

The Effects of Equity Crowdfunding and Business Partnership Relationships on Business Performance: A Study on MSMEs Registered in Santara

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Abstract. This study aims to examine the effects of equity crowdfunding and business partnership relationships on the performance of micro, small, and medium enterprises (MSMEs). To the best of the researcher's knowledge, there are still relatively few studies that discuss the relationship between these variables and business performance. These findings can add a reference to studies in the field of entrepreneurial finance, especially regarding equity crowdfunding for MSMEs. The analysis used was a multiple linear regression approach which was processed with SPSS 26.0 software. The sampling technique used a purposive sampling method. The data was obtained through the distribution of online questionnaires to 83 MSMEs registered in an application that is active in the fintech equity crowdfunding field called Santara. The study proved that equity crowdfunding has a significant positive effect on the performance of MSMEs, and the business partnership relationship has a significant positive effect on the performance of MSMEs. Equity crowdfunding is an alternative for MSMEs to obtain business capital other than bank loans. In addition, establishing a partnership will have a positive impact on business progress if it is carried out with the principle of mutual strengthening, needs, and benefits between parties.

Keywords: Business partnerships; Business performance; Equity crowdfunding; Santara.

Abstrak. Penelitian ini bertujuan untuk menguji pengaruh layanan urun dana dan hubungan kemitraan usaha terhadap kinerja Usaha Mikro, Kecil, dan Menengah (UMKM). Sejauh ini, penelitian yang membahas hubungan antara variabel-variabel tersebut dan dikaitkan dengan kinerja bisnis masih relatif sedikit. Temuan ini dapat menambah referensi penelitian di bidang keuangan kewirausahaan, khususnya mengenai layanan urun dana untuk UMKM. Analisis yang digunakan dalam penelitian ini adalah pendekatan regresi linier berganda yang diolah dengan software SPSS 26.0. Teknik pengambilan sampel menggunakan metode purposive sampling. Data dalam penelitian ini diperoleh melalui penyebaran kuesioner secara online kepada 83 UMKM yang terdaftar pada aplikasi yang bergerak di bidang fintech equity crowdfunding yang bernama Santara. Hasil penelitian ini membuktikan bahwa layanan urun dana ber-

pengaruh signifikan dan positif terhadap kinerja UMKM. Selain itu, hubungan kemitraan usaha juga berpengaruh signifikan dan positif terhadap kinerja UMKM. Layanan urun dana merupakan salah satu alternatif bagi UMKM untuk mendapatkan modal usaha selain pinjaman bank. Selanjutnya, upaya menjalin kemitraan akan memberikan dampak positif bagi kemajuan usaha apabila hal itu dilakukan dengan prinsip saling menguatkan, saling membutuhkan, dan menguntungkan antarpihak.

Kata Kunci: *Kemitraan usaha; Kinerja bisnis; Layanan urun dana; Santara.*

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BACKGROUND

In developing countries, such as Indonesia, micro, small, and medium enterprises (MSMEs) are already well known in the lives of Indonesian people. MSMEs are one of the sectors that can support the Indonesian economy. MSMEs play a dominant role in absorbing the number of workers in Indonesia, so that the unemployment rate can be reduced, which in turn can improve people's welfare. Based on Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises, it is a business activity that is believed to be able to expand employment opportunities, provide economic services to the community, play a role in the process of equity and increase people's incomes, encourage economic growth, and assist in creating national stability.

Rumbianingrum and Wijangka (2018) stated that there are four obstacles faced by MSME actors, namely limited working capital, human resources, product-technology innovation, and marketing. However, what often happens in the field is the problem of capital which causes many MSMEs to not develop sustainably. This funding difficulty occurs due to the lack of access and information to obtain credit facilities, difficulties in meeting collateral requirements, the inability to repay loans, and so on, so that MSMEs are often called unbankable (Oktafia, 2018). Therefore, it is necessary to look for alternative capital that is appropriate and able to help MSME actors to develop their businesses that are being managed at this time.

The capital problem faced by MSMEs must be addressed immediately. Based on Law No. 20 of 2008 (JDIH BPK RI, 2008) concerning MSMEs, the government has sought financing services and additional capital for MSMEs through banks or other financial institutions. However, the conditions set by banks are quite challenging for MSME actors, so that credit and financing services are difficult to obtain for MSME actors. In line with the development of information technology, financial technology (fintech) innovations emerge in the form of equity crowdfunding that match the characteristics of MSMEs that have limitations in cash flow or income and assets owned. Equity crowdfunding (ECF) makes it easy for MSMEs, because there is no burden to pay interest or investment principal, there is no need to provide asset guarantees to obtain business capital, and it is easier to acquire because it can be accessed online (Irawati, 2019). The presence of this ECF service helps MSME actors to obtain additional capital from investors widely to improve and optimize their business performance. ECF or commonly referred to as crowdfunding technology-based

financing is a new way to fulfill business capital financing needs (Pamesti & Heradhayksa, 2020). One of the applications engaged in the ECF field is Santara. Santara provides an opportunity for MSME actors who want to apply for venture capital to develop their businesses by issuing business shares. Santara is a service that provides facilities for users to be able to get the opportunity to become investors and issuers of MSME business shares. Later the income from the sales of these shares can be allocated by the issuers to develop their MSME businesses (Pamesti & Heradhayksa, 2020).

Apart from the business funding aspect, performance improvement can also be encouraged from non-financial aspects, such as relationships with business partners. This happens because of subsidies or other resource flows that can be accessed by MSMEs from business partners who have resource advantages. Therefore, MSME actors can collaborate with various types of partnerships in order to strengthen and develop their businesses. Business partnerships help SMEs to expand their market shares and manage their businesses more efficiently (Qomariah, 2016). According to (Halik, Rifin, & Jahroh, 2020), establishing partnerships with big businesses is the key to success for MSMEs in domestic and global market competition. MSME development will be easier to do if it involves large businesses.

Several researchers previously studied the application of equity crowdfunding services as a source of financing for MSME businesses and the effects of partnerships on MSME performance partially. Research conducted by Manganiello and Dragulanescu (2021) revealed that equity crowdfunding services have a significant effect on improving environmental performance, because there are other motivations for returning money that affect investors decisions. Ardiansyah (2019) said that fintech such as equity crowdfunding can help MSMEs in obtaining funding sources to maintain and improve business performance. Meanwhile, Halik et al. (2020) revealed that partnerships have a significant influence on business performance in the income aspect, because when a partnership is established between businesses, it can reduce the difficulties that are often faced. Other studies have shown that establishing a partnership has a significant and positive effect on the company's performance in both non-financial and financial terms (Saparuddin & Bado, 2011). However, Ghassani (2015) demonstrated that there is a negative effect of partnerships on MSME business development. This is due to the non-optimal implementation of the partnership program carried out by the company.

The existence of various previous partial findings regarding the inconsistent determinants of MSME performance prompted the researcher to analyze a financial aspect (in this case equity crowdfunding) and a non-financial aspect (business partnerships) on the performance of MSMEs registered on one of the ECF platforms, namely Santara. Santara is the first ECF platform licensed and supervised by the Financial Services Authority (OJK) based on Decree Number: KEP-59/D.04/2019. As far as the researcher observed, there is still no similar research that takes the perspective and choice of the research object. The research problems to be resolved in this study are: Does ECF have a positive effect on business performance? And Do business partnerships have a positive effect on business performance? The theoretical contribution of this study is to increase the perspectives of studies in the field of entrepreneurial finance, especially regarding ECF services for MSMEs in Indonesia. In addition, the managerial contributions are beneficial for MSME actors to be willing to take risks, be proactive, be innovative in meeting business capital needs by accessing

non-bank funding sources that are now starting to bloom in the society, and take advantage of having good relationships with business partners. Based on previous descriptions, this research aims to examine the effects of application equity crowdfunding and business partnership relationships on the performance of micro, small, and medium enterprises (MSMEs).

THEORETICAL REVIEW

Business Performance

Business performance is a formal effort carried out by a company to evaluate the efficiency and effectiveness of the company's activities that have been conducted during a certain period of time (Wahyudiati & Isroah, 2018). Business performance is the work achieved as a whole both in quality and quantity and compared with the work results, targets, or criteria that have been determined in advance and have been mutually agreed upon in a business entity with asset and turnover criteria that have been determined in the government regulations (Asyifa, Rakib, & Tahir, 2013). Business performance from the financial side is defined as a tool to measure the indicators of a company's success in an effort to achieve the company's goals in implementing its function of managing company assets in a certain period (Winbaktianur & Siregar, 2021).

From some of these understandings, it can be concluded that business performance is the achievement of the overall results in the form of quality and quantity and compared with the work results, targets, or criteria agreed upon for a certain period. Performance measurement is used by companies to make improvements to their operational activities in order to compete with other companies. The performance indicators, according to Winbaktianur and Siregar (2021) are a measurement that describes the level of achievement of predetermined results. The performance indicators used to measure the performance of MSMEs are sales growth, capital growth, and profit growth or operational profit.

Equity Crowdfunding

A regulation of the Financial Services Authority (OJK) of the Republic of Indonesia No. 37/POJK.04/2018 states that equity crowdfunding (ECF) is a crowdfunding service provider with a model of offering shares by business actors to investors directly based on technology. ECF or commonly referred to as crowdfunding technology-based financing is a new way to obtain business capital funding needs (Pamesti & Heradhayksa, 2020). ECF is a modern way of investing for investors, which focuses on small MSME businesses and start-up companies that want to develop their firms but are constrained by capital (Hasna & Irwansyah, 2019). ECF has an advantage in the form of high risk and high return. When the invested shares have the potential to grow in large numbers, they will get big profits too. Therefore, it can be concluded that ECF is a technology-based crowdfunding service that is carried out directly by business actors to offer shares to investors with the aim of meeting the capital needs of business actors.

Indicators to measure ECF, according to research by Hasna and Irwansyah, (2019), are knowledge, persuasion, and decision. Knowledge is an indicator to measure the level of knowledge of the ECF platform user, namely Santara, in how much they

understand about the use of the ECF platform. Persuasion is used to measure the level of trust and preference of the ECF platform user. Decision is utilized to measure the level of decision in the use of the ECF platform as a form of capital funding for an MSME.

Business Partnerships

A partnership is a form of cooperation between two or more parties to be able to combine their respective competencies to achieve common goals (Firmanzah et al., 2020). A partnership is a form of cooperation between two or more parties to share costs, risks, and benefits by combining their respective competencies to achieve common goals (Jamilah, 2015). So, it can be concluded that a business partnership is a collaboration between two or more parties who have an agreement to achieve common goals, share responsibilities, and accept risks to maximize business with the support of large entrepreneurs.

Relationship Between Variables and Hypotheses Development

Equity Crowdfunding and Business Performance

Muzdalifa, Rahma, and Novalia (2018) stated that the presence of a number of fintechs such as ECF also contribute to the development of MSME performance. In line with that, Ardiansyah (2019) stated that fintech such as equity crowdfunding really helps MSMEs in obtaining sources of capital funding to maintain and improve their business performance. Manganiello and Dragulanescu (2021) claimed that ECF services have a significant effect on improving performance, because there are other motivations such as refunds that affect investor decisions. This can help business actors who are in need of additional capital to develop their businesses and achieve optimal business performance.

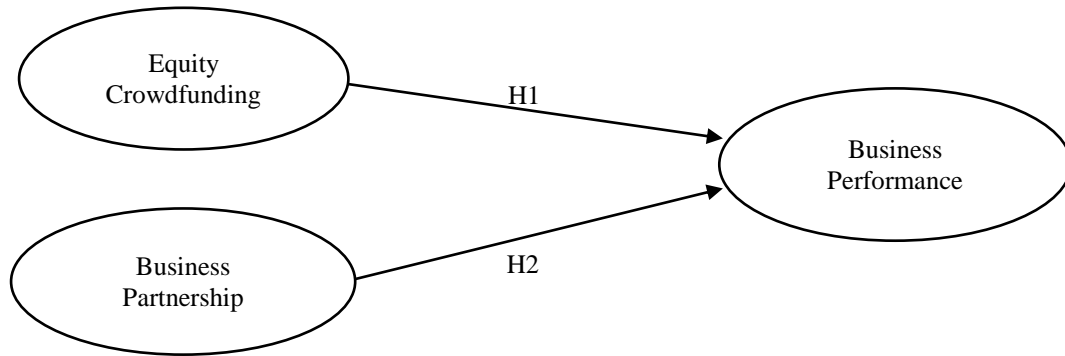
H1: Equity Crowdfunding has a significant effect on Business Performance.

Business Partnership and Business Performance

Halik et al. (2020) revealed that partnerships have a significant influence on business performance in the income aspect, because the establishment of partnerships between businesses can reduce the difficulties that are often faced. The partnerships that exist between one business and another consist of four types, i.e. in terms of a raw material partnership, capital partnership, marketing partnership, and machinery or equipment partnership. By implementing business partnerships in the development of SMEs, the competitiveness and performance of all partners involved can increase. Another study conducted by Sapparuddin and Bado (2011) found that the implementation of a partnership has a significant and positive influence on the company's performance both in terms of non-financial and financial aspects. According to Widyani (2013), business partnerships have a positive influence on the performance of MSMEs if the parties implementing the partnerships have good quality resource management and use business strategies such as SWOT as a reference. Partnerships can have a positive effect on company performance, because implementing partnerships requires commitment and trust between partners (Purba, 2008).

H2: Business Partnership has a significant effect on Business Performance.

Based on previous studies, equity crowdfunding and business partnership have a relationship with business performance. So, this research is based on the conceptual framework shown in Figure 1.



Source: Developed in the research (2022).

Figure 1. Research Model

RESEARCH METHODS

This study used a quantitative approach with a statistical inferential technique. The population in this study was all MSMEs registered on an ECF platform, namely Santara. According to the Santara.co.id (2020) in December 2021 there were 88 MSMEs registered on the Santara platform and divided into 16 categories. This number was used as the population in this study. This survey method strives to obtain and collect information data collected from large and small populations, but the data studied is from samples taken from the existing population (Marina, 2015). Primary data was obtained through a survey by distributing online questionnaires via Google Form to MSME actors registered in Santara platform. The components of this research instrument are detailed in Table 1. This study also used secondary data in the form of e-mails of MSMEs registered on the Santara platform to send online questionnaires via Google Form. The testing tool used was a multiple linear regression analysis with the assistance of SPSS 26.0 software. Before the data was processed, validity and reliability tests were first carried out to ensure the validity of the instruments used. Then, a classical assumption test was also done, so that the data could be processed using a multiple regression analysis.

Table 1. Variables and their Measurements

No.	Variable	Definition	Indicator	Reference
1	Equity Crowdfunding	A crowdfunding service that encourages investors to decide to invest in MSMEs and start-up companies that want to develop a business but are constrained by capital	- Knowledge - Persuasion - Decision	Hasna and Irwansyah (2019)
2	Business Partnership	A form of cooperation between two or more parties to be able to combine their respective competencies to achieve common goals.	- Partnership readiness - Partnership implementation - Partnership outcome	Firmanzah et al. (2020)
3	MSME Performance	A tool to measure the indicators of the company's success in an effort to achieve the goal of carrying out its function to manage company assets in a certain period.	- Sales growth - Capital growth - Business profit growth	Winbaktianur and Siregar (2021)

RESULTS AND DISCUSSIONS

The total respondents in this study consisted of 83 MSME actors who had used ECF services. A total of 5 individuals did not respond to the questionnaire sent during the study period. The data collection results showed that the respondents in this study consisted of 45 % women and 55 % men. From the education level of the respondents, 15 % were high school graduates, 75 % were undergraduates and 5 % were junior high and elementary school graduates. From the age aspect, most research respondents are aged 20 to 55 years old.

Furthermore, a series of tests were carried out before performing a multiple regression analysis. First, a validity test was done. At this stage, it was carried out on 83 respondents. This study used a 95% confidence level. In the validity test, the value of df was used where $df=n-2$. The value of n in this study was the number of respondents (83), so the value of $df=81$. Thus, the r -table value was 0.216. Based on a study from Sugiyono (2018), the basis for decision making in this validity test is if the r -count $>$ r -table, then the question item is considered valid. If there is an invalid question item, the question item needs to be deleted, and the validity test is carried out again. If there was an invalid question item, the question item needed to be deleted, and the validity test was carried out again.

After the validity test was completed, all the question items were valid or the r -table of each question item was more than the r -count. The invalid question items, namely X2.2, X2.3, and X2.15 on the X2 variable and Y.3 on the Y variable were not included in the subsequent tests. All the valid question items were then suitable to be used as measurement instruments in the study. Next, the reliability test aimed to determine whether the variables had consistency if the measurement was carried out with the questionnaire repeatedly. A variable is deemed reliable if the Cronbach's Alpha value is more than 0.5 (Sugiyono, 2018). The following are the results of the reliability test in this study.

Table 2. Validity Test Results

Variable	Item	r-count	r-table	Explanation
Equity Crowdfunding (X1)	X1.1	0.326	0.216	Valid
	X1.2	0.411	0.216	Valid
	X1.3	0.581	0.216	Valid
	X1.4	0.427	0.216	Valid
	X1.5	0.377	0.216	Valid
	X1.6	0.514	0.216	Valid
	X1.7	0.403	0.216	Valid
	X1.8	0.495	0.216	Valid
	X1.9	0.536	0.216	Valid
	X1.10	0.377	0.216	Valid
	X1.11	0.246	0.216	Valid
	X1.12	0.304	0.216	Valid
	X1.13	0.289	0.216	Valid
	X1.14	0.307	0.216	Valid
	X1.15	0.431	0.216	Valid
Business Partnership (X2)	X2.1	0.593	0.216	Valid
	X2.4	0.536	0.216	Valid
	X2.5	0.603	0.216	Valid
	X2.6	0.247	0.216	Valid
	X2.7	0.427	0.216	Valid
	X2.8	0.419	0.216	Valid
	X2.9	0.380	0.216	Valid
	X2.10	0.468	0.216	Valid
	X2.11	0.407	0.216	Valid
	X2.12	0.346	0.216	Valid
	X2.13	0.546	0.216	Valid
	X2.14	0.545	0.216	Valid
	X2.16	0.475	0.216	Valid
X2.17	0.662	0.216	Valid	
X2.18	0.316	0.216	Valid	
X2.19	0.543	0.216	Valid	
Business Performance (Y)	Y.1	0.737	0.216	Valid
	Y.2	0.632	0.216	Valid
	Y.4	0.604	0.216	Valid
	Y.5	0.308	0.216	Valid
	Y.6	0.419	0.216	Valid
	Y.7	0.539	0.216	Valid
	Y.8	0.395	0.216	Valid

Source: Processed primary data (2022).

Based on Table 3, the three variables in this study have a Cronbach's Alpha value of more than 0.5. That is, all the variables in this study are considered reliable or deemed as consistent or reliable instruments, so that they can be used repeatedly. Next, a normality test was conducted to see whether the residual data was normally distributed. The basis for decision making on the normality test is if the p-value >0.05 Sugiyono (2018), then the residual data is normally distributed. The result is shown in Table 4.

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Explanation
Equity Crowdfunding (X1)	0.636	Reliable
Business Partnership (X2)	0.773	Reliable
MSME Performance (Y)	0.563	Reliable

Source: Processed primary data (2022).

Based on Table 4, the p-value in the normality test using the Kolmogorov-Smirnov test is 0.082. This value is greater than 0.05, meaning that the residual data in this study is normally distributed. Next, the multicollinearity test aims to see whether the independent variables in this study will change dramatically or not if other independent variables are added or subtracted in the research model. Based on Sugiyono (2015), the basis for decision making in the multicollinearity test is if the variance inflation factor (VIF) is a measure of the amount of multicollinearity in a set of multiple regression variables with a value <10 , it means that there are no indications of multicollinearity.

Table 4. Normality Test Results

Name of the Test	p-value	Explanation
Normality Test	0.082	Normal distribution

Source: Processed primary data (2022).

Based on Table 5, in the multicollinearity test of this study, the two independent variables in this study have a VIF value of $1.303 < 10$. This means that it can be surmised that the independent variables in this study have no multicollinearity or will not change dramatically if in subsequent studies the variables are added or subtracted freely in the model.

Table 5. Multicollinearity Test Results

Name of the Variable	VIF	Explanation
Equity Crowdfunding (X1)	1.303	There is no multicollinearity
Business Partnership (X2)	1.303	There is no multicollinearity

Source: Processed primary data (2022).

Then the heteroscedasticity test strives to determine whether there are indications of heteroscedasticity or if the variables do not have the same variance from the residuals in the regression model observations in this study. The basis for making decisions on the heteroscedasticity test is if the p-value >0.05 , then there are no instances of heteroscedasticity. The results are listed in Table 6.

Table 6. Heteroscedasticity Test Results

Name of the Variable	p-value	Explanation
Equity Crowdfunding (X1)	0.710	There is no heteroscedasticity
Business Partnership (X2)	0.478	There is no heteroscedasticity

Source: Processed primary data (2022).

Based on Table 6, the two independent variables in this study have a p-value of 0.710 for the X1 variable or equity crowdfunding and 0.478 for the X2 variable or business partnership. The two independent variables in this study have a p-value > 0.05, meaning that there is no heteroscedasticity issue in this variable, or it does not have the same variance from the residuals for all observations in the regression model in this study.

Table 7. Regression Test Results

<i>Name of the Variable</i>	<i>Regression Coefficient</i>	<i>p-value</i>	<i>Explanation</i>
<i>Equity Crowdfunding (X1)</i>	<i>0.109</i>	<i>0.058*</i>	<i>Hypothesis 1 is accepted</i>
<i>Business Partnership (X2)</i>	<i>0.332</i>	<i>0.000***</i>	<i>Hypothesis 2 is accepted</i>

Explanation: *, **, *** significant at alfa 10%, 5%, and 1%.

Source: Processed primary data (2022).

The next test is the hypotheses test or regression test which aims to determine the relationship of the independent variable to the dependent variable. The basis for decision making in the regression test in this study is if the p-value < 0.05, then there is a relationship between the independent variable and the dependent variable. Table 7 showed the results of the regression test in this study. Based on Table 7, the relationship between the equity crowdfunding variable and MSME performance has a p-value of 0.058. This means that H1 is accepted and it can be concluded that equity crowdfunding can affect the MSME performance at a significance level of 10%. The regression coefficient of these two variables is 0.109. The direction of the relationship is positive, which means that the higher the equity crowdfunding, the higher the MSME performance.

Next, the business partnership variable towards the MSME performance has a p-value of 0.000, meaning that H2 is accepted or it can be surmised that the business partnership variable has a significant influence on MSME performance at a significance level of 1%. The regression coefficient of these two variables is 0.332, which has a positive direction of the relationship or it can be understood that the higher the business partnership, it will further improve the MSME performance. Of the two independent variables in this study, namely equity crowdfunding and business partnership, based on the regression coefficient, the business partnership variable has a greater influence in improving MSME performance than equity crowdfunding.

Then, the determinant coefficient aims to measure how much the independent variables can explain the variance of the dependent variable. The r-square value in this study is 0.619 (61.9%). That is, in this study the ability of the independent variable to explain the variance of the dependent variable is 61.9%, and the rest is explained by other variables outside the research model.

Discussions

Based on the results of hypothesis testing using regression testing, equity crowdfunding has a positive effect on business performance at a significant level of 10%. Funding from equity crowdfunding can boost MSME performance. Equity crowdfunding is one of the business models run by fintech entrepreneurs which connects investors with entrepreneurs (stock issuers) who need capital. Through equity crowdfunding, MSMEs can obtain capital from investors with a wider, easier, and more

practical reach. Equity crowdfunding opens the door for budding entrepreneurs to raise funds from financiers interested in funding the start-ups they support. Through equity crowdfunding, MSMEs can obtain capital from investors with a wider, easier, and more practical reach. The advantages of using equity crowdfunding are that it is effective in finding markets, economical in collecting and processing data, cheap in securing and disseminating information, and efficient in verifying. However, this also needs to be supported by training programs for MSMEs in order to maximize the potentials of MSMEs, given that MSME actors still have weaknesses in various aspects such as human resource factors, including a lack of managerial ability, limited operational skills, a lack of financial reporting, and limited marketing.

According to Kholidah and Hakim (2018), only 17.5% of MSMEs access capital from banks, while 82.5% do not access capital from banks, but from non-bank institutions. On the other hand, the rapid development of information technology is a great opportunity for MSMEs to get capital through the fintech system. The high interest of MSMEs seeking funding from non-banks and the high use of digital technology provide a great opportunity for crowdfunding service companies to encourage MSMEs to access capital through equity crowdfunding which will be used to develop MSME performance in the future.

Based on the regression equation, equity crowdfunding has a positive direction on MSME performance, or higher equity crowdfunding will improve MSME performance. The business partnership variable has a significant influence on MSME performance. This is evidenced in the regression test, which produces a p-value of 0.000. The direction of the relationship between these two variables is positive, which means that the greater the business partnership, the higher the MSME performance. This finding is in line with what Ardiansyah (2019) stated that equity crowdfunding can improve the performance of business actors. Then Irawati (2019) revealed that equity crowdfunding services help growth and development for MSME actors through technology-based share offerings. Another study by Muzdalifa et al. (2018) found that the presence of a number of fintechs such as equity crowdfunding also contributes to the development of MSME performance.

In this study, the business partnership variable has a greater influence than equity crowdfunding. Business partnerships will be successful if they are based on mutual trust between the MSME business actors and capital providers. The MSME business actors and financiers must both have the same goals, namely: to promote MSMEs and always provide assistance and direction so that their goals are achieved. Every problem faced must also find a way out so that the relationship continues. The capital providers must also have short-term and long-term plans. If it is deemed successful, the financiers can provide new funding for the MSME actors, so that the partnerships are maintained. The results of this study have similarities with previous studies such as those conducted by Saparuddin and Bado (2011) and Widayani (2013), who claimed that the implementation of partnerships has a significant and positive influence on firm performance. Meanwhile, another research by Widayani (2013) found that business partnerships have a positive influence on the performance of MSMEs if the parties implementing the partnerships have good quality resource management and use business strategies such as SWOT (strengths, weaknesses, opportunities, and threats) as a reference. The last research conducted by Purba (2008) stated that partnership relationships have a significant positive influence on firm performance.

From this research, it can be implied that equity crowdfunding aims to help MSME actors who are in need of business capital that can be obtained from other means besides relying on personal sources and banks. Through equity crowdfunding, MSMEs can get capital from investors with a wider reach. Fintech equity crowdfunding is a mini IPO (initial public offering) where companies that need funds can join the system without the need for an IPO. This mini IPO aims to enable small and medium enterprises and startups to get easier access to capital from the public. Fintech equity crowdfunding opens the door for budding entrepreneurs to raise funds from financiers interested in funding the start-ups they support. To increase the interest of investors to participate in financing the businesses, MSME actors must immediately improve the ability of human resources to make better financial reports, improve the operating skills, and expand the marketing quality.

The business partnership relationship must have a program with a clear division of tasks between business partners. The partnership relationship will run well if the partners run the predetermined program without missing anything. Having communication and a program evaluation on a regular basis is very helpful for the success of the implemented partnership program. A successful partnership relationship can be viewed by the small number of mistakes that occur in this collaboration process.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results above, it can be concluded that equity crowdfunding is an alternative method for MSMEs to obtain capital besides from bank loans. Equity crowdfunding has a significant positive effect on business performance. The business partnership has a significant positive effect on business performance. Establishing a partnership will be successful, if it is carried out with the principles of mutual strengthening, needs, and benefits.

For research on future entrepreneurial finance, one can analyze other fintech funding platforms such as peer-to-peer lending, as well as venture capital which is still rarely studied. Future researchers can also add other mediating and moderating variables of MSME performance to obtain comprehensive research results, such as the business characteristics and demographic variables of MSME actors. (Herrukmi & Sadewo, 2019)

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