Crowdfunding in digital humanities: some evidence from Indonesian social enterprises

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Abstract

Purpose – This article aims to understand how social enterprises adopt crowdfunding in digital humanities by investigating the mission drifting, risk sharing and human resource practices.

Design/methodology/approach – This exploratory study uses a qualitative method by observing five different social ventures in Indonesia. The case study involves observation of social enterprises that concern digital humanities projects and interviews with those who manage the crowdfunding for financing the projects as the key respondents. The analysis uses an interpretative approach by involving the respondents to explain the phenomena.

Findings – (1) Adopting the crowdfunding platform encourages social enterprises to reshape social missions with more responsive action for digital humanities. (2) Crowdfunding allows social enterprises to share the risk with stakeholders who focus on fostering the social impact of digital humanities. (3) Crowdfunding stimulates social enterprises to hire professional workers with flexible work arrangements to attract specific donors and investors.

Originality/value – The result extends the principles of social enterprises by introducing some concepts of crowdfunding in digital humanities. This study also explains the boundary conditions of digital humanities projects and how crowdfunding can support the projects by adopting the principles of the social enterprise that works on digital humanities projects.

Keywords Social enterprise, Digital humanities, Crowdfunding, Social mission, Sharing risk, Voluntary workers

Paper type Research paper

Introduction

“Digital humanities” is the area where computer science and humanities intersect. The wide range of computational tools has enabled social enterprises that work in humanities project to digitise archival materials for posterity, to map the exchange and transmission of ideas in history and to study the evolution of common words over the centuries. However, digital
humanities projects often suffer from uncertain financial resources, even though the projects provide a clear institutional focus for information and advice on digital humanities (Terras, 2015). Over the last decade, information technological turbulence has brought a dramatic change in the third sector by providing alternative financing channels as a form of crowdsourcing for collaboration, which thus raises a question on how technology plays the mediating role allowing such organisations to crowdsource for support in those digital humanities (Agrawal and Khare, 2019).

During the early works, digital humanities refers to the technical support to the work of humanities scholars (Berry, 2012), the concept of which then becomes an umbrella term for a various set of practices that concern combination of digital media and humanities (Jones, 2014). The emergence of digital technology and resources in humanities enquiries resists the challenge of a project to be sustainable (Zhang et al., 2015). Previous studies indicate that most crowdfunding was at an early stage of digital humanities, which raises the question of viability (Banhatti, 2016). A recent study of the interplay between crowdfunding and sustainability occurs in countries with English-speaking users of social media, which is arguably still at its infancy and calls for further assessment of the evolution of the phenomenon in the coming years and different contexts (Laurell et al., 2019).

The crowdfunding platform demonstrates the revolution of the financial service industry, including crowdfinancing and crowdinvesting (Tomczak and Brem, 2013; Moritz and Block, 2016). Crowdfunding is a kind of crowdsourcing by allowing online supporters to engage in social projects to contribute to resources in addressing social problems, which has similar logic as crowdsourcing in humanities projects (Terras, 2015). Crowdfunding, as a type of crowdorganising, includes “spot transactions, short-term relations, demand-based pricing, heterogeneous demand, and reputations established through feedback mechanism” (Powell, 2017).

A social enterprise is an entity of a sub-division of the third sector (Borzaga and Defourny, 2004), which addresses social problems for the standards of humanities and care by involving economic actors and enabling technology applied to create sustainable financial models (Phillips et al., 2015). The idea of using crowdfunding to finance digital humanities has become popular, but some librarians raise a question whether the shifting funds orientation can sustain for the long term (Reinsfelder and Pike, 2018). A significant number of studies on social enterprises examine how ventures achieve their social mission through economic activities (Defourny and Nyssens, 2017). Other studies have attempted to address the absence of a standard definition of social enterprises by exploring the social participation among civil society organisations, small and medium enterprises (SMEs) and government and research institutions (Bidet and Defourny, 2019); the social impact (Kelly et al., 2019); mission drifting (Mersland et al., 2019) and social performance (Battarai et al., 2019).

This article aims to understand how social enterprises adopt crowdfunding in digital humanities by investigating the mission drifting, risk sharing and human resource practices. We use a qualitative method to evaluate five social enterprises, which practice different types of crowdfunding activities in Indonesia. The rest of the article is split into the following sections: First is a literature review, which seeks to explore the theoretical framework, including the principles of social enterprises and the three types of crowdfunding activities. The next section provides the results, which is followed by a discussion that compares the findings from the case studies to the findings of the discussed literature studies. The last section provides a conclusion, highlights some limitations and suggests future studies.

**Literature review**

A social enterprise is an entity of a sub-division of the third sector (Borzaga and Defourny, 2004), which addresses social problems for the standards of humanities and care by involving economic actors and enabling technology applied to create sustainable financial models.
The practices of social enterprises are related to the social initiative to address a social problem by adopting business approaches (Defourny and Nyssens, 2017). The previous studies that identify the standard definition of social enterprises involve stakeholder participation (Bidet and Defourny, 2019), social impact (Kelly et al., 2019), mission drifting (Mersland et al., 2019) and social performance (Battarai et al., 2019).

An organisation is considered as a social enterprise if they manage (1) a permanent production of good and services, (2) a relatively high degree of autonomy, (3) a significant level of economic risk and (4) professional workers (Borzaga and Defourny, 2004). Considering the definition suggested by the Department of Trade and Industry in the UK, a social enterprise is a business organisation with the primary social objectives that allocate its surpluses for investment to achieve social purposes rather than to maximise profits for the shareholders (Battarai et al., 2019). The emerging models of leading social enterprises are variously rooted in digital and venture capital, which spins off from conventional finance (Langley and Leyshon, 2017).

The crowdfunding platform is the best example of how digital humanities includes specific projects that use a humanities approach to construct digital resources, which raises broad interest in the humanities themselves (Rockwell, 2013). Digital humanities does not only represent the divergence set of values with a common aim to advance knowledge, foster innovation and serve the public but also aim to conflict, which reveals different ideologies (Spiro, 2012). Hence, the balance between technology and humanistic inquiry becomes central for digital humanities degree (Hergenrader, 2017).

Various types of crowdfunding seek for balancing the role of multiple stakeholders (Mollick, 2014; Belleflamme et al., 2014; Bruton et al., 2015; Ziegler et al., 2018). The crowdfunding practice is a way to develop a venture’s activities through the process of fundraising, where social entrepreneurs tailor their campaign better than on standardised platforms (Belleflamme et al., 2014). The process involves groups of people pooling money via the Internet to support a particular project (Ahlers et al., 2015). The financial contribution consists of various types, including lending, equity, reward and donation (Ziegler et al., 2018).

The crowdfunding attempts to raise financial support through accessing the alternative channels to the stakeholders (Mollick, 2014), which call for effective communication with potential backers due to the uncertainty that springs from indirect consumption benefits (Petruzzelli et al., 2018). A weak primary education and healthcare system is the most common issue in this developing country that becomes the primary concern to the crowdfunding practices of social ventures (Pratono and Maharani, 2018). Hence, the concept social enterprises has been emerging with various models, such as non-profit organisations and cooperative and community enterprises (Pratono et al., 2019).

Social innovation
The initiative of social innovation through publicising their mission statements is critical for legitimacy and accountability purposes as the stakeholders ought to screen, monitor and evaluate (Mersland et al., 2019). The community will enjoy the benefits emerging from social innovations, but there is a lack of economic incentive to pursue them unless the government plays in correcting this market failure (Pol and Ville, 2009). A lack of primary education and healthcare services still becomes a common problem for the country (Pratono and Maharani, 2018). Therefore, the locus of innovation springs from collective learning within the social system that demonstrates the interactions between different actors operating within the same social network and needs to be developed through mutual learning (Phillips et al., 2015). The full expression of innovation leads to the production of new knowledge that has financial value implications through well-crafted strategies and flexible manufacturing schemes (McElroy, 2002). The system-shaping solution of social enterprises involves a unique
innovation that generates direct social-ethical values for the beneficiaries, who are predominantly vulnerable people in the society (Lubberink et al., 2019).

The theory of altruism extends the marketing studies by establishing a critical linkage between corporate brand credibility and consumers’ intention to donate, where the corporate brand is relevant not only for business organisations but also for social activities (Pratono and Tjahjono, 2017). Therefore, the need for accountability and differences across time horizons of aid programs can constrain the role of agencies that administer them. Hence, it is essential to evaluate the extent to which competition and regulation affect the availability, cost and performance of alternative forms of finance in different countries and across programmatic constraints (Bruton et al., 2015). In online crowdfunding communities, social information plays a pivotal role as potential donors can see the level of support from other project and timeline before making a decision (Kuppuswamy and Bayus, 2018).

Several forms of crowdfunding exist to aid entrepreneurs. They vary with respect to the investment and expectations of the would-be investors (Short et al., 2017). Crowdfunding helps the organisations overcome their resource constraints by leveraging the local social networks to a much larger pool of capital from strangers (Agrawal and Khare, 2019). The platform provides the possibility of raising money for start-ups and new ventures as well as makes funding possible for niche projects that are perceived as non-profitable and thus are not able to borrow funds from traditional sources (Moritz and Block, 2016). The concept of crowdfunding has been emerging from the idea of “crowd”, which indicates the need for community participation to make a viable financial alternative to generate ideas, feedback and solutions (Belleflamme et al., 2014). Crowdfunding shows the ability to receive funding through the use of the Internet from large audiences with a relatively small amount, instead of large sums from a small number of donors (Mollick, 2014).

Reward crowdfunding reflects how the individual backers or funding organisations provide financial resources to individuals, projects or organisations in exchange for non-monetary rewards, such as products or services (Ziegler et al., 2018). The decision to pledge the financial resources to a project mainly springs from the interest of individuals in receiving rewards (Cholakova and Clarysse, 2015). Reward-based campaigns may provide the funding organisation with the opportunity to pre-purchase a product or service, while the reward structure to support a social project through a donation may not adopt the pre-purchasing approach (Kraus et al., 2016). High-valuation consumers play a pivotal role in a crowdfunding campaign as transforming innovation to products requires sufficient funds to cover the development costs (Bender et al., 2019). The reward-based crowdfunding involves the capability of entrepreneurs to benefit the targeted community groups by communicating their product innovation, providing updated information and becoming responsive to the stakeholders’ inquiry (de Larrea et al., 2019).

The equity crowdfunding model shows how individuals sought a controlling interest of an organisation (Ziegler et al., 2018). In this type of crowdfunding model, the funders allocate the financial resources to receive the financial rewards from their investment. This model is very different from the reward-based crowdfunding platform, which provides limited rewards, such as the product itself or recognition for financing the venture (Cholakova and Clarysse, 2015). The minimum threshold amounts for equity crowdfunding are quite low to encourage conventional investors to take part in social innovation (Bruton et al., 2015). Crowdfunding activities with low-complexity products gain benefits from favourable product perception and trust. In contrast, the success of crowdfunding with high-complexity products evokes more favourable product perceptions and trust (Wehnert et al., 2019). The activities may become useful to deal with the uncertainty market by complementing between angels and crowd investors that bring essential benefits to venture investment (Wang et al., 2019).

Donation crowdfunding refers to a provision of funding to individuals, projects or organisations based on altruistic motives (Cholakova and Clarysse, 2015). Some
crowdfunding efforts, such as art or humanitarian projects, follow a patronage model, placing funders in the position of philanthropists, who expect no direct return for their donations (Mollick, 2014). Value creation is essential for developing content sharing and co-creation by involving various stakeholders to participate in alternative financial evolution (Shneor and Flåten, 2015). The higher venture quality with substantial human capital has a positive impact on funding success on equity crowdfunding platforms. Educational degrees are a useful signal about first-time “high-technology” venture founders (Ahlers et al., 2015).

**Economic risk**

Bearing economic risks of social enterprises demonstrates the risk of the initiative, which may spring from the efforts of their members to secure adequate resources for supporting the social mission (Defourny and Nyssens, 2017). The economic risk may come from how society misunderstands the concept of social enterprise that fails to meet international standards (Nuchpiam and Punyakumpol, 2019). On the other hand, the willingness to participate in supporting both business and social activities springs from the materialism behaviour by valuing social and economic results (Pratono and Tjahjono, 2017). Some studies leverage the theoretical perspectives that show how individual crowd reacts to the information, which campaigns project attempts to attract potential supporter (Short, et al., 2017).

Social innovation is an initiative to meet the needs of communities by generating new products, services and activities, which are more effective than the traditional market and public sectors (Moulaert et al., 2013). As the crowdfunding activities may bring potential disruption, risk concerns of crowdfunding may occur when one or more platforms collapse due to malpractice (Ziegler et al., 2018). There is also a danger to crowdfunding from shifting to a traditional investment model, which relies on interest or equity returns. A lack of regulation for equity crowdfunding may not only allow online access to angel investors but also offer little differentiation with existing microfinance (Hornuf and Schwienbacher, 2017). The worse scenario occurs when prosecutions for social security fraud are associated with unregulated investing behaviour, especially by the “crowd” of consumer-investors (Kuppuswamy and Bayus, 2018).

Crowdfunding does allow not only the organisation to be dependent on the community but also the community to become more mature by promoting emerging regulation frameworks (Ziegler et al., 2018). The communication technology may offer efficient interaction between investors and those who need it, which allows small businesses to raise funds from various investors. In this case, control rights and voting power become additional benefits for the participating crowd (Belleflamme et al., 2014). There are many open aspects at the end of the model, especially regarding the legal issues and reinvestment as well as other gaps that can be filled in (Tomczak and Brem, 2013). They face the challenge of signalling the quality of their project, among a plethora of investment options (Vismara, 2016). Much potential funding may not contribute to a crowdfunding project because they assume that other donors have offered the necessary financing (Kuppuswamy and Bayus, 2018).

Risk governance under information turbulence becomes the essential issue of crowdfunding as the platforms do not seem to correctly price the technological risk (Bento et al., 2019). The capital requirements for donation-based and reward-based crowdfunding platforms tend to be smaller than those for the lending-based and equity-based crowdfunding platforms (Lam and Law, 2015). Empathy may explain the non-financial motivators to predict whether the individual intends to support the project (Pratono, 2018). Donation crowdfunding is considered to become successful when the organisers successfully generate financial support by managing a well-developed social network outside of the neighbourhood (Brent and Lorah, 2019).
The opened digital labour networks have brought digital humanities project to depend on flexible workers, who seek their own path. The nature of creative works at digital projects is often a lack of funding to pay professional staff, which make them rely on grants, donations and volunteerism (Kelly et al., 2019). The professional team helps the firms through a better knowledge of their consumers’ tastes or creating innovation (Belleflamme et al., 2014). The unprecedented volumes of content have brought significant implications on how organisations incorporate Internet technologies to interact with internal and external stakeholders (Shneor and Fläten, 2015). By increasing the social attention towards sustainability issues, the professional staff members stimulate more individuals to behave according to sustainable models (Petruzzelli et al., 2018). It appears that not all the information will ultimately be a sufficient signal to help overcome the problem of information asymmetry. Useful signs have at least two characteristics: observability and signal cost (Ahlers et al., 2015). The projects with small goals, short duration and a video are likely to get support from the backers (Kuppuswamy and Bayus, 2018).

Crowdfunding activities may not only generate a large number of small businesses to overcome the unemployment issue but also bring a meaningful impact on the non-profit organisation and consumers’ lifestyle (Bruton et al., 2015). The adoption of social networks allows crowdfunding activities to foster the growth and performance of the organisations (Shneor and Fläten, 2015). This process enables entrepreneurs to offer a large variety of compensation to the crowd, including active involvement regarding time and expertise (Belleflamme et al., 2014). Investment patterns over time are not strongly related to the geographic distance between the artist and funder after controlling for the artist’s offline social network. This result contrasts with that of the existing literature studies that emphasise the importance of spatial proximity in early-stage financing (Agrawal and Khare, 2019).

It is essential for crowdfunding activities to identify the stakeholders who are willing to contribute and how they adopt the information technology for a particular type of project in various areas (Brent and Lorah, 2019). The collaborative capability is an essential element for operating successfully in crowdfunding networks, which denote the continuum of managerial and collective agencies (Fehrer and Nenonen, 2019). Social capital plays a crucial role in attracting early investments in crowdfunding campaigns. The impression of trustworthiness plays a pivotal role in peer-to-peer lending (Duarte et al., 2012). Hence, crowdfunding initiatives that come from non-profit organisations tend to be significantly more successful than in other organisational forms in achieving their fundraising targets, even after controlling for various project characteristics (Belleflamme et al., 2014). Focussing on the business aspects of a venture is likely to be counterproductive for fund-seeking entrepreneurs, which connotes the potential danger of introducing extrinsic cues into microlending platforms (Allison et al., 2015).

The impression of trustworthiness plays a pivotal role in financial transactions as they predict investor, as well as the borrower’s behaviour (Duarte et al., 2012). The supply of for-profit and not-for-profit types of finance comes from different kinds of ventures, yet research has not established whether this is the case. There are also both formal and informal forms of capital, which may bring different impacts on fundraising (Bruton et al., 2015). Ideally, this measure should capture the social capital that a proponent has built internally to the platform and should be independent of the prior experience of project campaigns that a proponent may have gathered (Colombo et al., 2014). The battle of a proponent with a more significant number of social network connections is expected to have a higher probability of success due to the greater likelihood of direct bids from those with whom she/he is connected (Vismara, 2016).
**Research method**

This study uses a qualitative approach to address the research question on how social enterprises operate the crowdfunding process. The crowdfunding sites in Indonesia are still at the early step, many of which were established in the 2010s and became inactive recently. For that reason, this study uses a qualitative method with multiple case studies to examine the practices of crowdfunding in social enterprises. The case study was undertaken by interviewing the respondents and observing the online crowdfunding, which can survive over the last five years. The article addresses the questions using the perspective of crowdfunding managers to understand how social enterprises operate the crowdfunding process.

**Interview design**

The main research question of this study is how social enterprises use crowdfunding to support digital humanities projects. This study draws the research question into three mini questions:

1. How does social enterprise shape its social mission in different types of crowdfunding?
2. How does crowdfunding help social enterprises manage economic risk?
3. What is the role of professional staff in social enterprises when they adopt crowdfunding?

The researchers conducted observation before selecting the respondents for interview. The discussion began with the following question: “How have your experiences as a manager or founder in setting the social purposes with support from the stakeholders?” The interview includes follow-up questions to obtain the optimal response from the research participants and to avoid the interviewees miss the topic, such as “What is the risk for running the crowdfunding?” and “How do you deal with the risk?” The interview was conducted in the Indonesian language and was videorecorded.

**Data collection process**

The research motivation began from the Indonesia Development Forum in August 2017, which enables the authors to get to know the social workers who concern about digital humanities to promote sustainable development. In 2018, the researchers began to identify the respondents who manage the crowdfunding platforms. This study observed five organisations, which adopt the practices of social enterprises that concern with digital humanities in Indonesia. The organisations have survived by practising crowdfunding over the last five years. Hence, the data collection was undertaken between January and October 2019 through a series of discussions in Jakarta and Surabaya.

As each aspect of the phenomenon indicates different sets of meaning units (Elliot and Timulak, 2005), this study used open-ended questions to ask the key persons in social enterprises about their practices for adopting crowdfunding activities. The open-ended interview allows the researchers to encourage the participants to elaborate on the phenomenon, while the observations are openly beyond the specific pre-existing categories (Bekhet and Zauszniewski, 2012). Moreover, the discussion is part of the general strategy of data gathering, which enabled the researcher to be flexible and carefully adapted to the challenging issues in which the research participants attempted to communicate their experiences that make each interview unique.

The analysis involves data preparation; data were collected in the form of notes. A previously conducted study shows that the qualitative description approach indicates
subjective interpretation strengthened and supported by reference to verbatim quotations from participants (Brandshaw et al., 2017). This approach attempts to make sure that the qualitative data were credible by having two experienced researchers independently code the data. Hence, the researchers seek to understand the setting and situation, where that local language shows the context and relies on the values that spring from the interaction among researchers, informants and social locations.

Data coding and interpretation of findings
The first step involves reading each interview transcript, and open coding began upon a second reading. This step of the analysis uses the interpretative approach from interviews and observation of the organisations with online platforms, which involve prudential analysis with much reflection. After examining the data, the author considered the local perspective towards interviews to open up the alternative. A previously conducted study confirms that it is essential to understand the interview process and to produce additional insights (Qu and Dumay, 2011). This study identified the concepts by drawing from the literature of social enterprise and crowdfunding types. The first reading of the data focused on questions that reflected the purpose of our research in an attempt to overcome triangulation challenges.

The second step focussed on the grouping of similar segments of text into code. As the categorising is an interactive process by prioritisation based on data, the literature review helps to understand the process inevitably (Bekhet and Zauszniewski, 2012). We then compared the coding schemes and found agreement between the researchers. Ideas for categories also spring from the knowledge of previous literature and findings of previous studies. This study draws the first preposition by identifying the social innovation of the social enterprises following the crowdfunding adoption at the observed organisations. The second proposition was derived from the way the organisations share the risk.

Respondent profile
The first respondent is a charity-based organisation in Bali, which attempts to reveal the hidden history through cutting-edge digital technology by gathering, refining and sharing cultural resources through traditional Sanskrit. Digitisation is used for creating new access paths to cultural information, where current and future generations can learn from, understand and develop cultural resources using digital technology such as the Internet and mobile technology.

The second respondent represents a natural conservation project in Makassar, which concerns on natural heritage artefacts and cultural practices that are tacit and fragmented, making their preservation difficult yet crucial. The project manages online fundraising to support an appropriate digital method and tool for preserving, searching for, storing and sharing cultural heritage knowledge. The organisation attempts to promote health issues by creating the archives for text and artworks to encourage healthy living.

The third respondent is a mass organisation in Jakarta, which creates a crowdfunding page to promote pluralism and multi-culture value. The organisation builds a crowdfunding platform solely for charity with standard features such as donation pages, social media and custom designs to explore the local values by publishing a series of publications, workshops and conferences. The platform also provides in-depth fundraising guides to help their community members to make their campaign a success. Many activities were associated with religiosity and politics issues.

Another organisation registered as a fundraiser in Maluku attempts to promote local values through the informal education services for young people by publishing anthologies and short stories from the past centuries. The organisation manages more than IDR1 billion
Every year to back up school children and education activities in remote islands. Starting in 2002, the organisation has gained support from more than 1,000 supporters. Hence, the organisation conducts tourism business to help the communities have education access by allowing the tourists to share their knowledge. The communities provide a reward for those who support their project. Online social marketing is the most popular program for the organisation, which could raise more than IDR4 billion to support the tourism project.

The last organisation provides an early-stage generalist venture capital firm with an online platform, which facilitates the equity-based crowdfunding for impact investors. The organisation concerns in growing sectors in an emerging market by providing financial equity to scaling up the social businesses that impact Indonesia. All of the targeted partners are the early-stage firms that concern education, where digital humanities becomes the main topic. Most of the partners are start-up businesses, which attempts to gain financial support from the angel investors and non-profit organisation (see Table I).

Findings
The data analysis shows how social enterprises that work for digital humanities operate the crowdfunding process. Given that alternative forms of financing often are driven by technology, the emerging social enterprises raise questions on how technology plays a different role in firms receiving such funding. The evidence indicates that social enterprises adopt crowdfunding practices in various ways ranging from donation to equity crowdfunding. The donation crowdfunding allows social enterprises to enhance the access to the supporters by adopting the donation crowdfunding practices, which is characterised by an absence of physical proximity between the target group and donators. The reward crowdfunding is a process having raising the standard of living of the targeted communities, who live in a remote area, as the primary objective. The findings show how crowdfunding activities motivate the observed organisation to transforms from a non-profit organisation to social enterprises by generating income from economic operations.

**Preposition I: adopting the crowdfunding platform encourages social enterprises to reshape social mission with more responsive action to market competition**

The first organisation indicates that key stakeholders play a pivotal role in reshaping the organisation purposes through social networks. Crowdfunding platform allows the organisations to meet the key partners and thus reshape the ideas to market. The innovation helps the social enterprise reach out to customers and stakeholders to refine ideas and gauge interest. The organisation gains support from the visitors, who are interested in understanding the hidden history through the traditional language Sanskrit, which gives some ideas to provide tourism.

The second organisation concerns with reward-based crowdfunding activities to fund their natural conservation activities by reproducing books and workshops about the biology of rare plants and some alternative strategies for the conservation. The organisation also

<table>
<thead>
<tr>
<th>No</th>
<th>Position</th>
<th>Duration of interview</th>
<th>Interview types</th>
<th>Type of crowdfunding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Founder</td>
<td>80 min</td>
<td>Visiting the office</td>
<td>Donation crowdfunding</td>
</tr>
<tr>
<td>2</td>
<td>Founder</td>
<td>90 min</td>
<td>Meeting at a co-working space</td>
<td>Reward crowdfunding</td>
</tr>
<tr>
<td>3</td>
<td>Manager</td>
<td>70 min</td>
<td>Visiting the office</td>
<td>Reward crowdfunding</td>
</tr>
<tr>
<td>4</td>
<td>Manager</td>
<td>80 min</td>
<td>Visiting the office</td>
<td>Donation crowdfunding</td>
</tr>
<tr>
<td>5</td>
<td>Manager</td>
<td>130 min</td>
<td>Meeting at a co-working space</td>
<td>Equity crowdfunding</td>
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Table I. Profile of respondents and the interview types
invites visitors who are interested in the plants that have local cultural and spiritual values. The performance of crowdfunding provides evidence of the growing awareness that the endangered plants provide an essential resource for human existence, attracting school children and researchers that regularly visit, which then becomes the tourism industry for nature conservation.

Another organisation used to focus on managing study groups for young people in Ambon City. The crowdfunding site offers an opportunity to finance the social activities by engaging in tourism business not only to visit the place but also to share knowledge with the school children in the remote areas. In the early step, the organisation invited friends and families, most of whom come from the metropolis, i.e. Amsterdam and Jakarta. After visiting the community at the remote islands, the visitors are interested in becoming a volunteer to give a lecture to the school children through online media.

The platforms provide information resources to improve treatments, such as homoeopathy for cancer, hyperbaric oxygen therapy and long-term antibiotic therapy. The platforms also deal with insurance gaps by helping patients to afford essential care and avoid medical debt. A growing number of customers who use crowdfunding sites to ask for money to cover medical expenses provide an initiative to focus on healthcare services. The organisation used to focus on fundraising for health information. Once it meets targeted resources and the operation is carried out, donors receive a piece of updated information on how the patient is faring. Following the support from the stakeholders, the organisation offers an online social insurance system and connects them to the donors that they need by providing a short biography, their medical condition and their circumstances.

Preposition II: crowdfunding allows social enterprises to share the risk with stakeholders that focus on fostering the social impact of digital humanities

The social ventures use the crowdfunding platform to get donors, who attempt to pool their resources, which in turn allows the organisation to facilitate remote access to their collections. The first respondent highlights the role of stakeholders from crowdfunding concerns on hidden history through cutting-edge digital technology by refining cultural resources. The platform carries an element of risk when the collected funds fail to reach the expected amount of target at the specified time limit for a special event. There was an observation that some cultural activities were not able to achieve their objectives while others stem ahead. The venture focuses on a certain number of live campaigns at any time, and the crowdfunding platform encourages people to donate monthly as well as letting people contribute to individuals.

The fourth respondent argues that the platforms allow his organisation to extend the digitalisation of the local culture by offering opportunities for volunteers to explore the local history around the Maluku Islands. To deal with the conflict of interest, the organisation focuses on connecting the volunteers, classroom and communities by dealing with uncertain engagement with media and local culture, while the local communities manage the tourism industry. The project carries a risk of rejection from the community who had to commodify their weak education system on the online donation forums. The crowdfunding allows the local community to earn a fee for managing the community development program by promoting the tourism industry.

The last respondent with equity-based crowdfunding confirms that the investment for social impact poses a higher risk than profit-oriented business because return becomes longer than a for-profit venture. The crowdfunding platform helps the investors to find credible social enterprises. On the other hand, individual donors may give a small amount of money and thus are not particularly bothered by the returns. Hence, the crowdfunding platform risks losing credibility when the venture manager misuses the joint venture funds to buy luxury things, even though he/she argues that the goods are for operational tools. The incident of fraud raises public awareness of the risk in crowdfunding.
Proposition III: crowdfunding stimulates social enterprises to hire professional workers with flexible work arrangements for attracting specific donors and investors

Adopting the crowdfunding site requires the capability to manage not only the biology, social and cultural aspect of human life but also communication with the stakeholders. The venture capitals need professional staff to provide one best practice, which is essential to build credibility. The crowdfunding carries an element of risk when the project creators fail to reach the amount of targeted fund at the specified time limit for a specific digital humanities project. The venture may focus on addressing cultural and social problems, which easily provoke curiosity and excitement, but social innovation is not quickly to be commercialised.

Building a relationship between beneficiaries and donors tasked the negotiation skill to affect the project, which requires serving the innovators not only to meet the specific demands and to build support communities but also to promote the transparency by performing proper due diligence and evaluation. The platforms provide a direct connection between the funding organisations and the targeted groups or project creators as the beneficiaries in a position of trust. Then, they begin with hiring professional crews and consulting firms to attract stakeholders from social media by creating and sharing content on social networks. Hiring professional staff helps the creative ventures to achieve quick performance, but the long-term performance calls for changing organisation culture, which is different from the traditional non-profit organisation.

For charity-based crowdfunding, social enterprises hire professional staff to boost social and financial performance. The way to manage an infinitive archive requires specific skills to maintain vast quantities of articles and data suddenly available on social media. The social enterprise employs IT staff who not only are experts in developing the platform and managing the archive but also understand how to attract donors from social media. It needs a considerable amount of effort to tell if the story of the project is beyond the large-scale digital edition from many different periods and civilisations. On the other hand, donors may focus too much on the level of awareness of social and cultural issues.

Discussion

This article shows the practices of crowdfunding platforms managed by social enterprises, which operate a digital humanities project to provide a solution for a social problem. The first social enterprise takes charity crowdfunding to increase product and service diversification, whereas reward crowdfunding allows another organisation to integrate income-generating and social activities. Findings indicate that the Indonesian third-sector organisations began as donation-based crowdfunding and were later expanded into social enterprises by adopting the practices of the crowdfunding platform to finance a vast array of social projects with the social media campaign. Despite these differences, certain principles apply in most cases (see Table II).

Theoretical implication

This study extends the discussion of the interplay between crowdfunding and sustainability by responding to the research gap of the previous research, which indicated that the social entrepreneurs did not seek to create substantial agreement but rather sought on compassion for others with the specific initiative (Laurell et al., 2019). On the contrary, this study shows how crowdfunding has reshaped the way how social enterprises become more responsive to respond to the social change by allowing the impact investment to share the risk. The results indicate that critical donors play a pivotal role in supporting social enterprises by encouraging them to generate more social innovations and sharing economic uncertainty.

The previously conducted research highlights that the first element of social enterprises is adopting economic production to address the social problem (Defourny and Nyssens, 2017).
Hence, this study shows how the crowdfunding platform helps social enterprises to reshape their social innovation. When the social enterprises adopt the crowdfunding platform, they need to not only apply the conventional social networks but also consider the increasing role of stakeholders in the decision-making process. This study extends the previous discussion, which argues that the crowdfunding calls for effective communication due to the uncertainty support from indirect benefits (Petruzelli et al., 2018) but also helps the organisation to deal with economic risks by sharing the resources.

<table>
<thead>
<tr>
<th>Open codes</th>
<th>Axial codes</th>
<th>Selective codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversify products</td>
<td>Begin to share knowledge</td>
<td>Reshaping social innovation</td>
</tr>
<tr>
<td>Creating new ideas</td>
<td>Adopting the tourism industry to promote sustainable movement</td>
<td></td>
</tr>
<tr>
<td>Looking for a new thrill</td>
<td>Reaches out to more customers</td>
<td></td>
</tr>
<tr>
<td>Want to be the great thing</td>
<td>The donors understand that a social project has a financial return longer than the for-profit project.</td>
<td></td>
</tr>
<tr>
<td>Accepting new ideas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Being creative</td>
<td></td>
<td></td>
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<tr>
<td>Feeling ambitious</td>
<td></td>
<td></td>
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<tr>
<td>Grow quickly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Embracing a rapid speed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Help small businesses and vulnerable groups</td>
<td></td>
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</tr>
<tr>
<td>Financial surplus to promote sustainability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project fails to pay</td>
<td></td>
<td></td>
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<tr>
<td>Financial surplus to promote sustainability</td>
<td></td>
<td></td>
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<tr>
<td>Providing credit rating for the recipients</td>
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<tr>
<td>More social impact</td>
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<tr>
<td>Long-term performance calls for our consistency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focus too much on sadness cases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guarantee to investors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fail to reach the targets</td>
<td></td>
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<tr>
<td>Beyond our capability</td>
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<tr>
<td>Unhappy comments</td>
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<td></td>
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<tr>
<td>Excuse to shirk from their responsibilities</td>
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<td></td>
</tr>
<tr>
<td>Hired a consulting firm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best practices to build credibility.</td>
<td></td>
<td>From voluntary to professional workers</td>
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<tr>
<td>Achieve quick performance</td>
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<td></td>
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<tr>
<td>Developing the credit rating system</td>
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<td></td>
</tr>
<tr>
<td>Need changing in organisational culture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Used to rely on voluntary employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helps platform to gain support from the donors and creditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expert in developing the platform</td>
<td></td>
<td></td>
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<tr>
<td>Attract donors from social media</td>
<td></td>
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<tr>
<td>Table II.</td>
<td></td>
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<tr>
<td>Open codes, axial codes and selective codes</td>
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</table>
Secondly, the findings confirm those of the previous study, which argue that crowdfunding helps the organisations overcome their resource constraint by leveraging their local social networks to a larger pool of financial resource (Agrawal and Khare, 2019). The crowdfunding platforms allow the project creators to reach out directly to customers and stakeholders to refine ideas and gauge interest. Regarding the commercial project, crowdfunding platforms can also serve as integrating income-generation activities and social activities within the organisation. Moving from the traditional process to a platform approach increases product and service diversification, which generally results in potential outcomes. By increasing the social attention towards sustainability issues, crowdfunding activates a bandwagon effect that further stimulates more individuals to behave according to sustainable models (Petruzzelli et al., 2018).

Thirdly, adopting the charity-based crowdfunding practices transforms the social enterprises from the centralised market for fundraising into more participation with support from the key stakeholders. The balance between technology and humanistic inquiry becomes central for digital humanities degree (Hergenrader, 2017). A previously conducted study argues that crowdfunding stimulates more individuals to behave according to sustainable models (Petruzzelli et al., 2018). Hence, this study shows that the strong relationship between social enterprises and their stakeholders is based on trust. Relationship building requires the professional staff who develop social innovation which not only meets the specific demands and builds support communities but also promotes the transparency that convinces investors by performing proper due diligence and evaluation.

This study also extends the previous research, which argues that the social enterprise conducted business to achieve social purposes by hiring professional workers (Borzaga and Defourny, 2004). In online crowdfunding communities, social information plays a vital role in the ultimate success of a project (Kuppuswamy and Bayus, 2018). Hence, this study argues that crowdfunding encourages social enterprises not only to apply the traditional networks on social media to share information but also to become another way of sharing the resource. Potential donors consider the level of support from the stakeholders before making their own funding decisions.

Managerial implication
This study shows how social ventures attempt to integrate their income-generating activities within their core social activities by adopting the crowdfunding platform. The phenomenon indicates how the organisations manage income from various resources, including market income, public grants and philanthropic funds. Hence, it is essential to consider some limitations of crowdfunding for the organisations, which attempt to rely too heavily on it. In the current business environment turbulence, the success of social enterprises on adopting crowdfunding does not just rely on support from the targeted group but more importantly depends on how the organisation manages the relationship between an organisation and its stakeholders. Thus, the stakeholders play a pivotal role in the development of an organisation, which is determined by their creativity to foster social innovation, the capability to integrate social purposes and commercial projects and the ability to build trust through social networks.

Secondly, turning to risk management, the pressure of community support also generates a sense of obligation in project creators as well. There is a substantial cost of failure, but it is much less personal. In fact, not all the projects meet the expectation; successful fundraising typically calls for support from key partners and stakeholders. Providing a guarantee through sharing the risk with the key partners increases the stakeholders’ supports. The crowdfunding may provide opportunities for consumers to become a driver for change. As a result, despite there being limited consequences from failing to achieve social purposes, failure is expected to occur remarkably rarely in crowdfunding.
Lastly, the crowdfunding offers the phenomena of open source where full-timers manage the overwhelmed platform. The volunteers who work in social ventures seem to be not relevant for long-term sustainability. The crowdfunding may help social enterprises to generate social innovation as developing products to serve society better. However, stakeholders may suggest that entrepreneurs should adopt crowdfunding for social purposes because a firm is associated with an organisation with an attempt to seek profit instead of people. Hence, social enterprises are encouraged to generate more value for them. The crowdfunding involves a coalition of like-minded customers, which may drive the original purposes of social enterprises.

**Limitation**
This study remains exploratory and has not yet provided empirical evidence on the state of crowdfunding practices in the social enterprise context. The observed cases do not represent all social enterprises in Indonesia. A general survey and empirical studies are needed to provide a broader picture of social enterprises in the country. Future studies need to examine how the integration between the market orientation and the social mission interacts with organisational cultures in the various social enterprise models. The cases raise a question of whether the market income implies a weaker commitment to support the social mission. This study on how crowdfunding and social enterprises are inter-related remains in its early steps of the evolution. Hence, more in-depth analysis is needed to understand the sustainability of crowdfunding practices in long-term observation.

**Conclusion**
Crowdfunding in digital humanities has brought the social entrepreneurs to deal with various stakeholders by hiring the commercialised labour with flexible work arrangement and transferring the economic risk from the capital market into the individual and certain groups. This study has resulted in some concepts, which extend the previous studies on crowdfunding practices in digital humanities projects. Linking crowdfunding practice to strategies of social ventures is a promising venue for analysis. The result extends the concept of crowdfunding in digital humanities by adapting the principles of social enterprises, including social purposes, risk in a commercial project and governance. This study provides some principles in crowdfunding that explain the boundary conditions and how crowdfunding can be fruitfully used to support the social enterprise that works at digital humanities projects.

**References**


Further reading


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