

SANTARA CROWDFUNDING MARKETING

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ABSTRACT

Santara is a service that utilizes financial technology that is engaged in crowdfunding. This paper aims to describe, namely: 1) the media used by intermediaries in marketing; 2) Intermediate marketing targets. Researchers used qualitative research procedures with documentation data collection techniques. The results showed that, 1) The media used by Santara, namely: website, Instagram, Facebook, Twitter, YouTube, and applications on the Play Store 2) Santara's marketing target is Small and Medium Enterprises. However, between grouping into two main targets, namely a) people who want to own a business, but they do not have the skills, time or capital; b) business people who need funding to expand their business development. This is in line with Santara's vision, namely Scale Up Small and Medium Enterprises, Scale Up the Indonesian Economy.

Keywords: Santara; Crowdfunding; Marketing

INTRODUCTION

Financial technology in Bank Indonesia Regulation Number 19/12/Pbi/2017 is defined as the use of technology in the financial system that produces new products, services, technology, and/or business models and can have an impact on monetary stability, financial system stability, and/or efficiency, smoothness, security and reliability of the payment system (Gubernur BI 2017).

Lack of literacy regarding crowdfunding is likely to be one of the causes of the low participation of Indonesian people in crowdfunding, resulting in the slow development of crowdfunding in Indonesia. Dependence on banking or can be referred to as the conventional financial industry is more in demand by the people of Indonesia compared to crowdfunding platforms. When people need capital to open a business or suddenly have an innovative idea to start a business, they will apply for a capital loan in the form of credit to the banking sector. (Nugroho and Rachmaniyah 2019).

The existence of obstacles in accessing information, education and literacy via the internet related to knowledge and understanding of financial products is one of the causes of the low participation of the Indonesian people

in crowdfunding, resulting in the slow development of crowdfunding in Indonesia (Nugroho and Rachmaniyah 2019). The development of FinTech provides many new financing alternatives, namely financing channels that are outside the traditional system. For example, crowdfunding provides an alternative way for businesses to raise funds at a lower cost or in a way that is not possible traditionally. In fact, crowdfunding is also considered one of the most popular types of alternative finance (Assadi 2016).

As a sub-topic of financing, FinTech also helps promote equity and social cohesion. In fact, many successful cases of FinTech innovation come from low-end or emerging markets, and the early customers of many FinTech companies are considered unprofitable by incumbents. For example, many SMEs face liquidity shortages and cannot finance sufficient funds from the existing banking system even though they are willing to pay higher interest rates. In this regard, a French company, Finexkap, offers businesses a fast, flexible and fully digital factoring process. This has facilitated more than €50 million in receivables financing. More importantly, it helps many SMEs in their difficult times. Another example is gender discrimination in access to finance, women are often excluded from the existing financial system in many developing countries and FinTech has the potential to change this situation. The above are just two of the many examples of how FinTech can improve financial inclusion (Leong 2018). In the crowdfunding system, there is a correlation between entrepreneurs who have creative ideas and business projects that require an injection of funds with investors who have sources of funds.

To raise funds, crowdfunding needs to do service marketing. Belleflamme et al, found that crowdfunding utilizes social media networks such as Facebook, Twitter, LinkedIn and other sites to raise funds. For entrepreneurs, crowdfunding has the main goal of providing alternative solutions to obtain funding (Belleflamme, Lambert, and Schwienbacher 2010). This is in line with Young's opinion which explains that crowdfunding is a method of raising funds obtained from crowdfunding of the public for all types of businesses, ranging from product ideas, and businesses that are already running, and receive rewards in the form of goods or services. (Young 2012).

The following researchers describe several studies that examine crowdfunding marketing. First, Sayidah and Candra in their research on Indonesia's two largest crowdfunding platforms: Kitabisa.com and Gandengtangan found that as social innovations, the two companies have different social innovation networks but implement similar stages of social innovation, from the idea formulation stage to the first stage. scaling and diffusion of innovations, but both are still in the development stage to create a systemic impact on social innovation as a whole. This research is expected to have practical implications for the empowerment of social innovations initiated by the government or the private sector and theoretical implications on the

development of collaboration-based innovation management to solve social and economic problems. The novelty of this research lies in the focus of research that discusses the role of crowdfunding platforms in creating social innovations that have not been widely studied in Indonesia (Sadiyah and Candra 2020). Second, Mutschler et al, in their study questioned what impact the marketing of using social media channels has on crowdfunding? According to them the new social network, which focuses on audio communication only, has recently attracted attention, especially due to the COVID-19 pandemic (Mutschler et al. 2021).

In other words, the findings provide direction for marketing researchers to analyze the potential use of social media marketing in promoting crowdfunding. One of the largest and growing crowdfunding in Indonesia is Santara. There are still no researchers who have studied how to market their products. This paper aims to answer research questions, namely: 1) What media does Santara use to market its products? 2) Who are Santara's marketing targets?

RESEARCH METHODS

This study uses a qualitative approach with a qualitative descriptive method. The primary data sources in this study were the Santara website and youtube channel. While secondary data is obtained from documents related to Santara, both from research results and books relevant to research problems. To collect data, researchers used documentation techniques. To determine the trustworthiness of the data, an examination technique is needed. There are four criteria that can be used to test the validity of the data, namely the degree of credibility, transferability, dependability and certainty of the data and research results.

RESULTS AND DISCUSSION

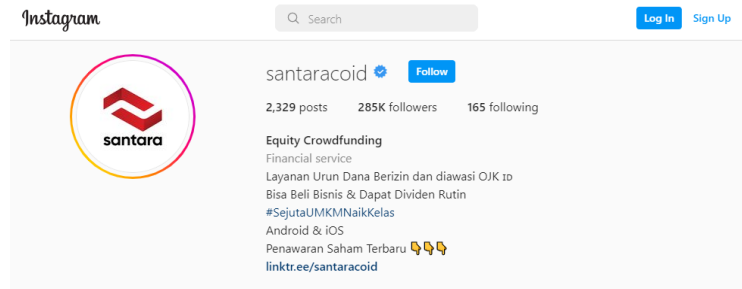
The Media Santara Uses To Market Its Products

Santara is the first Equity Crowdfunding Platform licensed and supervised by the Financial Services Authority based on Decree Number: KEP-59/D.04/2019(Santara n.d.). Below are some of the media used by Santara as a marketing medium or promoting its products.



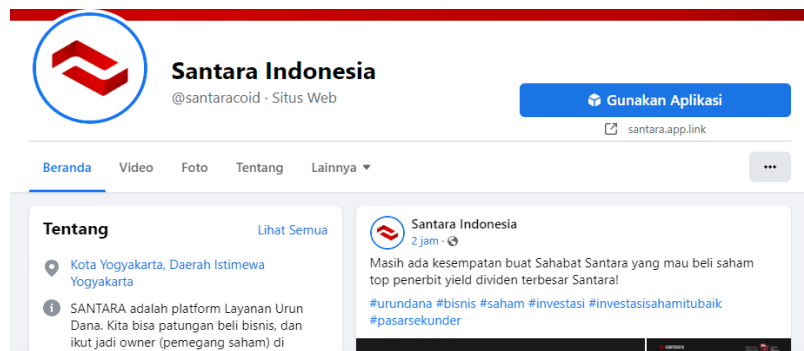
Picture 1. Website Santara(Santara n.d.)

Santara has an official website as the main medium for meeting investors and publishers. Apart from the website, Santara's main media is also in the form of applications that can be downloaded on the Play Store.



Picture 2. Instagram Santara (Instagram Santara, n.d.)

Santara also uses Instagram as a promotional medium with an account called santaracoid. Santara's Instagram followers have reached 285,000 with 2,329 posts.



Picture 3. Santara’s Facebook (Santara, n.d.)

Apart from Instagram, Santara uses Facebook as a marketing medium. Santara's Facebook is named “santara Indonesia”



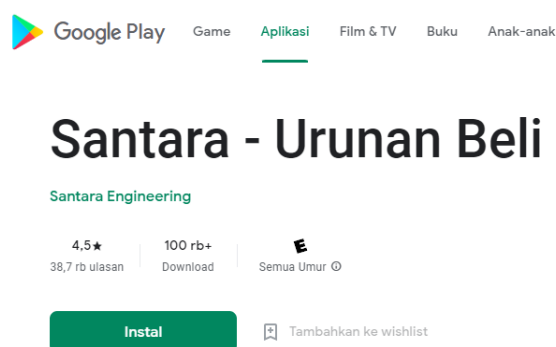
Picture 4. Santara’s Twitter (Santara, n.d.)

Santara has been using a twitter account since June 2018. Among Santara's marketing media, Twitter is the media with the least number of followers, namely 4



Picture 5. Channel Youtube Santara (Santara, n.d.)

Santara has a youtube channel called Santara official, currently Santara's youtube subscribers have reached 94.5 thousand.



Picture 6. Santara Application (Santara, n.d.)

The Santara application already has 38.7 thousand reviews with 4.5 stars and has been downloaded by 100 thousand users. The Santara application is also a medium where investors and publishers meet. Santara application named “Santara – Urunan Buy Business” or in Indonesian is “Santara – Urunan Beli Bisnis”

Santara's Marketing Target

The organizer is PT Santara Daya Inspiratama, which is the party that provides, manages, and operates Crowdfunding Services. Users are Publishers and Investors. Issuer is a business entity in the form of a limited liability company, which is a party that implements Crowdfunding Services offering technology-based Shares through the Operator. Investor is the party that purchases Issuer Shares through the Operator(Santara, n.d.).

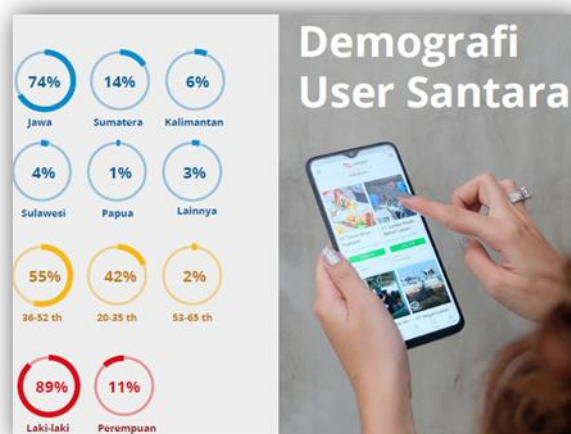
Departing from the vision of Scale Up Small and Medium Enterprises, Scale Up the Indonesian Economy, Santara was created. Because, by helping 59.69 million Small and Medium Enterprises scale up, it has the potential to help more than 200 million people prosper (Santara, n.d.). Santara is a solution, 1) for people who want to own a business, but they don't have the

skills, time or capital; 2) for business people who need funding to expand their business development (Santara, n.d.).

As one of the largest crowdfunding companies in Indonesia, Santara has been covered by various media as shown in picture 7 below. As well as having the distribution of users in picture 8.



Picture 7. Santara has been covered by the media (Santara, n.d.)



Picture 8. Santara user demographics (Santara, n.d.)

DISCUSSION

The Media Santara Uses To Market Its Products

Fintech is recognized as one of the most important innovations in the financial industry and is growing rapidly, driven in part by the sharing economy, regulation, and information technology (Lee and Shin 2018). Santara has obtained a permit from the Financial Services Authority of the Republic of Indonesia Number: KEP-59/D.04/2019 (Santara n.d.). As a service provider, Santara also conducts marketing to promote its products. In this regard, according to Belleflamme and Peitz, integrating crowdfunding can also assist companies in testing, promoting and marketing their products, in gaining better knowledge of their consumer tastes, or in creating entirely new products or services. It is an advantage to be able to improve products and services from

the comments and reactions obtained by crowdfunding before the general sale (Belleflamme and Peitz 2015).

As the results of the research above, in marketing its products, Santara has media as a means of reaching users. The media used by Santara, namely: website, Instagram, Facebook, Twitter, YouTube, and applications on the Play Store. According to Akhbar, crowdfunding is relatively easy to use and is already internet-based so that it can be accessed by everyone. In practice, a person or business unit that needs funding for their project will submit a proposal along with the amount of funds they need to work on the project through the crowdfunding management website. The community will study the proposed proposal, and if the project is considered attractive, then they will deposit capital to fund the project. In crowdfunding there is usually no minimum amount limit for depositing capital so that everyone can participate, although of course there are differences in returns according to the nominal deposited by the donor (Fadillah Akbar 2015). In addition Mollick mentions "Crowdfunding has also been used for marketing purposes, creating interest in new projects in the early stages of development", namely; he demonstrated the potential effects of crowdfunding marketing (E. R. Mollick 2012).

The use of social media is a way of marketing their products to potential investors and investors. Number of Santara Investor Member > 208.898 (Santara, n.d.-c). As mentioned by (Estellés-Arolas and González-Ladrón-de-Guevara 2012) Crowdfunding is a type of fundraising that is sourced from multiple investors through a participatory online-based platform intended to finance businesses listed on the platform. Such cooperation can be in the form of participation, fundraising, and knowledge or expertise. The current practice of crowdfunding is a result of the commercialization of the modern Internet. The use of this technology lowers transaction costs, is effective and efficient (Agrawal et al., 2014).

Santara's Marketing Target

The target market for Santara is Small and Medium Enterprises. However, between grouping into two main targets, namely 1) people who want to own a business, but they do not have the skills, time or much capital; 2) business people who need funds to expand their business development (Santara, n.d.). Crowdfunding can be practically integrated by becoming a platform in every sector of economic activity, one of which is in the Micro, Small and Medium Enterprises sector. This Crowdfunding system is to realize a certain project or program online by seeking contributions from the wider community (Koçer 2015).

Crowdfunding is a funding technique for projects or business units that involve the wider community. The concept of crowdfunding was first coined in the United States in 2003 with the launch of a site called Artistshare. On this

site, musicians try to find funds from their fans to produce a work. This initiated the emergence of other crowdfunding sites such as kickstarter which was involved in funding the creative industries in 2009 and Gofundme which managed the funding of various events and businesses in 2010. Crowdfunding itself is already quite well known internationally and is estimated to have raised \$16.2 billion dollars in 2014 (Fadillah Akbar 2015).

Crowdfunding is a method that connects entrepreneurs who need funding to increase capital with investors who have sources of funds through internet-based intermediary entities (Valančienė and Jegelevičiūtė 2014). Santara as the organizer brings together users (buyers and investors). Issuer is a business entity in the form of a limited liability company, which is a party that implements Crowdfunding Services offering technology-based Shares through the Operator. Investor is the party that purchases Issuer Shares through the Operator (Santara, n.d.). Crowdfunding can help drive the democratization of innovation, entrepreneurship and entrepreneurial finance even further. By giving a voice to people who should never have had the opportunity to seek funding, much less provide it, crowdfunding creates opportunities for new businesses and innovations, as well as new waves of investors. In addition, by involving large numbers of people in funding and supporting projects, these crowdfunding platforms can reduce the need for inefficient (and often biased) intermediaries (E. Mollick and Robb 2016). This is in line with Santara's vision, namely Scale Up Small and Medium Enterprises, Scale Up the Indonesian Economy.

CONCLUSION

Crowdfunding Service is a crowdfunding service program organized by the Operator by offering the Issuer's Shares to Investors or the general public through an electronic system network of crowdfunding services through information technology-based Share offerings (equity crowdfunding) owned by the Operator which are open as stipulated in the Regulation of the Financial Services Authority for Crowdfunding Services. (Santara, n.d.). santara as a crowdfunding service uses the media as its marketing tool. The media that I use are websites, Facebook, Instagram, Twitter, and applications on the Play Store. The main target of the marketing of Antarctica is small and medium enterprises. Santara divides into two groups of marketing targets, namely: 1) people who want to own a business, but they do not have the skills, time or capital; 2) business people who need funding to expand their business development.

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