

Financial Return Crowdfunding in Thailand and Investor Motivation Mechanism

Namporn Sathirakul

Thai-Nichi Institute of Technology,
Faculty of Business Administration
E-mail: namporn@tni.ac.th

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ABSTRACT

Crowdfunding is new to the Thai Financial markets. However, it has growth potential from existing unserved demand of entrepreneurs for funding and from investors who need investment alternatives. This research drew from international works, to understand development of the crowdfunding market in Thailand. The researcher conducted an online questionnaire survey with 402 Thai investors and performed an analysis of variance (ANOVA) to better understand the characteristics of prospective investors. Also, partial least squares structural equation modeling (PLS-SEM) was used to validate a model to predict investors' investment intention. The findings indicated a low level of awareness in crowdfunding among Thai investors. Age, gender, familiarity with crowdfunding and risk attitudes had significant effects on investment intention. Millennial males with positive attitudes in risk taking were the potential investors. Most Thai investors tended to invest less than 15% of their portfolio in crowdfunding, employing crowdfunding as an alternative investment for risk diversification to target higher total returns. Using PLS-SEM, the researcher found that Thai investors conducted their evaluation of the business characteristics before going through evaluation of financial return, social benefits, and trust in crowdfunding platforms, which in turn led to emotion based investment decisions. This research provided a conceptual model of how Thai investors may be motivated to invest in crowdfunding. The results provided useful information for entrepreneurs who are considering crowdfunding as a means to fund their projects, and crowdfunding platforms developing fund raising campaigns.

KEYWORDS: Crowdfunding, Thailand, Investors, Characteristics, Investment intention

1. Introduction

Entrepreneurs who run SMEs and startup businesses in Thailand are facing difficulties getting financial support from banks due to sufficient track records and lack of fixed assets as collateral for loans. Even

though the Bank of Thailand has been helping with cheaper sources of financing through the SME Development Bank, there still seem to be costly hurdles for entrepreneurs to obtain funds. On the other side, investors with excess funds are dissatisfied with low interest rates on

deposits and look to channel funds to higher-return financial instruments such as corporate debentures, mutual funds, and higher risk stocks. Progress in internet technology, worldwide online social media networks, and the relaxation of regulations of online business transactions, entrepreneurs can raise funds from ‘the crowd’ via online marketplaces. Entrepreneurs who need funding and investors who seek higher return investment can now meet each other on a managed crowdfunding portal, which acts as the intermediary.

1.1 Overview of Crowdfunding

There are four types of crowdfunding: donation-based, reward-based, equity-based, and debt-based crowdfunding. Donation-based and reward-based are considered non-financial return crowdfunding, whereas equity-based and lending-based crowdfunding are categorized as financial return crowdfunding. Financial return crowdfunding is raising funds by collecting a small amount of money from a large number of people to fund a project or venture through an Internet funding portal. It is another channel for SMEs and startups to access funding through issuance and offering for sale equity or debt securities to ‘the crowd’ (European Investment Bank, Thai SEC). The World Bank estimates that global crowdfunding market potential could reach between \$90 billion USD and \$96 billion USD by 2025.

Even though crowdfunding in Thailand is relatively new, it has been spotlighted as a promising type of alternative financing for Small and Medium Enterprises (SMEs), which may play a significant role for Thailand economic development. Crowdfunding also provides access to startup capital for individuals with a compelling

innovative business. As a result, supporting entrepreneurs’ access to financial resources from ‘the crowd’ is one of the Thai SEC’s missions. The Thai SEC is playing an important role in promoting crowdfunding to the funding market. Up to the present, the Thai SEC has given license to eight fin-tech companies to run crowdfunding portal services.

1.4 Research Purpose

This research aim was to study the current financial return on the crowdfunding market in Thailand, investors’ degree of market awareness, and the factors that motivate investors when making investment decisions. The results of this research provides suggestions to stakeholders for the future development of crowdfunding markets in Thailand. This report is divided into five main parts. The first part is the introduction. The second part is the literature review exploring previous studies. The third part explains the research design and methodology. The fourth part provides a detailed analysis of the results of a questionnaire given to Thai investors to identify their motivation mechanism in investment decisions. The final part is the summary, conclusion, and recommendations.

2. Literature Review and Hypotheses Development

2.1 Current situation of financial return crowdfunding in Thailand

The financial return crowdfunding industry in Thailand is in its infancy stage, and has a lot of room to expand. As of October 2021, two companies received authorization from the Thai SEC to operate crowdfunding platforms; Sinwattana Crowdfunding and Dream Maker Equity Crowdfunding. Six other

companies received authorization to operate both debt and equity crowdfunding platforms: PeerPower, Siam Validus, Funding Societies, Invest Tree Thailand, Krungsri Securities, and Trustender. The entrance of newcomer platforms in recent years confirms the growth potential of the crowdfunding industry in Thailand and it is predicted that more participants will come from traditional banks expanding their business into those markets. According to the Thai SEC, up to the second quarter of 2021, debt-based crowdfunding equivalent to 570 million THB was raised by 75 SMEs.

Wahjono et al. (2018) analyzed the readiness of crowdfunding to finance SMEs in the ASEAN countries of Indonesia, Malaysia, Philippines, Thailand and Vietnam, in terms of entrepreneurial culture and network readiness. They asserted that crowdfunding can be implemented successfully given current social norms and a culture in ASEAN that is willing to accept new forms of financing. Except for Malaysia, ASEAN countries are not ready to use crowdfunding as an alternative financing for SMEs because of the lack of internet infrastructure and mobile network coverage. Colobong (2018) investigated the maturity of crowdfunding platforms in Thailand, using the models that focus on five main performance indicators: the amount of money raised, the total number of successful SMEs funded through the platform, platform partnership, risk management, and government involvement. They determined Thailand was at maturity level 2, one step above the Philippines. However, it is worthwhile to take note of recent developments in the crowdfunding industry, such as a government's implementation of regulations to

create a sustainable crowdfunding ecosystem, the increasing volume and number of successful campaigns on crowdfunding platforms, and measures to protect retail investors. Taking these recent developments into account, Thailand's maturity may be elevated to level 3, one step below Malaysia. Public awareness, risk understanding, and supportive legislation are all important factors in the growth of the crowdfunding sector. The relevant authorities should work to support an environment that addresses and mitigates the risks associated with crowdfunding (Colobong, 2018)

2.2 Previous Study on Factors that influence an investor's decision to invest in a crowdfunding campaigns

The researcher performed a review of previous research to develop a basis for conducting an explorative research on Thai investors. The findings of previous studies is summarized in the following sections.

2.2.1 Characteristic of a crowdfunding majority participant

According to previous studies, crowdfunding investors come from a wide range of backgrounds, with varying levels of professional and educational experience, and the majority of them have no prior investment experience. Males are the most common investors, however female investors are on the rise. Typical investors vary in age from 20 to 40 years old, and their familiarity with other types of investing ranges from zero to comprehensive (Baeck et al. 2014; Hornuf & Neuenkirch 2017; Lukkarinen et al., 2019). Isabell (2021) discovered that the average supporter of a crowdfunding project is a

young, well-educated person with more liberal and less conservative values.

2.2.2 Investors' Extrinsic (cognitive) V.S Intrinsic (affective) motivation aspect.

Investors' reasons for investing in equity crowdfunding are diverse, and they vary with investors and campaigns (Lukkarinen et al., 2017). Investors or funders might be motivated to participate in a crowdfunding platform for different reasons, including: 1) access to investment, 2) community participation, 3) support for an idea of product or service, and 4) formalization of contracts, especially for money raised from family and friends (Agrawal et al., 2015). Some researchers suggested that investors tend to be motivated mainly by extrinsic financial returns (Baeck et al., 2014; Cholakova & Clarysee, 2015). In contrast, others suggested that the emotion and social criteria are more important to the investors than financial ones, and the motivation is mainly by intrinsic reasons such as obtaining personal satisfaction, the ability to receive recognition, to influence campaign outcomes, or to create an online image, since equity crowdfunding is not particularly appealing to financial investors due to lack of liquidity, long term-outlook, dividends and voting rights (Schwienbacher & Larralde, 2012; Lukkarinen et al., 2016). Some researchers advocated a mix of both extrinsic and intrinsic reasons. Altruistic motivation, such as the desire to promote global sustainable growth, has been proposed by some researchers (Collin & Pierrakis, 2012; Brescheider & Leimeister, 2017). According to Krystallia, Moysidou and Sebastian (2016), the decision-making process is not the same with equity

and debt crowdfunding. Cognitive value (perceived financial and informative benefits) is the most important factor in equity-based crowdfunding. Debt-based crowdfunding, on the other hand, is influenced by cognitive as well as affective factors (such as emotional value). In both types of crowdfunding, novelty, aesthetics, and social importance were found to be insignificant as motivating factors. Whereas Daskalakis & Yue (2017) asserted that investors seem to be motivated more by higher returns in debt-based crowdfunding and by interest and excitement in equity crowdfunding. Ferretti et al. (2021) discovered that the presence of competing campaigns in a platform influences the investment decision. The lack of consensus regarding investor motives in equity crowdfunding, according to Lukkarinen (2020), is attributable to the industry's inherent heterogeneity and rapid development of crowdfunding.

2.2.3 Investor's perceived risk

According to Guenther et al. (2015), investors spend less time analyzing risks, instead they assume the platform invested considerable time and effort to ensure high quality of the offerings before launching each campaign. Investors in debt-based crowdfunding often make investment decisions based on the risk rating offered by the platform rather than performing their own assessment, and they prefer projects with a higher risk rating, aiming for a higher return, over projects with a lower risk rating, aiming for a lower return (Moreno & colleagues, 2019). Crowdfunding is an alternative investment that investors invest in, in limited amounts compared to their overall portfolios, and with a shorter tenure, for the purpose of

risk diversification. According to Estrin et al. (2018), most investors characterize their equity crowdfunding investments as "tiny" and "representing a small part of their total investment portfolio," and according to Moreno et al. (2019), debt-based crowdfunding investors seem to prefer small loan amounts and shorter loan terms.

2.3 Hypothesis Development

This research studied the level of market awareness of crowdfunding, and the characteristic of prospective investors. Additionally, this researcher examined other factors that may determine investors' intention to participate in crowdfunding activities. The results would provide useful information for entrepreneurs who are considering crowdfunding as a means to fund projects, and crowdfunding platforms in developing effective fund raising campaigns.

The hypotheses are made based on the following theories that explain the motivation for an individual in making decisions.

Rational choice theory (Becker, 1976) asserted that individuals use self-interest to make choices that will provide themselves the greatest benefit, depending on availability of information, the cognitive limitation of the mind, and the time available to make a decision.

Self-determination theory (Deci & Ryan, 1985), focuses primarily on intrinsic motivation related to autonomy (perceived sense of self-determination), competence (perceived goal achievement) and relatedness (perceived sense of belonging). In contrast, rational choice theory, focuses on extrinsic motivation, suggesting that people tend to be driven by a need to grow and gain fulfillment

and feel more motivated to take action when they feel that what they do will have an effect on the outcome.

According to consumption value theory (Sheth et al., 1991), the factors that contribute to consumer decision-making are classified into five values: 1) functional value - whether or not a product is able to perform its attribute-related, utilitarian or physical purposes, 2) social value - social and symbolic benefits offered by a product; 3) emotional value - related to various affective states, experiential or emotional benefits deriving from a product, 4) epistemic value - a desire for knowledge, whether motivated by intellectual curiosity or the seeking for novelty, and 5) conditional value - reflects the fact that some market choices are contingent on the situation or set of circumstances faced by the consumers. The 19-item Perceived Value (PERVAL) scale, an extension of consumption value, consists of four different dimensions: emotional perceptions, social perceptions, quality/performance perception, and price/value for money.

According to Cognitive-affective model (Holbrook & Hirschman, 1982, Foxall & Goldsmith, 1994), when an individual is exposed to alternatives, two processes are likely to occur; the first produces cognition about the given alternative, while the second provokes affective reactions. In cognitive decision-making, the process is affected by data-driven, rational, and price-quality relationships. In contrast, the second process entails feelings and affective behaviors such as joy, excitement, love, happiness, pride, sympathy, lust, ecstasy, fear, bewilderment, etc. and information processing and decision-making is feeling-driven and intuitive

Crowdfunding is perceived by some scholars as an emerging and critical form of social commerce, where the relationship between crowdfunding investors and entrepreneurs involves not only mutual benefits, but also emotional interaction and social engagement. According to social exchange theory, trust and commitment are essential to exchange relationships, and communication and shared values are significant influencing factors in building exchange relationships, and strongly affect partnership (Yang et al., 2019)

This researcher assumes that in the context of crowdfunding decision-making, the cognitive components (business characteristics and financial return), and the affective components (social and emotion) plus communications (media and channel) and trust, play fundamental roles in explaining investors' behavior. Specifically, the six variables considered key drivers of investment intention are: business characteristics, financial return, perceived social benefit, trust in platform, emotion, and media and channel. Hypothesizes based on these variables, are illustrated in the following sections.

2.3.1 Business characteristics

According to the cognitive-affective model, investors make their cognitive evaluation of types and characteristics of a business before making an investment decision. Products and service characteristics such as usefulness, innovativeness, extent of digitalization, uniqueness, and environmental friendliness provide investors with novel experience and arouse curiosity which appeal to investment intention (Agrawal et al., 2011; Giudici et al., 2013).

2.3.2 Financial return

From traditional investment theory, investors are rational and make decisions based on risks and returns, therefore they make cognitive evaluations of their investment by weighing costs and benefits, and make decisions to optimize financial benefits. Since the risks associated with crowdfunding investment are expected to be higher than those of other traditional investments, rational investors will be motivated to invest in crowdfunding ventures if they consider the returns high. (Wasiuzzaman et.al, 2021)

2.3.3 Perceived social benefits

As well as being financially motivated, crowdfunding may also be affectively motivated by social interest. Crowdfunding creates social interactions that makes the crowd feel connected to those with similar interests and ideas. Fundseekers and crowdfunders can form a special community comprised of individuals who are inclined to help each other, from feelings of sympathy and encouragement (Zhao et al., 2019) Interactions in the crowdfunding community can lead to social identification and also to the creation of social capital, which enhances the intention to participate in crowdfunding and contributes to the project's success (Gerber & Hui, 2012). Social benefits derived from establishing and maintaining contact with other people such as social support, friendship and intimacy, the desire to interact in social network site and become part of the community is an important motivation behind individuals' participation in crowdfunding platform (Saxton & Wang, 2014).

2.3.4 Trust in platform

Crowdfunding platforms act as intermediary agents, leveraging resources by bringing entrepreneurs and the crowd together, making financing campaigns more welcoming and available to the general public. Since crowdfunding takes place online, crowdfunding platforms perform an important role in overcoming information asymmetries and minimizing financial transaction costs between fundraisers and funders (Hournuf & Schwienbacher, 2018). Where funders have a higher degree of trust in a platform, they believe the platform has set up mechanisms to review the proposers and restrain opportunistic behavior. Thus, they express confidence in the quality of the products and the punctuality of delivery, which, in turn, increases their funding intention. Consequently, trust in the crowdfunding platform can be converted into overall trust for funders in the crowdfunding proposal and increase crowdfunding campaign success rate. (Ordanini et al., 2011)

2.3.5 Emotion

The emotional value derived from the crowdfunding project includes the feeling of satisfaction and enjoyment in taking part of the entire process of a crowdfunding project, the emotional desire to experience success in the project, a sense of achievement, self-efficacy, self-esteem, and ego-booster are linked to the intrinsic motivation, which may drive investment intention (Deci & Ryan, 1985)

2.3.6 Media and channel

When obtaining capital from the crowd through the internet, information asymmetry exists. Therefore, it is important to strengthen communication between fundraisers and investors. Thus, it is critical

for the media to provide pertinent information that conveys relevant, informative, and clear messages. If a fundraiser frequently communicates with investors, provides helpful information, and arranges accessible channels for Q&A, then the investors' trust in the fundraiser could be enhanced. Frequent communication and perceived usefulness of obtaining updated

Information through the internet channel are considered positively related to investors' investment intention (Mollick, 2014b; Yang et al., 2020)

2.4 The Hypothesis

H₁: Business characteristics are positively correlated with financial return

H₂: Business characteristics are positively correlated with perceived social benefit

H₃: Business characteristics are positively correlated with trust in platform

H₄: Financial return is positively correlated with emotion

H₅: Perceived social benefits are positively correlated with emotion

H₆: Trust in platform is positively correlated with emotion

H₇: Emotion is positively correlated with investment intention

H₈: Media and Channel is positively correlated with investment intention

3. Method

3.1 Procedure

To achieve the objective of this study, primary data was collected via questionnaires. The t-test and one-way analysis of variance (ANOVA) were employed to determine if there exists significant between-group differences with the characteristics of prospective-investors at a 95% confidence interval in investment intention. The partial least squares structural equation modelling (PLS-SEM) was employed to empirically validate the model to predict the influence of six independent variables (business characteristics, financial return, social interest, trust in platform, emotion, and media and channel) on crowdfunding investment intention.

3.2 Sample size

Crowdfunding is new to the Thai financial markets. However, investors potentially can be a crowdfunder regardless of their previous participation. This researcher identified the determinants of participation not only for current participants but also for potential participants who are retail investors. The population is represented by 2.09 million Thai investors who have security trading accounts (as of Oct 2021, Stock Exchange of Thailand). The sample size of 400 was calculated by using the Taro Yamane (Yamane, 1973) formula with a 95% confidence interval. Thus 402 individuals were recruited for the current research.

3.3 Research instruments and questionnaire design

Online questionnaires were used as the research instrument. The questionnaire consisted of check-list questions and 5-point

Likert scale questions, divided into four parts as follows: PART1 was the demographic information of the respondents that consisted of check-list questions including age, gender, education, occupation, monthly income, year of investment experience, and familiarity with crowdfunding. PART2 was the check-list items on respondent' risk attitudes. PART3 was the 5-point Likert scale questions ranging from 1(strongly disagree) to 5 (strongly agree) on determinant factors of investment intentions. PART4 was the check-list items on respondent's investment intention and percentage of portfolio allocation to crowdfunding investment. The measurement items in this study were adapted from prior researches and used with some modification to suit the study context. The questionnaires were written in the Thai language. A small number of investors (n = 30) were given the questionnaire as a pilot test, and the researcher refined the wording, readability, and clarity of the measures after checking the reliability and validity before conducting the final survey.

3.4 Data Collection

The empirical data was collected from investors by distributing the questionnaires through investor communities in online social networks such as LINE and facebook. Since the crowdfunding concept is new to the Thai markets, a summarized introduction of crowdfunding, its meaning and mechanism were provided at the beginning of the questionnaire. The survey was conducted over a three-month period from September to November, 2021. A final completed sample of 402 respondents were attained for data analysis

4. Results

4.1 Preliminary Analysis

Frequency analysis was carried out based on the demographics of the respondents to understand the characteristics of the sample. Additionally, for each demographic category, t-test and One-way ANOVA was performed to determine if there were any significant between-group differences in the mean of investment intention at the 95% confidence interval, with the aim to verify systematic relationships between the characteristics of investors and their intention to invest in crowdfunding. The results showed that the majority of the respondents were 50-60 years of age whereas most of those interested in crowdfunding investment are millennial (age 35 or younger) which is in line with the previous studies. Baby boomers (age older than 60) are second to millennial in showing interest in crowdfunding investment. The proportion of male and female respondents are nearly balanced, whereas the male respondents were more interested in crowdfunding than the female. 58.71% of the respondents had a master's degree and those 2.74% whose education were less than bachelor's degree tended to be more interested in crowdfunding. 40.55% of the respondents were company employees, whereas students (3.48%) showed the highest interest in crowdfunding. 34.83% of the respondents had income more than 100,000 THB (around 2,900 USD) and those whose monthly income was less than 30,000 THB (around 860 USD) showed more interest in crowdfunding investment. 51.49% of the respondents had more than 5 years in

investment experience, and those who had less experience showed more interest in crowdfunding investment. 62.44% of the respondents were not familiar with crowdfunding, and those 37.56% who were familiar with crowdfunding showed more intention to invest. 48.26% of respondents had moderate to high risk taking attitudes, and the more risk the respondents preferred, the more willing they were to invest in crowdfunding. A t-test and One-way ANOVA were performed to compare between-group differences of each demographic on investment intention. The results showed that differences in age, gender, familiarity with crowdfunding, and risk profile had significant between-group differences in investment intention. However, no significant differences were found in the investment intention mean based on education, occupation, monthly income, and investment experience.

Out of 402 respondents, 262 (65.2%) showed willingness to invest in crowdfunding. Out of respondents who decided to invest, 54.48% were willing to invest in both equity and debt crowdfunding. Among them, 34.48% were willing to invest in equity crowdfunding, while 11.03% were willing to invest in debt crowdfunding. For portfolio allocation, more than 60% of the respondents reported they were willing to allocate less than 15% of their portfolio to crowdfunding investment (equity crowdfunding (68.8% of respondents) and debt crowdfunding (78.82% of respondents)).

4.2 Structural Model

Figure 1. The Hypothesized Model in the PLS-SEM

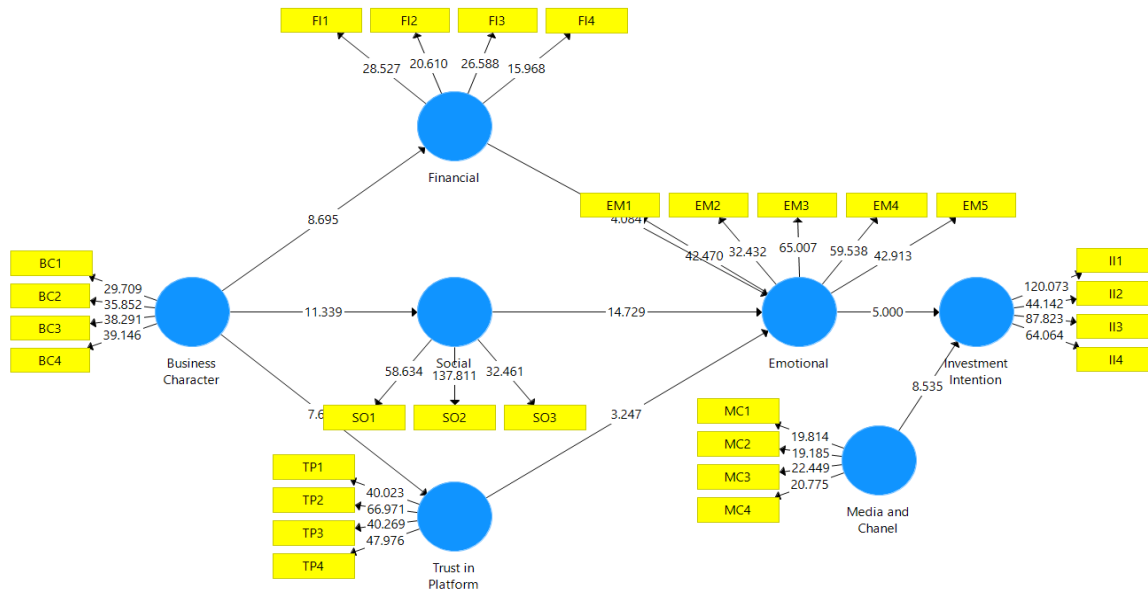


Table 1. Final Results

	β	M	SD	t	p	95% BCa CI	
						LB	UB
Business characteristics -> financial return	.427	.431	0.048	8.822	.000	.332	.524
Business characteristics -> social benefits	.461	.461	0.042	11.084	.000	.375	.540
Business characteristics -> trust in platform	.378	.382	0.049	7.646	.000	.283	.477
Emotion -> investment intention	.249	.249	0.049	5.081	.000	.154	.343
Financial return -> emotion	.171	.173	0.042	4.087	.000	.089	.254
Media and channel -> investment intention	.444	.447	0.052	8.628	.000	.345	.547
Social benefits -> emotion	.588	.588	0.039	15.030	.000	.509	.660
Trust in platform -> emotion	.148	.151	0.046	3.218	.001	.060	.241

4.3 Assessment of the structural models

This researcher evaluated the PLS-SEM results and assessed the structural model. The standard assessment criteria considered included the coefficient of determination (R^2), the effect size of f^2 for

the relevance of the construct, the blindfolding-based cross validated redundancy measure Q^2 , and the statistical significance and relevance of the path coefficients. The results of the measurement model assessment was satisfactory. The blindfolding results showed that emotion had the largest predictive relevance ($Q^2 = .414$)

while trust in platform had the smallest predictive relevance of .136.

Table 2. *RMSE MAE and Predictive relevance (Q^2)*

	RMSE	MAE	Q^2_{predit}	Predictive relevance
Emotion	.770	.619	.414	medium
Financial return	.918	.712	.173	small
Investment intention	.822	.642	.333	medium
Social benefits	.894	.707	.208	medium
Trust in platform	.937	.745	.136	small

5. Conclusion and Managerial Implication

5.1 Conclusion

In this research, 62.44% of the respondents were unfamiliar with crowdfunding, and only 5% knew and had experience with crowdfunding investment, implying low levels of Thai investors' awareness in crowdfunding as an investment alternative. Even though crowdfunding offers investors access to a financial market where they can purchase stocks or lend to novel startups and SMEs, they had to assume long-term risks due to the lack of a secondary market alternative. The current research found that differences in age, gender, and risk attitudes of investors resulted in different patterns of investment decision, and male investors of millennial age (younger than 35 years old) with high risk profiles tended to invest in crowdfunding. Moreover, those familiar with crowdfunding showed stronger intention to invest. In total, 65.2% of respondents showed intention to invest in crowdfunding. And more than two thirds of prospective investors decided to allocate less than 15% of their portfolios to crowdfunding investment, implying that the investors intended to limit their exposure and diversify portfolio risks.

This research explored a cognitive-affective model that incorporated business characteristics, financial return, perceived social benefit, trust in platform, emotion and media and channel as the possible predictors of investment intention in crowdfunding in

Thailand. The current research efforts were chosen because of the theoretical assumption that investors' investment intention could be enhanced by three influence mechanisms: 1) through the latent impact of business characteristics on financial return, perceived social benefit and trust in crowdfunding platform; 2) through the latent impact of financial return, perceived social benefit, and trust in crowdfunding platforms on emotion leading to intention to invest; and 3) through the direct effect of media and channel to intention to invest.

The proposed model in this research indicated structural and progressive relationships among each independent variable that influence investment intention. The results supported that the proposed mechanism involved, as its key role, investors' initially make cognitive evaluation of the extent in which the projects deliver product/service that are useful, novel, environment friendly, and matching with their interest. Arguably, this cognitive evaluation of business characteristics initiates the mechanism of investment intention. Secondly, this researcher argues that investors will go through evaluation of financial return, social benefits, and trust in crowdfunding platforms, which, in turn lead to emotion. Emotional evaluation of the crowdfunding investment then theoretically leads to investment intention. Additionally, the results indicated that attractive and interesting campaign presentation, frequent communication, and

trusted channel also have positive support on investment intention. The model could imply there is a foundation for a platform to promote crowdfunding in Thai financial markets.

5.2 Managerial implication

Crowdfunding could be a tool to help close the funding gap for SMEs and startups. Although the awareness of crowdfunding among Thai investors is low, it has potential for growth. Crowdfunding platforms play significant roles in educating both Thai entrepreneurs and investors to understand the crowdfunding mechanism. Additionally, it can also support entrepreneurs in building a campaign to enhance fundraising success. From the entrepreneurs' point of view, crowdfunding not only provides an alternative channel for fundraising, but also provides non-financial benefits such as demonstrating a proof of business concept, raising brand awareness, collecting inputs for product development, and market validation. Evaluating business characteristics seems to be the initial process of investment decision, through which innovative product/services are examined for attractiveness for investment. From the investors' point of view, crowdfunding offer financial return and intrinsic rewards such as perceived social benefit and emotional value evoked by the investment decision. Therefore, to successfully form strong social relationships within the crowdfunding community, crowdfunding platforms should convey cognitive and affective advantages that entrepreneurs and investors will gain in order to recruit a pool of entrepreneurs (startups and SMEs) as well as a pool of investors. Thai SEC licensing of platforms should create trust with Thai investors, and creating and strengthening trust is crucial for future growth of crowdfunding markets.

5.3 Research Limitations

The limitations on this research included:

1) The researcher used a non-probability convenience sample as the sampling method, where respondents were recruited through online investor networks.

2) Since crowdfunding is new to the Thai market, even though an explanation of crowdfunding is provided in the questionnaire, it cannot ensure that all respondents clearly understand the written contents of the questionnaire.

3) The respondents who reported that they would invest in crowdfunding were prospective investors, but self-reported intention did not guarantee its truthfulness and actual investment action.

4) The researcher faced limitations on availability of previous papers in the same research domain in Thailand, and therefore, had to review data primarily from non-domestic articles, which might have produced different outcomes than from Thai society.

Although the presented model's predictive power may be moderate at best, this research can provide a conceptual idea of how investors may be motivated to invest in crowdfunding and as a resource for future studies.

5.4 Suggestion for future study

This research sample covered general retail investors; future research could target existing crowdfunding investors to find more concrete motivation factors that affect investment decision. A potential focus of longer term research may include the impact of investors' personality traits and perceived risks on investment intention, which were outside the scope of this study. A comparative study of successful versus unsuccessful campaigns would also provide useful lessons to entrepreneurs in running future fundraising campaigns. Finally, this research studied

financial-return crowdfunding in general. New research could focus specifically on equity, and debt crowdfunding.

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