

The Analysis of Small Medium Enterprise's Sukuk Investment Intention Through Financial Technology Securities Crowdfunding

Arief Luqman Hakim¹, Afif Zaerofi², Rahmat Mulyana³

Abstract. *The study is aimed at examining the determinants of retail investor to invest in small medium enterprise's (SME) sukuk through Fintech Securities Crowdfunding (SCF) using the extended theory of planned behaviour (TPB). The cluster random sampling was applied and survey was conducted by distributing online questionnaire to retail investors who already invested through SCF in Indonesia officially licensed by the OJK (Authority of Financial Services). The data of 218 respondent were analysed using SmartPLS 3.2.9. The result suggested that attitude, subjective norm and perceived behaviour control were statistically found significant to intention to invest in SME's sukuk. The result also showed that other variables observed, knowledge, religious factor and risk & return have positively significant impact on attitude toward SME's sukuk investment. Interestingly, sharia compliance factor not significantly impact to attitude.*

Keywords *Small Medium Enterprise (SME) Sukuk; Financial Technology; Securities Crowdfunding; Retail Investor*

Abstrak. *Penelitian ini bertujuan untuk menganalisis faktor faktor yang berpengaruh terhadap minat berinvestasi pada Usaha Mikro Kecil dan Menengah (UMKM) melalui Sukuk Fintech Securities Crowdfunding (SCF) dengan menggunakan Extended Theory of Planned Behaviour (TPB). Penelitian ini menggunakan metode survei dengan teknik cluster random sampling. Kuesioner digunakan untuk mengumpulkan data. Responden penelitian ini adalah investor retail UMKM yang berinvestasi melalui SCF yang sudah terdaftar di OJK. Data yang dikumpulkan dari 218 responden dianalisis dengan menggunakan SmartPLS 3.2.9. Penelitian ini menemukan bahwa sikap, norma subjektif dan kontrol perilaku berpengaruh signifikan terhadap minat berinvestasi melalui SCF. Penelitian ini juga menemukan bahwa pengetahuan, religiositas, dan risk & return berpengaruh positif signifikan terhadap minat berinvestasi melalui SCF. Menariknya, faktor kepatuhan syariah (sharia compliance) ditemukan tidak berpengaruh terhadap minat berinvestasi.*

Kata Kunci: *Usaha Mikro kecil dan menengah, Sukuk; Financial Technology; Sekuritas Crowdfunding; Investor Retail*

Introduction

Crowdfunding has been getting popular due to the evolution and globalisation of social media and financial technology (Fintech). It is considered as an alternative fund for entrepreneurs who are facing difficulties with

¹ Institut Agama Islam Tazkia, Bogor |

² Institut Agama Islam Tazkia, Bogor | afif@tazkia.ac.id

³ Institut Agama Islam Tazkia, Bogor |

traditional financial institutions, namely, banking institutions (Ishaq & Rahman, 2020). Technology development has encouraged people to have full activities through internet connections and several of fintech companies in Indonesia offer alternative sources of capital for business sector using digital technology, including crowdfunding schemes. From an Islamic perspective, the idea of crowdfunding is commendable as it encourages wealth circulation and promotes cooperation. Nevertheless, it is vital to ensure that crowdfunding practices comply to Sharia (Suleiman, 2016).

Several crowdfunding schemes have been developed in Indonesia, such as donation-based (such as *kitabisa.com*) then lending based also known as peer-to-peer lending (p2p) (such as *Investree*, *CoinWorks* and *ALAMI*), also some equity-based crowdfunding then developed into securities crowdfunding (Such as Syafiq, Bizhare, Fundex, LBS Urundana, Landx, Danasaham). Enterprises that need funds to run the project could raise the fund by issuing sukuk through the SCF. The SCF service provider company have a digital platform that could be accessed by retail investors to purchase the securities issued by the enterprises.

Unlike conventional bond, which is a fixed-based income instrument that represents a loan made by investors to a borrower, sukuk offers an underlying asset or a real economic activity in which the investors can invest. In a conventional bond, investors get a return by lending money on interest, which is prohibited by *Sharia* (Islamic law), whereas in sukuk, the relationship between the sukuk issuer and sukuk investors (sukuk holders) would be based on the *Sharia* contract the underlying transaction in the structure (Awadh S. et.al., 2022). Crowdfunding of SME's sukuk until June 2022 has reached IDR 57.84 billion, while fundraising of corporate sukuk through a public offering on the Indonesia Stock Exchange (IDX) in the same period have reached IDR 73.08 trillion with an average growth of 22% in the last 5 years (OJK, 2022).

Some scholars have investigated on retail investors' intention to invest in sukuk (Awadh et al., 2022; Khan et al., 2020; Abdul Kareem A.I., Mahmud S.M. & Ali O.M., 2021; Awn & Azam, 2020; Duqi & Al-Tamimi, 2019; Ashidiqi &

Arundina, 2017; Warsame & Ileri, 2016). In term of common sukuk namely sukuk issued by the state, Awadh et al. (2022) examines the perception of retail investors in Malaysia on intention to invest in “Sukuk Prihatin” issued by the government during the Covid-19 pandemic, uses a combination of the theory of planned behavior (TPB) and social cognitive theory (SCT) and reveals that the main variables in the theory are significant determinants related to the intention to invest in “Sukuk Prihatin”.

In the context of sukuk investment, the studies on intention toward sukuk investment has been relatively rare. Several studies used Theory of Planned Behaviour (TPB) to predict investors' intentions to invest in sukuk (Awadh et al., 2022; Ashidiqi & Arundina, 2017; Abdul Kareem A.I., Mahmud S.M. & Ali O.M., 2021; Awn & Azam, 2020a; Warsame & Ileri, 2016). These researchs confirm that all determinants of TPB model are found significant impacting investor's intention on sukuk investment. Ashidiqi & Arundina (2017) conducted research on retail investors with 1140 university students as respondents. The results show that all determinants of TPB are statistically significant. In addition, another observed variables which are knowledge, religious factors, risk & returns and the reputation of the publisher have a significant positive relationship to the high attitude of students to invest in sukuk.

Literature Review

Sukuk is defined as certificates of equal value representing undivided shares in ownership of tangible assets, usufruct and services or (in the ownership of) the assets of particular projects or special investment activity (The Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), 2008).

The SME's sukuk is a digital sukuk issued by small and medium-sized companies through the SCF company ruled by the Authority of Financial Services (OJK). The company manages crowdfunding for SMEs to fund their projects and in the other side it can be an opportunity for retail investors to

invest in SME's sukuk instruments that offer attractive returns. This scheme is based on financial services authority regulations (POJK No.57, 2020) which states that one of the requirements to become a sukuk issuing company through SCF is the enterprises with a maximum net asset value of IDR 10 billion.

The SME's sukuk offered to retail investors has the same characteristics as the common bonds/sukuk. The differences is the distribution for the primary issuance offered through e-channel SCF platform, while common bonds/sukuk are offered over the counter (OTC) among investors and it is non-tradeable on the secondary market.

Intention to invest

Intention is an indication of how willing an individual is to try to make efforts to do a certain behavior. The intention will remain a tendency to act until efforts are made to change the intention into behavior (Ajzen, 2005). According to The Theory of Planned Behaviour (TPB), the intention is the function of three basic factors; the first factor is the personal factor of the individual (attitudes), the second is social influence (subjective norm) and the third is related to the controls that belong to the individual (Awn & Azam, 2020). Intention in this research refers to the extent to which someone is willing to try and give an effort to SME's sukuk investment (Ajzen, 1991; Warsame & Ireri, 2016; Ashidiqi & Arundina, 2017)

Theory of Planned Behavior

Theory of Planned Behaviour (TPB) is basically a psychological theory. It states that a person's behaviour can be predicted based on the intention to perform the behaviour. Intention is a factor that directly affects how much a person wants to perform a behaviour (Ajzen, 1991). in TPB theory, there are 3 main factors in predicting a person's intention to perform a certain behaviour, namely attitudes, subjective norms, and perceptions of behavioural control, which is in the context of this study, intention to invest in SME's sukuk.

Attitudes

Attitude in this study is conceptualised as a retail investor's positive or negative evaluation towards SME's sukuk investment. Attitude refers to 2 main dimensions. First, as an evaluation whether a particular action is valuable, harmful or important and the second, description whether the behaviour as pleasant or unpleasant (Ajzen, 1991; Connor & White, 2010). Therefore, if individuals have a positive attitude towards a particular behavior, they can develop a positive intention to engage in that behavior (Akhtar & Das, 2019). Previous studies found Attitude is one of the main factors that influence investors' intentions towards sukuk investment (Warsame & Ileri, 2016; Ashidiqi & Arundina, 2017; Awadh et al., 2022).

Subjective norms

Subjective norms in TPB model describe the individual perceptions that come from the social pressure of the most important reference group. The perception is about to do or not to take certain actions (Ajzen, 1991). Khan et al., (2020) noted the involvement of Subjective norm in investment decisions is positively related to the investor's intention towards sukuk investment. In this study, Subjective norm defined as social pressures from family, friends, ulama and other important groups on retail investors to invest in SME's sukuk (Ashidiqi & Arundina, 2017; Awadh *et al.*, 2022).

Perceptions of behavioural control

Perception is determined by 2 factors, namely belief control and perceived power of control. Belief control is conceptualized as an individual's assumption about the existence of factors that support or hinder to perform a behaviour. Belief control is based on the individual's experience about the behaviour, information about behaviour, and various other things that can influence the individual's opinion about the ease or difficulty in performing certain behaviours. Meanwhile, the perceived power of control is an individual's assumption about how strong he feels about each of the factors that support and inhibit the behaviour (Ajzen, 2005), the perception referred to in this study

is retail investors' expectations in external and internal constraints about the ease of accessing SME's sukuk investment (Warsame & Ileri, 2016; AbdulKareem *et al.*, 2021; Awadh *et al.*, 2022).

Knowledge

Generally, knowledge plays an important role in affecting a customer's intention to use Islamic financing products (Awn & Azam, 2020). The importance of Knowledge and behavioral factors is increasingly recognized in studies of individual habits (Banter *et al.*, 2008; Mehdizadeh *et al.*, 2017a; Oyeyemi *et al.*, 2014). In theory of planned behaviour, Ajzen (2005) explained that knowledge can affect the attitude of individual towards certain behavior. And so knowledge referred to in this study is knowledge about SME's sukuk investment (Ashidiqi & Arundina, 2017).

Religious factor

Religiosity is an organized system of practices, beliefs, symbols, and rituals designed to facilitate closeness to God and to foster sympathetic of one's responsibility among others in society (Osman *et al.*, 2012). Also, Amin *et al.*, (2011) described religious as the role that influences an individual's activities and decision. It is acknowledged that individual option to participate in Sukuk investment can be influenced by the fact that this kind of investment offered is corresponding to Islamic law, AbdulKareem *et al.* (2021) found that the level of religious surrounded within-person as a factor of an individual's intention to involve in Sukuk investment. In the context of this study we observed what is the role of one's religious observance in influencing attitudes towards SME's sukuk investment (Ashidiqi & Arundina, 2017).

Risk and Return

Economic literature generally said that risk and return as the nature of investment. Return is the benefit that will be received by investors from its investment in the future, while risk is the uncertainty of the benefits itself

(Bodie, *et al.*, 2005; and Mankiw, 2013). Risk and return can be said as the purpose of the investment itself so it must be considered in making an investment decision (Ashidiqi & Arundina, 2017). In this study we observe consideration of risk and return in making SME's sukuk investment decisions.

Sharia Compliance

The Islamic Sukuk is introduced to fulfill the *muammalat* (a human relationship in social interaction) in compliance with Shari'ah laws (Awn & Azam, 2020) Interpretation of Shari'ah-Compliance exhibits a high degree of subjectivity. In Islamic Sukuk structuring, there are governing clauses which necessitate the role of Shari'ah-Compliance scholars in opinion about a particular Sukuk structure, both locally and globally (Oseni & Hassan, 2015; Hassan *et al.*, 2018), also in SME's sukuk structuring, it is mandatory to have a DSN-MUI opinion on each issuance of a sukuk. In some literature also found a positive effect of shariah compliance on attitudes towards Islamic banks and Islamic financial products (Lee & Ullah, 2011; Faisal, Akhtar, & Rehman, 2014; Souiden & Rani, 2015; Newaz, Fam, & Sharma, 2016; Souiden & Rani, 2015; AbouYoussef, Kortam, AbouAish, & El-Bassiouny, 2015). In the context of this research we want to find how does sharia compliance in SME's sukuk products affect investment decisions (Amin, 2012; Awn & Azam, 2020).

Conceptual Framework

The conceptual framework of this study is adapted from theory of planned behaviour which is modified by Ashidiqi & Arundina (2017) and Awn & Azam (2020).

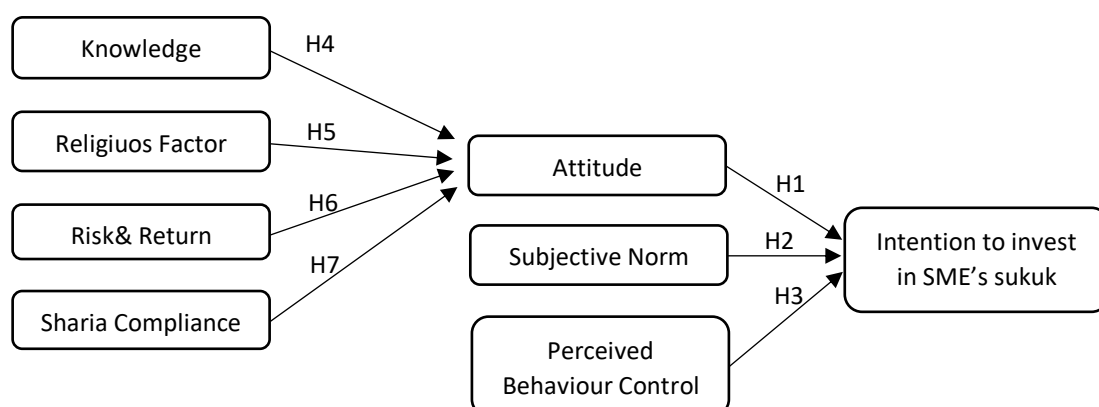


Figure 1. Conceptual Framework

Attitude is a key factor that influences the performance of a person on a certain behavioral intention (Amin et al., 2017; Lajuni et al., 2017). Individual's higher attitude towards Islamic product significantly influences the behavioral intention towards the usage of Islamic services (Awn & Azam, 2020). Prior studies have demonstrated that Attitude exerts a positive and significant relationship with behavioural intentions (Warsame & Ireri, 2016; Ashidiqi & Arundina, 2017; AbdulKareem *et al.*, 2021; Awadh et al., 2022). Currently, no empirical study has been dedicated to SME's sukuk investment and exploring the relationships between Attitude and the intention to invest. As such, we assume that a favourable Attitude among retail investors towards SME's sukuk will strongly promote the intention to invest in the newly digital sukuk scheme in Indonesia. Therefore, it can be hypothesized that:

H1: Attitude has a significant and positive effect on the intention to invest in SME's sukuk.

The presence of subjective norm has a profound impact on people's decision-making process in their daily interactions. Subjective norm is about individuals' perceptions of social pressures from the most important reference groups to either execute or not execute a given action (Ajzen, 1991). In addition, social pressure is also given by the closest people such as parents, spouse, children, co-workers. Zainuddin et.al. (2004) who examine the perceptions of users and non-users of Islamic banking services among bank customers in Malaysia found that the decision-making process of Islamic bank users is influenced by their spouse, friends, relatives and innate religious motivation. Another study found that the influence of third parties is a major factor in the selection of Islamic bank criteria where they tend to follow their peers and are more influenced by the media (Ramdhony, 2013). Ashidiqi & Arundina (2017)

found that subjective norms had a significant effect on student attitudes in investing in sukuk in Indonesia. Therefore, the hypothesis proposed is:

H2: Subjective norm has significant and positive effect on the intention to invest in SME's sukuk.

Perceived behavioural control is an individual's perception of the ease or difficulty of performing certain behaviours (Ajzen, 2005). Based on previous studies (Khuram & Bukhari, 2011; Butt et.al, 2011; & Amin et.al, 2017) it is found that the quality of customer service, product features and adequate knowledge about the products and services offered by Islamic bank staff are key factors which determines the absorption of sharia products by customers. Ashidiqi & Arundina (2017), Abdulkareem *et al.* (2021), Awadh et al. (2022) found that Perceived behavioural control significantly influence intention to invest in sukuk investment. Therefore, it can be hypothesized that:

H3: Perceived behavioural control has significant and positive effect on the intention to invest in SME's sukuk.

In the explanation of the TPB (Ajzen, 2002) also explained that knowledge can have an influence on a person's attitude towards a certain action. Warsame and Ileri (2016) found that knowledge has significant affect towards sukuk investment decision in Qatar and Ashidiqi & Arundina (2017) revealed the results of research conducted on students in predicting the intention to invest in sukuk that knowledge has a significant impact on attitudes to invest in sukuk in Indonesia. So it can be hypothesized that:

H4: Knowledge has significant and positive effect on the attitude towards SME's sukuk investments

Religious motivation in Islamic products and finance has a considerable influence on individual perceptions (Riaz et al., 2017). Several previous studies have also proven that religious factors influence decisions in financial investment management, as revealed by Abou-Youssef et al. (2015) and Soeidan & Rani (2016) that religious factors have a significant effect on decisions in choosing Islamic financial products, Rahman & Anwar (2016)

found significant influence from a religious perspective on banking customer satisfaction and Ashidiqi & Arundina (2017) found that religious factors had a significant effect on attitudes in investing in sukuk in Indonesia. So it can be hypothesized that:

H5: Religious factor has significant and positive effect on the attitude towards SME's sukuk investments

Risk and return are fundamental aspect in investment. Return is the profit expected by investors in the future from the investment and risk is a condition of uncertainty caused by the investment, in terms of obtaining returns or returns on investment capital. It is generally recognized that risk and return are the main factors influencing investment decisions (Modigliani & Pogue, 1973; Bodie, et al., 2005; and Mankiw, 2013). Risk and return are also factors that influence investors to invest in Islamic financial instruments. Ashidiqi & Arundina (2017) found that risk and return have a significant effect on attitudes in investing in sukuk in Indonesia. Therefore, the hypothesis proposed is:

H6: Risk & return has significant and positive effect on the attitude towards SME's sukuk investments.

Some studies suggested that shariah compliance and religiosity impact a person's behavior and decision making (Essoo & Dibb, 2004; McDniel & Burnett, 1990). Hirschman (1983) claimed shariah compliance like other variables greatly affects a person's life in terms of his wealth accumulation, studies, and lifestyle. Islamic sharia law is considered by muslim in conducting all worldly affairs. Thus, muslims will consider the principles of sharia before expressing or developing their positive or negative attitude towards any object (Rehman & Shabbir, 2010). Their attitude towards any object will be influenced by its legal status from a sharia perspective and cannot be avoided from Islamic law or teachings (Newaz, Fam, & Sharma, 2016). Many empirical researchs also advised shariah compliance significantly influence on attitudes in the context of Islamic banks and financial products (Lee & Ullah, 2011; Faisal, Akhtar, & Rehman, 2014; Souiden & Rani, 2015; Newaz, Fam, & Sharma, 2016; Souiden &

Rani, 2015; AbouYoussef, Kortam, AbouAish, & El-Bassiouny, 2015). Therefore, it can be hypothesized that:

H7: Sharia compliance has significant and positive effect on the attitude towards SME's sukuk investments

Method

This study is a quantitative approach. The sample of this research is retail investors who already invested in SME's sukuk through fintech securities crowdfunding officially licensed by the OJK (Authority of Financial Services). Survey was conducted by distributing online questionnaire to retail investors and the technique of selecting the sample used is cluster random sampling, where the researcher defined samples by geographical Jabodetabek (Jakarta and its suburbs), Java (non-Jabodetabek) and outside java. The questionnaire consists of 2 parts. The first part contains the demographic and financial data of respondents and the second consists of questions in connection with relevant indicators of variables. The data collected is analyzed by using Structural Equation Modeling.

Table 1. Conceptualisation of the variables

Variables	Conceptualisations	No. of item	Sources
Intention to invest SME's sukuk	The extent to which someone is willing to try and give an effort to SME's sukuk investment.	4	(Ajzen, 1991; Warsame & Ireri, 2016; Ashidiqi & Arundina, 2017)
Attitude	Define as a retail investor's positive or negative evaluation towards SME's sukuk investment.	4	(Ajzen, 1991; Ashidiqi & Arundina, 2017; Awadh et al., 2022)
Subjective Norm	Perceived social pressure from the important reference group (e.g. family, friend and	5	(Ajzen, 1991; Ashidiqi & Arundina, 2017;

	others) either to invest or not to invest in SME's sukuk.		Awadh <i>et al.</i> , 2022)
Perceived Behaviour Control	Retail investors' expectations in external and internal constraints about the ease of accessing SME's sukuk investment.	4	(Ajzen, 1991; Warsame & Ireri, 2016; AbdulKareem <i>et al.</i> , 2021; Awadh <i>et al.</i> , 2022)
Knowledge	Overview of knowledge about SME's sukuk investment.	3	(Ashidiqi & Arundina, 2017)
Religious Factor	What is the role of one's religious observance in influencing attitudes towards SME's sukuk investment.	3	(Ashidiqi & Arundina, 2017).
Risk& Return	Consideration of risk and return in making SME's sukuk investment decisions.	3	(Ashidiqi & Arundina, 2017).
Sharia Compliance	How does sharia compliance in SME's sukuk products affect investment decisions.	4	(Amin, 2012; Awn & Azam, 2020)

Source: Authors, 2022

There are seven independent variables in this study: attitude, subjective norm, perceived behaviour control, knowledge, religious factor, risk & return, and sharia compliance; and one dependent variable: intention to invest in SME's sukuk, while attitude in this study also functions as an intervening variable,

Results and Discussion

Description Analysis

Table 2 below describes the demographic characteristics of the respondents.

Tabel 2. Demographic Data of Respondent

Variables	Item	Respondent Number	Percentage
Gender	Male	154	70,64%
	Female	64	29,36%
Religion	Moslem	218	100,00%
	Others	-	0,00%

Variables	Item	Respondent Number	Percentage
Age	< 20 years	3	1,38%
	20 - 30 years	47	21,56%
	31 - 40 years	124	56,88%
	41 - 50 years	36	16,51%
	51 - 60 years	5	2,29%
	> 60 years	3	1,38%
Residence	Jabodetabek (Jakarta and its suburbs)	124	53,67%
	Java (non-Jabodetabek)	67	33,94%
	Outside Java	27	12,39%
Profession	Student	5	2,29%
	Private Employees	110	50,46%
	Government Employees	36	16,51%
	State Company Employees	32	14,68%
	Entrepreneur	9	4,13%
	Others	26	11,93%
Nett Income per year	< IDR 300 million	152	69,72%
	IDR 300 million to IDR 500 million	42	19,27%
	IDR 500 million to IDR 1 billion	22	10,09%
	> IDR 1 billion	2	0,92%

The Tabelk shows that the majority of respondents gender is male with the percentage of 70,64% and all the respondents are moslem. Respondents aged 31-40 years had the most number with the percentage 56.88% then the second most were those aged 20-30 years, 21.56% while respondents aged 41-50 years were 16.51% and the rest varied > 50 years and < 20 years, it can be assumed that the majority of people aged > 30 years already have a steady income and have started to have the awareness about investment.

Based on their domicile area, the majority of respondents were in the Greater Jakarta area with the percentage 53.67%, while the others were located on the non-Jabodetabek Java island and outside Java respectively 33.94% and 12.39%. The dominance of respondents in the Jabodetabek domicile area can be assumed due to several things, including the availability of supporting facilities and infrastructure to access securities crowdfunding services such as gadgets

(smartphones, laptops, tablets, etc.) more users than other regions, besides that the average income level of people live in the Greater Jakarta area is also higher than other regions; based on the data of registered SCF users, it is also confirmed that more than 42% of SCF users are from the Greater Jakarta area. In terms of employment, respondents who have jobs as private employees have the highest number, namely 110 people (50.46%) and in terms of total net income per year the majority have income IDR 300 billion as percentage of 69.72%.

Structural Equation Modeling (SEM) Analysis

In the process of empirical analysis, we assessed the measurement (outer) model by use the validity test, reliability and the *good of fit*. To test the reliability of the measurement model we use the Construct Reliability (CR) and Average Variance Extracted (AVE), the measurement model can be considered reliable if all variables have CR value more than 0.7 and AVE more than 0.5 (Hair et.al., 2019). The validity test of the measurement model is seen from the value of the standard loading factor should be more than 0.7 and t - statistics more than 1.97 so that the measurement model is considered valid (Hair et al., 2019).

Table 5 below shows the value of the indicator the validity and reliability of the measurement model. From the table we know that the value of the standard loading factor of all indicators are more than 0.7 and the value of t statistics of all indicators also above 1.97, so it can be concluded that the measurement model reliable. The value of Construct Reliability (CR) and Average Variants Extracted (AVE) of each variable also above 0.7 and 0.5. Thus, the measurement model can be considered valid. Another items (Att2, Knl4, Knl5, Rir1, Rir3, Rlg1 and Rlg2) failed to meet this criterion and thus, were dropped.

Table 3. Result of outer model analysis

Latent Variables	Indicator Items	Factor Loading	T-value	CR	AVE
Intention SME's Sukuk	I will withdraw my savings to invest in UKM	0.846	33.400	0.923	0.751

	sukuk through crowdfunding fintech securities				
	If I have more funds, I will invest in SME sukuk through fintech securities crowdfunding.	0.875	43.711		
	SME Sukuk is my investment instrument of choice.	0.892	48.874		
	I will invest in SME sukuk regularly.	0.853	37.958		
Attitude	Investing in sukuk instruments is better than debt securities	0.701	15.154	0.918	0.738
	I like investing in UKM Sukuk	0.893	55.205		
	Investing in SME sukuk through crowdfunding fintech securities is a good choice.	0.920	87.703		
	Investing in SME Sukuk in crowdfunding fintech securities is profitable for me.	0.903	67.327		
Subjective Norm	My family invests in SME sukuk through crowdfunding fintech securities	0.829	44.017	0.902	0.649
	My friend asked me to invest in SME sukuk through crowdfunding fintech securities	0.825	27.702		
	My Ustadz encourages investing in SME sukuk through crowdfunding fintech securities.	0.826	25.654		
	One of my social media influencers invests in SME sukuk in fintech securities crowdfunding.	0.815	27.225		
	I attended a seminar/webinar/podcast that invited investors to invest in SME sukuk	0.730	16.162		

	through crowdfunding fintech securities.				
Perceived Behaviour Control	Information on SME sukuk is easy to obtain through crowdfunding fintech securities.	0.735	13.183	0.876	0.639
	It is easy to invest in SME sukuk through the crowdfunding fintech securities platform.	0.824	21.981		
	Investing in SME sukuk through crowdfunding fintech securities is quite safe.	0.856	31.681		
	For me it is easier to invest in sukuk.	0.777	33.502		
Knowledge	Sukuk instruments are different from debentures.	0.742	16.203	0.834	0.628
	Sukuk is a sharia investment instrument	0.879	33.678		
	SME Sukuk is different from State Sukuk or Corporate Sukuk.	0.749	11.362		
Risk & Return	Yields on investment instruments are higher than financial instruments such as deposits.	0.801	16.931	0.837	0.632
	SME sukuk offer higher yields than state/bond sukuk.	0.771	17.257		
	Compared to other online offerings, SME sukuk in crowdfunding securities have a measurable level of risk.	0.812	29.514		
Religious Factor	I see religious rules in investing in sukuk.	0.693	8.337	0.902	0.757
	I chose to invest in SME sukuk because it is halal.	0.962	66.107		
	I chose the SME sukuk investment to be blessed.	0.930	86.033		
Sharia Compliance	Sukuk is an investment instrument that is free from Riba.	0.930	66.067	0.934	0.780

	Sukuk is an investment instrument that does not contain gharar elements.	0.940	73.451		
	SME sukuk in crowdfunding fintech securities use sharia-compliant contract.	0.895	58.252		
	The issuance of UKM sukuk in crowdfunding fintech securities is supervised by the DSN-MUI.	0.756	14.853		

The value of R^2 in Table 4 below is 0.790 which means that simultaneously the variables of attitude, subjective norms and perceived behaviour control affect the intensity to invest in SME's sukuk are 79% and there are in the substantial or strong category, then the value of R^2 on the attitude variable is 0.495 which means simultaneously variables of knowledge, religious factors, risk & returns and sharia compliance have an influence on attitudes toward SME's sukuk investment by 49% which can be categorized as moderate > 0.25 (Sarstedt et.al, 2017).

Table 4. R-Square

Variables	R^2	R^2 Adjusted
SME's Sukuk Intention	0.790	0.787
Attitude	0.495	0.485

By using a 500-bootstrapping subsample in SmartPLS, the significance levels of the paths and hypothesized relationships are evaluated, as presented in Table 5 below. The analysis indicated that Attitude ($t = 6.338$, $p < 0.05$), Subjective Norm ($t = 5.579$, $p < 0.05$), Perceived Behaviour Control ($t = 8.787$, $p < 0.05$) had direct significant relationships with intention to invest in SME's sukuk and knowledge ($t = 5.349$, $p < 0.05$), Religious Factor ($t = 4.353$, $p < 0.05$), Risk & Return ($t = 5.890$, $p < 0.05$) had direct significant relationships with attitude toward SME's sukuk investment. On the other hand, the relationship between Sharia Compliance ($t = 0.408$, $p > 0.05$) was not significant. Hence, the

proposed hypotheses H1, H2, H3, H4, H5 and H6 are statistically supported, but H7 is not.

Table 5. Result of inner model analysis

Var. Relationship	Path Coefficient	t-value	p-values	Result
Attitude -> SME's Sukuk Intention	0.352	6.338	0.000	Accepted
Subjective Norm -> SME's Sukuk Intention	0.205	5.579	0.000	Accepted
PBC -> SME's Sukuk Intention	0.455	8.787	0.000	Accepted
Knowledge -> Attitude toward SME's Sukuk	0.275	5.349	0.000	Accepted
Religious Factor -> Attitude toward SME's Sukuk	0.256	4.353	0.000	Accepted
Risk& Return -> Attitude toward SME's Sukuk	0.426	5.890	0.000	Accepted
Sharia Compliance -> Attitude toward SME's Sukuk	-0.028	0.408	0.684	Rejected

Based on the Table above found that the perceived behaviour control (Pbc) variable has a highest influence a retail investor's intention in SME's sukuk investment. Control belief is based on an individual's experience of behaviour, information and various other things that can influence an opinion about the ease or difficulty of performing a particular behaviour (Ajzen, 2005).

In the context of SME's sukuk investment the perception of retail investors in terms of the ease to access information and or services about SME's sukuk will affect their intention to invest in SME's sukuk through SCF, the SCF provider is a fintech company that was founded on a technology basis that offers an attractive, informative and accessible user interface for many people so that this certainly provides a perception of convenience for its users, namely retail investors.

In addition to the variable risk and return (Rir) also has a high influence the attitudes of retail investor toward SME's sukuk investment, it has been recognized that risk and return are the main factor influencing investment decisions (Modigliani & Pogue, 1973; Bodie, et al., 2005; and Mankiw, 2013). Risk and return of course are also factors that influence investors in investing

in Islamic financial instruments, Ashidiqi & Arundina (2017) found that risk and return have a significant effect on student's attitudes toward sukuk investment. Risk and Return are fundamental components in investing, in the context of investing in SME sukuk issued through SCF, of course, retail investors also expect future profits from the investments made and understand the risk of uncertainty caused by the investments made, in terms of return on investment and capital repayment.

Interestingly, sharia compliance found not significantly impact to attitude toward SME's sukuk investment. A possible explanation is that respondents think that sharia compliance is not important in financial transaction, they only care about economic benefits and the benefits of financial products. This is similar to the finding Nugraha K., et al. (2022) which reveals that Indonesian Muslim consumers are "rational buyers" who prioritize the direct benefits from using financial services and the MUI Fatwa does not have a significant effect. A phenomenon that is also commonly found occurs when Muslims are more concerned with eating halal food but still make transactions or consume usury (Johan Johana Z., et al., 2017). The highest factor influencing retail investors' intention to invest is the ease of service and access to information through digital technology.

Conclusion

The all TPB variable (attitude, subjective norm and perceived behaviour control) significantly influenced retail investor's intention to invest in SME's sukuk. This indicates that investor's positive perception from their experience in sukuk investment, the influence from internal and or external relation and ease of access the investment influence the intention to invest in SME's sukuk. As a result security crowdfunding service provider should pay attention to improve informative platform system to facilitate effective interaction between retail investors and issuer's company to reduce asymmetric information and continue socialization through various media. The other observe variable knowledge, religious factor and risk& return significantly influenced retail

investor's attitude, but sharia compliance did not significantly influence the attitude, so the SCF provider should maintenance retail investor knowledge in SME's sukuk investment also targeting Muslim-majority community to improve the investment intention, while risk& return should also be considered to maintain investor appetite. Sharia compliance is not considered important in financial matters, because retail investors are more concerned with economic profits and the benefits of financial products, so that stakeholders need to enhance investor literacy about sharia compliance of investment product.

Further research is expected to look into the behavioural intentions on SME's sukuk investment. It is also suggested that the government and SCF provider is expected to further intensify the literacy of sharia compliance in SME's sukuk to the society considering one of the results of this research is the sharia compliance variable was not considered.

References

- Abdul-Baki, Z. & Uthman, A. B., (2017). "Exploring the "social failures" of Islamic Banks: a historical dialectics analysis", *Journal of Islamic Accounting and Business Research*, Vol. 8 (3), pp.-.
- Abdullah, S. & Oseni, U.A. (2017), "Towards a shari'ah compliant equity-based crowdfunding for the halal industry in Malaysia", *International Journal of Business and Society*, Vol. 18, pp. 223-240.
- AbdulKareem A.I., Mahmud S.M. & Ali O.M., (2021), "Factors influencing Nigerians to invest in Sukuk for infrastructure development", *Journal of Emerging Economies & Islamic Research* 9(2), 57 - 75.
- Abdul-Rahman, A. & Mohd Nor, S. (2018). "The application of venture capital strategies to musharakah financing", *Journal of Islamic Accounting and Business Research*, Vol. 11 No. 4, pp. 827-844.
- Achsien, I.H. & Purnamasari, D.L. (2016), "Islamic crowd-funding as the next financial innovation in islamic finance: potential and anticipated regulation in Indonesia", *European Journal of Islamic Finance*, No. 5, pp. 1-11.
- Ajmi H, Aziz A.H., & K. Salina (2018). "Adverse selection analysis for profit and loss sharing contracts", *International Journal of Islamic and Middle Eastern Finance and Management*, Vol. 12 No. 4, pp. 532-552.
- Ajzen, I. (1991), "The theory of planned behavior", *Organizational Behavior and Human Decision Processes*, Vol. 50 No. 2, pp. 179-211.
- Ajzen, I. (2002), "Constructing a TPB questionnaire: conceptual and methodological considerations", Diakses 12 Juni , 2022, melalui : <https://people.umass.edu/aizen/pdf/tpb.measurement.pdf>
- Ajzen, I. (2005), "Attitudes, Personality and Behaviour" (2nd ed.), *New York : McGraw-Hill*
- Alam S.S. & Sayuti M.N. (2011), "Applying the Theory of Planned Behavior (TPB) in halal food purchasing", *International Journal of Commerce and Management*, Vol. 21 No. 1, pp. 8-20.
- Amin, H., Rahman, A.R.A., Sondoh, S.L., & Hwa, A.M.C. (2011). Determinants of customers' intention to use Islamic personal financing: The case of Malaysian Islamic banks. *Journal of Islamic Accounting and Business Research*, 2(1), 22-42.
- Amin. H. (2012), "Factors influencing Malaysian bank customers to choose Islamic credit cards", *Journal of Islamic Marketing*, Vol. 4 No. 3, pp. 245-263.
- Ashidiqi, C. & Arundina, T. (2017), "Indonesia students' intention to invest in Sukuk: theory of planned behaviour approach", *International Journal of Economic Research*, Vol. 14 No. 15, pp. 395-407.

- Awadh S., Muneeza A. & Kunhibava S. (2022), "What motivates retail investors to invest in government-issued digital sukuk during COVID-19?", *Journal of Islamic Accounting and Business Research*, Vol. 13 No. 3, pp. 393-424.
- Awn, A. & Azam, S.M.F. (2020b), "The determinants of investment in Islamic sukuk: a study of libyan investors", *International Journal of Business Society*, Vol. 4 No. 3, pp. 9-19.
- Awn, A. & Azam, S.M.F. (2020a), "Libyan investors' intention to invest in Islamic sukuk: theory of planned behaviour approach", *European Journal of Economic and Financial Research*, Vol. 4 No. 1, pp. 71-90.
- Beck, T., Demirgüç-Kunt, A. & Merrouche, O. (2013), "Islamic vs conventional banking: business model, efficiency and stability", *Journal of Banking and Finance*, Vol. 37 No. 2, pp. 433-447.
- Cumming, D.J. & Vismara, S. (2017), "Embracing entrepreneurial funding innovations", *An International Journal of Entrepreneurial Finance*, Vol. 19 Nos 1/2, pp. 17-27, available at: <https://doi.org/10.1080/13691066.2016.1225910>
- Darmansyah, Fianto A.B. & Hendratmi Achsaniana, Aziz F.P., (2020), "Factors determining behavioral intentions to use Islamic financial technology", *Journal of Islamic Marketing*, Vol. 12 (4), pp. 794-812.
- De Luca V.V., Margherita M. & Passiante G., (2019). "Crowdfunding: a systemic framework of benefits", *International Journal of Entrepreneurial Behavior & Research*, Vol. 25 No. 6, pp. 1321-1339.
- Duqi A. & Al-Tamimi, H. (2019), "Factors affecting investors' decision regarding investment in Islamic sukuk", *Qualitative Research in Financial Markets*, Vol. 11 No. 1, pp. 60-72.
- Gait A., & Worthington A. C. (2015), "Attitudes of Libyan retail consumers toward Islamic methods of finance", *International Journal of Islamic and Middle Eastern Finance and Management*, 8 (4), 439-454
- Giglio F. (2022), "Fintech: A Literature Review", *International Business Research*; Vol. 15, No. 1
- Gompers, Paul, & Josh Lerner, (2004), "The Venture Capital Cycle", *Cambridge: MIT Press*.
- Hair Jr F.J., Sarstedt M., Hopkins L. & Kuppelwieser G. V., (2014), "Partial least squares structural equation modeling (PLS-SEM) An emerging tool in business research", *European Business Review*, Vol. 26 No. 2, pp. 106-121
- Hair F.J., Risher J.J., Sarstedt M., Ringle M. C., (2019), "When to use and how to report the results of PLS-SEM", *European Business Review*, Vol. 31 No. 1, pp. 2-24
- Ibrahim Zaini, Effendi Nury, B. Budiono & Kurniawan Rudi. (2021). "Determinants of profit and loss sharing financing in Indonesia", *Journal of Islamic Marketing*, DOI 10.1108/JIMA-01-2020-0015.

- Ishak I.S.M. & Rahman H.Md., (2020). "Equity-based Islamic crowdfunding in Malaysia: a potential application for mudharabah", *Qualitative Research in Financial Markets*, Vol. 13 No. 2, pp. 183-198.
- Johan Johana Z., Dali Mohd Shah R.N., Suki Ahmad A., Hafit Adha I.N., (2017). "Customers' Intention towards Shariah Compliant Credit Cards: A Pilot Study", *International Journal of Academic Research in Business and Social Sciences*, Vol. 7, No. 4
- Kaakeh A., Hassan K.M.& Almazor H.V.F.S., (2019). "Factors affecting customers' attitude towards Islamic banking in UAE", *International Journal of Emerging Markets*, Vol. 14 No. 4, pp. 668-688.
- Kayed N. Rasem. (2012). "The entrepreneurial role of profit-and-loss sharing modes of finance: theory and practice", *International Journal of Islamic and Middle Eastern Finance and Management*, Vol. 5 No.3, pp. 203-228.
- Khan, S.U., Khan, I.U., Khan, I., Din, S.U. & Khan, A.U. (2020), "Evaluating sukuk investment intentions in Pakistan from a social cognitive perspective", *ISRA International Journal of Islamic Finance*, Vol. 12 No. 3.
- Lajuni N., Ming P.W.W., Yacob Y., Ting H. & Jausin A. (2017), "Intention to Use Islamic Banking Products and Its Determinants", *International Journal of Economics and Financial Issues*, 7(1), 329-333.
- Mawardi I., Widiastuti T., & Al Mustofa U.M., (2022), "Constraints and strategies for municipal Sukuk issuance in Indonesia", *Journal of Islamic Accounting and Business Research*, Vol. 13 No. 3, pp. 464-485.
- Mochkabadi K. & Volkmann K. C., (2018), "Equity crowdfunding: a systematic review of the literature", *Springer Science + Business Media*, available at <https://doi.org/10.1007/s11187-018-0081-x>
- Mollick E., (2014). "The Dynamics of Crowdfunding: An Exploratory Study." *Journal of Business Venturing*, Vol.29, pp. 1-16
- Muneeza, A., Arshad, N.A. & Arifin, A.T. (2018), "The application of blockchain technology in crowdfunding: towards financial inclusion via technology", *International Journal of Management and Applied Research*, Vol. 5 No. 2, pp.82-98, <https://doi.org/10.18646/2056.52.18-007>
- Nugraha K., Arief M., Abdinagoro S.B. and Heriyati P. (2022), "Factors Influencing Bank Customers' Orientations toward Islamic Banks: Indonesian Banking Perspective", *Sustainability* 2022, 14, 12506, <https://doi.org/10.3390/su141912506>
- Oladapo A.I., Hamoudah M.M., Alam M.Md., Olaopa R.O. & Muda R., (2021). "Customers' perceptions of FinTech adaptability in the Islamic banking sector: comparative study on Malaysia and Saudi Arabia", *Journal of Modelling in Management*, <https://www.emerald.com/insight/1746-5664.htm>.

- OJK (Otoritas Jasa Keuangan), (2022), Statistik Sukuk Syariah, <https://www.ojk.go.id/id/kanal/syariah/data-dan-statistik/data-produk-obligasi-syariah/default.aspx>.
- Osman, A. F., Htay, S. N. N., & Muhammad, M. O., (2012). Determinants of cash waqf giving in Malaysia: survey of selected works: Workshop Antarbangsa Pembangunan Berteraskan Islam V (WAPI-5), Indonesia.
- Rahman, A. & Anwar, M. (2016), "Customer loyalty toward Islamic and conventional banks; mediator role of customer satisfaction", *SSRN Electronic Journal*, Vol. 1 No. 15, pp. 1-23.
- Rahman M.P., Thaker T.M.A.M. & Duasa J., (2020). "Developing a Shari'ah-compliant equity-based crowdfunding framework for entrepreneurship development in Malaysia", *ISRA International Journal of Islamic Finance*, Vol. 12 (2), pp. 239-252.
- Riaz, U., Khan, M. and Khan, N., (2017), "An Islamic banking perspective on consumers' perception in Pakistan", *Qualitative Research in Financial Markets*, Vol. 9 No. 4, pp. 337-358
- Saiti B., Musito H.M. & YÜCEL E., (2020). "Islamic Crowdfunding: Fundamentals, Developments and Challenges", *The Islamic Quarterly*, Vol. 62 No. 3, pp. 469-484, <https://www.researchgate.net/publication/331408070>
- Shah Alam, S. & Mohamed Sayuti, N. (2011). "Applying the Theory of Planned Behavior (TPB) in halal food purchasing", *International journal of Commerce and Management*, 21(1), 8-20
- Sarstedt Marko, Ringle M.C. & Hair F.J. (2017). "Partial Least Squares Structural Equation Modeling", *Springer International Publishing*, https://doi.org/10.1007/978-3-319-05542-8_15-1
- Suleiman H., (2016), "Crowdfunding and the opportunity presented in American Islamic home financing product", *Journal of Islamic Economics Banking and Finance*, Vol. 12 No. 4, pp. 122-137.
- Thaker M.A.B.M.T. ,(2018), "Factors influencing the adoption of the crowdfunding-waqf model (CWM) in the waqf land development", *Journal of Islamic Marketing*, Vol. 9 No. 3, pp. 578-597
- Usman H., Projo Kusumo W.N., Chairy C.& Haque G. M., (2022). "The exploration role of Sharia compliance in technology acceptance model for e-banking (case: Islamic bank in Indonesia)", *Journal of Islamic Marketing*, Vol. 13 No. 5, pp. 1089-1110
- Warsame, M.H. & Ileri, E.M. (2016), "Does the theory of planned behaviour (TPB) matter in sukuk investment decisions?", *Journal of Behavioral and Experimental Finance*, Vol. 12, pp. 93-100.

Yungucu, B. & Saiti, B. (2016), "The effects of monetary policy on the Islamic financial services industry", *Qualitative Research in Financial Markets*, Vol. 8 No.3, pp. 218-228.