

## DECISION ANALYSIS OF MSME INVESTMENT THROUGH CROWDFUNDING SECURITIES PLATFORM

Titin Kartini

Universitas Subang, Indonesia

---

### ARTICLE INFO

**Keywords:**  
Investment,  
Crowdfunding,  
Perceived Risk,  
Trust,  
Knowledge

---

**E-mail:**  
[titinkartini@unsub.ac.id](mailto:titinkartini@unsub.ac.id)

---

### ABSTRACT

This study aims to analyze the factors that influence investment decisions on crowdfunding platforms for micro, small and medium enterprises (MSMEs). The variables used in this research are perceived risk, trust, and knowledge. Data was collected through an online questionnaire from 30 respondents as investors who have invested in crowdfunding platforms in Indonesia. The results of multiple linear regression analysis show that perceived risk has a positive and significant effect on investment decisions on crowdfunding platforms, while trust and knowledge have no significant effect. These results indicate that investors consider risk more in deciding to invest in crowdfunding platforms. The results of this study can help crowdfunding platforms and MSMEs to understand investor behavior in deciding to invest.

Copyright © 2022 Economic Journal. All rights reserved.  
is Licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License \(CC BY-NC 4.0\)](#)

---

### 1. INTRODUCTION

Indonesia is a country with a very large number of MSMEs and has great potential for development. However, limited funding is often an obstacle for MSMEs to grow and develop. The development of MSMEs in Indonesia continues to increase from year to year. According to data from the Ministry of Cooperatives and SMEs, in 2020 there are around 64.2 million MSMEs in Indonesia, or around 99.9% of the total business units in Indonesia. In addition, MSMEs also make a large contribution to the Indonesian economy by contributing around 60% of the total GDP. (Ministry of Cooperatives and SMEs 2020)

The increase in the number of MSMEs in Indonesia is also supported by various government programs aimed at increasing the quality and quantity of MSMEs in Indonesia. Some of these programs include the People's Business Credit Program (KUR), the Productivity Improvement Program for Micro and Small Enterprises (PPUMK), and the Innovation and Creativity Program for Micro and Small Enterprises (PIKUM). (Nurlaelawati, E. 2020; Achmad, 2022)

However, there are still various challenges faced by MSMEs in Indonesia, such as difficulties in accessing funding, limited market access, and limited managerial skills and abilities. Therefore, more support from the government, private sector and the community is needed to develop MSMEs in Indonesia. (Prawira, M. 2020; Achmad et al., 2022)

Securities Crowdfunding, or SCF, is a form of fundraising through crowdfunding that offers stock, bond, or sukuk securities. The main difference between SCF and equity crowdfunding lies in the types of securities offered. Equity Crowdfunding focuses more on stock offerings, while SCF includes stock, bond or sukuk offerings. In addition, the issuance criteria are also broader for SCF, which are not only limited to small companies and cooperatives, but also include CVs, firms and other types of businesses.

In Indonesia, SCF was introduced and regulated by the Financial Services Authority (OJK) in 2020 through POJK 57 Number 57/POJK.04/2020 concerning Securities Offerings Through Information Technology-based Securities Crowdfunding. In 2021, there will be 32 SCF platforms in Indonesia, including 6 operators that already have licenses from OJK such as Santara, Bizhare, Crowddana, Landx, Dana Saham, and Shafiq. In addition, there are also SCF platforms that have implemented sharia principles, such as e-Syirkah, UrunRI.id, Shafiq, Vesorora, and Xaham.

In recent years, crowdfunding platforms have become a funding alternative for MSMEs, especially through the equity crowdfunding model. This model allows investors to invest in MSMEs in the form of share ownership, so that MSMEs can obtain funding to develop their business. In line with the development of the platform, according to the annual report of the Financial Services Authority (OJK), the total investment in the equity crowdfunding platform in Indonesia in 2020 will reach around 160 billion rupiah with a total of 18,568 investors. In 2021, the total investment in the equity crowdfunding platform

will increase to around IDR 277 billion with a total of 28,571 investors. This indicates a significant growth in investment in equity crowdfunding platforms in Indonesia.

However, there are several factors that can influence investors' decisions to invest in MSMEs through equity crowdfunding. One of the main factors is the behavior of investors themselves. Investor behavior is greatly influenced by their trust, perceived risk and trust in the crowdfunding platform, and other factors. Therefore, research on the impact of investor behavior on MSME funding through equity crowdfunding is very important to understand the dynamics of the crowdfunding ecosystem.

Even though equity crowdfunding is increasingly popular in Indonesia, there is still little research discussing the impact of investor behavior on MSME funding through crowdfunding platforms. In this context, this study aims to identify the behavior of investors and the factors that influence their investment decisions in MSMEs through equity crowdfunding.

The purpose of this research is to:

- Knowing the effect of Perceived Risk on Investment Decisions of Investors with the Crowdfunding platform
- Knowing the effect of Trust on Investment Decisions with the Crowdfunding platform
- Knowing the effect of Knowledge on Investment Decisions with the Crowdfunding platform

This research is expected to provide important information for MSMEs who wish to obtain funding through the crowdfunding equity platform. The results of this study can help MSMEs to understand investor preferences, risk perceptions, and other factors that influence investment decisions. In addition, this research can also provide insights for investors about their investment decisions and improve their understanding of the factors that influence investment decisions.

## **2. LITERATURE REVIEW**

### ***Crowdfunding***

Crowdfunding is a way to get funds by asking for donations from a number of people through online platforms. According to Belleflamme et al. (2014), Crowdfunding can be defined as the practice of funding a project or initiative by soliciting financial contributions from a group of people, especially through online platforms. Meanwhile, Mollick (2014) defines crowdfunding as a practice that involves collaborative funding by using the internet as a medium of communication and combining social networks with financial resources. In addition, Hossain et al. (2015) stated that Crowdfunding is a form of funding that allows new projects or businesses to collect funds from the public online through a platform that provides Crowdfunding services.

### ***Equity Crowdfunding***

Equity Crowdfunding, according to Belleflamme et al. (2014), is a form of investment in raising capital by using the internet to obtain shares from a startup company. Meanwhile, Mollick (2014) defines equity crowdfunding as a form of fundraising that involves many individual investors or organizations in financing a project or company through an online platform with the aim of obtaining shares in the company.

Based on research conducted by Karim et al. (2020), equity crowdfunding is also defined as a form of raising funds from retail or public investors who purchase shares or ownership in a company through an officially registered online crowdfunding platform. According to research conducted by Filatotchev et al. (2018), equity crowdfunding can be used by startup companies to obtain funds from individual investors or organizations that have the same interests and at the same time enhance the company's image.

### ***Risk Perception Theory***

Perceived risk is a form of uncertainty faced by consumers when they cannot predict the consequences that may be experienced from their purchase decision (Schiffman et al. 2015). The results of purchasing decisions that are often uncertain, make consumers feel that there is a certain level of risk in their purchasing decisions. A person's subjective assessment of the likelihood of an incident (risk) of an accident and how concerned the individual is with the consequences or impact of the incident (Suhir M, 2014). This perception of investment risk in the capital market places more emphasis on investors' negative perceptions or images of investing in MSMEs through the Equity Crowdfunding Platform. Several indicators are used to measure perceived risk according to Pavlou (2003) as follows:

1. In the form of a certain risk
2. Experiencing a loss

### 3. Thinking that it's risky

#### Investor Trust Theory

The theory of trust in investors, in English is called "Investor Trust Theory", is a theory that explains the relationship of trust between investors and the investments made. According to this theory, trust is an important factor influencing investors' decisions in choosing investments. Investors who have a high level of confidence in an investment tend to make it easier to invest than investors who lack confidence.

According to research conducted by Hong et al. (2004), trust is a significant factor in influencing investors' decisions to invest. The results of this study indicate that the trust placed by investors in brokers and the capital market as a whole has a positive effect on the level of investment made.

The indicators used in measuring investor confidence according to Tasin, (2017) in Hardiyanto, N., Gunawan, A. I., Rafdinal, W., & Afif, N. C. (2020) in this study are;

1. Quality of information
2. Purchase review
3. Platform Quality

#### Investor Knowledge Theory

Consumer knowledge is all information held by consumers regarding various products and services as well as other knowledge related to these products and services and related to their functions as consumers (Sumarwan, 2011). Consumer knowledge will certainly influence a purchase decision. Cognitive psychologists divide two types of knowledge, namely declarative knowledge and procedural knowledge. Declarative knowledge is a subjective fact that is known by someone, the intention of subjective is that someone's knowledge may not always match the actual reality. Investor Knowledge indicators in this study are

1. Information quality,
2. Platform reputation, and
3. Characteristics of MSME projects.

#### Research paradigm

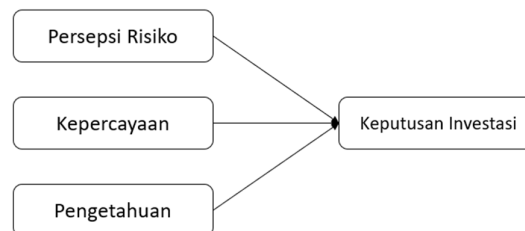


Figure 1. Research Paradigm

#### hypothesis

H1: There is an influence of Risk Perception on Investment Decisions of Investors with the Crowdfunding platform

H2: There is an influence of Trust on Investment Decisions with the Crowdfunding platform

H3: There is an influence of Knowledge on Investment Decisions with the Crowdfunding platform

### 3. METHOD

This study uses a quantitative approach, namely data in the form of numbers, starting from the data collection process, to the visualization of research results. The quantitative method is a method based on reality, symptoms and phenomena that can be observed and measured and have a causal relationship used to examine certain populations or samples using research instruments, statistical data analysis aimed at testing hypotheses (Sugiyono, 2010; Yulianah, 2022)

The population in this study are investors who invest in Equity Crowdfunding platforms in Indonesia with unknown locations because the Equity Crowdfunding investment allocation by investors is done online. This study used 30 samples because 30 samples were able to meet the minimum criteria for respondents in a study. Therefore, the sampling of this study was carried out by giving questionnaires to

30 respondents with predetermined respondent criteria. The sample in this study is Equity Crowdfunding investors.

The data used in this research is primary data. Primary data is a data source that directly provides data to data collectors (Sugiyono, 2016). Researchers obtained primary data from questionnaires that had been filled out by respondents. This is done to analyze the effect of motivation, risk perception, knowledge on investment in MSMEs through the Equity Crowdfunding platform in Indonesia.

In this study using multiple linear regression analysis method for the process of data analysis. Multiple linear regression analysis is a method for studying phenomena that include more than two variables including the dependent variable (Walujo, 2015). But before that a validity test was carried out which was used to measure the validity or validity of a questionnaire. An instrument or questionnaire is said to be valid if the questions on the instrument or questionnaire are able to reveal something that will be measured by the questionnaire (Ghozali, 2018: 51). After that, a reliability test was carried out, according to Ghozali (2018: 45) reliability is actually a tool for measuring a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if one's answers to statements are consistent or stable from time to time. The reliability test is used to measure the consistency of the measurement results from the questionnaire in repeated use. Respondents' answers to questions are said to be reliable if each question is answered consistently or the answers cannot be random. In seeking reliability in this study the authors used the Cronbach Alpha technique to test reliability, measuring instruments namely task complexity, obedience pressure, auditor knowledge and audit judgment. With the decision-making criteria as stated by Ghozali (2018: 46).

#### 4. RESULTS AND DISCUSSION

After going through validity and reliability testing, further research can be conducted to be able to answer the hypotheses that have been stated previously. Based on data processing, the multiple linear regression equation is obtained as follows:

$$Y = 0.421 + 0.781X_1 + 0.191X_2 + 0.134X_3 + \varepsilon$$

From these equations can be described as follows:

1. The The constant (a) is 0.421, this shows that even though the risk perception, trust, and knowledge variables are zero, the investment decision variable is 0.421.
2. The coefficient ( $\beta_1$ ) is  $0.781 > 0$ . This shows that the risk perception variable ( $X_1$ ) has a positive effect on the investment decision variable ( $Y$ ). If the risk perception variable increases, the investment decision variable will also increase, and vice versa.
3. The coefficient ( $\beta_2$ ) is  $0.191 > 0$ . This shows that the trust variable ( $X_2$ ) has a positive effect on investment decisions ( $Y$ ). If the trust variable increases, the investment decision variable will also increase, and vice versa.
4. The coefficient ( $\beta_3$ ) is  $0.134 > 0$ . This shows that the knowledge variable ( $X_3$ ) has a positive effect on investment decisions ( $Y$ ). If the knowledge variable increases, the investment decision variable will also increase, and vice versa.

The above equation has a significance level of 0.000 which has a value below alpha of 5% (0.000 < 0.05) which means that the resulting equation is the most optimal equation. Based on the adjusted R square of 0.875 or 87.5%, which means that investment decisions can be explained by the risk perception, trust and knowledge variables of 87.5%, while the remaining 12.5% can be explained by other variables not included in this the variables studied.

Table 1 Hypothesis testing  
Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.421	.469		.896	.378		
	Persepsi_Risiko	.781	.106	.780	7.389	.000	.386	2.593
	Kepercayaan	.191	.121	.144	1.571	.128	.511	1.959
	Pengetahuan	.134	.081	.144	1.662	.108	.571	1.750

a. Dependent Variable: Keputusan\_Investasi

Based on the data above, it can be seen that only the risk perception variable has an influence on investment decisions because the significance value is  $0.000 < 0.005$ . while the trust variable and knowledge variable get a significance value of  $0.128 > 0.05$  and  $0.108 > 0.05$  respectively.

## 5. CONCLUSION

Perceived risk has a positive and significant effect on investment decisions for Investors with the Crowdfunding platform. Investment in crowdfunding platforms is classified as a relatively new and high-risk investment, so the perception of risk is very important in influencing individual investment decisions. The higher the individual's risk perception of a crowdfunding project, the less likely the individual is to invest in the project.

Based on the results of existing research, it can be concluded that there are differences in the results of research with previous studies regarding the effect of trust on investment decisions on crowdfunding platforms. Several studies have shown that trust has a positive and significant influence on investment decisions on crowdfunding platforms, while other studies have shown that trust has no significant effect on investment decisions on crowdfunding platforms.

According to research conducted by Hong et al. (2004), trust is a significant factor in influencing investors' decisions to invest, Hong suggests that trust can help individuals to perceive risk more positively and reduce anxiety in deciding to invest. However, other research shows that other factors such as platform reputation, project information, and perceived risk are more important in influencing investment decisions than trust.

Based on the results of existing research, it can be concluded that there are differences with previous studies regarding the effect of knowledge on investment decisions on crowdfunding platforms. Several studies have shown that knowledge has a positive and significant influence on investment decisions on crowdfunding platforms, while other studies have shown that knowledge has no significant effect on investment decisions on crowdfunding platforms.

## REFERENCES

- [1] Achmad, W. (2022). Social Action and Social Solidarity: Community Empowerment in the Digital Age. *Neo Journal of economy and social humanities*, 1(3), 179-184.
- [2] Achmad, W., Nurwati, N., Fedryansyah, M., & Sumadinata, R. W. S. (2022). Implementing Social Capital in Poverty Reduction Efforts in Indonesia: 10.2478/bjlp-2022-002051. *Baltic Journal of Law & Politics*, 15(3), 689-698.
- [3] Belleflamme, P., Lambert, T., & Schwienbacher, A. (2014). Crowdfunding: Tapping the right crowd. *Journal of business venturing*, 29(5), 585-609.
- [4] Filatotchev, I., Liu, X., Buck, T., & Wright, M. (2018). The benefits of relationship lending in a cross-country context: A meta-analysis. *Journal of Business Research*, 88, 449-460.
- [5] Hong, H., Kubik, J. D., & Stein, J. C. (2004). Social interaction and stock-market participation. *Journal of Finance*, 59(1), 137-163.
- [6] Hossain, M. M., Shahadat, S. M., & Jahid, M. S. (2015). Equity crowdfunding: A literature review. *Asian Journal of Business Management*, 3(1), 1-5.
- [7] Karim, A., Tarazi, A., & Rezaei, A. (2020). The effect of crowdfunding on access to finance: Evidence from a panel of European SMEs. *Journal of Corporate Finance*, 60, 101536.
- [8] Laporan Tahunan OJK 2020-2021.
- [9] Mollick, E. (2014). The dynamics of crowdfunding: An exploratory study. *Journal of Business Venturing*, 29(1), 1-16.
- [10] Pavlou, P. A. (2003). Consumer acceptance of electronic commerce: Integrating trust and risk with the technology acceptance model. *International journal of electronic commerce*, 7(3), 101-134.
- [11] Schiffman, L., Wisenblit, J., & Kumar, A. (2015). *Consumer behavior* (11th ed.). Pearson.
- [12] Sugiyono. (2010). *Metode penelitian bisnis: Pendekatan kuantitatif, kualitatif, dan R&D*. Alfabeta.
- [13] Sugiyono. (2016). *Metode Penelitian Kuantitatif Kualitatif dan R&D*. Bandung: Alfabeta.
- [14] Suhir, Moch. "Pengaruh Persepsi Risiko, Kemudahan Dan Manfaat Terhadap Keputusan Pembelian Secara Online (Survei Terhadap Pengguna Situs Website Wwww.kaskus.co.id)." *Jurnal Administrasi Bisnis S1 Universitas Brawijaya*, vol. 8, no. 1, 27 Feb. 2014.
- [15] Sumarwan, U. (2011). *Perilaku konsumen: Teori dan penerapannya dalam pemasaran*. Ghalia Indonesia.
- [16] Walujo, D. A. (2015). In B. d. *Metodologi Penelitian. Kuantitatif Sosial*. Surabaya: Unesa University Press.
- [17] Yulianah, S. E. (2022). *Metodelogi Penelitian Sosial*. CV Rey Media Grafika.