SA
1	Social crowdfunding is an alternative source of funding.	0 (0%)	0 (0%)	34 (46.4%)	24 (32.3%)	17 (21.3%)
2	Social crowdfunding improves capital market performance.	0 (0%)	0 (0%)	21 (27.6%)	38 (50.4%)	16 (22%)
3	Social crowdfunding provides benefits of environmental conservation (CE).	0 (0%)	0 (0%)	24 (31.9%)	30 (40.1%)	21 (28%)

### Descriptive Analysis to Get Insight How To Implement Propose Model

*Variable Antecedents: Stakeholder Management, Community Engagement, Entrepreneurial Orientation Strategy*

#### Stakeholder Management

Stakeholder management plays an important role in finding out stakeholder expectations for the company and detecting conflicts that are difficult for corporations to detect early. In the context of green economic practices by SMEs, the existence of social crowdfunding can provide opportunities to build networks with stakeholders. Results of descriptive analysis of 75 SMEs, most (72%) agreed and strongly agreed. These findings indicate that social crowdfunding can provide opportunities for SMEs to expand networking with stakeholders such as investors, government and NGOs.

# Proposing the Model to Accelerate SMEs to Apply Green Economy Practices Through the Utilization of Social Crowdfunding

Maria, Ngarbingan, Ginting, and Ismulyati

**Table 4. Building Networks with Stakeholders**

Option	Frequency	Percent
Netral	21	27.7%
Strongly Agree	14	18.7%
Agree	40	53.6%
<b>Total</b>	<b>75</b>	<b>100%</b>

The stakeholder who plays an important role in facilitating SMEs to gain access to social crowdfunding is the government, namely the Financial Services Authority (OJK). Most respondents (57%) agreed and strongly agreed that social crowdfunding is protected by the government through the Financial Services Authority. This stakeholder involvement will provide security and comfort for SMEs to be able to take advantage of social crowdfunding.

**Table 5. Stakeholders Who Play a Role in Social Crowdfunding**

Option	Frequency	Percent
Netral	32	42.6%
Strongly Agree	10	13,3%
Agree	33	44%
<b>Total</b>	<b>75</b>	<b>100%</b>

## Community Engagement

Strong community connections are indispensable for a successful green economy. To determine the effectiveness of a green economy initiative, its impact on communities must be evaluated. Fostering robust community engagement is therefore essential. Experts highlight two key factors for achieving this: interaction engineering, which involves participation, connection, and intensity, and user experience, encompassing emotions, cognition, and behavior. The results of the descriptive analysis show that most SMEs, 72,3%, agree and strongly agree that accessing social crowdfunding can provide opportunities for SMEs to join a wider community of environmental lovers. An interesting finding related to community engagement is the testimony from SMEs who have used crowdfunding (53%). This testimonial can educate, share experiences, and solve problems related to the implementation of green economic practices. Most of respondents (72.4%) agreed and strongly agreed that social crowdfunding could help to build stronger communities by facilitating the sharing of information about adopted green economic practices. By accessing the social crowdfunding application, community engagement will be formed which can be used as educational events to build awareness and understanding about the benefits of environmental conservation.

**Table 6. Social Crowdfunding Enhances the Community Engagement**

Statements	Scale				
	SD	D	N	A	SA
1 Social crowdfunding is accessible to all funding sources.	0 (0%)	0 (0%)	22 (28.9%)	27 (36.3%)	26 (34.9%)
2 Social crowdfunding builds Networking (environmental lovers).	0 (0%)	0 (0%)	21 (27.7%)	32 (42%)	23 (30.3%)
3 Social crowdfunding connects members of the community.	0 (0%)	0 (0%)	21 (27.6%)	35 (46%)	19 (26.4%)

**Entrepreneurship Strategy**

Utilizing social crowdfunding to support environmental conservation practices (green economy) among SMEs can encourage an entrepreneurial orientation. This means that SMEs can take advantage of business opportunities creatively and innovatively to meet issues related to the green economy. The most respondents, 92,8%, strongly agreed and agreed that accommodating green economy issues in the business practices of SMEs can have a significant impact. It can be said, that social crowdfunding has the potential to encourage and build the entrepreneurial spirit of SMEs by fostering a creative and innovative approach to business opportunities, without compromising environmental impact. So a crowdfunding mechanism that brings together SMEs as resilient entrepreneurs will be able to improve capital market performance, especially in environmental conservation.

**Table 7. Social Crowdfunding Increases the Entrepreneurial Spirit**

Statements	Scale				
	SD	D	N	A	SA
1 Social crowdfunding enhances the entrepreneurial spirit in searching opportunities of green economy practices.	0 (0%)	0 (0%)	5 (7.2%)	38 (50.7%)	32 (42.1%)

**Process: Awareness and interest**

Stakeholder management, community engagement, and entrepreneurial orientation strategies collectively influence small and medium-sized enterprises (SMEs) to become more environmentally conscious. These factors stimulate SMEs to recognize the importance of environmental conservation and develop a keen interest in adopting green business practices. Important findings from the research show that social crowdfunding can be used as educational events to build awareness and understanding about the benefits of environmental conservation. Then, because social crowdfunding is accessed online, it can reduce geographical barriers (distance and location) for SMEs to practice a green economy. These findings were stated by most respondents (67%) who agreed and strongly agreed (See Table. 8)

**Table 8. Social Crowdfunding Increases the Entrepreneurial Spirit**

Statements	Scale				
	SD	D	N	A	SA
1 Social crowdfunding reduce geographical barriers to practice green economy practices.	0 (0%)	0 (0%)	8 (10.2%)	31 (40.7%)	36 (49.1%)

**Outcomes: Willingness to participate actively in implementing green economic practices.**

There are positive things from the findings in the field which indicate a strong willingness to participate in practicing a green economy, namely the belief in improving business performance. Respondents' answers to the question "To what extent does your company believe that using social crowdfunding to implement green economic practices can have a positive impact on improving business performance?" "...with an assessment range of 1 to 10 (See Figure 1.) The research results indicate that most respondents (84%) are very confident (range 8 to 9) that they believe that utilizing social crowdfunding can implement green economic practices optimally.



# Proposing the Model to Accelerate SMEs to Apply Green Economy Practices Through the Utilization of Social Crowdfunding

Maria, Ngarbingan, Ginting, and Ismulyati

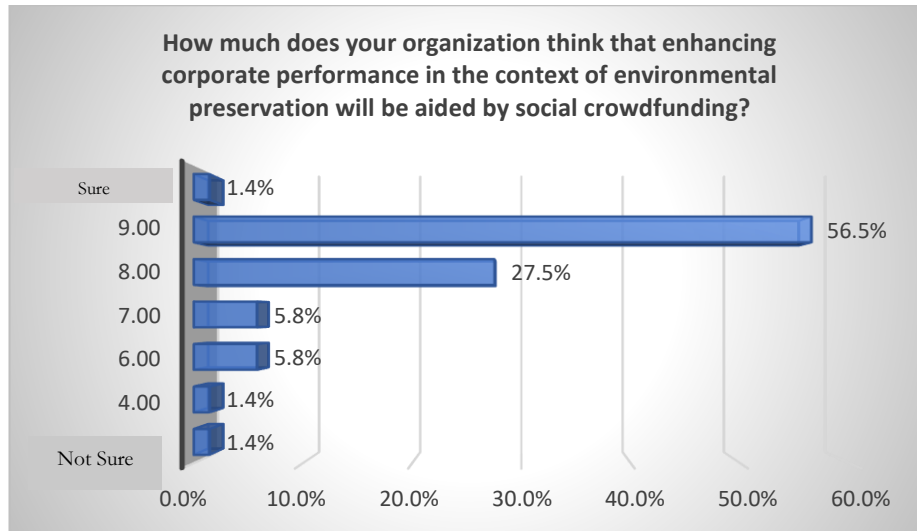


Figure 7. Range of Belief in the impact of using social crowdfunding on business performance

The positive correlation between social crowdfunding and business performance is underscored by the fact that SMEs are optimistic about their ability to navigate challenges related to using this platform for green initiatives. The subsequent image visually demonstrates the high level of confidence SMEs have in overcoming these hurdles. Most respondents (85.5%) answered in the range 7 to 9.

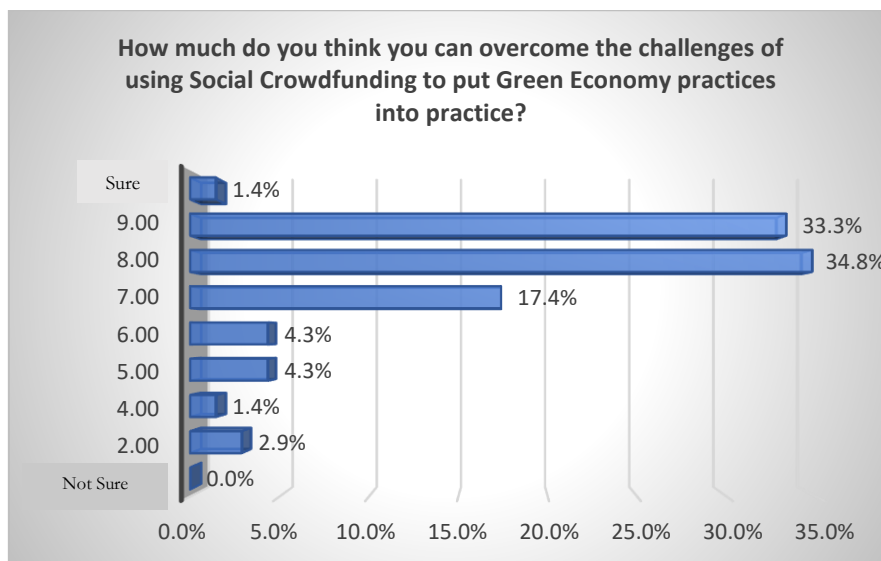


Figure 8. Range of Beliefs Can Overcome Difficulties in Practicing a Green Economy Using Social Crowdfunding

## CONCLUSION

An important finding that can be extracted from the results of this research is that the majority of SMEs agree that supporting the success of the green economy in the context of business operations (production processes) requires funding that can be accessed easily and free of charge. The use of social crossfunding is a funding alternative that is able to accelerate and encourage the implementation of good green economy practices in SMEs. Utilizing free funding sources for SMEs by accessing social crowdfunding is the best solution to encourage green economic practices that have a massive and inclusive impact. SMEs spread throughout Indonesia, raising funds through social crowdfunding will ease the burden on SMEs, especially from the funding aspect, so that green economic practices in supporting business activities can run optimally.

## Proposing the Model to Accelerate SMEs to Apply Green Economy Practices Through the Utilization of Social Crowdfunding

Maria, Ngarbingan, Ginting, and Ismulyati

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The survey results show that there are still some SMEs who have not been able to take advantage of social crowdfunding for several reasons: they cannot access the right website, they have requirements that are difficult to fulfill and their technological capabilities are limited. Strengthening outreach and education to relevant stakeholders (government and NGOs) must be strengthened. An interesting insight extracted from the results of this survey is the high level of confidence among SMEs that implementing green economic practices through social crowdfunding can improve business performance and they are confident they will be able to overcome all difficulties.

Findings from the descriptive analysis results related to the proposed model show that the willingness to participate in practicing a green economy requires funding support that is easily accessible, including through social crowdfunding. To increase the willingness to participate, awareness and strong interest in SMEs must be built by encouraging the creation of good stakeholder management, building strong communities and the importance of strengthening the entrepreneurial spirit which can create entrepreneurs who are always able to take advantage of opportunities and innovation amidst limited resources.

By using theoretical and conceptual foundations and combining them with the results of descriptive analysis, we can strengthen the proposed model that the use of social crowdfunding to support green economic practices among SMEs will be able to strengthen the willingness to participate if driven by good awareness and awareness. interest. Building strong awareness and interest among SMEs in implementing green economic practices needs to be triggered by 3 important factors, namely stakeholder management, community involvement and entrepreneurial strategies. In essence, the results of preliminary research can be important input to serve as a basis for developing quantitative research in the future.

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Maria, Ngarbingan, Ginting, and Ismulyati

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Maria, Ngarbingan, Ginting, and Ismulyati

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