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Giving behaviour of zakat through crowdfunding platform: Evidence from Indonesia

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Abstract

The study discovers that the crowdfunding portal classification is elaborated into two predominant clusters: the collaborative and corporate platforms. Corporations specialising in social finance fundraising issues created the first collective fashionable means. Various programs uploaded and generated within one platform website will create and initiate the program campaign by co-working and collaborating with others. The second corporate ones are designed and launched by the respective exclusive institution without other brand zakat involvement. Both initiations must be built by an official amil zakat institution. The preference of the zakat payer community is affected by literacy and frequent religiosity sense. Muzaki in entrusting and donating funds toward amil zakat institutions is not only prompted by its membership and affiliation of an institutional entity but also influenced by the inherent choice of literacy perception and religious understanding of individuals.

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Introduction

Zakat, in various studies, has been stated as one of the instruments of Islamic economic policy that enables it to contribute and uplift the country's fiscal capability in reducing inequality and poverty. For its recent development, the management of zakat in Indonesia has gradually evolved from a personal management aspiration toward an official zakat institution under supervisory from the government. The main objective of institutional management of zakat is to create professionalism and escalate the impactful benefits for the zakat recipients (*mustahik*). The respective government intensively conducts such developing functions and agency

mechanisms to create a cooperative trajectory on pro-poor programs among government institutions and community initiatives. Referring to these significant reasons and comprehension, philanthropy managing personnel (*amil zakat* professionals) are encouraged to target and produce a business process with shariah-guided programs and productive social and economic impacts. Therefore, considering an impressive and attractive fundraising campaign, the charitable donators (*muzaki*) are willingly induced to contribute to closed engagement and orientation.

Law No. 23/2011 concerning zakat management explained that the responsibility of zakat management is mandated to the official zakat institutions institutionalised by the government named BAZNAS (National Zakat Board) or private organisations obtaining an accountability license from the government. Both institutions should step forward and bring about a positive collaboration and enhancement partnership. Focusing on fundraising issues and prospects, the urgency to examine donators' preferences are to be a considerable analysis from the policymakers' perspective. The inclination of a recent study on such topics has demonstrated a piece of tremendous and voluminous information about the giving behaviour of *muzaki* preferences (Ekawaty, 2017; Cokrohadisumarto, 2017; Mohd Thas Thaker et al., 2019; Cokrohadisumarto et al., 2020; and Kowalski et al., 2021). Most studies utilised and leaned on the framework of the giving behaviour theory, exposing and discussing numerous aspects of payers' perception of zakat, waqf and other alms donation preferences. Departing on such theoretical underpinning, the selection to disburse and donate direct action for the poor people has been considered with several aspirations, such as the flexibility of the program, good personal name, and less trust in the official zakat reputation, for instance, see (Osman & Muhammed, 2017). On the other hand, the *muzaki* also placed huge respect and substantial credit to official *amil* institutions for zakat payment generated from profitable business and deduction on employment salary payroll, for example referring to (Noor et al., 2015).

The crowdfunding platform and its affiliated facility have been the primary internet connection and emerged as a chain of social and commercial transactions across the globe. Plenty of studies on such research areas have gained worldwide attention crossing the country border perimeters, to name a few: Kashif et al., (2015) Sisco & Weber, (2019) and Xu et al., (2020). Hence, understanding and mitigating the preference and behaviour of zakat payment under modern business and technological advancement are expected to provide fruitful feedback and inputs for the related stakeholders. As a scientific factual approach, the possibility of predetermined factors through a theoretical building and non-observable influence identified from the reality of the field can be analysed with a measurable and developable indicator and its surrounding phenomenon. The economic psychology theories, such as the theory of planned behaviour and the theory of reasoned action, inspired and motivated many researchers to explain the zakat donator's behaviour and payment preference, for example, Kashif et al. (2015) and Andam & Osman (2019).

Meanwhile, the existing study attempt to expand and reach a practical objective beyond the hypothetical variables being included and proposed by the proclivity of current papers and topics. To attain such actionable and comprehensible aims, the study employs the multi-perspectives relying on the eloquent and ardent occurrence from the local community's perspectives. East Java Indonesia has been chosen as the representative object and location of study due to its cultural characteristic, philanthropy literacy and current economic development.

Literature Review

In the topic of analysing how the community makes donations, various kinds of research have been developed within the framework of giving behaviour, including endowment (*waqf*) donations, for example, see research Ahn et al., (2018); da Silva et al., (2020); Khamis & Yahya,

(2015); Mainardes et al., (2016); Nahar, (2018); Zhou et al., (2020). Most research about giving behaviour has an almost similar theoretical framework of thought within the theory of planned behaviour (TPB) and the theory of reasoned action (TRA), illustrating the main objects of individual behaviour, subjectivity, and perception. In their practical development, various factors clarify the theoretical basis in giving behaviour which gives rise to variables/factors of religious understanding, income, emotional closeness, donation program facilities, and program promotion (Almunia et al., 2020; Andam & Osman, 2019; Ekawaty, 2017; Noor et al., 2015).

An exploratory study by Cokrohadisumarto (2017) aimed to explore the correlation *between the Muslim* community's understanding and awareness of paying zakat conducted at Sultan Agung Islamic University Semarang. The study attempted to discuss the three-dimensional relations between the understanding of zakat, awareness of paying zakat and regular learning about the Islamic religion, in which these indicators are measured and transcribed into Likert scale questionnaires. The study's conclusion invigorated that regular and intensive learning about the Islamic religion was profoundly an essential factor toward understanding and awareness of paying zakat. Furthermore, through learning, such as reciting and understanding the al-Quran, reading Islamic books, and attending Islamic study circles, the method and forum could have instilled and sparked the understanding of zakat. As a positive consequence, such understanding would draw and motivate someone to be aware of doing something. In addition, apart from understanding, knowledge will direct and ensure the behavioural aspects to comply with good deeds. Understanding and inherent knowledge of the zakat would also drive and nurture a willingness to pay zakat, not only as a commandment and ritual by religion but also as an interpersonal duty and call from religious believers.

After the development of information technology and the expansion of the internet access network, crowdfunding has become a trend in social media and financial technology in Indonesia. Website applications that facilitate crowdfunding are considered capable of increasing the number of donations from the public towards the needs of social business projects. The study developed by Bin & Anwar (2018); Mohd Thas Thaker (2018); Mohd Thas Thaker et al. (2019); Thaker et al. (2016) with the TAM (Technology Acceptance Model) stated that the facility, quickness, and easiness of crowdfunding platforms could elevate and impress the number of people who willingly donate directly. In an era where every community has a mobile phone connected to the internet, donation activities can be executed quickly and conveniently through gadgets (electronic devices) belonging to each individual. Interestingly, using a different spectrum, the study by Cokrohadisumarto et al. (2020) concluded that the most significant variables are fomenting zakat paying behaviour covering (1) a better understanding of zakat law from the Muslim community and (2) credibility of zakat management institutions published and circulated via interactive information reaching society at large. The analysis extended further recommendations and fruitful insight to be beneficial for stakeholders. In the less forceful and tight compelling control of government regulations relating to the obligation to pay zakat for Muslim communities like Indonesia, disparate and applicable recommendations may prevail and emerge as an alternative solution. The campaign and collective action to raise and promote zakat payment within society entail prospective recommendations consisting of (1) increasing the zakat understanding and (2) strengthening the credibility of zakat management institutions.

Determining the most influential drivers for crowdfunding magnanimity motivation within the fundraising platform and its associated projects should conceive beyond the theoretical inclination exerted and constructed by scholarly works in the literature database. The study on charitable donation has transformed and attracted universal cross-border participants and non-segmented groups of society and should not be dwindled in the territorial geography and its peripheral perspective (Wiepking, 2021). However, concerning Islamic obligatory alms donation like zakat, the theory explaining and illuminating the phenomena and

social cohesion within society is to be referred to and grounded as the basis for cogent analysis, such as [Mohd Thas Thaker et al., \(2019\)](#). The more understandable initiative and decent breakthrough have scientifically emanated from the fashionable studies coming from the highest internet users' countries with a more common transaction on commercial finance, stating that any factors relevant within society such as tax incentives and spiritual argumentation can trigger a donation ([Chang & Chen, 2019](#); [Jamal et al., 2019](#)). Therefore, investigating human behaviour, including a zakat donation preference, is a holistic and complex procedure and cannot be simplified into one theoretical understanding applicable to general rules and context ([Wormer, 2007](#)). The spiritual level of individual orientation and its micro-environmental ecosystems, such as technology preferences and social closeness, can be the best alternative to espouse and describe preferential behaviour of charitable donation ([Wormer & Besthorn, 2017](#)).

Methodology

Data analysis method

This research has been practically initiated from the ongoing and substantive issues regarding collecting zakat, alms, and social donation funds in East Java, Indonesia. To better ponder and immerse in the object of study, the research conducts the two groups of target classification of zakat aspiration, namely (a). direct zakat payments are distributed to the community, and (b) zakat payments are entrusted through official institutions (*amil* institution). Both are classified based on the behaviour of muzaki (zakat payer) as a free willing individual in the Indonesian context who donates and chooses any possible lawful and ethical alternatives to zakat payment. Thus, the mixed-method study is preferentially adopted and subscribed to identify and unearth the yet explicable and already existing social explanation of giving behaviour study. Such methodological selection should be cautiously harnessed with the correct answerable mechanism that combines qualitative and quantitative research objectives and demarcates the highlighted questions or sequence procedure ([Creswell, 2009, 2014](#)). Like the objects above, social work should be examined using a contestation mechanism whereby philanthropy kind-heartedness programs and campaigns can be a freedom of generous action ([Oko, 2008](#)).

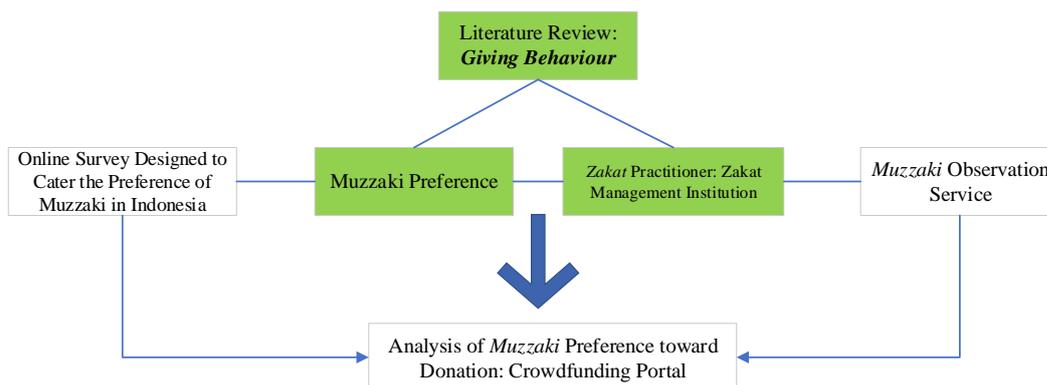


Figure 1. Data collection approach

Furthermore, under a social psychology theory, altruism and prosocial behaviour enthusiasm should be facilitated and flourished accordingly, helping the destitute person and boosting internal human happiness ([Gross, 2019](#)). From a firm standpoint of research, several approaches are to be selected in analysing the characteristics of individual *muzaki* behaviour, combining direct observation, Interviews and circulating questionnaires. The survey preparation was carried out to obtain an opinion with a question design in complementation of

Interviews and direct observation. The process of questionnaire data processing is followed by a quantitative method called descriptive statistics analysis.

Descriptive statistics analysis is a quantitative method that is generally suitable for simple decision-making studies for social research purposes (Bethlehem, 2009; Crano et al., 2015). Albeit its controversial point of view and non-acceptability for the general paradigm, the research affirmation of mixed-method descriptive qualitative survey and investigative Interviews can repair and uphold the fracture and un-attainable research clarity and objectives under the social science (Levine, 2016). The behaviour or characteristics of *muzaki* (zakat payers) in giving donations will be examined and deepened by the decision-making method of survey results on the perception of donating through the crowdfunding portal. In this method, the questioning can be undertaken in the form of a level of agreement called Likert (by providing a scale range from the lowest to the highest degree). Such advantages of the Likert scale-descriptive statistics analysis method used to complete this research lay in the simplicity and flexibility of making conclusions analysis with the benefits of research that was not inferior to similar quantitative methods (Johnson & Morgan, 2016).

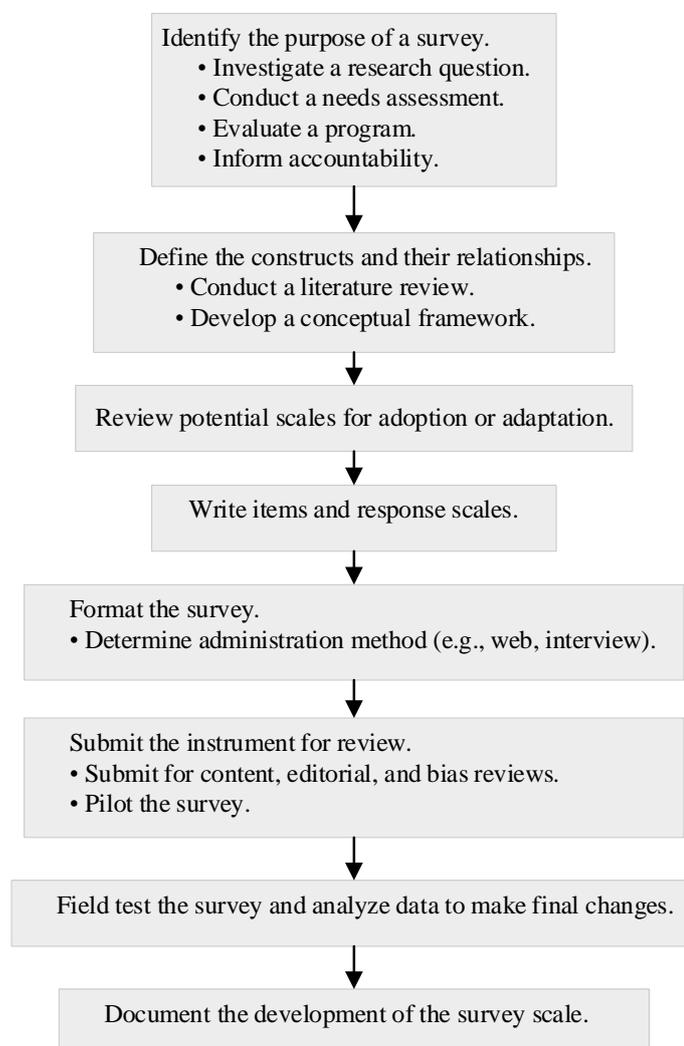


Figure 2: The survey development process
Source: Johnson & Morgan, (2016), Page 5

Referring to and employing the construct of research design by Bukve (2019), the study strives to develop a plan for carrying out a research project that quests and further thinks on unfathomable realities of social kindness behaviour traits. The research activity was established for 6 months by dividing the collection stages of library studies, discussions with practitioners

of zakat, research intuition and generalisation and verified by perception surveys online. A literature study is done and conducted by collecting and analysing various journals, books and case studies related to the behaviour of *muzaki* (zakat payer). Discussion with zakat practitioners is approached and completed with interviews and observations at zakat institutions via on-location engagement. An endeavour for interviewing the key important figures can relate to and corroborate a coherent and meaningful online survey, observation and immersion within the local zakat ecosystem being studied and reported. The principal qualities for investigative and interactive Interviews shall oblige the linearity of professional skill, sufficient experience, impartiality balance, ethical orientation, fair judgement and deliberate topics (Ferraro, 2015).

Sample collection approach

The selection of Indonesia as a research location is based on several essential considerations highlighting the achievement of a research program.

Table 1. Respondent criteria and qualitative interview investigation

Respondent <i>Muzaki</i> (Zakat Payers)	Analysis of Supporting Tools
Online Survey: Target Circulation across East Java Indonesia	With the assistance of the google questionnaire, the survey process will be app-user friendly and time-saving.
Respondent Criteria: 1. Islam Believer / Muslim Religious 2. Income and Salary above Zakat payment standard (<i>Nishab</i>) from BAZNAS (national zakat payer criteria / had kifayah). Expected from Indonesian society residing in East Java Province, who can contribute to being a respondent, is an individual with a minimum salary above 5 million. The number of Muslim believers in East Java Indonesia was approximately 38 million in 2018, with the gentle assumption and proposition that half of Muslims receive an average income of 5 million rupiahs monthly. Thus $0.5 \times 38 \text{ million} = 19 \text{ million}$ zakat payers.	To determine and calculate the sample size refers to Solvin Formula $= n = N / (1 + (N \times e^2))$ Where: n = The Number of Samples N = The Number of Population e =Margin of Error The total of the online respondent during <i>muzaki</i> (zakat payer) survey and data gathering covers more than 100 figures: $[19 \text{ million} / (1 + (19 \text{ million} \times (0.1)^2)]$ The study resumes and generates a collectable and processable questionnaire of 156 respondents.
In-depth Interview with prominent key managers and Direct Observation	LAZ Al Azhar East Java Inisiatif Zakat Indonesia (IZI) East Java

Source: Author

First, based on data from the Giving Index, Indonesia has been ranked among the top generous countries willing to help strangers, donate money, and participate in volunteering / social work (volunteering time) (Charities Aid Foundation, 2021). Second, the potential for waqf in Indonesia has not yet been managed and obtained to the maximum by the stakeholders. Third, research activities are carried out to analyse and formulate how the preferences of Indonesian people in charity entanglement with the giving behaviour approach so that the potential for zakat funds being collected can be used productively and optimally. To undertake the research objective, one Indonesian province (East Java) is picked as a geographical location to represent a magnanimous social profile and economic background of Indonesia *muzaki* with various heterogeneity behaviour. East Java economically fits one of the growing provinces with various Islamic social organisations and multicultural societies (Bank Indonesia, 2021;

Hudaifah et al., 2021). The province has adopted industrial development with urban societal characteristics in the northern regional coast while firmly rooted and embracing the traditional values and culture with rural characteristics in the southern area (Center for Strategic Studies BAZNAS, 2019; Center for Strategic Study BAZNAS, 2019, 2020; Statistic Agency (BPS), 2021).

Results and Discussion

Respondent profile and crowdfunding popularity

The omnipresent study entitled herein was executed through a utilisation circulation of online questionnaires and distribution among relevant potential respondents. Such process and stages occurred during a substantial lengthy period from October to November 2019 with the courtesy and assistance of viral social media, such as WA (WhatsApp Group) and Facebook. In its development of the target throughout East Java Indonesia, around 156 respondents and research informants gave their opinions through the google questionnaire linked at the end of November 2019. The acquisition of research respondents in the survey results consisted of a gender diversity of 40% female and 60 % male. The online research questionnaire link can be downloaded at <http://bit.ly/gb-zakat-cf>.

Moreover, the focus and obligation as *muzaki* (zakat payer) are on the limitation of *nisab* (income level) based on the provisions of BAZNAS, around 5 million rupiahs concerning the zakat of income every month. The classification of respondents based on geographical location of residence and educational background depicted the various accumulation and representation despite trends and concentrations in specific regions and groups, following Mainardes et al., (2016); Nahar, (2018); Noor et al., (2015). Regarding educational background, the main concentration is the group of respondents with bachelor's degrees up to doctorates, as much as 96.6 5 while outside the group is only 3.4%.

The preference for zakat payment employing numerous channels within the framework of giving behaviour will start from offering zakat donation programs initiation from *amil* zakat institutions (alms management). In the widest and friendliest platform regulations, such as www.kitabisa.com, the only official *amil* zakat institutions with legal and official permission and authorisation are allowed and facilitated to put forward and upload zakat donation programs. Because of the exclusive entanglement and conscientious verification to observe good governance standards and transparency, the crowdfunding campaign cannot be created by ineligible initiators. Zakat payers possessing the awareness, aspiration, and foreseeable inclination of paying zakat toward an official *amil* are potential markets for an online crowdfunding campaign and similar social program marketing. The finding is consistent with prior fascinating research outcomes such as Ahn et al. (2018), Bin & Anwar (2018); Maleki & Hosseini (2020); Sisco & Weber (2019). The *amil* zakat institution and its association, which does not work and cooperate with public crowdfunding portals, will strive to develop its applications and platforms to capture and enthrall the potential saturation of increasing demand for zakat donations via a lot more modern tools supported via the internet applications. The most straightforward alternative is to figure out the zakat payment service through an online form on the website of the *amil* zakat institution and then will be given the plentiful and helpful choices of bank transfer payment or assigning a customer care service (*amil* agency officials) in closing the zakat donation by picking up directly.

The crowdfunding portal classification is elaborated into two predominant clusters: the collaborative and corporate platforms. On the collaborative platform, an official *amil* zakat institution, various platform websites will create and initiate the program campaign by co-working and collaborating with other *amil* institutions. Examples of such afro mentioned platforms are www.kitabisa.com and www.sharinghappiness.com, where the platform owners will obtain and generate an income from a percentage of funds collected between 4-6 per cent.

While on the corporate platform, the *amil* zakat institution will exclusively focus and wield a website and a donation platform to create awareness and raise funds for a program and report it in real-time to donors. During its platform utilisation, *amil* zakat institutions such as YDSF and the Indonesian Zakat Initiative (IZI) developed a separate crowdfunding portal to increase the potential for zakat payment in the community. Platform optimization has been discussed intensively by previous studies, namely [Bin & Anwar \(2018\)](#); [Nahar \(2018\)](#); [Sasaki \(2019\)](#), [Sisco & Weber \(2019\)](#).

Table 2. The classification among collective platform, corporate platform and its distinct features with online payment channel

	Collective Platform	Program Uploaded, Fundraising Regularly	Corporate Platform	Program Uploaded, Fundraising regularly,
Crowdfunding Classification	Kitabisa (Biggest Player) Pedulisehat (Newcome) Sharing happiness	https://zakat.kitabisa.com/ https://pedulisehat.id/ https://sharinghappiness.org/	Inisitaif Zakat Indonesia Unicef Indonesia Yayasan Dana Sosial Al Falah (YDSF)	https://zakatpedia.com/ https://www.supportunicefindonesia.org/donate/ https://berzakat.id/
Payment Channel	Manual Website Platform LAZIS NU Yatim Mandiri Rumah Zakat Dompot Duafa Aksi Cepat Tanggap (ACT)	No Program Uploaded Support Manual Zakat Collection Bank Transfer or Donation Pick Up https://nucare.id/program http://www.rumahyatim.org/web https://www.rumahzakat.org/en/donasi https://www.dompetdhuafa.org/donasi https://act.id/donasi	Marketplace Tokopedia Bukalapak	No Program Uploaded Payment Channel https://www.tokopedia.com/ https://www.bukalapak.com/

Every official *amil* zakat institution possesses an online payment channel (electronic payment mode), and its feature seems to be a crowdfunding scheme. However, it cannot be classified as the same stated program. In that mode of internet technology facility, the general and available zakat campaigner does not establish a particular directed program, meanwhile entices the convenience line of more comprehensive transaction access through marketplace platforms. Numerous users and subscribers have mentioned those collective and specific platforms, such as commercial marketplaces among the most popular ones, covering www.bukalapak.com and www.tokopedia.com, or the official website of *amil* zakat institutions such as www.rumahzakat.org and www.dompetdhuafa.org. The massive exposure of alternative payments is intended to facilitate and expedite payment of zakat and its similar

donations to official *amil* and social institutions registered and monitored by the ministry of religious affairs. Such an explanation resembles the other prior studies done by [Maleki & Hosseini \(2020\)](#). Zakat payers only consider and place a donation due to the reputable and transparent factors of *amil* zakat institutions trusted to accomplish the distribution and payment of religious donations without any stated targets as the scheme occurred in typical crowdfunding donations.

Zakat payment preference

Research on the preferences of zakat payers (*muzaki*) in channelling funds through the crowdfunding portal must start from the characteristics, religious, psychological tendencies, and behaviour of giving zakat payers. One of the unquestionable reasons is the preference and aspiration of zakat payers toward specific social and religious organisations. Communities with high loyalty to religious and social organisations usually pay zakat funds through *amil* zakat institutions associated with certain social and religious organisations. The association and membership of zakat payers with one of such organisations will impact the selection of effective media campaigns and zakat payment programs. Scholarly discussion on the such topic has been in line with other research works and discovered similar tendencies and consummation written by several articles such as [Abdullah & Sapiei, \(2018\)](#); [Cokrohadisumarto, \(2017\)](#); [Ekawaty, \(2017\)](#); [Khamis & Yahya, \(2015\)](#).

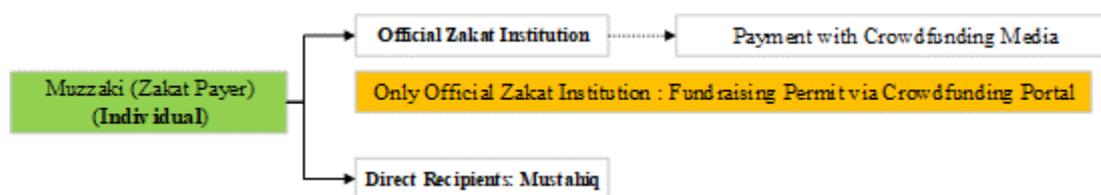


Figure 3. The Possible and Legal Crowdfunding Payment Channels
Source: Author. 2020

Muzaki in entrusting and donating funds toward *amil* zakat institutions is not only prompted by its membership and affiliation of an institutional entity but also influenced by the inherent choice of literacy perception and religious understanding of individuals. The preference of the zakat payer community is affected by the level of personal literacy and religious sensibility. Involvement and membership association within the religious forum (*majelis taklim*) or frequent attestation in reading religious books will raise the understanding of zakat literacy, including preferences in paying zakat to *amil* institutions and its utilisation of the program. The presumption of giving behaviour from *muzaki* (zakat payer) is not only derived from one external aspect but also internal determinants (individuals), where the religious understanding in donating will be constructed via teaching by the “*taklim*” assembly and open religious reading. The further lengthy duration and more routine in understanding various religious explanations, including *zakat*, *infaq*, *shodaqoh* and *waqf* will create a comprehensive perspective on donating. Such religiosity behaviour has been studied by some authors who concentrate on sociological aspects of Islamic teaching, see, for example, [Abdullah & Sapiei, \(2018\)](#); [Cokrohadisumarto, \(2017\)](#); and [Cokrohadisumarto et al., \(2020\)](#).

Individual understanding of zakat payer (*muzaki*) in donating money and alms will also be influenced and inspired by the legal opinions of the cleric's council. The primary finding on such postulation has been following another case of similar research, for example, [Mohd Thas Thaker et al., \(2019\)](#); [Nahar \(2018\)](#). Donation trends and giving behaviour aspirations from *muzaki* will follow and accord various references, such as the results of Islamic boarding school studies (educational institutions), social organisations, opinions of scholars/clerics, and the government through the Indonesian Ulema Council (MUI). The *muzaki* also submit and

consider the more transparent and impactful program amid poverty alleviation enhancement in Indonesia. With Indonesia's socio-religious conditions, which do not impose a fatwa for zakat payment, the *muzaki* (zakat payers) have the alternative and freewill to distribute zakat donation funds to *mustahik* (zakat recipients) directly or through official amil zakat institutions permitted by the government. The MUI clergyman from various religious communities have preached and advised an appeal and strong suggestion to the *muzaki* to distribute and entrust the religious donations, including zakat. The encouragement and advice are sincerely intended to raise a more transparent and liable social fund management. Therefore, zakat collection can be monitored and reported decently and responsibly.

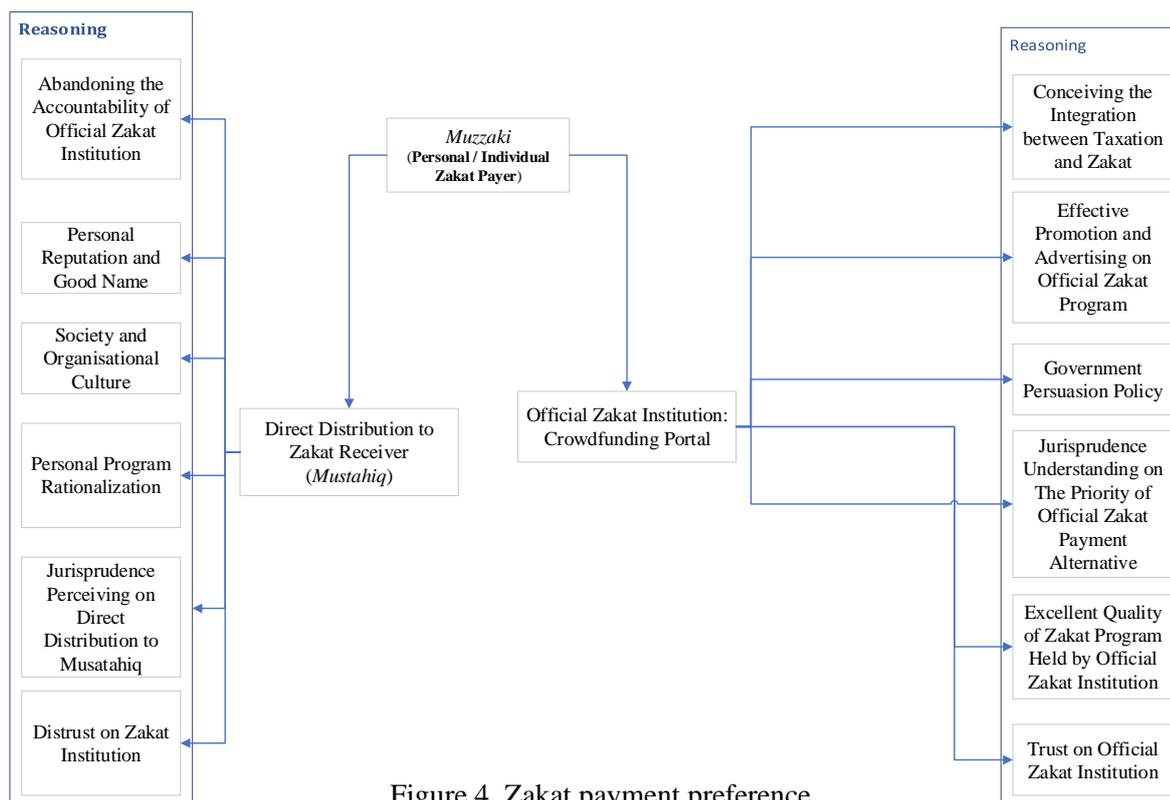


Figure 4. Zakat payment preference

Indonesian community, particularly zakat payers (*muzaki*) located in East Java, has tremendously conceived the distinctions between zakat and waqf. This understanding is essential because both instruments' good and the impactable program will substantially adhere to the specific rules and placements. The collected zakat funds will be allocated appropriately to *mustahik* (zakat recipients) who have the right to be supported and assisted by zakat empowerment program. Instead, cash waqf funds must be managed and generated productively at the very beginning, and then its accumulated optimisation and profit can be utilised for beneficiaries subsumed into the vulnerable poor or zakat recipients. The cash waqf fund being collected can be channelled into a financing program for the destitute and susceptible groups with specific requisition and flexible allocation, unlike zakat utilisation. The prudent tenets of good waqf governance must prevail on each investment allocation. Thus, the initial amount of its fund must be returned, and no other risk exposures should be incurred during its circular schemes. Even if the endowment (cash waqf) funds are lent and catered to in the form of a financing program for the beneficiaries, the funds must be restored and upgraded to the full value to the endowment's management (*nadzir*). The variety and adaptability of waqf program have been renowned and interlinked with voluminous integrated social finance programs; see, for example, Bin & Anwar, (2018); Osman & Muhammed, (2017); Thaker et al., (2016).

Zakat and alms donation preferences from the *muzaki* perspective are coherently driven by the amount of income received. The solid relationship between charitable donation and income level has been proven and detected by plenty of previous studies in the field of generosity science, for instance, [Almunia et al., \(2020\)](#); [Andam & Osman, \(2019\)](#); [Ekawaty, \(2017\)](#); [Noor et al., \(2015\)](#). Based on the provisions of the income threshold that must be deducted for zakat payment, normatively, the higher the income the zakat donation distribution being contributed must be even greater. Practical speaking, the zakat fund can be dispensed and handed over exclusively by *muzaki* toward the specific *mustahik* during the *Eid al-Fitr* festivity and Ramadan moments. Such freewill conscience option corresponds with the program-based campaign like how to sense the emphatic experience ([Ahn et al., 2018](#)) or support sympathetic impression from the deserving poor's vulnerable community ([Chang & Chen, 2019](#)). Within such conditions, amil zakat institutions will furnish and carry out immersive and handy services for *muzaki*, contributing and dedicating a large amount of zakatable professional income and business profit. To be accommodated and facilitated by similar treatment requires the potential zakat contributors to comply and fit the negotiable program urgency, the proper distribution period, reasonably targeted profiles of *mustahik* (zakat recipients), and other various types of facilities. However, payment and donation of zakat consciousness in a small to medium range do receive and obtain as much convenience as *muzaki* paying large amounts—such condition occurs due to efficiency and operational reason. Practically, zakat institutions will collect the donation and then create a suitable program co-financed by other payers to distribute regular and planned disbursement. In principal discussion, both characteristics of *muzaki* will be treated and abided by the excellent governance principle and code of ethics within the zakat ecosystem.

The zakat payer community argues that the tendency of zakat donation and its related payment should be carried out and trusted by an official amil institution, approved and supervised by the legitimate authorities. Trust in the social donation and charitable sectors has been the foundation for great action and works under transcendental values and belief in the magnanimous initiative ([Ahn et al., 2018](#); [Maleki & Hosseini, 2020](#); [Mohd Thas Thaker, 2018](#)). In an earnest effort to implement Law No. 23 of 2011 concerning Zakat, the Indonesian government will impose discipline and punishment on unofficial amil zakat institutions, which fundraise, collect and receive zakat and alms donations, to be prosecuted and indicted under the relevant law and regulation. This current policy and law enforcement are firmly undertaken to encourage the open and accountable management of zakat funds and religious donations. To realise and emerge such an objective, the zakat management and institution (*amil*) can be openly and participative monitored by the community with robust and tight supervision from government agencies. The public is expected to pay and put intense confidence in a zakat donation through official amil zakat institutions. Thus, the collected zakat funds can be allocated and utilised into a comprehensive and sustainable cluster of programs and support, linking and enhancing the current synergy and collaboration with poverty alleviation and pro-poor social safety networks run and initiated by the government.

Zakat payment preferences via crowdfunding portal

The fundraising program for donations and the zakat program through the crowdfunding portal can only be performed by official amil zakat institutions working together with the platform management aforesaid and discussed earlier. The mode of social finance donation has consistently and extensively become the global inclination of altruistic campaigns with huge scale impacts, for instance, [Bin & Anwar, \(2018\)](#); [Chang & Chen, \(2019\)](#); [Mohd Thas Thaker, \(2018\)](#); [Mohd Thas Thaker et al., \(2019\)](#); [Sasaki, \(2019\)](#). The zakat program posted and generated for virality should have a thematic program and detailed clarity of potential recipients, such as health and economic assistance for the deserving and destitute community and persons.

The *muzaki* possessing the awareness and payment preferences through crowdfunding portals has considered that the innovation initiated and run by the amil zakat institutions wielding the current information technological facilities available up to date. Such current development means an immense innovation worth trying and then subscribing. Similar linearity and occurrence have also been identified in previous studies done by [Andam & Osman \(2019\)](#); [Cokrohadisumarto \(2017\)](#); [Mohd Thas Thaker et al. \(2019\)](#); [Thaker et al. \(2016\)](#)

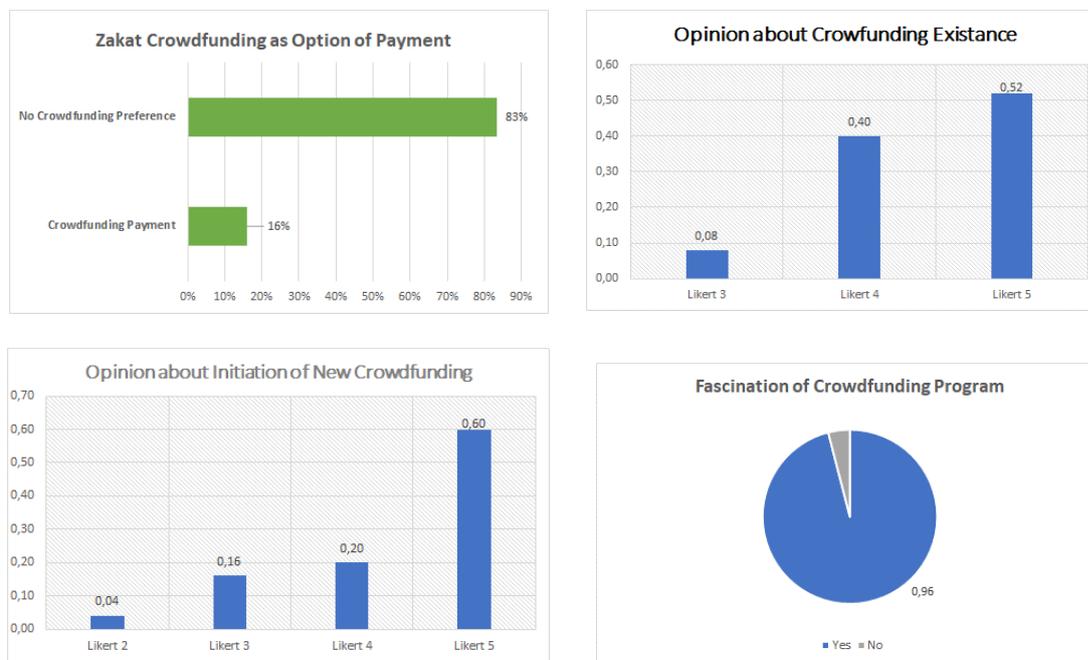


Figure 5. Respondents' perception of zakat online payment innovations (In percentage)
 Source: Author, 2020

The transparency mechanism for charitable donations can have a tremendous impact on the sustainability and credibility of its business process ([Zhou et al., 2020](#)). The reason emerges from the speed of payment and the transparency of donation circulation, and its distribution is regularly updated in real-time and frequently reported. The donation progress is monitored periodically, and its fundraising duration remains fixed within a noticeable schedule. Thus, the zakat payers participating and contributing some amount of money can notice the donation program being conducted on the website and app-based system and where its accumulation and program are to be utilised and channelled for the specific profile of zakat recipients. The crowdfunding mechanism posted and circulated in internet-based applications enables and foments accountability and loyalty from the crowd and community toward amil zakat institution since the existing program facilitates and relays the apparent relation between donators and beneficiaries. More importantly, zakat payers can select and customise the prospective contribution. The notion has been derived from the current application of the *mustahik-information system*, whereby the aspiration to cater to and boost the *muzaki* preference can transpire within a profiling website system. These preferences for donation program creates brand loyalty and positive fanaticism as hardliner proponents of a certain organisation like what has been discovered by other studies [da Silva et al., \(2020\)](#); [Kashif et al., \(2015\)](#); [Maleki & Hosseini, \(2020\)](#); [Zhou et al., \(2020\)](#).

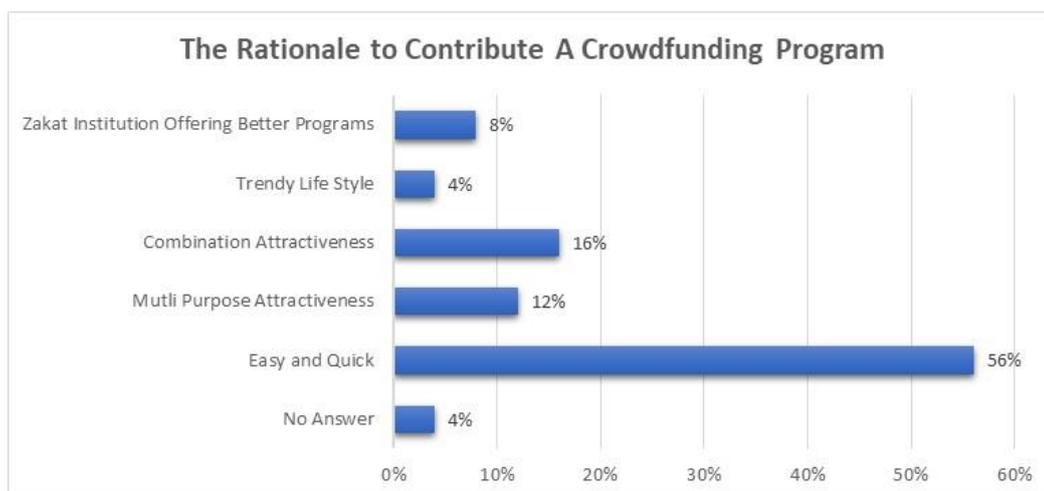


Figure 6. Respondents' perception of a zakat crowdfunding program (In percentage)

Note

* Combination Attractiveness = Easy and Quick, Zakat Institution Offering Better Programs

* Multipurpose = Easy and Quick, Trending Lifestyle, Zakat Institution Offering Better Programs

Source: Author, 2020

Although only a small number of muzaki show online payment preferences, the opportunity to expand zakat payment through crowdfunding is very necessary. The perspective of the community / muzaki having an experience by making zakat donation via the crowdfunding portal inflicts and amplifies an affirmative, positive, and considerable impact on the program recommendation. Hence, the opening of such products and services promoted by the zakat management initiators can offer potential donors a better alternative. The effectiveness of a similar program can be found through many studies across worldwide communities (Bin & Anwar, 2018; Chang & Chen, 2019; Maleki & Hosseini, 2020; Mohd Thas Thaker, 2018; Mohd Thas Thaker et al., 2019; Sasaki, 2019). The main consideration for online zakat payment innovation through the crowdfunding portal is to increase the potential for e-commerce transactions and online donations through well-recognised portals, namely www.kitabisa.com, www.pedulisehat.id and www.sharinghappiness.com. Furthermore, the innovation of zakat payment products based on crowdfunding portals is expected to be very capable of answering the demanding curiosity of muzaki and the community, showing the increasingly awareness sign and aspiration and its assurance on charitable donations passion toward official zakat institutions.

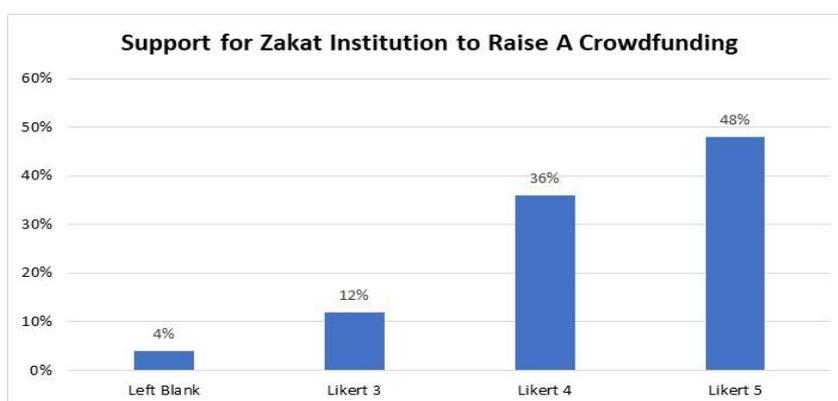


Figure 7a. Respondents' perception of zakat payment innovations through crowdfunding scheme portal

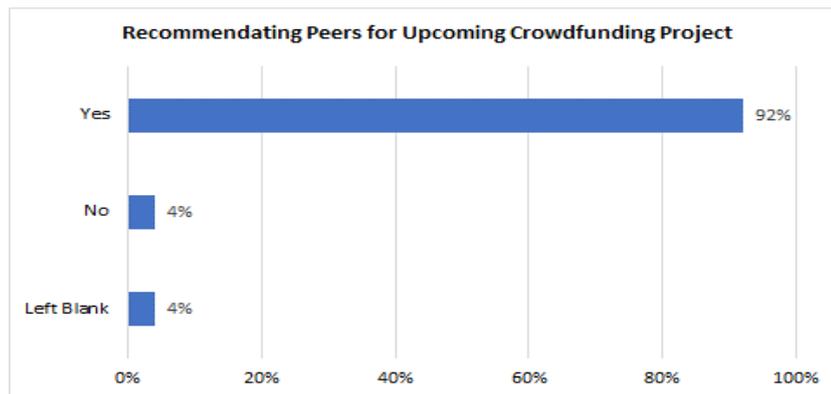


Figure 7b. Respondents' perception of zakat payment innovations through crowdfunding scheme portal

Conclusion

Some of the muzaki, who are interested in paying their zakat through the government official amil zakat institution, make their donations through the crowdfunding portal. Survey results depicted that about 15 per cent of muzaki owns the payment proclivity through the crowdfunding portal. Similarly, those groups above making zakat payments through the crowdfunding portal can be regarded as an inclusive community conscious of the substantial credibility of channelling donations through amil zakat institutions. Thus, the lessons learnt on such matters as massive public awareness based on the institutional framework of alms donations under Law No. 23 of 2011 should have indicated that every fundraising endeavour must be held accountable and traceable for public inquiries. The following impact and its positive reports can be disseminated and levelled up overtly and impressively to invite and promote the huge awakening on wholeheartedness and the other potential donators to be supporters of official zakat management. Of the various factors and motivations behind the community to make payments toward stipulated programs, the community values and regards more consideration the aspects of convenience, speed, transparency, and programs that suit their needs (muzaki preferences).

Muzaki's conception and understanding still consider that paying direct zakat toward its recipients will be tightly and precisely ensured, and such manners create emotional closeness in the community. On the other hand, those specific groups being considered zakat institution loyalists comprehends the prominent role of paying zakat through official channels and do not opt for and favour the transactional crowdfunding flows. Referring to the characteristic behaviour of muzaki's clusters, indicating the assertive attachment to the direct services of amil zakat institutions would prefer to have and experience the zakat pickup method or payment transfers, deduction and other similar electronic one-stop services. These assurances on amil institutions' performance are maintained via frequent reports and its latest update on program accountability without knowing the specific details of its receivers. The current good corporate governance implementation obliges and institutionalises regular financial audits and compliance. Thus, its publication represents credibility and answerability whenever relevant information is required.

Furthermore, zakat payers prioritise the trust and related transparency toward the selection and preference of amil zakat and give respect to responsible management of their collectable wealth and asset to be distributed and utilised for zakat beneficiaries. Muzaki's considerations and preferences for contributing a zakat donation through the crowdfunding portal are preferably inclined by various personifications, access, easiness, and facilities. The most encouragements consist of bank transfer alternatives, up-to-date program information, easy access to information, transparency reputation of management, and negotiable program

and requests. Thus, these mentioned variables contribute substantially toward muzzaki's perception of choosing and paying zakat through the crowdfunding portal.

Author's Contribution

Ahmad Hudaifah: Responsible for coordination and managing the full process of study. The author writes and revises the manuscript based on required feedback and inputs from respected entities.

Bambang Tutuko: Contributed to conducting the interview and processing data collection. Ahmad Dahlan Malik: Edited and made up the presentable data information being discussed in the manuscript. He also contributed to the reconstruction of the drafting paper at the beginning of the research.

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Declaration of Competing Interest

We declare that we have no conflict of interest.

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