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PERCEIVING SUCCESS AMONG SHARIAH COMPLIANT CROWDFUNDING SOCIAL ENTREPRENEURS

ABSTRACT: In this paper we have decided to study the social enterprise as a particular form of entrepreneurial venture. Looking to the huge challenges of our time, such as poverty, scarcity of natural resources and effects of climate change, we do believe that humanity is in a real need of triple bottom line entrepreneurs. Tackling social issues and alleviating poverty through social entrepreneurship becomes a focal strategy followed by governments (Rametse & Shah, 2013). The wellbeing of societies is ensured through an innovative manner of identifying opportunities and mobilizing resources (Najafizada & Cohen, 2017). Therefore, the funding phase remains a key element for any kind of enterprise. Thus, the real challenge in front of social entrepreneurs is the limited access to the sources of finance (Emerson et al., 2008). Taking into consideration the innovative character of social entrepreneurship (Alvord et al., 2004), the traditional tools of funding are not suitable to the main objectives of social enterprises (Ridley-Duff, 2008; Fedele and Miniaci, 2010). Investors in case of social entrepreneurship are different from their counterparts at several levels. The cultural and the cognitive dimension in social entrepreneurship differs (Lehner, 2013; Brest and Born, 2013), also the monetary incentive plays an important role in determining the nature of stakeholders (Van Slyke, 2006). We selected creative sources of funding that could fit the core of such form of entrepreneurship, especially in the Pre-seed/ seed stage and the start up phase. With the excessive use of web technology, business is also influenced by this digital advance. Crowdfunding is considered as a new mean of funding that breaks all kinds of intermediation between the entrepreneur and the source of finance. Henceforth, Crowdfunding seems to be adequate to these phases of the launch of new social ventures (Lasrado, 2013). In light of these realities, an original tool of funding appears which is matching the principles of Islamic finance and the technique of crowdfunding. The literature review analysis allowed us to call this new source of finance as "Shariah compliant Crowdfunding". Consequently, we will attempt to provide some answers to the research problem formulated as follows: What is the perception of social entrepreneurs concerning success on Shariah compliant crowdfunding platforms? To respond to this question a qualitative approach was considered through semi-structured interviews.

Key words: Success, personal perceptions, Shariah compliant crowdfunding social entrepreneurship

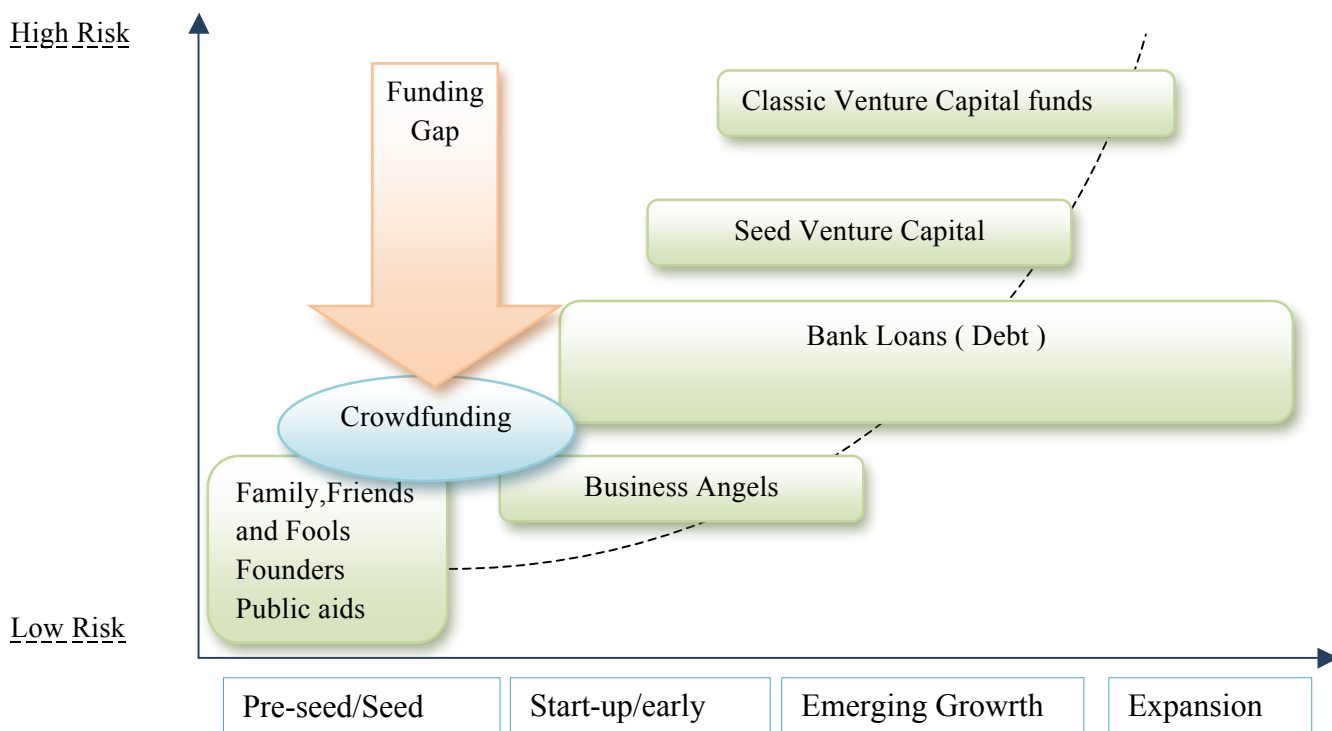
1. Literature review:

1.1. Crowdfunding and the funding gap

The concept of crowdfunding depends on the term "Crowdsourcing" and it involved also concepts like microfinance (Howe, 2006; Morduch, 1999; Afuah and Tucci, 2012). Crowdsourcing describes the process of outsourcing tasks to a "crowd of people" (Internet community). This community and through a web-based business react with creative solutions to an open call for proposals (Brabham, 2008). According to Chesbrough (2003) the academic concept of open innovation is having a near association to "Crowdsourcing", through which firms extract sources of knowledge and resources from outside their own organizational boundaries, which is considered invaluable for resource-scarce new ventures and SMEs (Enkel, Gassmann, & Chesbrough, 2009). Also, Kleemann et al. (2008) reveal that Crowdsourcing occur at the moment when tasks which are essential for selling or making product to the public are outsourced by a profit oriented firm through an open call over the internet, this in the purpose of inciting people to contribute (free/for significantly contribution) to the process of production of the firm. Crowdsourcing pursuit often intent to get feedback and benefits from the wisdom of the crowd (Surowiecki, 2004) and from collective intelligence (Leimeister, 2010). The development of internet interaction, especially the web 2.0, and the success of social networks through the development of portable devices (smart phones, tablets or notebooks) at affordable prices has facilitated information sharing, interoperability, user-centred design (Sharma, 2011) and the financial transactions through online payment. Every small unit of contribution is important to a Web 2.0 service. Sharma (2008) quoted that "Millions of such contributions eventually lead the website to state of higher relevance"¹. During the past decade, the noticeable development of Web 2.0 technologies has enabled the evolution of new and innovative business models, in which the digital user plays an increasingly important role by changing the way goods are being used and consumed (Brenner et al., 2014). Therefore, crowdfunding represents a specific case of crowdsourcing because it is interested at obtaining money from a large anonymous number of individuals. Conforming with Belleflamme et al. (2010) gathering money from the crowd represents the most important element of crowdfunding. Moreover, Crowdfunding involves an open call, essentially through the Internet, for the provision of financial resources either in form of donations (without rewards) or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes (Schwienbacher and Larralde, 2010). Thus, Internet platform plays the role of intermediary between individuals, start-ups, SME's or even companies on, and potential backers, yet the process of fundraising is sourced out to the crowd (Alexandra Moritz & Block, 2015). So, according to these authors, crowdfunding is an open call that does not look for creative proposals, but it goes more than that by searching for financial resources. Ordanini, Micelia and Pizzetti (2011) define crowdfunding as an initiative undertaken to raise money for a new project

proposed by someone, by collecting small to medium-size investments from several other people. Besides, small entrepreneurs find that crowdfunding is a new and an effective channel of fundraising (Ordanini et al., 2011). Since those small entrepreneurs are lacking of sufficient tangible assets, they do face a major obstacle which is their disability to get loans from traditional financial intermediaries and investors (Casamatta & Haritchabalet, 2014; Chen et al., 2009; Kirsch et al., 2009; Hellmann, 2007; Shane & Cable, 2002). For several years, literature on entrepreneurial finance has focused on ventures funding by dealing with the importance of venture capital, business angels and bank credits. The outside finance (Cosh et al., 2009) sources mentioned could not fill the early stage needs, especially for small enterprises. It is true that literature on CF in entrepreneurial finance is in its embryonic stage, but some works had enabled us to say that crowdfunding permit to fill the funding gap that most new ventures suffer from especially in the early stages of their lifecycle (Cf Figure 1).

FIGURE1: Crowdfunding and funding gap in venture financing cycle



Source : Adapted from Lasrado(2013)

The pre-seed and seed financing is critical in the lifecycle of every venture. At this stage the entrepreneur counts on his own saving and the love money. The collected amount in this case could not cover all the needed fees and charges to start the business. But, sometimes the good reputation of the entrepreneur, could attract business angels to invest in the project. Crowdfunding is seen crucial in this stage, because the entrepreneur is called to test the business idea and gather feedback, and therefore when he initiates his project on a CFP, he checks out if the business idea worth pursuing or not.

Crowdfunding does not need any guarantees to believe in a project holder to fund his business, thus it is seen as a tool that plugs the funding gap that most entrepreneurs suffers from at the beginnings of the lifecycle of their business.

However, the following phase (start-up/early) the product or service is developed and the entrepreneur starts the marketing and the selling strategy, so he can meet the needs and the expectations of the clients. At this level the firm demands more funding sources since no profits are generated yet.

Though , in the growth phase the business generates revenues and it is expanded and opened to other sources of funding. Even so, the expansion stage proves the presence of the business and its success (marketing model, sales model, and the accounting management) in the market. Investors believe in its products/or services and the venture has a strong reputation. The entrepreneur is looking to other expanding strategies by moving to new markets¹.

Rossi (2014; p.9) asserts that funding sources could be divided into two main categories: debt and equity. The last category refers according to the author to the following “When money is invested in equity, it goes directly into the capital of the company investors receive shares for their investment, and they have a control of the company, but at the same time they tolerate a high risk” (Ibid, p.9). While he claims that debt reside in extern funding to the business. He expresses that “the association between debt financiers and ventures is based on a contractual agreement. Debt financing sources are less risky thanks to collateral and seniority of their claims over equity”. Another gap that new ventures can suffer from is their inability to get access to debt finance because they do not have enough stability and do not generate a cash flow pursuant to Berger and Udell (1998) (as cited in Rossi,2014;p.9). As well as, Díaz and Cacheda (2016) finds that crowdfunding is an alternative way of finance and exchange matching two parts and enabling entrepreneurs to have access to both forms of funding (debt and equity): the first one is related to those seeking funding and the second one deals with those looking to invest or donate.

1.2 SHARIAH COMPLIANT CROWDFUNDING

Only a very limited number of scholars express an attention to Shariah Compliant CF. The first manuscript on this topic was made by Marzban and Asutay (2012), indeed Mr. Marzban is the Co-founder and managing partner of the first Shariah Compliant CFP called “Shekra” established in Egypt at the end of 2012. The authors consider that equity-based crowdfunding for MENA start-ups and SMEs represents a great potential in promoting entrepreneurship, also the great demand on such products will fill the gap between conventional and Islamic system. The heart of the manuscript of Marzban and Asutay (2012) deals with the contribution of such tool, while minimizing the risk, to the social and economic development in MENA region. Furthermore, Marzban, Mehmet, and

¹ Matters (2014) Life-cycle financing of your entrepreneurial company. Available at: <http://www.bmmagazine.co.uk/columns/opinion/life-cycle-financing-entrepreneurial-company/> (Accessed: 7 January 2015).

Boseli(2014) enlarge their reflection and come up with a Shariah-Compliant Crowd Funding framework.

They noticed that entrepreneurs in MENA region are in great need to fund their innovativeness through creative tools responding to the Islamic law. As Shekra is an equity based CFP, the authors mentioned the advantages of equity-based crowdfunding from an Islamic finance perspective. Alike, they give criteria that a CFP should respect in order to obey to the principle of Shariah. They mentioned the following:

- The duty of the existence of Shariah board or Shariah advisory
- The requirement of socially responsible investment.
- The projects initiated are required to respect the objectives of Shariah and be far from prohibitions dictated by the Islamic law.
- Equity crowdfunding must obey to the principles of Shariah in term of the contracts offered (prohibition of Shariah and respect of the contracts of IF.
- The investor protection and shareholder structure have to be drawn in the way of Shariah principles.

As well, Taha and Macias(2014,p.118) assert that CF and IF are inherently matched, both represent common features and are knowing a fast growth. They illustrated their manuscript by the example of Yomken², and they figure out that this CFP is not working with the label of an “Islamic Finance Platform” but it is a “Shariah friendly” because the products initiated on the platform are having a social impact and are respecting the Maqasid of Shariah (no interest, no harm to the human and the environment).

Thus far the first writings on Shariah compliant CF, other academics see that this option is not dedicated only to countries and entrepreneurs from the MENA region, but the existence of CFP working with the principles of IF pushes the curiosity of some scholars to study some cases in different regions. Therefore, Achsien and Purnamasari (2016,pp.7-8) studied Shariah compliant CF in Indonesia, and they consider that IF is “a description of the use of small amounts of money, gathered from a large number of individuals or organizations, to fund a project, a business or personal loan, and other needs through an online web-based platform in accordance with Shariah principles”. They observe that there is a huge lack of regulation in structuring such innovative tool. Even though, Indonesia represents a great market for products issued from IF, except Shariah compliant CF still in the infancy stage and a great interest from Financial Services Authority should be oriented to regulate such platforms in order to obey to Shariah objectives. The proposition of the authors in order to resolve such lack of jurisdiction was to propose four regimes for regulating crowdfunding: exempt market/unregulated due to lack of definition; regulated as an intermediary; regulated as a bank; and the US model, with a possibility of a fifth regime: regulating as a collective investment scheme.

² One of the first Shariah compliant CFPs established in Egypt and it works according to a reward based form <http://yomken.com/>

Besides, Biancone and Secinaro(2016,p.6) tried to understand the equity CF from a Shariah compliant view. Their investigation was about the conventionality of CFP to the principles of Shariah for both actors in the CF arena of financed projects.

They find out that IF is not based on financial products per se, but it is a finance which aims the ethical and socially responsible investment to boost the growth of economies and the well fare of societies. Equity CFP in Italy holds a social operandi which permits to identify a collective funding operating mode. The authors also mentioned the importance of the existence of a Shariah Board to match the finality of equity CFP in Italy and the principle of IF.

What we can deduce from this literature is that IF and CF do meet their goals in the so called Shariah Crowdfunding. This conclusion was made on the basis of common aims shared by the financial tools used in crowdfunding platforms and the Islamic contracts. This combination has the potential to address financing issues faced by social enterprises.

As we have clarified in the first subchapter of this paragraph, Islamic Finance emphasizes on equitable distribution of wealth and Crowdfunding allows entrepreneurs to have an online access to the financial resources. Sharing the same principles, Shariah Crowdfunding aims the reduction of inequality through the equitable wealth distribution. Therefore, we can summarize the Shariah compliant Crowdfunding Models in the next table:

Table1: Shariah crowdfunding models

| Crowdfunding Model | Modes of funding | Shariah Crowdfunding | Modes of financing |
|---|------------------|----------------------|--|
| Community Crowdfunding -Donation- | Donation | Charity Contracts | Sadaqah/Zakah Quard Hassan Waqf Reward based* |
| | Reward | Product | Salam |
| Financial return Crowdfunding - Investment- | Debt (lending) | Non PLS | Murabaha and Ijarah |
| | Equity | PLS | Mudarabah Musharakah |

*Unlike the reward in case of "Salam", it refers to symbolic reward.

Source: Adapted from Marzban et al. (2014)

In fact, table 7 above shows that there is a similarity between Crowdfunding and Shariah Crowdfunding. The only difference resides in the instruments and the existence of a Shariah Board that verifies the compliance of the operations and the projects.

1.3 Crowdfunding and social entrepreneurship success: common objectives towards a definition

1.3.1. Crowdfunding success

The principle of CF is based on the campaigns that entrepreneurs launch to seek money and feedback from a large public. Therefore, we can say that the success of CFC relies on the achievement of the initial funding goal before the deadline (Boeuf, Darveau, and Legoux, 2014, p. 37). Likewise, Greenberg et al.(2013) define success in crowdfunding as “reaching or exceeding a fundraising goal”. As well, Colombo, Franzoni & Rossi-Lamastra (2015) mark out that “success in all-or-nothing model is reached when a project collects capital equal to or greater than the target amount “they base their deduction on the basis of the works of Agrawal, Catalini, Goldfarb and Koven (2014) and Ordanini et al. (2011) who argue that receiving contributions immediately after the start of a project largely anticipates the success of the campaign.

However, what we can add is that these definitions are related to the case of Kickstarter which utilizes the all or nothing principle, while in other CFP using the keep it all with different pledged money levels, we can say that this definition does not really match to their principle. In this perspective, we can declare that the reached pledged level could refer to the success of the campaign.

In addition , some academics see that the success of CFC rests on the interrelation between three main elements : 1) the project scope 2) its nature and 3) the ability to manage online communities in order to augment the echo of the project and settle its financing Germon & Maalaoui (2015,p.802). Some authors see that success is related to the stage before launching a project on a CFP, they focus on the importance of the internal social capital. In this respect, Greenberg, Hui, and Gerber (2013) confirm the declaration of professionals which stipulates the following “A successful campaign should have at least 50-60% of funds committed before the campaign launches.”³ by enabling founders with a tool advising them on their project design. The concept is easy, since most CFP proceed to an evaluation before launching projects, the predictive model developed by the author will permit to PI to know if the campaigns could succeed or not . In the same token, the success of a campaign is related to the: internal social capital, numbers of early backers and the capital raised early in a campaign (Colombo, Franzoni & Rossi-Lamastra, 2015).

The study of Mollick (2014) dealt with three major aspects in order to dress a frame for predictors of project success: a) descriptive statistics about projects and success indicators. b) Geographic location of projects is unequally distributed over the USA. c) Correlation between delivery delays of reward and the funding goal.

The contribution of Ahlers, Cumming, and Schweizer (2015) was important since they studied the success of campaigns on equity CFP (while most works were based on

³ Nathaniel Houghton, Founder and CEO of theCongo Leadership Initiative

reward based CFP, this is the first published work which treats equity CF⁴). The authors assert that providing a quality signal affects positively the success of CFC because it reduces information asymmetry, since entrepreneurs provide more detailed information about risks. Thus, they add the following elements as central factors in the selection process of start-up ventures, and they are: team characteristics, founder experience and its involvement via social networks.

One more perspective of successful funding is admitted by Herzenstein, Sonenshein, & Dholakia (2011), where the objective of their study was to explain the identity claim methodology of Miles and Huberman (1994) in order to connect it to the case of peer-to-peer lending. They identify six identity claims: trustworthy, economic hardship, hardworking, successful, moral, and religious. They conclude that trustworthy and successful identity claims have much influence on increasing funding (Morse, 2015, p.11). Moreover, Ordanini et al. (2011) assert that the achievement of CF goal is related to the behaviour patterns of the crowd which differs, depending on the project category.

1.3.2. Social entrepreneurship success

In fact CF has witnessed an important growth. The outstanding potential of this phenomenon reveals the successes that CF can bring to social enterprises. In the same manner of Germon & Maalaoui (2015), one of the main elements of success of CFC is the nature of the project; this observation matches well with the core of success for SE. Rykaszewski, Ma, & Shen (2013, p. 5) claim that “the prime objective of social venture is to seek social goals by building a profitable and self-sustaining entity. Along the same lines, Kanter & Summers (1987) state that SEs are driven by the social contribution and the added value which represents the output of their mission and service. Social entrepreneurs are facing many challenges in front of the way of their success: uncertainty, lack of resources and stability (Letts, Grossman, & Ryan, 1999 cited by Austin et al., 2006). Mentioning these challenges has guided the attention of some scholars such Van de Ven, Hudson, & Schroeder (1984) cited by Almeida (2010) to mention that survival is the main aspect of success. This deduction is applicable to the field of SE (Sharir and Lerner, 2006, p. 8). The latter defined the criteria of success of social ventures by the following elements:

- a. The degree to which the social venture achieve its declared goals;
- b. The ability of the venture to ensure program/service continuity and sustainability by acquiring the resources necessary to maintain current operations;
- c. The measure of resources available for the venture's growth and development.

Nevertheless, the definitions mentioned above are not consensual. They demonstrate a complexity at identifying the concept of success of developed campaigns of CF. However, we find that the works of Germon & Maalaoui (2012), Greenberg et al. (2013) and Sharir and Lerner (2006) lead to consider the nature, the aim of the project and the early social

⁴ They gave the case of the largest Australian crowdfunding platform ASSOB

capital are commonly the base of previous theoretical works. Thus, we need to extend our apprehension of success by declining its key success factors.

1.3.3. Key success factors⁵

The early use of the concept of KSF (Verstraete ,1996) goes to the study of Daniel in 1961. Grunert and Klaus (1992) assert that KSF is a term that could cover different sectors and disciplines related to management. Therefore, Koenig (1990) defines it as a set of elements constituting success in a sector, during a period of its history. Further, the literature has shown a great interest to success determinants of CFC through the success of the projects initiated. The following literature has been drawn on the basis of different forms of CF and different projects. The study of Tarteret (2014, pp. 20-26) who classified in different categories the main drivers influencing the success of a CFC, which could be of a great interest since it illustrates the determinants of success by class. What we tend to present in the next lines what are the elements leading to success and the ones that can bring the CFC to failure (Cf. Table 8).

Table 1: Success and failure factors of crowdfunding projects

| Factors | | Success | Failure |
|-----------------------------|----------------------------------|-------------------------------------|---|
| INTRINSIC | Quality signals | Video presentation | Images |
| | Funding Goal | Low goal | High goal |
| | Campaign duration | Short duration(<35 days) | Long duration(>35 days) |
| | Form | Reward based | |
| | Activity type | Not for Profit | |
| PROJECT PRESENTATION | Quality of the video | High Clear and easy presentation | Low Complicated explanation of the project |
| | Description length | Long | Very short |
| | Project initiator appearance | Presence | Absence |
| | Words describing the project | Positive(determinant promises) | Negative (hopes) Spelling mistakes |
| | Languages describing the project | Many different languages | Use of local language or one to two languages |

⁵ In other manuscripts we can find also the use of key success determinants , which is similar to the concept of KSF (determinant. BusinessDictionary.com. Retrieved December 25, 2015, from BusinessDictionary.com website: <http://www.businessdictionary.com/definition/determinant.html>)

| | | | |
|--|----------------------|--|---|
| | Social media | Direct link to social media page Promotion of the project | Use of external links which are not popular |
| | Comments and updates | Quick and regular Use of reminders Project progress information | Late Absence of interaction with the community |
| ENTREPRENEUR ROLE | Experience | Anterior funded projects | Number of previously created campaigns (failed campaigns) |
| | Promotion | Before ,during and after campaign duration High social activity through the engagement in CF community | Passivity Campaign duration |
| | Social capital | Large network Important number of backer s External and internal social capital Structural,relational and cognitive capital | Limited Network No interest to the internal social capital |
| EXTERNAL ENVIRONMENT AND PROJECT FINANCING | Geography | Culture , history , local currency Dynamism of the region Local backers (early stage) Limited distance - Monetary logic | - Important distance - Additional costs of information research -Launch phase(information asymmetry) - emotional logic |

Source: Myself

On the basis of the elements regrouped in table 8, the category of factors is explained as follow:

-The intrinsic factors to the project:

On the basis of the results of the study of Mollick (2014), quality signals are positively correlated with the success of a campaign. This means that the effort made by the entrepreneur before launching its product / project (the use of video presentation instead of images, the updates especially in the first days of the campaign and the absence of spelling mistakes) has an important impact on the chances of funding.

The author also mentioned in this category the negative correlation between the funding goal, campaign duration and the chances of success of the projects. Indeed, the theoretical results of Belleflamme et al.(2012) and the empirical works of (Agrawal et al., 2010;Burtch et al.,2013; Mollick,2014) have discussed that the long duration of a project influences negatively its success . Moreover, when the amount of the funding goal is important, the funders are not encouraged to support the project (campaign) ,also this great amount demand a large number of contributors ,thing which is not easy

to realize .These two factors could transmit a bad signal concerning the quality of the project .

According to Glaeser and Shleifer (2001) and Belleflamme et al. (2012) other factors are added to this class, such the form of CF (reward, donation, equity or debt) and the type of the activity (For profit of Not for profit) are a highly influencing factors to the funding decision .

In Fact, contributors prefer to invest in social and philanthropic projects, they prefer to be known as socially engaged funders. For this reason results have shown that not for profit projects attract more funds than others. Also, the reward-based CF pulls towards it more crowdfunders, who are motivated by the retribution.

-The project presentation:

The project initiator is looking to transmit a positive signal concerning his project, in order to influence positively the contributors .This category tend to put in value signal quality in order to achieve the funding goal .The author states the following “The terms and expressions used, the length, the presence of visuals in the presentation as well as the regular update of the project (publication of information, interactions with the community, social networks.) influence the success of a campaign of Crowdfunding.”

As said before , the use of a video is positively correlated with the success of a campaign (Mitra and Gilbert, 2014; Hui, Gerber, and Greenberg, 2012) especially if the video is of a good quality. Moreover, the updates are correlated in a positive way with the CFC success (especially early updates). Joining this position we find Xu et al.(2014) who studied the typology of updates: Promotion on social networks, information on the progress of the project, new content, reminders (dates, end of the collection), replies to questions, new counterpart and acknowledgments, in order to come out with the conclusion that not all the type of updates are used with the same manner, and the updates are positively and highly correlated with the success of CFC, even more than the presentation of the project itself, especially reminders, information on the progress of the project, the introduction of a new counterpart and the promotion on the social networks.

In addition, Mitra and Gilbert (2014) add the factors related to the video presentation itself. They argue that the video length and the easy understanding of its content are major for contributors in term of seriousness of the project. We can say that those elements are improving the trustworthiness towards investment in a project initiated in a CFP. In the study of Mitra et al (2013), the great attention and finesse of selecting words influence positively the success of the campaign. They illustrate this affirmation by the positive correlation of words such: confidence, optimism, reciprocity in the case of reward based CF, in term of the reward that potential backers could use (lenders will receive / will be/we can afford), with the successful campaigns.

Also, Mitra et al (2013) declare that the contributors are attracted by the expressions that PI use in order to privilege their investors. According to Mitra et al (2013) these

words are positive signs to the potential funders also they show that the PI is quite confident of his chance of funding and this gives a feeling of comfort and trust to the backer. However, expressions of hope (I hope to get /have) or of empathy (in case /if we have the chance) are not really recommended because funders do not see that the project is initiated by trustworthy entrepreneurs.

-The role of the entrepreneur:

The entrepreneur or the team initiating the project are not called to stay passive actors. Indeed, Bellihi (2007) sees that the creator (or the founding team) is located in interaction with its context/environment; this situation influences and causes a change in its vision /cognition of the project and thus generates a dynamic in the commitment. This definition leads to say that the entrepreneur is obliged to keep in touch with his environment. He has to be an active actor on social networks before, during and after the campaign duration. The reactivity of the entrepreneur with his community especially through social networks (especially Facebook and twitter) is primordial in his case. Thus it is positively correlated with the success according to Lu, Xie, Kong, & Yu, (2014), especially if the entrepreneur promotes his campaign at the early stages of the project.

Another dimension is to be added, is the importance of the social capital. Adler & Kwon (2002), define social capital as "the set of integrated resources and emanating from the social relations of the PI". Therefore, it includes the network and the assets that can be mobilized through this network (Nahapiet and Ghoshal, 1998).

Giudici, Guerini and Rossi-Lamastra, (2013), distinguish two types of social capital: individual social capital from the whole of the relations of the creator and the territorial social capital "located". This last one could lead to the notion of geography and its importance in crowdfunding success. According to Agrawal et al. (2010), according to the authors, the more the size of the territorial social capital is important, the less the marginal effect of individual the social capital on the probability of success of the project will be high.

When we talk about social capital in the framework of the crowdfunding, we can distinguish the external social capital that represents the relations of the contractor outside the platform (family, friends, and knowledge) and the internal social capital that includes the whole of social relations developed on the platform. However, this network is very important since it participates in the attraction of the first contributors to a project which themselves strongly predict the success of a Collection (Colombo, Franzoni, Rossi-Lamantra, 2012).

The first contributors, therefore, reduce the cost of the research information, give signals of quality and invite the contributors to invest actively and participate in the development of the product during the collection phase (suggestions, opinions).

However, these mechanisms are activated after the first days of collection although they are determinants which explain the success (Colombo, Franzoni and Rossi-Lamantra (2012). The first contributors could not be based on the behaviour and the information from other individuals; other mechanisms explain their attraction for a project. Colombo

et al.(2012) argue as well the argument that it is the constitution of an internal social capital before the launch of a project which will attract the first contributors.

Moreover, it could be seen that projects conducted by a group of individuals do not affect the success nor the failure of CFC according to Samara and Torheiden (2015) because they conclude through their thesis that the single entrepreneur could play the same role as a group of founders, the most important element is to transmit quality signals to potential funders. Whilst, Beier and Wagner, (2015) believe, by studying the case of the platform 100-days.net, that projects initiated by a group of entrepreneurs attract more funds and have an important success rate rather better than campaigns carried out by a single entrepreneur.

Besides, the experience of the entrepreneur refers in this case to the anterior familiarity of the PI on the CFP through the number of initiated projects. Ward and Ramachandran (2010), declare that funders are influenced by the anterior experiences of the entrepreneurs and also the use of other actions of other investors as a source of information to their decision of funding. Therefore, if the anterior projects have achieved success in CFP, in this case we can say that this experience could be a KSF.

-The external Environment and project financing:

The projects presented in a geographical area are often in adequacy with the culture, the history, the mode of life of the city or the country (Mollick, 2014) and the success is influenced by the notoriety of the crowdfunding and the dynamism of the region.

The geography can therefore have several effects on the funding of entrepreneurial activities. The traditional means of financing often impose a proximity between investors and entrepreneurs (Chen, Gompers, Kovner, & Lerner, 2009), the first wishing to be able to control their investments.

In adequacy with the earlier literature, the authors acknowledge that the distance incurs additional costs of search for information but unlike it, they argue that the crowdfunding allows to reduce considerably because the asymmetries of information are only present at the beginning of the campaign. Despite everything, these costs explain that the remote contributors are much more receptive to the behaviour of other than the local contributors.

The more one is close to the objective of the collection, the more their propensity to invest increases (Giudici et al., 2013).

Also, Agrawal et al.(2014) studied the case of a royalty sharing crowdfunding platform, they observed that "Funding is not geographically constrained. When Sellaband offered royalty sharing to investors, more than 86% of the funds came from individuals who were more than 60 miles away from the entrepreneur, and the average distance between creators and investors was approximately 3,000 miles".

The constraint of the proximity persists only in the launch phase of a collection when account is taken of the social network of the contractor since this are the members of

this network which will be the future early contributors (Colombo et al., 2012) and the ambassadors of the project to other communities.

Tarteret (2014) finishes by considering that the distance is of less importance when the logic is monetary rather than the case when it is only emotional. The analysis of Agrawal et al.(2014) deserves to be repeated with an object of analysis a platform of donation in order to see if the crowdfunding reduces geographical constraints in this second model also.

However , Agrawal , Catalini and Goldfarb (2015) observe in their study of Sellaband that :” investment patterns over time are not strongly related to the geographic distance between artist and funder after controlling for the artist’s offline social network”. They add that in the early stage of a campaign of crowdfunding the geography is positively correlated to the success because it deals with the local investments, and backers in these stages do rely on the reputation and trust of the entrepreneurs (artists Cf to their study).These two elements (trust and reputation) have a great significance in the positive investment decision taken by funders in the absence of regulatory disclosures.

The authors end up by affirming that what could be called a geographic distance effect is indeed a social effect.

If other authors see that geography is not really significant in the success of CFC (Samara and Torheiden , 2015) , other authors believed that geography matter (Mollick , 2013; Agrawal et al.,2015) . This last completion is due to the following elements: as spatially correlated tastes, monitoring progress, search frictions, and reputation effects. All these elements are related to the notion of trust which minimizes the risk of fraud.

The studies on success in CFC are still in the infancy stage, since most studies has dealt with reward based crowdfunding platforms and very few numbers of researches discovered other form and models of CF.

Authors did mention that a great number of enterprises launching their campaigns face failure⁶ while asking for funding in CFP. This leads us to wonder what crowdfunding failure is, and how researchers treat it from their own perspectives.

2.QUALITATIVE STUDY :

2.1. Choice of the qualitative method

Qualitative research may be considered as a more appropriate approach to investigate the research field in an explorative way. The interviewee provides ”a rich and complex description of the subject being investigated” (Miles & Huberman, 1994,p.9). It gives to

⁶ Crowdfunding campaigns know a lower success rate . The percentage of projects failure varies between 69 and 89 (depending on the platform) , according to the report of the London-based market research firm and the Crowdfunding Centre which analyzed data for 2015 campaigns from five of the largest U.S., U.K. and Canada-based crowdfunding platforms (CLIFFORD ,2016).

Clifford, C. and more, R. (2016) Less than a Third of Crowdfunding campaigns reach their goals. Available at: <https://www.entrepreneur.com/article/269663> (Accessed: 15 March 2016).

the interviewer the opportunity to reach a profound understanding about the participants' behaviour, motivations and emotions (Veal, 2005). In the manner of Marschan-Piekkari & Welch (2004), qualitative studies are concerned mainly with the process rather better than the representativeness of the sample. In this vein, we made semi-structured interviews, which allow us to have a close relationship with the interviewee. The subjects of the study, were social entrepreneurs from shariah inclined crowdfunding platforms and conventional/traditional crowdfunding platforms. They played an active role in our study because they gave to the researcher the opportunity to discuss further aspects which were considered as a complement to the literature research (Kurz, Stockhammer, Fuchs, & Meinhard, 2009; Mayring, 2002 cited in Ebert and Schöndorfer, 2014). The qualitative study was helpful to our study because it described the studied phenomenon.

2.2. Shariah crowdfunding platforms supporting social entrepreneurs:

From the above table we have chosen Shariah crowdfunding platforms that encourage social entrepreneurship. Moreover we eliminated ones with no social entrepreneurial projects on their platforms, and also those funding projects for development and growth stages. These platforms are :Zoomal: The leading crowdfunding of the Arab world,2.Launchgood: empowering social entrepreneurs from Muslim communities,3.Kopernik,4. GandengTangan: Quard al Hassan, 5. Kitabisa,6. Pitchin,7. Kapitalboost,8. Easiup,9.Muslimwomentech.

The aim behind choosing a qualitative study at this stage is the scarceness of related researches exploring the success of social entrepreneurs in crowdfunding and particularly Shariah compliant Crowdfunding. In order to refocus our research problem and elaborate our questionnaire we conducted the study on two levels: desk and field level. On desk, by studying previous scientific researches , crowdfunding industrial reports ,platforms websites, entrepreneurs social networks pages .And on field level through the interviews with social entrepreneurs. However, studies are not numerous and are concentrated on specific aspect on entrepreneurs.

Hence, the elements drawn from the state of the art are going to be completed by informations strained from the inetviews with social entrepreneurs who had successfully fundraise through Shariah inclined crowdfunding.

Being immersed in entrepreneurship, we can judge that this activity is characterized by the identification and exploitation of an opportunity in order to generate value through the mobilization of resources (Timmons, 2009).

The social entrepreneur succeeding in such technological source of funding which is consistent with the principles of Islamic finance seems to be of a great importance, because it gives to the project creator the chance to pursue the opportunity. Raising funds through governemontal and traditional capital market appears difficult to such category of enterpreenurs, especially in the circumstances of the global financial crisis

(Emerson & Bonini, 2003). Hence, studying shariahcrowdfunding social entrepreneurship offers a great opportunity to social venture with ethical value to emerge. As seen before, studying such category of entrepreneurs with a specific kind of crowdfunding may open the gate in front of worldwide social entrepreneurs desiring to create a social impact while being financially independent.

2.3. Interviewees description:

As Shariahcrowdfunding is in its embryonic stage, there are no formal databases of Islamic/Shariah compliant crowdfunding platforms or social entrepreneurs using crowdfunding as a mean of financing. Hence, there are no databases that can provide us with needed information in order to identify our sample. Finding social entrepreneurs corresponding to criterias of our research problem was so difficult. It demands from us several internet researches and direct contact of crowdfunding platforms.

Having contact with social entrepreneurs was through social networks and blogs. Eventhough, when we are on the virtual world it is difficult to get in touch easily with founders .In the manner of Chen and Hinton(1999), when collecting data by online interviews, it demand an "Identity verification".

Henceforth,we checked over the social entrepreneurs in order to verify the veracity of founders and their campaigns from professional networks.We interviewed participants who met basic criterias: 1).Social entrepreneurs personal initiatives, 2) launching campaigns for the creation of new ventures,3) attaining success in the determined duration of the campaign.

Thus, because of the limited number of successful social entrepreneurs on Shariah Crowdfunding we have used a nonprobabilistic, accidental sampling approach through snowballing .This method gives us, in the case of qualitative studies, the opportunity to determine suitable sample in order to address the research question (Miles and Huberman, 1994, p.27; Patton, 2002; Bryman, 2008, p.459). Genuinely, the interviewed social entrepreneurs with successful campaigns have oriented us to other successful projects or founders. The first interviewees were Moroccan social entrepreneurs launching a successful campaign on the Lebanese crowdfunding platform "Zoomal". Once the semi-structured interviews finished, participants were asked to suggest names of potential interviewees. They oriented us to a network of successful social entrepreneurs in the MENA region on the same platform. And so, the interviewees advises us to get in touch with other successful project creators on other platforms.

Given the nature of Crowdfunding, the use of internet was the key to the achievement of our interviews .Social entrepreneurs were contacted through professional networks (linkedin) then by video calls or phone calls, in order to ensure them and create a climate of confidence in the aim to get the necessary informations. Since we were limited by the number of initiatives of social entrepreneurs on ShariahCrowdfunding platforms we were interested with all types of social entrepreneurs: Not-for-profit,for profit and hybrid ones. Thus, sectors of intervention were also confused, we have social

entrepreneurs operating in education, healthcare, book publishing, technology and agriculture.

With regard to the number of cases, we can affirm the declaration of Ness (2015) that “there is no one-size-fits-all method to reach data saturation” (p.1409). His conclusion is stated on the basis of the inexistence of universal study designs (Miles and Huberman, 2003). For researcher the saturation phenomenon gives the author a signal for the end of data collection (Strauss and orbin, 1998). On the basis of these elements, our sample size was fixed by means of designating the point at which theoretical saturation was achieved (Bryman, 2008).

Though, scholars mentioned that saturation means the point where the researcher is not having no new data, no new themes, and no new coding (Guest et al., 2006)⁷. According to Bryman (2008) theoretical saturation could be described as the point where additional sample size is not providing the researcher with any new considerable information. Therefore, Lee, Woo and Mackenzie (2002) indicate that in case using more than one research technique, it is recommended to recruit fewer participants. Along the same line, Silverman (2008) suggests that “Everybody knows that qualitative research can work fruitfully with very small bodies of data that have not been randomly assembled... [So the role of the researcher is to] explain how you can still generalize from your analysis” (Ibid, p.377).

Hence, Guest et al. (2006), propose that the researcher could achieve data saturation, in terms of the sample size of the population, by six interviews. Also, Cresswell (2007) advises a minimum sample size of an interval of 5-25 semistructured/in-depth interviews (Kuzel, 1992 cited in Saunders, 2012).

In the Manner of Morse (2000), who pointed an important element related to sample size in qualitative studies, by asserting that a number of factors intervene in figuring saturation, these features are: study scope and design; topic nature and data quality. Considering the above elements, we conducted ten semi structured interviews using an interview guide with successful social entrepreneurs’ founders’.

2.4. Results

As seen above the researcher is called to ensure validity in all stages of his research. At this level of the study we are going to discuss the results of our qualitative study on the basis of the sample and relevant element extracted from the interview. The NVIVO software was helpful in terms of analysis.

⁷Some scholars do distinguish between different forms of saturation (O’Reilly and Parker, 2012), such as Francis et al. (2010) who used “Data saturation”, and Guest et al. (2006) who noted “thematic saturation”. But most published works refer to “saturation” as a general notion that should be commonly used (Guest et al., 2006; Starks and Trinidad, 2007). We do adopt the same approach to the concept of saturation that majority of authors employed.

-Sample Demographics and Characteristics

In respect of the participant's desire, their identities are not going to be revealed in our transcript. The founders, who are in our case social entrepreneurs seeking funding for the creation of their ventures are selected from two types of crowdfunding: Social entrepreneurs recouring to Shariah crowdfunding platforms and social entrepreneurs using conventional or traditional crowdfunding. Hence, by coding every single case apart, this method is not affecting our analysis. Thus, we do present the characteristics of our sample in the next tables. Founders using Shariah Crowdfunding are presented in Table 17. Whilst, Founders recouring to conventional crowdfunding are showed in Table 18.

Starting with founders on Shariah Crowdfunding platforms, we do observe that our sample is geographically dispersed between 3 continents: Africa, Asia and USA (Highlighted zones in the map). In fact, the choice of these countries emanates from the availability of respondents corresponding to the criteria's chosen for this study.

Thus, in order to broaden our knowledge about the sample, its characteristics are presented in table 17 in the next page.

Table 2: Sample description of successful shariah crowdfunded social entrepreneurs

| Codes | Crowdfunding Platform description | | | Social entrepreneur Profile | | | | Social enterprise description | | | |
|-------|-----------------------------------|----------|-----------|-----------------------------|----------------------------|----------------|---|-------------------------------|--------------|-------------------|------------------|
| | Platform | Form | Location | Gender /Age | Educational qualification | Marital status | Previous experience in social entrepreneurship | Sector | Location | Age | Employees Number |
| S1 | Zoomal | Reward | Lebanon | M-27 | Master's level-Engineering | Single | Volunteering in Robotic Events and Academic | Education | Morocco | Between 2-3 years | 4 |
| S2 | Launchgood | Donation | USA | M-39 | Upper secondary education | Married | Volunteering in Mosques and Organizing religious workshops | Book edition | South Africa | Between 1-2 years | 5 |
| S3 | Launchgood | Donation | USA | M-34 | Doctoral level | Married | Healthy food campaigns, lectures Municipality | Health care | USA | Between 2-3 years | 9 |
| S4 | Zoomal | Reward | Lebanon | F-33 | Master's level | Married | Involved in all kinds of projects caring about youth and children | Education | Jordan | Between 2-3 years | 3 |
| S5 | Kapitalboost | Donation | Indonesia | M-36 | Master's level | Married | Helping poor communities | Education | Indonesia | Less than 1 year | 3 |

The table above gathered at the same time information about the crowdfunding platform used by social entrepreneurs, their demographics characteristics and also, we presented information about their ventures. Because the creation of venture is a sign of the exploitation of opportunity. Since the phenomenon of Shariah Crowdfunding is very recent, we had an advantage at the moment of collecting data which is getting access to successful fundraising campaigns for social entrepreneurs in the last few years. In other words, the number of campaigns is limited on these crowdfunding platforms, therefore these latter do not delete campaigns once the campaign ended.

To have an idea about the social entrepreneurs backed on traditional crowdfunding platforms; table18 presents additional information about the interviewees.

Table 3: sample description of successful conventionalcrowdfunded social entrepreneurs

| Codes | Crowdfunding Platform description | | | Social entrepreneur Profil | | | Social enterprise description | | | |
|-------|-----------------------------------|---------------|----------|----------------------------|---------------------------|----------------|-------------------------------|----------|-------------------|------------------|
| | Website | Form | Location | Gender /Age | Educational qualification | Marital status | Sector | location | Age | employees Number |
| C1 | pozible.com | Donationbased | Austria | F-30 | Bachelor's level | Divorced | empowering women | Austria | between 2-3 years | 4 |
| C2 | pozible.com | Donationbased | Austria | M-28 | Master's level | Single | Energy | Austria | Between 1-2 years | 3 |
| C3 | indiegogo | Rewardbased | USA | M-30 | Bachelor's level | Single | Social Permaculture | USA | between 1-2 years | 5 |
| C4 | Kickstarter | Rewardbased | USA | F-26 | Bachelor's level | Married | Empowering women | USA | between 3-4 years | 3 |
| C5 | Crowdfunder | Rewardbased | UK | M-29 | Master's level | Single | Healthcare | Peru | Less than 1 year | 3 |

- Shariah compliant crowdfunding and fund-raising

As the main objective behind this study is to explore the contribution of Shariah crowdfunding in the success of social entrepreneurs campaigns of funding and therefore the creation of their individual ventures, our interviewees were asked about the use of such source of funding in order to exploit entrepreneurial opportunities. As in the manner of Lehner (2014), crowdfunding assists the social entrepreneur to identify and exploit opportunities.

The next table demonstrates how shariah crowdfunding was mobilized in order to gather necessary funds in order to assist entrepreneurs in the establishment of their ventures.

Table 4: Shariah compliant crowdfunding social entrepreneurs between opportunity identification and exploitation

| Cases | Opportunity Identification | Opportunity Exploitation |
|-------|---|--|
| S1 | Verbatims | |
| | "I decided to create my social enterprise just after the visit of Zoomal to Fez [...]crowdfunding can help students to surmount financial barriers" | "I used Zoomal because it respects norms and ethics of Islamic finance [...]it was good for us to choose rewardbased form because i gathered an important amount of money to launch my project but recouring to friends and family was also important on Zoomal " |
| S2 | "After a conversation with some friends who used crowdfunding ,and the interst of people to my lectures in mosques i decided to create my social venture with Islamic norms [...]i wanted also to be islamically funded" | "I believe that the use of Shariah Crowdfunding represented a different experience for me ,since my project was combining social aim and profit applying for organizational grants would be time consuming ,complicated and risky [...]i was satisfied by using Launchgood because the norms of fudning fits the shariah principles .And donation form on such platform does not mke you feel that you are begging form money.The whole process of funding ensures us that the collected amount is "Halal" [...]15000Us\$ was amassed with the help of friends , the amount was sufficient to start my social venture" |
| S3 | "The need of some ethnics to healthcare was prominent subject of several anterior campaigns in other platforms.Also my volunteering actions pushed me to think about creating. i decided too to serve the population since funding is | "Healthcare is not the business of just the entrepreneur but of all society, crowdfunding offers me the opportunity to cooperate with other doctors to establish my social venture [...]i used an Islamic platform because i believe that such projects need different form of crowdfunding ,and the Islamic community is initiated to the principle of giving for divine rewards.The selected platform offers a |

| | | |
|--|---------------------------|--|
| | not an obstacle anymore “ | climate where you feel that backers can trust your cause more than any other platform” |
|--|---------------------------|--|

Table 19-Continued-

| Cases | Opportunity Identification | Opportunity Exploitation |
|-------|---|---|
| S4 | Verbatims “The idea came to me after meeting some members of the team of the platform ,i was convinced how such source of funding offers innovative projects the opportunity to exist” | “Being financed through Zoomal is about more than just money.The way you go through from submitting your project until getting funded is a unique experience, the help of family and friends as first contributors was important[...]my project is dedicated to a population in the MENA region , so the platform choosed was the most suitable place to be understood by backers and get the necessary finance to establish my enterprise” |
| S5 | “I heard about crowdfunding [...] i thought about this project when i brought my children to the kindergarten[...] i had an idea about similar projects being funded on other countries” | “I used this platform because i can get funds in a democratic way and i am ensured that all projects initiated in the platform are for serious causes [...] what i liked about this platform is the fact that the source of funds are coming from reliable funders:people or organizations , also you project is shared with a large community“ |

Analysing the cases above could help us to understand how social entrepreneurs decide to get funded through Shariah Crowdfunding in order to establish their new social ventures .The founders are initiated about crowdfunding, through personal research ,discussion with friends or families or visits of crowdfunding platforms.

As stated above , the interviewees expressed how the idea of getting funded via this innovative tool was behind the identification of opportunities for them .

As stated by Lehner(2013) the choice of the form of crowdfunding reflects the exploitation of opportunity per se . The forms of Donation based and Reward based were proved in the literature review as the most adequate to social enterprises but concerning Shariah Crowdfunding we allude to the analysis of our cases who claim also that reward based was not constraining for them , also it encourages people to fund because it demonstrates that the project is serious . “S1” claims that “ offering reward such prototypes of the 3D printers proved how i am serious about the idea and once i am funded i am obliged to demonstrate in what way that money was invested “ . Also , the entrepreneurs using donation based expressed how they were comfortable to such type because they have not that feeling of begging backers .S3 declare “Sometimes people confuse between social entrepreneurship and charity , and this may be a source of embarrassment of founders on other crowdfunding platforms [...] the cultural issue

could play a crucial role, the Islamic religion incites people to donate in order to unify the society and this augments the awareness of both users of Crowdfunding “.

In line with these elements, our interviewees add that backers are believers (not all of them but most of them) and they are sure about the divine reward they are going to receive. The recourse to this specific type of platforms was assisting social entrepreneurs at surmounting their financial constraints without being embarrassed. The social entrepreneurs revealed that exploiting opportunities could not be possible without the help of their friends, families and the crowdfunding community.

This indication guided us to social network and how it was helpful for founders in the case of Shariah crowdfunding.

-Crowdfunding social entrepreneurs success : between Shariah and Conventional Crowdfunding

The qualitative study has the aim of studying and analysing personal attitudes and perceptions. The choice of an exploratory method at this level is to discover the perception of founders to the notion of “success”. Previous studies have dealt with entrepreneurs raising their campaigns on conventional crowdfunding platforms. In this regard, our objective is to see if the way founder perceive success is the same or not between Shariah crowdfunding and Conventional Crowdfunding. Founders in our case are also different because we choose social entrepreneurs, therefore the way the notion of success is undertaken differentiate between them (Cf. Table 23).

Table 5: Crowdfunded social entrepreneurs' perceptions of “success”

| Conventional Crowdfunding | | | Shariah compliant Crowdfunding | | |
|---------------------------|---|--------------------------|--------------------------------|--|----------------------------|
| Cases | Verbatims | | Cases | Verbatims | |
| C1 | “The feeling of being my own boss while doing something good, the freedom” | freedom | S1 | “Honouring my promises, by sending rewards to backers | Backer satisfaction |
| C2 | “The more backers you have reflects the degree of appreciating your project” | Number of backers | S2 | “Following a Halal entrepreneurial process from the funding stage until the creation step” | Sake of God |
| C3 | “The funding goal achievement was the key element of establishing my venture” | Funding goal | S3 | “the wellbeing of the society, whether for us as entrepreneurs and for the funders” | Wellbeing sake |

| | | | | | |
|----|--|--------------------------------|----|---|---|
| C4 | "I have an excellent talent to establish friendships easily within a short time. That's way i reached my goal in a short duration" | Fast funding process | S4 | "Achieving the funding goal in a Halal manner " | Funding goal |
| C5 | "Serving the targeted population through the creation of my social venture" | Social venture creation | S5 | "the importance of shariah crowdfunding is crucial to the establishment of the social business" | Establishment of the social business |

The view of 'success' of our interviewees is not really different, because the social entrepreneurs share the same objective whether on a conventional or a shariah platform. But some express that their objective is much better aligned with the use of shariah crowdfunding. Moreover, we do observe that they distinguished between elements related to the crowdfunded project and others related to the founder. These elements could be also gathered in two main themes "Funding goal attainment", "social venture creation". We are going to assemble these indicators in the following table.

Table 6: Approaching "success" by crowdfunded social entrepreneurs

| Funding Target | Social Venture Creation |
|----------------------|-------------------------|
| Number of backers | Freedom |
| Fast funding process | Sake of God |
| Funding goal | Wellbeing sake |
| | Backer satisfaction |
| | Serving the society |

As seen in the two tables above, crowdfunders shed light on themes used to explain what success could mean to them. They refer to 'backers' in two dimensions, the first one related to their number and by expressing the following "an important number of crowdinvestors shows that people are interested in your project" 'C2', whereas, the second one is connected to their satisfaction, by offering them the promised rewards in case of reward-based crowdfunding. We can say that 'S1' refers to the realization of the social venture once they reach the funding goal, he states "getting funded closes the gap between me and my social enterprise".

Also, the urging need to serve community and respond to social issues was the main element discussed by interviewees, it was explained by the fact that some cases matched success with the quick achievement of the funding goal. Also, founders expressed that success is related to spiritual and subjective accomplishment like the sake of God and wellbeing of society which is accomplished by attaining the objective behind their fundraising campaigns which is the creation of social ventures. In fact the distinction made is on the basis of the prime elements used by our interviewees at the moment of defining success.

- Factors associated with successful Shariah Crowdfunding social entrepreneurs:

It is true that key success factors have been the main concern of several authors. Although, our research is different from anterior works because we do investigate a specific category of founders in a new form of crowdfunding. The experience of crowdfunding is different from an entrepreneur to another one, therefore we did ask them about “determinants” of success as being crowdfunded. We collected answers from both categories of interviewees and here are their descriptions of the factors contributing to their success according to them. We will start with Shariah-crowdfunded entrepreneurs' cases and then we will move to conventionally crowdfunders.

For ‘S1’ “Concerning the case of my project it was very helpful for us to mobilize all our social network. Asking for 10000\$ for creating my social venture deserves the recourse to anyone. This means that I used all our connections whether family, friends, colleagues, online social media and crowdfunding community. The fundraising on an online campaign demands from the founder to be socially active and create connections and ties with people in order to attract them and make them believe in you, also the moral support we of our social network was crucial”. This founder explains the importance of the **social network** and **moral support** in the stage of commercialising his project on the platform.

As to ‘S2’ “Moral and ethical value have conducted me to design the project and also the nature of the chosen mode of funding helped me to reach my goal [...] I think that if I initiated my project on non ethical crowdfunding platform, I would not feel that I have reached real success even if I was fully funded”. The social entrepreneur in this case revealed that **ethics** and whether related to him or to the platform helped him at achieving success.

Concerning S3 “I think that backers paid attention to the projected I supported also, this was a kind of stimulator for their contributions. In our religion, the culture of giving is something which is good. Also, when you are using crowdfunding, small amounts can contribute to the realization of several projects and this serves the community and corresponds to the mission of the human being on earth”. This case explains that his **experience in crowdfunding and mutual help** other founder was helpful.

Relating to ‘S4’ “I will say that ties formation was strongly influencing my success [...] creating relations with innovative entrepreneurs in the field of education gave me the chance to be open to a new category of people who gave me a hand in getting funded and realizing my dream”. The interviewee explains that **tie formation** was a key success factor for her.

Considering S5 “I suppose that my belief that my project is going to help poor people was the success driver for the whole entrepreneurial process, I am an entrepreneur and my qualities helped me at achieving success [...] I would also add that the ethical

dimension of the platform is attracting people to fund “.This Crowdfunder highlights two main factors which are : **entrepreneurs qualities** and **the type** of the crowdfunding platform .

Although, the conventionally crowdfunded social entrepreneurs were asked about their opinions concening the key success factors form them. The following lines are combining the opinions of the five interviewees.

For C1 “ I might be saying that there is no single element related to the success of my project per se , but i would rather better mention that the sympathy in the campaing was attracting the crowdfunders to cooperate[...]the belief was the main reason behind the establishment of such a social enterprise”. We can detect from this affirmation that **Sympathy** and the **nature of the project** were the main determinants of success.

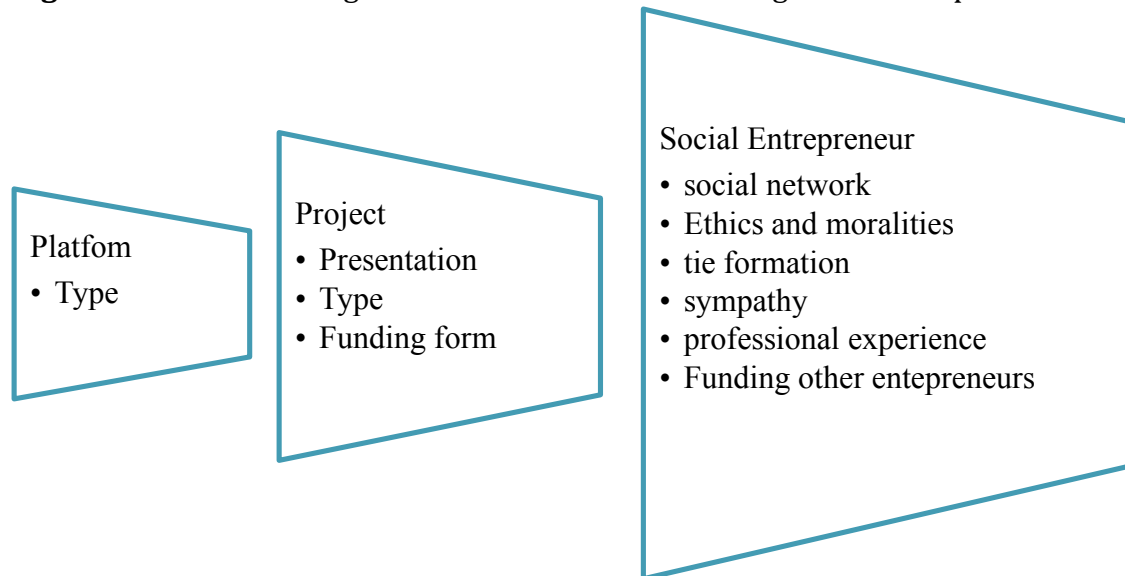
Relative to C2” i believe that funders trusts what they see . Let me explain , the campaign page on the crowdfunding platform represents the connection between the founder and the investors . I was careful about the project presentation [...]people was attracted tby visisble elements concerning me and my project , i guess that was the key factor behind my success“. Following this declaration we do extract a main element wich is **project presentation**.

In relation to C3”Success is a wide concept , and many elements could contribute to it.I might not be honest with you if i tell that me and my experience did not helped at being the person that i am today .I do recognize that cumulative experience i might be saying in all fields , starting with my social activities when i was still a kid and my professional experience was of a great importance [...] I can say that my experience was helpful from the beginning until the achievement of my entrepreneurial trip “.The interviewee claims the **professional experience** was assisting him during this stage .

For C4” It is difficult to achieve success when you are struggling for a social enterprise in a crowdfunding platform such Kickstarter . Thus the use of online social media was really helpful at succeeding” .We depicted that **online social media** was the key factor to the success of this social entrepreneur.

As C5 declared “Fundraising for social projects attracts the attention of backers ,the platform choosed is supporting social entrepreneurs [...]people are more akin to fund social causes , our society believe in the culture of donation and giving , they donate for helpinh social causes which are having lasting impact on society”. **P Poject type roject type** in itself is the key element to the success

To sum these elements, it is essential to mention that the social entrepreneurs do not differ in their opinions concerning the success or even the factors leading to its achievement. The only distinction that can be observed is related to the importance of ethics and moralities .The next figure summerizes synthetically the factors leading to the success of crowdfunded social entrepreneurs by distinguishing three levels of factors which are related to: platform;project and the entrepreneur .

Figure 1: Factors leading to the success of crowdfunding social entrepreneurs

Source: Myself

Being part of the exploratory sequential qualitative-quantitative method, the objective behind this qualitative study is to explore elements concerning the success of social entrepreneurs recouring to Shariah crowdfunding. It was advantageous for us to explore elements related to the success of social entrepreneurs as founders in the context of ShariahCrowdfunding. We have dicovred elements related to opportunity identification by the intermediary of Shariahcrowdfunding. The use of such fundraising tool was not related to the exploitation but also it encourages social entrepreneurs to discover opportunities.

The qualitative study was also important, in term of the definition of success in relation to the personal perceptions of the interviewees

CONCLUSION

We attempted to explore the way that leads opportunities to become exploited, which represents “success” for us in the context of shariah compliant crowdfunding social entrepreneurship. We have chosen ten participants, being based on saturation rule, from conventional and shariah compliant crowdfunding platforms in order to acquire profound information about differences leading to the success of social entrepreneurs on a crowdfunding platform. Organizing, coding and interpreting data was crucial at this level. Hence, several themes were extracted which could be used as a basis to future studies.

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