



DETERMINANT FACTORS OF EQUITY-BASED CROWDFUNDING IN MALAYSIA

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ABSTRACT

Crowdfunding as a means for investment using Fintech is relatively new. The popularity of venture capital and angel financing as a source of funds for businesses has decreased due to the advent of Fintech. The services provided are similar to traditional finance, such as simple transactions to payments, brokering and risk management. However, entrepreneurs and project owners are linked to investors by means of digitalization platforms which enable greater participation in sourcing for capital. The objective of this research is to find factors that determine fintech investment using crowdfunding in Malaysia using Technology Acceptance Model (TAM) as its based theory. Four variables are used as measurements, namely perceived informativeness, network externality, return on investment and platform quality. Data is collected by means of questionnaires to investigate the validity of the proposed model. SPSS is then used to analyze the data collected using reliability, correlation and multiple regressions. The result indicated that the perceived usefulness is significantly supported by perceived informativeness, network externality and platform quality. Furthermore, the perceived ease of use is significantly supported by perceived informativeness, network externality and return on investment. The result has contributed to the body of knowledge in this emerging area. It also enables practitioners to determine the significant variables that influence the willingness of customers to place funds via equity-based crowdfunding platforms.

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1. INTRODUCTION

Fintech is alternative finance that embeds digital technology in the innovation, development of applications, processes, products or business models in the financial service industry. It is applicable in employing digital platforms to connect those in need of financing with investors and savers who are willing to take on risks. Hence, it is not exaggerated to call digital platforms a new instrument of financial intermediation when

referring to the possibilities for them to offer their services directly to existing and potential clients on the web. Financial innovation is made possible using technology. Fintech includes both services and information technology and invests in all sectors of banking and financial intermediation. It then goes from credit (Crowdfunding and peer to peer lending) to payment services (instant payment), from virtual currencies (Bitcoin) to consultancy services (robot-advisor), from decentralized transaction validation technologies (Blockchain or DLT) to biometric identification (fingerprint, retina or facial recognition) and to support the delivery of services (cloud computing and big data).

The growth in popularity of alternative financing is witnessed after the global financial crisis of 2008-2009 at different levels around the world. The importance of the role played by the government and financial regulators through legal and institutional conditions in order to shape the international development of crowdfunding and Fintech should not be underestimated.

From collecting donations to selling equity stakes via the internet, crowdfunding encompasses diverse types of fundraising. Among the definitions, let us consider the one from Hemer (2011), crowdfunding is an open call, essentially through the internet, for the provision of financial resources either in the form of donation (without reward) or in exchange for some reward and/or voting rights in order to support initiatives for specific purposes.

Crowdfunding in its concept and structure is in line with Shariah. Buying a share in a company and being ready to share the gains as well as the losses is in line with Islamic finance and accordance with Shariah. And for this reason, more financial services are offered to millions of Muslims. The Islamic Financial Service Board has removed entry barriers by dedicating an entire section to the rise of Fintech as well as its applications and state of the legislation in force in its 2017 stability report.

Considered as an emerging form of entrepreneurial finance, crowdfunding is evolving at a rapid pace, with the usage of platforms becoming more attractive to both investors and project owners. By allowing fundraising from many individuals via online platforms, it is not only giving an opportunity to individuals, SMEs and start-up to participate in the creation of wealth, but also to make their dream become reality. A World Bank report indicates that global crowdfunding is expected to reach \$96 billion by 2025, and the greatest potential lies in China, which accounts for up to \$50 billion (Kang et al., 2016). Even though crowdfunding provides exciting opportunities for both fundraisers and funders, it also raises several important concerns such as the risk of fraud, misleading advertising and money laundering. These are issues that influence the amount donated by contributors to a crowdfunding project.

The introduction of the JOBS (Jumpstart Our Business Startup) act in 2012 and its subsequent provisional approval by the securities of exchange commission (SEC) in 2013 has become a legal alternative for early-stage equity investment and a viable tool for raising seed capital. Needless to say, it enables the desire of investors to be involved in contributing money in exchange for a tangible interest in the venture they are funding, most often stock. Compared to venture capital funding (\$47 billion in investment 2014), the global equity crowdfunding market was only around \$1.1 billion in 2014 and estimated to grow to \$3.5 billion in 2016. The market is relatively new (the first few platforms founded in 2009 in UK and Canada) and may expand in the near future. Investors' decisions to participate include personal finance, retirement savings, CEO investment choices and venture capital finance (Hervé et al., 2016).

Equity crowdfunding in Malaysia was brought to the mainstream and became one of the first within the region to introduce guidelines to regulate the space. Hence, the crowdfunding platform provides a more diversified investment portfolio to the Malaysian

public as well as more opportunities for SMEs and startups to raise capital that has become part and parcel of the regulator's strategy.

Study conducted on equity Crowdfunding in Malaysia showed the influence of gender, and local environment and conditions on the choices made as well as the quality of the platform. This proves how investment-based crowdfunding is slow to develop mainly because of regulatory constraints in most countries around the world and trust issues between investors and fundraisers. Although the return on investment has no effect on gender, it appeared that males (58.9%) are more likely to participate in the project than females (41.1%). Previous literature already showed this dominance of men on investment-based crowdfunding, indicating that decision making in finance is particularly a masculine prerogative.

Moreover, the increasing of investors awareness on how both crowdfunding projects and platforms work, appears to be a factor capable to increase their level of understanding and trust towards investment-based crowdfunding (Alharbey and Hemmen, 2021). As there is still limited research on crowdfunding in Malaysia, more attention must be paid to determinants of relevant projects because it is widely agreed upon that crowdfunding should become the next big investment trend.

There is still a gap in the literature exploring the relationship between crowdfunding and the factors that draw people to contributing, specifically with regards to the area of fintech investment. The objective of this study is to determine the factors that affect donors' willingness to invest in investment based fintech crowdfunding. It aims to contribute to the field of fintech investment and offers a better understanding of the use of digital technologies, which could lead to new entrepreneurial opportunities.

The organization of the paper is as follows. It begins with an introduction and is followed by the literature review in section 2. The research framework and hypotheses development are in section 3. The research design and methodology is in section 4, followed by data analysis and results in section 5. The discussion is in section 6, and finally, section 7 ends with the conclusion.

2. LITERATURE REVIEW

The utilization of technology and new innovative Fintech ideas could change the whole process and system of conducting transactions in the financial sector. These innovations include bitcoin, artificial intelligence, electronic payment systems and crowdfunding, among others. Fintech is widely seen as one mode of revolutionizing the banking industry, and for that, banks themselves have diverted many of their investments to the concept (Wonglimpiyarat, 2017), and FinTech's has a large focus on consumer experience (Mackenzie, 2015 and Shim and Shin, 2016), and this can be seen by the impact it has in transforming how consumer deal with the banks.

Several Muslim countries have also attempted to implement Fintech, with Bahrain recently recognizing the gold-based savings platform Hello Gold as the Best Islamic Wealth Management Fintech Company at the World Islamic Fintech Awards on November 26th (Lago, 2018). Saudi Arabia as well has signed an agreement with a fintech company to develop a variety of blockchain solutions for a real-time platform in commodities trading and solve inter-banking issues between conventional and Islamic banks (Pikir, 2019).

On the larger scale, a study by Bianco et al. (2019) on 32 Muslim majority countries shows that crowdfunding is still at an infant stage in terms of the number of platforms existing, which is considered relatively low. The authors argue that crowdfunding is in fact, very much aligned to Shariah, as it avoids interest and the returns for investors are asset-backed as well as it could be returned in the form of the asset itself, and thus should

be capitalized more fully by Muslim nations. Wonglimpiyarat (2017) developed a model for Fintech and discussed the importance of systemic innovation for some of the products and how it is important for progress in innovation diffusion to pursue appropriate strategies.

2.1 Crowdfunding

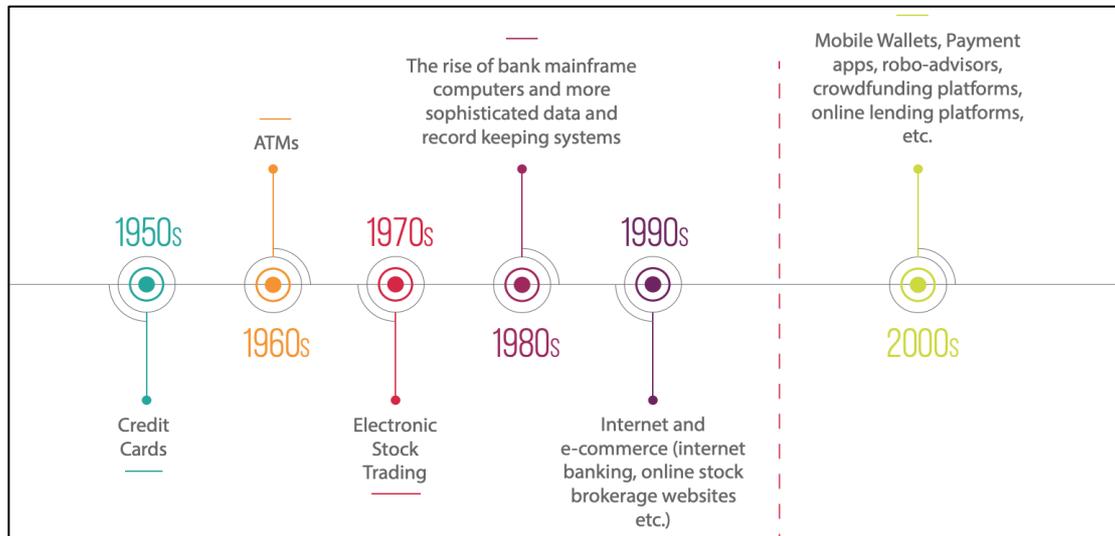


Figure 1: Historical background of Fintech.

Crowdfunding which falls under the fintech category has gained considerable acceptance among the public; it has received great attention from entrepreneurs and individual contributors (Burtch et al., 2015). Several emerging literatures has focused on the factors for crowdfunding success, which includes recommendations from experts, linguistic style and social capital of the entrepreneurs (Buttice et al., 2017; Greenberg & Mollick, 2017; Parhankangas & Renko, 2017). Yin et al. (2019) aver that project updates, on-site communication and reward levels are among the aspects that positively influence the degree of success of a crowdfunding project.

Bi et al. (2019) found that the lowering of the product price and the platform fee contributes to the competitive strength of a platform. Several papers were observed to be discussing the role of having trust in crowdfunding individuals. Zheng et al. (2016)'s findings show that personal, dynamic interactions were more effective than historical success records on trust establishment. Greiner and Wang (2010) compliment this by stating the importance of social capital and consumer to consumer (C2C) relationships on the success of crowdfunding.

Zheng et al. (2017) further find that entrepreneurs' social network ties and shared meaning between them and sponsors can have a significant impact on the performances of the crowdfund. However, this building relationship should not only be on a surface level. Indeed, taking steps for disclosing addresses and telephone numbers of the crowdfund initiator cannot by themselves increase the amount raised for crowdfunding significantly (Zhu and Li 2018). In the end, it is about creating a strong social community which individual can identify. Creating calculus trust and relationship trust will both transmit some form of effect to the decision making of participants in crowdfunding on the positive side (Kang et al, 2016). Calculus trust is defined as the level of trust that is the most minimal.

Sympathy and trust can seem to play an important role in investment decisions (Moritz et al., 2015), and this could be utilized by disclosing the reason for crowdfunding to the public, which would include an emotional reason to influence donors to contribute. Wuillaume et al. (2019) concur with this by saying the motivation of the entrepreneur is what determines the degree to which they would rely on the effect to form their attitudes.

Liu et al. (2018) found that it is important to have a quality website along with the convenience of the transaction, and not only this, but the frequency of updates and media richness can assist to this (Beier and Wagner, 2015), as this would give the perception that the entrepreneurs are serious on their efforts. Reputation of the person also seems to have a factor on funders (Steigenberger, 2017).

Apart from the relatability of participants to the crowdfunding initiator as well as the attractiveness of the platform, it is also important for the participants that the platform itself is easy to navigate through, in other words, easy to use. Thaker et al. (2019) studied the zakat crowdfunding model and found that participants would appreciate two main aspects of crowdfunding, namely perceived ease of use and perceived usefulness, which is based on the Technology Acceptance Model developed by Davis (1989). Maximilian et al. (2018) found that crowdfunding participants are not a homogenous group and are motivated by different factors when they decide to participate. This motivation is what will define, in the end, the demand in the marketplace for what type of crowdfunding will be set (Andrea et al., 2017). In other words, there will be better chances of success in crowdfunding efforts if the platform is geared towards a certain demand that is high in the marketplace.

3. RESEARCH FRAMEWORK AND HYPOTHESES DEVELOPMENT

This paper applies the influential model of technology acceptance known as the Technology Acceptance Model (TAM). The model is adapted from the Theory of Reasoned Action (TRA) by Ajzen and Fishbein (1980) and was proposed by Davies (1989), which states that a person’s acceptance of information system is determined by the main factors, which are perceived usefulness and perceived ease of use. In this study, TAM is used to include four variable measures, namely: Perceived informativeness, Network externality, Return on investment and Platform quality. The proposed research model is presented in Figure 2 below.

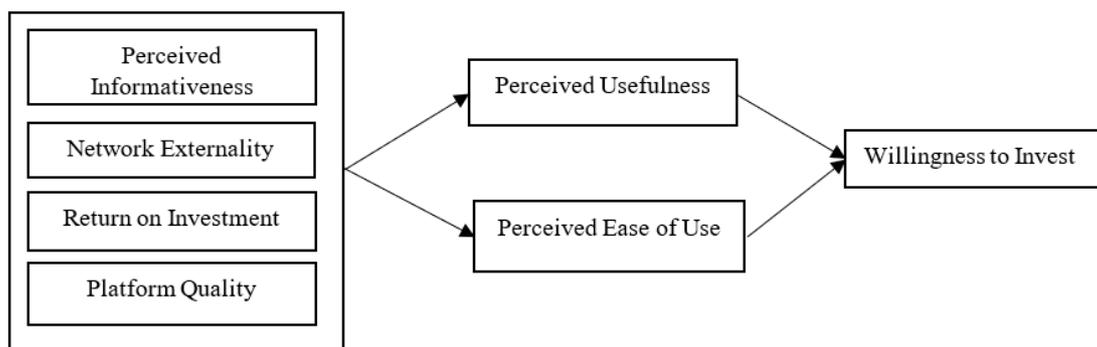


Figure 2: Research model.

3.1 Perceived informativeness

According to Ducoffee (1996) and Rubin (2002), informativeness refers to the ability of adverts to effectively convey and pass information to the targeted customers. The quality of information placed on a company’s website shows a direct influence on customers of the company and the company’s products (Aydogan, 2016). Accordingly, information

delivered to them via online media needs to show qualitative features, such as accuracy, timeliness and usefulness for the customers (Sian & Shen, 2003). When customers' need for information is taken into consideration, the importance of informativeness of web advertising can be better identified (Aydogan, 2016). On the one hand, the prior research identified that as funders perceive a higher level of informativeness, they will perceive that the fundraiser is interested in maintaining the accuracy and currency of the information, and will therefore be more inclined, and in a better position, to fulfil its obligations (Lietal,2015). Information sharing helps reduce information asymmetry and serves as a quality signal in support of financial contribution (Shneor&Munim, 2019). On the other hand, a previous study found that informativeness exerts a significantly positive influence on investment intention (Wang & Kim, 2017). Thus, this paper argues that the more informative a fundraiser is, the more likely he or she will invest in a crowdfunding project. Therefore, the paper proposes the following hypothesis:

H1. Perceived informativeness significantly affected perceived usefulness.

H2. Perceived informativeness significantly affected perceived ease of use.

3.2 Network externality

According to Pae and Hyun (2002), network externality is described as the characteristics of project value changing with the number of users. Network externalities occur when a participant in a network creates benefits for others in the network (Hong et al., 2017). When the number of funders increases, the risk decentralization will reduce the uncertainty. Thus, people may be more likely to invest in crowdfunding project if they perceive that many people in their social circles are funding the project (Kang et.al, 2016). The study conducted by Thies et al. (2018) found that network effects are symmetric, an increasing number of entrepreneurial projects has a strong and significant effect. On the other hand, the present study investigates the determinants of electronic communication system use based on an extended Technology Acceptance Model. The study findings suggest that user perceptions regarding network externalities have a positive impact on use of electronic communication systems (Troy et al., 2007). Therefore, we argue that the network externalities can positively influence willingness to invest through Perceived usefulness and Perceived ease of use.

H3. Network externality significantly affected perceived usefulness.

H4. Network externality significantly affected perceived ease of use.

3.3 Return on investment

Basically, what drives individuals to perform actions, such as investing in an equity crowdfunding campaign, are their motivations (Lukkarinen, 2019). Research into investor motivations in equity crowdfunding has suggested that investors would be motivated mainly by an aim to earn financial returns (Cholakova and Clarysse, 2015). The distribution of returns on equity crowdfunding investments is likely to present similarities with IPOs (Signori and Vismara, 2016). Therefore, crowdfunding investors could gain as much as 371% if they were able to pick the best equity offering. On the contrary, they face a one out of ten probability to lose all their money by investing in firms that fail soon after offerings (Signori and Vismara, 2016). Furthermore, they suggest that managers of some crowdfunding platforms have declared the intention to develop a secondary market aimed at offering the possibility to trade shares of crowdfunding firms (Signori and Vismara, 2016). On the other hand, a study by Daskalakis and Yue (2017) found that respondents seem to be motivated more by higher

returns in P2P lending and by interest and excitement in equity crowdfunding. Therefore, this paper argues that the more attractive a return of investment is, the more likely the individuals will invest in a crowdfunding project. In light of this, this paper proposes the following hypothesis:

H5. Return on investment significantly affected perceived usefulness.

H6. Return on investment significantly affected perceived ease of use.

3.4 Platform quality

Website quality is regarded as an important factor of an operation's online presence. It is defined as the extent to which a website's features meet customers' needs and reflect the overall superiority of the website (Chang & Chen, 2008). Website quality affects the credibility and reliability of a business (Laja, 2015), which in turn is directly associated with customers' intention to make a purchase via the website. (Bai et al., 2008). A well-defined website could "build trust and confidence in the company; reinforce an image of competence, functionality, and usefulness; alert the visitor to the company's range of products and services and point out local dealers, upcoming special events, and reasons to come back again (Hanson, 2000). On the other hand, a study found that website quality, transaction convenience, and project content quality influence both empathy and perceived credibility in different ways (Liu & Wagner, 2018). A significant positive relationship between website quality and company trust (Mcknight, Choudhury, & Kacmarc, 2002). Furthermore, it suggests that website design quality have a positive influence on loyalty intention (Bahari et al., 2018). Various measurements and dimensions for website quality have been recognized by other research, including information quality, ease-of-use, usability, aesthetics, trust, and emotional appeal (Barnes & Vidgen, 2001). Therefore, we argue that platform quality determines the perceived usefulness and perceived ease of use directly and directed to the willingness to invest in the platform. Based on that, the study proposes the following hypothesis is suggested.

H7. Platform quality significantly affected perceived usefulness.

H8. Platform quality significantly affected perceived ease of use.

3.5 Perceived usefulness and perceived ease of use

The Technology Acceptance Model (TAM) has been known as a useful model for the identification of technological acceptance behaviours in a variety of information systems or information technology contexts (Davis, 1989). TAM combines two variables of belief, namely perceived usefulness and perceived ease of use. Perceived usefulness is defined as the degree to which a person believes that using a particular system would enhance his or her job performance. A system high in perceived usefulness, in turn, is one for which a user believes in the existence of a positive use-performance relationship (Davis, 1989). In contrast, perceived ease of use refers to the degree to which a person believes that using a particular system would be free of effort. We claim an application perceived to be easier to use than another is more likely to be accepted by users (Davis, 1989). On the other hand, the prior study conducted by using the TAM model, found that perceived usefulness and perceived ease of use were considered as determinants to users' acceptance of the interactive mobile apps (Hussain and Mkpojiogu, 2016). The study about the behavioural intention of zakat payers to use the Integrated Zakat- Crowdfunding Model was found to depend on perceived usefulness and perceived ease to use (Thaker et al., 2019). The behavioural intention of SMEs to use the Islamic Crowdfunding-Small and Medium Enterprises (ICSMEs) model was found to depend on perceived usefulness

and perceived ease to use (Thaker, 2019). Perceived usefulness and perceived ease of use determine the individuals towards the intention to invest in crowdfunding platforms. Based on that theory, this paper proposes the following hypothesis:

- H9.* Perceived usefulness significantly affected the willingness to invest.
- H10.* Perceived ease of use significantly affected the willingness to invest.

4. RESEARCH DESIGN AND METHODOLOGY

4.1 Measurement

Based on the previous assumptions, we used a questionnaire to investigate the validity of the proposed model. The research model included six independent and three dependent variables. The questionnaire had 34 items that were rated by respondents on a five-point Likert scale (a score of 1 represented “strongly disagree,” while a score of 5 represented “strongly agree”). All the items were based on existing measurements and literature. The sources of all items are listed in Appendix A. The final questionnaire comprised three parts. The first part covered the knowledge and experience about crowdfunding platforms. The second part was demographic information of the respondents. And the third part had construct items that measured respondents’ identification with the questionnaire items.

4.2 Data collection

Data were collected using two methods: self-employed and online, beginning on October 1 to November 30, 2019. A convenience sampling method is adopted for the self-employed method. A total of 245 questionnaires were distributed. A total of 227 questionnaires were returned, where 211 are used for data analysis purposes. The respondents were directed to an equity crowdfunding platform before filling the questionnaire. The platform that was used to simulate the understanding consisted of three platforms, namely *www.equity.pitchin.my*, *www.crowdplus.asia*, and *www.kapitalboost.com*. Two of them are the biggest equity crowdfunding platform in Malaysia, while *kapitalboost.com* is operated among ASEAN countries and denominated in Singapore dollar. Table 1 lists the survey and demographic information of the respondents.

Although 72.5% of the total respondents were university students who might not have a stable means of income, their responses are still considered valid because they are familiar with crowdfunding. Many students are involved in the payment of charity through Islamic crowdfunding platforms.

5. DATA ANALYSIS AND RESULTS

To evaluate the research model, this analysis used a two-step approach (Chin *et al.*, 2003). The first step included the analysis of the measurement model, where reliability, validity, and common method bias were examined. The second step tested the structural model where, respectively, structural relationships between latent constructs and hypotheses were evaluated (Chin *et al.*, 2003).

The perceived ease of use and perceived usefulness are endogenous variables and are in direct relationship with the independent variables and are not considered as a mediator or moderating factors.

Table 1: Subject demographics.

Item	Category	Frequency	Ratio (%)
Age	18-29 years old	160	75.80
	30-39 years old	33	15.60
	40-49 years old	12	5.70
	50 years old and above	6	2.80
Gender	Male	111	52.60
	Female	100	47.40
Highest education	Secondary School	17	8.10
	Diploma	12	5.70
	Bachelor Degree	112	53.10
	Master	57	27.00
	Phd	9	4.30
Type of employment	Professional	4	1.90
	Government Sector	10	4.70
	Non-Government Sector	29	13.70
	Self-Employed	18	8.50
Monthly income	Student	153	72.50
	< RM 2,500	157	74.40
	RM 2,051 - RM 5,000	34	16.10
	RM 5,001 - RM 10,000	13	6.20
	RM 10,000 - RM 15,000	6	2.80
Have you heard of crowdfunding	RM 15,001 and above	1	0.50
	Yes	180	85.3
	No	31	14.70
	Yes	61	28.90
	No	150	71.10
Would you be interested in crowdfunding projects	Maybe	44	20.90
	No	14	6.60
	Somewhat	44	20.90
	Yes	109	51.70

5.1 Reliability test

Reliability is the measure of the internal consistency of the items in a construct of the questionnaire. As can be seen in Table 2, the Cronbach alpha coefficient for perceived informativeness is 0.834, for network externality is 0.709, return on investment is 0.583, platform quality is 0.822, willingness to invest is 0.837, perceived usefulness is 0.886 and perceived ease of use is 0.877. Cronbach alpha values, 0.70 and above, are considered good estimates of reliability. These results show that the measurements have good reliability except for the return on investment at 0.583 value.

Table 2: Reliability test.

	Cronbach's Alpha
Perceived Informativeness	0.834
Network Externality	0.709
Return on Investment	0.583
Platform Quality	0.822
Willingness to Invest	0.837
Perceived Usefulness	0.886
Perceived Ease of Use	0.877

5.2 Correlation test

From Table 3, it can be observed that the means of the five constructs varied from 3.53 to 3.79 and their standard deviations vary from 0.52 to 0.69. Pearson’s correlation coefficients of the seven constructs vary from 0.443 to 0.689.

Table 3: Correlation test.

	Mean	Std. Deviation	Perceived Informativeness	Network Externality	Return on Investment	Platform Quality	Willingness to Invest	Perceived Usefulness	Perceived Ease of Use
Perceived_Informativeness	3.7943	0.60409	1						
Network_Externality	3.6076	0.56260	.495**	1					
Return_on_Investment	3.5384	0.52933	.452**	.502**	1				
Platform_Quality	3.7453	0.66322	.614**	.463**	.443**	1			
Willingness_to_Invest	3.6256	0.62267	.533**	.613**	.554**	.505**	1		
Perceived_Usefulness	3.7213	0.64710	.557**	.602**	.468**	.565**	.642**	1	
Perceived_Ease_of_Use	3.7223	0.69256	.543**	.579**	.539**	.458**	.575**	.680**	1

** Correlation is significant at the 0.01 level (2-tailed).

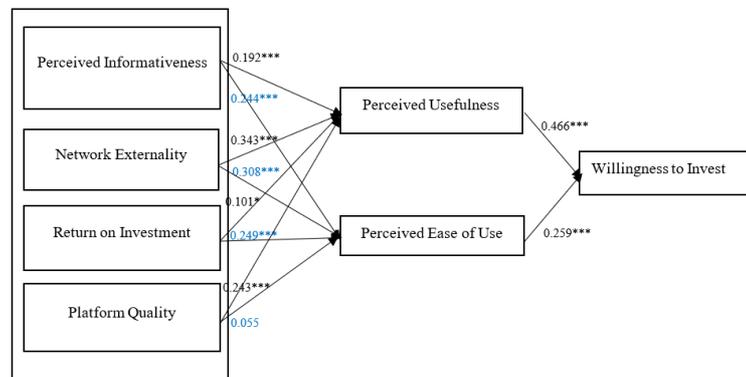
5.3 Regression test

As illustrated in Figure 2, the TAM model was tested by using regression analysis, there are three variables which affected perceived usefulness first, perceived informativeness ($p = 0.004 < 0.05$); second, network externality ($p = 0.00 < 0.05$); third, platform quality ($p = 0.00 < 0.05$); while return on investment showed insignificant result ($p = 0.094 > 0.05$). On the other hand, the perceived ease of use was affected by perceived informativeness ($p = 0.00 < 0.05$), network externality ($p = 0.00 < 0.05$) and return on investment ($p = 0.00 < 0.05$); while, platform quality was insignificant ($p = 0.411 > 0.05$).

The second step was testing TAM model as an independent variable towards willingness to invest. The result showed that perceived usefulness and perceived ease of use significantly affected willingness to invest with p -value = 0.00.

Table 4: Regression test.

Variable (X)	Variable (Y)	Standardized Coefficients		t	Sig.
		Beta	Std. Error		
Perceived Informativeness	Perceived Usefulness	0.192	0.071	2.890	0.004
Network Externality	Perceived Usefulness	0.343	0.071	5.570	0.000
Return on Investment	Perceived Usefulness	0.101	0.073	1.681	0.094
Platform Quality	Perceived Usefulness	0.243	0.064	3.733	0.000
Perceived Informativeness	Perceived Ease of Use	0.244	0.078	3.571	0.000
Network Externality	Perceived Ease of Use	0.308	0.078	4.861	0.000
Return on Investment	Perceived Ease of Use	0.249	0.081	4.039	0.000
Platform Quality	Perceived Ease of Use	0.055	0.070	0.824	0.411
Perceived Usefulness	Willingness to Invest	0.466	0.068	6.637	0.000
Perceived Ease of Use	Willingness to Invest	0.259	0.063	3.683	0.000



Notes: $p < 0.1^*$; $p < 0.05^{**}$; $p < 0.01^{***}$

Figure 3: The results of regression test.

6. DISCUSSION

The study found that the perceived usefulness is significantly supported by perceived informativeness, network externality and platform quality. While the perceived ease of use is significantly supported by perceived informativeness, network externality and return on investment. Firstly, perceived informativeness, accordingly, project information which is delivered to them via online media, needs to show qualitative features, such as accuracy, timeliness and usefulness for the investors. When investors' need for information is taken into consideration, the importance of informativeness of web advertising can be better identified. Therefore, the project information disclosed to investors through crowdfunding platforms should be complete and unbiased, which represented the business project. This finding is supported by Wang & Kim (2017), the informativeness exerts a significantly positive influence on investment intention, while the quality of information placed on a company's website shows a direct influence on customers of the company and the company's products (Aydogan, 2016).

Secondly, as for network externality occurs when a participant in a network creates benefits for others in the network. As the number of funders increases, the risk of decentralization will reduce the uncertainty. Thus, people may be more likely to invest in crowdfunding projects if they perceive that many people in their social circles are funding the project. This finding means when the project is campaigned, and the investors increased day by day, the perception of investor candidates will increase the intention to invest in the project. The result is similar to Thies et al. (2018) found that network effects are symmetric, an increasing number of entrepreneurial projects has a strong and significant effect. Another result also found by Zhang et al. (2015) that the perceived network externalities can influence consumers' new product purchase intention directly.

Thirdly, platform quality is regarded as an important factor of an operation's online presence. Platform quality affects the credibility and reliability of a business which in turn is directly associated with investors' intention to make an investment via the platform. This finding is supported by Bahari et al. (2018) found that website design quality has a positive influence on loyalty intention.

On the other hand, we found that the perceived usefulness and perceived ease of use simultaneously affected willingness to invest. This study, supported by Thaker (2019), found that the behavioural intention of SMEs to use the Islamic Crowdfunding-Small and Medium Enterprises (ICSMEs) model depends on perceived usefulness and perceived ease to use. The prior study conducted by using TAM model found that perceived usefulness and perceived ease of use were considered as determinants to users' acceptance of the interactive mobile apps (Hussain and Mkpjojiogu, 2016).

7. CONCLUSION

In this study, we designed to explore the factors identifying funders' motivations for investing in crowdfunding through Technology Acceptance Model (TAM) theory. The Technology Acceptance Model (TAM) has been known to be a useful model for the identification of technological acceptance behaviours in a variety of information systems. The research has shown that the Technology Acceptance Model (TAM) validated its acceptance in the field among the investors of equity crowdfunding platforms by adopting the theory. Equity crowdfunding currently utilized financial technology to reach both investors and entrepreneurs to succeed in the project.

Since fintech crowdfunding is gaining popularity as an alternative method to meet financial needs, it is crucial to understand the drivers of intention to invest in crowdfunding platforms. However, little is known about the mechanisms that drive individuals to invest in equity crowdfunding platforms. This research will be useful to

academic as it provided a new body of knowledge that contribute to the behavioural investor and its perception towards equity crowdfunding fintech. In terms of practice, this study would be useful for a financial provider to know the factors that attract the investors to invest in projects that have been successfully launched by the platforms.

The implication of this study is to discover the determinants that influenced investors' decisions to invest in equity crowdfunding. The study has several limitations, namely that it was conducted on respondents from the Klang Valley and Kuala Lumpur area and did not include people from other states, which limits the generalizability of the results. The study is also limited in its timeframe of collection of the data, as well as the number of respondents collected. Future research could expand the pool of participants to include other states in Malaysia. The sample was also focusing on peoples' perceptions of equity crowdfunding. We propose the next study on equity crowdfunding focuses on a specific platform by involving the current investors on that platform. However, despite these limitations, this study provides new knowledge in terms of factors for participants willingness to contribute to crowdfunding.

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Appendix A: Questionnaire items.

Construct	Items	Measure
Informativeness	PI 1	This fundraising project provides relevant project information
	PI 2	This fundraising project provides timely project information
	PI 3	This fundraising project provides accurate project information
	PI 4	This fundraising project makes investment information immediately accessible
	PI 5	This platform project is a good source of equity investment information
Network	NE 1	Most people are funding in this crowdfunding platform
Externality	NE 2	A growing number of funders increase the benefit to fundraising project
	NE 3	Many people are funding this fundraising project
	NE 4	As the target of fundraising project almost achieved, I decided to invest in the project
	NE 5	As the project of fundraising increases, there are many people fund the project
Return on Investment	RI 1	I am satisfied with the rate of investment given
	RI 2	I prefer the project that gives me fixed-return rather than profit sharing
	RI 3	I prefer the project that gives me profit-sharing rather than fixed-return
	RI 4	The return given is equal with the risk received
	RI 5	The return portion is given in equal manner distribution
Platform Quality	PQ 1	I find platform is visually appealing
	PQ 2	I find the platform is visually pleasing
	PQ 3	I find the platform is clear and understandable
	PQ 4	The platform assure that all information about investors are secured
Willingness to Invest	WI 1	I am likely to fund this project
	WI 2	I am likely to recommend this project to my friends
	WI 3	I am likely to fund another project on the platform if I am in demand
	WI 4	Assuming I have access to the system, I intend to use the platform for my investment instrument
	WI 5	Given that I have access to the system, I predict that I would use the platform to invest
Perceived Usefulness	PU 1	Using the crowdfunding platform improves my performance in my investment
	PU 2	Using the crowdfunding platform increases my investment productivity
	PU 3	Using the crowdfunding enhances my effectiveness in my investment
	PU 4	I find the platform to be useful in my investment activity
	PU 5	The platform makes it easier to search for and invest in the project
Perceived Ease of Use	PE 1	My interaction with the crowdfunding platform is clear and understandable
	PE 2	Interacting with the platform does not require a lot of my mental effort
	PE 3	I find the crowdfunding platform to be easy to use
	PE 4	I find it easy to get the platform to do what I want it to do
	PE 5	The platform is clear and easy to understand

Appendix B: Rotated component matrix.

	Component							
	1	2	3	4	5	6	7	8
PE4	0.744							
PE3	0.724							
PE1	0.695							
PE5	0.680							
PE2	0.625							
PU2		0.798						
PU1		0.727						
PU3		0.697						
PU4		0.583						
NE5		0.581						
PI3			0.741					
PI2			0.735					
PI1			0.694					
PI4			0.632					
PI5			0.630					
PQ3								
WI1				0.751				
WI2				0.675				
WI3				0.663				
WI4				0.648				
WI5				0.592				
PQ2					0.768			
PQ4					0.643			
RI1					0.602			
PQ1					0.589			
NE1						0.789		
NE3						0.707		
NE2						0.540		
RI4							0.641	
NE4							0.610	
RI5								
RI2								0.870
RI3								-0.661

Note: PI= Perceived Informativeness; NE= Network Externality; RI= Return on Investment; PQ= Platform Quality; WI= Willingness to invest; PU= Perceived Usefulness; PE= Perceived Ease of Use