CHAPTER I

1.1. Research Background

Seeking fundraising for charity and business in previous time is harder than today. A long time before the internet is growing up, the process of spreading the information about funding was taken for a long period because it could not be easily accessed by people. Nowadays, the internet is a media to know anything updated about information in the world. Users of smartphones and computers are impossible if they are not using these tools to access the internet. Online businesses also grow massively whether in Indonesia or in overseas. People can be easy to order goods from overseas just in minutes by using their smartphones. Therefore, if the business does not have websites, Profatilov, Bykova, & Olkhovskaya (2014) stated that consumers’ loyalty can be decreasing if the business is not using internet-technologies. Besides the internet used for online business, it also can be used for crowdfunding.

Crowdfunding has become a valuable alternative source of funding for entrepreneurs seeking external financing. Biu, Liu & Usman (2017), crowdfunding is an emerging approach for entrepreneurs to implement their ideas in spite of not having traditional monetary resources such as banks and venture capital. Thus, Stanko and Henard (2017) mentioned that crowdfunding could be seen as one form of open search actively seeking out ideas from outsiders. Crowdfunding allows founders of for-profit, artistic, and cultural ventures to fund their efforts by drawing on small contributions from a relatively large number of individuals and using the internet to access information, without standard financial intermediaries (Mollick, 2014). Crowdfunding generally using the online social network to collect money (Belleflamme, Lambert, & Schwienbacher, 2014).

Profatilov, Bykova, & Olkhovskaya (2014) found that crowdfunding is a financial instrument that works using collective cooperation of people who voluntarily unite their resources on a crowdfunding-platform to support other people’s or organizations’ projects.
Creators and supporters are the two main players in crowdfunding. Creators are a person or group of people who are seeking resources (fund), designers, musician, software developers or any kind of discoverer (Hu, Li & Shi, 2015). The success of the project depends on the creator in creating and presenting which product is suitable for crowdfunding (Forbes & Schaefer, 2017). Crowdfunding becomes more interested in the investors because of the use of internet-based for the financing of new projects through a large audience (supporters) (Belleflamme, Lambert, & Schwienbacher, 2014). When creators create new projects, the important thing is not only the large numbers of supporters that invest their money, but also the project is powered by innovative ideas and strong vision (Manning & Bejarano, 2017). The advantages of crowdfunding become the way to earn benefits as much as possible. For creators, this is the chance for them to be more creative and competitive in terms of attracted investors (supporters).

Meanwhile, supporters are persons willing to contribute financially to the projects (Brem, Bilgram & Marchuk, 2017). Giudici and Guerini (2017) stated that supporters collect nonmonetary advantages in return for the money they pledge to projects (as cited in Belleflamme, Lambert, & Schwienbacher, 2013).

The popularity of crowdfunding in western countries already exists several years ago. Online website such as Kickstarter, IndieGoGo, and RocketHub are popular crowdfunding platforms that facilitate the exchange of resources between creators and supporters (Gerber & Hui, 2013). Zhao, Chen, Wang & Chen, (2016) The platforms’ growth in Asian is outstanding, with a growth rate of 320% and a total amount of raised funds reaching US$3.4 billion, making Asia the world’s second largest crowdfunding market (as cited from Massolution, 2015).

In Indonesia, crowdfunding stated to be familiar because it is relatively new as a business strategy. The efficiency and the effectiveness of matching funders with creators are high due to lower cost because of using online platform to attract many creators and supporters to taking
part in crowdfunding. According to Kitabisa.com, in 2018 the total fundraising stated on the website is Rp 376.828.285.084 over 14,199 projects finished and 936,229 supporters. Therefore, the statistical numbers on their website make them become the most famous crowdfunding in Indonesia. Kitabisa.com is a crowdfunding site for social projects which helps many creators to find their funders from all over Indonesia and mentored by Rhenald Kasali, the founder of Rumah Perubahan. Kitabisa.com has provided a website since 2013 to unite creators and supporters in order to support social problems that need help from a large audience. The example of the successful projects with crowdfunding in Kitabisa.com was created by Solar Chapter. Solar Chapter is students’ organization who need fund’s support for a project in solar system. Their project is “access to water equals a better future” in Mutnana village, Nusa Tenggara Timur. The total amount should be reached is Rp 260.237.600 but in fact, Solar Chapter can collect Rp 302.284.537 from supporters. Solar Chapter had additional information regarding their project such as pictures, videos and also the cost of production of their activities as feedback to their supporters.

One of the reasons why the project becomes successful and potential in Indonesia is because the philanthropic in Indonesia’s citizen is categorized as a high concern in social activities (Adiansah, Mulyana & Fedryansyah, 2016). The desires to help one and another to create a better future is the reason behind their contribution to crowdfunding, for example in healthcare in developing countries, technologies and charities in a natural disaster. Crowdfunding in social or non-profits is more preferable than the business or entrepreneur. Non-profit projects are successful because the average amount received by the creator is mostly reached (Pitschner and Pitschner-Finn, 2014). Besides that, social identity and social status are more relevant in non-philanthropic crowdfunding projects rather than feelings of empathy and guilt (Gerber and Hui, 2013). Crowdfunders (supporters) value the intrinsic enjoyment they extract from participating in a crowdfunded initiative, such as the social reputation, shared
identity, or other private (yet non-pecuniary) benefits (Cholakova and Clarysse, 2015). Oftentimes, supporter takes several roles in giving financial support, in taking interest in using or buying a particular product or service, and/or in getting engaged in projects in various ways (Manning and Bejarano, 2016).

Giving financial and social capital in order to encourage human welfare based on the intrinsic factors supporters motivation in crowdfunding are helping others, being part of the community and supporting ideas (Gerber and Hui, 2013). In another research, Cholakova and Clarysse (2015) mentioned in the finding that motivation in crowdfunding to help others and be part of community and supporting ideas are not significant in crowdfunding nonetheless, the reward-based platforms are more interesting to attract individuals who invest because they “like” and “enjoy” a project or an initiative and want to “support” it (Schwienbacher & Larralde, 2010). The limitation of the second research, they selected a product-based campaign for their survey, rather than a social, creative or community project. Therefore, what stated by both research have attracted the researcher to test “The Impact of Helping Others, Being a Part of Community, Supporting Ideas, and Easy Used of Information Technology as becoming Supporter of Crowdfunding with motivation as mediating variable”

1.2. Problem Formulation

Based on the introduction, the problems arise in this research are:

1. Is there any relationship between Helping Others influence supporters’ intrinsic motivation in Crowdfunding?
2. Is there any relationship between Being a Part of Community influence supporters’ intrinsic motivation in Crowdfunding?
3. Is there any relationship between Supporting Ideas influence supporters’ intrinsic motivation in Crowdfunding?
4. Is there any relationship between easy use of information technology influence supporters’ extrinsic motivation in crowdfunding?

5. Is there any relationship between supporters’ intrinsic motivation in Crowdfunding influence to become Supporter of crowdfunding?

6. Is there any relationship between supporters’ extrinsic motivation in Crowdfunding influence to become Supporter of crowdfunding?

1.3. Research Objectives

Based on the problem identified in the previous section, the objectives of this research are:

1. To examine and analyze the relationship between Helping Others influence supporters’ to intrinsic motivation in Crowdfunding.

2. To examine and analyze the relationship between Being a Part of Community influence supporters’ to intrinsic motivation in Crowdfunding.

3. To examine and analyze the relationship between Supporting Ideas influence to supporters’ intrinsic motivation in Crowdfunding.

4. To examine and analyze the relationship between Easy Use Technology influence to supporters’ extrinsic motivation in Crowdfunding.

5. To examine and analyze the relationship between Supporters’ intrinsic motivation in Crowdfunding to become Crowdfunding supporters.

6. To examine and analyze the relationship between Supporters’ extrinsic motivation in Crowdfunding to become a supporter of crowdfunding.
1.4. Research Benefits

The results of this research hopefully will enrich and educate knowledge of researchers and academics or other practitioners.

1. Benefits for accounting education

Results of this study hopefully can increase knowledge in crowdfunding, experience, and insight, as well as materials in the application of accounting science and the description of knowledge about crowdfunding system in a company. Therefore, it can be a comparison for further research to become a source of related knowledge about crowdfunding.

2. The practical benefits

The information obtained in this research by investing the crowdfunding phenomenon comprehensively and collecting more empirical data can enrich the knowledge of crowdfunding, and also improving the performance of crowdfunding based on the supporters’ point of view.

1.5. Systematics of Writing

This study consists of five chapters written by following the systematics below.

CHAPTER I: INTRODUCTION
Chapter I consists of the study’s background about supporters’ motivation in crowdfunding, problem identification, problem formulation, research limitation, research objective, research contribution and systematics of writing as an introduction of this thesis.

CHAPTER II: LITERATURE REVIEW

Chapter II contains the exposure of the theory as a basis of crowdfunding, supporters’ motivation in crowdfunding and the development of hypotheses proposed in this study.

CHAPTER III: METHODOLOGY

Chapter III contains population, samples, data collection methods, the operational definition of every variables and measurement, sampling techniques including the criteria for selecting samples and data analysis techniques used for this study.

CHAPTER IV: DATA ANALYSIS AND DISCUSSION

Chapter IV contains the result of processing and data analysis whether it fulfills or proves the hypotheses along with further discussion of the statistical analysis result.

CHAPTER V: CONCLUSIONS AND RECOMENDATION

Chapter V contains research results from the previous chapters. This chapter answers the problem formulation and research objectives.