

## **Determinants of Islamic Crowdfunding Adoption in Nigeria: Exploring Factors Influencing Acceptance and Usage**

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### **Abstract**

*The study attempts to examine the major factors that affect investors' intention to use Islamic crowdfunding models in Nigeria. The study is premised on the quantitative method to draw the statistical inference on crowdfunding for MSMEs. The population of the study is Two Thousand Three Hundred and Forty-One (2341), members of the Niger Chambers of Commerce, Industry, Mines, and Agriculture (NCCIMA). 289 questionnaires were retrieved from respondents representing 85% of the 342-sample size of the study. The study uses multiple regression on study variables - Perceived Usefulness, Perceived Ease of Use, Perceived Risk, and Subjective Norm. The findings revealed that perceived usefulness, perceived ease of use, and the subjective norm have a significant effect on investors' Intention to Use Islamic Crowdfunding Model in Nigeria; while perceived risk has no significant effect on investors' Intention to Use Islamic Crowdfunding Model in Nigeria. The study therefore recommends that investors should create awareness and invest in incubating new start-ups using the Islamic Crowdfunding models, also government should facilitate the establishment of appropriate platforms and regulations to ease participation in the Islamic Crowdfunding model in Nigeria.*

**Keywords:** Perceived Usefulness (PU), Perceived Ease of Use (PEU), Perceived Risk (PR) Subjective Norm (SN), Crowdfunding.

**JEL Classification:** Z12

### **1. Introduction**

Crowdfunding is a new innovation in the Nigerian financial landscape. Financing investment is one of the most important factors when it comes to new venture creation and expansion of existing business entities. The financial industry now has internet platforms available for connecting fund providers (investors) and fund seekers (borrowers/users) without the need for bank intermediation. Crowdfunding, which utilizes these platforms, has become a popular means for founders to seek small contributions of money from many individuals in order to fund their project ideas, products, and services. This is particularly important for start-ups and small and medium-sized enterprises (MSMEs) (Galkiewicz & Michal, 2018). Start-ups, in particular, are playing an increasingly important role in economic prosperity by creating new job opportunities for the unemployed. Recent global data shows that start-ups are contributing

more jobs to the economy than large companies or enterprises, and tech start-ups are often able to penetrate new markets or reform old ones (Start-up Blink, magazine).

Crowdfunding now offers individuals the chance to participate in the venture capital industry through making small minimum investments (Mollick, 2014). The National Bureau of Statistics has reported that the unemployment rate in Nigeria is expected to reach 33%, surpassing figures from the previous year where the projection was 32.5%. Historical data has also shown that the rate of unemployment has risen over the years, increasing from 12.02% in 2016 to 33.28% in 2020).

The MSMEs require sustainable growth and development to attain the desired goal of achieving economic development in the country; however, funding of the sector as it is practiced today in Nigeria has not succeeded in providing resources to the sector to target a sustainable process of development that will encourage the entrepreneurship to lay a solid foundation at Micro level and gradually building up stronger to achieve the characteristics of Small and Medium enterprises status that will lead to industrial and economic development. The classification of enterprises is based on the number of employees with micro enterprises having less than 10 employees, small enterprises having 10-49 employees, and medium-sized enterprises having 50-99 employees. The contribution of MSMEs in Nigeria's economy is pivotal as they account for over 90 percent of total growth and economic development. Arhsien and Purnamasari (2016) noted that Islamic crowdfunding aligns with the principles of Islamic finance, guided by Shariah rules and ethical and socially responsible financing practices. There are four types of crowdfunding campaigns, namely donation-based funding, equity funding, debt-based funding, rewards-based funding, and the fourth, rewards-based crowdfunding is a method where business owners seek financing from a large number of people in return for a non-financing reward. Incubating can easily be carried out using any one of the above to financially support incubators to nourish an idea to fruition. To use the concept effectively, there is need to conduct a study on the applicability of the concept.

Islamic finance has gained recognition for its effectiveness in financing development globally, even in non-Muslim countries. Financial markets have acknowledged that Islamic finance has already been integrated and can address the challenges of ending extreme poverty and increasing shared prosperity. Raising capital through the collective efforts of friends, family, customers, and individual investors (or donors) is a means to achieve this. The sustainability of growth/development of Micro, Small & Medium Enterprises is considered relevant for national economic growth; however, with over 99.8% of the MSMEs still in the Micro status there must be the need for a broad-based equitable development that will drive inclusive economic growth. MSME sustainability development has been dragging for too long a time without remarkable progress due to the inability of the programs introduced to achieve milestones as a result of the direct application of funds to operators with its inherent tendency of diversion for personal use. This identified problem will also include the following: (i) the inappropriate ways MSMEs are being financed; (ii) MSMEs' stagnation at the micro-enterprises level; and (iii) the need for MSMEs to be the engine room of economic growth to be re-positioned.

The idea of funding to earn benefits (interest) leads to sporadic and not targeted financial support to MSMEs, making it difficult for start-ups to perfect conceived innovative ideas.

Short-term financing would not allow them to work at a pace that will allow the perfection of each developmental process from the embryonic to maturity stages. Crowdfunding has become an alternative source of funding for many innovative start-ups that encounter hurdles in securing capital from conventional financing sources like banks due to a lack of collateral assets and prior credit history. Islamic crowdfunding is perceived as providing better investor protection than conventional crowdfunding and a broader range of Shariah-compliant investment options. It also aids individuals and productive projects in need of capital by channeling funds from a large pool of individuals online (Norhafiza & Zaemah, 2021). Crowdfunding, in general, is a method of raising capital through the Internet from a large pool of individuals, despite which the concept is not fully accepted by entrepreneurs and investors, especially in Africa. The study, therefore, intends to fill these gaps by investigating the effect of Perceived Usefulness, Perceived Ease of Use, Perceived Risk, and Subjective Norm on Islamic crowdfunding adoption in Nigeria.

## 2. Literature Review

### *Concept of Islamic Crowdfunding*

Islamic crowdfunding is a unique way of raising funds that is rooted in the principles and beliefs of Islam. It is a form of community-based fundraising that allows individuals and organizations to receive financial support from others who share their passion and causes. One of the fundamental principles of Islamic crowdfunding is the concept of Zakat. Zakat is a mandatory charitable obligation that requires Muslims to give a percentage of their wealth to those in need, and Islamic crowdfunding often aligns with this concept by allowing individuals to contribute to a cause or project that they believe will benefit the community. Another important aspect of Islamic crowdfunding is the concept of Sadaqah. Sadaqah is an optional form of giving that is considered a virtuous act in Islam. Individuals and organizations can use Islamic crowdfunding as a way to collect Sadaqah for their cause, and this can help to generate more support from like-minded individuals. Islamic crowdfunding platforms like LaunchGood and Alchemiya have become increasingly popular in recent years, providing a space for Muslims around the world to connect and support one another. These platforms offer a range of services, from launching fundraising campaigns to legal and financial support. Islamic crowdfunding has the potential to transform the way we approach fundraising by fostering a spirit of community and generosity. By leveraging the power of Zakat and Sadaqah, we can work together to create positive change and make a difference in the world.

Finding funding for a new business can be a significant challenge when trying to bring your vision to fruition. Although traditional methods such as bank loans and reaching out to investors are still viable options, crowdfunding offers the opportunity to garner support from a crowd, a collection of individuals who collectively invest in your idea to turn it into a reality. Crowdfunding websites have enabled entrepreneurs globally to raise funds for their businesses and causes, contributing \$65 billion in revenue to the worldwide economy in 2020, according to the latest Fundly report. Crowdfunding can also allow entrepreneurs to validate demand for their ideas before proceeding to production by enabling others to invest via pre-orders, donations, and investments. On October 19th, Nigeria's President approved the Nigerian Startup Bill 2021, making it law as the Nigeria Startup Act 2022. The primary

purpose of the act is to set up a legal and institutional structure to support the development of labeled startups in Nigeria and to promote an environment that facilitates the creation, expansion, and functioning of startups in the country. Additionally, the act aims to stimulate the development of technology-related skills and position the Nigerian startup ecosystem as the leading digital technology hub in Africa (Olaniwun, 2022).

Financing, identified by 40% of West African companies, is the primary obstacle to their expansion and growth. Entrepreneurs face the classic Valley of Death conundrum, where there is a time gap between when the entrepreneur's initial resources come from family and friends (also known as the Love Valley) and when their business becomes fiscally stable enough to attract investment and market funds. The funding shortfall on the market commences at the pre-start-up phase (N2M) and ends at the series A stage (N5M). Microfinance banks are not suitable for these entrepreneurs since they provide amounts that are exceedingly small and are more appropriate for short-term loans that come with high-interest rates. Banks are cautious due to entrepreneurs' high-risk profiles, as they frequently do not have the resources or borrowing history to confirm their creditworthiness. Consequently, emerging financial instruments such as venture capital funds, business angels, and alternative options such as interest-free loans and crowdfunding are less common in West Africa.

Orache (2021) explains crowdfunding as the act of financing a project or venture by receiving funds from a large number of individuals who contribute a relatively small amount, often through the internet. Over the last few years, there has been a substantial increase in the number of entrepreneurs turning to online fundraising. This trend is projected to continue. Nonetheless, the SEC and financial supervisory bodies place restrictions on crowdfunding, with their primary focus being fraud prevention. Although crowdfunding can provide capital more easily and often at a lower interest rate, the regulation also serves to limit entities' flexibility to set terms and conditions. Several crowdfunding platforms are available in Nigeria, including Kickstarter (for funding creative projects), NaijaFund, Funda Enterprise, Circle Up, Micro Ventures, and Indiegogo, with GoFundMe being the most popular.

Islamic crowdfunding requires all activities must be Halal and the board of Sharia is required to regulate its operation in any given environment to facilitate the effective and efficient practice of its intended purposes. Crowdfunding is raising money through online portals to finance or refinance business activities, using crowdfunding to finance MSMEs requires a platform that is usually regulated to ensure adherence to Islamic principles. This study has identified Four (4) Islamic crowdfunding concepts that will provide funds for MSMEs incubation for economic growth and sustainability (Kazaure, Abdullah, Zawawi, & Hamzah, 2021).

*Reward-Based Crowdfunding (Qard Hassan)* - This is an Islamic finance term referring to granting of loans to individuals without interest, the beneficiary is expected to pay only the principal amount over a stipulated period of time. Reward based crowdfunding, also known as Qardul Hasana, is a type of crowdfunding where individuals or organizations offer rewards or perks to people who donate money to their cause. The rewards can vary depending on the amount of the donation, and they can range from simple thank-you notes to exclusive access to the product or service being funded. Qardul Hasana is a popular type of crowdfunding in Islamic countries, where interest-based financing is prohibited by Sharia law. In this form of

crowdfunding, the lender doesn't receive interest on the loan, but rather, they receive a reward or incentive. This type of crowdfunding is often used by start-ups to fund their ideas or products, as well as for social causes, such as disaster relief or community projects. The success of Qardul Hasana is based on the idea that people are willing to donate money if they feel they will receive a valuable reward in return. The crowdfunding campaign will typically offer a range of rewards, such as discounts, early access to products, or exclusive merchandise. The rewards offered can often create a sense of urgency, encouraging people to donate as soon as possible in order to receive the best perks. Reward-based crowdfunding is a concept where individuals donate to a project or business with the hope of receiving a non-financial reward in return e.g., goods and services. Thus, the issue of interest is also eliminated, and because it is a reward fund, the financial commitment is reduced to the barest minimum.

*Donation/Charity-Based Crowd Funding (Waqf)* - This is a Halal investment with the support of Fintech's opportunity to invest in a product that is not forbidden (Halal). Specifically for social projects managed by the NGOs, Donors receive nothing in return. Donation based crowdfunding, also known as Waqf, is a type of crowdfunding where individuals or organizations donate money to a cause without expecting anything in return. In Waqf, the funds are often used for religious or social purposes, such as building a mosque or funding a charity. Waqf has a rich history in Islamic tradition, where it has been used for centuries to fund social infrastructure and communal services. In this form of crowdfunding, the person who donates the money is seen as performing a charitable act, and they gain rewards in the afterlife for their generosity. Waqf is often used to fund large infrastructure projects such as mosques, schools, hospitals, and roads that can benefit a large number of people. The funds donated to waqf are managed by trustees who ensure that the money is used for its intended purpose.

*Lending Based Crowdfunding* - Lending – Based Crowdfunding (LBC) is a funding channel that allows MSMEs to be financed directly by a multitude of investors. The investor chooses to lend money in exchange for interest when goal of the project is achieved and paid – off.

*Equity-Based Crowdfunding* - This involves channeling funds through the society to support local business. it happens online platforms where MSMEs are expected to create profiles that include their pitches, financial statements and other information Here Crowdfunding platforms may charge a certain percentage of the funds raised periodically as processing fees. Equity-based crowdfunding is a type of crowdfunding where investors buy shares in a new company or venture. In this model, companies offer shares in their business in exchange for funding, with investors receiving a return on their investment in the form of shares in the company or dividends. Equity-based crowdfunding is often used by early-stage start-ups that have limited access to traditional funding sources such as venture capitalists or banks. Investors in equities can enjoy a return on their investment if the business performs well, with the potential for high returns if the company is successful. While equity-based crowdfunding provides investors with the potential for a high return, the risks involved are equally high. Investors should be prepared to lose their entire investment if the company fails. Due to the high level of risk, equity-based crowdfunding is typically only suitable for experienced investors who have a good understanding of the risks involved in investing. For start-ups,

equity crowdfunding can be a valuable alternative to traditional funding sources, providing them with access to a large pool of potential investors.

#### *Micro, Small, and Medium Enterprises (MSMEs)*

Funding for Micro, Small, and Medium Enterprises (MSMEs) as it is practiced today in Nigeria cannot impact positively to achieve the desired result of solving the numerous problems embedded in the operations of Micro, Small & Medium Enterprises (MSMEs) in Nigeria for Sustainable Growth & Development of the sector post-Covid-19 era. Irrespective of the massive programs introduced by the Government through SMEDAN and other agencies, the financing issues surrounding MSMEs and their ability to contribute to the country's economic development and poverty reduction will remain an illusion.

Financing for MSMEs has decades of practice and critical aspects are not much reviewed from an Islamic finance perspective, MSMEs financing should be considered from a transactional-based approach to ensure the provision of an effective solution to the lingering problems affecting sustainable growth and development. It is said that the Covid -19 pandemic has turned back the poverty clock. As such, there is the need to provide a social mechanism that will impact the engine (MSME) that could provide succor to the affected and channel a course for the envisaged growth and development of MSMEs and their sustainability.

Micro, Small, and Medium Scale Enterprises (MSMEs) are crucial to the economic growth of societies worldwide. They create job opportunities for both skilled and unskilled labor, and they offer services to governments and large corporations. The contribution of MSMEs to the Nigerian economic growth cannot be underestimated, especially in the area of capacity building, improvement of the standard of living through provision of employment and consistency in supporting significant growth to the GDP. However, according to the NBS (2013) MSME collaborative survey with the Small & Medium Enterprises Development Agency (SMEDAN), there are 37,067,416 MSMEs operating in Nigeria out of which 36,994,578 (Thirty-Six Million, Nine Hundred and Ninety-Four Thousand Four Hundred and Seventy-Eight) of them representing 99.8% are Micro Enterprises.

This is a critical aspect of concern especially when there is a global desire to achieve a specific target on the global Sustainable Development Goals (SDGs); whereas, the MSMEs are the focal point for measuring these criteria. Thus, staggering at the Micro Enterprises stage for the country for several years without moving to the next stages of Small & Medium where our peers of Malaysia, Egypt, Turkey, etc. had attained requires investigation to proffer a solution.

SME financing is rapidly growing and becoming a vital mechanism for creating jobs in the private sector. Fintech is instrumental in promoting well-being and financial prosperity, regardless of the economy's size or level of development. The Islamic economic system could benefit from technology advancements to improve business techniques and digitalize financial contracts for better application in modern society.

#### *Empirical Review*

Kazaure, Abdullah, Zawawi, and Hamzah (2021) aimed to investigate the determinants of SMEs' intention to adopt the Islamic crowdfunding model in Northern Nigeria. The study employed a quantitative research design, focusing on owners and managers of SMEs in Kano,

Kaduna, and Katsina states. The sample size was determined to be 385, and a non-probability sampling technique was used. PLS-SEM was also used for data analysis. The results revealed that perceived usefulness, perceived ease of use, information on crowdfunding, and social media have a significant positive effect on SME owners' and managers' intention to adopt the Islamic crowdfunding model. Nonetheless, the formula used to determine the sample size was not mentioned, and the utilization of a non-probability sampling technique may lead to unequal representation of the sample frame's members.

Islam and Khan (2019) explored the factors that influence the adoption of crowdfunding by start-up entrepreneurs in Bangladesh. The study used a quantitative research design, targeting existing and future start-up entrepreneurs. The sample size was 317, and PLS-SEM was used for data analysis. The results showed that social influence, effort expectancy, facilitating condition, and performance expectancy are all significant factors affecting the intention to adopt the Islamic crowdfunding model. However, the study did not mention the formula used to determine the sample size or the sampling technique used.

Salim, Kassim, and Thaker (2021) investigated the factors that affect the acceptance of Islamic crowdfunding among youth entrepreneurs in Malaysia. The study adopted a quantitative research design and targeted youth entrepreneurs among SMEs in Malaysia. The sample size was 260, and PLS-SEM was utilized for data analysis. The findings indicated that perceived usefulness, perceived ease of use, self-efficacy, Islamic platform, and financial accessibility have a positive and significant effect on youth entrepreneurs' intention to adopt the Islamic crowdfunding model. Nevertheless, the researchers did not mention the formula used to determine the sample size or the sampling technique used.

Husin, Harom, and Aziz (2019) aimed to examine the role of perceived benefits in shaping intention to use Islamic crowdfunding platforms among SMEs in Selangor, Malaysia. The study employed a quantitative research design, focusing on SMEs in the region. The sample size was determined to be 163, and a purposive sampling technique was used. The researchers used SEM for data analysis. The results showed that perceived benefits/usefulness has a significant positive effect on the intention to adopt the Islamic crowdfunding model. However, the formula used to determine the sample size was not mentioned, and the utilization of a non-probability sampling technique may have introduced bias into the sample.

#### *Theoretical Framework*

*Technology Acceptance Models (TAMs)*- This study adopted the Technology Acceptance Model (TAM) and its relevance in analyzing the adoption of new technological innovations. Several studies have utilized TAM to explore technology adoption in various contexts (Majid & Nugraha, 2022; Salim et al., 2021; Kazaure et al., 2021; Islam & Khan, 2019; Husin et al., 2019). According to Davis (1989), individuals are more likely to accept a technological innovation if they perceive it to be easy to use and beneficial. Malik and Alfarsi (2020) emphasize that perceived usefulness (PU) and perceived ease of use (PEOU) are crucial factors influencing attitudes towards using social networking. TAM is commonly used to explain how individuals adopt and utilize technology and social networking platforms at both individual and organizational levels. It was developed by Davis in 1989 to describe the individual acceptance of innovation within an organization. The TAM model proposes that PU and PEOU are the primary determinants of the intention to adopt new technology. PU

refers to the individual's belief that the use of technology will enhance their job performance, while PEOU reflects their perception that using a particular technology requires minimal physical and mental effort. TAM has been applied in many studies such as social networks (Kazaure et al 2021), innovation adoption (Pérez et al., 2004as cited in Kazaure et al 2021), online banking (Pikkarainen, 2004as cited in Kazaure et al 2021), teaching assistant robots (Kazaure et al 2021), e-commerce (Kazaure et al 2021) and e-library (Shoei and Oloumi, 2010 as cited in Kazaure et al 2021).

### 3. Methodology

The study used quantitative and survey research designs. The sample size was selected using a systematic random sampling technique. The population of the study is 2,341 members of Niger Chambers of Commerce, Industry, Mines and Agriculture (NCCIMA). The sample size is 342 as dictated by the sample size estimation formula of Krejcie, and Morgan (1970). The sample size was selected using systematic random sampling technique.

The study used a structured questionnaire to collect primary data. The questionnaire was divided into two sections. Section 'A' focuses on respondents' bio-data while section 'B' dwells on the study variables build on 5 – point Likert scale statements. The independent variable was measured using four determinants: perceived usefulness, perceived ease of use, perceived risk, and social influence while the dependent variable was measured using the intention to adopt the Islamic crowdfunding model. Each of the construct have five items adapted from the works of Kazaure *et al.*, (2021); Islam and Khan (2019); and Salim, *et al.*, (2021).

The study utilizes descriptive statistics and inferential statistics for data analysis. In terms of inferential statistics, the researcher applies multiple regressions at a significance level of 5%. If the p-value is > .05, it indicates that the model has no significant influence, and therefore the null hypothesis would be accepted or rejected in favor of the alternative hypothesis. The study used SPSS to run the study data. The regression model is adapted from the works of Kazaure *et al.*, (2021) and presented below:

$$IUICM = \beta_0 + \beta_1PU + \beta_2PEOU + \beta_3PR + \beta_4SN + e \dots\dots\dots 1$$

Where IUICM– Intention to Use Islamic Crowdfunding Model;  $\beta_0$  = constant;  $\beta_1PU$  = Perceived usefulness coefficients;  $\beta_2PEOU$  = Perceived ease of use coefficients;  $\beta_3PR$  = Perceived risk coefficients;  $\beta_4SN$  = Subjective Norm coefficients; e - error term.

### 4. Results

Based on the data processed, the result of the study is presented as follows:

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.688 <sup>a</sup>	0.474	0.467	2.14336

Note a. Predictors: (Constant), Subjective Norm, Perceived Ease of Use, Perceived Usefulness, Perceived Risk. Source: Author's Computation

The Model Summary result in table 1 reveal multiple correlations: R= .688, R Square = .474, Adj. R<sup>2</sup> = .467, and Std Error of the estimate= 2.14336. An R -value of 0.688 implies good prediction level. The R<sup>2</sup> = 0.474 signifies that the exogenous variable accounts for 47.4% of



the changes in the endogenous variable, the Intention to Use the Islamic Crowdfunding Model (IUCM). The adjusted  $R^2$  implies that 46.7% of the changes in the Intention to Use the Crowdfunding Model (dependent variable) is explained by the Subjective Norm, Perceived Ease of Use, Perceived Usefulness, and Perceived Risk.

Table 2: ANOVA<sup>a</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1179.606	4	294.902	64.193	.000 <sup>b</sup>
Residual	1309.290	285	4.594		
Total	2488.897	289			

Note: a. Dependent Variable: Intention to Use Islamic Crowdfunding Model; b. Predictors: (Constant), Subjective Norm, Perceived Ease of Use, Perceived Usefulness, Perceived Risk. Source: Author's Computation

The ANOVA Table 2 indicated that F-statistic value is 64.193 meaning the model is statistically significant at significant level of .000<sup>b</sup>. With this data, it can be concluded that the four exogenous variables co-jointly predict the variability in the endogenous variable (Intention to Use Islamic Crowdfunding Model).

Table 3: Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.259	0.874		3.729	0.000
Perceived Usefulness	0.246	0.047	0.281	5.269	0.000
Perceived Ease of Use	0.452	0.051	0.473	8.869	0.000
Perceived Risk	-0.063	0.033	-0.106	-1.910	0.057
Subjective Norm	0.106	0.045	0.129	2.336	0.020

Note: a. Dependent Variable: Intention to Use Islamic Crowdfunding Model. Source: Author's Computation

Table 3: Revealed that perceived usefulness has positive and a significant effect on the investors' Intention to Use Islamic Crowdfunding Model in Nigeria. With this statistical result, an upward increase in investors' perceived usefulness by one unit connotes an upward increase investors' Intention to Use Islamic Crowdfunding Model in Nigeria by .246 units. This finding entails that the study null hypothesis is rejected and established the bases to accept the alternate hypothesis. This finding is in line with the findings of Majid and Nugraha (2022); Kazaure et al (2021); Salim et al (2021) and Husin et al (2019).

Also, the result from table 3 revealed that perceived ease of use has positive and significant influence on the investors' interest to Use Islamic Crowdfunding Model in Nigeria. With this statistical result, an upward increase in investors' perceived ease of use by 1 unit will increase investors' Intention to Use Islamic Crowdfunding Model in Nigeria by .452 units. This finding entails that the study null hypothesis is rejected and established the bases to accept the alternate hypothesis. This result is in agreement with the results found in studies by Majid and Nugraha (2022); Kazaure et al (2021); and Salim et al (2021).

More so, the result from table 3 revealed that perceived risk has negative and no significant effect on the investors' Intention to Use Islamic Crowdfunding Model in Nigeria. With this statistical result, an upward increase in investors' perceived risk by one unit will not decrease investors' Intention to Use Islamic Crowdfunding Model in Nigeria by -.063 units. This

finding entails that the study null hypothesis is accept and established the bases to reject the alternate hypothesis.

The result from table 3 revealed that subjective norm has positive and a significant effect on the investors' Intention to Use Islamic Crowdfunding Model in Nigeria. With this statistical result, an upward increase in investors' subjective norm by one unit will increase investors' Intention to Use Islamic Crowdfunding Model in Nigeria by 0.106units. This finding entails that the study null hypothesis is rejected. This result is in agreement with the results found in studies by Islam and Khan (2019).

### 5. Conclusion and Recommendation

This paper attempts to determine the major variables that affect investors' interest to Use Islamic Crowdfunding Model in Nigeria. The results revealed that perceived usefulness, perceived ease of use, and subjective norm have a significant effect on investors' interest to Use Islamic Crowdfunding Model in Nigeria; while perceived risk has no significant effect on investors' Intention to Use Islamic Crowdfunding Model in Nigeria. In addition, the study reveals that acceptance by investors to invest in Islamic crowdfunding will increase the level of awareness. The study therefore recommends that investors should invest in incubating new start-ups using the Islamic Crowdfunding models, to create awareness and make the government facilitate the establishment of appropriate platforms and regulations to ease participation.

### Limitation

The major limitation of this study is that it does not exhaustively consider all predictors of Islamic Crowdfunding Model adoption variables. It is, therefore, recommended that further study be carried out that will include more variables such as perceived complexity, trialability, effort expectancy, facilitating condition, performance expectancy, self-efficacy, Islamic platform, and financial accessibility, etc.

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