



Postgraduate

Journal of Islamic Economics, Finance and Accounting Studies

THE EFFECT OF DIGITAL MARKETING ON THE DECISION TO PAY ZAKAT THROUGH ZAKAT INSTITUTION

Harnie Agustina, Mukhamad Najib & Rahmat Mulyana
Institut Agama Islam Tazkia, Indonesia
harnieagustina@gmail.com

ABSTRACT

Purpose-To find out the digital marketing strategies carried out by Zakat Institution and to find out the effect of digital marketing on the decision to pay zakat at the Zakat Institution

Design/methodology/approach-This research used quantitative descriptive analysis method. Questionnaires divided into 2 categories, 77 respondents have already paid zakat at Zakat Institution (referred as Muzakki) and 94 respondents have never paid zakat through Zakat Institution (referred as Non-Muzakki). The analysis method used Structural Equation Modeling Partial Least Squares (SEM-PLS).

Findings-The variables affecting Non-Muzakki and Muzakki to pay zakat through Zakat Institution were the same, namely social media marketing, customer engagement, and brand trust. The fundamental difference in the factors influencing the decision to pay zakat between Muzakki and Non-Muzakki was brand trust, where Non-Muzakki were more concerned about brand trust than Muzakki.

Research Implications-Marketing content and accessibility in the digital marketing conducted by Zakat Institution did not significantly affect the decision to pay zakat. Factor differentiating between Muzzaki and Non-Muzzaki was brand trust. This is important to note, so consumers believe that zakat collection can be distributed to the Mustahiq/Beneficiaries to assist their livelihood. Zakat Institution must demonstrate social responsibility through the distribution of Zakat and the implementation of Corporate Social Responsibility as a form of concern to the surrounding community.

Originality-The study determined the factors affecting the decision to pay zakat through digital marketing by comparing between muzzaki and non-muzzaki.

Keywords-Digital, Marketing, Zakat, Institution, Zakat institution, Consumer behavior.

INTRODUCTION

In the world of charity where zakat has the potential to be developed economically, of course a zakat institution must know and understand how the community needs to make a zakat, what the community considers when it comes to charity and the extent of understanding and the level of public trust in the zakat institution. Especially now that zakat collection organizations are starting to develop in society. If the zakat institution is able to communicate the advantages of its products in this case, the most important thing is the nature

of the mandate and being able to develop the zakat it receives, it will certainly cause brand trust which will encourage consumers to make decisions with the amil zakat institution. Brand trust as a consumer's belief or perception of the reliability of a particular product and the integrity of a person, party or brand (Zaerofi, 2020). Seeing the potential of zakat and collecting existing zakat, of course, it is necessary to carry out an appropriate marketing strategy. The purpose of marketing is to create value for customers and to get value in return from customers (Kotler, 2004). When customers get value that matches their expectations and needs from the company through their products or services, customers will provide reciprocity in the form of purchases and loyalty to the company.

Something that we cannot avoid in today's life is one of them the development of technology. Humans today already consider that technology can help meet various needs in every human activity. Today we live in the digital age, an era that connects humans with the internet that makes it so easy for information to be obtained and widespread. It is undeniable that with digital technology, it can have a tremendous effect both for individuals and as business actors. Because it can save time and reduce operational costs, and can provide extraordinary benefits for the smooth running of the business with the use of appropriate digital technology. The impact of increasingly sophisticated technological developments may cause changes in marketing techniques. Moreover, the Covid-19 pandemic has affected and reformed various aspects of people's daily lives. The purpose of marketing is to create value for customers and get value as a return from customers (Kottler, 2004). Currently, companies aim to create "digital relationships" with customers and digital marketing is one of the tools that enable businesses to improve their customer relationships. Types of digital marketing can be categorized as email marketing, search engine marketing, social media marketing, display advertisings (including banner ads, web) and mobile advertising (Pawar, 2014).

Digital media refers to electronic media that disseminate information in digital format including any media available via computers, cell phones, or other digital devices (Smith, 2011). The use of the internet by business people facilitates the exchange of information instantly, stimulates efficiency and helps solve problems from an early stage (Carniels et al. 2014). The use of social media is considered to provide value and a positive impact on a business, in particular it can reduce considerable marketing costs and improve good relationships with customers. (Mokhtar et al. 2016). Digital marketing is strongly influenced by several important factors, namely social media marketing (Silvia, 2019), product or service content (Briana, 2018), accessibility (Silva, 2011), customer engagement (Cook, 2011), brands (Ferrinadewi, 2008).

Social media marketing is digital marketing that has a lot of influence on the marketing success of digital companies. Social media marketing is digital marketing carried out using social media. The marketing content can be in the form of photos, blogs or videos. In the last decade, the growth of global zakat has experienced rapid development. According to Kahf, the total potential for zakat in member countries of the OIC (Organization of Islamic Cooperation) ranges from 1.8 to 4.43 percent of total GDP. If the potential for zakat is multiplied by the GDP at current prices in 2010 from OIC countries, the potential for global zakat reaches USD 600 billion (Beik, 2015). As a country with Muslim as the majority of population, Indonesia has tremendous potential for zakat. Zakat can be used to overcome poverty and economic problems. However, zakat collection has only reached 8.2 trillion Rupiah or equal to 3.4 percent of the

potential for zakat collection nationally (Outlook Zakat Indonesia 2020). The decision to pay zakat from Muzakki is crucial for Amil Zakat Institutions. According to Kottler (2016: 243), purchasing decisions are about preferences for brands in the choice set. According to Schiffman and Kanuk (2014), a decision is a selection of two or more alternative choices. In this case, the right promotion by the company can encourage consumers to make purchasing decisions on the company's products or services, as well as in the terms of zakat. According to Nickels and McHugh (2012: 359), promotion is a technique of how sellers deliver their products to be accepted by consumers, so that consumers are interested in using the products or services offered. Zakat institution as an institution authorized to manage zakat nationally has made various real efforts for the revival of zakat in Indonesia, including utilizing digital technology in the process of collection and distribution, management and as a tool in zakat education to the community in the Multiplatform Strategy.

According to the author, the digital service for paying zakat to zakat institution through various platforms only facilitates Muzakki to pay zakat, while the marketing functions for disseminating information, promotion, advertising about zakat have not been optimal. In this regard, the study conducted by Meilika A, Bambang W, and Bakrul M (2019) at the International Conference of Zakat 2019 Proceedings, entitled "Factors Affecting People Interest in Using a Digital Platform as a ZIS Payment, (Case Study of Go Pay)". The results of this study indicated that some of the respondents did not have a good understanding or knowledge of digital payment systems. Information provided by Zakat Institution on online or digital payments has not been sufficient.

A study conducted by A. Jajang W. Mahri, Nuryahya, Nurasyiah (2019), entitled "Factors Affecting Muzzaki to Use and Receive Zakat Payment Platform." found that the reason for Muzzaki to pay zakat through online platform is the trust in the zakat institution, in addition to convenience of online features provided. Therefore, it is necessary to conduct further research on marketing strategies, especially digital marketing implemented by zakat institution. Has the digital marketing been effective? Does digital marketing increase company value? And how are the effects of digital marketing on the decision of paying zakat through the Zakat Institution? An effective marketing communication strategy does not only require managerial skills, but also demands application methods in the field (Stammerjohan et al 2005:55). To answer these questions, this study took the steps using the following method: First, review the literature on digital marketing and purchasing decision (pay zakat through Zakat Institution). Second, develop hypotheses based on the theoretical arguments. Third, test the hypotheses using quantitative methods and analyze by PLS- based SEM using Warp PLS version 7.0. Lastly, discuss the findings to provide theoretical and managerial implications.

REVIEW OF LITERATURE

Zakat

The Quran mentions in sura At-Taubah, verse 103: "Take zakat from some of their treasures, with that zakat you cleanse and purify them." Zakat is one of the pillars of Islam and is a certain part of the property of a Muslim that must be issued if it has reached the specified conditions, while according to the Regulation of the Minister of Religious Affairs No. 52 of 2014, zakat is a property that must be issued by a Muslim or business entity owned by a Muslim to be given to those who are entitled to receive it in accordance with Islamic law (Mustahiq or Beneficiaries). In Sura At-Taubah verse 60, there are 8 provisions

that are the recipients of zakat, namely as follows: 1) Fakir, those who have almost nothing so that they are unable to meet the basic needs of life, 2) Poor, those who have property but do not to meet the basic needs of life, 3) Amil, those who collect and distribute zakat, 4) Converts, brande who has just converted to Islam and needs help to strengthen in tawhid and sharia, 5) Riqab, slaves or servants of sahaya who want to set himself free, 6) Gharimin, those who are in debt for the necessities of life in defending his soul and izzah, 7) Fisabilillah, those who fight in the way of Allah in the form of proselytizing activities, jihad and so on, 8) Ibn Sabil, those who run out of expenses on the way in obedience to Allah.

Marketing

The marketing function for an organization or company is very important. Because from this marketing that will have a big impact on the survival of the organization or company in the future. The American Marketing Association, in Kotler dan Armstrong (2016), "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." Marketing defini is an organizational function and a series of processes for creating, communicating, delivering and delivering superior customer value. Marketing as a process of planning and executing concepts, pricing, promotion and distribution of ideas of goods and services in order to create an exchange that can satisfy customers and the goals of the company.

Digital Marketing

According to the American Marketing Association, it can be seen that the activities, institutions, and processes facilitated by digital technology can create, communicate and deliver value for customers and other stakeholders. According to Kotler and Armstrong (2008: 544), digital marketing has great advantages for consumers and companies. Chaffey (2013) defines digital marketing as the use of technology to assist marketing activities that aim to increase consumer knowledge by adapting to their needs. We adopt a more inclusive perspective and define digital marketing as an "adaptive, technology-enabled process" where companies collaborate with customers and partners to co-create, communicate, deliver and sustain value for all stakeholders. According to Yasmin (2015), digital marketing is the use of electronic media by marketers to promote products or services to the market. Digital marketing is also known as e-marketing and includes digital or online advertising, sending marketing messages to customers. Digital marketing is the practice of promoting a product or service using digital distribution channels, such as computer, tablet, smartphone, cellphone, digital billboard and game console to engage customers and other business partners. Digital marketing plays an important role when it comes to delivering results for companies. Marketing consultant UK Marketing Consultants (2015) states that the most important priorities of digital marketing in order are; content marketing, social media, email, and search engine optimization (SEO). While pay per click (PPC) and online advertising are the lowest order of priority.

Operational Definition of Research Variables

This study is limited by looking at important factors of digital marketing as an independent variable (X) consisting of 5 variables, namely social media, marketing content, accessibility, customer engagement, and brand trust.

Meanwhile, the dependent variable (Y) is the decision to pay zakat at Zakat Institution (Appendix I). This decision is distinguished by 2 categories, namely respondents who have already paid zakat at Zakat Institution Center and respondents who have never paid zakat at Central Zakat Institution provided that respondents are those who have seen the digital marketing of Zakat Institution Center (website and social media account)

Social Media Marketing

One of the most popular types of digital marketing is social media marketing (Shirisha, 2018). Based on the study conducted by Silva, et al, 2011, there are ten suggestions for companies to decide to use social media. They are divided into two categories; media and being social. The five media points include: choose media carefully, select or create appropriate social media applications, ensure the alignment of activities through all online channels, integrate media plans and make social media accessible to employees. The five points of being social are; active, attractive, humble, professional and honest on social media. These tips provide a starting point for companies to build their presence on social media. Social media is changing the way consumers absorb information and make decisions. This also has an impact on the consumption of products or services online, for example before making a purchase, online customers will read user-generated reviews that influence their final decision. It may benefit companies with quality products because these highly rated, user-generated reviews promote word of mouth. More importantly, social media has the ability to draw attention to news that would otherwise be ignored. This is potentially dangerous for companies that get unflattering reviews from consumers.

Content Marketing

One of the most important digital marketing channels is content marketing, content is quality words, images, videos or sounds used to attract consumers. Content is also a key component of digital marketing techniques that include static content that makes up web pages, as well as dynamic content such as videos, podcasts, user-generated content, and interactive product selection (Smith and Chaffey, 2013). When a company produces really great content, it gets people excited about the company's products or services (Brianna, 2018). Based on Silva's study in International Marketing and Brand Management 2010-2011, it is stated that how marketing practices will change as a result of the unique features of the web.

Accessibility

Silva (2011) stated several guidelines for advertising on the web, namely it must attract users by making it easy to find the company's website (accessibility), attracting their interest by creating a community or linking to other sites that they consider valuable (navigation), make sure they come back by constantly updating company content (customization) and keeping it "fresh".

Customer Engagement

Currently, the internet, especially social media, is the best means for customers to channel their feedback and contribute to a company's progress. The existence of social media also provides an opportunity for business actors to change the perspective of communication from one-way communication to two-way or interactive communication. In fact, consumers are not interested in just receiving information without being given a choice. In digital channels,

consumers will engage and agree in advance with business people to contact consumers and this has an impact on how business people connect with consumers through two-way communication (Wertime, Fenwick, 2008). According to Sarah Cook in "There's only one valid definition of business purpose: to create customer" (2011: 1), the purpose of both profit and non-profit business is to create customers. In addition, Dean. R. Splitzer in the same book (2011:14) mentioned that creating a brand, respect, confidence, fair treatment of customers will build customer engagement indirectly.

Trust

Trust emerges due to a specific belief in the competence of a brand (Ferrinadewi 2008). According to Kotler and Keller (2006), the credibility of a company or institution depends on three factors, including the company's expertise, namely the extent to which the company is seen to be able to make and sell products or perform services, and company trust, namely the extent to which the company appears motivated to be honest, dependent and sensitive to customer needs. and the company's attractiveness, namely the extent to which the company looks likeable, attractive, prestigious and so on.

Purchasing Decision / Decision to Pay Zakat

A decision is a selection of two or more alternative choices. If you have a choice between making a purchase or not, that person is in a decision making position Schiffman and Kanuk (2014). According to Kottler dan Armstong (2016), Consumer buyer behavior refers to the buying behavior of final consumers – individuals and households that buy goods and services for personal consumption. Purchase decisions refer to the final buying behavior of consumers, both individuals and households who buy goods and services for personal consumption. Meanwhile, according to Sumarwan (2011), purchasing decisions are decisions about what to buy, whether to buy or not, when to buy, where to buy and how to buy. In the world of different buying decisions (decision to pay zakat) what is meant is the decision to make a different transaction in principle is the same, that is, it is as long as it makes a decision on two or more alternative options. Based on the above, it can be concluded that the purchase decision in the world of charity is consumer behavior (muzzaki) to distribute their zakat and choose an institution of amyl zakat that they want or like. Sometimes there are also many muzzaki who even choose to distribute their zakat langsung to recipients they consider worthy (mustahiq) without going through the amil zakat that has been appointed and inaugurated by the government. Therefore, it is important to know the needs and desires of the muzzaki so that they are interested in making different decisions through official amyl institutions.

Digital Marketing in Zakat

As we already know that digital marketing is a marketing strategy that aims to promote a brand using digital media. Marketing in general was initially attached to the business activities of a company, but now we can see that marketing and strategies are adopted in the zakat sector. According to Kotler (2002), the function of marketing is not only to gather information about consumers, competitors and other actors as well as forces in the marketing environment, but also to develop and disseminate persuasive communication to create purchases. In general, Indonesian people are known to have a typical culture of sharing and helping. In 2018, Indonesia was named the most generous

country according to the 2018 World Giving Charity Aid Foundation. In this case, Zakat Institution stated in the 2021 Indonesia Zakat Outlook that in addition to demographic benefits, today's millennial generation creates a great opportunity to maximize zakat. The Zakat World in Indonesia is currently facing major challenges, namely the COVID-19 pandemic and economic crisis. Meanwhile, the Director of Distribution and Empowerment of Zakat Institution stated that there are three obstacles causing low receipt of zakat funds in Indonesia, namely the lack of education and literacy, the lack of strengthening the capacity of institutions and human resources and the lack of effective regulation at the central and regional levels. There is a wide gap between zakat potential and realization of its achievements, this can be seen from a study conducted by the zakat institution Puskas, the zakat potential in Indonesia reached 233.8 trillion, while the collection of ZIS nationally in 2019 through the official Zakat Management Organization (OPZ) was 10 trillion or 5.2 percent of total zakat potentials, it is a small percentage compared to total zakat potential.

The challenges of digital transformation in the era of Industrial Revolution 4.0 indeed blur the lines between physical, digital and biological worlds, but this should not hinder the pace of business or organizations. Zakat management institutions should examine the history of companies that have successfully existed in their fields, because the secret key to maintaining the existence of their business is in benefit, which is the most important value. For zakat institutions, they should be able to practice the hadith of the Prophet Sallallaahu'alaihi Wassalam, that "The best people are those who are most beneficial to people" (Narrated by Ahmad). Benefit is the key to successful zakat marketing. The essence of benefit is to lead a business or organization through the ages and continue to grow and develop. If Zakat Institution continues to focus on efforts to improve Mustahiq (zakat recipients), God willing, Muzakki will see their sincerity and will provide support and assistance to Zakat Institution. "Whoever eases the hardship of a believer from the difficulties of the world, Allah will ease his difficulties on the Day of Resurrection. And whoever makes it easy for someone who is in trouble, Allah will make it easy for him in this world and the hereafter" (Narrated by Muslim).

Research Hypotheses

In summary, important factors of digital marketing namely social media marketing (Silvia, 2019), product or service content (Briana, 2018), accessibility (Silva, 2011), customer engagement (Cook, 2011), brand trust (Ferrinadewi, 2008) are expected to have a positive effect on the decision on pay zakat at Central Zakat Institution.

H1. Social media has a positive effect on the decision to pay zakat at Zakat Institution

H2. Marketing content has a positive effect on the decision to pay zakat at Zakat Institution

H3. Accessibility has a positive effect on the decision to pay zakat at Zakat Institution

H4. Customer engagement has a positive effect on the decision to pay zakat at Zakat Institution

H5. Brand trust has a positive effect on the decision to pay zakat at Zakat Institution

DATA AND METHODOLOGY

Research design, sample selection and data source

The objective of this study was to examine the effect of digital marketing usage on decision to pay zakat at Central Zakat Institution. This study used quantitative descriptive analysis method. According to Sugiyono (2013), descriptive analysis is a method to describe the collected data as it is without the intention of making conclusions that apply publicly or generally. The reason for using descriptive statistics in this study was to provide information on the characteristics of the research variables and the demographic profile of the respondents. Quantitative research method was used to answer problems in the study related to data in the form of numbers and statistical programs. One of the appropriate statistical techniques used in this study was to use Structural Equation Modeling (SEM), as it allows the researcher to determine the relationship between variables and has been widely used for economics, behavior and other social sciences. This study was distinguished by 2 categories of respondents with small sample size, the suitable technique in SEM for small sample size was Partial Least Square (PLS). In addition, PLS was used to predict the effect of variable X on variable Y and explain the theoretical relationship between the two variables.

The study used purposive sampling technique to obtain a representative sample for all community who have seen Zakat Institution digital marketing, it was obtained a total sample of 171 respondents (77 Muzakki respondents and 94 Non-Muzakki respondents). The sample calculation was based on Cohen's table. There are four indicators in the study (a four-point likert scale, namely strongly disagree (1), disagree (2), agree (3) and strongly agree (4)), the margin of error was 5%, while the minimum R² value of 0.10 can be used in the small sample size calculation according to Cohen in Hair, et.al (2014). Thus, the minimum sample size in this study was 137. The samples were divided into 2 categories, namely Muzzaki and Non-Muzzaki. According to Voelker, et al (2009), if the proportion of groups in a population is unknown, then a balanced proportion can be used, which is 0.5 for each group in the population. Therefore, the sample size for each category was $0.5 \times 137 = 68.5$ or rounded to 69. This study obtained a total number of 171 respondents who were examined in this study for 4 months (from January to April 2021), 171 respondents met the criteria of seeing digital marketing conducted by the Zakat Institution, 77 respondents were Muzakki of Zakat Institution, and 94 respondents were Non-Muzakki. Thus, both categories met the minimum sample size of 69.

The researcher used a standardized questionnaire to collect data, sent by e-mail and WhatsApp to all respondents who have seen digital marketing by Zakat Institution. The statements in the questionnaire were developed according to the operationalization of research variables. The questionnaire was divided into two components as follows: 1) Demographic profile of the respondents, 2) Relating to variable indicators (Operational Definition of Research Variables).

Data Processing

The primary data collection was conducted by distributing a link containing questions summarized in a questionnaire via Google Form to the respondents to then be analyzed according to the questionnaire question list. The secondary data collection was through literature review from sources such as books, scientific journals, news records, and other resources that correspond or were relevant to the study. The data analysis method used in this study was the Descriptive Statistical method by creating a frequency distribution using SPSS

24.0 software. Data were analyzed by PLS-based SEM using Warp PLS version 7.0.

RESULT AND DISCUSSION

Result

Overview of respondents.

The respondents of this study were both Zakat Institution Muzakki and Non-Muzakki. Most of the respondents are male, consisting of 48 (51.1%) Non-Muzakki and 46 (59.7%) Muzakki, while the remaining respondents are female. Non-Muzakki respondents were dominated by the age of 41-55 years old (51.1%), while Muzakki respondents were dominated by the age of 26-40 years old (45.5%). Most of the respondents had education level of bachelor by 50 (53.2%) Non-Muzakki respondents and 49 (63.6%) Muzakki respondents. The respondents who are married were 78 (83.0%) Non-Muzakki respondents and 65 (83.1%) Muzakki respondents. 36.2% of Non-Muzakki respondents earned an income of more than Rp10 million per month, while 32 (41.6%) Muzakki respondents earned an income of Rp5-10 million per month. 86 (91.5%) Non-Muzakki respondents domiciled other than in Jakarta and 54 (70.1%) of Muzakki respondents domiciled other than in Jakarta. The results also indicated that 37 (39.4%) Non-Muzakki respondents were civil servants, while 27 (35.1%) Muzakki respondents were private employees.

Measurement Model Evaluation (Outer Model)

Convergent validity testing was carried out to determine whether the proposed indicator is valid. If the outer loading value is > 0.70 , it can be said that the indicator is valid (Hair, et.al.2016). Hair added that a loading factor of $0.4 - 0.7$ is still acceptable. The test results showed that in Non-Muzakki, almost all outer loading values were > 0.7 , except for item 1: Media Social Marketing (0.698) and item 4: Marketing Content (0.660) but the outer loading values were in the range of $0.4 - 0.7$ and had a p-value $< \alpha$ (0.05). The test results on Muzakki respondents showed that all construct questions loading values were above 0.7. It can be stated that all the question items for Non-Muzakki and Muzakki respondents can be used for subsequent analysis (Table 1).

The discriminant validity test was assessed based on the measurement cross-loading with the construct. The evaluation was conducted by comparing the roots of the AVE construct with the correlation between the constructs. The results of the discriminant validity test showed that the AVE root value of each latent variable had a value $>$ the construct with a latent variable in the model. The results of this test indicated that in the model, for Non-Muzakki and Muzakki respondents, the latent variable in the study had items with good discriminant validity so that each question item can only represent its latent variable; therefore, it can be declared that there was no ambiguity in each question item and discriminant validity was achieved (Table 2).

Table 1. Convergen Validity Evaluation Result

Item	Non-Muzaki		Muzaki	
	Outer Loading	P-Value	Outer Loading	P-Value
Media Social Marketing				
PMS.2	0.789	<0.001	0.833	<0.001
PMS.3	0.782	<0.001	0.755	<0.001
PMS.4	0.717	<0.001	0.81	<0.001
Marketing Content				
KM.1	0.858	<0.001	0.896	<0.001
KM.2	0.876	<0.001	0.905	<0.001
KM.3	0.870	<0.001	0.884	<0.001
KM.4	0.660	<0.001	0.743	<0.001
Accessibility				
A.1	0.893	<0.001	0.862	<0.001
A.2	0.891	<0.001	0.915	<0.001
A.3	0.746	<0.001	0.784	<0.001
A.4	0.822	<0.001	0.894	<0.001
Customer Engagement				
KP.1	0.896	<0.001	0.885	<0.001
KP.2	0.919	<0.001	0.955	<0.001
KP.3	0.895	<0.001	0.818	<0.001
KP.4	0.829	<0.001	0.894	<0.001
Brand Trust				
K.1	0.841	<0.001	0.899	<0.001
K.2	0.91	<0.001	0.904	<0.001
K.3	0.846	<0.001	0.816	<0.001
K.4	0.861	<0.001	0.87	<0.001
Decision to Pay Zakat				
KZ.1	0.876	<0.001	0.838	<0.001
KZ.2	0.772	<0.001	0.775	<0.001
KZ.3	0.845	<0.001	0.871	<0.001

Table 2. The Discriminant Validity Evaluation Result

Discriminant Validity (Non-Muzakki)

	PMS	KM	A	KP	K	KZ
PMS	0.748	0.617	0.472	0.688	0.563	0.642
KM	0.617	0.821	0.662	0.569	0.549	0.538
A	0.472	0.662	0.84	0.613	0.543	0.401
KP	0.688	0.569	0.613	0.886	0.495	0.434
K	0.563	0.549	0.543	0.495	0.865	0.728
KZ	0.642	0.538	0.401	0.434	0.728	0.832

Discriminant Validity (Muzakki)

	PMS	KM	A	KP	K	KZ
PMS	0.783	0.584	0.529	0.58	0.53	0.648
KM	0.584	0.86	0.793	0.701	0.762	0.619
A	0.529	0.793	0.865	0.696	0.748	0.583
KP	0.58	0.701	0.696	0.889	0.66	0.634
K	0.53	0.762	0.748	0.66	0.873	0.653
KZ	0.648	0.619	0.583	0.634	0.653	0.829

Evaluating the composite reliability value is to determine whether the construct has high reliability or not. A construct is declared reliable if the composite reliability value is > 0.700 (Hair, et.al. 2016), The result of the calculation of the composite reliability value for each question item of the study variables both on Non-Muzakki and Muzakki respondents were > 0.700 and it can be said that all of the question items in this study had good reliability (Table 3).

Table 3. Construct Reliability Evaluation Result
Composite Reliability

Variable	Composite Reliability	
Non-Muzakki	Muzakki	
Media Social Marketing	0.835	0.864
Marketing Content	0.891	0.918
Accesibility	0.905	0.922
Customer Engagement	0.936	0.938
Brand Trust	0.922	0.928
Decision to Pay Zakat	0.871	0.868

Structural Models Evaluation (Inner Model)

Assessment of Corrected Coefficient of Determination (*adjusted R-square*) for Non- Muzakki was 0.909, meaning that 90.9% of the Non-Muzakki' s decision to pay zakat can be explained by the variables of Social Media Marketing, Marketing Content, Accessibility, Customer Engagement, and Brand Trust, and the remaining 9.1% was explained by other variables outside the research. Meanwhile, the corrected coefficient of determination (*adjusted R-square*) for Muzakki was 0.623, meaning that 62.3% of the Muzakki's decision to pay zakat can be explained by the variables of Social Media Marketing, Marketing Content, Accessibility, Customer Engagement, and Brand Trust, and the remaining 37.7% was explained by other variables outside research. The goodness of fit assessment in Partial Least Square (PLS) using warpPLS can be carried out by looking at some of the references that have been given by Kock (2013). The structural model is said to be good if at least one criterion is met (Kock, 2013). It can be seen that in both the Non-Muzakki and Muzakki respondent models, each goodness of fit assessment criteria met the cut-off, so that based on the seven existing criteria, it was declared that the model used in this study fit and can be used in further studies (Table 4).

Table 4. Goodness of Fit Assessment

No	Kriteria	Non-Muzaki			Muzaki		
		Nilai	Cut off	Keterangan	Nilai	Cut off	Keterangan
1	ARS	< 0,001	p-value \leq 0.05	Baik	< 0,001	p-value \leq 0.05	Baik
2	AARS	< 0,001	p-value \leq 0.05	Baik	< 0,001	p-value \leq 0.05	Baik
3	AVIF	2,305	Acceptable if \leq 5.0 Ideal \leq 3.30	Ideal	3,038	Acceptable if \leq 5.0 Ideal \leq 3.30	Ideal
4	AFVIF	2,513	Acceptable if \leq 5.0 Ideally \leq 3.30	Ideal	2,806	Acceptable if \leq 5.0 Ideally \leq 3.30	Ideal
5	TGoF	0,796	\geq 0.36	Baik	0,684	\geq 0.36	Baik
6	SPR	1,000	Acceptable if \geq 7.0 Ideally = 1	Ideal	1,000	Acceptable if \geq 7.0 Ideally = 1	Ideal
7	SSR	1,000	Acceptable if \geq 7.0 Ideally = 1	Ideal	1,000	Acceptable if \geq 7.0 Ideally = 1	Ideal

DISCUSSION

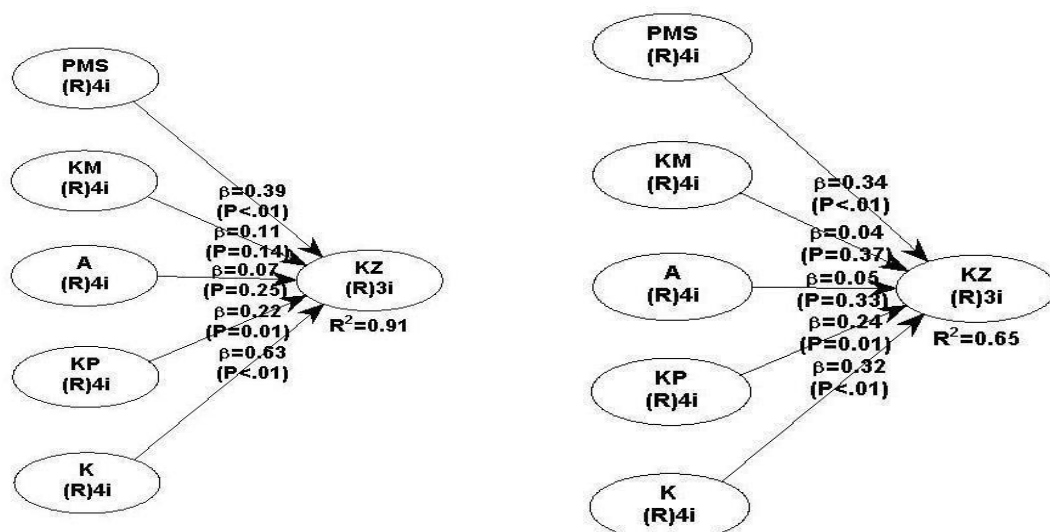
Influence Testing in Structural Models

Influence testing in the structural model was used to test the research hypothesis. The results of hypothesis testing indicated that hypotheses 1, 4, and 5 for both Non-Muzakki and Muzakki respondents in this study were accepted, as the p-value on the three effects $< \alpha$; therefore, it can be said that hypotheses 1, 4, and 5 were proven by the results of the structural model testing performed. Meanwhile, hypotheses 2 and 3 in this study were found to have p-value $> \alpha$. so it can be said that hypotheses 2 and 3 in this study were not supported by the results of the structural model testing (Table V).

Table 5. The Result of Hypotesis Testing

Hyphotesis	P-Value	
	Non-Muzzaki	Muzzaki
1: Media Social Marketing \rightarrow Decision to Pay Zakat	< 0.001	< 0.001
2: Marketing Content \rightarrow Decision to Pay Zakat	0.137	0.369
3: Acessibility \rightarrow Decision to Pay Zakat	0.253	0.327
4: Customer Engagement \rightarrow Decision to Pay Zakat	0.012	0.013
5: Brand Trust \rightarrow Decision to Pay Zakat	< 0.001	0.002

Based on the effect of each independent variable through the path coefficient, the analysis results on Non-Muzakki and Muzakki respondents are obtained as can be seen in. An explanation of the effect of each independent variable on the dependent variable is used to answer the research hypothesis. The test results both on the Non-Muzakki respondents (Figure 1) and Muzakki respondent (Figure 2) can be described as follows:



Non-Muzakki Respondents

Muzzaki Respondents

Figure 1&2

Results of PLS-SEM Analysis on The Structural Model

The effect of social media marketing, customer engagement, and brand trust on the Non-Muzakki's decision to pay zakat indicates that there is a significant effect as seen through the p-value < 0.05 ($\alpha = 5\%$). A positive coefficient indicates that the relationship is unidirectional and significant, meaning that the zakat institution intensive and good marketing through social media, customer

engagement and brand trust will attract Non-Muzakki to pay zakat through Central zakat institution. On the contrary, the infrequent marketing through social media, lack of customer involvement and minimal trust in zakat institution will reduce the interest of Non-Muzakki to pay zakat through Zakat Institution.

Meanwhile, the results of testing the effect of content marketing and accessibility on the Non-Muzakki's decision to pay zakat indicates that there is no significant effect at $\alpha = 0.05$ as seen through the $p\text{-value} > 0.05$ ($\alpha = 5\%$). The results of this test indicate that content marketing and accessibility of the website created by zakat institution did not have an important role in affecting the decision of Non-Muzakki to pay zakat through Zakat Institution.

Testing the Differences in Relationships Between Variables in the Research Model Between Non-Muzakki and Muzakki

Testing the difference in the relationship between variables between Non-Muzakki and Muzakki was conducted using the T-test on the path coefficients of each independent variable on the decision to pay zakat between Muzakki and Non-Muzakki. If the T-statistics value of the test results is greater than the critical point (T-table) or $p\text{-value}$ is smaller than α , it is stated that there is a significant difference in the relationship between the independent variable and the decision to pay the zakat between Non-Muzakki and Muzakki.

Based on the T-test on the path coefficient indicating the effect of each independent variable on the decision to pay zakat through zakat institution, it can be seen that on the variables of social media marketing, marketing content, accessibility, and customer engagement, the $p\text{-value}$ of the difference in the coefficient between Muzakki and Non-Muzakki is greater than α so that it can be stated that social media marketing, content marketing, accessibility, and customer engagement have no significant effect on the Muzakki and Non-muzakki's decision to pay the zakat.

Different results were obtained on the brand trust variable which has a $p\text{-value}$ of the difference between the coefficients between Muzakki and Non-Muzakki of 0.020. The $p\text{-value}$ of the difference between the coefficients of the influence of brand trust on the Muzakki and Non-Muzakki's decision to pay the zakat is smaller than α , indicating that brand trust has a different impact on Muzakki and Non-Muzakki where the effect is found to be greater for Non-Muzakki. Based on the test results, it was found that the fundamental difference between the factors affecting the decision to pay zakat between Muzakki and Non-Muzakki is brand trust, where Non-Muzakki are more concerned about brand trust than Muzakki (Table 6).

Table 6. The Differences in Relationships Testing Result

Variabel Independen	Path Coefisien		Differenc e	T- Statistic s	P- Value
	Non- Muzzaki	Muzzaki			
Social Media Marketing	0.394	0.343	0.051	0.374	0.709
Marketing Content	0.11	0.038	0.072	0.482	0.63
Accessibility	0.067	0.05	0.017	0.113	0.91
Customer Engagement	0.223	0.24	0.017	0.119	0.905
Brand Trust	0.625	0.315	0.31	2.334	0.02

CONCLUSION

Based on the results of the analysis and also the discussion of data, researchers obtained conclusions that can be drawn from research on the Influence or effect of Digital Marketing on Decisions to pay zakat at the Central Baznas are as follows:

1. Baznas since 2016 has made digitization efforts through internal platforms and external platforms to facilitate the collection and management of zakat from muzakki as well as the distribution of zakat funds digitally to make it more effective and efficient.
2. The results of the description of respondents' answers to the question items given in the questionnaire on muzakki and non-muzakki to the variables of digital marketing factors stated that they tended to agree that:
 - a. Baznas' social media marketing (facebook and instagram) updates with the latest information and sufficiently represents all the information on management activities that respondents need and considers that the information in Baznas social media is sufficient to make respondents choose Baznas as a place of association.
 - b. Content marketing, in the form of photos, videos and words on the web and social media baznas displays information on zakat services and management in Baznas.
 - c. Accessibility, where the link to open the website via handphone or laptop and the speed of changing menus from one to another have been done well by Baznas.
 - d. Customer Engagement, that Baznas through its website has been able to provide opportunities for muzakki and non-muzakki respondents to be able to communicate both ways in interacting, including in providing criticism and suggestions.
 - e. Brand Trust between muzakki and non muzakki respondents tend to agree and believe that Baznas carries out zakat acceptance and distribution activities honestly and transparently so that respondents are interested in recommending Baznas as a place to meet the needs of charity.
3. Results of hypothesis testing and also influence testing
 - a. Hypotheses of Social Media Marketing, Customer Engagement and Brand Trust have been proven through the structural model testing and and has a significant influence on respondents' decisions. So it can be said that if social media marketing, customer engagement and brand trust carried out by Baznas are getting better or more intensively carried out, then both non-muzakki and muzakki will be more interested in deciding to compete in Central Baznas and vice versa.
 - b. Meanwhile hypotheses of Marketing Content and Accessibility were not supported by the structural model testing conducted. Although respondents tended to state that it was good but it did not have a significant impact or influence on muzakki or non-muzakki to make a decision on the Central Baznas. This could be due to respondent factors and regulations from the Central Baznas. Researchers struggled to obtain an official list of muzakki from the Central Baznas which did have a policy of being inaccessible to the general public, and could only be disseminated by the Central Muzakki Baznas Service through email media only which according to researchers, the potential for respondents to participate in filling out the questionnaire was limited. This obstacle allows

respondents to be less representative because they have not long been a Baznas muzzaki or have seen Baznas websites or social media but do not follow the changes in their developments while digital technology is something that is required to be able to continue to develop and be dynamic, because it is part of a marketing strategy to get value from customers in the form of decisions to make transactions.

- c. Brand trust give a different influence on non-muzzaki and muzzaki respondents. The fundamental difference in the factors that influence the decision between the two is the influence of brand trust, where non-muzaki is very concerned about the brand trust factor compared to muzaki.
- d. The testing results of the difference in the relationship between variables in the research model indicated that social media marketing, content marketing, accessibility, and customer involvement had no significant effect the Muzakki and non-Muzakki's decision to pay zakat. A different result was obtained from the brand trust; the results were different on Muzakki and Non-Muzakki. Marketing content (words, pictures, and videos) in the digital marketing conducted by zakat institution did not have significant effect on the decision to pay zakat, or in other words, it was not useful/was not interesting to the respondents. According to the respondents, accessibility did not have a significant effect, meaning that even if zakat institution speeds up the access or simplifies the link in the digital world, it will not be the main issue for the Muzakki or Non- Muzakki in visiting zakat institution's website.

MANAGERIAL IMPLICATION

The result of this study demonstrated that marketing that was initially considered only part of the business world could be adopted in the zakat affairs, including the importance of using technology in introducing a product to create a relationship between the company and consumers. This is in accordance with Philips *et al.* (2015) who reported the importance of creating a digital relationship with customers. Marketing content and accessibility that were theoretically important factors in digital marketing were found not important or did not have a significant effect on the decision to pay zakat through zakat institution. This could be used by zakat institution as material for consideration and evaluation.

CONTRIBUTING TO THE BODY OF KNOWLEDGE

This study is useful to the existing knowledge, as it increases and augments the strategies of Zakat Institutions to attract Muzakki. This study indicated that brand trust in digital marketing is highly important. This study provides an input for all Zakat Institutions to be able to further intensify efforts not only in collecting zakat but in implementing zakat for Mustahiq (Beneficiaries).

LIMITATION

Due to the limited ability and time possessed by the researcher, there is a criterion of respondents who are the research sample, is only those who have seen or know about digital marketing carried out by Central Baznas. Therefore some of the limitations and disadvantages of this study are some of the data is confidential and has limited access, especially in the dissemination of questionnaires to the muzzaki, Researcher struggled to obtain an official list of

muzzaki from the Central Baznas which did have a policy of being inaccessible to the general public, and could only be disseminated by the Central Muzzaki Baznas Service through email media only which according to researcher, the potential for respondents to participate in filling out the questionnaire was limited. Therefore the questionnaire was randomly distributed by researchers on respondents who had the potential to become muzzaki or were already muzzaki in the Central Baznas. Responses of potential respondents there are those who have never known baznas website or social media so this is quite an obstacle in the dissemination of the questionnaire.

REFERENCES

- Abrahao, Richardo., Moriguchi, S.N., & Andrade, D.F. (2016). Intention of Adoption of Mobile Payment: An Analysis in The Light of The Unified Theory of Acceptance and Use of Technology (UTAUT). *Article in RAI revista de administracao e inovacao*, pp. 221-230.
- Aisyah, N.A. (2018). Penerapan Digital Marketing Dan Pengaruhnya Terhadap Keberhasilan Usaha Mikro, Kecil Dan Menengah Sektor Kreatif Di Indonesia Dan Malaysia. available at: <https://repository.ipb.ac.id> (accessed 2019).
- Alamaki, A. and Korpela, P. (2021). Digital transformation and value based selling activities: seller and buyer perspectives. *Baltic Journal of Management* Vol. 16 No. 2, pp. 298-317.
- Aristiana, M., Waluyo, B., & Muchtasib, B. (2019). Factors that Influence People Interest in Using a Digital Platform as a ZIS Payment (Case Study Go-Pay). *Journal International Conference of Zakat 2019* Proceedings ISSN: 2655-6251.
- Adil, A.S., Asdar, M., & Ismail, M. (2018). The Influence of Customer Involvement and Brand Trust on Decisions of Purchase of Product Through Intention to Buy as Intervienning Variable (Study on EIWA Instagram Account). *Hasanudin Journal of Applied Business and Enterprenurship*. HJABE Vol. 1 No. 3, pp. 37-50.
- Brianna (2018). Content Marketing vs Digital Marketing – Which is Best for your Business. <https://www.lyfemarketing.com/blog/content-marketing-vs-digital-marketing/>
- Caniels MCJ, Heidi KLL, Cees JG. (2014). Explaining the Internet Usage of SME's : The impact of Market Orientation, Behavioural Norms, Motivation and Technology Acceptance. Emerald Group Publishing. 25 (3) : 358-377
- Cook, S (2011). Customer Care Excellent: *How to Create Effective Costumer Focus*. London : Kogen Page.
- Hauer, G. and Naumann, N. (2016). Digital Transformation Challenges Successful enterprises-an exploration of marketing and sales department in German organizations. *Innovation & Management review* Vol. 18 No. 2, pp. 164-174.
- Hudaefi, F.A. and Beik. (2021). Digital Zakah Campaign in time of Covid-19 Pandemic in Indonesia: a netnographic study. *Journal of Islamic Marketing* vol. 12 No. 3, pp. 498-517.
- Holliman, G. and Rowley, J. (2018). Business to business digital content marketing: marketer's perception of best. *Journal of Research in Interactive Marketing*, Vol. 8 No. 4, pp. 269-293.
- Kotler, P. (2004). *Manajemen Pemasaran*, Edisi Melinium, PT. Indeks. Gramedia, Jakarta
- Lagorosen, S.O. and Grunden, K. (2014). Social Media Marketing in The Wellness Industry. *The TQM Journal* Vol. 26 No. 3, pp. 253-260.
- Mahri, A.J.W., Nuryahya, E., and Nurasyiah, A. (2019). Influencing Factors of Muzzaki Use and Receive Zakat Payment Platform. *Hasanuddin Journal of*

- Applied Business and Entrepreneurship*.
- Najib, M., Ernawati, W.J., Fahma, F., Endri E., Suhartanto, D. (2021). FinTech in the Small Food Business and Its Relation with Open Innovation. *J. Open Innov. Technol. Mark. Complex*, Vol. 7 No. 88, <https://doi.org/10.3390/joitmc7010088>.
- Nugraha, F., Permadia, S., Rahmat, A., Saeful, A. (2018). Artificial Intelligence Usage in Zakat Optimization. *Journal of International Conference of Zakat 2019 Proceedings* ISSN: 2655-6251, pp. 14-24.
- Shirisa, M (2018), "Digital Marketing Importance in The New Era. *International Journal of Engineering Technology Science and Research*. Vol. 5 No.1, pp. 612-617.
- Silva, A, J, et al. (2011). International Companies's Perception of Digital Marketing Strategies and Their Implementation.
- Silvia, S (2019). The Importance of Social Media and Digital Marketing to Attract Millennial's behavior as a Consumer. *Journal of International Business Research and Marketing*, Vol. 4 No. 2, pp. 7-10.
- Smith, T, K. (2011). Digital marketing strategies that Millennials find appealing, motivating, or just annoying. Article in *Journal of Strategic Marketing*, DOI:10.2139/ssrn.1692443
- Mkwizu, K.H. (2020), "Digital Marketing and tourism: opportunities for Africa", *International Hospitality Review*, Vol. 34 No. 1, pp. 5-12.
- Pawar AV. (2014). Study of the Effectiveness of Online Marketing on Integrated Marketing Communication. Navi Mumbai (disertasi). Navi Mumbai (IN): DY Patil University
- Stoffer, T. (2018), "Influencer Media Partners. Master Media & Business", Erasmus School of History, Culture and Communication
- Tasneem., Afrina & Fatema., Kanez. (2015), "Effectiveness of Digital Marketing in the Challenging Age: An Empirical Study", *International Journal of Management Science and Business Administration, Inovatus Service Ltd.* Vol. 1 No. 5, p. 69-80.
- Thottoli, M.M, and Thomas, K.V. (2021), "The impact of web marketing on corporate social responsibility (CSR) and firms's performance", *Rajagiri Management Journal* Emerald Publishing Limited e-ISSN: 2633-0091 p-ISSN: 0972-9968 DOI 10.1108/RAMJ-03-2021-0022.

Appendix 1 Operational Definitions of Research Variables

Variable	Definition	Measuring Instrument	Measurement Result
Respondent's Characteristics	Has a characteristic by a certain character. (KBBI, 2012)	Questionnaire	<ul style="list-style-type: none"> · Gender: M/F · Age: Years · Last Education · Marital Status · Income · Domicile
Independent Variable			
Social Media	Social media are updated with the latest information, sufficient to represent all the information on Zakat Management activities	Questionnaire	Has a Social media positive effect on the decision to pay zakat at Zakat Institution
Marketing Content	The photos, video, words displayed represent an overview of the services offered by the institution		
	The link provided can be accessed properly by cellphone/laptop. ease of accessing websites from mobile/laptop. By typing zakat keywords, finding sites easily and quickly and also quickly changing the desired menu to another menu	Questionnaire	Has a marketing content positive effect on the decision to pay zakat at Zakat Institution
Accesibility	The website provides space for visitors to interact, respond to the menu presented, provide input or criticism and carry out 2- way communication with customers	Questionnaire	Has accesibility positive effect on the decision to pay zakat at Zakat Institution
	Websites/social media are sufficient in providing service for zakat receiving and distribution activities honestly and transparently		
Customer Engagement		Questionnaire	Has a customer engagement positive effect on the decision to pay zakat at Zakat Institution
Brand Trust		Questionnaire	Has a brand trust positive effect on the decision to pay zakat at Zakat Institution
Dependent Variable			
Decision to Pay	By looking at e-marketing, recommending zakat institute as a place to distribute zakat and make decision on zakat		Does the digital marketing influence the decision on to pay zakat