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Unveiling the Fintech Crowdfunding Challenges in Malaysia: A Case Study of Pitchin Platform Sdn. Bhd

Intan Fatimah Anwar
Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia, Bandar Baru Nilai, 71800 Nilai, Negeri Sembilan

Nur Atika Atan*
Muhammad Arif Najmuddin Mohd Rosli
Atirah Sufian
Universiti Teknikal Malaysia Melaka, Fakulti Pengurusan Teknologi dan Teknousahawanan, Centre of Technopreneurship Development, 75450 Ayer Keroh, Melaka, Malaysia.
Email: nuratikaatan@gmail.com

Siti Nadiah Mohd Ali
Huraizah Arshad
Department of Built Environment Studies and Technology, Collage of Built Environment, Universiti Teknologi MARA, Perak Branch, Seri Iskandar Campus, 32610 Seri Iskandar, Perak, Malaysia

Abstract

Purpose: This article investigates the multifaced issues confronting Malaysia's fintech industry, concentrating on a single case or organisation. The study topic revolved around the challenges faced by Pitchin Sdn Bhd in Malaysian fintech sectors.

Design/methodology/approach: This study uses qualitative methods, involving in-depth interviews and a single-case study approach, to analyse the challenges that PitchIN Platforms Sdn Bhd experiences.

Findings: The study revealed several challenges for PitchIN Platforms Sdn Bhd, such as societal awareness, trust, education, technological development, marketing, fintech platform provider experience, and rapid system development. The findings show that public awareness and the rapid speed of technological innovation in the financial sector are major barriers to developing and maintaining crowdfunding platforms.

Research limitations/implications: This study focused on the challenges faced by a single fintech crowdfunding platform thus generalizability of the findings is limited, as each crowdfunding organisation may face unique challenges.

Practical implications: The study's insights are valuable for stakeholders involved in fostering a competitive and sustainable ecosystem for Malaysia's fintech crowdfunding platforms. Policymakers can leverage the findings to enhance present legislation and create an ideal environment, while finance professionals and industry participants can obtain a greater understanding of these challenges, helping them to make informed decisions and manage resources more efficiently.

Originality/value: This article extends the existing literature on fintech and crowdfunding challenges in Malaysia and serves as a foundation for future research. The extensive investigation of PitchIN Sdn Bhd's challenges provides useful insights for other crowdfunding platforms, assisting them to better address these issues and promote healthy competition among providers.

Keywords: fintech, crowdfunding, challenges, single case study

Introduction

The growth of fintech in the financial sector has become a notable trend, representing the most recent innovation spurred by rapid technological advancements. Fintech promises to perpetually transform how businesses and individuals manage their money by revolutionising traditional banking activities with modern financial services via smart devices, thus enhancing customer convenience (Omarova, 2020). From physical bank counters to web-based and digital forms, financial services have evolved and are now characterised by groundbreaking technologies such as crypto-assets, distributed ledger smart contracts, digital crowdfunding, artificial intelligence (AI), cloud computing, and big data analytics (Mishra et al., 2019). These advances have significantly altered the execution of financial transactions and interactions in the virtual world (Omarova, 2020). Its unavoidable since its help to enhance business and company operations, allowing firms to grow and remain competitive in today's digital era and marketplaces (PwC, 2020). Fintech has bridged the gap between finance and technology, which making transactions faster, cheaper, and easier, potentially allowing a big portion of the world's population to engage in digital exchange (Omarova, 2020). Through fintech transformation in financial organisation processes and services became a set of new systems that combine management, finance, and digital technology to fulfil strategic need for money and services (Mishra et al., 2019). This transformational spark has also gained momentum in the social finance sector, which includes crowdfunding (CF) and Islamic social finance such as zakat, waqf, and charity, and has recently become a prominent topic of debate among management and financial professionals (Linzalone, et al., 2023; Elia et al., 2023; Milian et al., 2019).

Meanwhile, crowdfunding, as a subset of fintech, has emerged as a pivotal alternative financing platform for startups and entrepreneurial ventures (Mollick, 2014; Moysidou & Hausberg, 2020). Unlike traditional financing methods, crowdfunding allows entrepreneurs to secure funding directly from the public without traditional financial intermediaries (Regner, 2021). This approach has democratized access to capital, empowering entrepreneurs and attracting diverse investor groups (Chan et al., 2022; Shafi, 2021). Recognising the significance and pace of change, many countries governments have taken steps to shift their economic policies towards a country driven by innovation (Atkinson & Foote, 2023; World Economic Forum, 2020). Since then, crowdsourcing has become an alternative for entrepreneurs to obtain funding without the need for venture capital or other traditional sources of venture investment (Mollick, 2014). Looking back on the evolution of crowdfunding, the term itself was developed in 2008, and it has expanded on a massive scale, providing the framework to draw in millions of financial specialists and business visionaries (Moysidou & Hausberg, 2020). This new financing method represents a distinctive form of fundraising where businesses leverage Web 2.0 technologies to garner public support for their innovations (De Crescenzo et al., 2020; Regner, 2021). Acting as an intermediary, these platforms facilitate contemporary financial strategies, attract various stakeholders, and revive underutilised commercial operations (Vrontis et al., 2021; Chan et al., 2022), thereby altering traditional approaches to raising funds for various projects, ideas, and business ventures.

The rapid growth of fintech and the increasing demand for crowdfunding have led to a more competitive environment in financial sector. Thus, driven by a supportive legislative environment, creative entrepreneurs, and a burgeoning digital populace, Malaysia's fintech industry is presently rapidly expanding. According to the Malaysia Fintech Report 2022, the number of fintech firms in Malaysia has increased by 27% to 293 companies, with the payments segment still leading the way. The growing demand for financial services has created numerous chances for fintech startups to establish a market presence by streamlining and automating organisational activities and services (Regner, 2021). Despite these optimistic trends, fintech startups continue to confront significant challenges in maintaining their growth. The key challenges identified in various studies include low public awareness outside of urban areas, educational gaps in fintech literacy, rapid technological changes necessitating constant platform upgrades, complex marketing strategies, and the critical need to build user trust (Tiberius & Hauptmeijer, 2021; BNM, 2023).

Research on fintech challenges remains vital, especially considering the lack of comprehensive studies on the specific challenges encountered by fintech crowdfunding startups in Malaysia. Even though Malaysia's regulatory clarity and supportive policies significantly enhance the perceived usefulness of fintech platforms by creating a secure and stable environment, ambiguous or restrictive regulations can reduce perceived benefits and discourage usage (Arner, et al., 2016). Therefore, it is critical to delve deeper into these issues, as regulatory frameworks such as the Malaysian Financial Technology Regulatory Sandbox System Framework (BNM, 2023) may pose additional challenges for fintech crowdfunding startups in cultivating an innovative and sustainable fintech ecosystem. Using PitchIN Platform Sdn. Bhd. as a case study allows us to examine the particular challenges encountered by a fintech crowdfunding platform. By identifying these challenges, regulators, industry stakeholders, and entrepreneurs will be able to devise targeted strategies to accelerate the adoption of crowdfunding platforms and encourage the growth of the others.

This study aims to thoroughly understand the regulatory, technological, and market-related challenges experienced by PitchIN Platform Sdn. Bhd. By examining these issues, the research intends to contribute meaningful insights to the broader fintech discourse and provide a comprehensive analysis of the challenges of fintech crowdfunding startups encounter. Focusing on PitchIN Platform Sdn. Bhd., this study explored nuanced elements and potential solutions within the Malaysian fintech ecosystem, offering valuable perspectives for stakeholders seeking to navigate and innovate within this dynamic sector. Thus, the research questions that guide this study are:

1. What are the challenges that PitchIN Platform Sdn Bhd experiences in Malaysian fintech setting?

Literature Review

FinTech Definition

Fintech is a financial services innovation based on the internet and automated data provision that is currently employed by practically all businesses Gabor & Brooks, 2017; Milian, et al., 2019; Zavolokina, 2016; Alt, et al., 2018; Gomber, et al., 2018; Puschmann, 2017) with the aim to improve and streamline economic activity (Schueffel, 2017). This financial innovation applies technical solutions to a variety of business scenarios, leading in new business models or organisations (Di Pietro et al., 2021). Common Secretary of the Universal Affiliation of Protections Bosses, a part organization of the Budgetary Solidness Board, offers a working definition of “FinTech” as takes after: it could be a “technologically empowered money related advancement that gives rise to modern trade models, applications, forms, and items.” The related activities include payments, lending, wealth management and insurance space (Arjunwadkar, 2018). This development within the monetary industry has driven to fetched lessening, tall proficiency, rate, advancement, adaptability and change in the commerce forms (Zavolokina, 2016; Lee & Shin, 2018; Thakor, 2020).

Besides that, fintech also can be understood as financial innovations that use technological solutions in different business situations and lead to new business models or even new businesses (Di Pietro et al., 2021). Fintech covers various transactions, including insurance technology, financial data, payment and banking systems and mobile banking, where payment services are the largest subcategory being covered under fintech (Szakiel, 2018). The tools provided by fintech enables the consumers to track, manage and facilitate their finances remotely (Gomber, et al., 2018). Das (2019) suggests that the use of fintech in finance brought a change in three areas: (a) raising capital, (b) allocating capital, and (c) transferring capital. Due to its broad classification mechanisms of fintech, O'Hanlon et al. (2020) also recommended the three dimensions of fintech, which consists of (1) financial sector, (2) business model, and (3) technology. Meanwhile financial sector dimension outlines the critical areas in the financial services that will benefit from using fintech which includes banking, stock trading, asset management, transaction payments, insurance, foreign exchange, and others (Skan, et al., 2015). This technology dimensions indicate different types of technology use within the business which includes cloud computing, big data, artificial intelligence (AI)/machine learning (ML), blockchain (distributed ledger technologies), the Internet of Things (IoT), and quantum computing, to augmented and virtual reality (Jothi & Oswalt Manoj, 2022).

As for some extensive research literature, fintech is defined as companies that use technology to provide financial solutions via the internet and automated data processing (Gabor & Brooks, 2017; Milian, et al., 2019; Zavolokina, et l., 2016; Alt, et al., 2018; Gomber et al., 2018; Puschmann, 2017). Fintech advances include financial education, investments, retail banking, and cryptocurrencies, which provide personalised services without geographic or time-zone limits via digital means (Gomber et al., 2018). Fintech has led to disintermediation (Thakor, 2020) and the development of online platforms for trading, lending (including crowdfunding and peer-to-peer lending), and asset management, such as robo-advisory (Gomber et al., 2018; Alt et al., 2018; Lee & Shin, 2018), which has been achieved through fundamental advances, information analytics, big data, and mobile devices (Lee & Shin, 2018).

Crowdfunding

Since 2011, crowdfunding has received increased scholarly attention, although no single definition reflects its complexities (Hossain & Oparaocha, 2017). According to Steinberg, et al., (2012), crowdfunding consists of public donations aimed at raising funds for new ventures. The word "crowdfunding" is derived from crowdsourcing (Howe, 2006), and it is sometimes considered a subset of crowdsourcing due to similarities with other crowd-based efforts. However, other scholars believe that crowdfunding should be treated as a distinct idea in the context of itself (Brabham, 2013), distinguishing it from previous crowd-based approaches. As a novel fundraising method, crowdfunding differs significantly from traditional alternatives for financing startups (Hossain & Oparaocha, 2017). It was initially used to fund artistic and creative projects, but it has since evolved to support innovations, entrepreneurial ventures, and research projects, where issues such as a lack of peer review and the possibility of fund manipulation through unfulfilled promises have become prevalent (Blanchard & Sabuncu, 2016). Due to that, this evolution has created several opportunities and challenges in the field of crowdsourcing (Schwienbacher & Larralde, 2010; Burtch, et al., 2013).

Hossain and Oparaocha (2017) synthesised 17 existing definitions of crowdfunding to develop a comprehensive definition that encompassed all of its features. Their research tries to create a simple definition that captures the essence of the crowdsourcing phenomenon.

According to their results: i) initiators effectively present their ideas within resource and time constraints; ii) demonstrations primarily occur online through written documents and multimedia; iii) the goal is to persuade potential funders of the idea's merit; iv) founders typically utilise third-party crowdfunding platforms, occasionally their own; v) funding campaigns are promoted via social media and other online channels; vi) messaging should be compelling and easily understandable; viii) The total amount pledged is displayed in real-time on the platform and; ix) Intermediary platforms take commissions of 8 to 10 percent from successfully funded projects, including transaction costs from payment processors like Amazon and PayPal. By integrating all the above-mentioned elements, Hossain and Oparaocha (2017) propose the following definition:

> *"Crowdfunding is an Internet-based funding method for the realization of an initiative through online distributed contributions and micro-sponsorships in the form of pledges of small monetary amounts by a large pool of people within a limited timeframe. It is the financing of a task, idea, or project by making an open call for funding, mainly through Web 2.0 technologies, so funders can donate, pre-purchase the product, lend, or invest based on their belief in an appeal, the promise of its founder, and/or the expectation of a return"*

For over the last decade, the definition above has filled a significant portion of the gap in venture finance (Burtch, et. al., 2015). These fundamental elements distinguish crowdfunding from the traditional investors, such as banks and venture capitalists, making it a novel source of funding. *Firstly*, funding for start-ups is very scarce, so crowdfunding helps fill the gap in the early stage of financing. *Secondly*, crowdfunding harnesses the influential power of the Internet, particularly through social media. *Thirdly*, it is a novel marketing channel. *Fourthly*, it encourages unique ideas to be tested by the public and ultimately realized. *Finally*, it facilitates direct engagement with consumers (Younkin & Kashkooli 2016). The present-day crowdfunding commerce mode comprises of three sorts of players: the extend proposers who give the first idea/blueprint/project that requires outside finance, potential speculators who are inquisitive about the thought, and a web stage that brings all parties nearby to kick-start the modern commerce wander. According to Massolution (2012), there are several types of crowdfunding in practice, namely donation-based, equity-based, lending-based and reward-based crowdfunding. At some point crowdfunding may be a decentralized and collective subsidizing demonstrate that permits people, businesses, or inventive ventures to raise capital from an expansive number of individuals, ordinarily through web stages (Agrawal et, al., 2015). As crowdfunding proceeds to develop, with progressing headways in innovation and administrative systems, it is likely to stay an energetic drive in forming long run of raising money and democratizing get to capital for assorted run of wanders (De Buysere et al., 2015).

Meanwhile, previous studies on crowdfunding have utilized the Technology Acceptance Model (TAM) effectively to analyze user behavior. Mollick (2014) applied TAM to investigate the factors influencing entrepreneurs' decisions to utilize crowdfunding platforms, underscoring the significance of perceived ease of use and perceived usefulness in shaping their adoption intentions. This demonstrates TAM's usefulness in capturing the psychological components of user acceptance within the specific dynamics of crowdfunding. Similarly, Ahlers et al. (2015) used TAM to investigate supporters' decision-making processes in reward-based crowdfunding campaigns, discovering that perceived ease of use and perceived usefulness had a substantial influence on backers' investment decisions. This TAM application uncovers the motivational elements that motivate people to participate in crowdfunding, highlighting the relevance of user-friendly interfaces and the perceived value of supporting projects.

Belleflamme (2014) also emphasised the importance of trust and reputation in crowdfunding platform adoption for fintech start-ups. Trust issues such as platform security, transparency, track record, and user evaluations influence start-ups' confidence in a platform's dependability and capacity to deliver on commitments. Agrawal, et al., (2011) evaluated the regulatory environment's impact on crowdfunding in Malaysia, which included legal frameworks and institutional policies. Regulatory clarity, simplicity of compliance, investor protection measures, and government backing all have an impact on start-ups' impressions of the regulatory landscape and readiness to adopt crowdfunding platforms. Furthermore, expected benefits of using crowdfunding platforms for start-ups include access to a larger investor base, increased visibility, market validation chances, and improved customer involvement.

For the purposed of this study, we have illustrated a conceptual framework aims to provide a comprehensive understanding of the key elements influencing the adoption of crowdfunding platforms. According to Yin (2018) a conceptual framework in qualitative research, particularly in case study methodology will help researcher to structure the research process by guiding data collection and analysis besides formulating research questions, defining the scope of the study, and providing a basis for interpreting findings within a broader theoretical context. Drawing upon the literature, this framework examines the dimensions of regulatory environment, trust and reputation, perceived benefits, risk perception, and entrepreneurial characteristics as fundamental components in the adoption process. Figure 1 below illustrate the conceptual framework for this study.

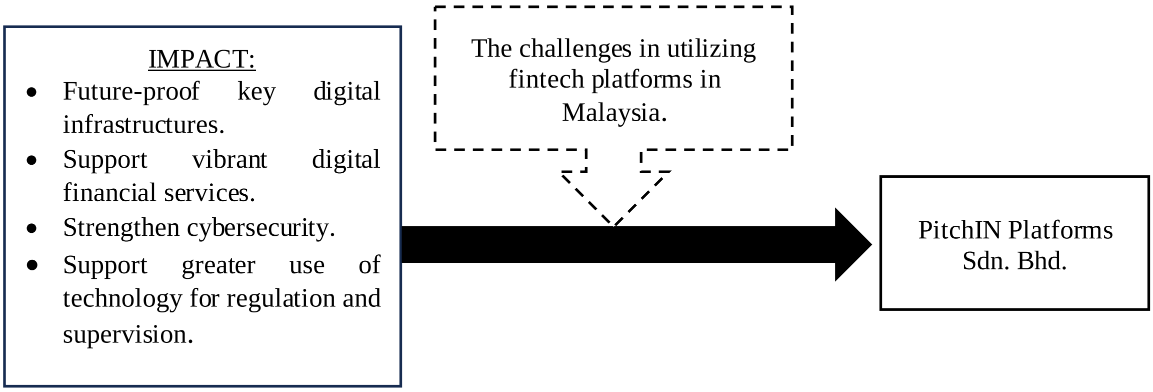

Figure 1: Conceptual Framework

Guided by the framework, we predict that PitchIN Platform Sdn. Bhd., as a fintech start-up in Malaysia, has encountered several challenges in leveraging fintech platforms. These challenges include the need to future-proof essential digital infrastructures, facilitate robust digital financial services, enhance cybersecurity measures, and promote greater adoption of technology for regulatory oversight. The company's success can be attributed to its effective navigation of these challenges.

Method

The aim of this study is to acquire a better understanding of the challenges faced by Malaysia's fintech crowdfunding platform. To achieve the goal, this study adopts a qualitative method, conducting in-depth interviews with representatives from fintech crowdfunding organisations displayed in the Fintech Malaysia Report 2022. The survey identified 294 fintech companies in Malaysia, with only 10 classified as crowdfunding platforms. Table 1 shows the 10 crowdfunding platforms listed in the report.

Table 1: Fintech Crowdfunding Platform/ Companies in Malaysia

No	Platform/ companies
1	Ata plus
2	Crowdo
3	Ethis
4	Eureeca.com
5	Fundnel
6	FundedByMe
7	iPivot
8	Leet Capital
9	Mystartr
10	PitchIN

Qualitative research allows researchers to precisely explain the reality of an area and thoroughly comprehend its associated phenomena, interpretations, and values (Merriam, 2015). Only one example was successfully interviewed due to time constraints, allowing the study to be completed within two semesters. PitchIN Platforms Sdn Bhd was interviewed to gain a better understanding of the challenges faced by fintech crowdfunding platforms. The single-case study technique is used to thoroughly explore the research question (Yin, 2009). Besides that, this study also used secondary sources like company documents, newspapers, and articles to bolster the answers provided by the interviewees. As for the data analysis, this study used the five-phased cycle suggested by Yin (2011), which includes (1) compiling, (2) disassembling, (3) reassembling (and arraying), (4) interpreting, and (5) conclusion. The recorded audio of the interview session was transcribed and analysed using NVivo 12.0 software version. The data was presented and organised based on the collected primary and secondary data. The process of analysing data starts with familiarisation, continues with transcription, organising, and coding, and concludes with report authoring. Finally, the case study will include lessons learned from the interviewee's unique experiences (Yin 2009).

Findings

PitchIN Platform Sdn Bhd Background

PitchIN, a Malaysian crowdfunding platform, has emerged as a pivotal player in the country's entrepreneurial landscape. Since its inception, PitchIN has positioned itself as a catalyst for growth by providing a platform where entrepreneurs and startups can connect with potential backers. Established to facilitate crowdfunding activities, PitchIN operates within Malaysia's regulatory framework set by the Securities Commission Malaysia, placing emphasis on compliance and investor protection. The platform is led by co-founders Sam Shafie, serving as CEO, and Kashminder Singh, acting as CSO, with key roles filled by Steven Wong as CTO, Nisa Zulkifli overseeing ECF and legal compliance, Faten Nabila managing legal and compliance, and Hanif Mohamed Tamin leading Academy initiatives. Each plays a crucial role in ensuring the company's strategic direction.

In 2015, PitchIN became an officially Recognised Market Operator (RMO) under the Securities Commission of Malaysia. By 2021, PitchIN had successfully raised RM5.5 million from 322 investors through Equity Crowdfunding (ECF). Looking forward to 2022, they received approvals to list Shariah-compliant companies and launch the first public Secondary Market. Additionally, PitchIN obtained clearance to launch the Token Crowdfunding (TCF) platform and secured RM5 million from MTDC and Gobi Partners. The platform supports various crowdfunding models, including ECF and rewards-based crowdfunding, enabling project creators across diverse sectors, from technology to social enterprises, to showcase their ideas. The success stories emerging from PitchIN underscore its role as a funding avenue for startups, bolstering its credibility and appeal. PitchIN likely fosters a vibrant investor community, actively engaging them in the entrepreneurial journey. While its impact on Malaysia's business environment is significant, PitchIN also faces inherent challenges within the crowdfunding industry, necessitating strategic navigation to sustain its growth and effectiveness. Table 2 below summarize PitchIN Sdn Bhd profile.

Table 2: PitchIN Sdn Bhd Profile

Organization Features		Details
Date of Establishment	:	2012 & 2015 (Securing registration as a Recognised Market Operator (RMO) with the Securities Commission of Malaysia)
Mission	:	Make it easy for startups to find the funding they need to grow and succeed. We believe that capital should be accessible to everyone, and we're committed to helping entrepreneurs from all backgrounds
Vision	:	1. The PitchIN team is made up of experienced entrepreneurs and investors who understand the challenges of starting a business. We are passionate about helping the next generation of entrepreneurs succeed, and we're dedicated to providing the support and resources they need to make their dreams a reality. 2. Our platform allows entrepreneurs to create a profile, share their business plan, and connect with potential investors. We also offer resources and tools to help entrepreneurs improve their pitch and increase their chances of success.

PitchIN Sdn Bhd Challenges in Malaysian FinTech Setting

The examination of challenges encountered by the PitchIN platform aims to highlight obstacles faced by this company and other fintech players in the industry. This discussion draws from interview findings, where responses were analyzed through open coding to address below research objective.

Research Objective: To identify the challenges experienced by PitchIN Sdn Bhd in Malaysian fintech setting.

The findings of the research found that there are a few challenges confronted by PitchIN Platforms Sdn. Bhd. in Malaysia fintech platforms.

i) *Awareness Challenge:*

The main findings indicate varying levels of awareness among individuals regarding fintech platforms and other financial services like PitchIN Platforms Sdn. Bhd. Awareness levels are notably lower outside urban areas or the Klang Valley region. For example, in states such as Kelantan and even Johor, there are challenges in disseminating information about these services. Given Malaysia's substantial investor base, improving awareness is crucial to prevent investment in inappropriate ventures. These insights were corroborated by discussions with PitchIN representative as below quote:

> "*…. level of awareness. people are not aware, if you are out of Klang Valley, it is very minimum, go to Kelantan, go to Johor, I go to Johor too, it is difficult. because wanting to explain equity crowdfunding is time consuming……*"

> "*….my main are people's awareness especially outside Klang Valley, outside Kuala Lumpur and Selangor is at a very minimal value. so, our work is more difficult. because we believe there are many investors outside, but this Malaysian mentality is still if this investment is houses, land, stocks, gold, so he confines on those things……*"

ii) Education Challenge

Poor level of awareness about fintech companies such as PitchIN Platform has resulted to one critical point which is the needed of a better educational program. The study implies that encouraging a better awareness of fintech services, their benefits, and their potential impact on personal finance could be critical. Implementing focused awareness efforts and training programmes could help PitchIN and other platforms attract people who are unfamiliar with financial solutions. To deal with this, PitchIN Platforms formed an Academy branch, directed by Hanif Mohamed Tamin, aimed at educating Malaysians about their services and platforms. Rather than waiting for regulatory entities to act, PitchIN Platforms takes the initiative to educate the public. Expert explanations and guidance from specialists in the field are required, as self-education alone could be insufficient. PitchIN Platforms' goal is to educate the community about various financial services, including their own, to assist investors and entrepreneurs expand their businesses. Furthermore, collaborative efforts within the industry, involving educational institutions, industry associations, and traditional financial institutions, may result in a more stable environment. Aligning with these organisations could broaden PitchIN's outreach and leverage existing networks to promote fintech adoption.

> "*…. that is the academy's role. this division, which is to bring the SC mandate, to promote and educate people outside, especially at the state level, near the states, to know that alternative financing is a sector with many people's choices….*"

> "*….. challenges for me, most important is level of education. they need us to educate ourselves, because not all fintech facilities are suitable….*"

iv) Development Challenge

However, the secondary findings of this study emphasize the need for additional perspectives to attract more participants to these sectors. Current advancements, such as Initial Exchange Offerings (IEOs), must be followed by further innovative developments. Without pursuing additional innovations, PitchIN Platforms and other fintech platforms may face increased challenges in sustainability, potentially leading to adverse outcomes. These developments should align with ongoing technological advancements to ensure that new products or services offered are compatible and function effectively with existing technology.

> "*…. we will continue to do other developments, we can do IEO, but information and knowledge are not the same. because the technology is different, the new product is up……*"

v) Marketing Challenge.

The additional findings regarding challenges faced by PitchIN Platforms in the fintech industry pertain to marketing efforts aimed at enhancing their visibility and market penetration. Collaboration between regulatory bodies like the Securities Commission (SC) and PitchIN

Platforms is crucial to improve social media and digital marketing promotions, thereby increasing relevance in the current market landscape. Effective marketing strategies need to be multifaceted and proactive. The research underscores the complexity of marketing challenges for PitchIN within Malaysia's dynamic fintech sector, particularly in promoting their existing services and expanding into broader market segments. The study reveals that marketing hurdles include limited market awareness and the necessity for innovative approaches to differentiate PitchIN amidst fierce competition in fintech. Establishing a strong brand presence and effectively communicating their unique value proposition to potential clients and investors are critical challenges. Additionally, targeted marketing efforts are essential for retaining existing customers and attracting new ones. Given the rapidly evolving nature of the fintech industry, the research emphasizes the importance of adapting marketing strategies to remain relevant and resonate with diverse audience segments. Tailoring messages to address the specific needs and concerns of different market segments is identified as a key aspect of successful fintech marketing. Furthermore, the findings highlight the significance of digital marketing channels, social media engagement, and strategic partnerships. Utilizing online platforms and employing data-driven marketing techniques are essential for reaching a broader audience and enhancing PitchIN's market presence.

> "*…. social media, and this digital promotion marketing, needs to be planned again, needs to be multiplied again….*"

vi) People Experience Challenge

The subsequent findings from this study focus on interactions with users of PitchIN Platforms and individuals utilizing their fundraising services. The research underscores the importance of a user-centered approach and active client engagement. Platforms that prioritize customer involvement and actively seek feedback for continuous improvement are likely to attract and retain a more diverse customer base. Tailoring services to meet needs and preferences can enhance the accessibility and appeal of fintech offerings to a broader audience. In this context, interviewees reflect on their experiences, noting generally positive interactions in the realm of raising funds through Equity Crowdfunding (ECF). However, a significant challenge arises from a lack of understanding about the expectations and perspectives of potential investors. The interviewees emphasize the personal nature of ECF fundraising, highlighting the importance of comprehending and aligning with investors' viewpoints. They stress the importance of humility in this process, suggesting that understanding investors' psychology is crucial. The viewpoints expressed underscore the interpersonal dynamics inherent in fundraising, emphasizing that entrepreneurs must not only present a compelling business case but also connect with investors on a personal and emotional level for successful outcomes in the ECF arena.

> "*…in my opinion, the experiences I met, between the barrier are mostly good, it's just that he doesn't know the perspective of what the investors will ask, what the investors want to look at, so, if I can say it, this fundraising through ECF is very personal. you must humble yourself. we must understand his psychology….*"

vii) System Challenge

Another finding from this research pertains to the challenges faced by PitchIN within Malaysia's fintech landscape, particularly regarding its internal systems. The study highlights the necessity for PitchIN Platforms to adopt a more user-friendly system that enhances user navigation and task management. For instance, interviewees noted that PitchIN Platforms has undergone two website or system updates to improve customer understanding. This proactive approach by PitchIN Platforms underscores their commitment to addressing usability challenges. The research underscores the importance of refining their systems to enhance overall user experience. It emphasizes the need for intuitive systems that enable users to easily navigate through the platform and understand available features through well-designed taskbars and navigation menus. Insights from interviews reveal PitchIN Platforms' iterative process of system refinement aimed at improving user engagement. These updates are implemented with the primary goal of making the platform more accessible and user-friendly, aligning with evolving user needs and preferences.

> "*…...maybe the system too, we also sometimes have changed twice we have a website. now it is version 3.0. so, then, and now….*"

viii) Trust Challenge

The findings of this research regarding the challenges encountered by PitchIN Platforms in Malaysia's fintech industry highlight the need to build trust in their services and platforms. These challenges arise due to the prevalence of fraudulent activities involving both individuals and platforms. Addressing this issue, the study underscores the importance of clear and transparent communication regarding security measures, regulatory compliance, and ethical standards. It emphasizes the necessity for PitchIN Platforms to consistently demonstrate their commitment to safeguarding client data, ensuring financial security, and adhering to industry regulations. Establishing trust is an ongoing process that requires not only showcasing the reliability of current services but also effectively communicating enhancements and updates aimed at enhancing the overall user experience. Given the proliferation of fraudulent platforms exploiting individuals in need of financial services, regulatory bodies such as the Securities Commission Malaysia (SC) need to take a proactive stance. They should initiate efforts to promote awareness about trusted platforms under their oversight. Such initiatives by the SC would likely increase public confidence, encouraging individuals to take fintech matters seriously and thereby reduce the challenges faced by platforms like PitchIN in Malaysia's fintech landscape. Ultimately, these measures can elevate trust in fintech platforms among the public.

> "….SC *come out, start taking a role like Octa FX, all of this is advertising, right, but if you do it like that, if it's not from SC you don't need to listen, don't take it seriously. So, this thing can eliminate right, trust, can increase trust and eliminate scam….*"

Discussion and Conclusion

Based on the findings above, we conclude that PitchIN is still encountering operational issues in the Malaysian fintech sector. This includes:

i. *Limited public awareness*: PitchIN is still encountered limited public awareness issue with the low fintech literacy are founded to be exists outside urban areas particularly outside the Klang Valley region. This challenge has made fintech platforms appear to be difficult to use resulting in reducing adoption rates. The lack of awareness makes it harder to explain and promote the idea involving fintech crowdfunding. As a result, extensive education is required to ensure that both consumers and professionals have the necessary information and skills to engage effectively with these financial services. Besides that, the high rate of technological progress in the fintech business can result in a knowledge gap among consumers, demanding ongoing education to keep them informed about new features, functionalities, and potential threats. These targeted educational initiatives should be proposed to enhance understanding and appreciation of fintech services (Demirgüç-Kunt et al., 2018) to help the public improve the perceived ease of use in fintech services.

ii. *Educating Potential Investor*: PitchIN also facing challenges in educating potential investors about the advantages and opportunities of fintech especially equity crowdfunding. Traditional investment mindsets in Malaysia favour assets such as real estate, equities, and gold, making it difficult to attract investors to the platform. Saad et al. (2010) highlights that Malaysian investors have a strong inclination towards these conventional investment vehicles because of their historical performance and the tangible nature of real estate and gold, which are seen as safe havens against inflation and market volatility. Thus, PitchIN and fintech crowdfunding players must constantly update and reinvent its platform in order to remain competitive and user-friendly. This preference presents a significant barrier to attracting investors to newer fintech platforms like PitchIN.

iii. *Marketing*: The relevance of utilising digital marketing and social media as marketing tools is critical. Fintech startups have to efficiently interact with potential clients and investors using online platforms and social media channels (Huang & Benyoucef, 2013). This emphasises PitchIN's need to tailor its marketing efforts to different audience demographics and use data-driven strategies to retain and build its customer base while reaching a larger audience. Furthermore, the fast-paced nature of the fintech business, along with severe competition from traditional financial services, makes it challenging for fintech platforms to differentiate their offerings and build a compelling value proposition. Gomber, et al., (2018) emphasise the importance of fintech platforms implementing proactive and varied marketing tactics to manage the rapidly expanding financial technology field. Thus, collaborating with regulatory organisations, including the Securities Commission (SC), to improve social media and online advertising strategies is critical. A successful marketing strategy will allow fintech platforms to attract new investors while maintaining existing ones.

iv. *Necessity for Platform Innovation*: It is vital to ensure that the platform is user-friendly. The system must be easy and straightforward to use, with well-designed taskbars and menus. Although PitchIN has undergone several changes, constant development of the user experience is required. According to Gomber, et al., (2018), fintech platforms must continuously adapt to technological advancements and shifting user expectations. This necessity drives platforms like PitchIN to regularly update and reinvent their services to remain relevant and appealing to potential investors, thereby overcoming the inertia of traditional investment mindsets.

v. *User Experience and Trust*: Building client trust and encouraging adoption pose substantial challenges. Overcoming scepticism and addressing concerns about data security, privacy, and the dependability of new financial technology are critical for rebuilding confidence in a sector long controlled by established financial institutions. Thus, to attract and keep investors, fintech crowdfunding startups must improve the user experience and foster confidence. Lee and Shin (2018) emphasise the need for fintech startups to build intuitive and secure systems to acquire user trust. Platforms like PitchIN, by enhancing accessibility and providing a smooth investment experience, can progressively change investor preferences from traditional assets to creative crowdfunding alternatives.

Overall conclusion, addressing the challenges of awareness, education, innovation, marketing, and user friendliness is critical for PitchIN to thrive in Malaysia's fintech sector. However, this finding may be limited to the specific context of PitchIN, as the platform's unique characteristics may not adequately represent the larger fintech market. Additionally, the study's depth and accuracy may be limited due to its dependence on publicly available information and restricted access to internal corporate data. The dynamic nature of the fintech industry creates a temporal limitation, as the identified challenges may change over time. Furthermore, there is a limited theoretical study on how cultural factors influence the adoption of fintech crowdfunding platforms in Malaysia's various regions. Thus, recognising cultural factors might provide more in-depth insights into user behaviour and acceptability, complementing the Technology Acceptance Model (TAM) theory. Finally, while the case study technique provides depth, it also includes subjectivity when interpreting findings, which is influenced by the researcher's opinions.

Future research could address these constraints by conducting comparative case studies on multiple fintech firms to find common themes and variations in challenges. Besides that, long-term investigations that follow issues across time would give a more dynamic picture of industry developments. Other than that, future research also suggests having in-depth interviews with important stakeholders, such as company founders, investors, and regulatory authorities, that could provide more detailed insights. This approach would improve understanding of the implications of regulatory changes and technological breakthroughs, particularly in domains such as blockchain and AI. By overcoming these limits and pursuing these paths, future research can contribute to a more thorough knowledge of the issues faced by Malaysian fintech platforms, allowing targeted solutions and strategic interventions in this dynamic ecosystem.

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