

Entrepreneurial Behaviour in Choosing Capital Alternatives in MSMEs and Investment Trends in Indonesia

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ABSTRACT

This study explores entrepreneurial behaviors that influence the decisions of SME owners in choosing financing alternatives and investment trends in Indonesia. Through quantitative study using questionnaire, this aiming to provide insights into the factors influencing the selection of financing sources and investment tendencies among SMEs. The findings reveal that entrepreneurial behaviors such as risk tolerance, financial knowledge, long-term vision, and adaptability significantly influence the decisions of SME owners in selecting funding sources. Additionally, investment trends in Indonesia also play a crucial role, with SMEs tending to choose financing alternatives that align with their business growth needs. This research contributes significantly to understanding how entrepreneurial behaviors interact with external factors such as investment trends in the context of SMEs in Indonesia. The practical implication highlighting importance of a better understanding of the dynamics of financing decisions among SMEs and how governments and relevant institutions can support SME growth through a better understanding of financial needs and preferences to a small—medium sized business owners. The condition where workers shift from agriculture to industry often occurs with the advent of industrialization.

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Introduction

The era of the industrial revolution 4.0 opens up opportunities and becomes a challenge for future economic growth. One of the most potential areas is the digitalization of MSME development in line with the development of e-commerce. MSMEs contribute greatly to various aspects of the economy. Among them are to GDP, distribution of community income, creating jobs, being able to alleviate poverty and reduce unemployment. Its contribution in these various aspects will affect the nation's economy. Considering that MSMEs contribute 61.07% to Indonesia's GDP. In addition, it is also the place where 97% of the workforce is absorbed. MSMEs also collect up to 60.42% of total domestic investment. Thus, increasing the capacity and added value of MSMEs is important to facilitate business sustainability. In addition, it also encourages the expansion of access and market share, accelerates financing, improves the quality of human resources, and strengthens relations and coordination between sectors. Although its implementation is not yet optimal, cross-sector coordination continues to be pursued with the existence of a government program in the form of the PEN Program, which includes the MSME Support program. From a number of programs, including KUR financing during the pandemic, Micro Business Productive Assistance (BPUM), Non-KUR Interest / Margin Subsidies, Fund Placement / State Money Placement, MSME Credit Guarantee, Investment financing to cooperatives through LPDB KUMKM, Final Income Tax (PPh) for MSMEs borne by the Government, and Cash Assistance for Street Vendors, Bantuan Tunai Pedagang Kaki Lima, Warung dan Nelayan (BTPKLWN).

The financial services authority states that there is a gap for alternative capital for the community to open a business or expand a business, according to OJK equity crowdfunding



is not only an alternative but an interest so that the development of MSMEs can be achieved while taking into account the regulations. In the past, investors in the capital market showed a preference for investing in information technology companies. However, due to the rapid growth of the digital industry, financiers are now shifting their focus to local MSMEs that have growth potential. This shift is driven by the resilience of MSMEs that continue to generate profits even in the midst of a pandemic [1]. To increase public investment participation, equity crowdfunding is practiced. It serves as an alternative tool to engage Indonesians in efforts to boost a growing domestic economy. Crowdfunding is a funding method that involves the wider community to participate. Studies such as those conducted by Ho et al.[2] and Polas & Jahanshahi [3] have shown that entrepreneurial self-efficacy has a positive impact on enhancing entrepreneurial knowledge and skills, enabling individuals to have a deeper understanding of product development, market trends, and customer needs. Additionally, research by Adomako et al. [4] also indicates that entrepreneurial alertness plays a crucial role in the performance of new ventures through business networking capabilities.

Understanding why entrepreneurs enter in ECF is a relevant idea, even if it is mostly neglected in the literature, as the entrepreneur, his behaviour and what he decides to disclose in an ECF campaign are meaningful factors in improving the campaign's success [5]; [6]. These characteristics lead entrepreneurs to define a specific strategy, search for specific elements or satisfy particular needs, such as a lack of knowledge in a field. Therefore, we first explored how they may affect entrepreneurial motivations in terms of what resources entrepreneurs are looking to get out of ECF (e.g. product and market knowledge (PMK), networking resources (NET) or promotion of his or her business idea (PR)) [7]; [8]. Second, we considered the influence of these motivations on entrepreneurial behaviours – i.e. which characteristics they choose for their campaigns (both in terms of campaign communication



and offerings,) [9] – as they depend on entrepreneurs’ goals and reflect their intentions (e.g. acquiring new market/strategy knowledge, co-creating products, fostering their company’s public awareness or exploiting a crowd network) and affect the ECF performance. Finally, we looked at how these behaviours may predict ECF performance, i.e. the outcomes of the campaign.

However, there is research suggesting that entrepreneurial self-efficacy may not have a direct influence on networking activities. Meanwhile, entrepreneurial alertness can affect networking activities by enabling individuals to identify opportunities, build relationships, and leverage their social networks to access resources and support. The influence of entrepreneurial alertness on promotional strategies may be indirect, as its primary focus is on identifying and exploiting entrepreneurial opportunities rather than on promotional activities.

Method

The sample of respondents was selected based on the criteria of active third and fourth year students who have participated in workshops, attended lectures, or seminars related to entrepreneurship. The selection of active third and fourth year students follows the opinion of [10]. This is because they are more likely to show interest in entrepreneurship. The respondents were university students in Semarang who, according to [11] have business incubators and entrepreneurial SMEs. A sample is a member of a population. The sample through a method selected from the population elements. The sample selection method uses probability sampling, which is a sampling method with the possibility that each member of the population has the same opportunity to be selected. The technique is Proportionate stratified random sampling, so that 139 respondents are obtained. This research method uses quantitative research, and using analysis test statistics in multiple linear regression. The



instrument used in this study was a questionnaire. Before the questionnaire was used, instrument testing was carried out, including validity testing and reliability testing.

Validity testing

Validity testing is used to determine the validity of the questionnaire. This is intended to evaluate the ability of the questionnaire to measure the desired metrics [45]. One way to determine the validity of a questionnaire is to look at the contents of the questions, which can indicate whether researchers can measure what they want to know [42]. Researchers conducted a validity test using Celebrity Endorser, Viral marketing, and Product Quality on Purchase Interest. With degree of freedom ($df = n - 2$), n is the number of samples, and $\alpha = 0.05$, the calculated r and table r values are compared to test significance. According [67] the item, question, or indicator is declared valid if the calculated r is greater than the table r and has a positive value.

Reliability testing

Reliability testing shows how consistent the measurement results are at both the time of symptom measurement and when the measurement is taken. According to [67], a questionnaire is considered reliable if it produces consistent results from each question asked. When measuring this research instrument, Cronbach's alpha is used to test reliability. In reliability testing, one measurement is taken. In the one-time measurement method, the results are used as a comparison to measure the relationship between the answers to other questions. If the Cronsbach alpha (α) is its value, the variable is considered valid [67].

Hypothesis test

Partial Test (T-Test)

This partial test, or t-test, aims to determine how much influence the independent variable has on the dependent variable partially. In cases where the t-count value is smaller

than the t-table value, this t-test aims to determine whether the independent variable has a significant impact on the dependent variable. The hypothesis is accepted if the significance level is less than 0.05, and rejected if it is more than 0.05. According to them, the basis for decision making is as follows: a) H_0 will be accepted if $t \text{ count} \leq t \text{ table}$, and H_0 will be rejected if $t \text{ count}$ is greater than or equal to $t \text{ table}$. b) In cases where the probability is more than 0.05, H_1 will be rejected and H_0 will be accepted; conversely, in cases where the probability is less than 0.05, H_1 will be accepted and H_0 will be rejected.

F Test (Simultaneous)

This simultaneous test, or t-test, aims to determine how much influence the independent variable has on the dependent variable partially. In cases where the calculated t value is smaller than the t-table value, this t-test aims to determine whether the independent variable has a significant impact on the dependent variable. The hypothesis is accepted if the significance level is less than 0.05, and rejected if it is more than 0.05.

Results and Discussion

The Entrepreneurial Characteristics Framework (ECF) is a framework that understands and describes characteristics relevant to entrepreneurial decisions. In the context of equity crowdfunding (ECF), ECF addresses the relationship between three main aspects: Entrepreneurial Characteristics, Entrepreneurial Motivation, Entrepreneurial Behavior. Therefore, this research is modeled as below.

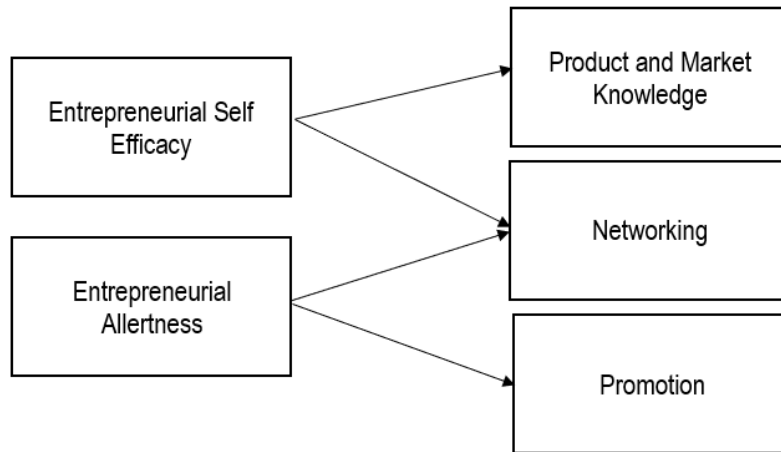


Figure 1. Research Mode

Our study focuses on entrepreneurs and, therefore, we look at the entrepreneurial characteristics that underlie Entrepreneurial Decision Making. We distinguish two well-known types of entrepreneurial characteristics, Entrepreneurial Alertness and Entrepreneurial Self Efficacy. The results of the linear regression analysis of all variables are as follows. The results of data collection show that there are 65 male respondents (60.7%) and 42 female respondents (39.3%). The majority of respondents, 76 people (71%) are aged between 20-25 years and 48 people (44.9%) work as students. Table 4.1 briefly explains the characteristics of the respondents in this study.

Table 1. Validity Test Results

Variable	Statement Items	Sig. (2-tailed)	Sig	Information
Entrepreneurial Self-Efficacy (X1)	ESE1	0,000	0,05	Valid
	ESE2	0,000	0,05	Valid
	ESE3	0,000	0,05	Valid
Entrepreneurial Alertness (X2)	EA1	0,000	0,05	Valid
	EA2	0,000	0,05	Valid

	EA3	0,000	0,05	Valid
	EA4	0,000	0,05	Valid
Product and Market Knowledge (Y1)	PMK1	0,000	0,05	Valid
	PMK2	0,000	0,05	Valid
	PMK3	0,000	0,05	Valid
Networking (Y2)	N1	0,000	0,05	Valid
	N2	0,000	0,05	Valid
	N3	0,000	0,05	Valid
	N4	0,000	0,05	Valid
Promotion (Y3)	P1	0,000	0,05	Valid
	P2	0,000	0,05	Valid
	P3	0,000	0,05	Valid

Source: Processed primary data, 2024

Table 1, it can be seen that all statement items from the variable indicators have a value of 0.000, which is smaller than the significant value of 0.05, so it can be concluded that the testing carried out in this study produces valid data.

Table 2. Reliability Test Results

Variabel	Cronbach's Alpha	Standar Reliabel	Information
Entrepreneurial Self-Efficacy (X1)	0,646	0,60	Reliabel
Entrepreneurial Alertness (X2)	0,750	0,60	Reliabel
Product and Market Knowledge (Y1)	0,761	0,60	Reliabel
Networking (Y2)	0,812	0,60	Reliabel
Promotion (Y3)	0,780	0,60	Reliabel

Source: Processed primary data, 2024

Table 2 it can be seen that for Cronbach's Alpha each variable is greater than 0.60 so it can be concluded that the instrument from the questionnaire used is stated to be reliable

or can be trusted as a measuring tool for variables. Linear regression multiple aims to know, there is influence on independent variables to dependent variables. This is a statistical calculation in regression analysis linear multiple using the program SPSS. Here are the results data processing analysis linear regression multiple presented on table as follow

Table 3. Analysis Results of Hypothesis 1 and Hypothesis 2

Model		Unstandardized B	Coefficients Std.Error	Standardized Coefficients Beta	t	Sig.
1	Constant	6.612	1.012		6.531	.000
	N	.296	.118	.284	2.511	.014
	PR	-.030	.112	-.030	-.268	.789

Source: Data processed, 2024

Table 4. Results of Hypothesis 3 and Hypothesis 4 Analysis

Model		Unstandardized B	Coefficients Std.Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	7.044	1.800		3.912	.000
	PM	.568	.225	.303	2.528	.013
	N	.165	.244	.081	.676	.501

Source: Data processed, 2024

From the two tables above, it can be seen that hypotheses 1 and 3 are accepted, because the significance value does not exceed 0.05. Meanwhile, hypotheses 2 and 4 are rejected. From this table, it is known the significance of the influence of variable This means that there is a significant influence of Entrepreneurial Self-Efficacy on Networking. Entrepreneurial Self-Efficacy towards Product and Market Knowledge has a significance

value of $0.789 < 0.005$, so H2 is rejected and H0 is accepted. This means that there is no influence of Entrepreneurial Self-Efficacy on Product and Market Knowledge. Entrepreneurial Alertness towards Promotion has a significance value of $0.013 < 0.005$, so H3 is accepted and H0 is rejected. This means that there is a significant influence of Entrepreneurial Alertness on Promotion. Also, Entrepreneurial Alertness towards Networking has a significance value of $0.501 < 0.005$, so H4 is rejected and H0 is accepted. This means that there is no influence of Entrepreneurial Self-Efficacy on Product and Networking.

F Test (Simultaneous)

Model testing, also known as the F test, is used to determine whether the results of a regression analysis are significant, or whether the estimated model is appropriate or suitable. H0 is rejected if the results are significant. This can also be stated as follows: H0 is rejected if $F_{count} > F_{table}$ H0 is accepted if $F_{count} < F_{table}$ [67].

Table 5. Simultaneous Test Results (f Test)

Information	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.609	2	2.805	3.564	.032 ^b
Residual	70.043	89	.787		
Amount	75.652	91			

Source: Data processed, 2024

Based on the table above, it can be seen that the significance value of the influence of Awareness, Product and Market Knowledge, Entrepreneurship Networks on the Selection of Capital Alternatives is $0.032 < 0.05$ and the Fcount value is $3.564 > F_{table} 2.707$. This proves that Ha is accepted and Ho is rejected. This means that there is a significant influence of

Awareness, Product and Market Knowledge, Entrepreneurial Networks on the Selection of Capital Alternatives.

Table 6. Simultaneous Test Results (f Test)

Information	Sum of Squares	df	Mean Square	F	Sig.
Regression	36.498	2	18.249	6.433	.002 ^b
Residual	252.491	89	2.837		
Amount	288.989	91			

Source: Data processed, 2024

Based on the table above, it can be seen that the significance value for the influence of entrepreneurial Self Efficacy, Promotion and Networking on the selection of alternative capital is $0.002 < 0.05$ and $F_{count} 6.433 > F_{table} \text{ value } 2.707$. This proves that H_a is accepted and H_o is rejected. This means that there is a significant influence of entrepreneurial Self Efficacy, Promotion and Networking on the selection of capital alternatives.

Determination Coefficient (R²)

The determinant coefficient test is essentially used to measure how much the independent variable (X) contributes to the dependent variable (Y). The determinant coefficient value has a value ranging from zero to one.

Table 7. Results of Determination Test (R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.272 ^a	.074	.053	.88713

Source: Data processed, 2024

It is possible that the Promotion and Networking variable has an influence of 60%, as shown by previous data, with an R Square (R²) coefficient of 0.074.



Table 8. Results of Determination Test (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.355 ^a	.0126	.107	1.68433

Source: Data processed, 2024

It is possible that the Product and Market Knowledge, Networking variables have an influence of 60%, as shown by previous data, with an R Square (R2) coefficient of 0.0126. Based on the results of the research conducted, high self-efficacy is associated with strong self-confidence. However, if such self-efficacy is not balanced with an open attitude towards new knowledge or willingness to learn, individuals with high self-efficacy may tend to underestimate the importance of acquiring additional knowledge, including in the market field. Overconfidence can make one pay less attention to learning and knowledge enhancement. Thus, research shows that self-efficacy has a positive effect on market knowledge [12].

Networking as an ongoing activity to build and maintain relationships with people in a professional or social context with the aim of exchanging information, experiences, advice, or business opportunities. This activity involves interacting with others to expand the circle of relationships, create new opportunities, and support personal or business growth. Networking can occur through various platforms, such as business events, social media, and industry meetings [13]. Entrepreneurs' sensitivity and awareness of their business environment encourages them to engage and build connections with other business people in order to find new opportunities [14]. Entrepreneurial self-efficacy will still reduce the need for external inputs. This is not only true for targeted products or markets. Some studies expect that [15]. It goes further to their network capabilities. This suggests that the more an entrepreneur focuses on capabilities, the less they will seek external talent.



Entrepreneurial self-efficacy refers to an individual's belief in their ability to successfully perform entrepreneurial tasks and roles. This belief has been shown to have a significant impact on product and market knowledge. Studies have indicated that entrepreneurial self-efficacy positively influences entrepreneurial knowledge and skills, enabling individuals to acquire a deeper understanding of product development, market trends, and customer need. Entrepreneurial self-efficacy empowers individuals to proactively seek information, learn from experiences, and enhance their expertise in product innovation and market analysis [72]. On the other hand, entrepreneurial self-efficacy may not directly influence networking activities. While networking is crucial for entrepreneurs to establish connections, access resources, and foster business growth, the relationship between entrepreneurial self-efficacy and networking may not be as direct. Entrepreneurial self-efficacy primarily focuses on an individual's confidence in their entrepreneurial abilities, whereas networking involves building relationships and connections with external stakeholders. Therefore, while entrepreneurial self-efficacy can enhance an individual's confidence in engaging in networking activities, it may not directly determine the extent or effectiveness of their networking efforts [73].

Entrepreneurial self-efficacy plays a vital role in shaping individuals' entrepreneurial knowledge and skills, enabling them to navigate product development and market dynamics effectively. While entrepreneurial self-efficacy can positively impact product and market knowledge, its influence on networking activities may be more indirect, as networking involves a distinct set of skills and behaviors that are not solely determined by self-efficacy beliefs. Entrepreneurial alertness significantly influences networking activities among entrepreneurs. Research has indicated that individuals with high levels of entrepreneurial alertness excel at identifying opportunities, engaging with external stakeholders, and utilizing their social networks to access resources and support [74].



Entrepreneurial alertness boosts individuals' capacity to recognize and capitalize on networking opportunities, enabling them to establish valuable connections, pursue collaborations, and expand their business reach [75]. Entrepreneurs with heightened alertness can effectively participate in networking activities to drive business growth and development by staying attuned to market dynamics and changes. Conversely, entrepreneurial alertness may not have a direct impact on promotional strategies. While entrepreneurial alertness is linked to opportunity recognition and decision-making, its primary focus is on identifying and exploiting entrepreneurial opportunities rather than on promotional activities. Promotion strategies, such as advertising, sales promotions, and public relations, are more closely associated with marketing communication and customer engagement, which may not be directly affected by an individual's level of entrepreneurial alertness [76]. Therefore, although entrepreneurial alertness can enhance networking capabilities, its influence on promotion strategies may be more indirect or limited.

Discussion

Entrepreneurial self-efficacy

Entrepreneurial self-efficacy is a fundamental concept in entrepreneurship research, defined as an individual's belief in their ability to successfully perform tasks and roles as an entrepreneur [16]; [17]. This belief is a strong predictor of entrepreneurial intention and action [18]; [19]. Entrepreneurial self-efficacy is a multidimensional construct that includes the perceived level of task difficulty individuals can handle, the generality of situations where self-efficacy applies, and the strength of self-efficacy when facing various job demands [20]; [21]. Research has consistently shown that higher levels of entrepreneurial self-efficacy lead to increased entrepreneurial actions and efforts [22]; [23]. Additionally, entrepreneurial self-efficacy acts as a mediator between entrepreneurship education and



entrepreneurial intention, underscoring its significance in the entrepreneurial process [24]. Individuals with robust entrepreneurial self-efficacy are better able to identify opportunities, make accurate outcome predictions, and invest energy in entrepreneurial tasks [25]. Moreover, entrepreneurial self-efficacy interacts with factors such as emotional intelligence, gender, and resilience to influence entrepreneurial career intentions and performance [26]; [27]; [28]. It has been observed that entrepreneurial self-efficacy mediates the impact of learning from entrepreneurship-related courses, previous entrepreneurial experience, and risk propensity on entrepreneurial intentions [29]. Entrepreneurial self-efficacy is a cornerstone of entrepreneurial behavior, intention, and success. It reflects individuals' confidence in their entrepreneurial abilities and plays a pivotal role in shaping their entrepreneurial journey.

Entrepreneurial Alertness

Entrepreneurial alertness is a fundamental concept in entrepreneurship, defined as an individual's capacity to identify and seize entrepreneurial opportunities that may be overlooked by others [30]; [31]. It involves actively scanning the environment, connecting disparate information, and evaluating the commercial potential of ideas [32]; [33]. This cognitive ability is recognized as a dynamic skill that significantly contributes to entrepreneurial success [34]. Research has demonstrated the pivotal role of entrepreneurial alertness in opportunity recognition and the performance of new ventures [35]; [36]. It is emphasized as a critical element in understanding how individuals perceive and capitalize on entrepreneurial opportunities [37]. Furthermore, entrepreneurial alertness is associated with the theory of planned behavior, indicating a positive correlation with entrepreneurial intention [38]. Entrepreneurial alertness is not solely an individual trait but is also influenced by external factors such as networking capabilities and organizational support [39]; [40]. It



is considered a foundational concept in identifying and exploiting entrepreneurial opportunities, thereby enhancing a company's competitive advantage [41]. Additionally, entrepreneurial alertness has been examined from various perspectives, including as a cognitive capacity, dynamic skill, and organizational factor impacting performance [41]. Entrepreneurial alertness is a multifaceted concept encompassing the cognitive ability to identify opportunities, make informed judgments, and take action in the entrepreneurial realm. It is a critical factor in entrepreneurial success, influencing opportunity recognition, venture performance, and competitive advantage.

Product and market knowledge

Product and market knowledge are essential factors in the realm of marketing and innovation. Product knowledge encompasses a firm's understanding of its offerings, including technical specifications and features, while market knowledge involves insights about the market environment, competitors, and customer needs [43]; [44]. These two types of knowledge are interconnected and significantly contribute to driving business success. Market knowledge is particularly crucial for firms aiming to innovate and develop new products. Research has demonstrated that market knowledge can enhance product innovation performance by helping firms utilize insights about customer preferences and market trends to drive radical innovation [45]. Additionally, market knowledge guides firms in designing innovations, enabling them to achieve higher levels of product innovativeness [46]. On the other hand, product knowledge is vital for firms to efficiently manage their product development processes, customer relationships, and supply chains [47]. It serves as a key resource that organizations can utilize to create and sustain market development, thereby improving their competitive edge [48]. Furthermore, product knowledge is essential for firms to comprehend and control their marketing processes, ensuring effective product



positioning and marketing to target audiences [49]. The integration of product and market knowledge is crucial for firms seeking to foster innovation, enhance customer value, and attain sustainable competitive advantages. By combining insights about their products with a profound understanding of market dynamics, firms can develop strategies that align with customer needs, differentiate their offerings, and drive business growth.

Networking

Networking in the context of entrepreneurship involves the strategic development and utilization of relationships with various stakeholders to create opportunities, access resources, and foster business growth [50]; [51]. Entrepreneurs often rely on networking to establish connections with investors, partners, customers, and other entrepreneurs, which can provide valuable support, knowledge, and opportunities for collaboration [52]; [43]. Effective networking can offer numerous benefits to startups, including access to funding, mentorship, market insights, and potential business partnerships [54]; [55]. By building a strong network, entrepreneurs can leverage the expertise and resources of others to overcome challenges, acquire new skills, and expand their business reach [56];[57]. Networking also plays a crucial role in enhancing a startup's visibility, credibility, and market presence, which are essential for attracting customers and investors [58]; [59]. Moreover, networking facilitates the exchange of ideas, information, and best practices among entrepreneurs, leading to knowledge sharing, innovation, and continuous learning [60]; [61]. Through networking events, incubators, accelerators, and online platforms, entrepreneurs can connect with like-minded individuals, industry experts, and potential collaborators to exchange insights, seek advice, and explore new opportunities [62]; [63]. In essence, networking is a fundamental aspect of entrepreneurship that enables startups to tap into external resources, build supportive relationships, and navigate the complexities of the business landscape. By



actively engaging in networking activities, entrepreneurs can enhance their visibility, access valuable resources, and position their ventures for sustainable growth and success.

Promotion

Promotion is a fundamental element in marketing strategies that aims to communicate the value of products or services to target audiences, stimulate interest, and persuade customers to make a purchase. It involves various activities such as advertising, sales promotions, public relations, and personal selling to create awareness, generate demand, and ultimately drive sales. Effective promotion strategies play a crucial role in influencing consumer behavior, building brand awareness, and enhancing customer loyalty. By utilizing promotion techniques, businesses can differentiate themselves from competitors, highlight the unique selling points of their offerings, and create a strong brand image in the market. Moreover, promotion helps businesses to reach their target audience, engage with customers, and encourage repeat purchases [64]; [65]. Research has shown that promotion strategies, when combined with other elements of the marketing mix such as product quality, pricing, and distribution, can significantly impact consumer purchase decisions and overall business performance [66]; [67]. By integrating promotion efforts with product innovation, service quality, and information technology, businesses can enhance the perceived value of their offerings and attract and retain customers [68];[69]. Furthermore, the effectiveness of promotion strategies can be influenced by factors such as market conditions, consumer preferences, and the competitive landscape. Understanding the dynamics of promotion and its impact on consumer behavior is crucial for businesses to design and implement successful marketing campaigns that resonate with their target audience and drive business growth [70]; [71]. In conclusion, promotion is a key component of marketing strategies that plays a crucial role in creating brand awareness, influencing



consumer behavior, and driving sales. By developing and implementing effective promotion strategies that align with business objectives and customer needs, organizations can enhance their market presence, attract customers, and achieve sustainable growth.

Conclusion

This study explored several entrepreneurial decisions prior to campaign launch, and we found that underlying EDMs are important entrepreneurial characteristics that influence their motivation as well as behavior. Entrepreneurs who decide to use Equity Crowd Funding present different levels of Entrepreneurial Alertness and Entrepreneurial Self-Efficacy, thus leading them to seek different opportunities derived from mass exploitation (Product, Networking, and Promotion). These motivations in turn affect entrepreneurial behavior and, as a consequence, Equity Crowd Funding performance. In summary, entrepreneurial alertness positively affects networking activities by empowering individuals to identify opportunities, cultivate relationships, and effectively leverage their social networks. However, its impact on promotion strategies may be less direct, as promotional activities are more closely tied to marketing communication and customer engagement, which may not be directly correlated with an individual's level of entrepreneurial alertness. This research uses concepts that are already known in the literature. Furthermore, a theoretical framework is built based on Entrepreneurial Decision Making. The aim is to understand entrepreneurial decisions in the current context. The research highlights that the entrepreneurial aspects underlying the entrepreneur's decision to use Equity Crowd Funding are critical. The results show that the selection of campaign characteristics is only the last step in a broader process, where entrepreneurial characteristics and motivations are important factors. In addition, this research shows that studying the pre-campaign phase is indispensable to further contribute to the Entrepreneurial Decision Making literature.



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