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Analysis of The Influence of E-Wom on The Selection of Ziswaf Institutions For The Sustainability of Muzaki Participation

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ABSTRACT

Poverty is still a major challenge in developing countries like Indonesia. Islam offers a solution through zakat, infaq, sedekah, and waqf (ZISWAF) to overcome social inequality and strengthen the community's economy. However, the realization of the projected zakat potential of IDR 327.6 trillion per year is still low, with only around 21.7% collected. With the growth of digital technology, several ZISWAF institutional platforms have become the main drivers of online ZISWAF collection. One effective approach to increasing muzaki participation is through Electronic Word of Mouth (e-WOM), which can build trust and community involvement. This study uses the Analytical Hierarchy Process (AHP) method to evaluate five popular ZISWAF institutions in Indonesia based on five main criteria: trust, credibility, program sustainability, muzaki services, and e-WOM information quality. The results show that trust is the main factor influencing the selection of ZISWAF institutions, with Institution A receiving the highest ranking. This study underlines the importance of transparency, digital innovation, and program sustainability in increasing muzaki loyalty and supporting effective ZISWAF management.

Keywords: Digital Technology, e-WOM, Muzaki, Zakat Management, ZISWAF

INTRODUCTION

Poverty remains one of the major challenges faced by developing countries, including Indonesia. As a country with the largest Muslim population in the world, Islam provides a systematic solution to overcome social inequality through zakat, infaq, sedekah, and waqf (ZISWAF). This instrument has great potential to support wealth redistribution, reduce economic inequality, and strengthen community-based economy. This potential is reflected in the report of the BAZNAS Strategic Studies Center (2021) which revealed that the national zakat potential reaches IDR 327.6 trillion per year. However, the realization of zakat collection is still far from optimal, which only reaches IDR 71.4 trillion or around 21.7% of the existing potential, with IDR 61.2 trillion collected through non-OPZ (Zakat Management Organization) channels and only IDR 10.2 trillion through official OPZ. This gap shows the need for a more effective strategy to manage ZISWAF potential in Indonesia. Figure 1 shows ZIS collection data for the period 2002-2022.

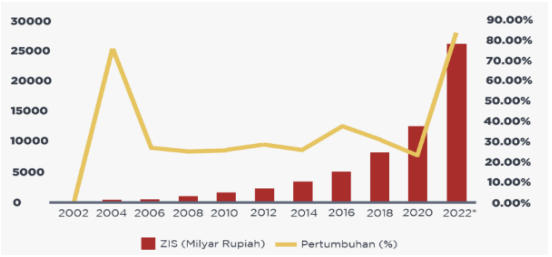

Figure 1 ZIS Collection Period 2002 – 2022.
Source: BAZNAS RI 2022

The development of digital technology provides a great opportunity to overcome these challenges. Digital transformation has enabled people to access information and services more

easily, including in the field of philanthropy. Digital platforms such as Baznas, Kitabisa, Dompet Dhuafa, Rumah Zakat, and LAZISMU are now the main drivers in collecting ZISWAF online. Figure 2 shows some of the reasons for people's use of the internet.

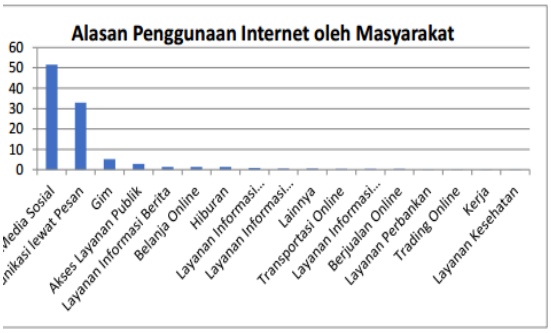

Figure 2 Reasons for internet use by the community. Source: APPJI 2020

This platform offers efficiency, transparency, and convenience for people to donate anytime and anywhere. Data from the Indonesian Internet Service Providers Association (APJII, 2024) shows that the number of internet users in Indonesia has reached 221.6 million or 79.5% of the total population as shown in Figure 4. This fact shows that the internet has a central role in people's daily lives, including in increasing their awareness and involvement in philanthropic activities. However, the adoption of digital donations through these platforms still faces challenges. The Indonesia Philanthropy Outlook (2024) states that the majority of people still choose conventional donation methods, such as donating directly to the institution's office as shown in Figure 3. These obstacles are caused by several factors, including traditional habits, lack of digital literacy, and distrust of the security and transparency of online platforms. Therefore, a strategy is needed that can increase public trust and involvement in digital donation platforms.

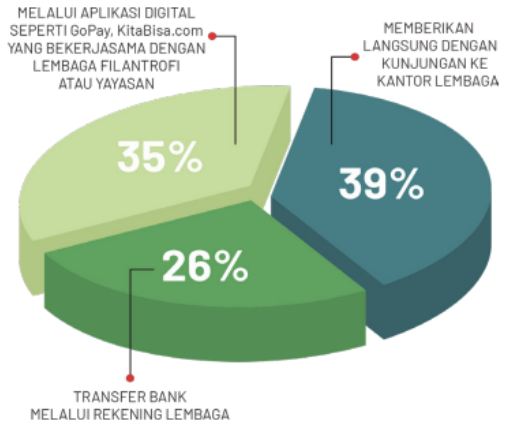

Figure 3 Donation Methods. Source: Indonesia Philanthrophy Outlook 2024

One effective approach is through Electronic Word of Mouth (e-WOM). e-WOM is online communication in the form of reviews, recommendations, or testimonials shared by users to other users. In the context of ZISWAF, e-WOM plays an important role in building public trust in digital donation platforms. A study conducted by Litvin, Goldsmith, and Pan (2008) showed that e-WOM has a significant influence on consumer decisions, because reviews sourced from other users are considered more authentic and trustworthy than official information from institutions. In addition, e-WOM also plays a role in increasing the involvement of muzaki by motivating them to share experiences and encourage continued donations through positive recommendations. The sustainability of muzaki participation is a crucial aspect in ZISWAF management. Consistent participation not only helps ZISWAF institutions achieve their collection targets but also strengthens the impact of the social programs they run. In this context, understanding the factors that influence muzaki decisions to choose ZISWAF institutions is important. One method that can be used to evaluate these factors is the Analytic Hierarchy Process (AHP). AHP is a decision-making method that allows hierarchical analysis of various factors, both qualitative and quantitative. By using

secondary data from various literatures, AHP can be used to identify and prioritize factors that influence muzaki decisions, such as institutional reputation, transparency, ease of access, and the influence of e-WOM. This study aims to analyze the influence of e-WOM on the selection of ZISWAF institutions and the sustainability of muzaki participation in Indonesia. With a focus on the five most popular ZISWAF institutions in Indonesia with their respective characteristics. This study is expected to provide deeper insight into the role of digital technology and e-WOM in supporting ZISWAF management. The results of this study are expected to contribute to the development of more effective strategies in optimizing ZISWAF potential, increasing public trust, and encouraging the sustainability of muzaki participation.

METHODOLOGY

Types and Sources of Data

This study uses a quantitative descriptive approach to evaluate the influence of e-WOM on muzaki preferences in choosing ZISWAF institutions. The data used are secondary data obtained from various relevant and reliable sources.

Types of Data

The data in this study consists of two main types:

1. Qualitative Data: In the form of descriptive narratives about the performance of ZISWAF institutions sourced from annual reports, scientific publications, and related news articles.
2. Quantitative Data: In the form of numbers or statistics such as the number of muzaki, total ZISWAF collection, fund distribution, and the level of community participation from the ZISWAF institutions analyzed.

Data Sources

1. Academic Publications: Scientific journals that discuss aspects of ZISWAF management, the influence of e-WOM, and muzaki preferences.
2. Annual Reports of ZISWAF Institutions: Official reports from the five institutions analyzed
3. Media Articles: Articles from online and print media that discuss the reputation, programs, and effectiveness of ZISWAF institutions.
4. Academic Review and Secondary Literature: A study that discusses the concept of e-WOM, philanthropic decisions, and the sustainability of muzaki participation.

Data Processing and Analysis Methods

The data processing of this study uses Microsoft Excel software, and SuperDecisions. This study uses the Analytical Hierarchy Process (AHP) method to determine the impact of e-WOM criteria on the selection of ZISWAF institutions. This process is carried out by comparing five institutions selected based on their reputation, popularity, and contribution to society.

AHP Analysis Stages

The AHP method used in this study involves the following stages:

1. Determination of Research Objectives. The main objective of the study is to evaluate the influence of e-WOM criteria on the sustainability of muzaki participation in choosing ZISWAF institutions.
2. Identification of Assessment Criteria. The criteria used in the analysis are determined based on

previous literature and input from experts. These criteria include:

a. Trust: The level of public confidence in the credibility of the institution.
b. Quality of e-WOM Information: The level of clarity, relevance, and accuracy of information about institutions that are spread online.
c. Institutional Credibility: The reputation of the institution in managing ZISWAF funds.
d. Muzaki Service: The quality of service provided to muzaki.
e. Program Sustainability: The effectiveness of the program that has a long-term impact.

3. Preparation of Hierarchical Structure. The hierarchical structure is made with the following levels:
   a. Level 1: Research objectives, namely determining the preferences of ZISWAF institutions.
   b. Level 2: Evaluation criteria (Trust, e-WOM Information Quality, Credibility, Service, Sustainability).
   c. Level 3: Alternatives, namely five ZISWAF institutions.
4. Making a Pairwise Comparison Matrix. The matrix is made based on input from experts with a rating scale of 1-9, where:
   a. A score of 1 indicates two elements are equally important.
   b. A score of 9 indicates one element is much more important than the other elements.
5. Calculation of Priority Weights. Priority weights are calculated using the eigenvalues of the comparison matrix for each criterion and alternative.
6. Consistency Testing. Consistency Ratio (CR) is calculated to ensure consistency of comparison. The matrix is considered consistent if $CR \leq 0.1$.
7. Alternative Ranking. Alternatives are analyzed and ranked based on the priority weight of the criteria.

Secondary Data Sources

Secondary data is used to support the analysis by covering:

1. Information on the impact of ZISWAF institution programs on beneficiaries.
2. Statistics on the use of zakat, infaq, sedekah, and waqf funds.
3. Analysis of literature related to the influence of e-WOM on philanthropic decisions.

Analysis Tools and Processes

This study uses the following tools and procedures:

1. Microsoft Excel software: Used for calculating the comparison matrix and consistency test.
2. SuperDecisions: Used to visualize the hierarchy, calculate priority weights, and create final rankings.
3. Expert Validation: Involves collecting data from experts in the field of ZISWAF through interviews and discussions to ensure the relevance of the criteria.

RESULT

AHP Analysis Results

This study analyzes the influence of e-WOM on the selection of the five most popular ZISWAF institutions in Indonesia: Institution A, Institution B, Institution C, Institution D, and Institution E. The AHP process is carried out through the stages of hierarchical structure, criteria weighting, priority calculation, and consistency testing.

Hierarchical Structure

The hierarchical structure of this study consists of three levels:

1. Level 1: Research objectives, namely to determine the ZISWAF institutions that are prioritized based on e-WOM for the sustainability of muzaki participation.
2. Level 2: Evaluation criteria including trust, e-WOM information quality, institution credibility, muzaki services, and program sustainability.
3. Level 3: Alternative ZISWAF institutions.

Results of Priority Weighting of Criteria

The results of calculating the priority weighting of criteria with AHP show that:

1. Trust has the highest weight (0.35), reflecting the importance of the institution's reputation and transparency in attracting muzaki.
2. Institutional Credibility is ranked second with a weight of 0.25, highlighting the role of professional fund management.
3. Program Sustainability has a weight of 0.20, indicating that muzaki appreciate the long-term impact of the ZISWAF program.
4. Muzaki Services have a weight of 0.12, reflecting the importance of muzaki's positive experience when interacting with the institution.
5. The quality of e-WOM information is in last place with a weight of 0.08, although it still contributes to muzaki preferences.

Alternative Priority Results

From the results of the AHP calculation, the ranking of ZISWAF institutions is as follows:

1. Institution A: 0.26
2. Institution B: 0.20
3. Institution C: 0.19
4. Institution D: 0.18
5. Institution E: 0.15

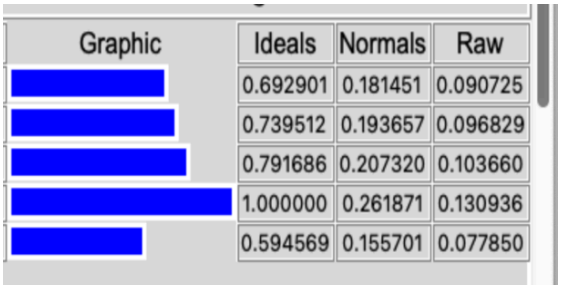

Figure 5. Results of Alternative Paired Matrix Value Weighting Analysis

Institution A gets the highest priority because it has a reputation as a trusted, transparent government institution with a wide distribution network. Institution B stands out in program credibility, while Institution C excels in the sustainability of innovative social programs. Institution D, as a digital platform, has an advantage in e-WOM information but is not yet fully balanced in program credibility. The institution shows advantages in its internal community as one of the large Islamic organizations in Indonesia, but its scope is more limited than the others.

DISCUSSION

Trust as a Key Factor

The results of the study show that trust is the main factor in influencing the selection of ZISWAF institutions. This is consistent with previous studies stating that trust is the main element in philanthropic decisions, especially in the context of ZISWAF, where the funds collected must be managed in a trustworthy and transparent manner (Fatmasari, et al. 2024). Baznas excels in this aspect because of its status as a government institution with strict regulations.

The Role of Credibility in Attracting Muzaki

The credibility of the institution, including accountability and professionalism, is the second most important criterion. Institutions B and C have demonstrated high credibility through verified financial reporting and empowerment programs that have a broad impact (Rahmida, et al. 2023). As leading philanthropic institutions, both have succeeded in building long-term relationships with muzaki.

Digital Innovation and e-WOM

Institution D has an advantage in utilizing digital platforms to strengthen e-WOM. Their success in building a donor community through social media and positive testimonials shows that e-WOM can be an effective tool to attract the younger generation (Dehghani, et al. 2023)). However, the weakness of institution D is the lack of sustainable community-based programs compared to traditional institutions such as institution A and institution B.

Program Sustainability

Program sustainability is a major concern for muzaki who want to ensure that their donations have a long-term impact. Institution C stands out in this aspect with empowerment programs such as Desa Berdaya, which has created significant changes in various regions (Fikri, 2018). This shows that muzaki increasingly choose institutions that have a vision of sustainable development.

The Importance of Muzaki Service

Good service to muzaki increases loyalty and sustainability of participation. Technology-based services, such as applications created by institutions A and D, make it easier for muzaki to transact and track their funds. However, the results of the study show that service has not been a top priority compared to trust and credibility.

Implications of Research Results

The results of this study provide several practical implications:

1. ZISWAF institutions need to improve transparency and credibility to strengthen the trust of muzaki.
2. The use of digital technology and effective e-WOM strategies can attract muzaki from the younger generation.
3. Sustainability of the program must be a primary focus to increase social impact and maintain muzaki loyalty in the long term.

CONCLUSION

The results of this study highlight that e-WOM has a significant influence on muzaki's decision to choose a ZISWAF institution. The trust factor is the most important element, reflecting the need for transparency and a good reputation from the institution. Institution A, as a government institution, stands out with its advantages in transparency and extensive networks, while institutions B and C excel in credibility and program sustainability. The success of digital platforms such as institution D highlights the role of technological innovation in increasing accessibility and involvement of muzaki, although still facing challenges related to digital literacy and public trust. The AHP results show the following priorities: Institution A, Institution B, Institution C, Institution D, and Institution E.

The practical implications of this study are:

1. Increasing Trust: ZISWAF institutions must strengthen the transparency of financial reports and program management to build a better reputation.
2. Utilizing Digital Technology: e-WOM-based strategies, such as user testimonials and promotions

through social media, must be optimized to attract muzaki, especially from the younger generation.

3. Program Sustainability: Focusing on programs that have long-term impacts will increase muzaki loyalty and support the social mission of ZISWAF institutions.

Thus, this research contributes to the development of more effective, relevant, and sustainable ZISWAF management strategies in the digital era.

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