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## CROWDFUNDING EQUITY AND FIRM PERFORMANCE AMONG ENTREPRENEURS: A STRUCTURED REVIEW

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### Abstract:

Malaysia's fastest-growing alternative company financing source is crowdfunding. For business owners with creative concepts who otherwise might not have raised the money, it is a seductive chance to take advantage of the audience's influence and launch products and initiatives. Equity-based crowdfunding systems allow investors to pool their funds to participate in businesses, enabling inexperienced investors to follow in their footsteps. This study aims to provide a comprehensive overview of the existing research on the relationship between crowdfunding and firm performance among entrepreneurs. While crowdfunding has gained prominence as a funding mechanism, there is a need to understand its impact on firm performance. This study used the PRISMA approach. The systematic search of academic databases using Scopus and Web of Science yielded a comprehensive selection of studies, reviews and articles related to crowdfunding for the firm performance. After applying an advanced searching approach using keyword crowdfunding, firm performance, and entrepreneurs. The analysis revealed that crowdfunding played a pivotal role in maintaining final finding data (n=30), which reviewed identified key themes, including crowdfunding performance and mechanisms, financing and economic impact, and crowdfunding and entrepreneurship. Expect validation is divided into three themes: crowdfunding performance and mechanisms, financing and economic impact, and crowdfunding and entrepreneurship. Our review synthesizes findings from over 30 studies, revealing diverse and complex relationships between crowdfunding and firm performance. This study highlights the significance of

factors such as crowdfunding model choice and the cultivation of social capital. Further research is essential to provide a nuanced understanding of how entrepreneurs can leverage crowdfunding to enhance their firm performance. This study contributes to the growing body of literature on crowdfunding and offers insights that can inform both entrepreneurs and policymakers.

**Keywords:**

Crowdfunding, Equity Crowdfunding, Firm Performance, Entrepreneurs, Small and Medium Enterprise.

**Introduction**

Equity crowdfunding has emerged as a transformative force in the world of entrepreneurial finance, offering a unique avenue for start-ups and small businesses to raise capital and grow their operations. This method of fundraising, enabled by the internet and regulatory changes, allows entrepreneurs to access a broad pool of investors who provide capital in exchange for equity stakes in the company. The dynamics of equity crowdfunding have led to a vibrant research landscape exploring its impact on firm performance, providing a fresh lens through which we can assess the consequences of financial innovation on entrepreneurship (Sendra-Pons et al., 2023; Troise et al., 2022; Zhao et al., 2021). In several ways, equity crowdfunding is distinct from traditional fundraising methods, such as venture capital and angel investment. While venture capital and angel investors are often driven by expected high returns and close involvement in the firms they invest in, equity crowdfunding typically involves a larger number of retail investors who may not have the same level of expertise and experience. This unique funding model has sparked interest among academics, policymakers, and practitioners, as it poses a critical question: How does equity crowdfunding affect firm performance among entrepreneurs? (Blaseg et al., 2021; Cumming et al., 2021). Understanding the relationship between equity crowdfunding and firm performance is a multifaceted endeavor.

On one hand, it offers entrepreneurs a novel channel to access capital, potentially increasing their chances of survival and growth. Equity crowdfunding democratizes investment opportunities, allowing a more extensive range of individuals to participate in the entrepreneurial ecosystem. It may also have a spillover effect, fostering entrepreneurship and innovation as more businesses find funding opportunities (Andrieu et al., 2021; Van Tassel, 2023). However, questions around dilution and the capacity of entrepreneurs to efficiently oversee an increasing number of shareholders are brought up by equity crowdfunding. Equity crowdfunding investors could have different expectations and be less involved in the day-to-day operations of the business than traditional investors, who frequently contribute invaluable experience and advice. This calls into question the possible effects on corporate governance, decision-making quality, and business performance (Gurău & Dana, 2020; Roma et al., 2023; Kourabas, 2021).

Furthermore, the dynamics of equity crowdfunding are greatly influenced by regulatory settings. Different nations have taken different stances when it comes to regulating this kind of fundraising, which has an effect on investor protection, market transparency, and the general performance of equity crowdfunding platforms. Researchers can investigate the relationship between regulatory environments and the performance of enterprises adopting equity crowdfunding by utilizing these regulatory idiosyncrasies as a rich source of data (Brejdek,

2022; Rossi et al., 2023). This extensive study aims to clarify the intricate relationship between business success among entrepreneurs and equity crowdfunding. With the help of a wide range of company analyses and careful consideration of variables, including industry, legal framework, and investor profile, this study offers a comprehensive picture of the possible advantages and challenges related to equity crowdfunding. The understanding that the effects of equity crowdfunding are a phenomenon that is not universally applicable and that depends on a wide range of contextual factors serves as the foundation for this research (Borchers & Dunham, 2022; Sendra-Pons et al., 2023).

In the subsequent sections, the study will explore the existing literature by previous researchers and the materials and methods employed to discover this issue. Next are the results and findings, and lastly are the discussion and conclusion. The study will also discuss its importance and advantages for entrepreneurs, investors, policymakers, and the broader entrepreneurial ecosystem. In conclusion, equity crowdfunding represents a paradigm shift in entrepreneurial finance that has the potential to reshape firm performance among entrepreneurs. Understanding this phenomenon is pivotal as it can guide entrepreneurs in their fundraising decisions, inform regulatory bodies in shaping policies, and help researchers contribute valuable insights to entrepreneurship.

### Literature Review

There have been several studies in the literature reporting the dynamics of equity crowdfunding campaigns in different contexts. Di Pietro and Tenca's (2023) recent study focuses on the role that entrepreneurs' passion plays as a signal in influencing equity crowdfunding fundraising success. The study also examines how industry and start-up experience, task-specific experience, and company control of entrepreneurs affect the signal's credibility when it comes to passion. According to a UK equity crowdfunding firm analysis, the impact of passion on fundraising success is positively influenced by entrepreneurs' displayed passion, and the credibility of this signal is reinforced by the entrepreneurs' start-up experience. Furthermore, a study discovered that the impact of demonstrated passion on funding success increases with the amount of shares that entrepreneurs retain in their businesses. Moreover, a study by Zhao et al. (2021) examined the relationship between female entrepreneurs and equity crowdfunding in China, highlighting that female entrepreneurs are more likely to secure funding through equity crowdfunding, with lead investors playing a role in enhancing this advantage, particularly in early-stage ventures. Blaseg et al. (2021) conducted a study in Germany, suggesting that entrepreneurs linked to risky banks are more inclined to use equity crowdfunding, while those with access to other forms of equity are less likely to resort to it, and ECF usage is associated with a higher likelihood of business failure.

Several recent studies shed light on equity crowdfunding (ECF) and its impact on entrepreneurial success. As Borchers and Dunham (2022) highlighted, entrepreneur engagement significantly boosts campaign success in ECF, emphasizing the importance of this factor even when controlling for other variables. Another study by Stevenson et al. (2022) introduced a dynamic model of perceived funding fit for entrepreneurs, revealing that ECF may be a preferred choice for strategic fund-seekers when they perceive it as a better fit due to novel nonfinancial value. Furthermore, Di Pietro and Tenca (2020) explored the role of entrepreneurs' passion in fundraising success, highlighting its positive influence and the reinforcement of this impact by start-up experience.

Recent evidence suggests employing a herd behavior model to assess the significance of anchor investors in ensuring crowdfunding success and overfunding in digital crowdfunding environments (Sendra-Pons et al., 2023). They identified various factors that contribute to success, such as corporate anchor investors and detailed resumes for individual anchors, while entrepreneurial investment experience is crucial for less-experienced anchor investors. Previous research by Giudici et al. (2020) has examined equity crowdfunding matches and their impact on homophily between investors and investees, focusing on Italian start-ups. They found that geographical proximity and age similarity significantly influence investor financing probability, particularly in areas with high opportunistic behavior risk. Still, gender did not significantly affect the Italian market context.

In a broader context, Buttice et al. (2020) state that equity crowdfunding has effects on firms long after the capital raised through the campaign is injected. The evolution of the UK equity crowdfunding market demonstrates a substantial increase in financial flows to entrepreneurs. Investors view ECF as a high-risk, high-return investment component, which serves as a learning tool for entrepreneurs to test products and develop their brands. Based on 290 companies that successfully raised capital through the two leading UK equity crowdfunding portals, the study looks at how different shareholder structures—nominee vs. direct—affect venture capital financing appeal. Another has studied the challenges faced by female entrepreneurs in securing early-stage funding from investors using emerging equity crowdfunding (ECF). Results from four French ECF platforms show that feminizing top management significantly reduces funding likelihood, indicating crowdfunding doesn't fully address these issues (Andrieu et al., 2021)

A large and growing body of literature has investigated the influence of human capital signals on entrepreneurs' success in equity crowdfunding, emphasizing the role of these signals as indicators of start-up quality and what transpires following a failed equity crowdfunding effort. Accordingly, a study has postulated that family business start-ups are more likely than nonfamily business start-ups to raise equity financing from the perspective of socioemotional wealth. Furthermore, the study postulated that, following a failed campaign, family business startups would be more inclined to offer shares with voting rights, even though they are initially less likely to do so. The study has added fresh perspectives on equity crowdfunding in the UK and the relationship between family business literature and equity crowdfunding (Rossi et al., 2023).

Thus, equity crowdfunding demands a profound comprehension of human capital attributes for effective venture management. The study further uncovers how factors such as start-up experience, management experience, and ongoing ventures influence funding, particularly within different entrepreneurial team contexts, while highlighting the limited impact of management experience in large organizations (Lim & Busenitz, 2020). Even though equity-based crowdfunding has grown in popularity as a means of business fundraising, it's still unclear what exactly makes it so successful. Sometimes, at the preliminary stage, there is an existing policy that requires professional investors to make a contribution before a project's opening, and it can affect the performance of equity-based crowdfunding projects.

## Material and Method

### Identification

In choosing several appropriate papers for this report, the systematic review process consists of three main phases. The first step is keyword recognition and the quest for linked, similar terms based on the thesaurus, dictionaries, encyclopedia, and previous studies. Accordingly, after all the relevant keywords were decided, search strings on Scopus and WoS (see Table 1) databases have been created. In the first step of the systematic review process, the present research work successfully retrieved 222 papers from both databases.

**Table 1: The Search String**

Scopus	TITLE-ABS-KEY ( crowdfunding AND "business*" AND performance ) AND ( LIMIT-TO ( DOCTYPE, "ar" ) OR LIMIT-TO ( DOCTYPE, "cp" ) ) AND ( LIMIT-TO ( LANGUAGE, "English" ) ) AND LIMIT-TO ( PUBYEAR, 2020 ) OR LIMIT-TO ( PUBYEAR, 2021 ) OR LIMIT-TO ( PUBYEAR, 2022 ) OR LIMIT-TO ( PUBYEAR, 2023 ) ) AND ( LIMIT-TO ( PUBSTAGE, "final" ) )
WOS	crowdfunding AND "business*" AND performance (Topic) and 2023 or 2022 or 2021 or 2020 (Publication Years) and Article (Document Types) and English (Languages)

### Screening

Duplicated papers should be excluded during the first step of screening. The first phase omitted 222 articles, while the second phase screened 60 articles based on several inclusion and exclusion criteria developed by researchers. Literature (research articles) was the first criterion because it is the primary source of practical information. It also includes the exclusion from the current study of publications in the form of journals and conference proceedings. Furthermore, the review concentrated exclusively on papers written in English. It is essential to note that the schedule was chosen for a four-year duration (2020–2023). In all, 15 publications based on specific parameters were excluded

### Eligibility

For the third step, known as eligibility, a total of 45 articles have been prepared. All articles' titles and key content were thoroughly reviewed at this stage to ensure that the inclusion requirements were fulfilled and fit into the present study with the current research aims. Therefore, fifteen reports were omitted because they were not related area articles based on empirical evidence. Finally, 30 articles are available for review (see Table 2)

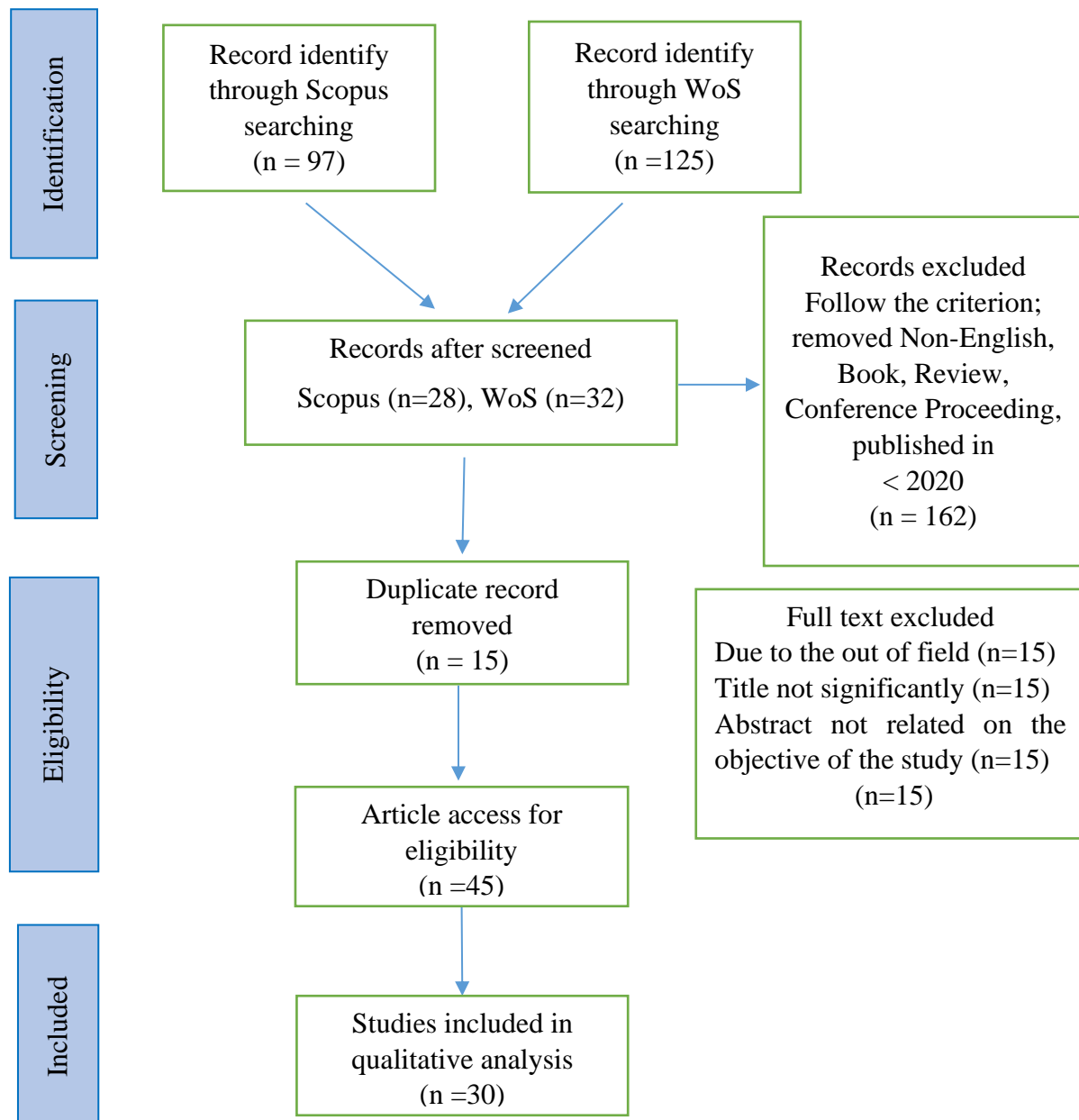
**Table 2: The Selection Criterion is Searching**

Criterion	Inclusion	Exclusion
Language	English	Non-English
Timeline	2020 – 2023	< 2019
Literature type	Journal (Article)	Book, Review& Conference Paper

### Data Abstraction and Analysis

In this study, a variety of research designs (quantitative, qualitative, and mixed techniques) were examined and synthesized using an integrative analysis as one of the assessment strategies. Finding pertinent subjects and subtopics was the aim of the expert study. The theme's

development started with the data collection phase. As shown in Figure 1, the authors carefully examined a collection of 30 publications for claims or content pertinent to the subjects of the present investigation. The authors next evaluate equity crowdfunding toward firm performance by forming and identifying crucial subgroups in the second stage. The two main topics that resulted from the method are the impact of firm performance and enterprise by investment from crowd investors.



**Figure 1: Flow Diagram of the Proposed Searching Study (Moher D, Liberati A, Tetzlaff J, 2009)**

After that, the authors continued each established subject and any further themes, conceptions, or ideas. In collaboration with other co-authors, the author developed themes based on the data pertinent to this research. A log was kept throughout the data analysis process to note any analyses, viewpoints, puzzles, or other ideas related to the data interpretation. In order to spot any irregularities in the theme design process, the authors finally compared the results. It is important to note that the writers discuss any differences in the concepts among themselves if there are any. The generated themes were eventually adjusted to make sure they were unified. One expert with expertise in crowdfunding conducted the analysis to determine the authenticity of the issues. The expert review process contributes to ensuring the clarity, significance, and applicability of each sub-theme by proving domain validity. The writer modifies his or her conclusions in light of criticism and expert opinions.

## Results and Findings

The research article's finding is based on the proposed searching criterion. All papers were classified into three categories: crowdfunding performance and mechanisms, financing and economic impact, and crowdfunding and entrepreneurship.

### *Crowdfunding Performance and Mechanism*

Authors	Title	Journal	Methodology	Importance and Advantages
(Aggarwal et al., 2021)	Improving Funding Operations of Equity-based Crowdfunding Platforms	Production and Management Operations	Involved 319 real investors on a major US crowdfunding platform who randomly evaluated start-ups using a new approach and the traditional one, with the new approach incorporating a Bayesian model to penalize investors for chance success and help platforms forecast start-up valuations by considering investor evaluations.	The benefits include allowing novice investors to collaborate with more experienced investors, improving investors' ability to assess opportunities, and increasing the amount of funds available on crowdsourcing sites. The issue of unintelligent user reviews on crowdfunding (CF) platforms and the requirement to enhance equity fundraising procedures are significant. The findings indicate a Bayesian model was developed to assist platforms in determining lead investors as ordinary investors can follow, improving the assessment skills of investors and increasing the range of financing alternatives available on platform-based CF.
(Calic & Shevchenko, 2020)	How signal intensity of behavioral orientations affects crowdfunding performance: The role of entrepreneurial orientation in crowdfunding business ventures	Journal of Business Research	Studied signal intensity in 48,628 crowdfunding campaigns to classify behavioral orientations, focusing on entrepreneurial aspects.	Backers assess a CF campaign based on its description, taking into account both the project's capacity to grant a prize and how the manner in which it will be delivered. Signaling theory states that behavioral orientations provide signals that determine how successful CF is. Although the benefits and drawbacks of behavioral orientation signals have been examined in the past, more research should be done on signal intensity. It shows an inverse-U relationship between the success of crowdsourcing and traits like

				independence, creativity, aggressive competition, and risk-taking. Proactive signals and effective CF campaigns have a positive, non-monotonic association. Success is the discovery of the inverted-U relationship between behavioral orientations and CF.
(Tuo et al., 2020)	The Second Round Resource Acquisition of Entrepreneurial Ventures: The Relevance of Campaign and Project Implementation Performance Outcomes	Entrepreneurship Journal Research	The study examines funding sources and their impact on future resource acquisition, offering valuable insights for entrepreneurs, investors, and CF platforms.	In the reward-based paradigm, it is crucial to concentrate on projects that are crowdfunded. The benefit when it investigates the applicability of their crucial project and campaign execution performance results on the second round of resource acquisition. The key findings from sampled crowdfunded initiatives on Kickstarter and project official websites are the first round CF project campaign traction, prize delivery scheduled date, campaign duration, and reward. CF risk awareness to ascertain the performance outcome of incentive delivery and enter the second round of resources. Important policy concerns for regulators include the lack of financing for new and emerging businesses and unemployment. There was no discernible difference between the businesses that successfully raised money through CF and those that did not in terms of survival rate, revenue growth rate, or profitability growth. Companies with prosperous CF initiatives experienced both absolute and relative job growth that was significantly higher than that of companies with failed programs.
(Jiang et al.,	Raising funds through crowdfunding for a	Transportation Research Part E:	The study constructs a game-theoretical model to	Service-oriented manufacturing, or servitization, is a new type of corporate strategy. The benefits of

2022)	capital-constrained servicing manufacturer	Logistics and Transportation Review	capture the optimal decisions (quality and price) of a servicing manufacturer facing two types of customers.	servitization, such as the capacity to provide personalized services, can be advantageous to clients and manufacturers alike. Conclusions about how CF affects the choices made by a servicing manufacturer with limited capital. The findings about on a game-theoretical model that depicts how servitization can enhance the performance of CF and captures the best choices (quality and pricing) made by a servicing manufacturer when dealing with two different kinds of clients.
(Wahjono et al., 2021)	Promoting creators' intentions: Measurement of crowdfunding performance	International Journal of Business and Society	Involves quantitative approach, distributing Google forms to a sample of 267 project stakeholders in ASEAN countries, receiving 197 completed questionnaires, and analyzing the data through descriptive analysis, Pearson correlation, and multiple linear regression.	The advantages of CF as an alternative source of business or business funding relate to the performance of the CF platform. The findings of the study regarding the effect of fundraising, product testing, relationship reliability, and awareness-raising on the performance of the CF platform. The practical implications derived from the study's findings specifically emphasize the importance of the creator's intention, project proponents, fund owners, business proposals, and the reliability of the CF platform operator.
(Eldridge et al., 2021)	What impact does equity crowdfunding have on SME innovation and growth? An empirical study	Small Business Economics	The study employs data from Fame BVD small firms in the UK to examine the impact of equity crowdfunding on innovation and growth.	For small and medium-sized businesses, equity CF may offer benefits in terms of financial accessibility, innovation promotion, and expansion prospects. The academic focus has recently shifted to evaluating equity CF's results in terms of campaign business financing achievements (or failures). The significance lies in its emphasis on the need to move away from the financing component of CF and instead evaluate the results and consequences of equity CF for small

				businesses looking to expand. The findings show that while CF has no discernible impact on innovation, it does favorably affect these enterprises' prospects for growth. Furthermore, propensity score matching and return on asset testing corroborate the beneficial effects of CF on the performance of small businesses.
(Belavina et al., 2020)	Rethinking crowdfunding platform design: mechanisms to deter misconduct and improve efficiency	Management Science	This study suggests two mechanisms using deferred payments: one entails stopping the campaign when the funding goal is met and addressing unmet demand later, while the other escrows excess funds to protect backers.	The benefits of specific CF designs and strategies. The study of crowdsourcing performance and the potential to increase CF efficiency. It has to do with how two hazards affect the effectiveness of CF and whether two particular CF designs, the escrow design with required ex-post verification and the early halting design, are better than the other. The significance of reliable systems for enforcing rules, the dangers of cystic fibrosis, and the ways in which various designs might reduce those dangers and improve effectiveness to demonstrate an early stopping and the significance of performance verification contingencies.
(Lukkarinen & Schwienbacher, 2023)	Secondary market listings in equity crowdfunding: The missing link?	Research Policy	This study examines whether plans to list on the secondary market enhance investor engagement and the amount of money entrepreneurs raise during their equity crowdfunding campaigns using comprehensive data from the world's first secondary market for equity crowdfunding.	In the early days of the secondary market, more investors and larger investment quantities were drawn to a disclosed listing plan. Following the first two years of secondary market functioning, these benefits essentially vanished. This is caused by investors realizing that the secondary market lacks liquidity and is unlikely to provide a feasible exit strategy. The study also reveals that many entrepreneurs choose not to list ex-posts, particularly if their campaigns are not successful enough. This suggests that the listing has

				substantial expenses attached to it. The findings show how functioning secondary markets, which are difficult to establish within equity CF, can boost ownership participation in equity CF. They also offer helpful information to platforms looking to start secondary markets as well as regulators in charge of approving pertinent initiatives.
(Li et al., 2023)	A social discovery mechanism for endorsing investors in equity crowdfunding	Decision Support Systems	A social network that endorses investor discovery and may be used with equity crowdsourcing for start-up funding was suggested in the study. examining the preferences of investors and fundraisers and leveraging the connections that investors have in the community to assist fundraisers in gaining more funding through their influence.	The barrier to entrepreneurship has been lowered dramatically by the growth of the internet, and the number of new businesses is rising. Many start-up businesses have started using crowdfunding platforms to seek capital as a result of their surge in popularity. The community and network on current CF platforms are insufficient to assist funders in locating powerful leader investors. To speed up the fundraising process and accomplish the aim, the suggested mechanism can find relevant and powerful investors.

### *Financing and Economic Impact*

Authors	Title	Journal	Methodology	Importance and Advantages
(Cheong et al., 2020)	Credit access, tax structure and the performance of Malaysian manufacturing SMEs	Management Science	A study utilizing the dynamic panel system generalized method of moments while considering firm-specific and macroeconomic effects.	Data pertaining to SMEs in Malaysia is limited due to restrictions and implications of the study; a bigger sample size may yield different results, and the study has used the formulation of policy. Rather than amending tax laws, it provides a clear path forward for the implementation of new policies that foster the expansion of SMEs, especially through non-bank lending sources. The

				study makes a contribution as well by offering direction to upcoming SME research that is hampered by data access issues. By highlighting the fact that the research looks beyond conventional measures and examines the effects of novel and creative funding sources like incubators and crowdfunding, it also draws attention to the uniqueness and significance of the work.
(Hadi, Adi, et al., 2023)	The Impact of the Omnibus Low Cipta Kerja on the Sustainability of MSMEs and Economic Growth by Applying the Canvas Model Business Method and the Use of Financial Technology, Especially Crowdfunding and	International Journal of Sustainable Development and Planning	The barrier to entrepreneurship has been lowered dramatically by the growth of the internet, and the number of new businesses is rising. Many start-up businesses have started using crowdfunding platforms to seek capital as a result of their surge in popularity. The community and network on current CF platforms are insufficient to assist funders in locating powerful leader investors. To speed up the fundraising process and accomplish the aim, the suggested mechanism can find relevant and powerful investors.	The influence of omnibus low cipta kerja on MSMEs' sustainability and economic growth through the application of the Canvas Model business approach are the salient features. The impact of COVID-19 occurs on many facets of life, including the economy and the role of financial technologies, particularly microfinance and crowdfunding. Government initiatives are designed to encourage entrepreneurship and preserve the investment climate. The benefits include Streamlining of MSMEs' home industry licensing and other licensing procedures. Incentives and resources to support joint ventures between large and medium-sized enterprises and MSMEs. MSMEs with integrated management that involves local organizations, financial support, and incentives to strengthen the economy, prioritizing MSME development, legal support, and protection through the Special Allocation Fund. Government services should give priority to MSME items, an opportunity for

	Microfinance			MSMEs to form partnerships, and practicality for cooperatives.
(Gurău & Dana, 2020)	Financing paths, firms' governance, and corporate entrepreneurship: Accessing and applying operant and operand resources in biotechnology firms.	Technological Forecasting and Social Change	A study using a qualitative, inductive approach from 12 UK biotechnology ventures that obtained equity investments in 2018 and 2019. Primary data was collected through open-ended and semi-structured interviews with the CEOs and board members of these companies.	There is a critical relationship between the financing routes taken by biotechnology companies in their early stages of development and the function of operant and operand resources in the coordination and operation of organizations. the relationship between corporate entrepreneurship, organizational resources, management groups, governance bodies, and funding channels. The advantage of interpreting results from a resource-based perspective is that it highlights the significance and function of operant and operand resources for the smooth operation and coordination of organizations.
(Hadi, Yunus, et al., 2023)	MSME Sustainability Strategy During the Covid-19 Pandemic by Analyzing the Role of Crowd-funding and the Digital Market by Improving MSME	International Journal of Professional Business Review	The study involves a mixed method (combining quantitative & and qualitative) to enhance data accuracy and explore relationships between observed phenomena using both statistical tests and inductive thinking processes.	The goal of this study is to determine the MSME sustainability plan following the COVID-19 pandemic by examining the function of digital markets and crowdfunding, as well as enhancing MSME performance through the use of the Canvas Model Business Strategy as an intervening variable. The benefits and significance of the study are paramount since it tackles the crucial problem of MSMEs' ability to survive the COVID-19 pandemic. Using the digital market and crowdsourcing to boost MSME performance is a noteworthy strategy.

	Performance Using the Canvas Model Business Strategy as an Intervening Variable			
(Hanif et al., 2023)	Will investors move their investment from bank deposits and stocks/bonds to equity crowdfunding?	Heliyon	The study used the primary data collected using a self-filled closed questionnaire distributed online. After removing the unqualified data, 114 data points were analyzed. Data were processed using multiple linear regression.	The study is to determine how project- and investor-related factors affect Indonesian investors' intentions to move from bank time deposits or firm stocks or bonds to equity crowdfunding. Business viability and financial return are project-related variables; investors' age, trust, and attachment to the project are investor-related variables. The amount of research on the elements that make an equity crowdfunding campaign successful has grown in recent years. Fewer studies, nevertheless, assess investors' willingness to move from well-known investment vehicles like bank term deposits and company stocks and bonds. Furthermore, research in developing nations like Indonesia is scarce. The financial return variable has been found to have a favorable and considerable impact on investors' propensity to move from bank savings and stocks/bonds to equity crowdfunding when investing in businesses.

***Crowdfunding and Entrepreneurship***

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	Model Business Method and the Use of Financial Technology, Especially Crowdfunding and Microfinance		and accomplish the aim, the suggested mechanism can find relevant and powerful investors.	Incentives and resources to support joint ventures between large and medium-sized enterprises and MSMEs. MSMEs with integrated management that involves local organizations, financial support, and incentives to strengthen the economy, prioritizing MSME development, legal support, and protection through the Special Allocation Fund. Government services should give priority to MSME items, an opportunity for MSMEs to form partnerships, and practicality for cooperatives.
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(Hadi, Yunus, et al., 2023)	MSME Sustainability Strategy During the Covid-19	International Journal of Professional Business Review	The study involves a mixed method (combining quantitative & and qualitative) to enhance data accuracy and explore relationships between observed phenomena using both	The goal of this study is to determine the MSME sustainability plan following the COVID-19 pandemic by examining the function of digital markets and crowdfunding, as well as enhancing MSME performance through the use of the Canvas Model Business Strategy as an

	Pandemic by Analyzing the Role of Crowd-funding and the Digital Market by Improving MSME Performance Using the Canvas Model Business Strategy as an Intervening Variable		statistical tests and inductive thinking processes.	intervening variable. The benefits and significance of the study are paramount since it tackles the crucial problem of MSMEs' ability to survive the COVID-19 pandemic. Using the digital market and crowdsourcing to boost MSME performance is a noteworthy strategy.
(Hanif et al., 2023)	Will investors move their investment from bank deposits and stocks/bonds to equity crowdfunding?	Heliyon	The study used the primary data collected using a self-filled closed questionnaire distributed online. After removing the unqualified data, 114 data points were analyzed. Data were processed using multiple linear regression. Business viability and financial return are project-related variables; investors' age, trust, and attachment to the project are investor-related variables.	The study states how project and investor-related factors affect Indonesian investors' intentions to move from bank time deposits or firm stocks or bonds to equity CF. The research elements that make an equity CF campaign successful has grown in recent years. Fewer studies assess investors' willingness to move from well-known investment vehicles like bank term deposits and company stocks and bonds, but research in developing nations like Indonesia is scarce. The financial return has been found to have a favourable and considerable impact on investors' propensity to move from bank savings and stocks/bonds to equity CF.

## Discussion and Conclusion

### *Crowdfunding Performance and Mechanism*

Platforms for equity-based crowdfunding enable investors to pool their money and make investments in businesses. For better investing judgments, newbie investors can learn from more seasoned investors. Although user feedback can be noisy and reliant on past performance, it is frequently used to assess investors and businesses. Experienced investors can benefit from the leadership of investment rounds led by investors with great evaluation skills. Thus, equity-based crowdfunding presents chances for novice investors to collaborate with seasoned appraisers. By strengthening the platform's capacity to recognize lead investors and assess investors, the suggested Bayesian model seeks to improve fundraising procedures. The signals provided by behavioral orientations, such as autonomy, inventiveness, competitive aggression, and risk-taking, are essential for crowdfunding to succeed. Thus, proactive signals and successful crowdfunding campaigns have positive, non-monotonic associations.

Crowdfunding campaigns' performance is largely dependent on signaling theory, and looking at the signals' strength is worthwhile. Additionally, start-up companies that obtain funding through equity-based crowdfunding see increases in employment and economic performance; however, there are no appreciable variations in the survival, sales, or profitability rates of businesses that successfully raise funds through crowdfunding compared to those that do not. Equity-based crowdfunding has a beneficial effect on employment growth and economic performance, but it may not have a major impact on a company's capacity to survive or make a profit. The studies and models presented provide valuable insights for investors, business owners, and policymakers in the crowdfunding ecosystem.

### *Financing and Economic Impact*

The work adds significantly to the body of knowledge in the field of studies on small and medium-sized enterprises (SMEs). First of all, it offers insightful direction for further study in this field, particularly for investigators confronted with obstacles stemming from restricted data availability. This component is essential to improving our knowledge of SMEs because they frequently function in settings with limited data. Second, the research highlights its uniqueness and significance by exploring the impact of innovative funding sources like crowdfunding going beyond traditional measures. Moreover, it delves into the function of financial technology, including microfinance and crowdfunding, and their impact on small and medium-sized enterprises within the framework of the Covid-19 pandemic.

The report also emphasizes the role that government policies play in preserving an environment favorable to investment and assisting entrepreneurs, stressing the importance of government service provision to products for micro, small, and medium-sized enterprises (MSME) and the promotion of cooperative ventures. It also emphasizes how essential operand and operand resources are to the smooth operation and coordination of an organization. The research reveals the interconnectedness between corporate entrepreneurship, governance bodies, management teams, finance channels, and organizational resources through a resource-based viewpoint. This article is significant because it examines the value of SMEs' finance access, the growth of the crowdsourcing and crowd-investing industries, and the distinct viewpoint of crowd investment. The research's conclusions point to particular areas for investment, multipurpose services, an increase in the number of investors, and the launch of fresh financial and technology strategies to help SMEs. To sum up, this work is a thorough and significant addition

to the field, illuminating several facets of SME research and offering crucial perspectives for future research and policymakers.

### ***Crowdfunding and Entrepreneurship***

Research that explores the relationship between venture capital (VC) investments and equity crowdfunding focuses on the importance of VC reputation. The study also looks into how VC reputation may be affected by the choice of shareholder structure, drawing in different kinds of VCs. Notably, the study presents crowdfunding as a workable answer to the problems that traditional funding sources present for start-ups, social initiatives, microenterprises, and community business ventures. It emphasizes how the internet has the power to bridge the gap between givers and beneficiaries, increasing the number of donations. This sentence, taken as a whole, highlights the complexity of crowdfunding, its increasing importance in Malaysia's financial system, and its wide-ranging effects on a variety of stakeholders, such as retailers, venture capital investors, and entrepreneurs. This extensive study is probably going to clarify the intricate workings of crowdsourcing and show how it can change the face of investing and entrepreneurship.

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