

ELABORATION OF THE VARIATION OF PARTICIPANTS' VALUES WITHIN DIFFERENT CROWDFUNDING CATEGORIES IN INDONESIA

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Abstract. Background: Nowadays, crowdfunding has become a valuable alternative source of funding for seeking external financing and there is impressive growing volume of money collected through crowdfunding. Despite a growing practical importance, most of the crowdfunding research focused more on general motivation aspect in crowdfunding participation, none of them using value approach to explain this phenomenon further, even though research suggest that values play important role in determining motivational behavior and it is the key of motivations. Purpose: The purpose of this study is to recognize the role of values in crowdfunding practice and also analyze the variations of participants' values within different crowdfunding categories in Indonesia. Methods: The scope of this study covers specific type of crowdfunding, which is donation crowdfunding, using Kitabisa, as an object. This study will use Schwartz *et al.*, (2012) PVQ5X to measure individual respondents value. The questionnaire distributed to 387 respondents and analyzed using descriptive and means difference analysis. Findings: The first findings of this research reveals that category of crowdfunding that are mostly preferred by Kitabisa users are: Child Medication (19%), Medical Fundraising (18%), Natural Disaster (17%). Child Medication, Medical Fundraising, and Natural Disaster category chosen as a category basis for analyzing each value because of the appropriate sample representativeness and have the least margin of error. The second findings of this study identify the dominant values among people who share the same crowdfunding category preferences based on Schwartz 19 refined value and 10 original value. The third findings reveal that there are differences between type of crowdfunding category preference by participants' based on their value priority in and also age demographic. While the last findings examine how value affects users preferences in determining crowdfunding category in Kitabisa. Originality/value: This study provides insights into the nature of personal value of Indonesia crowdfunding practice and identifies variation of values that contribute to interest and preference in choosing different type of crowdfunding category. The results of this study are expected to help organizations in attracting more audience to participate and to more involved in crowdfunding project and could lead to improvement of crowdfunding factor to influence the success of crowdfunding projects.

Keywords: crowdfunding; donation; participants' values; crowdfunding category

INTRODUCTION

For centuries, attracting outside capital to finance a project or entrepreneurial initiative has mostly depended on the conventional fund providers, such as banks, venture capitalists, government agencies, and foundations (Lee *et al.*, 2015). Crowdfunding has emerged as an increasingly popular and viable alternative way of funding a variety of initiatives (Hossain & Oparaocha, 2017). In recent years, many crowdfunding initiatives have successfully provide financial backing by from individuals that pledge, donate, or lend a small sum of their money (Hollas, 2013). Number of project that use crowdfunding as their funding sources continuously increasing and more people participate in crowdfunding projects. Dozens of crowdfunding platforms have launched worldwide, including in Indonesia.

There are several research that has been conducted that studies about motivation in crowdfunding participation, most of those research focused more on general motivation aspect in crowdfunding participation, none of them using value approach to analyzed this phenomenon, when according to Mankoff (1974) values play a crucial role in the human motivation and his findings concluded that values are the real key to motivation. By looking at this phenomenon through values approach it will help to uncover the goals that can drive future behavior. Crowdfunding phenomenon in Indonesia is still on the early stage, acceptance and adoption has prevented such alternative forms of consuming from becoming mainstream. Indonesia is a country with heterogeneous communities of ethnicity, religion, and linguistic, making it is diversity be a possible driver of how each individual may have different values and those values may contribute to their behavior, including in the case of crowdfunding phenomenon. Making this topic interesting to be explored further.

Thus based on problem mentioned above this study has four objectives: To figure out the most preferred crowdfunding category in Indonesia crowdfunding platform by their participants', to identify the dominant values among people who share the same crowdfunding category preferences, to identify the value differences between people who have different category preferences and to examine the effects of value in participants' preferences when determining crowdfunding category in Indonesia

crowdfunding platform. It should be noted that the data used to generate the result of this study are limited based on: the scope of this study covers specific type of crowdfunding which is donation crowdfunding, based on participants' experience in donation crowdfunding platform in Indonesia and the object of this study is specific to one crowdfunding platform, Kitabisa as one of the leading donation crowdfunding sites in Indonesia. Thus, the crowdfunding categories used in this research will rely on the existing available crowdfunding category in this crowdfunding platform. This research provide insights related to role and variety of values related with the participation in crowdfunding practice. Furthermore, the findings of values can be used by crowdfunding platforms and crowdfunding campaigner as a consideration for developing impactful strategy to increase the adoption level in crowdfunding participation, in order to create a sustainable innovative business model and affecting the success of crowdfunding in Indonesia.

LITERATURE REVIEW

Crowdfunding

Crowdfunding is an online collection of funds that helps organizations or individuals to bring their ideas to reality (Belleflamme *et al.*, 2014). The concept of crowdfunding evolved from crowdsourcing, which describes the process of outsourcing a task to a number of individuals – “the crowd” – by drawing on their assets, knowledge or expertise, and using them to obtain ideas, feedback or solutions to improve a new venture, a corporation or a project (Hemer, 2011). According to Mollick (2013), all crowdfunding models are based on the principle that people invest funds in a project and expects a successful outcome.

Type of Crowdfunding

Crowdfunding systems have been broken down differently according to a number of varying perspectives. In legal terms, one can differentiate between donation, rewards, pre-ordering, lending, and equity (Bradford, 2012). Below are the explanation of the difference between each types of crowdfunding with their form of contribution and return:

Table 1. Type of Crowdfunding

Types of Crowdfunding	Form of Contribution	Form of Return
Donation crowdfunding	Donation	Intangible benefits
Reward or pre purchase crowdfunding	Pre-purchase	Reward or products
Lending crowdfunding	Loan	Repayment of loan with or without interest
Equity crowdfunding	Investment	Return on investment by forms of profit sharing

Reference: (Bradford, 2012)

Values

Brown (1976) stated that values are the most useful concept in determining motivational behaviour. Also according to Parks and Guay (2009), values are more ingrained, more stable, and more general in determining motivational behaviour. Previous study above strengthen the role of values for understanding consumer behaviour, which makes further research in this topic is necessary to be conducted. In the conceptualization of value, Schwartz's value theory are one of the most utilized theory to measure personal values and this model cover how values relate to each other. Therefore, this study will use Schwartz value theory as a basis for examining values in crowdfunding practices. The refined theory of basic individual values of Schwartz *et al.* (2012) defines values as “trans-situational goals, varying in importance, that serve as guiding principles in the life of a person or group”. The refined theory, is intended to be more accurate and able to provide better heuristic and explanatory power by accounting for 19 basic individual values instead of the original set of 10 (Schwartz *et al.*, 2012). In this model the 19 values are ordered in a circular motivational continuum, arranged according to their compatibility or conflict and further grouped in four higher order values: openness to change vs. conservation; self-enhancement vs. self-transcendence.



Reference: (Schwartz *et al.*, 2012)

Figure 1. Circular Motivational Continuum of 19 Values

METHODOLOGY

Data Collection and Questionnaire Design

This research used quantitative approach in order to gather the primary data through distribution of questionnaire that will be distributed to users of Kitabisa. The questionnaires will divided into three parts, first part is dedicated to find respondents behaviour in crowdfunding participation, second part is dedicated to know respondent values in crowdfunding participation, and the last part dedicated to know respondent demographics. In part one, researcher aim to gather data of respondent experience in crowdfunding, including frequency of participation and their preference in the type of crowdfunding category that they participate in based on 19 existing category in Kitabisa. In part two, measurement item of respondent value questions were adapted from PVQ5X Schwartz *et al.*, (2012) for measuring individual values. It is consist of 57 values item, each of 19 values represented by three statement. Scale this part will use six-point Likert scales interpreted as: 1 - not like me at all, 2 - not like me, 3 – a little like me, 4 - somewhat like me, 5 - like me, 6 - very much like me, to measure how much respondents consider each statement suitable with themselves. In last part, researcher will cover four demographic question for respondent: Gender, age, occupation, and latest education to identify background of the respondents.

Population and Sampling

As stated in the introduction, Kitabisa will be used as the object of this study. Thus, the target population for this research are Kitabisa users platform. In 2018, the total of Kitabisa users are 1,207,101 people (Kitabisa, 2018). To determine the number of sample to be taken for this research, researcher use the Slovin’s formula with the margin error of 5%. After calculation, the sample needed for this research is 385 people.

Data Analysis Method

In the first stage of data analysis, researcher conduct descriptive analysis that will explain about the respondent demography analysis. Means different analysis also will be used throughout the process of value analysis in crowdfunding category. The purpose of using this analysis when looking at the values score is to determine if there any differences between the two means derived from the different values.

FINDINGS AND ARGUMENT

The demographic of current respondents’ revealed that the respondents gender are 70% female and 30% male, with majority of them in the age of 21-30 years old (62%) and 15-20 years old (36%). Respondents participation with crowdfunding scored majority have experience in crowdfunding 1 times in the span of latest year (32%), followed by 2 times (22%), and more than five times (18%). While, category of crowdfunding that are mostly preferred by Kitabisa users are: Child Medication (19%), Medical Fundraising (18%), and Natural Disaster (17%). Before conducting value analysis in crowdfunding category, researcher will divide the respondents based on their preference in type of crowdfunding category that they participate in and each category will be analyzed further based on their values. To determine number of category that will be used in this analysis researcher considered result of sample representativeness and margin of error from each category. After calculation, Child Medication, Medical Fundraising will be used as a category basis for analyzing each value in the next step. In the first analysis of value, researcher will interpret the result of value based on determined crowdfunding category in previous section to identify the dominant values among people who share the same crowdfunding category preferences. Below is the summarization of value analysis for three categories in Table 2. Means difference analysis using paired-sample t test procedure also conducted to reveals that there is statistical evidence that the mean difference between paired observations in all three categories is significantly different.

Table 2. Value Analysis for Three Categories

Values	Child Medication	Medical Fundraising	Natural Disaster
19 Refined Value	Security-Personal 5.47 Universalism-Concern 5.41 Self Direction-Action 5.40	Security-Personal 5.32 Security-Societal 5.31 Benevolence-Caring 5.29	Universalism-Concern 5.42 Self Direction-Thought 5.30 Self Direction-Action 5.30
10 Original Value	Security 5.47 Self Direction 5.40	Security 5.31 Stimulation 5.28	Benevolence 5.33 Self Direction 5.30
Four Higher Order Value	Openness to Change 5.30 Conservation 5.06 Openness to Change 4.51 Conservation 5.33	Openness to Change 5.21 Conservation 4.95 Openness to Change 4.31 Conservation 5.25	Openness to Change 5.21 Conservation 4.88 Openness to Change 4.17 Conservation 5.31

The second analysis in this section is aim to compare and identify differences of values between crowdfunding category and it will be divided into three parts: Based on four higher order values, based on 19 refined value, and based on respondent profile.

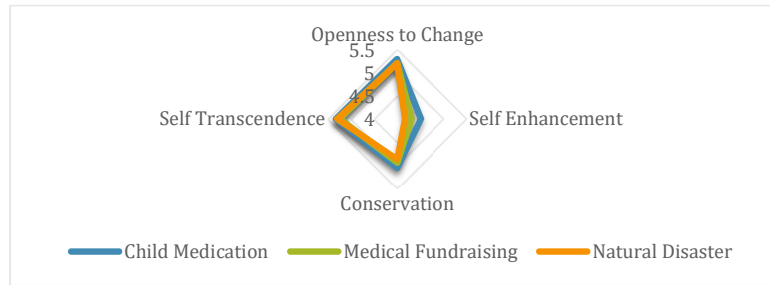


Figure 2. Comparison of Four Higher Order Chart

First, researcher begin with the combination radar chart of four higher order values from three determined crowdfunding category. In all category, Openness to Change and Self Transcendence scored higher compared with Conservation and Self Enhancement. Meaning that in general users values in the practice of crowdfunding emphasize readiness for new ideas, actions, and experiences and while also emphasize transcending one’s own interests for the sake of others. There not much of noticeable difference that can be interpreted by only using the score of four higher order values. Thus, researcher also performed comparison within crowdfunding category based on connection between four higher order values and 19 refined values, to get more specific result of the value difference between them.

In analysis of connection between four higher order values and 19 refined values, first researcher found there are distinguishable characteristic among four higher order values that can help in understanding the result of four higher order values and 19 refined values. First, Self Transcendence and Self Enhancement values, in this dimension Schwartz mentions the difference between their focus. Self Enhancement lean towards personal focus while Self Transcendence lean towards social focus. Based on this differences, researcher suggest that Self Transcendence and Self Enhancement values can uncover reasoning of participants’ preferences in different crowdfunding category because of the difference between each individual focus. And in the second dimension, Openness to Change and Conservation, Schwartz captures the conflict between values that emphasize independence of thought, action, and feelings and readiness for change with values that emphasize order, self restriction, preservation of the past, and resistance to change. Thus researcher did not use this value to analyze the preference between crowdfunding category, but rather use this value to identify participants’ interest on different program in from each category offered in Kitabisa. Based on the result of refined value in Self Enhancement and Conservation, they have similar pattern of value priorities and it is difficult to detect the difference among them. Thus, researcher focused more on Openness to Change and Self Transcendence values score. In these two higher order values we can see that even though they have similar result in term of mean value score, there is a difference in which of refined values drive and contribute to the overall score of four higher order and also the rank of their values priorities. Result of this analysis can be found in Table 3.

Table 3. Refined Values Comparison

Four Higher Values	19 Refined Values	Child Medication Mean Value Score	Medical Fundraising Mean Value Score	Natural Disaster Mean Value Score
Openness to Change	Self Direction-Thought	5.35	5.20	5.30
	Self Direction-Action	5.40	5.22	5.30
	Stimulation	5.17	5.28	5.18
	Hedonism	5.28	5.13	5.06
Self Transcendence	Benevolence-Dependability	5.30	5.22	5.29
	Benevolence-Caring	5.36	5.29	5.36
	Universalism-Concern	5.41	5.25	5.42
	Universalism-Nature	5.27	5.28	5.17
	Universalism-Tolerance	5.31	5.25	5.29

In Openness to Change, all categories put Self Direction-Action as one of the values that draw participants’ interest on different program in the form of each category offered in Kitabisa. Meaning that they valued freedom to choose what they do are considered important to them. For Child Medication, aside from Self Direction-Action, Self Direction-Thought and Hedonism also considered as value priorities. Meaning that their interest in crowdfunding projects in Child Medication is related with freedom to form their

own ideas but also give them sense of gratification. While in Medical Fundraising, stimulation considered as value priority with Self Direction-Action, meaning that this category respondents interest highly related with the excitement, novelty, and change that they may get when participating in crowdfunding. Lastly, in Natural Disaster, Self Direction-Thought value draw their interest on different program in from each category offered in Kitabisa, meaning that they valued autonomy of thought by choosing, exploring on their own.

In Self Transcendence, all categories put Benevolence-Caring as one of the top value priorities when determining crowdfunding category preferences. The difference relies on the Universalism-Concern in Child Medication and Natural Disaster compared with Universalism in Medical Fundraising. If we look in the means distribution of Universalism refined value we can see that in Child Medical Fundraising, the value means score are more narrowly distributed compared with the result in Child Medication and Natural Disaster. Which means, that Universalism refined values in Medical Fundraising is viewed as more "even". When in Child Medication and Natural Disaster, the deviation of Concern, Nature, and Tolerance subtypes are higher, which put only Universalism-Concern as their top value priorities. Between this three categories and values analysis result, when comparing the differences Child Medication and Natural Disaster priorities in Universalism-Concern both categories may be linked to the emotion involved as stated in one of the statement of the Schwartz *et al.* (2012) PVQ5X "Protecting society's weak and vulnerable members is important to him/her".

Last analysis that being conducted in this section is the comparison of crowdfunding category according to respondent profile. Most all of respondent profile ratio are distributed equally among three crowdfunding category: frequency, gender, occupation, and latest education, but there is interesting findings in the age profile result. In Child Medication, most of the respondents belong to the age group of 16-20 years old, while in Medical Fundraising and Natural Disaster, most of the respondents belong to the age group 21-30 years old. This result indicates that there are several consideration related with respondent socio-demographic variables that influence individual differences in their value priorities and affecting their preference in choosing type of crowdfunding category. In terms of age and life courses that they went through, Glen (1974) discover as people grow older, they tend to become more embedded in social networks, more committed to habitual patterns, and less exposed to arousing and exciting changes and challenges This implies that conservation values should increase with age and openness to change values decrease. Connecting this findings with the previous section result, in comparison between conservation and openness to change values within different category show that in Child Medication category, where most of the respondents belong to the age group 16-20 years old have their Hedonism value scored quite higher mean compared with the other two categories. In Natural Disaster and Medical Fundraising, Hedonism value considered as their last priorities in Openness to Change. Suggesting that pleasure or sensuous gratification for oneself as Hedonism defining goal is considered more important for Child Medication category respondents that majority of them belongs in the age range of 16-20 years old, also this findings appropriate with the result mentioned Glen (1974) findings above.

CONCLUSIONS

For the first findings, crowdfunding category that are mostly preferred by Kitabisa users are: Child Medication (19%), Medical Fundraising (18%), Natural Disaster (17%). The second findings of this study identify the dominant values among people who share the same crowdfunding category preferences based on Schwartz 19 refined value and 10 original value. The third findings reveal that there are differences between type of crowdfunding category preference by participants' based on their value priority. When comparing the score of four higher order values between different crowdfunding categories, there is not a noticeable difference that may differentiate one category with another. But if we compare it with refined values result, there is a difference in which of refined values drive and contribute to the overall score of four higher order and also the rank of their values priorities. Based on the result of refined value in Self Enhancement and Conservation, they have similar pattern of value priorities and it is difficult to detect the difference among them. Thus, this study is focused more on Openness to Change to identify the participants' interest on different program in from each category offered in Kitabisa and Self Transcendence values to identify the preferences between crowdfunding category.

The last findings examine how value affects users preferences in determining crowdfunding category in Kitabisa. Self Transcendence used to analyze how values affects user preferences in determining crowdfunding category, because they represent the focus of the individual choose to pursue and also can be linked to explain their preferences regarding crowdfunding category. After analyzing the result, there are difference relies on the Universalism-Concern in Child Medication and Natural Disaster compared with Universalism in Medical Fundraising. Child Medication and Natural Disaster priorities in Universalism-Concern both categories may be linked to the emotion involved. The content of these two categories put more emphasis on weak and vulnerable members rather than Medical Fundraising, Child Medication with children as the subject and also Natural Disaster that required faster response in helping people in need. This study has strengthened an argument found on previous research that value have an effect in determining choices, and in this case choices in crowdfunding category. Moreover, this study findings

related with the values priorities shared between crowdfunding participants' are found to be in accordance with previous research with the similar business model as crowdfunding, meaning that this study also strengthened previous study findings that Self Transcendence and Openness to Change value have higher score compared with Self Enhancement and Conservation in four higher order values.

According to the research result, there are several recommendations for crowdfunding platforms. By acknowledging participants' have different values that can influence their behavior, crowdfunding platforms company can create more personalized and specific strategy to implement in the future to demonstrate powerful predictive ability in a number of customer experience and marketing communication. By integrating the consideration of values when designing new strategy, crowdfunding company may able to tailored more unique experience for their key participants' or users segment when they interact or come in contact with the platforms. While this research gives an insight of crowdfunding practice and also find the variation of values among different crowdfunding category, it should be noted that there are several limitations when conducting this study, thus creating a room for several areas that can be explored further in the future research relating with this topic. First, this research only identifies the values in crowdfunding practice related with their category, but it has not establish linked relationship between values, motivation, and crowdfunding category. Second, the scope of this study only covers a specific type of crowdfunding, and it is possible the outcome will be different when this research is conducted in another type of crowdfunding.

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