

Islamic Crowdfunding in Indonesia and Malaysia: Exploring the Role of Social Media in Mobilizing Funds for Social Impact

Aris Puji Purwatiningsih¹, Febrianur Ibnu Fitroh Sukono Putra²,
Aries Setiawan³

¹*Universitas Dian Nuswantoro, Indonesia*
aris.puji.p@dsn.dinus.ac.id

²*Universitas Dian Nuswantoro, Indonesia*
fbr10[a]@dsn.dinus.ac.id

³*Universitas Dian Nuswantoro, Indonesia*
arissetya_005[a]@dsn.dinus.ac.id

*Corresponding Author: *aris.puji.p@dsn.dinus.ac.id*

Abstract: This article is based on a literature search that uses crowdfunding criteria and keywords, Islamic Crowdfunding, Giving, Social Media, Malaysia, Indonesia, Islamic Country. Based on these criteria, 56 publications and several official websites can be accounted for the validity of their contents. Then we analyze the literature to find out how Indonesian and Malaysian people behave in participating in donation-based crowdfunding. In addition, we also highlight the practice of Islamic law regarding crowdfunding-based donations in the two countries. Analysis of Islamic shari'ah compliance is also our goal. The results of this literature study are expected to be useful for increasing donations based on Islamic crowdfunding, especially in countries with Muslim populations.

Keywords: Indonesia, Malaysia, Islamic Crowdfunding, Social Media

1. Introduction

The understanding of business applications based on sharia, or Islamic religious rules, is growing rapidly, especially in light of technological growth. Using the right technology makes all financial activities easier, including investment activities. Investments can be made together with limited capital through crowdfunding. Crowdfunding is not only a useful potential fundraising tool, but also provides information about potential projects and reduces uncertainty within companies (Viotto da Cruz, 2018). Crowdfunding is not only for business, it is the result of advances in information technology through digital media in fundraising for philanthropy, exploiting community expertise (Belleflamme, P. et al., 2014) and supporting community wisdom. (Mollick & Nanda, 2015). Sharia crowdfunding has recently become an idol in financing new entrepreneurs, even though Islamic finance already exists. Various financial and technological sources can be used to improve Islamic finance (Firmansyah, E. A., & Harsanto, B., 2022). However, positive evaluations, feelings of comfort and usefulness of Islamic finance are needed to support the growth of public trust in Islamic finance (Ali, S.N., 2017). Although it is known that research on Islamic finance is increasing, there are still very few studies and articles on Islamic crowdfunding (Özdemir, Meter. & Selçuk, Meter, 2021).

This research is important in informing readers and the general public that social media crowdfunding-based fundraising platforms can encourage community action and encourage communities to participate in giving. From a religious practice standpoint, it can provide information to the wider community, especially Muslims, that fintech crowdfunding arrangements do not violate Sharia law and that their goals are in accordance with sharia. . This data comes from Kitabisa.com and Kitafund, the two top crowdfunding donation platforms in Indonesia and Malaysia

2. Literature Review and Hypothesis

1. Fintech and Social Media

Fintech that combines finance and technology can provide users with superior services (Fenwick et al., 2017). Many of today's widespread fintech technologies use artificial intelligence (AI), blockchain or NFC. Factors that can maximize the effectiveness of fintech in attracting new users and maintaining user loyalty include: customer service, compatibility, usability, security, loyalty intentions, technology perception, speed and company innovation (Ahelegbey, D.F. et al., 2023). The emergence of fintech in fundraising activities in general can increase the willingness of the Indonesian people to donate (Niswah, F.M. et al., 2019). This is in accordance with Islamic charity reports published by KNEKS Syariah Economics in interim reports, such as the National Amil Zakat Agency (BAZNAS), Amil Zakat Institutions (LAZ) and others, which have increased since

the pandemic (KNEKS, 2020). Crowdfunding sites have managed to catch the attention of many innovative social media platforms.

Through this social media, individuals or companies can get solutions to specific problems from all over Indonesia, even from around the world. Individuals can communicate and collaborate through this medium. In addition, crowdfunding can help people in need quickly and on target. The ease of obtaining information and donating through social media has also increased the number of digital donations in Indonesia every year (Indonesian Philanthropy, 2021), even during the Covid-19 pandemic, digital donations have almost doubled (Digital Donation, 2020). In the end, Indonesia was chosen as the most generous country in the world during the Covid-19 pandemic (Indonesia Dermawan, 2021) and in 2021 Indonesia will again become the most generous country in the world, while Indonesia won the same title in 2018 previously (Potret Behavior, 2021). This may indicate that Indonesian people still care socially about other people's difficulties and want to be involved in fundraising to help other people's difficulties. Kopernik and GoPay also launched the "GoPay Digital Donation Outlook 2020" at the end of 2020 as an example of Indonesia's digital donation ecosystem (Potret Behavior, 2021).

Apart from Indonesia, Sharia fintech also has the potential for development in Malaysia which is still very vulnerable to the risk of digital attacks (Hui, H.W. et al., 2019). Waqf fundraising also shows that the emergence of crowdfunding donations can increase waqf fundraising in Malaysia (Mohd Thas Thaker, M.A. et al., 2018). In fact, the presence of fintech in crowdfunding has helped increase the participation of community donors in Mudharabah Malaysia contracts (Ishak, M.S.I. et al., 2021). Qard Hasan Islamic crowdfunding, with its superior tracking and payment system, is considered a financial solution for Malaysian Small and Medium Enterprises (MSMEs) (Aderemi, A.M.R. and Ishak, M.S.I., 2022). Many factors influence the success of crowdfunding, and it is better if these factors are managed properly (Chen, Y et al., 2019). To date, most studies of online media philanthropy have focused on single philanthropic websites (Bennett, MR, and Einolf, C.J., 2017), groups of philanthropic websites (Burt and Gibbons, 2011), or I look at donor reactions to site acquisitions. . such as eBay and related marketing purposes (Aldridge and Fowles, 2013). Research on the role of social media has examined networks such as Facebook and Twitter in fundraising and community building. For example, Quinton and Fennemore (2013) used semi-structured interviews with charity and marketing managers to explore views on the use of social media by UK charities. In addition, the phenomenon of using social media to develop crowdfunding-based donations also occurs in Indonesia and Malaysia, which have the largest Muslim populations in Southeast Asia. It is important to highlight this phenomenon that researchers study more crowdfunding practices to identify crowdfunding sustainability opportunities (Testa, S. et al., 2019). (Petruzelli, A. et al., 2019). Crowdfunding is also an option to fund commercial or non-commercial projects, but there are still many risks such as money laundering and terrorist financing (Bennett, M.R., and Einolf, C.J., 2017). Although it is known that there is an increase in research on Islamic institutions, there is still very little research and articles on crowdfunding (Özdemir, M. and Selçuk, M., 2021).

Donation Base on Crowdfunding

One of the innovations in the digital world is the emergence of donation-based crowdfunding. It does not provide relief supplies or financial rewards for donations made by donors. More specifically, supporters of donation-based crowdfunding campaigns are said to be motivated by altruism, peer recognition, respect, or self-esteem rather than by tangible rewards or money (Sánchez, A. and Cuesta, J.A., 2005). To better understand donor behavior in this context and increase the success of your fundraising efforts, it is important to understand how donation-based crowdfunding works. The internet is the key to attracting crowdfunding donations from donors over the age of 35. Donors tend to interact online (Aldridge and Fowles, 2013; Bennett, 2009) and are more accessible online than traditional media (Burt and Gibbons, 2011). Digital donations with the concept of crowdfunding or crowdfunding the wider community are very much in line with the generational culture known as Gotong-royong, or Indonesian culture with a tradition of helping each other in people's social life (Gotong Royong, 2021). Regarding business ideas, the philosophy of implementing crowdfunding is also practiced by Indonesian people through the formation of cooperatives to encourage economic development (Indonesian Cooperatives, 2021). Donation-based crowdfunding is currently the most popular fundraising strategy for digital platform entrepreneurs, gaining popularity worldwide (Cai, W., Polzin, F., and Stam, E. 2021). Crowdfunding is an alternative way to raise funds. In particular, crowdfunding enables anyone, including individuals, groups and companies, to participate financially in projects, products and ideas that do not require large-scale funding (Pratono, A.H., et al., 2020). Crowdfunding projects are usually run by individuals or groups seeking funding to make the project a success. Many entrepreneurs use crowdfunding to raise capital effectively, especially in the creative industries (Song, Y. and Van Boeschoten, R., 2022). Beyond the creative industries, donation-based crowdfunding has become a new channel for funding non-profit, pro-social and other "good cause" initiatives. It

is a philanthropic style that reflects a new and innovative paradigm of online philanthropy (Gerber, L., and Hui, J., 2016).

Like other crowdfunding models, the donation-based crowdfunding model consists of three parts: campaign funders/fundraisers, donors/supporters, and the online platform. Donation-based crowdfunding platforms offer fundraisers the opportunity to launch unlimited campaigns via the internet for charity within a certain period of time (Shneor and Munim 2019). Crowdfunding is also an online “call” to meet financial needs in the form of donations or bartering arrangements that generate rewards and project authority (Belleflamme et al., 201). Donation-based crowdfunding using information technology is said to significantly reduce the coordination and transactional effort involved in collecting donations compared to traditional charitable donations (Choy and Schlagwein 2016). In the early stages of crowdfunding, social media such as Facebook and Twitter were used to find information and resources to facilitate fundraising (Song and Vinig, 2012). The Viral ALS Ice Bucket Challenge 201 campaign on Facebook generated four times more donations than the previous year (Zillman, 201). Like other crowdfunding models, the donation-based crowdfunding model consists of three parts: campaign funders/fundraisers, donors/supporters, and the online platform. Donation-based crowdfunding platforms offer donors the opportunity to launch unlimited campaigns via the internet for charity within a certain period of time (Shneor and Munim 2019). Donation-based crowdfunding using information technology should significantly reduce the coordination and transactional effort involved in collecting donations compared to traditional charitable donations (Choy and Schlagwein 2016). Non-profits and non-profits usually strive for a clear vision when working in certain fields. Crowdfunding is easier than traditional fundraising because fundraising activities are less specific and tailored to the needs of recipients and entrepreneurs (Lambert and Schwienbarcer, 2010).

Donation-based crowdfunding is gaining popularity around the world and is an easy way for entrepreneurs to raise funds for various purposes through digital platforms (Aderemi and Ishak, 2020). Bennett (2008) argues that the role of websites in charity promotion requires a "radical new way of thinking", due in part to the potential comeback of the Internet. The Internet, in particular, is an important tool for children under the age of 35. They tend to interact online (Aldridge and Fowles, 2013; Bennett, 2009) and are more accessible online than traditional media (Burt and Gibbons, 2011). A lot of research has been done on this occasion about the reasons for giving. For example, prior knowledge of philanthropy, existing routine giving, a sense of personal commitment to philanthropy, and pursuing emotional motives are prerequisites for impulsive giving (Bennett, 2009). Anik et al. (201), through field and online experiments, found that conditional matching (predictions about the likely behavior of others) was more effective than social proof based on other people's past behavior for increasing contributions. This proved to be an effective incentive. In addition, experimental studies of website button design changes have shown that transactions have a positive impact on donation wishes (Burt and Gibbons, 2011). To date, most research on online media philanthropy has focused on single philanthropic websites (Bennett, 2009; 2016), groups of philanthropic websites (Burt and Gibbons, 2011), or eBay for marketing. site acquisition. Purpose (Aldridge and Fowles, 2013). Research on the role of social media explores how networks such as Facebook and Twitter raise funds and build a sense of community. For example, Quinton and Fennemore (2013) used semi-structured interviews with charity managers and marketing agents to gather views on the use of social media by UK charities.

3. Methodology

This article is based on a literature search that uses crowdfunding criteria and keywords, Islamic Crowdfunding, Giving, Social Media, Malaysia, Indonesia, Islamic Country. Based on these criteria, 56 publications and several official websites can be accounted for the validity of their contents. Then we analyze the literature to find out how Indonesian and Malaysian people behave in participating in donation-based crowdfunding. In addition, we also highlight the practice of Islamic law regarding crowdfunding-based donations in the two countries. Analysis of Islamic shari'ah compliance is also our goal. The results of this literature study are expected to be useful for increasing donations based on Islamic crowdfunding, especially in countries with Muslim populations.

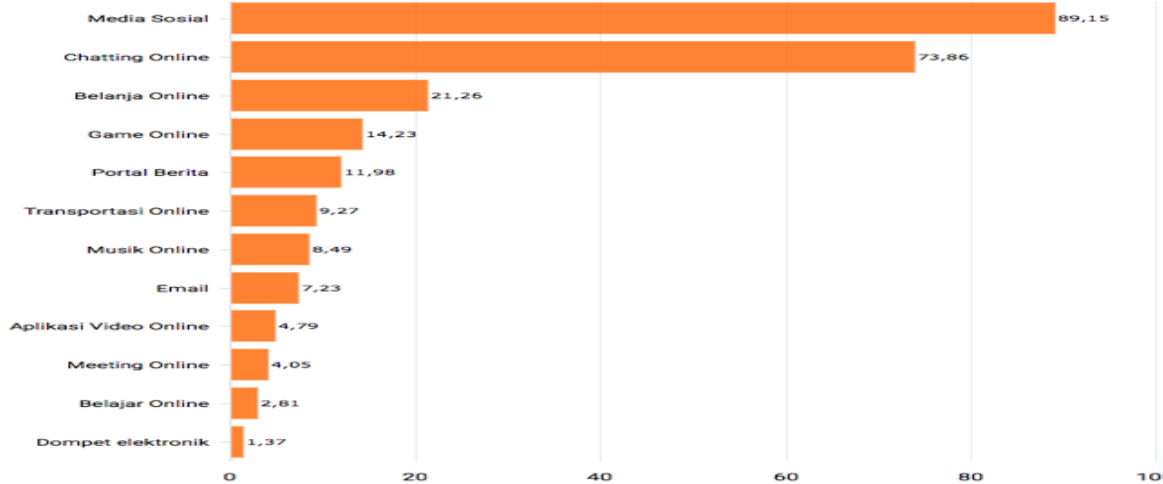
4. Finding

Islamic Crowdfunding in Indonesia, Malaysia and Muslim-Populated Countries

According to potential data (2021), Indonesia was voted the most generous country in the world during the Covid-19 pandemic and will again become the most generous country in the world in 2021, with Indonesia reaching the same level in early 2018. title. This information can prove that Indonesian people still care socially about other people's problems and want to participate in fundraising activities to help other people's problems. The Kopernik and GoPay reports published in the “GoPay Digital Donation Outlook 2020” (Potret, 2021) explain the potential Indonesia's digital donation ecosystem at the end of 2020. In fact, the number of digital

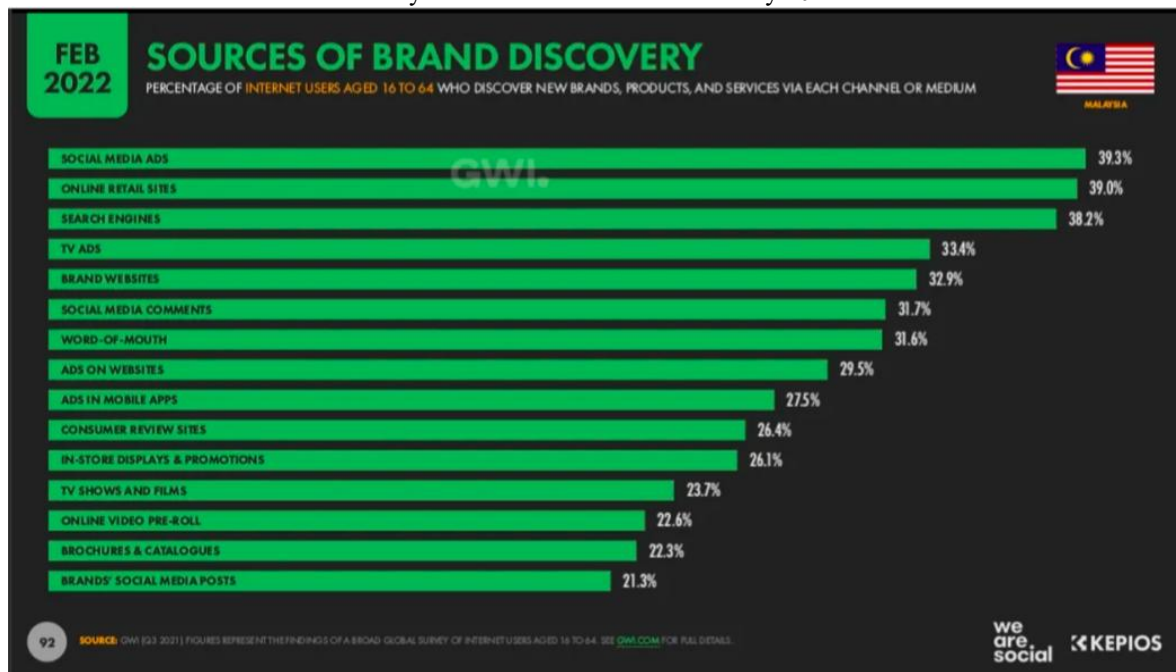
donations is increasing. During the COVID-19 pandemic it reached 72% compared to the previous period. However, one of the challenges of crowdfunding in Islamic countries is terrorism, which can disguise crowdfunding (Teichmann, F. et al., 2022). Crowdfunding can also be carried out in Sharia-based countries such as the Persian Gulf Countries, although the practice of crowdfunding must be strictly Islamic Sharia. Entrepreneurs are encouraged to try crowdfunding (Thottoli, MM, 2022). The use of social media as a means of raising crowdfunding donations can also be found in Malaysia and Indonesia. Internet use in these two countries is dominated by Indonesian and Malaysian social media. This shows that social media is the main choice of internet users as shown in Figures 1 and 2 below, with around 89.15% of internet users in Indonesia and 5.7% of internet users in Malaysia using social networks.

Figure 1
 The Most Internet Content Accessed In Indonesia Indonesia 2021-2022



Source: Databoks Indonesia, 2022

Figure 2
 Malaysia's Sources of Brand Discovery 2021



Source: GWI Q3 2021

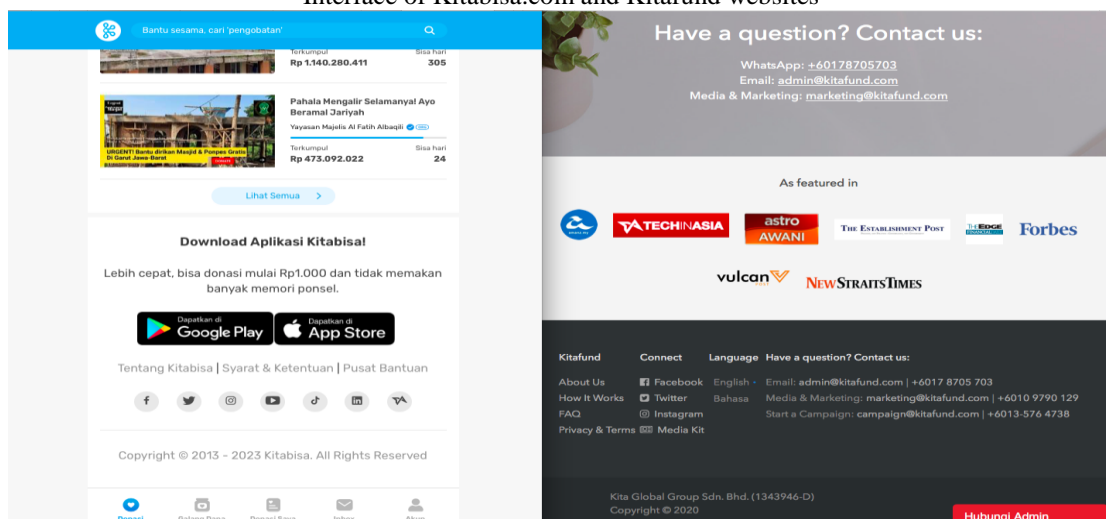
From the picture above, we can see that internet users in Indonesia and Malaysia use social media the most. This is because social media charities and virtual events can be leveraged to collect achievements and awards, mobile optimization and companion campaigns (Newstex Global Business Blogs, C. Newstex. J., 2021). This is not surprising as Indonesia has also seen the success of crowdfunding platforms like Kitabisa.

com can invite more people to donate and collaborate with existing zakat, infak and waqf institutions (Liputan6, 2021). Nearly 90% (89.15%) of internet users in Indonesia use social media as the most visited internet content. Online chat is the most used online content, used by 73.86% of Indonesian netizens. The increase in online donations in Indonesia is the impact of the increasing number of internet users in Indonesia. Nearly 72% of internet users in Malaysia use the internet to access social media (Malaysia Social Media Penetration, 2022). This is reflected in data showing that Malaysian WhatsApp users are ranked fifth in the world, or 92% of the Malaysian population use WhatsApp. , Indonesia ranks 10th, with 87% of Indonesia's population using WhatsApp (Verint, 2021). The presence of WhatsApp is also found among workers. In other words, many workers in Malaysia use WA for work-related tasks during working hours (Nur, W. et al., 2022). We must be able to support the use of WA in Malaysia (Mustaffa C.S. et al., 2018). Crowdfunding can be carried out in sharia-based countries such as the Gulf countries, but the actual implementation of crowdfunding must be based on Islamic sharia (Thottoli, M.M., 2022). Salam crowdfunding in Afghanistan has been proven to help investors and farmers grow their businesses. For investors who wish to receive significant dividends without investing large amounts of capital. Farmers, on the other hand, can easily obtain increased capital in the farming process with realistic results achieved by plants (Saiti, B., Afghan, M., and Noordin, N.H., 2018).

Mudharabah crowdfunding Malaysia can be used, but is risky and requires close supervision for implementation. Mudharabah is an example of implementing crowdfunding for book publishing, which can be a big hit but avoids various problems such as money laundering, administrative errors in the use of funds, or protecting the expectations of funders (Ishak, MSI, et al., 2021). The Mudharabah concept in Malaysian Islamic crowdfunding may not be effective because donations from donors are insecure, but it can be made safer through fintech (Ishak, M.S.I., and Rahman, M.H., 2021) because fintech will make all data better captured and accessible at any time, anywhere. The benefits and ease of donations are very important factors in crowdfunding waqf fundraising efforts in Malaysia (Thaker, H. and Pitchay, A., 2018). Over the years the number of land waqf in Malaysia has stagnated, there is an urgent need for waqf crowdfunding efforts to increase the amount of land waqf with significant economic benefits (Thaker, M. A. Bin and Allah Pitchay, A., 2018). In terms of crowdfunding donations, Kitabisa.com and Kitafund are successful donation platforms in Indonesia and Malaysia. The image below is what you see when you first enter the Kitabisa.com and Kitafund websites:

Figure 3

Interface of Kitabisa.com and Kitafund websites



Source: Kitabisa.com & Kitafund.com, 2023

From the Kitabisa and Kitafund websites we get the information in the table below:

Table 1
 Similarities of Kitabisa & Kitafund

		Kitabisa	Kitafund
1	The main concern	The project are mostly for donation, ex: natural disaster, children & medical, donation for orphans, scholarship, etc.	The project are mostly for donation, ex: natural disasters, education, natural disasters, concern for the Islamic world, etc.
2	The most favourite project	Zakat	Zakat
3	Do they have another project beside Zakat	Yes	Yes
4	Social Media	Facebook, Twitter, Instagram, Youtube, Tiktok	WhatsApp, Facebook, Twitter, Instagram.
5	Do they have public figure to promote?	Yes	Yes
6	Partnership	Yes: 1. NGO: zakat, infaq, alms, waqf (ZISWAF) institutions. 2. Company to distribute their CSR.	Yes: 1. NGO: zakat, infaq, alms, waqf (ZISWAF) institutions. 2. Company to distribute their CSR.
7	Celebrities for promote their programmes.	Yes	Yes

Source: Kitabisa.com & Kitafund.com, 2023.

Social media has been invaluable in supporting the success of the two crowdfunding donation platforms in Indonesia and Malaysia. You can see it on the front page of their website, where you can see various social networks, where you can donate to existing campaigns. The social media used are: WhatsApp, Facebook, Twitter, Instagram, Youtube, Tiktok. Nearly 72% of Internet users in Malaysia use the Internet on social media (Social Media Penetration in Malaysia, 2022), this is reflected in data that Malaysian WhatsApp users rank fifth in the world, or 92% of Malaysians on WhatsApp. . Meanwhile, Indonesia ranks 10th in using WhatsApp, with 87% of Indonesia's population using WhatsApp (Verint, 2021). The presence of WhatsApp is also found among workers, namely in Malaysia many workers use WA for work related work (Nur, W. et al., 2022), but it should be noted that improving the quality of the Internet is also needed to facilitate the use of WA in Malaysia (Mustaffa C.S. et al., 2018). The ease of obtaining information and donating through social media has also increased the number of digital donations in Indonesia every year (Philantropi Indonesia, 2021). Kitabisa and Kitafund also work with companies and non-profit organizations (NGOs), because charities and social groups usually have a clear vision when operating in a particular area, and campaigns are tailored to entrepreneurs (Lambert and Schwenbarcer, 2010). Such sharing and co-ownership via social media can foster a broader sense of community (Belk, 2013). Therefore, social media account owners can mention charities on social media to connect with others and strengthen identity without directly participating in donations. Social media platforms as a way to gain individual recognition from a network of friends and other audiences (Hollenbeck and Kaikati, 2012). On social media platforms such as Facebook, consumer reality does not limit brand associations because “digital credibility blurs the lines between tangible, intangible, actual, and potential” (Schau and Gilly, 2003). The Internet therefore offers an opportunity to create an idealized version of oneself that expresses identity, partly through “subtle signals” that mention products or brands that are visible but without going offline (Hollenbeck and Kaikati, 2012).

WhatsApp is the most popular social media among respondents because of its ease of use and simple interface, and almost 89 percent of Indonesians use WhatsApp as a means of personal communication (Lemos, M.F. and da Cunha Júnior, F.R, 2017). WhatsApp users, such as groups of children, youth, adults and the elderly in Indonesia use WhatsApp to communicate with their friends, family members and co-workers (Prescott, J. et al., 2013). Because WhatsApp is free to use, WhatsApp is most popular among Indonesians precisely because it has an internet connection (Rezende Da Cunha, F. et al., 2016). Apart from the general public, WhatsApp also benefits journalists because WhatsApp can help journalists get news and help journalists get news from places that are difficult to reach (Belair-Gagnon, V. et al., 2017). It's also easier to donate via WhatsApp to charities like Kitabisa. Kitafund can be shared via personal WhatsApp via a link provided by the

crowdfunding party, making it easier for WhatsApp users to donate on social media. However, users should be careful when using WhatsApp to find out the frequency of WhatsApp chain message fraud in donation requests after confirming that WhatsApp never donates via chain messages (Zimba, O. et al., 2021). Misinformation about WA, both on Japri and in groups, continues to spread and usually comes from 1-2 of the same media, and there are users who want to spread misinformation in the same WhatsApp group (Nobre, G. P. et al., 2022). used to convey messages on social networks sometimes means you want to communicate with labels that cannot be 100% accurate ((Hui, H.W. et al., 2019). Young people more easily spread misinformation, especially from sources they trust or follow. Indonesia when it has around 91.01 million Instagram users, or around 33 percent of Indonesia's total population, and nearly 85 percent of Instagram users are over the age of 17. (Ishak, M.S.I. and Rahman, M.H., 2021) In this age market, Instagram can become social media that can attract potential donors to donate to charity programs because, at this age, most of them are able to earn their own income, so they are free to spend their money for for a charity project. Regardless of Instagram's features, it may not attract users if users feel safe using Facebook (Ishak, M.S.I., Kamaruddin, M.H. and Aderemi, A.M.R., 2021).

The most popular project is zakat, because when carrying out its activities, Kitabisa makes administrative deductions of 5% of the donation income collected, especially from natural disaster funds, and 0% zakat (Kitabisa.com, 2023). A report from the Indonesian Zakat Institute in Indonesia shows that donations have increased during the pandemic era (Hudaefi, F. A. and Beik, I. S., 2020). The success of the crowdfunding donation platform in Malaysia has also been proven to increase zakat donations (Eldersevi, S. A. and Mohamed, M.M., 2021). In addition, as is well known, Indonesia and Malaysia are countries with Muslim populations, so zakat is a favorite gift because zakat is an obligation of Allah. disasters, education, natural disasters, concern for the Islamic world, etc., because that is a form of alms and infaq. Alms and donations are good recommendations for Muslims to carry out, called sunnah

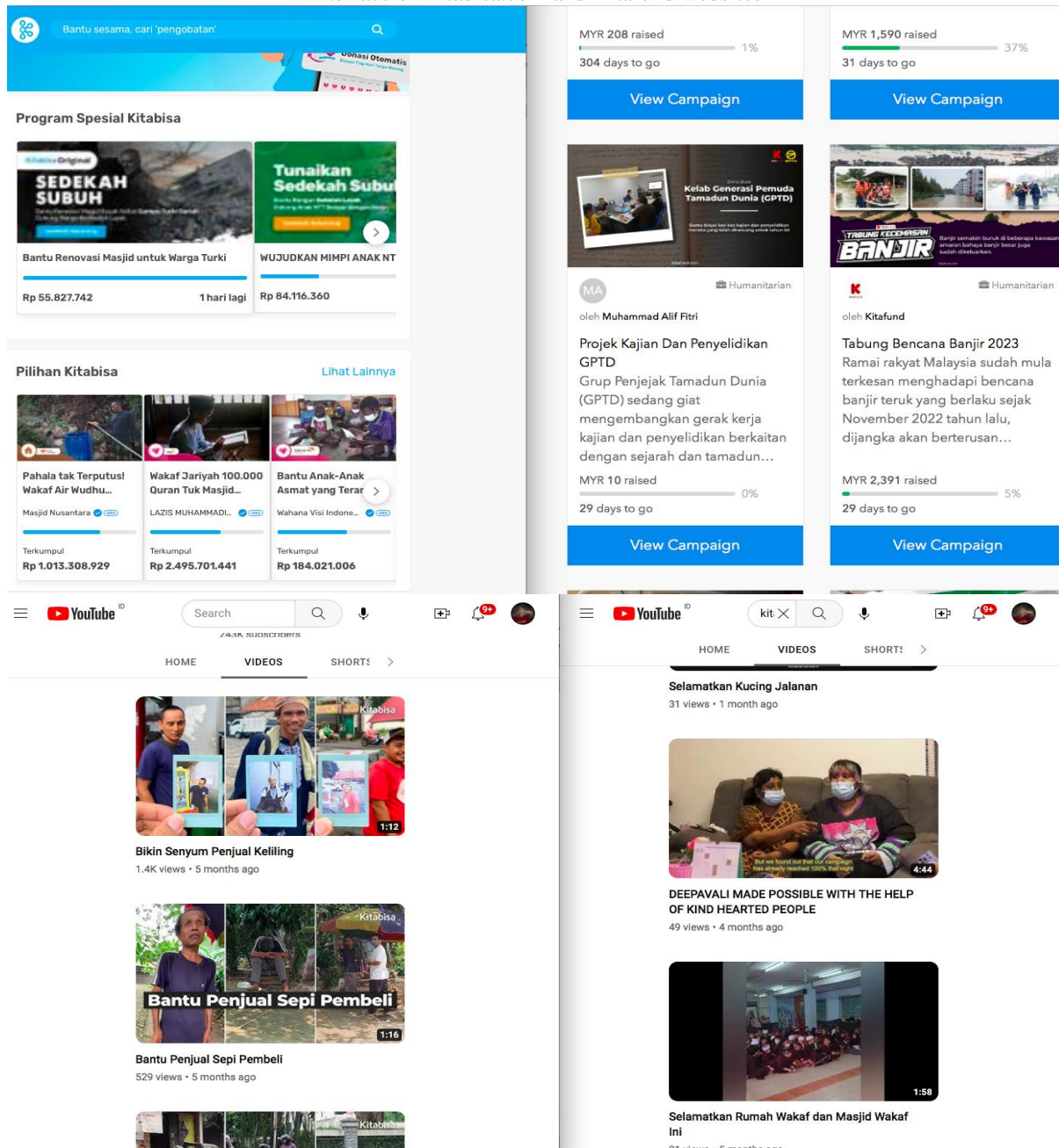
In the era of technological development, the internet offers many conveniences to its users. Various information from various parts of the world can be done through one door. The internet can also penetrate beyond the boundaries of the spatial and temporal dimensions of its users' lives. Information technology, which is a combination of computer and communication technology, replaces the industrial paradigm into a post-industrial paradigm, which also means changing the behavior of the human environment. Behavior change comes from several different perspectives, one of which is the financial aspect. Now people can easily collect or donate online. This is called crowdfunding. The vision of crowdfunding is to use the power of crowdfunding to finance small business projects that cannot be financed in the traditional way through crowdfunding platforms or social media such as Twitter, Myspace, and Facebook (Gerber, E. M., & Hui, J., 2013)). Social media is a term often applied to new forms of media that involve interactive participation (Manning 2014). Given the importance of communication in the success of crowdfunding campaigns, according to Smith (2002), a communication strategy is an informative or persuasive activity or communication campaign that creates understanding and support for the ideas or goals put forward. products or services implemented by for-profit and non-profit organizations have different objectives, plans and options based on research and evaluation.

The crowdfunding program package largely determines the success of the crowdfunding campaign, so it is an informative and persuasive information campaign that creates understanding and support for the ideas or goals of the organization, implementation of the products or services offered, and appropriate. In general, the purpose of communication is for the interlocutor to understand the meaning of the message conveyed, and it is hoped that it will also encourage changes in opinions, attitudes and behavior. The communication process begins when the communication goals are set. This phase begins with a thorough assessment of the current situation to understand the conditions and challenges that must be faced in order to move forward and achieve the desired goals. This step is a very important first step, because planning for the future must begin with a belief in where we are today. There are several steps to understanding the current situation, starting with asking the right questions and then carrying out a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis (Kotler & Lee 2006). A crowdfunding donation campaign is divided into two parts: the simplest and the most complex. The donor donates to charity. These donations are usually given to social and charitable projects where the donor does not expect anything in return (Hossain and Oparaocha 2017). Donations can also be made to nonprofits, but pure donation platforms are rare and tend to focus on requests from charities and organizations. Donors usually donate to causes they believe in, such as raising money for group tours and raising money for victims of natural disasters and the less fortunate. These lenders may receive symbolic returns, such as a thank-you note from the founders, but no material rewards

The donation-based model is not limited to nonprofits, as some people can donate to the initiative if they can then buy the product they want on the open market. Of course, the risks associated with donation-based crowdfunding are very low, as no return is required from the founder and no return is expected from the funder. Most use visual media rather than text when choosing the means to convey the message. The use of visual media such as videos, technical drawings, photos and even interactive forums is very popular in crowdfunding

campaigns. In fact, this communication model fits perfectly with today's visual culture in the digital era. For some crowdfunding campaigns, the effective implementation of this communication tool plays an important role in conveying various aspects of the required information (Hossain and Oparaocha 2017). This can be seen in Kitabisa and Kitafund's social media messages, where the message is conveyed via video (see Figure 1). As such, it helps bridge the gap between founders and funders. In this way, a comprehensible purpose and value proposition of an initiative or project helps to create a fan base and increase the trust, support and commitment of various interest groups.

Figure 4
 Interface of Kitabisa.com and Kitafund websites



Source: Kitabisa.com & Kitafund.com, 2023

The use of social media is also the most important means of communication about economic projects or projects, because social media can penetrate a wide audience without any restrictions on user behavior and preferences, which makes it possible to suggest possible campaigns (Belleflamme, Omrani and Peitz, 2015). In other words, some people are more likely to support a campaign if it has generated a lot of interest or is close to

the target threshold. Some platforms make it possible to form groups of people representing different (special) interests. This group can act as an online community providing guidance, feedback, and archives of sample projects. Kitabisa and Kitafund also work with traditional media such as television, radio and print media. Apart from the media, celebrities play an important role in supporting the credibility of the company. Celebrities are people who can create a strong brand image. According to a study, the right public figure increases the value of attention and persuasion (Akel, Spitz, & West, 2021) Celebrity endorsers play an important role in advertising and have commercial value due to their popularity. Business people also use public figures or influencers to increase awareness, educate target consumers, increase followers and of course increase business sales. Celebrities have a greater direct influence than company credibility, this is understandable because if a public figure has a good reputation and matches the product, it will directly improve the company's image and ultimately increase the company's positive credibility. Celebrities have a greater direct impact than company credibility, this is understandable, because if a public figure has a good reputation and is aligned with the product, it will directly improve the company's image and ultimately increase the company's credibility.

From a religious point of view, crowdfunding donations do not violate Islamic law. It can be seen that the operational model of Kitabisa and Kitafund fulfills the requirements of Islamic *ujrah*. In sharia economic law, an intermediary (*wasathah*) and an agent (*referee*) are needed to reach an agreement in an economic activity. Kitabisa and Kitafund are intermediaries that connect donors with fundraisers (*campaigners*). In this way, Kitabisa and Kitafund act as *wasathana* and the users are agents or trustees. According to Islamic law, Kitabisa and Kitafund can use *Ijarah*, *Wakalah bil Ujrah* and *Ji'alah* contracts. The three forms of contract have *ujrah* wage provisions. In the *Ijarah* contract, *Ujrah* is in the form of payment of rent, while in *Wakalah*, *Ujrah* and *Ji'alah* contracts, *Ujrah* is in the form of payment of salary. In this case, the operational costs determined by Kita can be considered as compensation given by collectors in return for work that supports collection activities. In accordance with the Muamalah Law, Kitabisa's fundraising and donation activities take into account the principles of muamalah activities. The legal principles include 1 Exchange of interest, cooperation and ownership Exchange of interest can be based on the participation of many people, both individually and institutionally, where individuals, communities, organizations and companies participate in crowdfunding activities. Therefore, Kitabisa and Kitafund are the standard of cooperation in an organized fundraising and donation process. 2 Equal opportunity, willingness, absence of cheating and speculation. In line with this principle, Kitabisa and Kitafund offer everyone an equal opportunity to help and receive assistance through fundraising and donations. All activities are carried out voluntarily, without coercion, and are reported openly and responsibly. 3 Helping goodness and piety, Kitabisa and Kitafund fundraising and donations are a form of mutual cooperation between people. Based on this explanation, the operational model of Kitabisa and Kitafund follows and fulfills the requirements of Islamic *ujrah*.

5. Conclusion

Crowdfunding donations can be a solution that increases public participation in donating. The current use of technology and the development of the internet greatly supports the success of crowdfunding donations. The success of crowdfunding-based donations is also supported by the current use of social media. Crowdfunding donation campaigns can reach a wider spectrum and reach all levels of society through social media, especially now that social media is a very important need in people's daily lives. The success of crowdfunding programs in Indonesia and Malaysia is still dominated by activities related to Islamic religious advice, such as *zakat*, *alms*, *infaq*, compensation for orphans, houses for memorizing the Koran, and other activities that have religious values in Islam. This is proof that the practice of Kitabisa and Kitafundi is in accordance with Islamic law.

Acknowledgment

We also express the deepest gratitude to Dian Nuswantoro University (UDINUS) for funding our research with the contract number 081/A.38-04-/UDN/-09/X/2022 and all participants involved for helping to collect provide various data and information until this research is complete with consistent support.

Declaration of Conflicting Interests

1. All authors have participated in (a) conception and design, or analysis and interpretation of the data; (b) drafting the article or revising it critically for important intellectual content; and (c) approval of the final version.
2. This manuscript has not been submitted to, nor is under review at, another journal or other publishing venue.
3. The authors have no affiliation with any organization with a direct or indirect financial interest in the subject matter discussed in the manuscript

4. The following authors have affiliations with organizations with direct or indirect financial interest in the subject matter discussed in the manuscript:

Reference

- [1] @ Social Media Penetration in Malaysia [Research] - Digital Business Lab Hong Kong, Singapore. (2022). Retrieved February 25, 2023, from <https://digital-business-lab.com/2022/07/%E2%91%A1-social-media-penetration-in-malaysia-research/>.
- [2] Abu-Akel, A., Spitz, A., & West, R. (2021). The effect of spokesperson attribution on public health message sharing during the COVID-19 pandemic. *PLOS ONE*, 16(2), e0245100. <https://doi.org/10.1371/journal.pone.0245100>.
- [3] Aderemi, A. M. R., & Ishak, M. S. I. (2022). Qard Hasan as a feasible Islamic financial instrument for crowdfunding: its potential and possible application for financing micro-enterprises in Malaysia. *Qualitative Research in Financial Markets*, ahead-of-print(ahead-of-print). <https://doi.org/10.1108/QRFM-08-2021-0145/FULL/PDF>
- [4] Ahelegbey, D. F., Khanal, M., Khadka, S. R., Subedi, H., Chaulagain, I. P., Regmi, L. N., & Bhandari, M. (2023). Explaining the Factors Affecting Customer Satisfaction at the Fintech Firm F1 Soft by Using PCA and XAI. *FinTech 2023*, Vol. 2, Pages 70-84, 2(1), 70–84. <https://doi.org/10.3390/FINTECH2010006>.
- [5] Aldridge, N., & Fowles, J. (2013). Cause-related marketing and customer donations in an online marketplace. *International Journal of Nonprofit and Voluntary Sector Marketing*, 18(1), 52–59. <https://doi.org/10.1002/NVSM.1456>
- [6] Ali, S. N. (2017). Moving Towards Community Driven Islamic Finance. *Journal of Islamic Business and Management (JIBM)*, 7(1). <https://doi.org/10.26501/JIBM/2017.0701-002>.
- [7] Azganin, H., Kassim, S., & Sa'ad, A. A. (2021). Proposed waqf crowdfunding models for small farmers and the required parameters for their application. *Islamic Economic Studies*, 29(1), 2–17. <https://doi.org/10.1108/IES-01-2021-0006>.
- [8] Basir, K. H. (2022). Business Innovation Amid the COVID-19 Crisis in Brunei Darussalam: A Viewpoint. *Strategic Entrepreneurial Ecosystems and Business Model Innovation*, 31–40. <https://doi.org/10.1108/978-1-80382-137-520221003>.
- [9] Basir, K. H. (2022). Business Innovation Amid the COVID-19 Crisis in Brunei Darussalam: A Viewpoint. *Strategic Entrepreneurial Ecosystems and Business Model Innovation*, 31–40. <https://doi.org/10.1108/978-1-80382-137-520221003>.
- [10] Belleflamme, P., Omrani, N., & Peitz, M. (2015). The Economics of Crowdfunding Platforms. *SSRN Electronic Journal*. <https://doi.org/10.2139/SSRN.2585611>
- [11] Bennett, M. R., & Einolf, C. J. (2017). Religion, Altruism, and Helping Strangers: A Multilevel Analysis of 126 Countries. *Journal for the Scientific Study of Religion*, 56(2), 323–341. <https://doi.org/10.1111/JSSR.12328>
- [12] Bennett, S., Maton, K., & Kervin, L. (2008). The ‘digital natives’ debate: A critical review of the evidence. *British Journal of Educational Technology*, 39(5), 775–786. <https://doi.org/10.1111/J.1467-8535.2007.00793.X>.
- [13] Bennett, T. (2009). A study of the management leadership style preferred by its subordinates. *Journal of Organizational Culture, Communication, and Conflict*, 13(2), 1-25.
- [14] Burt, C. D., & Gibbons, S. (2011). The effects of donation button design on aid agency transactional trust. *International Journal of Nonprofit and Voluntary Sector Marketing*, 16(2), 183–194. <https://doi.org/10.1002/NVSM.412>.
- [15] Chen, Y., Dai, R., Yao, J., & Li, Y. (2019). Donate Time or Money? The Determinants of Donation Intention in Online Crowdfunding. *Sustainability 2019*, Vol. 11, Page 4269, 11(16), 4269. <https://doi.org/10.3390/SU11164269>.
- [16] Cillo, V., Petruzzelli, A. M., Ardito, L., & del Giudice, M. (2019). Understanding sustainable innovation: A systematic literature review. *Corporate Social Responsibility and Environmental Management*, 26(5), 1012–1025. <https://doi.org/10.1002/CSR.1783>.
- [17] *Donasi Digital Meningkatkan di Tengah Pandemi - Tekno Liputan6.com*. (2020). Retrieved November 20, 2021, from <https://www.liputan6.com/tekno/read/4427511/donasi-digital-meningkat-di-tengah-pandemi>.
- [18] *Donasi Digital Meningkatkan Selama Pandemi Covid-19*. (2020). Retrieved February 26, 2023, from <https://finansial.bisnis.com/read/20200519/563/1242695/donasi-digital-meningkat-selama-pandemi-covid-19>.

- [19] Fenwick, M., McCahery, J. A., & Vermeulen, E. P. M. (2017). Fintech and the Financing of Entrepreneurs: From Crowdfunding to Marketplace Lending. *SSRN Electronic Journal*. <https://doi.org/10.2139/SSRN.2967891>.
- [20] Firmansyah, E. A., & Harsanto, B. (2022). Islamic Fintech Research: Systematic Review using Mainstream Databases. *ETIKONOMI*, 21(2), 355–368. <https://doi.org/10.15408/ETK.V21I2.24602>
- [21] Gerber, E. M., & Hui, J. (2013). Crowdfunding: Motivations and deterrents for participation. *ACM Transactions on Computer-Human Interaction*, 20(6). <https://doi.org/10.1145/2530540>.
- [22] *Gotong Royong - Desa Bujung Buring*. (2021). Retrieved March 1, 2023, from <https://bujungburing.mesuji-desa.id/artikel/2021/1/10/gotong-royong>.
- [23] Hapsari, M. I., Bin Mohd Thas Thaker, M. A., Mohammed, M. O., & Duasa, J. (2022). A qualitative investigation into crowdfunding framework as a source of financing for waqf land development. *Journal of Islamic Accounting and Business Research*, 13(3), 425–443. <https://doi.org/10.1108/JIABR-10-2020-0311/FULL/PDF>.
- [24] Hossain, M., & Oparaocha, G. O. (2017). Crowdfunding: Motives, Definitions, Typology and Ethical Challenges. *Entrepreneurship Research Journal*, 7(2). <https://doi.org/10.1515/ERJ-2015-0045>.
- [25] Hui, H. W., Manaf, A. W. A., & Shakri, A. K. (2019). Fintech and the Transformation of the Islamic Finance Regulatory Framework in Malaysia. *Emerging Issues in Islamic Finance Law and Practice in Malaysia*, 211–222. <https://doi.org/10.1108/978-1-78973-545-120191018>
- [26] *Indonesia Kembali Dinobatkan Sebagai Negara Paling Dermawan di Dunia*. (2022). Retrieved February 26, 2023, from <https://databoks.katadata.co.id/datapublish/2022/10/24/indonesia-kembali-dinobatkan-sebagai-negara-paling-dermawan-di-dunia>
- [27] *Indonesia Kembali Jadi Negara Paling Dermawan di Dunia*. (2021). Retrieved February 26, 2023, from <https://filantropi.or.id/indonesia-kembali-jadi-negara-paling-dermawan-di-dunia/>
- [28] Ishak, M. S. I., & Rahman, M. H. (2021). Equity-based Islamic crowdfunding in Malaysia: a potential application for mudharabah. *Qualitative Research in Financial Markets*, 13(2), 183–198. <https://doi.org/10.1108/QRFM-03-2020-0024/FULL/PDF>.
- [29] Ishak, M. S. I., Kamaruddin, M. H., & Aderemi, A. M. R. (2021). Mudharabah based crowdfunding as an alternative source of funding book publications in Malaysia. *Journal of Islamic Marketing*, 13(9), 1973–1987. <https://doi.org/10.1108/JIMA-05-2020-0147/FULL/PDF>.
- [30] Ishak, M. S. I., Kamaruddin, M. H., & Aderemi, A. M. R. (2021). Mudharabah based crowdfunding as an alternative source of funding book publications in Malaysia. *Journal of Islamic Marketing*, 13(9), 1973–1987. <https://doi.org/10.1108/JIMA-05-2020-0147/FULL/PDF>.
- [31] *Komite Nasional Ekonomi dan Keuangan Syariah*. (2020). Retrieved February 26, 2023, from <https://knks.go.id/berita/245/dampak-positif-dan-negatif-dirasakan-opz-saat-corona?category=1>
- [32] Kotler, Philip., & Lee, N. (2006). *Marketing in the Public Sector: A Roadmap for Improved Performance*. Pearson Prentice Hall. <https://www.scholars.northwestern.edu/en/publications/marketing-in-the-public-sector-a-roadmap-for-improved-performance>
- [33] Manning, J. (2014). Social media, definition and classes of. *Encyclopedia of social media and politics*, 1158-1162.
- [34] *Memahami Prinsip dan Ciri-ciri Koperasi di Indonesia - Nasional Katadata.co.id*. (2021). Retrieved March 1, 2023, from <https://katadata.co.id/safrezi/berita/618e0fb17b600/memahami-prinsip-dan-ciri-ciri-koperasi-di-indonesia>
- [35] Mohd Thas Thaker, M. A. Bin, & Allah Pitchay, A. (2018). Developing waqf land through crowdfunding-waqf model (CWM): the case of Malaysia. *Journal of Islamic Accounting and Business Research*, 9(3), 448–456. <https://doi.org/10.1108/JIABR-05-2016-0062/FULL/PDF>.
- [36] Mohd Thas Thaker, M. A. Bin, & Allah Pitchay, A. (2018). Developing waqf land through crowdfunding-waqf model (CWM): the case of Malaysia. *Journal of Islamic Accounting and Business Research*, 9(3), 448–456. <https://doi.org/10.1108/JIABR-05-2016-0062/FULL/PDF>.
- [37] Mollick, E. R., & Nanda, R. (2015). Wisdom or Madness? Comparing Crowds with Expert Evaluation in Funding the Arts. *SSRN Electronic Journal*. <https://doi.org/10.2139/SSRN.2443114>.
- [38] Niswah, F. M., Mutmainah, L., & Legowati, D. A. (2019). MUSLIM MILLENNIAL'S INTENTION OF DONATING FOR CHARITY USING FINTECH PLATFORM. *Journal of Islamic Monetary Economics and Finance*, 5(3), 623–644. <https://doi.org/10.21098/JIMF.V5I3.1080>
- [39] Nur, W., Suhaimi, E., Zaato, S. G., Salman, A., & Bidin, A. (2022). WhatsApp Usage in the Workplace among SME Employees in Metropolis. *Journal of Positive School Psychology*, 2022(4), 8348–8362. <https://journalppw.com/index.php/jpsp/article/view/5290>.

- [40] Özdemir, M., & Selçuk, M. (2021). A bibliometric analysis of the International Journal of Islamic and Middle Eastern Finance and Management. *International Journal of Islamic and Middle Eastern Finance and Management*, 14(4), 767–791. <https://doi.org/10.1108/IMEFM-06-2020-0277>.
- [41] Potret filantropi, 2021 <https://filantropi.or.id/download/menyingkap-potensi-filantropi/>.
- [42] Potret Perilaku Berdonasi Masyarakat Indonesia Saat Pandemi. (2021). Retrieved July 30, 2022, from <https://filantropi.or.id/potret-perilaku-berdonasi-masyarakat-indonesia-saat-pandemi/>.
- [43] Quinton, S., & Fennemore, P. (2013). Missing a strategic marketing trick? The use of online social networks by UK charities. *International Journal of Nonprofit and Voluntary Sector Marketing*, 18(1), 36–51. <https://doi.org/10.1002/NVSM.1450>.
- [44] Rahman, M. P., Mohd Thas Thaker, M. A., & Duasa, J. (2020). Developing a Shari‘ah-compliant equity-based crowdfunding framework for entrepreneurship development in Malaysia. *ISRA International Journal of Islamic Finance*, 12(2), 239–252. <https://doi.org/10.1108/IJIF-07-2018-0085/FULL/PDF>.
- [45] Saiti, B., Afghan, M., & Noordin, N. H. (2018). Financing agricultural activities in Afghanistan: a proposed salam-based crowdfunding structure. *ISRA International Journal of Islamic Finance*, 10(1), 52–61. <https://doi.org/10.1108/IJIF-09-2017-0029/FULL/PDF>.
- [46] Smith, M. E. (2002). Success rates for different types of organizational change. *Performance Improvement*, 41(1), 26–33. <https://doi.org/10.1002/PFI.4140410107>.
- [47] Su Mustaffa, C., Hasniza Che Soh, C., Abu Bakar, H., & Mohamad, B. (2018). Understanding the Usage of Whatsapp among Malaysian Employees Through the Lens of Social Influence Theory. *International Journal of Engineering & Technology*, 7(4.38), 1039. <https://doi.org/10.14419/IJET.V7I4.38.27635>
- [48] Teichmann, F., & Boticiu, S. R. (2022). Combating terrorist financing in Switzerland in the light of current changes in Afghanistan. *Journal of Financial Crime, ahead-of-print*(ahead-of-print). <https://doi.org/10.1108/JFC-04-2022-0079/FULL/PDF>.
- [49] *TeknoLiputan6.com*.(2021).RetrievedFebruary21,2023,from<https://www.liputan6.com/tekn/read/4833301/kitabisa-3-juta-orang-indonesia-berdonasi-online-pada-2021-82-persen-diantaranya-anonim>
- [50] Testa, S., Nielsen, K. R., Bogers, M., & Cincotti, S. (2019). The Role of Crowdfunding in Moving towards a Sustainable Society. *Technological Forecasting and Social Change*, 141, 66–73.
- [51] *Malaysia: social media penetration 2021 | Statista*. (2023) Retrieved September 30, 2022, from <https://www.statista.com/statistics/883712/malaysia-social-media-penetration/><https://doi.org/10.1016/J.TECHFORE.2018.12.011>.
<https://onlinelibrary.wiley.com/doi/abs/10.1002/csr.1783>.
- [52] Thottoli, M. M. (2022). The starring role of crowdfunding in GCC: a structured literature review. *Asian Journal of Economics and Banking*, 6(2), 155–177. <https://doi.org/10.1108/AJEB-02-2022-0022>.
- [53] Viotto da Cruz, J. (2018). Beyond financing: crowdfunding as an informational mechanism. *Journal of Business Venturing*, 33(3), 371–393. <https://doi.org/10.1016/J.JBUSVENT.2018.02.001>. Belleflamme, P., Lambert, T., & Schwienbacher, A. (2014). Crowdfunding: Tapping the right crowd. *Journal of Business Venturing*, 29(5), 585–609. <https://doi.org/10.1016/J.JBUSVENT.2013.07.003>.
- [54] Wasiuzzaman, S., Hj Pungut, N. N., & Md Don, M. K. S. (2021). Crowdfunding green projects in Brunei: awareness and investing preferences. *Management of Environmental Quality: An International Journal*, 32(6), 1383–1400. <https://doi.org/10.1108/MEQ-03-2021-0046/FULL/XML>.
- [55] Weblog post. Newstex Global Business Blogs, C. Newstex. J. 9, (2021). *ValueWalk: Opening Up Your Heart And Your Wallet: - ProQuest*. Retrieved February 16, 2023, from <https://www.proquest.com/docview/2539300895/779118F2B51D4F75PQ/13?accountid=199402&forcedol=true>.
- [56] *What Countries are the Biggest WhatsApp Users? | Verint*. (2021). Retrieved February 25, 2023, from <https://www.verint.com/blog/what-countries-are-the-biggest-whatsapp-users/>.