

## WHAT DRIVES USERS OF FINANCIAL TECHNOLOGY TO DONATE DURING THE EARLY STAGE OF PANDEMIC?

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### Abstract

*The COVID-19 pandemic has triggered people to make massive use of fintech. This fintech adoption increases the level of Islamic financial literacy. Fintech-based social finance services are no exception. This study aims to capture the initial development of the use of fintech for philanthropic purposes by using a qualitative-descriptive method with a literature study and content analysis approach. The results of the study show that within the time the article was published, there was a gradual increase in user awareness of the need to adopt fintech. Before the time of the pandemic, awareness of fintech adoption remained low. After 2019, based on historical studies and its evolution in Islamic fund management, it is predicted that fintech will have great potential going forward. The profile of fintech service users will increase in the baby-boomer generation. Generation X and Z consumers will play a significant role in the global economy, while the millennial generation is bringing major changes to the behavioural demographics and user expectations for fintech services. Moreover, fintech services emerged in Indonesia using the Agricultural Value Chain Financing (AVCF) approach, namely a platform that improves agricultural-based product services for consumers and provides more flexible financial assistance for AVCF players. On the social finance side, almost all of the respondents knew about fintech, and they agreed that fintech offers a lot of conveniences and benefits. Fintech increases the intention of Muslim millennials to donate easily, even though not all agree and are comfortable using fintech to donate. In 2020, the phenomenon of Islamic Fintech emerged, and it was found that perceptions of benefits and convenience, behavioural intentions, as well as trust, are determinants of using fintech for philanthropic purposes.*

**Keywords:** *Fintech, Zakat, TAM, TPB*

**JEL Classification:** *D01, D04, G21, G23*

### Abstrak

Pandemi COVID-19 telah memicu masyarakat untuk memanfaatkan fintech secara masif. Adopsi fintech ini meningkatkan tingkat literasi keuangan syariah. Tak terkecuali untuk layanan keuangan sosial berbasis fintech. Kajian ini bertujuan untuk menangkap perkembangan awal pemanfaatan fintech untuk tujuan filantropi dengan menggunakan metode kualitatif-deskriptif dengan pendekatan studi literatur dan analisis konten. Hasil penelitian menunjukkan bahwa ada peningkatan kesadaran pengguna secara bertahap akan perlunya mengadopsi fintech. Pada tahap awal penelitian, kesadaran adopsi fintech masih rendah. Setelah tahun 2019, berdasarkan kajian sejarah dan evolusinya dalam pengelolaan dana syariah, diprediksikan bahwa fintech akan memiliki potensi besar ke depan. Profil pengguna layanan fintech akan meningkat pada generasi baby-boomer. Konsumen Generasi X dan Z akan memainkan peran penting dalam ekonomi global, sementara generasi milenial membawa perubahan besar pada demografi

perilaku dan ekspektasi pengguna terhadap layanan fintech. Fenomena ini didukung dengan munculnya layanan fintech di Indonesia menggunakan pendekatan Agricultural Value Chain Financing (AVCF), yaitu platform yang meningkatkan layanan produk berbasis pertanian bagi konsumen dan memberikan bantuan keuangan yang lebih fleksibel bagi para pemain AVCF. Di sisi keuangan sosial, hampir semua responden mengetahui tentang fintech, dan mereka setuju bahwa fintech menawarkan banyak kemudahan dan keuntungan. dan fintech meningkatkan niat milenial Muslim untuk berdonasi dengan mudah, meski tidak semua setuju dan nyaman menggunakan fintech untuk berdonasi. Di tahun 2020, muncul fenomena Fintech syariah, dan ditemukan bahwa persepsi manfaat dan kemudahan, niat serta kepercayaan, menjadi penentu penggunaan fintech untuk tujuan filantropi.

**Kata Kunci:** Fintech, Zakat, TAM, TPB

**Klasifikasi JEL:** D01, D04, G21, G23

## 1. INTRODUCTION

The fintech industry is continuously growing, as shown by the increasing number of licensed fintech start-ups. Indonesia FinTech Association (AFTECH) is officially appointed by the Financial Services Authority (Otoritas Jasa Keuangan, or OJK) as the association for digital financial innovation players in Indonesia based on POJK No. 13/2018. As an association, AFTECH members represent 80% of licensed fintech start-ups in Indonesia. By the end of 2019, the number of AFTECH start-up members had increased by 54 percent (year over year). By the end of Q2 2020, the growth was 56.7 percent (year on year), with a total of 362 start-up members. By the end of Q2 2020, amongst the four categories of fintech business models, online lending is the most dominant (44 percent), followed by fintech under the DFI category (24%), digital payment (17 percent), and equity crowd-funding (1 percent) (Indonesia, 2020).

The Indonesia FinTech Association reported that the COVID-19 pandemic has triggered the adoption of fintech and, hence, increased the rate of digital financial literacy. However, it is also worth noting that these primary users are sensitive to declining economic conditions. 32% of fintech users are individuals with average monthly incomes ranging from IDR 5 million to IDR 15 million. Fintech can serve the low- to middle-income segment because of its ability to capture high frequency and small ticket size transactions. In terms of age range, the majority of fintech users are 25–50 years old. One way to interpret this data is that fintech users have a higher digital financial literacy rate (*Annual Members Survey*, 2021).

PwC reports that the impact of fintech has been felt in many sectors, such as banking, remittance services, lending, deposits, insurance, crowd-funding, wealth management, data management, and customer services. There are 73 executives from the financial sector who are of the view that banking is the most likely sector to be disrupted and impacted by fintech (PwC, 2017). One of the most important financial technologies is crowd-funding. Crowd funding is used to finance start-ups, small and medium enterprises, expansion projects, and capital increases. It is also used to fund all works, creative ideas, and works of art such as films, as well as charity projects such as relief campaigns (Biancone, Secinaro, & Kamal, 2019). Combining the principles of Islamic finance, crowd-funding, and the advancements in technology with financial technology represents an opportunity to significantly contribute to the enhancement of the entrepreneurial ecosystem in the Islamic world and the promotion of social and economic development (Biancone et al., 2019).

Financial technology is a disruptive product and segment of Islamic banking, but it is still nascent. Further research into these firms' strategic behavior in the financial technology industry will considerably enhance the disruptive innovation theory. Incumbents' preferred strategy to face future disruption is bank-fintech collaboration, which will create new value for

ecosystem partners and speed up innovation (Zalan & Toufaily, 2017). Financial technology, also known as "fintech," is empowering and reshaping the service provision of financial institutions. Financial technology is also changing how Muslims pay for charitable contributions such as infaq, sadaqah, zakat, and waqf. Financial technology refers to the technology-driven innovation happening within the financial services industry.

In an era of disruption to long-standing financial institutions, digital technologies can reinforce increased use and broader adoption of mobile apps and intelligent systems for traditional Islamic institutions such as *fara'id*, waqf, and zakat (Mohamed, 2020). Islamic social finance such as zakat, waqf can be solution as charity. There instrument could help provide affordable health care and education for people that might have lost a portion of their income and help compensate for lost household income.

Fintech covers a wide range of activities, such as payments, financing, security, and the safety of customers' funds and information. It also covers operations and risk management. Thus, fintech is the combination of finance and technology, using technological innovation in financial transactions and different services and products. Within the Islamic financial sector, fintech ensures syariah compliance of products and services practices with social and ethnicity practices. It began with the aim of accelerating financial services to customers so they can conveniently reach services offered by the financial industry. Fintech industry is growing rapidly all over the globe. It invested up to US\$ 12 billion in 2014 compared to US\$ 4 billion in 2013 (Abdullah, 2016).

Indonesia is leading with the most companies offering Islamic fintech (31 companies), followed by the US, UAE (driven by the DIFC), UK, and Malaysia with 12 companies or less. In Asia, the two largest Muslim countries of Pakistan and Indonesia have Islamic banking assets of 15 percent and 5.8 percent of total banking assets, respectively. This is despite Muslims in Pakistan and Indonesia comprising 96 percent and 87 percent of the total population, respectively (World Bank Group, 2020).

Islamic finance has immense potential to fight any kind of situation/pandemic. Zakat and Qardh-Al-Hasan, if combined together can prove to be a deadly combination to fight the adverse effect of COVID 19 (Mohammad, Khan, Mustafa, & Yannis, 2020). Islamic social financing via its instruments like zakat, sadaqah, infaq, and qard al-hasan are able to offer and provide financial assistance during and post crisis, in this case the COVID-19 pandemic in various sectors like the education, social, and humanitarian, as well as in the medical sector (Haron, Abdullah Othman, & Ashurov, 2021).

Development fintech especially during pandemic is interesting topic to reach. Islamic fintech is not only as peer-to-peer lending, also as fundraising donation such as sadaqa, infaq, zakat, and waqf. This research aims to explore what drives people use Islamic fintech to donate during pandemic before.

## **2. LITERATURE REVIEW**

### **2.1 Background Theory**

The word fintech was first used in the 1980s as an abbreviation of financial technology. It is generally believed to have been coined by Peter Knight, then editor of the Sunday Times Business Newsletter. Today, there is a diverse array of services covered by the word "fintech," some of which are not even directly related to finance. The word is now used as long as the service is provided online via computer or smartphone and uses the latest technology. Fintech originated with the desire to cut out the middleman, i.e. financial institutions, and eliminate the need for a central bank among tech-savvy people angry with the government for injecting public funds into financial institutions (Kaji, Nakatsuma, & Fukuhara, 2021).

Islamic Fintech refers to the use of financial technologies in a *syariah* compliant manner. The working definitions of Islamic Fintech include: (a) A digital delivery of Islamic finance; (b)

The usage of Fintech utilities: KYC / AML, Block-chain and DLT, Cyber, Payments, Big Data & Machine Learning in Islamic Finance; (c) Any Fintech in Muslim market demography that delivers an unmet financial need and or financial inclusion objective; (d) Any *Syariah*-compliant Fintech fund investing in digital infrastructure or economic development anywhere in the world (Hasan, 2018).

Fintech in the Islamic social finance sector is also gaining momentum. It is argued that traditional Zakat management structures have limited transparency and traceability. The collection and distribution of Zakat are not as efficient as they could be. Block chain enthusiasts have proposed block-chain based Zakat system integrated with mobile, web interfaces and analytics can play a significant role in driving transparency and efficiency in the sector. The transparency will be a result of the block-chain, which brings all stakeholders to a common platform. The efficiency will be in integrating different interfaces with the block-chain. Furthermore, the digital technology increases awareness and accessibility. Analytics can assist in identifying need and highlight where resources are needed (Hussain, 2019).

Financial Technology in the Islamic finance industry plays an important role in supporting and encouraging its services and products to customers in a faster and modern way, via the use of technology. It is an innovative opportunity in the financial sector and cannot be ignored by the Islamic financial industry around the globe because digital customers and mobile banking customers are on the rise. Islamic P2P fintech lending in Indonesia has been financing SMEs, agriculture sector, and conducting charity programmes for disadvantaged groups. Islamic fintech efforts in endorsing the Sustainable Development Goals (SDGs) implementation in Indonesia (Hudaefi, 2020). Islamic financial technology, who collaborating Islamic banking and financial technology, might pose challenges for Islamic Financial Institutions (IFIs) in terms of operational efficiency, customer retention, transparency and accountability (Hasan, Hassan, & Aliyu, 2020; Ali, et al, 2020).

In the rapid increasing adoption of the internet and smartphones, and growth in e-commerce, a strong digitization push by Indonesian banks has stimulated demand. Banks' efforts to encourage customers and explain online banking were the most frequently cited reason respondents gave for trying digital channels (Barquin, HV, & Shrikhande, 2019). Literation also hold a important role to push the education. School culture and classroom environment contributed to the development of soft skill (Ahmad, et.al, 2019)

## **2.2 Previous Studies**

The study finds that financial technology startups are positively correlated with Indonesia's economic growth. Financial technology firms in their first year are found to be disruptive, but they fail to have serious consequences on Indonesia's economic growth; however, they seem to significantly encourage economic growth in their second year. Generally, improvement of the Islamic financial institutions in the Middle East countries will benefit from economic development, and it is important in the long run for the economic welfare, and also for poverty reduction (Tabash & Dhankar, 2014). In the era of Fourth Industrial Revolution, digital technologies could be the solution to emerging social problems and one of them is agriculture. The digital innovation to link all agriculture's value chain actors from upstream to downstream segment is undoubtedly essentials to spur its growth and sustainable development. Islamic finance could contribute its financial development to all market segmentation and value chain actors from various fund sources and stakeholders (Ningrat & Nurzaman, 2019; Ali, et al, 2021). Artificial Intelligence and NLP based Islamic Fintech Model combining Zakat and Qard-Al-Hasan for countering the adverse impact of COVID 19 on SMEs and individuals' can prove to be a stepping stone in this direction. The model uses the Artificial Intelligence and NLP to make the system more effective and transparent. Islamic finance must be combined with the technology to increase its reach and to

achieve the broader objective of social justice and providing quality life to each and every Muslim across the globe (Mohammad et al., 2020).

The role of Islamic social finance is shown by offering solutions to overcome economic problems, namely: the distribution of BLT originating from zakat collection units or from people with more income, assistance in the form of zakat, infaq, or alms; increasing waqf with cash waqf schemes, productive waqf or waqf linked sukuk waqf in order to strengthen waqf; assistance in the form of business capital to Micro, Small and Medium Enterprises (UMKM) groups experiencing crisis conditions; providing venture capital followed by a qardhul hasan loan scheme; providing understanding to increase literacy related to sharia economics and finance; sharia financial technology development (Purwanto, Sari, Burasukma, & Nursolihah, 2021).

Technological developments provide convenience in their activities, especially in the economic sector. With the Covid-19 Pandemic, MSMEs take advantage of these technological developments to digitize in selling their products during the Covid-19 Pandemic. The digitization of MSMEs has been proven to influence fintech (Giharis, 2022).

### **3. METHODOLOGY**

This research is a qualitative-descriptive research with a literature study approach. A literature study is carried out by collecting journal articles that are in accordance with the research objectives using the Publish or Perish (PoP) application, then carrying out content analysis. Content analysis is an analytical method that tries to find out the content and intent of a text to produce an objective description. The data needed for the research can be obtained from library sources or documents sourced from journal articles adapted to the research theme. Content analysis is research that involves an in-depth discussion of the contents of written or printed information to make inferences that can be imitated and data valid by taking the context into account (Moleong, 2012).

The three primary stages of the content analysis technique are as follows. First, in order to make the information from journal articles easier to understand, the data is reduced using data reduction techniques, the information is summarized, and the key points are chosen based on their fit with the study goals to be investigated. Second, by presenting the data in a way that enables for data inferences to be reached in accordance with the planned research, specifically by presenting information in the form of information obtained as a consequence of data reduction. Third, while forming conclusions, researchers seek to make sense of the information gathered before developing more fundamental findings in line with the planned research (Moleong, 2009).

### **4. RESULT AND ANALYSIS**

#### **4.1 Result**

In the Indonesian context, Islamic fintech lending is part of financial technology, which in its business activities is bound by Sharia principles. Islamic fintech lending and consumer protection have a philosophical foundation based on Islamic law and a constitutional legal basis based on the 1945 Constitution. However, currently, no regulation specifically regulates Islamic fintech lending. The POJK number 77/2016, as well as other laws and regulations, do not govern Islamic fintech lending in any way. Adequate consumer protection must be realized by regulating Islamic fintech lending specifically in laws and regulations to create legal certainty, justice, and benefits (Noor et al., 2021).

As the World Bank reports that Indonesia is the country with the highest number of startups fintech companies, reaching 13 companies, this indicates that Indonesia's economic growth in the next 10 years will also be determined by various fintech companies that have entered maturity. Amarta Fintech, a conventional fintech with a role in financing large

MSMEs, is one of the most successful in running their businesses. Apart from the conventional fintech Amarta, Ammana is the first sharia fintech that focuses on peer-to-peer financing with sharia principles and has entered its second year of operation. Two of the other Indonesian-born fintech have the potential to become drivers of Indonesia's future economic growth.

The development of fintech and its impact on the Indonesian economy are also supported by a research article, which states that fintech is not only profit-oriented but also equity-oriented. Currently, as a large fintech company in Indonesia, its function is not only to finance MSMEs, which are said to be unbankable or not accessible to financing from banks, but fintech also functions to collect social funds, including not only donations and grants but also Zakat, Infaq, Alms, and Endowments. As it is known, natural resources and zakat will be able to realize people's welfare because they have high income potential if managed according to sharia fiscal policy (Rudianto, 2022). This fintech service innovation encourages Indonesians, who are known for their generosity, to donate and spend a small portion of their income through fintech. High community philanthropy activities are also supported by promotional activities for fintech companies in the Sustainable Development Goals (SDGs), especially in eradicating poverty, hunger, and economic inequality.

Research on the topic of the impact of fintech on the economy also concludes that Indonesia has no specific rules regarding fintech. This is a challenge for the development of the fintech industry, especially in terms of consumer protection. Currently, the public does not yet have legal certainty in transacting with both conventional and sharia fintech companies if fraud and information asymmetry occur, which causes a bad reputation for all fintech companies caused by a handful of fintech companies that violate the rules. Meanwhile, it is not only attitudes and perceptions of convenience towards fintech itself that are the main determining factors for someone using fintech services; trust in fintech institutions also plays an important role. The topic of regulatory research and trust in fintech seems to require further research based on this research analysis.

Based on searching articles using the Google Scholar application in the last 5 years (2017-2021) with the keywords "fintech" and "Islamic fintech," 8 articles were selected from various international reputable journals and Scopus indexed as follows:

**Table 1.** Literature Islamic Fintech

No.	Author	Article Title	Pub. Year	Finding Points
1	Ali, H., Zaini, M. Z., Hashmi, H. S., Abbas, M. H., Shahid, M. W., & Tariq, U. <sup>1</sup>	<i>Awareness and Knowledge of Fintech among Islamic Banking and Finance Students in Pakistan</i>	2018	<ul style="list-style-type: none"> <li><input type="checkbox"/> The majority of Islamic banking and finance students in Pakistan are not aware of fintech.</li> <li><input type="checkbox"/> Unconscious attitudes are common among all students, regardless of degree, area of interest, gender, age, and university.</li> <li><input type="checkbox"/> Younger students are more tech-savvy than older ones and influence awareness of fintech.</li> </ul>
2	Miskam, S., Yaacob, A.	<i>Fintech and Its Impact on</i>	2019	<ul style="list-style-type: none"> <li><input type="checkbox"/> This research seeks to analyze the history of fintech and its evolution in the Islamic fund</li> </ul>

<sup>1</sup> Ali, H., Zaini, M. Z., Hashmi, H. S., Abbas, M. H., Shahid, M. W., & Tariq, U. (2018). Awareness and Knowledge of Fintech among Islamic Banking and Finance Students in Pakistan. *Islamic Banking and Finance Review*, 5, 2–22.

No.	Author	Article Title	Pub. Year	Finding Points
	M., & Rosman, R. <sup>2</sup>	<i>Islamic Fund Management in Malaysia: A Legal Viewpoint</i>		<ul style="list-style-type: none"> <li>management industry. Islamic</li> <li><input type="checkbox"/> FinTech has great potential in the future.</li> <li><input type="checkbox"/> The profile of the average financial services consumer will change dramatically as the Baby Boomer generation ages.</li> <li><input type="checkbox"/> Consumers of financial services from generations X and Y are taking on a more significant role in the global economy.</li> <li><input type="checkbox"/> Millennials are bringing about radical changes in demographics, behavior, and client expectations.</li> </ul>
3	Ningrat, G., & Nurzaman, M. S. <sup>3</sup>	<i>Developing Fintech and Islamic Finance Products in Agricultural Value Chain.</i>	2019	<ul style="list-style-type: none"> <li><input type="checkbox"/> An Agricultural Value Chain Financing (AVCF) approach with FinTech can be a very useful platform to increase flexibility with customer-centric products and services, especially to promote access to finance for AVCF players.</li> <li><input type="checkbox"/> Connecting all actors in the agricultural value chain, from upstream to downstream segments, through digital innovation is unquestionably critical to spurring growth and sustainable development.</li> <li><input type="checkbox"/> Islamic finance, through various funding sources and stakeholders, can contribute to financial development for all market segments and actors in the value chain.</li> </ul>
5	Niswah, F. M., Mutmainah, L., & Legowati, D. A. <sup>4</sup>	<i>Muslim Millennial's Intention of Donating for Charity Using Fintech Platform</i>	2019	<ul style="list-style-type: none"> <li><input type="checkbox"/> Planned behavior is not affected by ATU, nor are PU and PEOU affected by ATU. This shows that one's intention is not carried forward with the attitude of donating using fintech.</li> <li><input type="checkbox"/> Perceptions of ease and use of fintech also do not make individuals comfortable or think that donating using fintech is a good thing to do.</li> <li><input type="checkbox"/> Donations using fintech in Indonesia have great potential, but research related to this is still limited.</li> <li><input type="checkbox"/> Literacy in fintech, which is already known and used in everyday life by 90% of fintech respondents.</li> </ul>
6	Usman, H., Mulia, D., Chairy, C., &	<i>Integrating trust, religiosity</i>	2020	<ul style="list-style-type: none"> <li><input type="checkbox"/> This study uses the Technology Acceptance Model [TAM] as a framework.</li> <li><input type="checkbox"/> Perceived Useness (PU) and PEOU influence</li> </ul>

<sup>2</sup> Miskam, S., Yaacob, A. M., & Rosman, R. (2019). Fintech and Its Impact on Islamic Fund Management in Malaysia: A Legal Viewpoint. *Emerging Issues in Islamic Finance Law and Practice in Malaysia*, 223–246. <https://doi.org/10.1108/978-1-78973-545-120191019>

<sup>3</sup> Ningrat, G., & Nurzaman, M. S. (2019). Developing Fintech and Islamic Finance Products in Agricultural Value Chain. *Journal of Islamic Monetary Economics and Finance*, 5(3), 491–516. <https://doi.org/10.21098/jimf.v5i3.1077>

<sup>4</sup> 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.

No.	Author	Article Title	Pub. Year	Finding Points
5	Widowati, N.	<i>and image into technology acceptance model: the case of the Islamic philanthropy in Indonesia</i>		<p>respondents' attitudes towards using FinTech for philanthropic purposes.</p> <ul style="list-style-type: none"> <li>□ The PEOU and PU are fundamental determinants for user acceptance of information technology.</li> <li>□ The trust factor in fintech is another finding that influences respondents' attitudes toward using fintech, in addition to the benefits.</li> </ul>
7	Darmansyah, Fianto, B. A., Hendratmi, A., & Aziz, P. F <sup>6</sup>	<i>Factors determining behavioral intentions to use Islamic financial technology: Three competing models</i>	2020	<ul style="list-style-type: none"> <li>□ The Technology Acceptance Model [TAM] and Theory of Planned Behavior [TPB] are used as theoretical frameworks in this study to examine the behavior of people who use Islamic Fintech.</li> <li>□ The behavior of using Islamic Fintech is positively and significantly related to planned behavior, acceptance, and use of the model (TAM).</li> <li>□ Planned behavior constructs (TPB) include attitudes toward behavior and social norms toward individual behavior.</li> </ul>
8	Shaikh, I. M., Qureshi, M. A., Noordin, K., Shaikh, J. M., Khan, A., & Shahbaz, M. S. <sup>7</sup>	<i>Acceptance of Islamic financial technology (FinTech) banking services by Malaysian users: an extension of technology acceptance model</i>	2020	<ul style="list-style-type: none"> <li>□ The TAM theory is effective in predicting Islamic FinTech acceptance.</li> <li>□ Acceptance of Islamic FinTech services is determined by perceived ease of use and perceived usefulness, as well as by another variable, namely consumer innovation (CI).</li> <li>□ Other factors, such as self-efficacy and subjective norms, were found to have no effect in determining the acceptance of Islamic FinTech by Islamic banking users.</li> </ul>

## 4.2 Analysis

Technology Acceptance Model (TAM) which is the Perceived Usefulness and the PEOU are influencing the attitude of using Fintech for philanthropy purpose. PEOU and PU are fundamental determinants for the user acceptance on Information Technology. The influence of PU and PEOU on the attitude of using fintech for philanthropy purposes in the group of users. Our finding highlights the influence of trust that can be interpreted as follows someone who feels fintech has immense benefits, and it is straightforward to use, but has a low level of

<sup>5</sup> Usman, H., Mulia, D., Chairy, C., & Widowati, N. (2020). Integrating trust, religiosity and image into technology acceptance model: the case of the Islamic philanthropy in Indonesia. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-01-2020-0020>

<sup>6</sup> Darmansyah, Fianto, B. A., Hendratmi, A., & Aziz, P. F. (2020). Factors determining behavioral intentions to use Islamic financial technology: Three competing models. *Journal of Islamic Marketing*, 12(4), 794–812. <https://doi.org/10.1108/JIMA-12-2019-0252>

<sup>7</sup> Shaikh, I. M., Qureshi, M. A., Noordin, K., Shaikh, J. M., Khan, A., & Shahbaz, M. S. (2020). Acceptance of Islamic financial technology (FinTech) banking services by Malaysian users: an extension of technology acceptance model. *Foresight*, 22(3), 367–383. <https://doi.org/10.1108/FS-12-2019-0105>



trust in the provider of the website, will result in a reduced of his or her positive attitude of using fintech for philanthropy purpose (Usman, Mulia, Chairy, & Widowati, 2020).

The results demonstrate that the latent variables, planned behavior, acceptance model and use of technology, have a significant impact on encouraging behavioral intentions to use Islamic fintech. The “acceptance model” latent variable is the most influential factor. This implies that the planned behavior, acceptance and use of technology models have a positive, significant relationship with individuals’ behavioral intentions on the use of Islamic fintech. These results imply that the planned behavior constructs, including attitude toward the behavior, PBC and SN, influence individuals’ behavior.

The acceptance model is the most important latent variable influencing individuals’ intention to use Islamic fintech compared with planned behavior and the use of technology. The acceptance model also partially plays an important role in impacting the individuals’ intentions about the use of payment services. However, for the P2P lending service, the use of technology is the most influential factor in individuals’ intentions. Last, but not least, in the use of crowd funding services, the acceptance model has a more significant impact than planned behavior and the use of technology in shaping individuals’ intentions (Darmansyah, Fianto, Hendratmi, & Aziz, 2020).

Islamic P2P fintech lending in Indonesia has been financing SMEs, agriculture sector, and conducting charity programmers for disadvantaged groups. Selected fintech firms are also found to collect and distribute Islamic social funds such as *infaq* (charity spending), waqf (endowment) and *sadaqah* (voluntary charity). Besides, the firms are also found to initiate charity programmers for underprivileged community. In some degree, these findings are synonymous of the firms’ effort in promoting SDG of ending poverty (SDG 1) and hunger (SDG 2) and reducing the inequalities (SDG 10) (Hudaefi, 2020).

Based on content analysis in these selected journals, the most researched topics are market analysis regarding what factors influence a customer to use or not use fintech. Several articles use the Theory of Acceptance Technology (TAM) as a research framework. The TAM theory at least shows two constructs that are the main factors for a customer using fintech, namely perceived ease of use (PU) and ease of use (perceived ease of use, PEOU). 5 out of 6 selected articles stated that technology acceptance theory in the context of fintech use behavior is the right theory.

Apart from TAM, 2 selected articles used another theory of behavior, namely the theory of planned behavior or Theory of Planned Behavior (TPB). The TPB theory consists of three constructs: attitudes toward behavior, social norms, and perceived behavior. The construct of attitudes towards using fintech determines behavior in using fintech, but in the construct of social norms, there are differences of opinion based on the results of the research. One article stated that social norms had an effect, and another stated that they had none. The use of the TPB theory requires further research.

Intrinsic religiosity has an indirect significant relationship on online infaq intention through social presence. Therefore, in this study context, Muslim intrinsic religiosity is more suitable to be added to SPT instead of TRA (Aji et al., 2021).

**Tabel 2.** Analysis

Title of Article	Main Finding
<i>Awareness and Knowledge of Fintech among Islamic Banking and Finance Students in Pakistan</i>	Awareness of fintech among students is quite low.

<i>Fintech and Its Impact on Islamic Fund Management in Malaysia: A Legal Viewpoint</i>	Customers based on birth generation: baby boomers, millennials, and generations X and Y The customer profile determines the use of fintech.
<b>Title of Article</b>	<b>Main Finding</b>
<i>Muslim Millennial's Intention of Donating for Charity Using Fintech Platform</i>	TPB: Intention has no impact on behavior when using fintech when donating. TAM: Perceived convenience is not the main factor for donating using fintech. The respondent's fintech literacy (millennial gene) is good.
<i>Integrating trust, religiosity and image into technology acceptance model: the case of the Islamic philanthropy in Indonesia</i>	TAM: perceived convenience (PU) and ease of use (PEOU) have an effect on donating and philanthropy with fintech Another important finding in donating or doing philanthropy with fintech is trust in the technology itself.
<i>Factors determining behavioral intentions to use Islamic financial technology: Three competing models</i>	TPB vs. TAM: Both theories and constructs are positively and significantly related to the use of Islamic fintech.
<i>Acceptance of Islamic financial technology (FinTech) banking services by Malaysian users: an extension of technology acceptance model</i>	TAM is effective in analysing the behaviour of fintech users. In addition to the TAM construct, consumer innovation is a determining factor in the use of fintech. Another factor: self-efficacy and subjective norms cannot be determinants of fintech usage behaviour.

## 5. CONCLUSION AND RECOMMENDATION

From the content analysis that has been carried out, it can be concluded that the development of research on the use of fintech to donate in Pakistan, Malaysia, and Indonesia from 2018 to 2020 is as follows: (1) In 2018, student awareness of using fintech in Pakistan remains low, regardless of interest areas or universities. On the other hand, students who are younger and understand technology are starting to be aware of using fintech. (2) In 2019, based on historical studies and its evolution in Islamic fund management in Malaysia, it is predicted that fintech will have great potential going forward. The profile of fintech service users will increase in the baby-boomer generation. Generation X and Z consumers will play a significant role in the global economy, while the millennial generation is bringing major changes to the behavioral demographics and user expectations for fintech services. In the same year, fintech services emerged in Indonesia using the Agricultural Value Chain Financing (AVCF) approach, namely a platform that improves agricultural-based product services for consumers and provides more flexible financial assistance for AVCF players. This digital innovation is able to connect all agricultural actors from upstream to downstream and facilitate access to financial services so that it can spur the growth of the agricultural sector in a sustainable manner. On the social finance side, almost all of the respondents knew about fintech, and they agreed that fintech offers a lot of conveniences and benefits. and fintech increases the intention of Muslim millennials to donate easily, even though not all agree and are comfortable using fintech to donate. On the other hand, because Indonesia's demographic potential is very large, it is predicted that the use of fintech to donate will

increase rapidly in the future.

Thirdly, In 2020, perceptions of benefits and convenience, as well as trust, are determinants of using fintech for philanthropic purposes. The phenomenon of Islamic Fintech has emerged, and the factors that influence behavior in using Islamic Fintech are perceived benefits, convenience, and behavioral intention. Meanwhile, in the same year in Malaysia, perceptions of the benefits of service and convenience in technology and consumer innovation influenced the acceptance of Islamic fintech by Islamic bank users.

Recommendation for practitioners are fintech practitioners can add attractive and real service programs to the distribution of social funds such as zakat, etc., to increase the level of trust of fintech users. In addition, recommendation for regulators involves immediately make fintech rules for the safety and convenience of users. Lastly, recommendations for academics would be it is advisable to carry out further research regarding the choice to continue using fintech even though the pandemic will end soon.

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