

Innovative funding solution for special projects: Crowd funding

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ABSTRACT

The aim of this paper is to examine the influence of crowd funding knowledge, application, platform, and project initiator toward successful crowd funding. This study conducted by quantitative approach, data have been collected with web-based questionnaires via Kickstarter.com direct message and e-mail to 200 successful crowd funding project initiators as a sample and as much 152 sets questionnaire returned by a complete answer and should be analyzed further. Deployment and data collection take 3 month from October to December 2013. This study found evidence that crowd funding knowledge, crowd funding application, crowd funding platform, and project initiator has positive and significant relationship toward the success of crowd funding. The implication from this research is crowd funding can be a source of capital to finance the projects, not just rely on traditional sources of financing just like banking and capital markets. Crowd funding can be innovative funding solution.

ABSTRAK

Tujuan penelitian ini adalah menguji pengaruh pengetahuan, aplikasi, platform, dan proyek inisiator crowd funding terhadap keberhasilan crowd funding. Penelitian ini dilakukan dengan pendekatan kuantitatif, data dikumpulkan dengan kuesioner berbasis web melalui pesan langsung Kickstarter.com dan e-mail ke 200 pada inisiator proyek crowd funding yang sukses sebagai sampel dan sebanyak 152 kuesioner dikembalikan dengan jawaban yang lengkap dan selanjutnya dianalisis. Penyebaran dan pengumpulan data dalam waktu 3 bulan mulai Oktober hingga Desember 2013. Hasilnya menunjukkan bahwa pengetahuan dan aplikasi dan inisiator proyek crowd funding, memiliki hubungan yang positif dan signifikan terhadap keberhasilan crowd funding. Implikasi dari penelitian ini adalah crowd funding bisa menjadi sumber modal untuk membiayai proyek-proyek, bukan hanya mengandalkan sumber tradisional pembiayaan seperti perbankan dan pasar modal. Crowd funding dapat menjadi solusi pendanaan inovatif.

1. INTRODUCTION

Every project or business needs injection of capital so that it can do the business operation (Wahjono 2010). Unfortunately, most of them failed due to being lack of their capital structure (Zabri 2012), and also due to the challenges of creating projects and businesses that have become more complicated especially when they need extra capital to develop the project further. In fact, banks and financial institutions have straight rules and high interest rate on lending. Therefore, small medium projects and businesses need to find other financial institutions, and eliminate big loan for capital funding purposes. In this condition,

crowd funding has become one of the options to substitute banks and financial institutions for capital funding. Hundreds of projects have been executed every month to gain crowd attention and donation, and these practices are applied and practiced in Asian countries sooner or later.

Recently, some crowd funding projects have already reached urban development aspect. In addition, this type of funding has also changed people perception and created something which seems impossible. This urban development in crowd funding phenomenon has already occurred in Bogota, Columbia. For example, Skyscraper worth \$170 million

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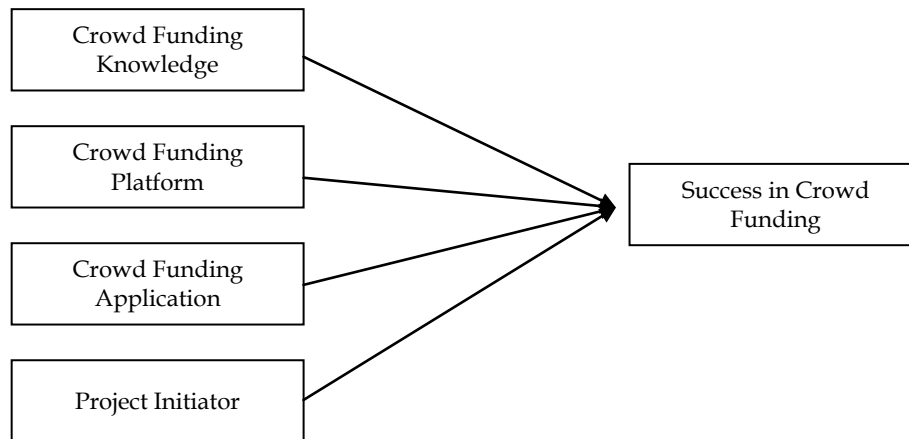


Figure 1
Theoretical Framework

will be built right in Columbia capital. All funds from this skyscraper have been collected via crowd funding campaign with support from more than 300.000 Bogota residents. This campaign has been organized by Prodigy (Franceschi-Bicchierai 2013).

Since 1990, crowd funding has been known as fans-funding. Another example is Marillion, music band from UK which has done fans funding for their concert. They have managed to gather around \$60.000 for their concert in US to 1997. All promotion, marketing, viral message have been done via internet during that time. Still another example, in 2006, Sella Band has organized crowd funding campaign for their album and succeeded in gathering all fund from their fans (Castrataro 2013).

From the above examples, crowd funding has become popular as a successful alternative of traditional funding practices, and it has become crucial to understand the drivers of crowd funding success or failure. The crowd funding industry report by Massolution (Barnett 2013) put out data showing the overall crowd funding industry has raised US\$ 2.7 billion in 2012, across more than 1 million individual campaigns globally. There are 2 main models or types of crowd funding. The first is what's called donation-based funding. The birth of crowd funding has come through this model, where funders donate via a collaborative goal based process in return for products, perks or rewards. The second and more recent model is investment crowd funding, where businesses seeking capital sell ownership stakes online in the form of equity or debt. In this model, individuals who fund become the owners or shareholders and have a potential for financial return. This type is unlike in the donation model.

Business owners have used different crowd funding sites than musicians. Musicians use differ-

ent sites from causes and charities (Barnet 2013). A list of crowd funding sites that have different models and focuses re as follows: 1) Kickstarter, 2) Indiegogo, 3) Crowdfunder, 4) RocketHub, 5) Crowdriise, 6) Somolend, 7) appbackr, 8) AngelList, 9) Invested.in, 10) Quirky . Based on the phenomenon above, this research attempts to investigate the effect of crowd funding knowledge, crowd funding platform, crowd funding application, and project initiator on the success of crowd funding.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

This study uses a theoretical frame work and hypotheses as it is drawn in Figure 1.

In reference to the research background in the previous discussion, the hypotheses are formulated as the following:

H1 : Crowd funding Knowledge has positive and significant relationship toward the success of crowd funding.

H2 : Crowd funding Platform has positive and significant relationship toward the success of crowd funding.

H3 : Crowd funding Application has positive and significant relationship toward the success of crowd funding.

H4 : Project Initiator has positive and significant relationship toward the success of crowd funding.

3. RESEARCH METHOD

This study uses quantitative approach due to current study that is concerned with collecting numerical data. Moreover, crowd funding can be classified into and concerned with measuring and getting statistics of attitudes, behaviors, and perceptions as based on observable behavior of the samples. According to the current research objectives,

Table 1
Respondents' Demographic

		N	Percentage
Gender	Male	92	60.5
	Female	60	39.5
Age	16-25	30	19.7
	26-35	52	34.2
	36-45	58	38.2
	46-55	12	7.9
	>55	0	0.0
Occupation	Student	36	23.7
	Employee	34	22.4
	Self-Employed	74	48.7
	Unemployed	8	5.3
	Other	0	0.0
Successful Project Initiator	Yes	152	100
	No	0	0.0
Crowd funding Project	Development of a product (comics, games, etc.)	36	23.7
	Development of an event (art, dance, etc.)	38	25
	Development of a service (technology, etc.)	38	25
	Raising money for a cause	40	26.3
Crowd funding Application Preference	Blog	2	1.3
	Facebook, Blog	4	2.6
	Facebook, Email, Website	2	1.3
	Facebook, Email, Website, Blog	2	1.3
	Facebook, Email, Word of Mouth	2	1.3
	Facebook, Website	2	1.3
	Facebook, Website, Blog	14	9.2
	Twitter, Facebook	20	13.2
	Twitter, Facebook, Blog	10	6.6
	Twitter, Facebook, Email	4	2.6
	Twitter, Facebook, Email, Blog	6	3.9
	Twitter, Facebook, Email, Website	2	1.3
	Twitter, Facebook, Email, Website, Blog	16	10.5
	Twitter, Facebook, Website	14	9.2
	Twitter, Facebook, Website, Blog	36	23.7
	Twitter, Website, Blog	12	7.9
Website, Blog	4	2.6	

the current research is categorized into correlation research. Relationships between and among a number of variables are interpreted to recognize the trends and patterns in data. Data, relationships, and distributions of independent and dependent variables are observed only. Independent and dependent variables are only measured as they occur in a natural condition.

Population and Sample

The population is successful crowd funding projects initiators listed in Kickstarter.com CFP. There are 15 types of projects displayed; seven of them are the type of successful projects funded such as Publishing, Art, Technology, Photography, Comic, Fashion, and Games. There are 372 CF initiators of 7 types of projects, that's the number of population in this study. Based on Table Krejcie, the number of samples is determined of 191. The questionnaires were sent as totaled 200 pieces for CF Initiators. The num-

ber of 160 sets was received back and after verification there are 152 sets with the complete answers and ready for further analysis.

This study is based on a questionnaire survey online form to Google because the sample live in many places, and the calculation of the data is easily calculated by online. Researchers have distributed questionnaires online via Kickstarter Direct Message, within a period of three months from October to December 2013, the closing time of the questionnaire.

There are some challenges faced during distributing the questionnaire. One of Kickstarter.com rules and regulation, members are restricted to send direct message not more than ten messages per hour. Thus, the researcher should send around 50 questionnaires per day. Within three months period, there were more than 20.000 projects had posted in Kickstarter.com. Besides, most of project initiators were very busy because they were in the middle of their campaign to promote their project.

Table 2
Statistic for Success in Crowd Funding

	Mean	Std. Dev	Frequencies (%)					
			SA	A	QA	QD	D	SD
1 My fellow supporters of my project enjoy supporting my crowd funding projects, not just for the things they receive in return	2.47	1.179	23.7	27.6	34.2	9.2	2.6	2.6
2 My fellow supporters like to help creative people that they feel have authentically good ideas maybe would not get mainstream support from the public	2.79	1.177	9.2	38.2	30.3	11.8	7.9	2.6
3 Ability to make differentiate projects, ability to define and communicate unique sales point	2.68	1.198	13.2	38.2	27.6	11.8	6.6	2.6
4 Success to generate awareness or engage potential backers	2.63	1.161	11.8	42.1	28.9	7.9	6.6	2.6
5 Setting campaign funding goals moderately	2.74	1.265	17.1	28.9	28.9	17.1	3.9	3.9
Crowd funding (Cronbach's Alpha = 0.874)	2.66	0.976						

Table 3
Statistic for Crowd Funding Knowledge

	Mean	Std. Dev	Frequencies (%)					
			SA	A	QA	QD	D	SD
1 It satisfies my sense of curiosity	2.55	1.200	17.1	39.5	25.0	10.5	5.3	2.6
2 I underlined the benefits backers would get in return for their contribution	2.62	1.150	14.5	38.2	26.3	15.8	2.6	2.6
3 I focused on advertising the cause of the project and how much contributions are appreciated	2.51	1.201	18.4	39.5	25.0	9.2	5.3	2.6
4 I have chosen my reward gift carefully	2.66	1.251	17.8	31.6	30.9	9.2	7.9	2.6
5 Providing a reward as an outcome of my project to my backers is important to me	2.66	1.180	11.8	42.1	26.3	10.5	6.6	2.6
6 I would differentiate the reward gift based on the funds backers give, and priorities to the bigger crowd funders	2.82	1.268	10.5	39.5	23.7	14.5	7.9	3.9
Crowd funding Knowledge (Cronbach's Alpha = 0.892)	2.63	0.974						

4. DATA ANALYSIS AND DISCUSSION

Demographic Characteristics of Respondents

The demographic of the respondents shows 60.5% is male respondents and 39.5% female respondents. The respondents are not equally distributed, because mostly of the project initiators in Kickstarter CFP are male respondents. Approximately, the range ages of the respondents are 19.7% of 16 to 25 years, 34.2% of 26 to 35 years, 38.2% of 36 to 45 years, and 7.9% of 46 to 55 years. For 48.7% of respondents are working as self-employed; and the rest 23.7% of respondents work as student, 22.4% of employee, and 5.3% are unemployed, as shown in Table 1.

All the respondents agreed that they are being the successful project initiators in crowd funding. The products of crowd funding projects are almost equally distributed because all crowd

funding projects have different purposes and target markets. Each project provides backers and supporters a chance to contribute the important part of a crowd funding project (Luecke and Katz 2003). Most of project initiators (23.7%) use Twitter, Facebook, Website, Blog as their crowd funding application to promote their crowd funding to attract crowd funders for fundraising. It is crucial for project initiator to have strong concept, business proposal and attractive campaign to gain attention and donation from the crowd funders.

Success in Crowd Funding

The success of crowd funding is more than just getting money for project funding; some researchers believe it gives more value than money. The main point of successful crowd funding is the indi-

Table 4
Statistic for Crowd Funding Platform

		Mean	Std. Dev	Frequencies (%)					
				SA	A	QA	QD	D	SD
1	I feel there is sense of community on the last CFP I have used.	2.87	1.232	9.2	35.5	31.6	9.2	11.8	2.6
2	If I started a crowd funding again, I would certainly do it on the CFP I have used	2.71	1.330	14.5	43.4	14.5	15.8	7.9	3.9
3	Overall the users on my CFP seem to share the same value as me	2.62	1.228	14.5	42.1	22.4	13.2	3.9	3.9
4	The CFP I have used gives the possibility application to interact between creators and fellow supporters of the project	2.76	1.238	11.8	38.2	26.3	11.8	9.2	2.6
5	The CFP I have used gives an option to the fellow supporters to display supported project on their publicly visible crowd funding profile	2.54	1.156	15.8	40.8	26.3	10.5	3.9	2.6
Crowd funding Platform (Cronbach’s Alpha = 0.896)		2.70	1.041						

Table 5
Statistic for Crowd Funding Application

		Mean	Std. Dev	Frequencies (%)					
				SA	A	QA	QD	D	SD
1	I would talk to others about my project	2.61	1.240	14.5	43.4	22.4	10.5	5.3	3.9
2	I would mention in my online profile (Twitter, Facebook) that I involve in a project	2.78	1.123	9.2	38.2	26.3	21.1	2.6	2.6
3	I like to be involved with other people that participate in my projects	2.62	1.218	13.2	46.1	18.4	13.2	6.6	2.6
4	Taking part in communities related to my crowd funding projects and activities is important to me	2.79	1.177	9.2	38.2	30.3	11.8	7.9	2.6
Crowd funding Application (Cronbach’s Alpha = 0.891)		2.69	1.033						

cations of prospect of the project from project initiator proposed have value for people and they are willing to help with their own money (Rubin 2012). The crowd funding Table 2 represents what factors can be used to make a crowd funding project to be succeeded.

The supporters of crowd funding projects enjoy supporting projects offered by the crowd funding project initiators. Based on Table 2, 34.2% of project initiators quite agree that the crowd funding supporters do not just support crowd funding projects for the things they receive in return. However, 38.2% of the crowd funding projects supporters like to help creative people who own authentic brilliant ideas maybe would not get mainstream support from the public.

Therefore, out of the box ideas could be very promising to be financially invested through crowd funding. Moreover, 38.2% of the respondents should have the ability to make exclusive projects, and it is important for crowd funding project initia-

tors to define and communicate unique sales point of the crowd funding projects. 42.1% of majority respondents believe they are success to generate awareness or engage potential backers to participate or financially invested to their crowd funding projects. One key to make successful crowd funding, 28.9% of the crowd funding project initiators set campaign funding goals for their projects moderately.

For example “My fellow supporters like to help creative people that they feel have authentically good ideas maybe would not get mainstream support from the public” represents the highest mean 2.79 than the approximate mean of 2.66. This statement portrays it is important to identify factors that attract support decisions and gain commercialization of crowd funding from backers or sponsors (Biekpe and Kiweu 2009). The most important factor to attract people attention with limited budget is with creativity and good idea.

Table 6
Statistic for Project Initiator

	Mean	Std. Dev	Frequencies (%)					
			SA	A	QA	QD	D	SD
1 My project(s) would be difficult to perform without crowd funding knowledge.	2.61	1.262	15.8	40.8	23.7	11.8	2.6	5.3
2 Understanding crowd funding knowledge and using crowd funding gives me greater control over my project(s).	2.75	1.241	14.5	34.2	25.0	17.1	6.6	2.6
3 Understanding crowd funding knowledge and using crowd funding saves me time.	2.72	1.267	13.2	40.8	21.1	13.2	9.2	2.6
4 My interaction with CFP and crowd funding application system is easy for me to understand.	2.78	1.256	10.5	42.1	21.1	15.8	6.6	3.9
5 The CFP and crowd funding application system provide helpful guidance in performing crowd funding.	2.70	1.174	10.5	42.1	26.3	11.8	6.6	2.6
6 Overall, I find crowd funding useful in my project(s).	2.76	1.259	13.2	35.5	27.6	13.2	6.6	3.9
Project Initiator (Cronbach's Alpha = 0.915)	2.72	1.042						

Table 7
Hypothesis Test Results

Hypothesis	Pearson Correlation Coefficient	Significance	Hypothesis Test Outcome
H1: Crowd funding knowledge has positive and significant relationship toward the success of crowd funding	0.830	0.000	Supported
H2: Crowd funding platform has positive and significant relationship toward the success of crowd funding	0.796	0.000	Supported
H3: Crowd funding application has positive and significant relationship toward the success of crowd funding	0.782	0.000	Supported
H4: Project initiator has positive and significant relationship toward the success of crowd funding	0.767	0.000	Supported

Crowd Funding Knowledge

It is crucial for project initiator to have strong concept, business proposal and attractive campaign to gain attention and donation from the crowd funders. The focus of crowd funding projects is to finance the new innovation, invention, art or just helping each other. Therefore, project initiators are hoped to be knowledgeable regarding crowd funding concepts. The Table 3 represents what are the important things to be well-known by project initiators to make their crowd funding projects success.

Crowd funding knowledge represents 39.5% of the respondents claim crowd funding satisfies their sense of curiosity, and 39.5% of project initiators focus on some things, such as advertising, the cause of the project, and how much contribution will be gotten. Even though crowd funding supporters do not just support crowd funding projects for the things they receive in return, 38.2% of project initiators underline the benefits backers will get in return

for their contribution.

Therefore, 31.6% of majority respondents choose the reward gift carefully for their backers in return of backers' contribution of the investment, and 42.1% of crowd funding project initiators believe providing reward as a result of their project to their backers is important. In order to maximize the crowd funding investment and appreciation, 39.5% of project initiators would differentiate the reward gift according on the funds backers give, and they will prioritize the reward gift to the bigger crowd funders.

Another example of the statement that "I would differentiate the reward gift based on the funds backers give, and priorities to the bigger crowd funders" represents the highest mean 2.82 than the approximate mean of 2.63. This result has shown the best way to influence potential supporters is signaling potential supporters with positive points in the reward structure description (Evers

2012). By giving positive points in the reward structure description, chance to gain supporter attention, effort, and hype will help project initiator to reach their goal faster.

Crowd Funding Platform

When it starts raising fund through, project initiators have two options: 1) direct crowd funding, which uses their own website, software platform, social network application, and existing marketing tools and technique to provide project campaigns, or 2) indirect crowd funding, which utilizes an established CFP service, such as Kickstarter.com (Steingberg and DeMaria 2012). In order to make the crowd funding project to be well-known, many project initiators have preferred CFP to generate funding. Table 4 represents how project initiators have seen Kickstarter CFP to make their project success.

According crowd funding platform table (Table 4), 35.5% of project initiators feel comfortable and find the sense of community on the last CFP they have used. The majority respondents (43.4%) commit to use the last CFP they have used if they started crowd funding again. 42.1% of project initiators believe that they share the same value fellow CFP users because the CFP they have used gives the possibility application to interact between crowd funding creators and fellow supporters of the project (38.2%). More important, 40.8% of the project initiators are given an option to their fellow supporters to display supported project on their publicly visible crowd funding profile.

Crowd Funding Application

Besides CFP, key to success in crowd funding business is how project initiator applied the right crowd funding application. Crowd funding application is innovative way via social network media and other support applications to attract backers and creating awareness (Ordanini 2009). Crowd funding application Table 5 represents how project initiators have used crowd funding application to make their project success.

Ordanini et al. (2010) has elaborated crowd funding application as innovative way to attract backers and creating awareness through social network media and other support applications. According to respondents' demographic table, majority of the respondents use Twitter, Facebook, Website, and Blog as their crowd funding application to promote and gain funds from backers. 43.4% of the respondents talk about their projects to others through their crowd funding application, and

38.2% of project initiators would mention in their online profile that they involve in a project. Moreover, majority of respondents like to be involved with other people and crowd funding supporters that participate in their projects.

Project Initiator

Table 6 represents 40.8% of project initiators feel their projects would be difficult to perform without their understanding toward crowd funding. Project initiators (34.2%) believe their understanding toward crowd funding knowledge and using crowd funding gives them greater control over their projects. Moreover, understanding crowd funding knowledge and using crowd funding can save 40.8% of project initiators' time. 42.1% of the majority respondents consider their interaction with CFP and crowd funding application system is easy for them to understand, and the other 42.1% of project initiators contend CFP and crowd funding application system provide helpful guidance in performing crowd funding. Overall, 35.5% of crowd funding project initiators find crowd funding useful for their projects.

Hypothesis Testing

The present research has studied the relationships of crowd funding knowledge, crowd funding platform, and crowd funding application to the success of crowd funding. Hypothesis testing table (Table 7) has measured the relationship of independent variables toward the dependent variable. The hypothesis test outcome table has shown the hypotheses are supported in Table 7. The present study has four independent variables and one dependent variable. Pearson correlation coefficient (r) has been constructed to correlate crowd funding knowledge, crowd funding platform, crowd funding application, and project initiator on success of crowd funding, and hypotheses have been constructed based on independent and dependent variables of current study.

H1 : Crowd funding Knowledge has positive and significant relationship toward the success of crowd funding.

Pearson correlation coefficient has been done and the result (0.830 more than 0.70) shows crowd funding knowledge has significant relationship with the success of crowd funding. The relationship supports the previous researches that have been conducted (Ordanini et al. 2010). The difference of the reward gift based on the funds backers provides and prioritizes the bigger crowd funders that can be the factors that support the positive relation-

ship between crowd funding knowledge and the success of crowd funding. The higher the result of crowd funding knowledge, the higher people can be the success of crowd funding; because put a strategic reward gift rightly will result satisfied crowd funding backers or supporters, higher funds investing and then success crowd funding.

This finding is in-line with Rubin (2012), through simulation and explorative studies, in which it has described crowd funding concept as being superior than investment banks if CF initiators have a good crowd funding knowledge. This is due to the fact that crowd funding is as follows: 1) is more efficient, 2) is achievable and scalable, 3) offers price discrimination with reward structure, 4) distributes all risk, and 5) gives everyone direct access toward capital markets.

The results of this study support the findings of Evers (2012). Crowd funding knowledge by stating a positive message and comprehensive with full attention in each project. An average word in project explanation has 577 words. Producing a pitch graphic, picture and video are essential to state a positive yet credible point. The funding goal and project categories have needed to be picks carefully. Crowd funding knowledge such as signaling purpose, community, reward structures, token helping have been suggested if the funding goal can be achieve. Signaling potential supporters with positive points in the reward structure description is the best way to influence potential supporters (Weschler 2013).

H2 : Crowd funding Platform has positive and significant relationship toward the success of crowd funding.

Pearson correlation coefficient has been conducted the result (0.796 more than 0.70) shows crowd funding platform has significant relationship towards the success of crowd funding. Researcher has explained there is a relationship between Crowd funding Platform and the success of crowd funding (Belleflamme et al. 2010). The choosing of Crowd funding Platform needs to be chosen carefully in order to generate more funds from crowd funding backers; and application to interact between creators and fellow supporters of the project or other applications are needed to be considered to make the success of crowd funding. In other word, Crowd funding Platform roles as organizational systems and a place for integrating of demand and supply players; and Crowd funding Platform are vital in order to make the success of crowd funding (Ordanini et al. 2010). The current study proves that crowd funding platform have significant relation-

ship on the success of crowd funding.

This finding is in-line with Griffin (2012). Before project initiator begins their crowd funding venture. Project Initiator must decide on how they will fund their project through Crowd funding Platform. When it start to raising fund through, they have two options; 1) Direct crowd funding, which use their own website, software platform, social network application, and existing marketing tools and technique to provide project campaigns which is built around special reward structures, attractive offers, and community supports that compel backers to help capitalize their project, or 2) Indirect crowd funding, which utilize a establish Crowd funding Platform service, such as Kickstarter.com, Indiegogo.com, CrowdCube.com. So success of crowd funding is depends on how Project Initiator choose the suitable Crowd funding Platform (Steingberg and DeMaria 2012).

The results support the findings of Griffin (2012). Success of crowd funding is depends on what Project Initiator choose the suitable Crowd funding Platform through websites such as kickstarter.com and indiegogo.com, project initiator can also advertise their business proposal, describing their business concept or purposes and request financial backing from the crowd funders. The project initiator may or may not provide a business plan depending on the nature of the project. If project initiator has provided business plan, then it must explain on business vision, mission, objectives, and activities to describe and convince it to the crowd funders. Therefore, it is important for crowd funder to cover series of processes where the project initiator has posted a funding request campaign on the Crowd funding Platform or any website and describing their proposed project (Ley and Weaven 2011).

H3 : Crowd funding Application has positive and significant relationship toward the success of crowd funding.

Pearson correlation coefficient has been run and the result (0.782 more than 0.70) shows crowd funding application has significant relationship on the success of crowd funding. Therefore, this finding is in-line with Isenberg (2012). Taking part in communities related to project initiators' crowd funding projects and activities is important to project initiators because it succeeds the crowd funding. Crowd funding application is purposed to promote and advertise crowd funding projects, where the backers will see and act appropriately. The supporters of the crowd funding come from crowd funding communities, Facebook friends, Twitter followers,

or Blog readers of project initiators. The success of crowd funding demands project initiator have (1) knowledge on consumer marketing and investing, and (2) high management effort on social networks application, self-promotion and marketing techniques.

The results of this study support the findings of Kitchens and Torrance (2012). Crowd funding application has significant relationship on the success of crowd funding. Crowd funding application could be Facebook, Tweeter, Instagram, blog and etc. When it start to raising fund through, project initiator can connect crowd funding application to their own website, software platform, social network application, and existing marketing tools and technique. So if crowd funder familiar with social media and have some good friends, crowd funder easier to reach money for funded project.

H4 : Project Initiator has positive and significant relationship toward the success of crowd funding.

Pearson correlation coefficient has been run and the result (0.767 more than 0.70) shows crowd funding application has significant relationship on the success of crowd funding. The relationship supports the previous researches that have been conducted Kim (2013). The success and easy of interaction of project initiators with crowd funding platform and crowd funding application system can be factors that support the positive relationship between project initiator and the success of crowd funding. Project initiators need to understand knowledge, platform, and application as the crowd funding factors. When project initiators can combine all crowd funding factors, success crowd funding will be achieved. Any crowd funding projects will give a realistic inexpensive learning experience of entrepreneurship such as how to create plan and execute a new business or idea for project initiator. In the end, success in crowd funding will give direct impact on the profile of the project initiator, and boost their reputation.

Success of crowd funding has significant relationships toward project initiator (Lam 2009). Crowd funding knowledge that belongs to the project initiators will help to choose the right platform to execute the projects as needed. Moreover, that why project initiator can make deciding to make the projects to be succeed in crowd funding and project initiators will be rewarded with success crowd funding. In term of Family Business, crowd funding can be an alternative option for developing a business yet so big. Family business may choose Project Initiator were friendly with small businesses to represent them in financing activities (Wahjono 2013).

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATION

Even though Asian countries have not implemented crowd funding as often as United State and Europe countries, crowd funding is developing and will become a developed method to gain independent financial support in Asian countries. Therefore, Asian countries' governments need to develop a regulation in order to protect crowd from fraud and money laundry practice in crowd funding practices as awareness for crowd funding users. Crowd funding Act has made the successful crowd funding rate are double.

Nowadays, world needs more entrepreneurs to stimulate and stabilize world economy. It would be better to minimize capitalism for entrepreneurs' business financing. Crowd funding can be an option to gain independent business financing and minimize capitalism financing. Moreover, crowd funding is recommended for all people who need new financing model, either for creating new projects or fulfill passions.

The implication from this research is crowd funding can be a source of capital to finance the projects, not just rely on traditional sources of financing such as banking, financial institution, and capital markets. Crowd funding can be innovative funding solution.

Therefore, entrepreneur schools should implement crowd funding as a subject for entrepreneurs' general knowledge. Crowd funding subject implicitly help entrepreneur students to gain confident to be entrepreneurs without hesitate or worry regarding the business capital. One of the assignments that can be given by entrepreneur lecturers to their students is to give business projects that need to be financed. The financing has to come from crowd funding, and the entrepreneur schools have to create CFP to teach their students gaining funds through crowd funding.

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